

Mayor and Councillors
COUNCIL

17 MARCH 2011

Meeting Status: Public

Purpose of Report: For Decision

TENDER APPROVAL FOR RAUMATI BEACH CBD: STORMWATER UPGRADE: C.713

PURPOSE OF REPORT

- 1 To gain financial approval to award tender for Raumati Beach CBD Stormwater Upgrade Contract C713 to Action Plumbing & Drainage Limited. As this contract value is in excess of the Chief Executive's delegation it requires Council approval.

SIGNIFICANCE OF DECISION

- 2 The recommendations in this report do not trigger the Council's significance policy.

BACKGROUND

- 3 There have been significant issues with flooding in the Raumati Beach CBD and surrounding areas for many years. A number of businesses and the carriageway in both Raumati and Margaret Roads have been flooded three times in the last 5 years.
- 4 Stage 1 of this project which has been tendered will solve the flooding problem within the Raumati Beach CBD area for flood events of up to Q^{100} (one in 100 year storm event). The design has an allowance for climate change.
- 5 The overall design of this project allows for two future extensions of the system which will also solve flooding issues at the end of Kowhai Grove and flooding issues at Kāpiti College and surrounding properties. These peripheral areas will be assessed against other projects within the Paraparaumu ward and will be constructed at a later date in accordance with their priority ranking.
- 6 This project also provides some benefit for the Raumati Beach CBD upgrade as a portion of the overhead power and Telstra Clear cables will need to be undergrounded to facilitate this project. This undergrounding is included in the tender price but is subject to Electra's final approval.

Tender Summary

- 7 The contract for the Raumati Beach CBD Stormwater Upgrade Stage 1 contract C.713 was an open tender and was advertised on Tenderlink on 2 December 2010. Tenders were evaluated in accordance with the weighted attribute method as set out in the tender documentation.

- 8 A total of four tenders were received and were uplifted from the tender box at 12:05pm on 21 January 2011. The tenders were received from:
- E N Ramsbottom Limited;
 - Wanganui Drainage Limited;
 - E Carson & Sons Limited; and
 - Action Plumbing & Drainage Limited.
- 9 Although this was an open tender, no local contractors tendered for this work. This type of work is very specialised, is of considerable value and possibly too large for local contractors. A number of local suppliers will be involved with this project including Hynds, Telstra, and a Concrete supplier; approximately \$500,000 will be spent locally. The preferred contractor has five staff that live within Kāpiti District boundaries.
- 10 The tender analysis has resulted in Action Plumbing & Drainage Ltd showing as the highest scoring tenderer. Whilst Action Plumbing & Drainage Ltd did not score the highest under the non-priced attributes, they placed top overall due to their relatively low tender price.
- 11 A number of referees were provided by Action Plumbing & Drainage Ltd. Those referees have been contacted in conjunction with additional checks with previous clients. All have given favourable reports on Action Plumbing and Drainage previous performance. The additional reference checks were undertaken as Action Plumbing and Drainage have not previously worked for Council, the significant value of the project works and the low tender price submitted.
- 12 Action Plumbing & Drainage Ltd's tender price of \$2,760,652 falls significantly below the engineer's estimate of \$3,583,337 for the project.
- 13 To minimise risks to Council associated with the low tender price a Contractors bond of \$250,000 has been established on this project. A standard credit check of Action Plumbing & Drainage Ltd has been undertaken. This confirms the company has been in business for 20 years and there were no identifiable issues on record.
- 14 There is a substantial liquidated damages clause within this contract of \$4,800 per week to mitigate any risk of delay's in contract completion
- 15 Based on the tender evaluation process and further checks and performance measures put in place Kāpiti Coast District Council should engage Action Plumbing & Drainage Ltd to complete this contract.

CONSIDERATIONS

Issues

- 16 Various options for undergrounding the power and Telstra Clear cabling have been included within this contract that extend beyond that required solely for the stormwater upgrade project and these are included in the overall contract price. The actual layout of the undergrounding still requires final written approval from Electra. If there are any significant variations, then it may be necessary to revert

to the minimum requirement for the undergrounding for the stormwater component of the project. This is considered unlikely but it would reduce the cost of this work by \$275,000.

Financial Considerations

- 17 There is adequate funding within the Paraparaumu stormwater budget for 2010/2011 and 2011/2012 to fund this project. Due to this project not getting underway until April 2011, there has been an alternative funding proposal brought forward as part of the Annual Plan budget reallocation to fund a smaller portion of the works within this current financial year and a larger portion in 2011/2012. It is anticipated that this project will be completed by November 2011.

Legal Considerations

- 18 There are no legal considerations.

Delegation

- 19 Due to the timing of the Corporate Business Committee meeting, this project approval has been sought from Council. Council may make a decision on this matter.

Consultation

- 20 The following parties were consulted as part of this project:
- Te Ati Āwa ki Whakarongotai have signed off on the project.
 - Historic Places Trust; and
 - Department of Conservation.
- 21 All local businesses that will be affected have been individually contacted to make them aware of the project. Detailed consultation with individual residents and businesses will be undertaken once the contract has been awarded and a firm programme is in place.

Policy Implications

- 22 There are no policy implications

Publicity Considerations

- 23 A detailed Communications Plan has been put together by the Communications Team in conjunction with the Stormwater & Coastal Team and the publicity considerations will be addressed through this process.

RECOMMENDATIONS

- 24 That the Kāpiti Coast District Council authorise the Chief Executive to accept the tender for the Raumati Beach CBD stormwater upgrade Contract No. C.713 from Action Plumbing & Drainage Ltd in the sum of \$2,760,652.71 (excluding GST).

Report prepared by:

Approved for submission by:

**Blair Murray
STORMWATER & COASTAL
ENGINEER**

**Sean Mallon
GROUP MANAGER,
INFRASTRUCTURE SERVICES**