

REPORT TO Barry Harris, Chief Executive Officer
FROM John Morrison, Engineering Consultancy Manager
DATE 3 November 2003
FILE B/40/16/02
SUBJECT Contract No. 1224 – Orongorongo Pipeline Replacement – Tunnel to Water Treatment Plant

1. Purpose

To obtain approval under delegated authority to accept a Tender for Contract No. 1224 for the laying of approximately 1,600 m of pipeline from the Orongorongo Tunnel to Wainuiomata Water Treatment Plant.

Authority for the acceptance of a Tender for Contract No. 1224 was delegated to the Chief Executive at the Policy, Finance and Strategy Committee meeting on 30 October 2003 (Report No. PE-03.629).

2. Background and Programme

The Orongorongo pipeline was constructed in the 1920s from bitumen coated and lined "lockbar" steel pipe. The pipe is still in use but has suffered severe corrosion in the exposed sections, where it crosses George Creek.

Sections of the main have already been replaced:

	Length [m]	Date	Diameter [mm] Material
From the intake to the tunnel	650	1998	600 steel epoxy lined
Orongorongo River crossing	44	1998	700 steel concrete lined
Through the tunnel	3,230	1996	700 steel concrete lined
Short section, including George Creek stream crossing	140	2001	650 steel concrete lined

The remaining length to be replaced is approximately 1,600 m and passes through some fine stands of lowland podocarp forest, including several large rimu trees.

The Contract was prepared for laying the replacement pipeline, with Greater Wellington Regional Council purchasing the pipe and supplying it to the Contractor. This is the usual process when substantial payments and long delivery times for materials are involved. The pipe has been received and is stored on-site.

The Contract is programmed to commence early November 2003 and be completed by the end of January 2004. Construction has been programmed to avoid the lowest river flow period and minimise disruption to the operation of the treatment plant.

3. Tenders Received

The Contract was advertised as an open Tender. Twelve copies of the Tender Documents were collected. Tenders closed on 29 October 2003. The following Tenders were received:

Contractor	Tender Price
E N Ramsbottom Ltd	724,845.00
Groundworks Ltd	800,270.00
J B Hughes Contractors Ltd	1,059,345.00
Tatana Contracting Ltd	1,104,182.50

The Engineer's estimate for this Contract is \$838,757. All prices exclude GST.

The difference between the lowest submitted Tender price and the Engineer's estimate is within the expected range of ± 15 percent.

The prices are competitive and reflect current availability of Contract work.

4. Tender Analysis

Tenders are evaluated using a weighted attribute system. The following attributes are used as detailed in the Tender Documents:

- Construction methodology
- Technical and management skills
- Environmental management system and performance
- Resources
- Previous experience in similar works
- Price

The Tenderers' overall scores and rankings are:

Tenderer	Rating	Ranking
E N Ramsbottom Ltd	67.11	1
Groundworks Ltd	59.00	2
J B Hughes Contractors Ltd	32.93	3
Tatana Contracting Ltd	32.20	4

E N Ramsbottom Ltd is the highest ranking Tenderer.

5. Discussion

E N Ramsbottom Ltd submitted the lowest conforming Tender price. This Contractor has successfully completed a number of large diameter pipelaying contracts for Greater Wellington Regional Council and territorial authorities in the past. Their approach to previous contracts has always been professional and the works were carried out in an expedient manner.

E N Ramsbottom Ltd successfully completed the replacement of the Orongorongo pipeline from the intake to the tunnel in 1998. This was a difficult job, mainly because of the restricted access to the remote site. The Contract was completed to the satisfaction of all concerned.

6. Finance

The 2003/4 Annual Plan includes a budget of \$1,250,000 for relaying the Orongorongo pipeline.

E N Ramsbottom Ltd's Tender price of \$724,845 includes contingency provisions of \$48,050. This sum is unlikely to be fully expended.

Costs in addition to the Contract are:	\$
Purchase of pipe	345,984
Valves and other materials	43,756
Engineering design, draughting and supervision (estimate)	95,000

Total	484,740

The total estimated project cost for 2003/4 is \$1,209,585, which is within the allocated budget.

7. Environmental Considerations

The works will have some impact on the environment. An environmental impact assessment has been carried out under the Greater Wellington Water's Environmental Management System. The impacts have been managed and minimised through appropriate design and construction contract conditions.

Care has been taken with pipeline alignment to minimise excavation near trees, to avoid damage to trees and other significant flora, discharges to George Creek and other waterways, and any other ecological disruption.

Resource consents have been obtained for the two stream crossings of George Creek. The resource consent conditions have been included as requirements of the construction contract.

8. Recommendations

- (1) *That the Tender of \$724,845, excluding GST, received from E N Ramsbottom Ltd for Contract No. 1224 be accepted.*
- (2) *That the Divisional Manager, Utility Services be authorised to sign the Contract Documents on behalf of Greater Wellington Regional Council.*

Report prepared by:

Approved for submission:

John Saxton
Senior Engineering Officer

John Morrison
Engineering Consultancy Manager

Murray Kennedy
Strategy and Asset Manager

David Benham
Divisional Manager, Utility Services

Approved:

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Barry Harris
Chief Executive Officer