



**Report** PE 05.666  
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**Committee** Policy, Finance and Strategy  
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## **Hutt River: Ava to Ewen project Opahu Stream pumping station and associated works- Tender acceptance**

### **1. Purpose**

- To advise the Committee that tenders have now been received for the Opahu Stream pumping station, Stage 3 of the Ava to Ewen project in the Hutt River.
- To obtain approval to bring forward expenditure to enable the completion of the Opahu Stream pumping station and associated works by June 2006.
- To obtain approval to write to Hutt City Council confirming GWRC agreement and funding commitment to enable Hutt City Council to accept a tender for the Opahu Stream pumping station and associated works.

### **2. Exclusion of the public**

Grounds for exclusion of the public under Section 48(1) of the Local Government Official Information and Meetings Act 1987 are:

*That the public conduct of the whole or relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists, (i.e. to preserve commercial confidentiality).*

### **3. Significance of the decision**

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

## **4. Background**

### **Ava to Ewen project - construction**

The Hutt River flood protection improvements between the Ava Rail Bridge and the Ewen Bridge are being constructed in four stages.

Stage 1, Strand Park river realignment – This project was completed in August 2005 under budget and ahead of schedule.

Stage 2, Alicetown stopbank upgrade – The reconstruction of this stopbank is underway. We expect this project to be completed under budget and well ahead of the scheduled September 2006 completion date.

Stage 3, Ava Railway Bridge improvements – This project is scheduled to commence in the current 2005/06 year with the construction of the Opuhu Stream pumping station (subject of this report).

Stage 4, Strand Park stopbank upgrade – The design of the upgrade is underway with construction scheduled to commence in 2008/09.

### **Ava Railway Bridge improvements**

The aim of the Ava Railway Bridge improvements project is to improve the waterway capacity of the Ava Railway Bridge and the security of the stopbank in the vicinity of the bridge on the true left bank. The proposed waterway improvements will be largely achieved by removing the existing Opuhu Stream training bank, which currently blocks one span of the Ava Railway Bridge. A stormwater pumping station will be constructed at the Opuhu Stream outlet to mitigate the effects of the training bank removal and also to improve the level of stormwater flood protection provided to the Opuhu Stream catchment.

It is proposed to construct the pumping station in 2005/06 followed by Ava Rail stopbank upgrade starting in 2006/07. A short section of the stopbank and the river bank rock protection works immediately adjacent to the pumping station need to be constructed with the pumping station.

### **Joint GWRC and Hutt City Council project**

The proposed Opuhu Stream pumping station and associated works project is a joint project between GWRC and Hutt City Council (HCC).

In August 2003, GWRC approved an agreement between GWRC and Hutt City Council for the design and construction of the new Opuhu Stream pumping station and outlet works. The key features of the agreement are;

- Opuhu pumping station will be completed and commissioned by 30 June 2006 to enable the commencement of Ava Rail bridge stopbank works in 2006/07
- GWRC will own the culvert and will be responsible for all costs associated with extending the existing culvert

- HCC will own the pumping station and will be responsible for all costs associated with design, construction and maintenance of the pumping station. GWRC shall pay HCC 50% of the cost associated with the statutory approvals, design and construction of the pumping station excluding officer costs up to a maximum of \$495,000 (excluding GST).

The associated works in stopbank and rock protection are outside this agreement and will be directly funded by GWRC.

Truebridge Callender Beach Ltd (TCB) completed the design for this joint GWRC/HCC project in August 2005. The project went to tender in October 2005.

## 5. Joint GWRC/HCC project - Tender

The Opahu Stream pumping station civil works and associated stopbank and rock protection works were included in one tender document to be let by Hutt City Council. Hutt City Council Contract No. AD 16-3541 includes;

- Civil works for pumping station and culvert inlet
- Culvert extension and outlet structure
- Reconstruction of about 110 metres of stopbank and supply and placing of about 2100 tonnes of large rock in the river bank and outlet structure. Some of this work was originally programmed for construction in 2006/07.

### Tenders received

Truebridge Callender Beach Ltd (TCB) administered the tendering process for this contract. Two tenders were received out of 22 tender documents up lifted. The following table shows a summary of the tender prices received.

Tenderer	Tender Price
Juno Civil Ltd	\$2,499,500.00
Brian Perry Civil Ltd	\$2,566,506.00
Engineers estimate	1,971,940.00

### Tender evaluation

TCB evaluated the tenders following a workshop on 4 November 2005 attended by GWRC and Capacity officers. GWRC was represented by Geoff Dick, Daya Atapattu and James Flanagan. **Attachment 2** is a copy of the TCB tender evaluation report.

Both tenderers are well experienced local contractors with resources and skills to construct the proposed works to the accepted standards and to programme.

Juno Civil is the preferred tenderer based on the price. The preferred tender price (also the lowest) is about 26% higher than the Engineer's estimate. The increase in costs over the Engineer's estimate is mainly in the HCC funded pumping station civil works. The tender prices received for GWRC components of the works are very close to the Engineer's estimate.

Reference checks on Juno Civil by TCB have been positive. The joint project team endorses the TCB recommendation that the Juno Civil tender be accepted.

## **6. Contract structure and management**

The HCC and GWRC cost split of the preferred Juno Civil tender is \$1,602,222 and \$897,278 respectively. These GWRC costs include a contingency of \$71,797 but exclude the agreed contribution of \$495,000 to Hutt City Council. **Attachment 1** shows a breakdown of the preferred tender.

The joint GWRC/HCC project team has agreed to appoint TCB to manage this contract. Opus will assist TCB in supervising the stopbank and rock protection works. TCB will prepare separate payment certificates for HCC and GWRC direct cost items. Opus will check and confirm quantities of GWRC items. Geoff Dick, Manager, Flood Protection will approve GWRC payments.

## **7. HCC approval**

The joint GWRC/HCC project team would like to appoint Juno Civil Ltd for Contract AD 16-3541 as soon as possible to enable the works to be completed by June 2006.

On 28 November 2005, Hutt City Council's Finance and Corporate Review Committee, approved the extra HCC budget required for completing the Opahu pumping station. The joint project team is now awaiting GWRC approval to award the contract.

## **8. Ava Railway project budget and cashflow**

### **Ava Railway project budget**

The total approved budget available for completing the Ava Railway Bridge improvements including the pumping station is \$5.41 million spread over three years starting from 2005/06. The budget available for 2005/06 is \$837,000.

### **Proposed expenditure 2005/06**

The GWRC programme for 2005/06 includes the completion of the stopbank upgrade and outlet works associated with the construction of the Opahu Stream pumping station, the \$495,000 direct contribution to the pumping station, and preparing the design and tender documents for the Ava Rail stopbank upgrade. The total estimated cost for completing this 2005/06 works programme is \$1,746,000.

**Attachment 1** provides a detailed breakdown of the proposed \$1,746,000 expenditure.

### **Comments on cash flow and total project budget**

The forecast expenditure for 2005/06 of \$1,746,000 exceeds the budget of \$837,000 largely due to bringing forward of some works scheduled for 2006/07. It was always known that a part of stopbank and rock protection works need to be constructed with the pumping station,. However, the extents of these works were only confirmed with completion of the design in August 2005. At this stage it was too late to be included in the 2005/06 annual plan review.

At this stage we are confident that stages 3 and 4 of the Ava to Ewen project can be completed within the approved total budget of \$8,377,000. Following the completion of the pumping station and stopbank designs in 2005/06 the total budget available to complete the Ava Rail stopbank and Strand Park stopbank upgrades is \$6.49 million. While we are yet to receive the detailed estimates for these two stopbank projects, our judgement is that this budget should be sufficient.

## **9. Proposed changes to 2005-2013 Operating plan**

It is proposed to increase the 2005/06 budget for Ava Rail stopbank upgrade to \$1,746,000 by bringing forward \$909,000 from 2006/07. This change is set out in the table below.

Project Name		Total cost \$000s	05/06	06/07	07/08	08/09	09/10
Stage 3, Ava Rail Bridge waterway improvements	Current	5,410	837	2797	1776		
	Proposed	<b>5,410</b>	1,746	1,888	1776		
Stage 4, Strand Park stopbank	Current	<b>2,967</b>	138		46	2,515	268

This proposed change to the current Flood Protection Operating Plan is significant and hence requires Council approval. The updated cashflows for the total Ava to Ewen project have been incorporated in the draft 2006-2016 Flood Protection Operating Plan.

The estimated additional financing costs due to the proposed increase in capital expenditure this year is approximately \$45,000 in 2005/06 and in 2006/07. The additional costs in 2005/06 can be absorbed within the Flood Protection budget. The additional costs in 2006/07 have been already built into the draft 2006-2016 Operating Plan.

## 10. Communication

The adjacent property owners, stakeholders and the wider Hutt Valley community are well aware of the project through newsletters and consultation for the Ava to Ewen project resource consents. A joint GWRC/HCC, newsletter will be distributed once the contractor is appointed.

## 11. Recommendations

*That the Committee:*

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Notes**
  - a. that Hutt City Council has received a tender from Juno Civil Ltd for the sum of \$2,499,500 excluding GST for Contract AD 16-3541: Opanu Stream pumping station and associated works
  - b. that the total value of GWRC works in the Juno Civil Ltd tender, is \$897,278 excluding GST
4. **Agrees** with the joint GWRC/HCC project team recommendation that Hutt City Council accept the Juno Civil Ltd tender for Contract AD 16-3541, so that the Opanu Stream pumping station and associated works are completed by the agreed target date of June 2006.
5. **Approves** bringing forward additional expenditure of \$909,000 to 2005/06 from 2006/07, and notes that the proposed cashflow changes have been built into Flood Protection's proposed 2006-2016 Operating Plan
6. **Authorises**, the Manager Flood Protection to write to Hutt City Council confirming GWRC's funding commitment for its share of the construction of the Opanu Stream pumping station and associated works in 2005/06, and the \$495,000 direct contribution to the pumping station.
7. **Authorises**, the Manager, Flood Protection to approve progress payments to the Juno Civil Ltd and the pumping station cost share payments to HCC.

Report prepared by:

Report approved by:

Report approved by:

**Daya Atapattu**  
Project Engineer

**Geoff Dick**  
Manager, Flood Protection

**Barry Turfrey**  
Chief Financial Officer

**Attachment 1: Estimated expenditure for 2005/06 and split of contract costs**

**Attachment 2: Tender evaluation report prepared by TCB**