



**NOTICE OF MEETING**  
**CONTRACTS SUB-COMMITTEE OF THE**  
**INFRASTRUCTURE AND ENVIRONMENT COMMITTEE**

**TO:** Penny Webster, Mayor  
Grahame Powell (Chairperson)  
Zane Taylor  
Michael Goudie (Alternate)

The Contracts Sub-Committee of the Infrastructure and Environment Committee will meet in the Council Chamber, Centreway Road, Orewa, on Wednesday, 28 January 2009 commencing at 12.45 p.m.

for: CHIEF EXECUTIVE  
Rodger Kerr-Newell

OREWA  
27 January 2009

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**I N D E X**

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ITEM NO: 1

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**APOLOGIES AND ANNOUNCEMENTS**

ITEM NO: 2

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**REPORT**



**TO** Contracts Sub-Committee of the Infrastructure and Environment Committee

**ON** 28 January 2009

**FROM** Mark Johannsen - Group Manager: Property Services

Fran Mikulicic - Group Manager: Regulatory

**APPROVED BY** Murray Noone - Director Infrastructure

**SIGNATURE**

A handwritten signature in black ink, appearing to be "Murray Noone".

**SUBJECT** **CONTRACT 0816 - NORTHERN ANIMAL SHELTER**

**FILE REF** PK/3/2; DC/3/2

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**PURPOSE OF REPORT:**

<input type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input checked="" type="checkbox"/> Administrative matter			

**IMPLICATIONS:**

(i)	Is this matter significant in terms of Council's Policy on Significance?
	No
(ii)	Implications in terms of Vision Rodney?
	No
(iii)	Implications in terms of Long Term Council Community Plan/Annual Plan?
	No
(iv)	Implications in terms of other Council Strategic documents or Council Policy?
	No

(v)	Is a budget amendment required?
	No
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required?
	No

**FINANCIAL IMPLICATIONS:**

Capital cost implications	\$1,892,271
Is it currently budgeted for?	Yes - funding of \$858,563 has been approved and the balance required will be drawn from dog registration fees.
Funding source of capital costs	Rating
Ongoing operational cost implications	Yes
Is it currently budgeted for?	Yes – provided for in the Long Term Council Community Plan.
Funding & rating impact (whether resulting from capital expenditure or arising directly)	Already factored into the Long Term Council Community Plan.

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**SUMMARY:**

Reason for Urgency

This item relates to the construction contract for the Northern Animal Shelter, a joint project of the North Shore City Council (NSCC) and Rodney District Council (RDC).

Tenders for the project closed on 15 December 2008 and the construction contract needs to be awarded to satisfactorily progress this project. The next available meeting of the Infrastructure and Environment Committee is not until 12 March and the Council will next meet on 26 February. Deferring the matter to either of these meetings would cause unacceptable delays to the project.

**RECOMMENDATION:**

**That the Watts and Hughes Construction Company Limited tender for Contract 0816 - Northern Animal Shelter, Silverdale, for the sum of \$1,892,271 (one million eight hundred and ninety two thousand, two hundred and seventy one dollars) plus GST be accepted, that formal contract documents be prepared and issued as required under seal, signed by authorised officers, and that those portions of the allocated project budget be committed.**

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## 1.0 Background

RDC and NSCC have entered into an agreement to construct and operate an animal shelter at Silverdale.

The agreement provides for a contribution for capital costs from both parties in the ratio of NSCC (57%) : RDC (43%).

RDC's contribution to the total capital cost is \$1,292,705 (as at 19 January 2009).

## 2.0 Issues

Registrants for the Registrations of Interest (ROI) process were assessed as follows:

### 2.1 First Stage:

Relevant experience: 25%  
Track record: 25%  
Technical Skills and personnel: 25%  
Management and Quality assurance Skills: 25%

Fourteen ROI were received, of which the top six ranked were:

Watts and Hughes Construction Company Ltd  
Hawkins Construction Ltd  
Downer EDI Works Ltd  
Aspec construction Ltd  
Alliance Construction Ltd  
Teak Construction Ltd.

These six were invited to submit tenders.

### 2.2 Second Stage:

The tenders closed on 15 December 2008. Six tender submissions (prices only) were received, all compliant to an acceptable degree.

The tenders were ranked in ascending order based on price in the following table:

<u>Tenderer</u>	<u>Tender Price (plus GST)</u>
Downer EDI Works Ltd	\$1,791,853
Watts and Hughes Construction Company Ltd	\$1,914,784
Hawkins Construction Ltd	\$2,017,373
Aspec Construction Ltd	\$2,032,949
Alliance Construction Ltd	\$2,049,641
Teak Construction Ltd	\$2,085, 503

The engineer's estimate for the construction work was \$2,048,247 (plus GST).

Due to the significant cost difference between the lowest two prices and the balance prices only the lowest two tenders were evaluated and clarified by the architects (HBO+EMTB).

The revised tender prices of the best two tenderers on a like for like basis are as follows:

Watts and Hughes Construction Company Ltd	\$1,892,271 (plus GST)
Downer EDI Works Ltd	\$1,897,706 (plus GST)

The lowest tender price is approximately \$156,000 under the engineer's estimate.

NSCC is happy with the tender price. The designer and quantity surveyors have indicated that it is a good price and would not recommend further revisions subsequent to the 15 December tender.

### **3.0 Budget**

The project will be funded from the approved Capex budget of \$858,563, with the balance funded from current and future dog fees. The building levy component of the fee will remain at \$5 until the costs are completely met.

### **4.0 Conclusion**

It is considered that the Watts and Hughes Construction Company Limited tender for Contract 0816 - Northern Animal Shelter, Silverdale, for the sum of \$1,892,271 plus GST should be accepted and the allocated budget committed.