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PEPPERELL BRUCE, CDR

From: BURROUGHS WAYNE, CDR
Sent: Friday, 30 July 1999 15:48
To: PEPPERELL BRUCE, CDR
Subject: SALE OF HIKINUI & ARATAKI

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Bruce,

CFS spoke with CNS this afternoon at Ngataringa (netball Courts opening ceremony). CNS gave CFS approval to execute the sale of the vessels as recommended.

I am advising the broker to confirm the sale with the successful tenderers.

The vessels will be signed over next week, settlement will be up to 30 days after contract signing.

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PEPPERELL BRUCE,CDR

From: BURROUGHS WAYNE,CDR
Sent: Thursday, 29 July 1999 09:41
To: PEPPERELL BRUCE,CDR
Subject: SALE OF HIKINUI & ARATAKI

The Major Tenders Board met at 0900 today and accepted the offers from Marine Fleet Management Services of Hobart for the two vessels. The details of the tenders are in the attached agenda papers.

A bid of \$0 (zero dollars) was received from s.6(a) for Arataki. We had contact by phone from MFAT after the tender closed inquiring about the tender process. We advised them that bids had been received and that the tender would be awarded principally on price.

A higher bid than the one approved by the tenders Board was received for Hikinui. This bid was discounted because it had 5 conditions attached to it, the principal ones being;

keeping the vessel at the naval base for 160 working days,
60 days settlement (vice 30 days),
need to obtain resource consent .

It is requested that CNS endorse the decision of the Tenders Board.

Please advise soonest if any additional information is required.



Sale of Hikinui &
Arataki.doc

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MARITIME COMMAND MAJOR TENDERS BOARD

Meeting to be held in the Conference Room Naval Supply Depot on Thursday 29 July 1999 at 0900 hrs.

AGENDA

Item 1. Minutes of the Last Meeting

Held 8 July to consider Naval Base Electrical Reticulation Maintenance Contract, Purchase of 5" Ammunition and FPTG Relocation – Refurbishment of Building 234.

Item 2. Matters arising from the Minutes

Item 3. Proposals for Consideration

PROPOSAL 1.

SALE OF TUG "ARATAKI" AND FLOATING CRANE "HIKINUI"

On instructions from the Chief of Naval Staff, the subject vessels were to offered for sale as a going concern. Both vessels were offered for sale by tender through Laurie Collins Commercial.

Tenders closed on 23 July 1999 and were received from:

TUG "ARATAKI"

Commissioner Maritime Affairs		
s.6(a)	Requested as a donation	\$0.00
Stephen Bailey		\$10,000.00
R & D Marine Ltd		\$11,200.00
Burns Henderson Hubber		\$37,000.00
Western Pacific Marine		\$42,500.00
Chris Zambucka		\$65,000.00
Helmut Thorei		\$80,000.00
Pacific Towing		\$158,000.00
Southern Ocean Maritime (Aust)	Combined for both vessels	\$250,000.00
Tuna Tasmania		US\$161,000.00
Marine Fleet Management Services		\$335,000.00

(Note: All quotes apart from the one indicated are in NZ\$. The US\$ quote converts to NZ\$309,615.00 at the Defence exchange rates for July)

FLOATING CRANE "HIKINUI"

Hartner Group Ltd	Offer 1.	\$400,000.00
	Offer 2.	\$500,000.00
(This offer has conditions attached and has been deemed to be Non-conforming)		
R & D Marine UK Ltd		\$2,300.00
Pacific Towing Ltd		\$58,000.00
David Keith Wylie		\$91,500.00
Chris Zambucka		\$140,000.00
Southern Ocean Maritime (Aust) Combined offer for both vessels		\$250,000.00
Marine Fleet Management Services		\$410,000.00

Both of these vessels are recorded on the Fixed Asset Register at a NIL Net Book Value.

There are approximately \$40K of inventory items which are Arataki unique. It is unknown what value of Hikinui spares there are, but they have never been brought to charge, so there will be no write-offs affecting the financials.

It is recommended that approval be given to accept the offers from Marine Fleet Management Services for the sale of the tug "Arataki" at \$335,000.00, and the Floating Crane "Hikinui" at \$410,000.00.

Item 4. General Business

Item 5. Arrangements for Next Meeting

I. MILLER
Finance Manager - NSD
Secretary

Distribution:	CFS (Chairman)	CFPT
	FC(N)	SNSD
	FWEO	CLFM
	FSO	

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