



MWH

BUILDING A BETTER WORLD



Client Ref: CON 718

9 May 2013

Kaipara District Council
Private Bag 1001
DARGAVILLE 0340
NEW ZEALAND

Attention Steve Ruru
Chief Executive

Dear Steve

Contract 718 Te Kopuru and Kaiwaka Oxidation Pond Desludging 2013

Both the TeKopuru and Kaiwaka Oxidation Ponds are non-compliant with their NRC operating consent conditions.

- Te Kopuru is failing on both the Faecal Coliform and Total Suspended Solids conditions
- Kaiwaka is failing on Faecal Coliform conditions

Desludging of the Te Kopuru Pond was planned and budgeted for the 2012/13 financial year. Desludging of the Kaiwaka Pond was originally planned for 2016/17. It was considered that if the de-sludging of the Kaiwaka pond was bought forward and included in the tender documents, this would provide a more attractive work package to tenderers and encourage discounted prices for a greater volume of work.

Clause 17.1 of the Procurement Policy (March 2012), Competitive Process includes for Open and Closed tenders. Prospective tenderers were identified whom have had an interest in and had undertaken desludging of oxidation ponds previously. Three contractors were contacted to assess if they were interested in tendering for the intended scope of works. All confirmed that they were interested.

RFT documents were prepared within the normal Council framework and distributed to the three tenderers on 22 March 2013. One tenderer expressed concern over the timeframe to complete stating that their current work load meant that he wasn't able to commence works until the 2013/14 financial year, and after due consideration by Council and advice to the Tenderer that the works had to commence in the 2012/13 financial year, the tender advised that they would not submit, as they didn't want to waste their time and Councils time in preparing a tender which would ultimately be disqualified.

A tenderers site meeting was conducted of which the remaining two tenderers attended.

The Tendering period concluded with only one tender being received. This has subsequently been assessed and the cost to do the works appears reasonable and is in the region of the Engineers Estimate. It is considered that the appropriate process has been followed in tendering for these works, but due to circumstances outside of Councils control, only one tender was received for the works.



Retendering of the works to obtain additional pricing is an option, but this will incur additional delay to the deldsudging of the ponds, further compromising the consent compliance issues with NRC, and will incur additional administration cost to update, advertise and reassess the tenders received.

We believe the appropriate process and assessment have been made and accordingly seek your approval for the works to proceed.

The tender assessment and recommendations follow:

Tenders Issued

Three sets of tender documents were issued to the following contractors:

- Hydracare
- Aquaclear
- Northland Waste

Notice to Tenderers (NTT)

Two NTT's were issued during the tender period (NTT-1 and NTT-2).

Tenders Received

Tenders closed on 4 April 2013, one tender was received, as detailed below:

Contractor	Tender Value
Hydracare	\$221,309.27
Aquaclear	Responded advising that due to current work commitments they wouldn't be able to commence work until mid-July and therefore declined to tender.
Northland Waste	No tender was received

Evaluation

The tender was evaluated in accordance with the requirements of the Request for Tender (RFT) and the "Weighted Attributes" Method. The tender was evaluated by: -

- Celia Schofield (MWH)
- Brian Armstrong (MWH)

The non-priced attributes; Relevant Experience, Track Record, Relevant Skills, Resources, and Methodology were assessed by MWH and met the requirements of the RFT. Local Business did not meet the requirements of the RFT; however this does not result in a fail score.

A summary of the assessed scores and weightings are provided below:

Non Priced Attribute	Assessed Score	Weighting
Relevant Experience	65%	5%
Track Record	55%	5%
Relevant Skills	55%	11%
Resources	80%	5%
Local Business	0%	6%
Methodology	45%	8%

The Non-Priced attributes where weighted 40% of the total evaluation.

The Price attribute was weighted 60% of the total evaluation

Tags and Clarifications

The price submission from the tenderer was reviewed for errors and compared against the Engineer's estimate. A copy of the comparison is attached with this letter. Prices received did not reveal any unusual rates and are deemed to be acceptable.

In undertaking the review of the tender, a number of items were identified which required clarification with the tenderer. These included:

- 1) Dewatered sludge Testing Methodology
- 2) Sludge Dry Solids Content
- 3) Services Protection
- 4) Downers Administration Fee
- 5) Tender Summation error

The details of these items are reported in the attached Tender Negotiations Summary.

These items were discussed and any changes agreed with Hydracare.

The changes made included:

- 1) Dewatered sludge Testing Methodology – onsite testing and measurement would be increased and off site Laboratory testing reduced.
- 2) Sludge Dry Solids Content- reduced from 25% down to 20%. The Landfill will accept "spadeable" sludge, and the 20% dry solids content was agreed as being sufficient to achieve this. This will be tested by way of the Landfill acceptance of the dewatered sludge
- 3) Services Protection – the rising main from the Kaiawaka Pumping Station passes beneath the access track into the Oxidation pond and will need to be protected to avoid any breakage and loss of service
- 4) Downers Administration Fee – The submission included a 10% administration fee for Downers as they sourced the contractor and believed they would be involved in the administration of the contract. This has been discussed and agreed with Downers / Hydracare to be removed
- 5) Tender Summation error – a minor summation error (\$100) was identified. This has been discussed with Hydracare and they were asked to confirm the tender price or remove their tender. They confirmed the tender price as submitted.

Financial

The tendered works are to be funded from two sources:

1. The works at Te Kopuru WWTP are to be funded from the H2032923 Te Kopuru Capital Wetlands budget of \$150,000
2. The works at Kaiwaka WWTP are to be funded from the H6032172 Desludge Ponds – renewals budget. This is currently unbudgeted (originally planned for 2016/17) but additional funding of \$106,000 was requested via Reforecast 2 through the transfer of funds from other projects.

The tender was structured to receive prices for desludging the two ponds such that a price was received to:

1. desludge Te Kopuru only
2. desludge Kaiwaka only
3. desludge both Te Kopuru and Kaiwaka together.

The tendered prices received from Hydracare were as follows:

1. To desludge Te Kopuru only	\$122,533.17
2. To desludge Kaiwaka only	\$103,544.76
3. To desludge both Te Kopuru and Kaiwaka together.	\$221,309.27

A discount of \$4768.88 was included by Hydracare for both ponds to be awarded under the one contract.

The submitted tender price is \$221,309.27. It is recommended that a contingency of 5% of the total tender sum is included to manage potential variations, this equates to \$11,065. The estimated total physical works costs are therefore \$232,375.

Professional Services fees costs inclusive of Tender liaison, Landfill Operator liaison, Sludge testing coordination, Tender preparation, Tender assessment and Contract Administration costs are estimated to be \$17,000

The available 2012/13 budget is \$150,000 (Te Kopuru), plus the additional \$106,000 (Kaiwaka) requested via Reforecast 2. This gives a total project budget of \$256,000

In summary:

Budget =	\$256,000
Less est Prof Services Fees	\$ 17,000
<u>less est Physical Works Costs (incl Contingency)</u>	<u>\$232,375</u>
Balance	\$ 6,625

Timeframe

The contractor's submitted tender includes a programme with the following timeframe, commencing with Road and Site Preparation at Te Kopuru and Kaiwaka on the 10th of June 2013 and finishing with site disestablishment at Kaiwaka on the 16th of July 2013.

Te Kopuru desludging will commence on 18 June and be complete by 29 June, the site disestablishment at Te Kopuru will be complete by 2 July

Kaiwaka desludging will commence on 3 July and complete by 13 July, the site disestablishment at Kaiwaka will be complete by 16 July.

Reference Check

MWH contacted Craig Mountjoy, the supervisor for the Helensville WWTP Pond Desludging completed in 201-2010 by Hydracare. Craig was happy to recommend Hydracare's services and made the following points about them:

- Good at continuous and regular on site monitoring, so ensured each load met the dry solids requirement of 20%
- Mike is very easy to talk to, open and easy to work with
- They have the plant, experience and expertise to do the job
- Ran to budget
- Ran over time. This was because they had bought to site a small belt press machine while they developed a larger machine. When the larger machine was brought to site Hydracare could not operate it due to staffing problems. Therefore they ended up using the small machine for the duration of the works which caused the project to run over time.

- They ran into problems with the hours that the landfill would allow operation, they ended up filling a truck and storing it overnight, then running it to the landfill first thing in the morning so it could be back to be filled.

The problems raised by Craig were discussed with Hydracare and MWH judged that they are unlikely to become a problem in this project.

Recommendation

It is recommended that Kaipara District Council award Contract 719 to Hydracare for the sum of \$221,309.27 (excluding GST) to complete the Te Kopuru and Kaiwaka desludging of the Oxidation ponds during the 2012/13 and 2013/14 financial years..

Yours sincerely


Grant Lorimer

MWH New Zealand Limited

Encl: Tender Summary Sheet, Price Comparison Spreadsheet, Communication Plan

This document contains information about MWH, particularly about the culture of our organisation and approach to business, which would be of value to our competitors. We respectfully request therefore that it be considered commercially confidential.



MWH

BUILDING A BETTER WORLD

Project No: 80501495.00
Date: 22 March 2013
Ref:

Prepared by	Checked by
Celia Schofield	Grant Lorimer
Revised by	Checked by
Celia Schofield	Grant Lorimer

Kalpa District Council
Contract 716 - Te Kopuru and Kawaka Oxidation Pond
Desludging 2013

Status: ***** Design Estimate:
Confidence Limits: ***** insert confidence limits

Item	Description	Unit	Engineer's Estimate			Hydrologist Proposal		
			Quantity	Rate	Amount	Quantity	Rate	Amount
Schedule A - Te Kopuru Only								
A1.0	Preliminary and General							
A1.1	Site establishment and disestablishment	LS	1	\$ 15,000.00	\$ 15,000.00	1	\$ 20,529.66	\$ 20,529.66
A1.2	Quality Management							
A1.2.1	Contract Quality Plan	LS	1	\$ 3,000.00	\$ 3,000.00	1	\$ 180.00	\$ 180.00
A1.2.2	Daily Quality Management	LS	1	\$ 3,000.00	\$ 3,000.00	1	\$ 240.00	\$ 240.00
A1.3	Health and Safety Management							
A1.3.1	Health and Safety Plan	LS	1	\$ 1,000.00	\$ 1,000.00	1	\$ 180.00	\$ 180.00
A1.3.2	Daily Health and Safety Management	LS	1	\$ 3,000.00	\$ 3,000.00	1	\$ 240.00	\$ 240.00
A1.4	Odour Management	LS	1	\$ -	\$ -	1	\$ 480.00	\$ 480.00
A1.5	Sludge Transportation Plan	LS	1	\$ 500.00	\$ 500.00	1	\$ 180.00	\$ 180.00
Sub total Section A1					\$ 25,500.00		\$ 22,029.66	
A2.0	Desludging and Disposal							
A2.1	Testing of % Dry Solids and clay content of dry solids as per SECTION 17.0.6.5.1	LS	1	\$ 1,500.00	\$ 1,500.00	1	\$ 1,500.00	\$ 1,500.00
A2.2	Dredge, dewater and dispose of sludge from Te Kopuru Oxidation Pond (including landfill fees) Carry out grid survey of pond on completion of dredging to determine effectiveness of sludge removal and provide baseline for ongoing sludge deposition measurement	DS	477	\$ 170.00	\$ 81,090.00	477	\$ 195.63	\$ 93,293.51
A2.3	Dredge, dewater and dispose of sludge from Kawaka Oxidation Pond (including landfill fees) Carry out grid survey of pond on completion of dredging to determine effectiveness of sludge removal and provide baseline for ongoing sludge deposition measurement	LS	1	\$ 5,000.00	\$ 5,000.00	1	\$ 3,500.00	\$ 3,500.00
Sub total Section A2					\$ 87,590.00		\$ 100,233.51	
Sub total Schedule A					\$ 113,090.00		\$ 122,263.17	
Schedule B - Kawaka Only								
B1.0	Preliminary and General							
B1.1	Site establishment and disestablishment	LS	1	\$ 25,000.00	\$ 25,000.00	1	\$ 20,200.15	\$ 20,200.15
B1.2	Quality Management							
B1.2.1	Contract Quality Plan	LS	1	\$ 3,000.00	\$ 3,000.00	1	\$ 180.00	\$ 180.00
B1.2.2	Daily Quality Management	LS	1	\$ 3,000.00	\$ 3,000.00	1	\$ 240.00	\$ 240.00
B1.3	Health and Safety Management							
B1.3.1	Health and Safety Plan	LS	1	\$ 1,000.00	\$ 1,000.00	1	\$ 180.00	\$ 180.00
B1.3.2	Daily Health and Safety Management	LS	1	\$ 3,000.00	\$ 3,000.00	1	\$ 240.00	\$ 240.00
B1.4	Odour Management	LS	1	\$ -	\$ -	1	\$ 480.00	\$ 480.00
B1.5	Transportation Plan	LS	1	\$ 500.00	\$ 500.00	1	\$ 180.00	\$ 180.00
Sub total Section B1					\$ 35,500.00		\$ 21,700.15	
B2.0	Desludging and Disposal							
B2.1	Testing of % Dry Solids and clay content of dry solids as per SECTION 17.0.6.5.1	LS	1	\$ 1,500.00	\$ 1,500.00	1	\$ 1,700.00	\$ 1,700.00
B2.2	Dredge, dewater and dispose of sludge from Kawaka Oxidation Pond (including landfill fees) Carry out grid survey of pond on completion of dredging to determine effectiveness of sludge removal and provide baseline for ongoing sludge deposition measurement	DS	393	\$ 170.00	\$ 66,810.00	393	\$ 194.77	\$ 76,544.61
B2.3	Dredge, dewater and dispose of sludge from Te Kopuru Oxidation Pond (including landfill fees) Carry out grid survey of pond on completion of dredging to determine effectiveness of sludge removal and provide baseline for ongoing sludge deposition measurement	LS	1	\$ 5,000.00	\$ 5,000.00	1	\$ 3,500.00	\$ 3,500.00
Sub total Section B2					\$ 78,810.00		\$ 81,744.61	
Sub total Schedule B					\$ 108,810.00		\$ 103,444.76	
Schedule C - Te Kopuru and Kawaka								
C1.0	Preliminary and General							
C1.1	Site establishment and disestablishment	LS	2	\$ -	\$ -	2	\$ 16,115.57	\$ 36,231.14
C1.2	Quality Management							
C1.2.1	Contract Quality Plan	LS	1	\$ -	\$ -	1	\$ 300.00	\$ 300.00
C1.2.2	Daily Quality Management	LS	1	\$ -	\$ -	1	\$ 480.00	\$ 480.00
C1.3	Health and Safety Management							
C1.3.1	Health and Safety Plan	LS	1	\$ -	\$ -	1	\$ 300.00	\$ 300.00
C1.3.2	Daily Health and Safety Management	LS	1	\$ -	\$ -	1	\$ 480.00	\$ 480.00
C1.4	Odour Management	LS	1	\$ -	\$ -	1	\$ 850.00	\$ 850.00
C1.5	Transportation Plan	LS	1	\$ -	\$ -	1	\$ 300.00	\$ 300.00
Sub total Section C1					\$ -		\$ 38,841.14	
C2.0	Desludging and Disposal							
C2.1	Testing of % Dry Solids and clay content of dry solids as per SECTION 17.0.6.5.1	LS	1	\$ -	\$ -	1	\$ 3,500.00	\$ 3,500.00
C2.2	Dredge, dewater and dispose of sludge from Te Kopuru Oxidation Pond (including landfill fees) Carry out grid survey of pond on completion of dredging to determine effectiveness of sludge removal and provide baseline for ongoing sludge deposition measurement	DS	477	\$ 170.00	\$ 81,090.00	477	\$ 195.63	\$ 93,293.51
C2.3	Dredge, dewater and dispose of sludge from Kawaka Oxidation Pond (including landfill fees) Carry out grid survey of pond on completion of dredging to determine effectiveness of sludge removal and provide baseline for ongoing sludge deposition measurement	DS	393	\$ 170.00	\$ 66,810.00	393	\$ 194.77	\$ 76,544.61
C2.4	Dredge, dewater and dispose of sludge from Te Kopuru Oxidation Pond (including landfill fees) Carry out grid survey of pond on completion of dredging to determine effectiveness of sludge removal and provide baseline for ongoing sludge deposition measurement	LS	2	\$ 5,000.00	\$ 10,000.00	2	\$ 3,500.00	\$ 7,000.00
Sub total Section C2					\$ 157,900.00		\$ 182,258.12	
Sub total Schedule C					\$ 157,900.00		\$ 221,209.26	
Schedule D								
V1	On site overheads: Percentage to be added to Base Value, if determined under General Conditions of Contract clause 9.3.6 only.	%	20000	\$ -	\$ -	20000	\$ 5.00	\$ 1,000.00
V2	Off-site overheads and profit: Percentage to be added to Base Value, if determined under General Conditions of Contract clause 9.3.6 only.	%	20000	\$ -	\$ -	20000	\$ 5.00	\$ 1,000.00
V3	Time-related costs: For extensions of time by reason of variations, including allowance for profit, if determined under General Conditions of Contract clause 9.3.10(b) only.	Day	10	\$ -	\$ -	10	\$ -	\$ -
Sub total Schedule D					\$ -		\$ 2,000.00	
Schedule E								
1 Labour								
The tenderer shall provide hourly rates for personnel offered for this contract.								
1.1	Contract Manager	hr	8	\$ -	\$ -	8	\$ 55.00	\$ 440.00
1.2	Site Foreman	hr	8	\$ -	\$ -	8	\$ 45.00	\$ 360.00
1.3	Plant Operator	hr	8	\$ -	\$ -	8	\$ 40.00	\$ 320.00
1.4	Labourer	hr	8	\$ -	\$ -	8	\$ 34.50	\$ 276.00
Sub total Section E1					\$ -		\$ 1,396.00	
2 Plant and Equipment								
The tenderer shall provide hourly or idemote rates as most applicable for plant and machinery offered for this contract.								
2.1	Dredging plant	hr	8	\$ -	\$ -	8	\$ 120.00	\$ 960.00
2.2	Dewatering plant	hr	8	\$ -	\$ -	8	\$ 245.00	\$ 1,960.00
2.3	6 wheel truck	hr	8	\$ -	\$ -	8	\$ 105.00	\$ 840.00
2.4	Utility vehicle	km	100	\$ -	\$ -	100	\$ 1.10	\$ 110.00
Sub total Section E2					\$ -		\$ 3,870.00	
Sub total Schedule E					\$ -		\$ 5,266.00	
Total Cost (Excluding GST)					\$ 221,800.00		\$ 271,209.26	