

CONFIDENTIAL MEMORANDUM

TO: Council

MEETING DATE: 26 August 2020

TITLE: Tender Award - Contract 3915 - Wastewater Pipe Relining and Rehabilitation 2020-2022

PRESENTED BY: Robert van Bentum, Manager - Transport and Infrastructure

APPROVED BY: Tom Williams, Chief Infrastructure Officer

It is recommended that this report be considered with the public excluded, as permitted by the Local Government Official Information and Meetings Act 1987 under clause:

s7(2)(b)(ii) Third Party Commercial

REASON FOR CONFIDENTIALITY

The reason for this report to be confidential is
As the tender award has not yet been approved by Council, the tenderers have not yet been notified as to the outcome of the tender process.

RECOMMENDATION FOR PUBLIC RELEASE

Release date from Part II – 30 September 2020 or date of signing of contract if earlier.

RECOMMENDATIONS TO COUNCIL

1. That the report titled Tender Award – Contract 3915- Wastewater Pipe Relining and Rehabilitation 2020-2022 dated 26 August 2020 be received.
 2. That Council approve the award of Contract 3915 for Wastewater Pipe Relining and Rehabilitation 2020-2022, to Interflow Limited for a total value of \$1,718,899.13 excluding GST, to be undertaken over two financial years, with the option of a further one year extension to undertake additional lining work as budget allows.
-

1. PURPOSE OF REPORT

- 1.1 The purpose of this memorandum is to document the procurement process followed for the tender and evaluation of submissions for Contract 3915 for Wastewater Pipe

Relining and Rehabilitation 2020 -2022, and to seek approval for the award of contract to the preferred tenderer.

2. BACKGROUND

- 2.1 Council has approved recurrent annual renewal funding to replace aging and poor condition wastewater pipes in Programme 54 – City Wide – Wastewater Pipe Renewals. The programme of work includes renewal of pipes by open cut typically undertaken by Council’s own Civil Construction Team as well as re-lining of pipes by external contractors.
- 2.2 Pipes selected for re-lining are typically those where the pipe has residual structural strength and the pipe alignment makes open cut problematic or expensive e.g. running through private property or under existing buildings. The priority for pipeline renewal is determined by a range of factors including condition confirmed by CCTV inspection and the criticality of the pipe in the wastewater network.
- 2.3 The on-going annual CCTV inspection process has identified several critical large diameter pipes with significant structural deterioration, which are considered a priority for renewal. Two specific pipe lengths have been selected for rehabilitation and inclusion in the programme for pipe lining over the next two financial years.
- 2.4 One pipe comprises a large diameter main (750mm) which runs diagonally from Nottingham Terrace to Maxwells Line beneath residential properties. The second pipe is a 300mm diameter main running from Crewe Crescent through to Stirling Crescent, again with a significant section located beneath private property. The alignment of these sewer mains makes them unsuitable for replacement by the conventional “cut and cover” technique.
- 2.5 To undertake the above works, an open tender process was followed for a two year contract, with programming of the works left up to the Contractor. The two-year duration reflects the need to fund the work from two financial years as the scope of work is significantly larger than previous relining contracts undertaken by Council. If all the work was to be funded in one year, there would be insufficient budget remaining to fully utilise Council’s in-house resources to undertake open cut pipe renewal work.
- 2.6 Extending the contract over two years provides greater flexibility to the Contractor in respect of scheduling the work. The contract provides for an optional one year extension to the contract to enable a further package of work to be completed subject to the performance of the Contractor over the first two years.

3. TENDER PROCESS

Procurement and Tender Approach

3.1 A single stage tender process was followed, with publicly advertised tenders for construction. Tenders were advertised via the GETS website on 8 June 2020, and closed on 13 July 2020, including a 4 day extension of time. Four conforming tenders were received.

Tender Evaluation – Non-Price

3.2 The Tender evaluation was undertaken (in consultation with [REDACTED]) by [REDACTED] and [REDACTED].

3.3 All four tenders were assessed to conform to the conditions of tender. The tenders were evaluated using the Weighted Attributes method as specified in the tender documents as follows:

- Non-priced attributes 60%
 - Relevant Experience and Track Record 20%
 - Relevant Skills, Resources and Management Skills 10%
 - Methodology 30%
- Price 40%

3.4 These non-price attributes were chosen to reflect the key factors required for successful delivery of this contract including.

- The necessary experience in relining pipes of a large diameter.
- The importance to PNCC that the contractor has a team with the correct qualifications and experience
- Access to technology which is suitable for relining large diameter pipes, as well as sufficient knowledge of the project to describe the challenges and risks and to implement effective control measures to manage and mitigate these risks.

3.5 All tenderers were assessed to have provided information which demonstrated their ability to complete the project. Two tenderers proposed using a UV cured Cast In Place Pipe liner (CIPP). One tenderer proposed using a hot water CIPP liner and one tenderer proposed using a Spiral Wound (riblock) liner.

3.6 The spiral wound liner is well suited for use in large diameter pipes both because of its ability to accommodate flow in the pipe without the requirement for over-pumping and its ability to accommodate changes in diameter. The tenderer offering the spiral wound option was considered to have the most relevant experience in rehabilitation of large pipes, and excellent track record and references for work undertaken for other Councils.

3.7 The non-price attribute scoring is summarised in Table 1. The most significant scoring differences were in methodology.

Table 1. Summary of Non-Price Attribute Scores

Attribute	
Health & Safety Accreditation	
Relevant Experience & Track Record	
Relevant Skills, Resources and Management Skills	
Methodology	
Overall Score	

Clarifications

3.8 Clarifications were sought from all tenderers on the following points;

- a) All tenders confirmed they had allowed in their tender price for contract works to be spread across two financial years.
- b) All but one tenderer confirmed no cost escalation between years 1 and 2 of the contract. One tenderer indicated a 3% increase on base price rates for Year 2 as included in their tender. Separately one tenderer indicated a rate changed, unspecified for a year three extension.
- c) All tenderers confirmed they had allowed to take water from the Francis Way Filling Station, and NOT from fire hydrants.
- d) All tenderers confirmed they had allowed to use NZTWIF (New Zealand Trade Waste Industry Federation) compliant carriers for the transport of sewage and detritus cleaned from wastewater pipes.
- e) All tenderers provided rates for rehabilitation of sewer laterals, running from the wastewater main to a property boundary. Rates were either similar to, or greater than the cost for Council’s in-house team to complete the work so it has been decided that Council’s in-house contractor will undertake this work ahead of the relining contractor.

3.9 Interflow confirmed that the team they had nominated in their Methodology as recently working on two long, large diameter mains would indeed be the team that would be working in Palmerston North.

Price Evaluation

- 3.10 Price submissions were opened for all four tenderers following the non-price attribute scoring. [REDACTED] had the lowest price with [REDACTED] offering the highest price.
- 3.11 Combining the non-price and price scores, Interflow were assessed to have the highest overall score largely because of their higher score for methodology. They have been selected as the preferred tenderer. The price and overall scores are summarised in Table 2.

Table 2. Price and Overall Tender Scores

Attribute	[REDACTED]
Non-Price Total Score	[REDACTED]
Price Score	[REDACTED]
TOTAL	[REDACTED]

4. FUNDING

- 4.1 The funding for this contract will come from Programme 54 City Wide – Wastewater Pipe Renewals. The budget allocation over the next three financial years which is summarised in Table 3 is considered sufficient to cover the contract commitment.

TABLE 3. PROGRAMME FUNDING

Year	Programme	Budget
2020/21	54 City Wide – Wastewater Pipe Renewals	\$2,101,000
2021/22	54 City Wide – Wastewater Pipe Renewals	\$2,148,000
2022/23	54 City Wide – Wastewater Pipe Renewals	\$2,199,000

5. RECOMMENDATION

- 5.1 It is recommended that Contract 3915 for Wastewater Pipe Relining and Rehabilitation 2020 - 2022, be awarded to Interflow Limited for a total value of \$1,718,899.13 excl GST.

5.2 The work will be scheduled to be completed over two years, with the option of extending the contract for a third year to complete additional work as budget allows.

6. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
The recommendations contribute to Goal 4: An Eco City	
The recommendations contribute to the outcomes of the Eco City Strategy	
The recommendations contribute to the achievement of action/actions in the Three Waters Plan	
The actions include: <ul style="list-style-type: none"> • The efficiency of wastewater networks is enhanced and improved • Stormwater infiltration and inflow into the wastewater network is reduced 	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The specific actions contribute to the provision of wastewater services by providing for the safe collection and conveyance of the city’s wastewater, helping to minimise stormwater inflow increasing total wastewater volumes and flows as well as helping to limit the risk of wastewater overflows and uncontrolled discharges to the environment.

ATTACHMENTS

Nil