

10.5 PROCUREMENT PLAN - OTANE WASTEWATER PUMP STATION

File Number: COUI - 1400

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Attachments: 1. C-1135 Procurement Plan (Otane Wastewater Pump Station)

The Council is satisfied that, pursuant to s48(1)(a)(i) of the *Local Government Official Information and Meetings Act 2002*, the information to be received, discussed or considered in relation to this agenda item is:

- s7(2)(b)(ii) the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
- s7(2)(f)(i) free and frank expression of opinions by or between or to members or officers or employees of any local authority
- s7(2)(i) the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

PURPOSE

The matter for consideration by the Council is to adopt a procurement plan to release a tender to the market to procure a partner to construct and deliver the pump station that will convey wastewater from Otane to Waipawa by February 2022.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) **The procurement plan is adopted to approve the release of the Contract 1135 to construct and implement a pump station at Otane to convey wastewater to Waipawa tender documents to the market.**
- b) **That the minute and report relating to this item be released as publicly available information on 03 June 2021**

EXECUTIVE SUMMARY

The recently adopted Challenge #1 of Long Term Plan 2021 outlines the wastewater investment as also supported by the wastewater strategy adopted in October 2020. The investment profile sees the conveyance and transfer of wastewater from Otane to Waipawa. A budget of \$4.75m has been set aside for this piece of work which involves pipelines, inlet works at Waipawa and this pump station contract. The project team is working to a timeline of having the system commissioned by February 2022.

This aligns with other work occurring at Waipawa to support the Otane wastewater to be further treated and then discharged. This being the desludging works and DAF works.

This contract C-1135 is a key project as part of the long term investment programme.

This procurement plan is proposing an open tender approach to the market using the price quality evaluation methodology.

BACKGROUND

The scope of this proposed project is the design and construction of the Otane Pump Station at the Otane wastewater treatment plant (WWTP).

This infrastructure is a component of the conveyance from Otane WWTP to Waipawa WWTP. Initially treated wastewater will be conveyed to Waipawa WWTP, but once Waipawa WWTP Stage 1 is constructed, the WWTP will be decommissioned, and raw sewage will be conveyed to Waipawa WWTP, with the existing pond converted to storage.

This is one of the last parts of the conveyance from Otane WWTP to Waipawa WWTP. Stage 1 pipeline installation was completed in September 2020, Stage 1 details and Stage 2 are currently under construction (due for completion Sep/ Oct 2021). Stage 3 pipeline is to be completed (likely concurrently with the Otane Pump station construction) and air valves are still to be purchased and installed along the route.

Stage 5 is to complete the inlet works at Waipawa to allow Otane to be safely received for tertiary treatment.

The programme of works (5 stages) are due to be completed early 2022, and we are working to commission by March 2022.

DISCUSSION

The scope of works starts at the gate into the pond area (referenced as Gate 2). A degree of design (preliminary) has already been undertaken by Beca, mostly around setting the hydraulics, indicative locations, etc.

The Contract Works includes (but is not necessarily limited to) the following:

- Design for the various scope items listed within the Contract Documentation. Contractor responsible to provide all necessary design reports and Producer Statements.
- Resurface the existing access track.
- Supply and install new traffic barrier system to protect the pump station and to prevent damage to the existing pond.
- Supply, fabricate and install a new reinforced concrete stormwater gravity pipework to pipe the current ditch in the locale of the pump station.
- Supply and install a new reinforced concrete wet well
- Design, supply, fabricate and install a pond outlet, perforated steel, screen basket.
- Select, supply, install and commission high-pressure progressive cavity pumps
- Select, supply, install and commission a wet wipe ready, in channel, macerator which is to be installed within the new Inlet Structure
- Supply and install a new, above ground, pump station suction and discharge pipework (316L stainless steel)
- Supply and install a new forced ventilated, carbon odour destruction system for the Inlet Structure and pump station wet well (provisional item – if required).
- Install a new potable water site supply system (above and below ground) as to allow for potable water supply to the Site
- Design, supply and install new reinforced concrete pump slab, odour control and MCC slabs.
- Design, supply and install new electrical motor control centre for the pump station and pond aerators.
- Supply and install all new instrumentation, cabling, conduit including programming of PLC, SCADA/HMI configuration, alarms and factory acceptance testing
- Contractor to develop and complete the commissioning programme and associated documentation. Scope to include co-ordination and undertaking lead role.
- Contractor to provide training to Operations team

RISK ASSESSMENT AND MITIGATION

Key risks in the procurement process

Risk	L	C	Rating	Mitigation action	Responsible
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Lack of Tenderers	L	H	Medium	Proactive notices to tenderers, open advertising, maximise timeframe for responses	Project Manager
Meeting timeframes	L	L	Low	Open Communications	Project Manager
Budget exceedance	M	H	High	Accurate engineers estimate	Project Manager

Mitigation of contract risks will be managed in the selection of the best supplier for the contract, but some risks are highlighted below;

Risk	L	C	Rating	Mitigation action	Responsible
Delivery timeframes not met	M	H	High	Adequate allowance for long lead items, regular programme updates	Engineers Rep/PM
Budget exceedance	M	H	High	Value engineering, management of variations	Engineers Rep/PM
Site constraints	M	L	Medium	Construction planning	Engineers Rep/Contractor
Interface between different contractors (Operations, Stage 3)	L	M	Low	Open communications	Project Manager

FOUR WELLBEINGS

As per Councils Procurement Strategy, the tender evaluation criteria will place emphasise on the broader outcomes the project can achieve.

As part of the procurement process, Tenderers will be required to provide a Sustainable Procurement Plan outlining how they propose to address the following themes: **People, Economy, Health & Safety and Environment** as set out in the questions below. The Council is looking for Tenderers who will maximise the broader opportunities this Project has the capacity to deliver, who have the competitive edge and who will lead the way in delivering the above sustainable themes over and beyond those outlined within the contract specifications.

Contractors will be required to build a social procurement plan to offer up how they propose to deliver on these Sustainable Procurement themes.

DELEGATIONS OR AUTHORITY

The value of the procurement is expected to be over \$1m and therefore requires Council or Finance and Infrastructure Committee approval to go to market.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed of some significance and has recently seen engagement as part of the wider wastewater programme investment in the Long Term Plan 2021.

OPTIONS ANALYSIS

Option One – to adopt the procurement plan

Option Two – to reject the procurement plan and provide guidance on next steps.

	<u>Option 1</u>	<u>Option 2</u>
	To adopt the procurement plan	To reject the procurement plan and provide guidance on next steps.
Financial and Operational Implications	Aligns with Long Term Plan budgets and will reduce operational requirements in the long term.	Not consistent with financial budgets.
Long Term Plan and Annual Plan Implications	Aligns with Long Term Plan budgets	Not consistent with the recent wastewater strategy and adopted long term plan
Promotion or Achievement of Community Outcomes	Achieves community outcomes	Doesn't achieve the outcomes/objectives in our wastewater strategy.
Statutory Requirements	Meets requirements	May cause issues with consenting due to current Otane resource consent expiring and these works required to supersede the current consent, and align with programme outlined to the regulator.
Consistency with Policies and Plans	Consistent with wastewater strategy and Long Term Plan	Not consistent with the recent wastewater strategy and adopted long term plan

Recommended Option

This report recommends option One to adopt the procurement plan for addressing the matter.

NEXT STEPS

Once the procurement plan is adopted, the next steps are to prepare to go to market as outlined within the procurement plan.

RECOMMENDATION

That having considered all matters raised in the report:

- a) The procurement plan is adopted to approve the release of the Contract 1135 to construct and implement a pump station at Otane to convey wastewater to Waipawa tender documents to the market.**
- b) That the minute and report relating to this item be released as publicly available information on 03 June 2021**