

# **Tenders Subcommittee**

**Friday, 12 December 2003  
Commencing at 9.00 am**

**Item 12: Contract SP 02501D - Glen  
Eden Library Construction**

**ADDITIONAL INFORMATION**

**SUPPLEMENT FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE TO  
BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,  
WAITAKERE CITY, ON FRIDAY, 12 DECEMBER 2003,  
COMMENCING AT 9.00 AM.**

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**14 CONTRACT SP 02501D - GLEN EDEN LIBRARY CONSTRUCTION**

**RESOLUTIONS FROM FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE  
MEETING**

At their meeting on 8 December 2003, the Finance and Operational Performance Committee passed the following resolutions:

- “2. *That the Schedule of Prices be included in the Glen Eden Library Construction Contract as a contract document in order to realise a cost saving to Council of \$214,071.00.*
3. *That the recommendation of the Value Management Working Group to implement ‘Option 1 - Natural Ventilation and Miscellaneous savings’, which would deliver a total cost saving of approximately \$190,000.00 - \$200,000.00 to Council, be endorsed and that the Contractor’s confirmed tender price, based on this option, be approved.*
4. *That the budget for the Glen Eden Library Construction be increased to \$2,928,400.00 (inc. contingency of \$200,000.00).*
5. *That the Tenders Subcommittee be authorised to proceed with the tender from Hawkins Construction Limited on the basis of 2, 3 and 4 above.*
6. *That additional funding of approximately \$390,000.00 be reallocated from the Automated Library Systems budget to fund the shortfall in the Glen Eden Library construction budget, with the remainder of the Automated Library Systems budget to be surrendered as a saving.*

4333/2003

**CLARIFICATION REGARDING NEGOTIATION PROCESS**

As a point of clarification, the cost reduction negotiations with Hawkins Construction Limited have been carried out under the direction of the Director: Corporate and Civic Services, who is the project sponsor.

**TENDER FOR CONTRACT SP02501D**

The revised tender amount from Hawkins Construction Limited, as at 11 December 2003, for Contract SP 02501D is \$2,758,255.00 excluding GST.

This tender amount includes confirmed cost savings for approximately 75% of the items identified in the ‘Option 1 - Natural Ventilation and Miscellaneous Savings’ list, however, the cost savings for the remaining 25% of the items have not been included in the tender amount as Hawkins Construction Limited were still awaiting confirmed prices from their subcontractors as at 11 December 2003.

It is estimated that the remaining 25% of items on the ‘Option 1’ list will generate a further cost saving of approximately \$40,000.00, reducing the contract value from \$2,758,255.00 to approximately \$2,718,000.00.

To prevent delays to the project, it is recommended that Contract SP 02501D be awarded in the sum of \$2,758,255.00 and that, prior to issue of the award letter, the estimated balance of the identified saving of approximately \$40,000 be confirmed by Hawkins Construction Limited and that the contract be awarded subject to a negative variation confirming this amount.

## JOB COSTS

	<u>Excl. GST</u>
Tender amount	\$2,758,255.00
Estimated further savings (to be confirmed)	(\$ 40,000.00)
Contingency	\$ 200,000.00
Total Job Cost	----- \$2,918,255.00

## SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Glen Eden Library Construction	75-9120-44910	\$2,445,000	\$656,600	\$1,788,400	Nil
Glen Eden Library Interior	75-9120-44920	\$750,000	Nil	\$750,000	Nil
Automated Library Systems	15-9522-30180	\$519,000	Nil	\$390,000	\$129,000
			TOTAL	\$2,928,400	

## RECOMMENDATIONS

1. That the information be received.
2. That the revised tender for Contract SP 02501D - Glen Eden Library Construction from Hawkins Construction Limited be awarded in the sum of \$2,758,255.00 plus \$344,781.88 GST, totalling \$3,103,036.88, and;
3. That prior to issue of the award letter, the estimated balance of the identified saving of approximately \$40,000 be confirmed by Hawkins Construction Limited and that the contract be awarded subject to a negative variation confirming this amount.
4. That authority to enter into Contract SP 02501D - Glen Eden Library Construction on behalf of Council be delegated to the Director: Corporate and Civic Services

Supplementary Information report prepared by: Peter Sewell, Special Projects Engineer.

