

6.1 CONTRACT FOR CONSTRUCTION OF THE ELECTRA COMMUNITY CENTRE

(CN: CF 2008217)

Responsible Director: David Conran

RECOMMENDATION

That Council accept the lump sum tender price of \$2,660,680, inclusive of GST, submitted by HMC Construction Pty Ltd to undertake the construction of the Electra Community Centre and seal the contract.

BACKGROUND

Council has allocated \$3,665,000 in the current capital works budget for the construction of a new community centre, including a new carpark, upgraded access road and landscaping at Electra Reserve, Ashwood to provide new facilities for the Waverley Bridge Club, Ceres Callisthenics Club, Monash Croquet Club and the Doberman and Dog Obedience Club.

The project is being funded by:

Council	\$2,330,000
State Government	\$ 500,000
Waverley Bridge Club	\$ 500,000
Ceres Callisthenics Club	<u>\$ 335,000</u>
	\$3,665,000

The purpose of this report is to seek approval of the awarding of a contract for construction of the building, refurbishment of an existing pavilion, associated hard landscaping and some site works only.

ANALYSIS

Following a publicly advertised E.O.I. process, a panel of six (6) approved building contractors were invited to submit a lump sum tender for the construction of the proposed new Community Centre at Electra Reserve, Ashwood. Six (6) tenders were submitted by the nominated closing time. The firms are:

- Kane Constructions Pty Ltd
- Behmer & Wright Pty Ltd
- Contract Control Services Pty Ltd
- Devco Project & Construction Pty Ltd
- HMC Constructions Pty Ltd
- Specialised Constructions (Australia) Pty Ltd

The lump sum tender prices submitted have a range as follows:

- \$ 2,418,800 to \$3,348,890, exclusive of GST
- \$ 2,660,680 to \$3,683,779, inclusive of GST

The tender panel comprising of David Conran, CEO City of Monash, Charles Nilsen, Manager Urban Design & Architecture, Rohan Waldie, Senior Architect and John Klein, Manager Special Projects, evaluated tenders against the criteria of price, proposed completion time, conformity with tender conditions, environmental management and financial capacity.

HMC Constructions Pty Ltd submitted the lowest tender of \$2,418,800, exclusive of GST. The tender is conforming and their proposed time of 200 working days to reach practical completion is within the anticipated range of time required to achieve practical completion.

Evaluation of the tender responses, as well as the tender documents, revealed that a number of items in the documents were omitted or required clarification.

The two lowest tenderers were asked to respond to the identified clarifications and confirm or amend their tenders. The respective responses resulted in no increase to both lump sum tender amounts, and did not alter the respective order of the tender submissions. HMC Construction submitted the lowest tender of \$2,418,800, exclusive of GST. HMC Construction Pty Ltd have indicated that they would commence the project in January 2009 if successful.

FINANCIAL IMPLICATIONS

The lowest lump sum tender of \$2,418,800, exclusive of GST, submitted by HMC Construction Pty Ltd is within Councils budget for the project.

The total anticipated project cost breakdown, exclusive of GST is as follows:

Building Lump Sum Tender	\$ 2,418,800
Consultant's & design fees	\$ 200,000
Miscellaneous provisional items	\$ 30,000
Substation & surround	\$ 50,000
Power Protection Device	\$ 10,000
Furniture & Fitout	\$ 100,000
New carpark (with heavy duty base) & access road, landscape works, (including lower carpark and access) and contingency	<u>\$ 850,000</u>
Total Project Cost (excl GST)	<u>\$ 3,658,800</u>

The anticipated total cost is, therefore, within Council's overall capital budget of \$3,665,000 for the project.

Financial and credit checks were also undertaken for the two (2) lowest tenderers to confirm that their financial status is still sound.

CONCLUSION

The lowest lump sum tender price of \$ 2,418,800, exclusive of GST or \$2,660,680, inclusive of GST, submitted by HMC Construction Pty Ltd is within budget and represents best value to Council.