

5.7 ROAD RECONSTRUCTION – CONNELL ROAD, OAKLEIGH

(CF2009002:RL)

Ward: Oakleigh

Responsible Director: Don Cameron

RECOMMENDATION

That:

1. Council accepts the tender of Fercon Pty Ltd to undertake the reconstruction of Connell Road, Oakleigh between Burlington Street and Atherton Road for the lump sum of \$293,910.76 (GST inclusive).
2. The anticipated project expenditure of \$317,191.60 (GST exclusive) for the construction, design and supervision be noted.
3. The contract agreement be signed and sealed.

BACKGROUND

Connell Road, Oakleigh between Burlington Street and Atherton Road is an older style residential road with lifted and displaced bluestone kerb and channel, failing pavement and steep crossfall and is in need of repair to maintain its structural integrity. Drainage problems also exist due to inadequacies in the stormwater drainage system.

SCOPE OF WORKS

The work proposed under the contract involves the re-laying of the bluestone kerb and channel, repair of the pavement and placement of an asphalt wearing course over the existing pavement, repair of damaged footpath sections and construction of additional underground stormwater drainage within the street.

ANALYSIS

Tenders were invited for the proposed reconstruction of Connell Road, Oakleigh and at the close of tenders, five (5) submissions were received from the following contractors:

Name of Tenderer
Allgood Concreting & Roadworks Pty Ltd
CDN Constructors Pty Ltd
Fercon Pty Ltd
Contek Constructions Pty Ltd
Simpson Construction Co. Pty Ltd

with lump sum tender prices ranging from \$276,697.96 to \$505,099.10 (GST inclusive).

The lowest tender was submitted by Fercon Pty Ltd (Fercon) with a lump sum price of \$276,697.96 (GST inclusive). When assessing Fercon's submitted schedule of prices for the work, an error was found in the amount calculated for one of the items. As a result, Fercon has subsequently confirmed that an

increase in its tendered price of \$17,748.00 (GST inclusive) is necessary due to the error. The adjusted contract price is \$293,910.76 (GST inclusive).

Fercon has satisfactorily completed a number of road reconstruction contracts for Council, the most recent contracts being road reconstruction works in Eleebana Avenue, Moorookyle Avenue and Calombeena Avenue, Hughesdale. Fercon requires six weeks from commencement to complete the contract. Fercon has been assessed as being capable of completing the contract to the standard and quality required within the time.

The next lowest tender was submitted by Allgood Concreting & Roadworks Pty Ltd (Allgood). Allgood has undertaken similar works for Council in the past and is assessed as being capable of completing these works to the standard and quality required, however the price submitted in this instance is not competitive.

The tendered prices of the remaining three tenderers were greater than the two tenderers listed above and in this instance, assessed as not providing the best value to Council.

FINANCIAL IMPLICATIONS

The total project costs, based on the adjusted tender from Fercon, are estimated to be:

Tender Amount (GST inclusive)	\$293,910.76
GST Amount	\$26,719.16
Tender Amount (GST exclusive)	\$267,191.60
Design & Supervision Fee	\$20,000.00
Contingency Amount	\$30,000.00
Total Expected Project Cost (GST exclusive)	\$317,191.60

Council has allocated \$270,000 within its 2008/09 Capital Works Budget for road reconstruction in Connell Road with a further \$52,107 being available from the Roads to Recovery funding. This project will therefore be funded as follows:

Roads to Recovery	\$52,107.00
Council Funding (remainder of project cost)	\$265,084.60
Total	\$317,191.60

IMPLEMENTATION

Upon Council awarding the Contract, the necessary documentation will be executed and the works undertaken.

CONCLUSION

The Tender Assessment Panel concur that the tender submission from Fercon Pty Ltd is the lowest and is considered to offer Council the best value.