5.8 ROAD RECONSTRUCTION – AUSTIN STREET, HUGHESDALE
(CF2013063:SW)

Ward: Oakleigh
Responsible Director: Paul Kearsley

RECOMMENDATION

That:
1. Council accept the tender of Parkinson Group (Aust) Pty Ltd for an amended lump sum of $700,432.70 (GST inclusive).
2. The anticipated project expenditure of $721,757.00 (GST exclusive) for the design, reconstruction works and supervision (includes $61,217.50 for provisional items based on actual quantities) be noted.
3. The Chief Executive Officer be authorised to sign and seal the contract documents.
4. The Chief Executive Officer be authorised to approve any contract variations that are contained within the anticipated project expenditure.

BACKGROUND

Austin Street, Hughesdale between North Road and Dallas Avenue is residential in nature, with the Hughesdale Primary School located on the western side of the street. The kerb and channel is in very poor condition and holds water in some locations. A number of vehicle crossings indicate that vehicle scraping is an issue and the road is provided with minimal underground drainage. The road surface shows signs of significant deterioration.

SCOPE OF WORKS

The works proposed under the contract include the -

- reconstruction of the existing kerb and channel to new levels to correct any problems with the pavement crossfall and vehicular crossings;
- upgrade of the stormwater drainage system including sub-soil drainage to effectively drain the road and the existing house lots;
- replacement of damaged vehicle crossings; and
- ancillary works.
ANALYSIS

Tenders were invited to undertake the reconstruction of Austin Street, Hughesdale and at the close of tenders, the following tenders were received with lump sum tender prices of between $677,034.05 and $848,548.80 (GST inclusive):

<table>
<thead>
<tr>
<th>Name of Tenderer</th>
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<tbody>
<tr>
<td>Parkinson Group (Aust) Pty Ltd</td>
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<tr>
<td>CDN Constructors Pty Ltd</td>
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<tr>
<td>Global Contracting Pty Ltd</td>
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</tbody>
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The lowest tender was submitted by Parkinson Group (Aust) Pty Ltd (Parkinson) for a lump sum price of $615,485.50 (GST exclusive). It was noted in the evaluation that an error was made in calculating the tender price as one item that was priced was not included in the total price. Rates for this item were stated indicating that the amount not included was $21,271.50 (GST exclusive).

Including this item means that the tendered price should be $636,757.00 (GST exclusive). This amended amount includes provisional items to the value of $61,217.50 (GST exclusive) for asphalt works and alterations to public utilities.

Parkinson has indicated that it could commence the work in early 2013 and would take a further 18 weeks to complete.

Parkinson has recently completed the Caloola Avenue, Oakleigh road reconstruction and is currently undertaking the Railway Avenue road reconstruction in Oakleigh. In 2011/2012, they completed the Hamilton Street road reconstruction in Oakleigh. Parkinson has also undertaken works for Kingston and Frankston Councils which have included road reconstruction works and is considered a suitable contractor to undertake the works.

The next lowest tender was submitted by CDN Constructors Pty Ltd (CDN) for a lump sum price of $676,151.00 (GST exclusive). The price includes $60,625.00 (GST exclusive) for provisional items. CDN has just completed the reconstruction of Kanooka Grove, Clayton and is considered a suitable contractor for this contract.

CDN has indicated that it could commence the work within 4 weeks and would take a further 18 weeks to complete.

The remaining tender is not considered as offering Council best value.

The tender from Parkinson is considered to offer Council the best value for this contract.
FINANCIAL IMPLICATIONS

The project costs based on Parkinson’s tender are estimated to be:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Amended Tender Amount (GST inclusive)</td>
<td>$700,432.70</td>
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<tr>
<td>GST Amount</td>
<td>$63,675.70</td>
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<tr>
<td>Tender Amount (GST exclusive)</td>
<td>$636,757.00</td>
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<tr>
<td>Design Fee</td>
<td>$45,000.00</td>
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<tr>
<td>Supervision Fee</td>
<td>$10,000.00</td>
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<tr>
<td>Contingency Amount</td>
<td>$30,000.00</td>
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<tr>
<td>Expected Project Cost (GST exclusive)</td>
<td>$721,757.00</td>
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</tbody>
</table>

Partial funding for these works is available in Council’s 2012/2013 Capital Works Budget from the Local Roads Reconstruction Program with the remaining funding from the 2013/2014 Program.

IMPLEMENTATION

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

CONCLUSION

The tender panel concurs that the tender from Parkinson Group (Aust) Pty Ltd offers Council the best value.
ATTACHMENT 1

AUSTIN STREET, HUGHESDALE – ROAD RECONSTRUCTION

Austin Street - Location of Reconstruction Works