

4.2 CALOOLA RESERVE CONSTRUCTION OF 8 SYNTHETIC TENNIS COURTS - CONTRACT VARIATION (JK: File No. CF2018055)

Ward: Oakleigh

Responsible Directors: Ossie Martinz & Julie Salomon

RECOMMENDATION

That Council:

- 1. Notes CEO variation approval of \$320,100 (GST Incl.) to the Council approved contract for the Construction of 8 Synthetic Tennis Courts.*
- 2. Notes the revised contract sum of \$1,913,175 (GST Incl.) (Inclusive of contingency sum of \$154,000) for contract CF2018055 with Turf One Pty Ltd.*
- 3. Notes the overall estimated project cost of \$1,959,250 (GST Excl.), inclusive of the Lump Sum Tender price, Project Contingency & Project Management fees, Design and Temporary Club Facilities hire.*

INTRODUCTION

The purpose of this report is to inform Council of a major price variation due to the discovery of contaminated material uncovered during the initial stage of construction of the 8 Synthetic Tennis courts at Caloola Reserve in Atkinson Street, Oakleigh. The tennis court construction is being carried out due to the commitment that Council has made to the redevelopment of the Oakleigh Recreation Centre and the need to relocate the Oakleigh & North Oakleigh Tennis Clubs.

BACKGROUND

Council at its meeting of 12 December 2017 awarded Contract CF 2018055 to Turf One Pty Ltd to construct 8 Synthetic Grass Tennis Courts at Caloola Reserve for a Lump Sum of \$1,439,075 (GST Incl.). Council also allocated a further \$140,000 (GST Excl.) as a contingency amount for any latent conditions, project management fees and for any other potential variations.

The overall Project expenditure approved by Council was for the sum of \$1,668,250 (GST Excl.) or \$1,835,075 (GST Incl.).

On commencement of the works during the stripping of the grass and top soil, remnant asbestos material fragments were uncovered in the southern boundary area of the reserve. Environmental Hygienists were immediately engaged to investigate and provide advice and the affected area was roped and fenced off. Stockpiles of soil containing contaminated material were also covered with plastic sheeting as recommended in the hygienist's report.

Aerial photographs indicate that the site has been a sporting reserve since the early 1950's with significant filling and shaping taking place along the Scotchman's Creek corridor. Houses and factories on the southern boundary of the reserve fronting Dalgety Street were demolished and redeveloped sometime in the 1980's. It appears that some remnant asbestos laden demolition material may have been graded onto the southern perimeter of the reserve from the redevelopment works. Soil testing during the tennis court design phase failed to identify any

irregular material and there were no expectations that any asbestos contaminated material would be encountered. The site plan (Attachment 1 - "Alpha Environmental Figure 02") shows the extent of the area where contaminated asbestos material was uncovered.

After comprehensive test pit excavation, investigation and analysis by the hygienist, a final report was submitted recommending the removal of an extensive area of contaminated material in conjunction with the removal of the contaminated stock pile of soil. The additional costs associated with the removal & disposal off site to an approved EPA waste facility of the estimated 800 cubic metres of soil are significant. These costs are unavoidable as the soil is classified as contaminated waste material and must be transported to an authorised disposal site. This necessitates a significant transport, disposal and waste levy cost to conform to Worksafe & EPA requirements which is estimated at \$320,100 (GST Incl.)

CEO approval was sought and granted under Council's procurement policy (exceptional circumstances clause 2.4.2.2) which allowed for the removal of the contaminated material off site. These de-contamination works commenced on Monday April 30 and were completed on Monday May 7. The short duration of the suspension of the works and the subsequent fast tracking of a decision on the de-contamination works has negated the potential for significant delay costs associated with the contract and has also taken advantage of the recent stable weather conditions.

FINANCIAL

	GST Excl.	GST Incl.
Council Approved Project Budget	\$1,668,250	\$1,835,075
Lump Sum Contract (Turf One Pty Ltd)	\$1,308,250	\$1,439,075
Contingency	\$140,000	\$154,000
Original Approved Contract Sum	\$1,448,250	\$1,593,075
Asbestos Variation	\$291,000	\$320,100
Revised Contract Sum	\$1,739,250	\$1,913,175
Other Project Expenditure Outside the Contract		
Design Fees	\$100,000	\$110,000
Temporary Club Facilities Hire	\$120,000	\$132,000
Revised Total Estimated Project Expenditure	\$1,959,250	\$2,155,175

The variation to the Council awarded contract is \$320,100 (GST Incl.) and is outside the CEO's delegation to vary a Council awarded contract (\$100,000 GST Incl.).

CONCLUSION

That Council:

1. Acknowledges and approves the anticipated variation of \$320,100 (GST Incl.) to the Council approved contract for the Construction of 8 Synthetic Tennis Courts..
2. Notes the revised contract sum of \$1,913,175 (GST Incl.) (Inclusive of contingency sum of \$154,000) for contract CF2018055 with Turf One Pty Ltd.

3. Notes the overall estimated project cost of \$1,959,250 (GST Excl.), inclusive of the Lump Sum Tender price, Project Contingency & Project Management fees, Design and Temporary Club Facilities hire.

