

4.4 PROJECT C09281 - SCOTCHMANS CREEK TRAIL, STANLEY AVENUE ROAD NARROWING & TRAIL WIDENING, MOUNT WAVERLEY – PROJECT BUDGET VARIATION EXCEEDING CEO DELEGATION (C09281: AA)

Responsible Director: Jarrod Doake

RECOMMENDATION*

That Council:

- 1. Approves an increase to the Project Budget for Project C09281 - Scotchmans Creek Trail - Stanley Avenue Road Narrowing & Trail Widening, Mount Waverley in the amount of \$80,000;*
- 2. Notes that the revised project budget will be \$200,000;*
- 3. Notes that the additional funding required for this project will be managed within delivery of the overall 2022/23 Capital Works Program.*

*(*Please note that all dollar figures are GST Exclusive unless stated otherwise)*

BACKGROUND

On 28 June 2022 Council adopted the 2022/23 Budget which included a Capital Works Program allocation of \$120,000 for Project C09281 - Scotchmans Creek Trail - Stanley Avenue Road Narrowing & Trail Widening, Mount Waverley.

This project completes the upgrade & widening of the Scotchmans Creek Shared Pathway along Stanley Avenue, widening the shared pathway to 3m which matches sections recently upgraded west and east of Stanley Avenue.

The works include:

- Bridge deck widening
- Replacement and widening of shared pathway from either bridge approach
- Kerb & Channel realignment
- Installation of protective bollards
- New barrier fencing
- Pavement marking

DISCUSSION

The 2022/23 budget was prepared commencing October 2021 with officer bids based upon engineer's estimates, awarded contracts for similar works and allowing for reasonable CPI increases forecast at the time. The estimates and final budget allocations were further reviewed and confirmed to be reasonable at the time of preparation for adoption of the draft budget (April 2022). Tenders / quotations received in early 2022 did not show a major increase in costs beyond what may reasonably be expected.

Since adoption of the Budget in June 2022 there have been significant increases in construction costs which are reflected in higher than expected tender price submissions received for tendered/quoted works.

In addition, Stanley Ave is the only north - south link in the map area (other than main roads) for vehicular & pedestrian traffic as well as being the link for Scotchmans Creek Trail. Maintaining this link open is essential for the use of residents and bicycle users. As such the contractor has incorporated detailed allowances within their construction management plan to maintain access for all vehicles and pedestrians during works and after hours for the duration of the works. This includes use of temporary traffic signals and / or traffic controllers. This component of their work has been factored into the tenderer's submission and is reflective of a higher cost than had been anticipated at the time of determining the overall project budget.

This construction contract has been tendered and the increase in required funding has been determined from costs received from the market. The tender is ready for awarding subject to formal Council approval to increase the Project Budget. Approval for this project budget increase exceeds the CEO's delegation of 10%.

Council officers have also looked at opportunities to value manage the project to reduce the cost however, there are only limited opportunities to achieve this as the extent and scope is required to meet safety compliance requirements.

FINANCIAL

In line with Councils Financial Delegation Limits (Item 4.1 Delegation Manual), Council must approve variations to Projects that are greater than 10% of the adopted budget.

The budget shortfall for this project can be funded from within the adopted Capital Works Program from Project C09403 - Footpath Renewal Program(\$4.3M) as part of the works include replacement and widening of footpath from either bridge approach.

There is no nett change to the overall Capital Works Program as a result of adoption of the recommendations within this report.

CONCLUSION

That Council approves the recommendations contained within this report.