

4.8 2021136 - MULGRAVE RESERVE PAVILION REDEVELOPMENT – VARIATIONS EXCEEDING OFFICERS DELEGATION – NON-EXCEPTIONAL CIRCUMSTANCES
(CF2021136: AA)

Responsible Director: Jarrod Doake

RECOMMENDATION*

That Council:

- 1. Approves a variation to Contract 2021136 - Mulgrave Reserve Pavilion Redevelopment awarded to Simbuilt Pty Ltd in the amount of \$538,560 above the original contract sum;*
- 2. Notes that the revised contract value will be \$4,322,219.*

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

BACKGROUND

On 28 September 2021 Council approved the tender for 2021136 - Mulgrave Reserve Pavilion Redevelopment with lump sum price of \$3,442,659 (incl GST) and a contingency sum of \$341,000 (incl GST) totalling an available contract sum of \$3,783,659. A copy of the original Council Report is attached for supporting background information.

The contract includes provision for:

- Upgraded sports pavilion consisting of four change rooms and amenities, kitchen, umpire amenities
- Upgraded public toilet amenities
- Additional reserve car parking
- New vehicle drop off zone
- DDA compliant parking area and building access ramps
- Spectator terracing
- Additional reserve pathway
- Landscaping and planting
- Consolidation of ageing cricket net infrastructure

The original lump sum of \$3,442,659 has been allocated and the nominated contingency amount of \$341,000 has been allocated to accumulated variations to the value of \$312,661.80.

A Council approved variation to the amount is \$538,560 is sought to allow for additional costs as follows:

Additional structural strengthening works (\$204,050)

Unknown & significant structural issues were identified after demolition works were undertaken to the existing pavilion (ceilings, walls). This necessitated a review of the structural adequacy, stability and compliance to standards of the existing pavilion structure.

Further investigation through non-destructive techniques was undertaken on the existing floor slab to determine adequacy to current standards & capacity to provide structural support to the required structural steel strengthening.

This work took some time to complete and required redesign of this structure incorporating new structural steel strengthening design to roof, steel columns, foundations and bracing.

Material cost increases – (\$139,700)

Increase in material costs across the project (steel, roofing & carpentry) due to delay in the project whilst undertaking the investigation and redesign of strengthening works required to the existing pavilion structure.

Extension of time & Delay costs – (\$106,810)

Increase in ongoing contractor costs associated with maintaining the construction site including contractor temporary facilities/offices, construction site security, insurances, supervision & management of construction site by contractor until completion.

Additional Contingency Remainder of Project (\$88,000)

A further allocation to allow for any minor variations/latent conditions that may be encountered for the remainder of the contract.

FINANCIAL

In line with Councils Financial Delegation Limits (Item 3.5 Delegation Manual), Council must approve variations to Council Approved Contracts that are greater than 10% of the awarded sum including Contingency, or greater than \$100,000 of the original contract sum.

CONCLUSION

That Council approves the recommendations contained within this report.