Integrated Consultancy Group

Integrated Building Consultancy Norwest
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The Owners - Strata Plan 50785
C/- Strata Title Management Taren Point
PO Box 2727
Taren Point NSW 2229

28 April 2011
Our ref: 2100709-02
Your ref:

Attention: Nina Ashfield-Howell

Dear Nina

RE: SP50785 - COTE D'AZUR 1 MC'DONALD STREET, CRONULLA

As per your instructions we have tendered out the works as detailed in the Scope of Works previously approved by the Owners Corporation. The tenders have now closed and we are pleased to provide the following Tender Summary.

A summary of the tender quotations received are as attached.

All of the invited contractors are licensed for residential building work with the Office of Fair Trading. All contractors have suitable experience and expertise, and hold the relevant licences and insurances for carrying out the scope of works and specification as approved by the Owners Corporation.

The tenders in their entirety will be forwarded by post.

We would advise that initially we called five tenderers, two of which were preferred contractors nominated by the Owners Corporation, the tenderers invited were: BMCG, Alliance, Ganellen, OSSA Services and M&J Fitouts. The last two tender invites are those nominated by the Owners Corporation to which both were requested to submit to our preferred contractors application process. I would advise that M&J Fitouts was unable to complete the application as they do not hold a residential building licence in NSW and as these works under statute must be completed by a company that is licensed to complete residential building works and be in a position to cover the works with a Home Owners Warranty policy we were left with no option than to withdraw the tender request.

The Owners Corporation's second nominated contractor OSSA Services participating actively in receiving documents and attending the site view, wrote to us on the day of closing of the tenders and advised they were not in a position to meet all of the required criteria of the preferred contractors application and that they felt the works were of a nature and size that was outside of their current capacity and accordingly they withdrew without submission of a tender. This leaves the three preferred contractors as attached.

We have applied our tender matrix to each of the compliant tender submissions. The matrix has been designed so that weighted criteria is set against not only the price of the tender, but also items such as the company's professionalism, its infrastructure, financial capacity, contracts experience in a similar types of works, and their client service history.

Ganellen Constructions Pty Ltd has achieved the highest matrix score, and with their competitive pricing we would suggest should be given consideration by the Owners Corporation as the selected contractor to carry out the remedial works. However, we would advise that the Owners Corporation are free at their discretion to select any contractor of their choosing.

By way of explanation the attached tender summary is not meant to isolate the separate best price for each item of work, the intention of the breakdown is so that we can determine where contractors may have either submitted a price that they could not complete that section of work for and further we accept as part of the integrity of the tendering process that some builders costs will be higher on some items and lower on others, but ultimately the competitiveness of the tender is on the final lump sum price. In this case Ganellen is the most competitive tender. It is difficult to give explanation to why some tenders are higher than others however I have not released the tender breakdown until now because I have raising a number of questions for clarification by Ganellen to ensure that they understand and agree to be bound by the fixed cost items. This has led to some minor modifications to their costings however I have a written assurance that they will stand by their costings and complete the work strictly in accordance of the scope for the nominated amount.

I will be forwarding in the next two working days an extensive background document on Ganellen for the Owners Corporation's review however in short Ganellen is a larger sized and new remedial building company and has a very experienced and tertiary qualified management site supervisory team. Further the company has completed a number of projects under our contracts supervision and we are more than satisfied with their workmanship and more importantly their professionalism in moving the works forward and completing on time.

Finally I would clarify a couple of costing issues on the breakdown schedule. Included is two items that originally were not in the concept of this scope of repair. The first being the re-waterproofing of the roof of the lift plant room and the complete roof of the main building, and the second being the cost of the external lift to give access to the penthouse areas and the main roof area.

This document and its contents are intended for the Addressee only and contains opinions held by the Author based on material available at the time and expressed for the purposes of consideration by the Addressee and not for general publication without written consent.

It has been our great pleasure to offer our services to Cote D'Azur SP50785 in the preparation of the Scope of Works and the Tendering Analysis. We would offer our continuing services in the contract administration of this project.

As contracts administrators our professional services include:

- Negotiate and oversee contractual requirements on behalf of the Owners Corporation.
- Convene a pre-construction meeting with all involved parties for site and project familiarisation and to convey the Owners Corporation's requirements and confirm the project vision.
- All progress claims will be submitted to the contract administrator for approval prior to payment.
- At Progress Claims Stage/s the works will be inspected for compliance to the Scope of Works and the Specification the value of works completed will also be assessed with payment not to exceed 90% value of the completed works to date.
- Evaluate and assess variations on behalf of the Owners Corporation.
- Process variations once approved by the Owners Corporation.

We would be happy to provide the above services for a fee of 5.5**% of the total contract amount,** which we have discounted considerably as we have been involved with this project from its conception, our normal rate would be 10% which at that rate is the nominated standard industry rate for works under $1million.

I am available to meet with the Executive Committee or attend an EGM so as to clarify any matters.

We respectfully await your further instructions. Please feel free to contact the undersigned if you have any further questions in relation to the tender analysis.

Yours faithfully
For and on behalf of
Integrated Building Consultancy Norwest ACN 119 674 298



Chris Moane AIAMA MASBC-CPC
Senior Building Consultant - Mediator
chris@ibc.net.au

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SP52079 - Cote D'Azur, 1 McDonald Street, Cronulla

		BMCG		ALLIANCE		GANELLEN	
1	Preliminaries and set up for all sections of work combined including all preamble conditions, separate dilapidation reports etc		$15,400.00		$66,900.00		$35,190.00
PLANTER BOX REPAIRS COMMON PROPERTY							
2	Waterproofing of planter boxes, common property 4.1-4.1.6.5		$209,000.00		$204,000.00		$142,758.00
2a.	PC allowance for replacement of plants		$10,000.00		$10,000.00		$10,000.00
PENTHOUSES WATERPROOFING AND RETILING PATIOS							
3	Erect scaffolding 4.2.3		All access supplied		$55,100.00		included
4	Cutting of access panel in balustrade plinth and reinstatement of same 4.2.4, 4.2.12.1, 4.2.12.2		$9,900.00		$12,000.00		$12,000.00
5	Remove masonry wall and reinstate 4.2.5		$13,200.00		$4,500.00		included
6	Removal of all tiles, bed and membrane 4.2.6, 4.2.7		$68,500.00		$53,500.00		$35,515.00
7	Installation of spitter pipes 4.2.8		$5,500.00		$5,100.00		included
7a	Unit rate for supply, coring and installation of spitters $____	$275.00		$280.00		$227.00	
8	Application of new membrane system 4.2.6.1-4.2.6.2, 4.2.9 inc all special notes		$46,750.00		$69,500.00	inc 9 and 12	$132,965.00
9	Application of elastomeric membrane to masonry walls and concrete surfaces 4.2.10		$19,800.00		$39,600.00		included
10	Laying of sand/cement screed bed and application of new tiles 4.2.11-4.2.11.1, 4.2.13-4.2.13.4		$57,750.00		$90,700.00		$58,108.00
10a	PC allowance for supply of tiles only $70 per square metre (project total square metres required including wastage and place cost into right hand column)		$77,000.00		$38,000.00		$41,195.00
11	Removal of hoist 4.2.12.2 - no cost included in hoist hire		included		included		included
12	Rectification of planter boxes 4.2.14-4.2.14.4		$26,400.00		$42,800.00		included
INDIVIDUAL LOT PROPERTY REPAIRS							
13	Unit 17C 5.1-5.1.9.3		$8,050.00		$7,000.00		$11,358.00
14	Unit 64C 5.2-5.2.11		$9,950.00		$7,000.00		$10,120.00
15	Unit 69C 5.3-5.3.27		$15,400.00		$8,200.00		$15,485.00
WATERPROOFING COMMON PROPERTY – ROOF							
16	Plant and Lift Room waterproofing 5.4-5.4.2		$168,500.00		$158,000.00		$154,880.00
17	HOME OWNERS WARRANTY INSURANCE		$2,000.00		$19,250.00		$5,000.00
HOIST HIRE AND CHARGES - PC			$25,000.00		$25,000.00		$25,000.00
LUMP SUM TENDER PRICE INCLUDING GST			**$788,100.00**		**$916,150.00**		**$689,574.00**
Estimated project time (weeks)			16-18		22		16
Estimated lead time (weeks)			2		6		3