

---

## **APPENDIX ITEM 9.1**

---

9 May 2012

Mr Tony Arias  
Chief Executive Officer  
Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6018

Dear Tony

**Re: CATALINA: STAGE 3 – Civil Construction Recommendation**

We are pleased to provide the following recommendation in relation to the appointment of a civil works contractor to stage 3 of Catalina.

**Background**

In June 2011 RJ Vincent were awarded stage 1 earthworks and stage 1 civil works for Catalina. The award included preliminary pricing for future stages including stage 3. The appointment of the contractor for any packages beyond the stage 1 works is at the discretion of the TPRC. RJ Vincent have subsequently been appointed to the stage 2 civil works, and to date their performance on site has met expectations in terms of timeliness, resources and quality.

On this basis Cossill and Webley as project engineers have sought a final price from RJ Vincent to undertake stage 3 civil works for Catalina.

**Pricing**

RJ Vincent have submitted a price of \$2,497,118.95 (excluding GST) including a \$90,000 contingency. The budget for stage 3 civil works as approved in August 2011 is \$2,559,608 (including project contingency) therefore the RJ Vincent price is \$62,489 under budget.

An increased provisional sum allowance has been included in the contract price for the excavation of rock. This is recommended on the basis of ground conditions which have been experienced over the course of the earthworks contract and stages 1 and 2 civil works contracts, where a much greater than anticipated volume of rock has been encountered. The increased provisional sum assumes 100% of rock will be encountered during excavation. If the extent of rock is less than 100%, savings will be made against the contract sum.

Without the increase in the provisional sum for rock excavation the final contract price would have been approximately \$100,000 less than the recommended amount.

The civil construction period for stage 3 has been set for 20 weeks. Based on an anticipated commencement date of 4 June titles would be scheduled to occur in December 2012.

**Recommendation**

It is essential that stage 3 civil works progress as a matter of urgency to maintain revenue projections for the development. It is also important for the brand development of the Catalina estate that supply of stock to the market is maintained. As a result of the excellent stage 1 release and the pre-allocation of stage 2 to a display village, the estate has a limited amount of stock to satisfy market demand in the immediate future without stage 3.

As previously indicated RJ Vincent has performed well in terms of timeliness, resources and quality and it is recommended to award them the Catalina stage 3 civil contract for the value of \$2,497,118.95 (excluding GST).

Should you require any further clarification please contact the undersigned.

Yours sincerely



Justin Crooks  
Project Director

Cossill & Webley Pty Ltd  
Level 2  
431 Roberts Road  
Subiaco WA 6008  
PO Box 680  
Subiaco WA 6904  
T (08) 9422 5800  
F (08) 9422 5801  
E admin@cosweb.com.au



2<sup>nd</sup> May 2012

Tamala Park Regional Council  
c/- Satterley Property Group  
18 Bowman Street  
SOUTH PERTH WA 6151

**Attention: Mr Justin Crooks**

Dear Justin

**RE: CATALINA STAGE 3 CIVIL WORKS PRICING SUMMARY**

We provide this letter as a summary and recommendation for the Stage 3 works at Catalina.

RJ Vincent has submitted a lump sum price of \$2,497,118.95 excluding GST for Stage 3 Civil Works at Catalina. The lump sum price is based on the tendered rates from Stage 1 and allows for some Provisional Sums on items that could not be quantified at this time.

The actual ground conditions encountered in previous stages at Catalina resulted in more rock excavation and screening of backfill material than was allowed in the original contract provisional sums. The provisional sums adopted in Stage 3 represent the maximum amounts possible assuming rock is encountered in all trenches and screening of all of the trench material is necessary. The terms of the award will require RJ Vincent to adopt these provisional amounts as a guaranteed maximum quantity. The TPRC will only pay for the actual quantity of rock encountered with the knowledge that the Provisional Sum amounts represent maximum quantities so these cost items will not to be exceeded.

Assuming the lump sum price is within the project budget, we recommend the contract be awarded to R J Vincent for **\$2,497,118.95, excluding GST**. This price includes \$10,000 provisional allowance for 3<sup>rd</sup> pipe road crossing excavation only (not the full system) and \$90,000 general contingency.

We await your instructions with regards to awarding the Stage 3 civil works.

Yours faithfully  
**COSSILL & WEBLEY PTY LTD**

**NATHAN BUTSON**  
**Senior Project Engineer**