



Sutech Pty Ltd  
PO Box 197, Spit Junction  
NSW 2088, Australia  
T: (02) 9949 5566  
E: [info@sutech.com.au](mailto:info@sutech.com.au)  
W: [www.sutech.com.au](http://www.sutech.com.au)

19 August 2020

**The Strata Committee  
Owners Corporation  
Strata Plan 3840  
C/- Body Corporate Services  
Locked Bag 22  
HAYMARKET NSW 1238**

**Attention: Julie Edwards**

**RE: 51-53 THE CRESCENT, MANLY 'THE PINES'  
TENDER OUTCOME REPORT – FAÇADE AND NOMINTAED BALCONIES  
DRAFT ONLY**

Dear Julie

We refer to the Strata Committees request to obtain tenders for remedial works to the external façade and nominated balconies where failure of the membrane system has occurred.

In July 2017 Sutech undertook a full inspection of the building to assess its condition, provide comment on the various elements and provide recommendations on long term maintenance and protection of the building. In 2020 the Committee proceeded with the recommendations set out in the report and Sutech prepared Specifications and Tender documentation in order to obtain costs for the nominated works detailed below.

The following is a summary only. For more technical information in regards to this document, please refer to the Sutech Specifications dated August 2019.

## FAÇADE WORKS

### Item 1 Site Establishment and Access

This item sets out the general contract conditions relating to the proposed contract and all matters relating to the installation of access equipment to undertake the works on the external façade. In order to minimise costs we have recommended that scaffold towers be installed on the balcony areas whilst all other external works be completed by swinging stages.

### Item 2 Nominated balcony works

The membrane on a number of the balconies has failed and is allowing water and salt absorption directly through the balcony slabs. Not only is this causing issues with blistering paint/ salt contamination but the ingress of moisture/ salt significantly increases the risk of concrete spalling.

In response to the inspections and in consultation with the committee the following balconies have been nominated for replacement of the membrane system: 8, 9, 10, 16, 19, 23, 24, 25, 28, 30, 31, 33, 34, 36, 37 and 39.

Works involved with rectification include the following:

- Protection of balustrades. (The current balustrades are to be retained)
- Removal of all tiles and membrane to expose the screed.
- Cavity flashings on brickwork adjacent to the balcony.
- Regrading of balconies to the existing outlets.
- Waterproofing of the existing hob and installation of new doors. (The doors should be replaced as part of the process)
- Installation of a new membrane system.
- Retiling of the surface. (PC sum of \$70 per sqm)

Note: There may be some components of this work where the additional cost will be attributed to Owners. This will need to be determined by the Owners Corporation.

### Item 2 Nominated Cavity Flashings

This item describes the replacement of the cavity flashings on the south east corner of the building where ongoing know cavity problems have occurred over a period of time. The brickwork is to be removed and all flashings replaced.



Area marked up in blue for cavity flashing replacement

#### **Item 4 Wall ties**

We have obtained unit rates for the installation of wall ties on the external façade of the building. These are installed through the external skin into the internal skin, to promote stability of the brickwork. The ties are marine grade stainless steel and hence non corrosive.

We have only included 1000 ties in the funding requirements as we have been made aware that some of the elevations were already completed in the previous remediation project.

#### **Item 5 Expansion Joints**

The balconies have concrete parapet walls located at either end. Between the concrete wall and the adjacent brickwork is an expansion joint to address movement between the two surfaces. These joints have broken down over time and are required to be replaced.

#### **Item 6 Variable Works Items**

6.1 Stripping of concrete surfaces- We have noted that blisters are occurring beneath the current brickwork in a number of areas. The type of blister which is present would suggest salt contamination in the concrete beneath. These are required to be addressed otherwise the problem will continue to compound, thereby increasing the extent of preparation work in the future and the potential development of concrete spalling.

We have elected to include 300sq metres of coatings to be replaced as part of the funding recommendations.

6.2 Concrete Spalling- There is evidence of the development of concrete spalling in a number of areas. Whilst currently not considered severe, undertaking repairs in the short term rather than at a later date will reduce the ongoing deterioration and costs associated with rectification.

We have included 1500 litres of concrete spalling to be replaced as part of the funding recommendations. A large component of the repairs appear to be around ground level.

## **Item 7 Coatings**

This includes all pre-painted finishes which are not factory finished. In summary:

- Columns.
- Slab edges.
- Hoods. (West facing)
- Undercover garage area columns and beams. (Not areas in secure carparks)

The current coatings are 18 years old and maintenance now will ensure that ongoing damage is addressed now, rather than waiting until such time as the deterioration becomes extensive.

The specification calls for the application of a solvent based primer and two (2) coats of a high build membrane. This type of coating system is designed to eliminate moisture uptake into the concrete and reduce the long term effects of spalling.

## **Item 8 General External Coatings**

All other external surfaces which require painting. This includes:

- Walls at ground level adjacent to gardens.
- Facia on the roof stairwell.
- PVC downpipes.
- Lead/ alcore flashings.
- Pre painted pipes.
- Columns on entry awning.
- External garage area soffits.
- Balcony/ Entry and other pre painted soffits.

Items that are not required to be painted:

- Factory coated gutters and downpipes.
- Garage doors.
- Internal areas or areas not visible. (i.e. within garages)

## **Item 9 Clean Up**

## **Item 10 Alternative Options**

A1- Concrete hob replacement- We have sought costs now for replacement of the door hob if required.

A2- Sheet membrane in lieu of liquid membrane- We have obtained a cost to install a sheet membrane rather than a liquid membrane. The sheet membrane has a significantly longer lifespan. (Liquid membranes last approximately 10 years whilst sheet membranes have an estimated lifespan of 20 years plus)

## CONTRACTOR SUBMISSIONS

The documentation was sent to the following four (4) contractors:

1. Coastline Building Co Pty Ltd (CBC)
2. Dukes Pty Ltd (DUK)
3. Fluid Building Services Pty Ltd (FBS)
4. Remedial Building Services (RBS)

All contractors are remedial specialists companies and submitted tenders.

*Disclosure:* the principle of Fluid Building Services is related to the principle of our company, neither party has any financial or other interest or involvement in the other party's business.

Under our direction, RBS completed the previous major works at the building (approx. 18 years ago). All other companies have successfully completed major remedial projects under our direction and we are satisfied that they are capable of completing the works.

Although this is a competitive tender process it cannot be expected that each of the itemised prices will be identical given the following reasons:

- Contractors do not necessarily allocate certain costs to the individual items nominated (i.e. the FBS sites establishment cost includes handling costs and site foreman costs whereas other contractors distribute it through the tender).
- Use of subcontractors affect prices.
- General differences in rates on specific items.

Overall the total submission packages are relatively close which confirms accuracy of costs to complete the works.

## ACCESS DISCUSSION

At a minimum we have requested that the contractors use scaffold on the balcony surfaces. This is due to the fact:

- That there is risk of damage with transportation from stages.
- Contractors can only work on one balcony at a time, significantly increasing the total contract period.
- There are complications with Work, Health and Safety moving in and out of stages onto balconies.

For the remainder of the facades it is proposed to work from stages and the extent of works is limited.

## TENDER REVIEW

We have undertaken preliminary discussions with the contractors after reviewing the first round of tenders. Where anomalies have arisen we have discussed and sought clarification on certain items.

Attached is a tender comparison form detailing each of the tenderers and their itemised costs. We have also obtained rates in order to assess variable items and to provide quantities in order to establish budgets.

## FUNDING RECOMMENDATIONS

Based on the different contractor submissions we have prepared the following initial funding recommendations for each contractor. All costs include GST.

	FBS	DUK	CBC	RBC
Fixed/ Provisional sum Costs	\$ 1,668,862.00	\$ 1,529,200.00	\$ 1,474,463.71	\$ 1,452,120.00
Contingency	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
<b>Subtotal</b>	<b>\$ 1,768,862.00</b>	<b>\$ 1,629,200.00</b>	<b>\$ 1,574,463.71</b>	<b>\$ 1,552,120.00</b>
HBCFI	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
Consultant Fees 9%	\$ 163,247.58	\$ 150,678.00	\$ 145,751.73	\$ 143,740.80
<b>Total Recommended Funding</b>	<b>\$ 1,977,109.58</b>	<b>\$ 1,824,878.00</b>	<b>\$ 1,765,215.44</b>	<b>\$ 1,740,860.80</b>

Our normal recommendation would be to select the cheapest price after a final round of negotiation.

**Fixed price/ Provisional sum costs-** Includes all items required to complete the nominated works as set out in the Sutech specification. The current costs include liquid membrane only and should sheet membrane be required then additional costs would be incurred. Refer to the tender comparison spreadsheet for more information.

**Contingency** - Should be included to address any unknown costs which may arise during the course of the works, such as an alteration or an inclusion to the specification, or where concrete spalling exceeds the estimates provided. The figure provided is regarded as low and normal contingencies are in the vicinity of 10% of the contract price.

**Home Building Compensation Fund Insurance** - Tenderers are to provide the Home Building Compensation Fund Insurance (HBCFI) cost based on their total tendered price. Tenderers will be required to purchase HBCFI before commencement of the contract. Certificates from the issuer will be made available to the superintendent. The certificate provides the Owners Corporation with insurance on defects for a period of 2 years and on major defects for a period of 6 years. The cost of the certificate has been included in the total recommended funding cost. The cost of this insurance is not included in the fixed costs and is paid for by the Owners Corporation.

**Consultant & Project Management Fees** - Given recent changes to insurance legislation owners will receive less protection than what was previously offered and therefore the engagement of an independent party (i.e., project manager/consultant), to ensure that the works are correctly completed or modified where necessary, (during the course of the works- if actual original construction methods are found to differ from what was anticipated), has now become more essential to ensure a long term solution is provided.

We have included provisional project management fees which include preparation of contracts for signature, checking contractor's licences and insurance policies, regular onsite inspection of work, providing onsite recommendations, attending site meetings and provision of minutes, attending to variations and previously unforeseen items, approving progress and final payments, obtaining warranties, providing progress and final reports where necessary, photographic record of the work and other contract administration matters. The fees quoted are for the works described in this report. For additional works outside the scope will be based upon an hourly rate of \$260 per hour (plus GST).



## ACTION PLAN

- a) The committee to review the information.
- b) The committee to meet with Sutech and discuss the information set out in the draft report, modifications and changes, and consider proposed timeline for the works.
- c) Sutech to complete further negotiations, make modifications and provide a final tender outcome report for distribution to all owners.
- d) Where required Sutech is happy to meet with all owners to present and discuss the report.

If you have any questions, please do not hesitate to contact the undersigned.

Yours sincerely



**STEVE BOWEN**  
Senior Consultant