



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)

25 March 2021

**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 NOMINATED BALCONIES  
VERSION 3- MARCH 2021**

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.

## **BACKGROUND**

The following sequence of events have occurred leading up the preparation of this document:

- 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 May 2020 the Committee proceeded with the recommendations set out in the report and Sutech prepared Specifications and Tender documentation to obtain costs for the nominated works.
- Following meetings between Sutech and the Strata Committee, request was made to analyse different approaches and whether any significant cost benefits could be obtained. This was completed in October/ November 2020. Subsequent meetings determined that this type of approach would only cause ongoing significant disruption to owners.
- In January 2021 it was decided that an inspection of the balconies should be completed to assess whether any new failures of damage was evident. Inspection was completed on 22 February 2021, where it was determined that 11 new balconies should be included in the scope. The majority of these being nominated due to water penetration through the slab and a small number nominated due to having original tiles. It was also determined that the current liquid membrane applied to the roof was showing signs of failure with water saturation through the slab onto soffits below.
- In March 2021 Sutech modified the previous specification to include the additional balconies and the roof membrane and subsequently finalised this report.

## SCOPE OR WORKS

The following is a summary only. For more technical information regarding this document, please refer to the Sutech Specification dated March 2021 (V3).

### 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: 2, 3, 8, 9, 10, 11, 14A, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 28, 30, 31, 32, 33, 34, 35, 36, 37 and 39. We have also modified the specification to now include a sheet membrane system, as we are of the opinion that this will provide the maximum lifespan of the system.

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 door hob.
- Installation of a new membrane sheet system. In some instances, balconies which have previously had membranes replaced are showing signs of failure. To ensure longevity, we have nominated a sheet membrane system rather than the use of liquid membranes.
- Retiling of the surface. (PC sum of \$70 per sqm)

Door Replacement- As part of the works we will be required to remove the existing doors to ensure that the membrane extends up beneath the door frames. This is essential to eliminate water entry into units and the potential impact of concrete spalling. If the doors are not in reasonable condition (original or older style doors), then it is likely that they will be damaged (or cannot be reinstated without damage) and will be required to be replaced.

Under your current Strata Laws the door replacement is the responsibility of the individual owner and therefore this will be an additional cost to these owners.

Doors nominated for replacement are detailed in the balcony schedule dated 22 February 2021. The costs of replacement of the nominated doors are included in the current costs. This list is not exhaustive and may require further update during the course of the works.

Costs of the doors are as follows:

#### Small Balcony

- Hinged Door                 \$2,090
- Sliding door                 \$6,699

#### Large Balcony

- Small Sliding Door         \$5,874
- Large Sliding Door         \$6,396

### Item 3      **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**

This item has been deleted.

## 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 200sq 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 several areas. Whilst currently not considered severe, undertaking repairs in the short term rather than later, 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 appears to be around ground level on the rear of the eastern garages.

## 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, rather than waiting until such time 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/ alcove 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. This will not be known until the doors have been removed. Where this is required then it can be drawn from the contingency.

## **CONTRACTOR SUBMISSIONS**

The documentation was originally 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)

*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.

In March 2021 we reduced the tender list to three contractors as Dukes previous pricing would suggest that they would not be competitive under the new round of tenders.

On the following page is a summary of the FBS and RBS tenders who were previously considered the most competitive tenders. We can confirm that the FBS tender has been scrutinised and is accurate, whilst there are some queries on specific items for the RBS tender which have not yet been clarified. We are also expecting a tender from CBC however based on their previous tender we do not expect them to be competitive.

We would suggest that the Owners Corporation use the FBS tender/ funding recommendations as an accurate guide to costs. Should the other contractors submit a more competitive tender before the AGM/EGM then this can be documented and included any further information for owners.

From our perspective we are happy to work with any of the nominated contractors and our recommendation would be to accept lowest price.

## FUNDING RECOMMENDATIONS

Item	FBS	RBS
Fixed contractor Costs excluding door supply cost	\$1,590,984.00	\$1,639,520.00
Provisional sum items (concrete spalling and coating stripping)	\$121,055.00	\$ 135,000.00
<b>Subtotal</b>	<b>\$1,712,039.00</b>	<b>\$1,774,520.00</b>
Contingency	\$120,000	\$120,000
HBCF Insurance	\$85,601.95	\$88,726.00
Superintendent/ Consultancy/ project Management fees	\$154,083.51	\$159,706.80
<b>Total Recommended Funding</b>	<b>\$2,071,724.46</b>	<b>\$2,142,952.80</b>

### Summary of items stated on funding recommendations:

**Fixed price/ Provisional sum costs-** Includes all items required to complete the nominated works as set out in the Sutech specification.

**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 as an additional item.

### **Superintendent & Project Management Fees**

Superintendent and Project management Fees includes but not limited to the following:

- Checking of licences and insurances.
- Preparation of contracts. (Note: If the Owners Corporation elect to have a legal representation during contract preparation then we request that we be advised of who this party is. We have found that different legal firms adopt different approaches with contract preparation and to avoid unnecessary costs it is better for us to understand their preferences before contract preparation commences. Should extensive negotiations be required then additional costs may be incurred.)
- Schedule site meetings with client to discuss project and preparation of minutes from meeting.
- Unscheduled site meetings to check on contractor to assess and ensure compliance with specifications, provide recommendations to contractor on modification of the scope of works or provide other information as required and all written communications as required. There are no limitations to the number of site inspections or when the site inspections take place. Our approach is to try and make ourselves available at the earliest opportunity to ensure that the contractor continues works without delay and minimises contract periods.
- Quantification of all provisional sum items

- Site meetings with suppliers where product concerns or other issues arise.
- Progress reports on works being undertaken and access to ongoing photographic Dropbox links.
- All ongoing communications with all parties involved with the project.
- Full contract administration including but not limited to the following:
  - Review, negotiation and approval of progress claims and preparation of document (invoice schedules etc.) regarding claims.
  - Negotiation with contractors regarding variations.
  - Retentions.
  - Warranties.
  - Post contract services including retention of warranties and management of issues relating to any works Sutech has been involved with to date.

The above is a summary of our responsibilities and if the Owners Corporation have further interest in engaging our services then we can provide a copy of a full written agreement which provides specific details on all items described above.

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

Yours sincerely



**STEVE BOWEN**  
Senior Consultant/ Director

TENDER COMPARISON FORM				Page 1 of 2	
SP3840					
51-53 THE CRESCENT					
MANLY					
Mar-21					
All costs include GST					
ITEM	DESCRIPTION		RBS	FBS	
<b>Fixed Costs Façade</b>					
1	Site establishment & access		\$ 370,000.00	\$ 466,701.00	
2	Nominated balcony works as per Sutech schedule		\$ 682,600.00	\$ 662,333.00	
3	Nominated cavity flashings		\$ 148,720.00	\$ 93,808.00	
5	Expansion joints		\$ 14,300.00	\$ 26,315.00	
6.1	Stripping of existing coatings (200sqm)		\$ 36,000.00	\$ 41,855.00	
6.2	Concrete Spalling (1500 litres)		\$ 99,000.00	\$ 79,200.00	
7	Coatings		\$ 159,000.00	\$ 140,672.00	
8	General external coatings		\$ 84,500.00	\$ 73,837.00	
9	Clean up		\$ 6,500.00	\$ 1,980.00	
11	Roof membrane replacement		\$ 173,900.00	\$ 125,338.00	
<b>Total fixed costs</b>			<b>\$ 1,774,520.00</b>	<b>\$ 1,712,039.00</b>	
All costs include GST					
ITEM	DESCRIPTION		RBS	FBS	
<b>Balcony works - Rates</b>					
2	Small balcony membrane replacement	per balcony	\$ 23,500.00	\$ 19,013.00	
2	Large Balcony membrane replacement	per balcony	\$ 35,500.00	\$ 32,011.00	
2	Balcony sliding door supply cost	per door	\$ 5,000.00	\$ 6,699.00	
2	Balcony hinged door replacement cost	per door	\$ 4,000.00	\$ 2,090.00	
10	A1. Concrete hob replacement (per door)	per sliding door hob	\$ 2,100.00	\$ 1,683.00	
All costs include GST					
ITEM	DESCRIPTION		RBS	FBS	
<b>Façade works</b>					
6.1	1. Remove coatings from balcony parapet walls	both sides of a single balcony parapet	\$ 750.00	\$ 713.00	
	2. Remove coatings from balcony soffits(small)	per soffit	\$ 1,800.00	\$ 2,382.00	
	3. Remove coatings from balcony soffits (large)	per soffit	\$ 2,500.00	\$ 3,267.00	
	3. Remove coatings from columns	per column	\$ 1,450.00	\$ 1,287.00	
	4. All other surfaces	sq/m	\$ 180.00	\$ 198.00	
6.2	Concrete spalling	per litre	\$ 66.00	\$ 55.00	
All costs include GST					
<b>Rates for Cost Plus Works if required</b>			<b>RBS</b>	<b>FBS</b>	
	Labour \$ per man hour including GST		\$ 99.00	\$ 90.00	
	Contractor margin %		20%	18%	
	Contract duration weeks		22	36	



TENDER COMPARISON FORM		Page 2 of 2
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