

VARIATION APPROVAL REQUEST FORM FOR TENDER CONTRACTS TO BE VARIED BY COUNCIL

To:	Paul Martin, CEO	Date: 5 May 2021
From:	Kiriana Barclay	Page: 1 of 4
Subject:	Approval Request for Variation No. 6 to Mundijong Road – Kargotich Road Roundabout Construction	
CM Ref:	E21/4890	

Contract Details

Contractor:	Raubex Construction Pty Ltd		
Project:	Mundijong Rd – Kargotich Rd Roundabout Construction		
Start Date:	22/09/2020	End Date:	25/01/2021
Tender Reference:	RFT 09/2020	PO Number:	PU002708

Variation Details

Work Breakdown Structure (WBS) Description:	Subgrade Preparation		
Original estimate to complete the WBS:	\$35,607.00		
Variation Description:	Foundation Stabilisation		
Impact on time:	Construction is completed.		
Variation Estimate:	\$ 170,000 of which \$62,312.50 has been paid under Variation 2.		
Variation Recommended:	\$ 108,000		
Council Meeting for Variation to be considered:	<input checked="" type="checkbox"/> Ordinary Council Meeting of [enter date] <input type="checkbox"/> Special Council Meeting to be held by [enter date] Justification: [please enter reasons for requiring a SCM e.g. cost of delays / financial risk of contractor claims as per contract]		

**Please ensure supporting evidence to justify the variation value is attached.*

Has there been any previous variations under this contract? **Yes** **No**

Variation Number	Date Approved	Amount	CM Reference	PO Number
1 - Cast, Pour and Strip Double Culvert Headwall Relocate Fencing in NW quadrant Survey	19/10/2020	\$12,345.25	IN21/11950	PU002708
2 – Unsuitable Foundation	15/12/2020	\$62,312.50	IN21/11958	PU002708
3 – Additional Survey	14/04/2021	\$14,344.25	E21/4164	PU002708
4 - 5x Additional kerb outlets plus 23m ² of additional rock pitching	14/04/2021	\$7,118.65	E21/4164	PU002708
5 - Additional Pavement Quantity as a result of late design change	14/04/2021	\$27,650.98	E21/4164	PU002708
Total		\$ 123,771.63		



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Schedule Variance Analysis - What is the reason for this variation?

Planned Result	Actual Result	Variance	Root Cause	Planned Response
Subgrade preparation	Excavation uncovered unsuitable materials which require to be replaced	Additional cost to remove unsuitable materials and replace with limestone and stabilisation and delayed works by 20 days.	Upon stripping the topsoil, Raubex identified unsuitable foundation material under the proposed road widening	The road widening foundation was remediated using lime stabilisation, the existing alignment foundation was remediated using limestone fill and a combination of geofabric and geogrid to stabilise the ground movement caused by loading. To date Raubex have conducted 20 days of ground stabilisation remediation and therefore the increased costs reflect the additional time and effort used to achieve a stable foundation.

Compliance with Regulatory Conditions (r21A F&G)

The variation/s must be necessary to provide the goods or service to be supplied:

Justification that this variation is needed in order to deliver the project:	Suitable subgrade construction must be prepared for road pavement
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The variation/s must not change the scope of the original contract:

The term 'scope' is to be interpreted as "the nature or extent of works to be undertaken under the contract". A variation to the design or specification of the works does not mean a change in scope providing the variation work is within the original extent of works contracted. See legal advice received 2 February 2021 (IN21/3110).

Brief Description of Original Contract Scope:	Construction of road widening and roundabout at the intersection of Mundijong Road and Kargotich Road
Justification that this variation is within that scope:	Replacement of unsuitable materials for subgrade construction is within the scope of the contract.

Impact on Contract Value

	Amount (ex GST)
Original Contract Value:	\$ 1,368,975.32
Total Value of Variations Approved to Date:	\$ 123,771.63



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Current Contract Value:	\$ 1,492,746.95
Total Value of this Variation:	\$
Proposed New Contract Value:	\$1,600,746.95
Percentage increase	16.93

Impact on Budget

	Amount (ex GST)
Amended Project Budget:	\$ 1704,841.00
Additional Shire contribution to offset MRRG variation (December 2020 quarterly review)	\$80,000
Additional Grant Income from MRRG	\$130,000.00
Available Budget	\$1,914,841.00
Current Commitments: (Total value of all contracts including all variations approved to date)	\$ 1,746,689.33
Value of this Variation (no.6):	\$ 108,000
Provision Sum 1 – Line marking and signs (MRWA)	\$30,000
Provision Sum 2 – Temporary traffic management (QTM)	\$15,000
Total Commitments: (Current Contract Commitments + Value of this Variation)	\$1,899,689.33
Budget Balance: (Approved Project Budget - Total Commitments)	\$15,151.67

Is a budget amendment required? Yes No

Account	Type	Description	Debit	Credit
6400-80138-4819-0000	Increased Grant income- MRRG	Grant Income		\$130,000.00
6400-80138-6600-0000	Increase Expenditure	Mundijong Rd/ Kargotich Rd Roundabout	\$130,000.00	



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