

## **Concrete Road Surface Repairs Project**

### **Background and Tender Process**

The condition of the road surface at Garden Route Mall and subsequent annual repairs has been an ongoing maintenance and budget challenge. The annual spend on road repairs going back to 2011 averages approximately R390k per year. The cause of the continued failures has been attributed to minimum application of the original sub-soil layers.

In May 2017 a 230 m<sup>2</sup> section of road surface was repaired using concrete instead of the usual tar at no extra cost to use concrete. This section of road has held up perfectly over the last four and a half years. The section of road is situated behind Dischem, a high volume of delivery vehicles passes this section of road which they also use as a turning point which puts a lot of stress on the road surface in this area.

A decision was made to include R12 million in the budget, split over 2 financial periods (2021/2022 & 2022/2023), to refurbish the high traffic road surfaces using concrete since the lifespan of concrete lifespan is approximately 30 years versus that of tar at 15 years. A plan of the proposed areas that will be addressed is included on the last page.

We approached S&Z Consulting (Structural and civil engineers) to assist with the design specification and to manage the tender process as the principal agent. A tender site meeting was held on Wednesday the 18th of August 2021 with final submissions to be submitted by the 27th of August 2021.

The results of the tender are included below:

<b>Name of Tenderer</b>	<b>Tendered amount VAT Incl</b>	<b>Tendered amount VAT Excl</b>	<b>Price Variance</b>	<b>Construction Period</b>	<b>BEE Level</b>
<b>Ruwacon</b>	R 11 128 932,17	R 9 677 332,32		7 months	1
<b>WJ Civils</b>	R 11 569 023,35	R 10 060 020,30	R 382 687,98	8 months	3
<b>Constructive Civil Engineering</b>	R 12 095 524,57	R 10 517 847,45	R 457 827,15	8 months	0
<b>Urhwebo e-Transand</b>	R 15 348 486,62	R 13 346 510,10	R 2 828 662,65	8.25 months	1
<b>Buccleugh Contractors</b>	R 20 161 273,35	R 17 531 542,04	R 4 185 031,94	11.25 months	0

The price variances shown above exclude an amount of R90 375.80 that was brought in by Ruwacon on our request. This was brought in to address the curing time of the concrete at the delivery area behind Woolworths as well as the single lane road behind Game receiving, the concrete used in these areas will be 45MPa instead of 25MPa which will allow for a 7-day curing period instead of 21-days. An amount of R16 800 is also included in this amount to make provision for a new fully enclosed steel roof structure and ramp for storage of the new Segways.

Constructive Civil Engineering, Urhwebo e-Transand and Buccleugh Contractors fell out of the tender process due to price and BEE levels.

Initially Ruwacon submitted their proposal with a construction period of 4.5 months, this was a concern for us as it is not a realistic given the site dynamics at Garden Route Mall. We requested a meeting with Ruwacon to discuss the construction period, the site dynamics as well as the payment projections for the duration of the project which stretches over two financial periods. Ruwacon revised their construction period to 7 months and supplied program and payment schedule as requested.

Ruwacon's program has allowed for a construction period of 183 calendar days, the off period for April holidays is 33 calendar days and the total period is 216 calendar days. Starting on the 31st of January and completing on the 3rd of September. Two weeks have been allowed for stoppages due to rain.

Numerous consultations took place between GRM, Naas Zaaiman (Engineer), Michael Clampett, Stephan Schutte, Thomas Fuller, and Ruwacon to discuss the points where clarity was needed.

A final decision was made to appoint Ruwacon based on the following:

- Lowest price (R382 687.98 + R90 375.80 = R473 063.78 cheaper).
- BEE level 1.
- Shortest construction period.

### **Finance Approval**

The road resurfacing was budgeted as follows:

Description	2021/2022 budget	2022/2023 budget	Total Budget	Tender Price	2021/2022 Project Value	2022/2023 Project Value	Total Project Saving
Road resurfacing - WJ Civils	R 6 000 000,00	R 6 000 000,00	R 12 000 000,00	R 9 677 332,32	R 6 000 000,00	R 3 677 332,32	R 2 322 667,68
Professional fees - 7%	R 420 000,00	R 420 000,00	R 840 000,00	R 677 413,26	R 420 000,00	R 257 413,26	R 162 586,74
<b>Total</b>	<b>R 6 420 000,00</b>	<b>R 6 420 000,00</b>	<b>R 12 840 000,00</b>	<b>R 10 354 745,58</b>	<b>R 6 420 000,00</b>	<b>R 3 934 745,58</b>	<b>R 2 485 254,42</b>

Due to the December holidays (1 and a half months away) we are looking at starting the project at the end of January 2022. **By utilising the full budget for the 2021/2022 period we can roll the project into the new financial period where we then see a final saving of R2 485 254.42 (excl VAT).**

The saving that is projected against the 2022/2023 budget period can possibly be utilised to apply an asphalt rejuvenator to the remaining sections of tar. This will aid in prolonging the life of the tarred road surfaces and minimise road surface failures, this was recommended by the structural and civil engineer.







