


# CONSTRUCTION TENDER PROJECTS – AN AUSTRALIAN WIDE SNAPSHOT

**INFOLINK – BUILDING PRODUCTS NEWS INVITED BCI AUSTRALIA ECONOMICS ANALYST DON SMITH TO GIVE HIS TAKE ON THE STATE OF TENDERING IN THE AUSTRALIAN BUILDING INDUSTRY.**

Tendering is a prudent and well accepted way for architects and project managers to get value for money for their clients on construction projects. Pick a short list of builders with appropriate experience, resources and reputation and issue them with documentation to a professional standard and one has eliminated most of the



**“WHY IS THERE A GENERAL IMPRESSION THAT CONSTRUCTION TENDERING IS IN THE DOLDRUMS?”**

*DON SMITH*

variables in choosing who should undertake the work. And it goes without saying that the competitive process drives the pricing in line with the best current market rates.

Economic commentators are pointing to a resurgence in construction activity picking up the slack in declining capital investment in the mining and resources sector – so why is there a general impression that construction tendering is in the doldrums?

Of course the construction industry is not uniform. Currently residential work is racing ahead but not so the commercial, industrial and other non-residential sectors. As shown, there are some substantial residential projects out to tender and

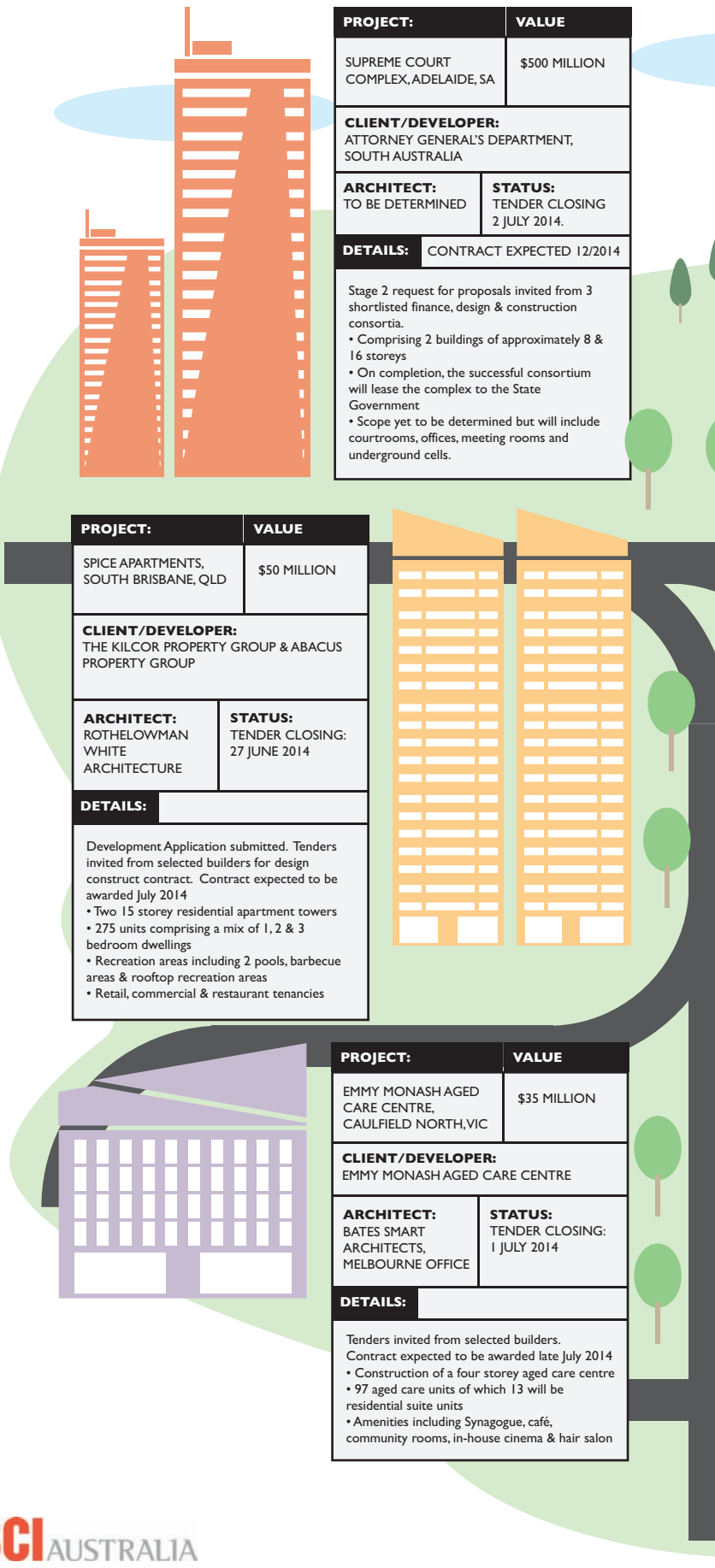
recently awarded, however, a large proportion of this work is either negotiated or undertaken directly by the developer (often referred to as owner/builder projects). Instead it is the non-residential sector that typically generates tendering activity and this is still underperforming.

Another major source of tenders is the public sector and in particular the State Governments, who have been pretty vocal about how difficult they are finding it to make ends meet (the exception being in relation to infrastructure projects, for which the civil engineering sector is most grateful!). Even the Reserve Bank has noted this situation – its preferred turn of phrase is “Public spending is scheduled to be subdued”.

Yet the flow of tenders is far from running dry. The enclosed extracts from BCI Australia’s database illustrate the range of construction activity both in contention and ready to go - and there is more to come. We have also been observing that the construction “pipeline” continues to build with increasing numbers of projects waiting for the green lights.

In turn, those green lights are waiting on the development of favourable sentiment. According to economic commentators such as the NAB (National Australia Bank), business confidence has been growing although improvement in business conditions has been lagging. Consumer confidence also had been rising but the scary Federal Budget has given that a bit of a thumping. Nevertheless, taking the wider view and again quoting the Reserve Bank “... continued accommodative monetary policy should provide support to demand, and help growth to strengthen over time”. And another line from their Interest Decision Statement, 3 June 2014 “Signs of improvement in investment intentions in some other sectors are emerging, but these plans remain tentative, as firms wait for more evidence of improved conditions before committing to significant expansion.”

Therefore, it seems quite likely that as the favourable evidence accumulates, those commitments will get signed off and the backlog of construction plans will hit the tender market. This will be welcome news for the builders who are actively in the tender market.■



| PROJECT:   | VALUE                                      |
|--|--|
| SUPREME COURT COMPLEX, ADELAIDE, SA  | \$500 MILLION                              |
| <b>CLIENT/DEVELOPER:</b> ATTORNEY GENERAL'S DEPARTMENT, SOUTH AUSTRALIA  |  |
| <b>ARCHITECT:</b> TO BE DETERMINED   | <b>STATUS:</b> TENDER CLOSING 2 JULY 2014. |
| <b>DETAILS:</b> CONTRACT EXPECTED 12/2014  |  |
| Stage 2 request for proposals invited from 3 shortlisted finance, design & construction consortia.   |  |
| <ul style="list-style-type: none"> <li>• Comprising 2 buildings of approximately 8 &amp; 16 storeys</li> <li>• On completion, the successful consortium will lease the complex to the State Government</li> <li>• Scope yet to be determined but will include courtrooms, offices, meeting rooms and underground cells.</li> </ul> |  |

| PROJECT:   | VALUE                                       |
|--|---|
| SPICE APARTMENTS, SOUTH BRISBANE, QLD  | \$50 MILLION                                |
| <b>CLIENT/DEVELOPER:</b> THE KILCOR PROPERTY GROUP & ABACUS PROPERTY GROUP   |   |
| <b>ARCHITECT:</b> ROTHELOWMAN WHITE ARCHITECTURE   | <b>STATUS:</b> TENDER CLOSING: 27 JUNE 2014 |
| <b>DETAILS:</b>  |   |
| Development Application submitted. Tenders invited from selected builders for design construct contract. Contract expected to be awarded July 2014   |   |
| <ul style="list-style-type: none"> <li>• Two 15 storey residential apartment towers</li> <li>• 275 units comprising a mix of 1, 2 &amp; 3 bedroom dwellings</li> <li>• Recreation areas including 2 pools, barbecue areas &amp; rooftop recreation areas</li> <li>• Retail, commercial &amp; restaurant tenancies</li> </ul> |   |

| PROJECT:   | VALUE                                      |
|--|--|
| EMMY MONASH AGED CARE CENTRE, CAULFIELD NORTH, VIC   | \$35 MILLION                               |
| <b>CLIENT/DEVELOPER:</b> EMMY MONASH AGED CARE CENTRE  |  |
| <b>ARCHITECT:</b> BATES SMART ARCHITECTS, MELBOURNE OFFICE   | <b>STATUS:</b> TENDER CLOSING: 1 JULY 2014 |
| <b>DETAILS:</b>  |  |
| Tenders invited from selected builders. Contract expected to be awarded late July 2014   |  |
| <ul style="list-style-type: none"> <li>• Construction of a four storey aged care centre</li> <li>• 97 aged care units of which 13 will be residential suite units</li> <li>• Amenities including Synagogue, café, community rooms, in-house cinema &amp; hair salon</li> </ul> |  |



THIS ILLUSTRATION OF RECENTLY AWARDED AND ONGOING TENDER ACTIVITY AROUND THE COUNTRY WAS COLLATED IN PARTNERSHIP WITH RESEARCH FROM BCI ECONOMICS.

COMMENT

| PROJECT:   | VALUE   |
|--|---|
| LACHLAN HEALTH SERVICE – FORBES HOSPITAL, FORBES, NSW  | \$41 MILLION                                      |
| <b>CLIENT/DEVELOPER:</b><br>NSW HEALTH DEPARTMENT (INCORPORATING NSW HEALTH INFRASTRUCTURE) & WESTERN NSW LOCAL HEALTH DISTRICT  |   |
| <b>ARCHITECT:</b><br>RICE DAUBNEY  | <b>STATUS:</b><br>TENDER CLOSING:<br>11 JULY 2014 |
| <b>DETAILS:</b>  |   |
| Tenders invited from selected builders. Contract expected to be awarded August 2014  |   |
| <ul style="list-style-type: none"> <li>• Hospital refurbishment including substantial new build component</li> <li>• Refurbish old Eastern Wing, emergency ward, renal area, entrance &amp; exit point</li> <li>• New Western Wing</li> <li>• 27 bed inpatient unit, birthing unit, medical imaging &amp; records units</li> </ul> |   |

| PROJECT:   | VALUE  |
|--|--|
| EPORO APARTMENTS, MELBOURNE, VIC   | \$165 MILLION  |
| <b>CLIENT/DEVELOPER:</b><br>ST ATHANASIOS COPTIC ORTHODOX COLLEGE WITH ST VERENA & ST BISHOY'S COPTIC ORTHODOX CHURCH  |  |
| <b>ARCHITECT:</b><br>THE BUCHAN GROUP  | <b>STATUS:</b><br>SUCCESSFUL<br>TENDERER:<br>PROBUILD CONSTRUCTIONS (AUST) PTY LTD |
| <b>DETAILS:</b>  |  |
| Contract awarded. Demolition works expected to commence 30 June 2014   |  |
| <ul style="list-style-type: none"> <li>• 44 storey mixed use tower comprising 11 podium levels &amp; 33 residential levels</li> <li>• 307 apartments with residents lounge area on level 11 including common kitchen &amp; dining spaces, common cinema / entertainment room</li> <li>• Coptic church spaces over 3 podium levels with worship hall (360 seats) &amp; sunday school</li> <li>• Theological college with administration offices</li> <li>• Ground floor retail shops</li> </ul> |  |

| PROJECT:  | VALUE   |
|---|---|
| CHARLES STURT UNIVERSITY - PORT MACQUARIE, NSW  | \$34 MILLION  |
| <b>CLIENT/DEVELOPER:</b><br>CHARLES STURT UNIVERSITY  |   |
| <b>ARCHITECT:</b><br>BVN DONOVAN HILL   | <b>STATUS:</b><br>SUCCESSFUL<br>TENDERER:<br>WATPAC CONSTRUCTIONS |
| <b>DETAILS:</b>   |   |
| Development Application to be determined by Joint Regional Planning Panel (JRPP). Contract awarded for Design & Construction. Construction expected to commence early 2015. Scope yet to be finalized but will include:   |   |
| <ul style="list-style-type: none"> <li>• General &amp; practical teaching spaces</li> <li>• Food, soil &amp; water research centre</li> <li>• Laboratories &amp; research rooms</li> <li>• Library</li> <li>• Indigenous student centre</li> <li>• Offices, breakout space &amp; centralized courtyard</li> </ul> |   |

| PROJECT:   | VALUE   |
|--|---|
| WESTMARK MILTON, MILTON, QLD   | \$45 MILLION  |
| <b>CLIENT/DEVELOPER:</b><br>WALKER CORPORATION PTY LTD   |   |
| <b>ARCHITECT:</b><br>BUREAU+PROBERTS   | <b>STATUS:</b><br>SUCCESSFUL<br>TENDERER:<br>DEVINE CONSTRUCTIONS |
| <b>DETAILS:</b>  |   |
| Contract awarded. Building Application expected to be submitted late June 2014. Construction expected to comprise 2 stages & commence August 2014  |   |
| <ul style="list-style-type: none"> <li>• 2 residential buildings, 17 &amp; 20 storeys on single common podium</li> <li>• 275 apartments with gymnasium, pool &amp; barbeque areas</li> <li>• 6 level podium for above ground car parking &amp; ground floor retail &amp; restaurant tenancies</li> </ul> |   |

| PROJECT:  | VALUE   |
|---|---|
| HILLCREST REGIS AGED CARE FACILITY, NORTH FREMANTLE, WA   | \$23 MILLION  |
| <b>CLIENT/DEVELOPER:</b><br>REGIS GROUP   |   |
| <b>ARCHITECT:</b><br>SILVER THOMAS HANLEY (VIC) PTY LTD   | <b>STATUS:</b><br>SUCCESSFUL<br>TENDERER: FIRM CONSTRUCTION PTY LTD |
| <b>DETAILS:</b>   |   |
| Contract awarded. Construction is expected to commence August 2014.   |   |
| <ul style="list-style-type: none"> <li>• 3 storey building with basement accommodating parking, storage, kitchen &amp; laundry</li> <li>• 101 single bedrooms &amp; 8 self contained apartments</li> <li>• Communal dining areas &amp; amenities including physiotherapy &amp; other treatment rooms, library, hairdresser, cinema &amp; café.</li> </ul> |   |

| PROJECT:   | VALUE  |
|--|--|
| TAFE NSW NEPEAN HEALTH & SUPPORT SERVICES PROJECT, KINGSWOOD, NSW  | \$23 MILLION   |
| <b>CLIENT/DEVELOPER:</b><br>NSW EDUCATION & COMMUNITIES  |  |
| <b>ARCHITECT:</b><br>PERUMAL PEDAVOLI PTY LTD  | <b>STATUS:</b><br>SUCCESSFUL<br>TENDERER: ADCO CONSTRUCTIONS PTY LTD |
| <b>DETAILS:</b>  |  |
| Construction commenced.  |  |
| <ul style="list-style-type: none"> <li>• New 2 storey health &amp; administration building</li> <li>• Refurbishment works to 2 existing buildings</li> </ul> |  |

| PROJECT:  | VALUE  |
|---|--|
| POINT FRASER REDEVELOPMENT - STAGE 3, PERTH, WA   | \$20 MILLION                                 |
| <b>CLIENT/DEVELOPER:</b><br>CITY FORESHORE INVESTMENTS  |  |
| <b>ARCHITECT:</b><br>MCDONALD JONES ARCHITECTS  | <b>STATUS:</b><br>TENDER CLOSED<br>3/7/2014. |
| <b>DETAILS:</b>   |  |
| Tenders invited from selected builders.   |  |
| <ul style="list-style-type: none"> <li>• Stages 1 &amp; 2 already completed including wetlands consolidation &amp; information/education centre</li> <li>• Proposed 3 building foreshore development</li> <li>• Fine dining &amp; alfresco restaurants, function centre, +</li> <li>• Sky garden supper club &amp; Cafe</li> <li>• Brewery, small bars, assorted retail &amp; boardwalk over river</li> </ul> |  |

PROMOTIONAL MESSAGE

It should be recognised that tendering is a demanding exercise for builders and their subcontractors. With this very much in mind, BCI is currently introducing its new TenderManager online service. By streamlining the routine tasks of sorting documents, defining what documents are required by each of the trades, selecting the subcontractors in each trade and monitoring the responses, BCI TenderManager releases the builders' estimators from the mundane tasks to the new ideas for the cost effective delivery of the project.