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Central Expressway

MIRIGAMA-K'NEGALA stretch to cost Rs.3.49 Bn a km

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The construction of the 39.29-kilometre stretch of the Mirigama-Kurunegala Central Expressway has been awarded to four construction companies at an average cost of Rs.3.49 billion a kilometre, which is 8.05 per cent higher than the engineers' estimate, a Cabinet memo submitted by Highways Minister Lakshman Kiriella reveals.

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CENTRAL EXPRESSWAY

The Cabinet has approved the Central Expressway Project (CEP) to be implemented in four stages.

This expressway is being provisioned by China's EXIM Bank.

The total land earmarked for the construction is 780 acres.

First quarter is from Kadawatha to Mirigama (37.09km)

Second quarter from Mirigama to Kurunegala (39.70km). The access road (9.7km) running up to Ambepussa is included.

Third quarter from Kurunegala, Pothuhara to Galagedara (32.50km)

Fourth quarter from Kurunegala to Dambulla (60.30km).

Source: News reports ©DM GraphicDesk

Mirigama-K'negala...

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However, the Cabinet memo showed that the contracted amount is some Rs.10 billion less than the original estimate quoted by the companies. According to the Cabinet paper submitted on October 31 and approved last week, the average cost of a kilometre for this section is Rs.3.49 billion.

The Cabinet has approved the Central Expressway Project (CEP) to be implemented in four stages. The contract has been awarded to the following construction companies: ICC; ACCESS (Nawaloka - KDESH) JV; SIERRA-OLYMPUS-TUDAWE-CEC JV; KDAW-NEM-E&C Consortium and the MAGA-CML-MTD (VVK, HOVEL) Consortium.

The Cabinet Appointed Negotiation Committee (CANC) has observed that at the preliminary design 'stage vertical level of certain sections of the expressway had been increased on the recommendations made by the Sri Lanka Land Reclamation and Development Corporation considering the recent high flood levels.

The CANC has stated that the increase in the vertical level has resulted in the use of a higher volume of construction materials.

Therefore, at the proposal evaluation stage the CANC identified the requirement for the review of the preliminary design and the BoQ items submitted to the consortium of contractors.

Further, the CANC has noted that the rates quoted for majority of items in the Bill of Quantities (BoQ) by all four bidders, for all four contract packages, are higher than the Engineer's Estimate at an average range of 18-20%.

Accordingly, the PC, with assistance from experts has revised the quantities of the BoQ items to meet the optimum flood level and has revised the Engineer's Estimate with the revised quantities by using original Engineer's rates. At the subsequent negotiations the contractors also have agreed to the revised quantities.

The PC and the CANC held several rounds of negotiations with the bidders and requested them to reduce the rates quoted by them, which have been identified as considerably higher than the Engineer's Estimate.

After several rounds of discussions the contractors agreed to give reasonable discounts to the rates that they have quoted and subsequently submitted their revised bids according to the revised quantities.

"Accordingly the revised bid prices of all contract packages have come down by 7.80% to 8.25% higher than the revised Engineer's Estimates. The CANC considering the recommendations of the PC and after negotiations based on the discounted rates and revised quantities, agreed on the negotiated prices," the minister said.