

3 Presentation of officer reports

3.1 Contract 2018/178, Balwyn Community Centre Redevelopment Works - Contract Variation Delegation

Abstract

Approval is being sought to extend the Chief Executive Officer's authorisation to approve contract variations for Contract 2018/178 - Balwyn Community Centre Redevelopment Works, by \$700,000 (excluding GST).

During the early stages of construction, a higher value of variations and associated costs than anticipated were incurred. These variations are associated with latent conditions, the removal and disposal of contaminated soil and wetlands restoration. The refurbishment of the Function Centre also did not form part of the original contract, however it is now considered to be included in this building contract, leading to further variation to the contract.

Officers' recommendation

That Council resolve to:

1. Authorise the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to approve additional variations of \$700,000 (excluding GST) for Contract No. 2018/178 - Balwyn Community Centre - Redevelopment Works.
2. Note these additional variations to Contract 2018/178 - Balwyn Community Centre are fully funded from the existing project budget, as approved in the 2019-20 September Amended Budget, adopted by Council on 23 September 2019.

Responsible director: Charles Turner
Acting Director Environment and Infrastructure

1. Purpose

The report seeks Council's approval to extend the Chief Executive Officer's authorisation to approve contract variations for Contract No. 2018/178 - Balwyn Community Centre - Redevelopment Works, by \$700,000.

2. Policy implications and relevance to community plan and council plan

The Council Plan 2017-21 includes the following themes which are relevant to this project:

- Your Community, Services and Facilities
- Your Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Getting Around Boroondara
- Your Local Shops and Businesses
- Civic Leadership and Governance

3. Background

The Balwyn Community Centre site is located at 412 Whitehorse Road, Surrey Hills. The project scope involves a new outdoor recreation ground, including a learn to ride bike track, tennis court, table tennis tables and an exercise and equipment zone. A wetland and extensive landscape area feature in the Community Centre property.

The existing Community Centre is to be conserved under Council's heritage guidelines and a new two storey Community and Children's Occasional Care Centre and Maternal Child Health Centre also form part of the project.

The existing Function Centre is to be internally refurbished and external maintenance work undertaken to the roof and facades of the building. These works to the Function Centre were originally not part of the contract works.

On 22 October 2018 Council awarded Contract 2018/178 - Balwyn Community Centre Redevelopment Works to the Commercial Industrial Construction Group for the total lump sum price of \$6,367,280 (excluding GST). The Chief Executive Officer currently has delegated authority to vary this Contract by up to \$636,728.

4. Outline of key issues/options

During the early stages of construction, a higher value of variations and associated costs than anticipated were incurred. These variations are associated with latent conditions, the removal and disposal of contaminated soil and wetlands restoration. The refurbishment of the Function Centre did not form part of the original contract, however it is now considered to be included in the contract, leading to further variation to the contract.

Contaminated Soil

Contaminated soil was found in the excavations of concrete foundations and floor slabs associated with the new Community and Children's Occasional Care Centre and Maternal Child Health Centre. The contaminated soil included hydrocarbons and asbestos fragments which were not identified in the Division 6 Contamination Report.

The contaminated soil was inaccessible, buried under an existing building which was ultimately demolished during a subsequent construction phase of the building program. The contaminated soil was found to be a Cat C contaminated material and was removed from the building site and disposed at a registered contamination depot.

Some 800 tons of the contaminated soil was removed from the building site. The excavation associated with the contaminated soil was deep and underneath the new foundations and floor slab of the Community and Children's Occasional Care Centre and Maternal Child Health Centre, and blinding concrete was used as the material to backfill the deep excavation.

Cost of works \$385,000.

Improved Wetland

Initial investigations did not display the extent of the level of the high-water contour, which was noticed during winter rains and the clearing of the dense vegetation and pruning and removing of the overgrown trees.

The Wetland basin had its cross-section reshaped to provide a peripheral beach entry. The entire drainage basin also fenced with a child safe fence located on the high-water contour, to quarantine the drainage basin being accessed by the general public. These measures were implemented to align with the safety requirements for Wetlands located in urban areas.

The surrounds to the wetland and dry creek, are intensely planted and jute matting has been introduced as ground mulch and a water retention membrane in storm events to control damages.

Cost of works: \$110,000

Refurbishment of Function Centre

The existing Function Centre building was not included in the original contract documentation for the Balwyn Community Centre project. It was originally anticipated this would be undertaken under a separate agreement.

A detailed investigation revealed that the cost of a separate agreement could be significantly more. It was also deemed impractical to do separately. The scale of works subsequently increased, to allow the building to meet compliance with the Building Code of Australia Standards.

Cost of works: \$275,000

Given this additional expenditure under the main building contract, the total variation expenditure for this contract is now expected to exceed the Chief Executive Officer's current authorisation level. It is therefore proposed to extend this authorisation by \$700,000. This will provide sufficient capacity to cover any other potential variations leading to the finalisation of the project.

5. Consultation/communication

A Project Control Group (PCG) of key staff has been established to oversee this project.

A Project Steering Committee has been established during the development of this project. The Steering Committee is regularly updated on the progress of the project.

Stakeholder groups are consulted about the requirements for the project, consistent with the intent of the facility identified by Community Planning and Development. Regular project updates have been provided in line with the project communication plan.

6. Financial and resource implications

The budget for the Balwyn Community Centre - Redevelopment Works is \$9,445,564. This includes design, temporary accommodation and relocation costs, construction, fitout, loose furniture and equipment as well as authority contributions.

The additional variations to Contract 2018/178 - Balwyn Community Centre are fully funded from the existing project budget, as approved in the 2019-20 September Amended Budget, adopted by Council on 23 September 2019.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

8. Social and environmental issues

It is envisaged that there are no issues relevant to these contract variations.

9. Conclusion

This report seeks Council approval to extend the Chief Executive Officer's authorisation to approve contract variations for Contract 2018/178 - Balwyn Community Centre Redevelopment Project.

Manager: Michael Le Grange, Acting Manager Projects and Strategy

Report officer: Don Cameron, Project Manager