

7.8 Contract No. 2019/153 Hawthorn Rowing Club Construction of a New Rowing Ramp - Contract Variation Authorisation

Abstract

Approval is sought to approve a contract variation of up to \$400,000 for Contract 2019/153 - Hawthorn Rowing Club – Construction of a New Rowing Ramp.

At the time of tendering in the 2018/19 financial year, preliminary approval with conditions from Melbourne Water was obtained with final approval outstanding, however, discussions with Melbourne Water had indicated that a new fixed structure was likely to be approved. Post tender, numerous requirements requested by Melbourne Water resulted in a variation to the design to improve water and boat safety and increase to construction cost.

The anticipated increased cost for the replacement rowing ramp can be accommodated within the overall project budget allocation for the 2020-21 financial year.

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 66(2)(a) and the definition of 'confidential information' in Section 3(1) of the Local Government Act 2020 as the information relates to private commercial information, being information provided by a business or commercial undertaking that if released, would unreasonably expose the business or commercial undertaking to disadvantage. This item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve to:

1. Authorise the Director Places and Spaces to approve a contract variation of up to \$400,000 for Contract 2019/153 - Hawthorn Rowing Club – Construction of a New Rowing Ramp.
2. Note that the total project cost for the construction of a new rowing ramp at the Hawthorn Rowing Club remains within the allocated budget for the project.

Responsible director: Daniel Freer, Director Places and Spaces

1. Purpose

The report seeks Council's approval for a contract variation of up to \$400,000 for Contract 2019/153 - Hawthorn Rowing Club – Construction of a New Rowing Ramp.

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

The Boroondara Community Plan is structured around the following seven priority themes:

- 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

The proposed construction of the new rowing ramp is aligned with the following themes and strategies:

Theme 1: Your Community, Services and Facilities

Strategy 1.1: Plan, maintain and renew multipurpose facilities and sports precincts to meet broad, intergenerational needs of the community now and into the future.

Strategy 1.3: Deliver, facilitate and advocate for services and programs that promote health, wellbeing, safety and a sense of community.

Strategy 1.6: Create and maintain public areas, facilities, amenities, footpaths and spaces that are inviting, clean and appropriately lit to increase social connection and improve perceptions of safety.

Strategy 1.10: Develop a strategic response to improving the safety of public spaces, Council's facilities and events and take action as required to help protect community participation

Theme 2: Your Parks and Green Spaces

Strategy 2.5: Increase and improve public amenities and facilities in open spaces to enhance functionality for a wider range of uses.

3. Background

At the 29 April 2019 Council Meeting, Council awarded Contract 2019/153 - Hawthorn Rowing Club - Construction of a New Rowing Ramp to Walcon Marine Australasia for the total lump sum price of \$743,442 (excluding GST). The project scope includes the demolition of the existing fixed rowing boat ramp and the construction of a new floating pontoon structure at the Hawthorn Rowing Club, 2-4 Burwood Road, Hawthorn.

The limitations and conditions as applicable to this contract, is that if the contract has been entered into by Council and the value of the contract is greater than \$500,000, the value of the contract may not increase by more than 10% or \$100,000, whichever is the greater.

The variation required for Contract No. 2019/153 - Hawthorn Rowing Club – Construction of a New Rowing Ramp is above the delegation of the CEO and increased authorisation from Council is required.

4. Outline of key issues/options

At the time the contract was awarded Melbourne Water had provided preliminary approval with conditions on the design, as highlighted in the Tender Evaluation Report. Post award, Melbourne Water requested the design incorporate telescopic posts to provide a floating pontoon and improve water and boat safety. As the approval authority for works in the Yarra River, Melbourne Water's approval is mandatory to enable delivery of this project.

The three main tenants adjacent to the ramp are aware and have signed off on these design changes and are familiar with a nearby ramp in South Yarra at the Powerhouse Rowing Club which is also telescopic.

The complexity of these changes required Walcon to undertake further hydraulic investigation and designing. Ultimately, to accommodate final authority approvals, the design required updating to include additional piles and telescopic pile tops. This variation to the original design resulted in a fee increase to both the design and construction components of the contract and was priced at at \$991,029 (excluding GST). In addition, a PC sum of \$30,000 for the provision of a bluestone embankment and \$6,000 for additional drilling into bedrock has been allowed. This has resulted in a total revised price of \$1,027,029 (excluding GST).

It is anticipated that increasing the delegation to approve additional contract variations of up to \$400,000 will allow for the contract to be completed and providing adequate contingency to cover any other variations that may arise leading to the finalisation of the project.

5. Consultation/communication

Consultation with Melbourne Water, seeking approval to replace the existing ramp has been ongoing since 2018, in the form of emails, meetings and formal applications.

A Project Working Group has been established comprising of key stakeholders, and has been regularly updated on the progress of the project.

6. Financial and resource implications

The project has a budget allocation of \$1,248,429, inclusive of club contributions totaling \$375,000. This includes the \$400,000 approved in the September amended budget 2020, to respond to the design changes by Melbourne Water.

Council officers have written to Melbourne Water advising of cost increase to meet their requirements and request a financial contribution or available grant opportunities. A response is outstanding on this item.

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

The design of this ramp is approved by Melbourne Water, which has given consideration to environmental impacts on the Yarra River associated with the ramp.

9. Conclusion

In approving this contract variation, work will commence on the installation of a new ramp at the Yarra River, Hawthorn providing a renewed facility to access the river for tenant rowing clubs and casual users alike.

Manager: Christine White, Manager Capital Projects

Report officer: Michelle Goodwin, PA to Director Places and Spaces