

# SERVICES DELEGATED COMMITTEE



## AGENDA

(Open to the public)

**6.30pm, Monday 8 May 2023**

Council Chamber, 8 Inglesby Road, Camberwell

Date of Issue: 4 May 2023

Please note: No audio, video, photographic or any other recording of proceedings at Council or Delegated Committee meetings is permitted without written authority from Council.

## Order of Business

- 1 Adoption and confirmation of the minutes of the Services Delegated Committee meeting held on 20 March 2023**
  - 2 Declaration of conflict of interest of any councillor or council officer**
  - 3 Presentation of officer reports**
    - 3.1 Contract No. 2023/05 Lynden Park Pavilion Renewal and Upgrade
  - 4 General business**
  - 5 Urgent business**
  - 6 Confidential business**
- Close of meeting**

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### **3 Presentation of officer reports**

#### **3.1 Contract No. 2023/05 Lynden Park Pavilion Renewal and Upgrade**

##### **Executive Summary**

###### Purpose

This report seeks Council endorsement for the award of Contract No. 2023/05, Lynden Park Pavilion Renewal and Upgrade Works.

###### Background

Council has allocated funding in Council budget 2022/23 and 2023/24 for the redevelopment works of the Lynden Park Pavilion located at 210 Highfield Road, Camberwell.

The Boroondara Sports and Recreation Strategy 2016 provides a roadmap for further development of sport and recreation across the municipality to enable more people to be more active more often.

To achieve Council's vision for sport and recreation in Boroondara and the objectives of the Boroondara Community Plan 2021-31, the strategy aims to maintain and develop sports pavilions and open spaces for multiple user groups, for both structured and unstructured sporting and recreational uses.

The pavilion is currently utilised by the Camberwell Sharks Junior Football Club, Burwood Uniting Canterbury Cricket Club and Hartwell Auskick (managed by Camberwell Sharks JFC). The renewal of the pavilion will also allow it to be used by community groups, such as the Surrey Hills Neighbourhood House.

The existing building is single storey with double brick external walls and a skillion roof. The internal layout of the building currently does not support inclusive participation in sport, nor does it meet the current requirements of the various user groups.

The proposed design seeks to renew and upgrade the building surrounds to achieve compliance with current regulations and standards whilst also improving access and functionality of the facility for current and future use.

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations, and a recommendation to award Contract No. 2023/05 Lynden Park Pavilion Renewal and Upgrade is presented for Council's consideration.

The works are expected to commence mid-2023 and be completed in April 2024.

The contract also includes a twelve-month Defect Liability Period.

## Key Issues

The key issues are outlined below:

- The current building does not support inclusive participation in sport, nor does it meet the current requirements of the various user groups.
- Access to the upper and lower ovals is currently non-compliant.
- There currently is no public toilet access in the park. The proposed design seeks to include an externally accessible public toilet that can be utilised outside of the pavilion usage times.

The clubs are an active and successful community-based organisation for football and cricket, with a large membership base. Due to the large membership, the club(s) have advocated for a social space greater than the maximum size identified in the *'Development and Funding of Community Pavilions - Sport and Recreation'*.

This policy provides a maximum size of standard components funded by Council, such as social spaces and change rooms. The policy also enables tenant(s) to fund a range of non-standard pavilion components, which exceed Council funded maximum room sizes. In accordance with the policy, Council has provided a tender option to expand the social space should the clubs select to fund the expansion.

The clubs have since confirmed they will not proceed with the tender option for social room expansion but have agreed to fund a tender option to include bi-fold doors to the existing social room (west wall) to the value of \$26,000.

## Next Steps

Upon award of the contract, Council will oversee the delivery of the construction works for the renewal and upgrade of the sports pavilion.

## Confidentiality

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments. The information in this attachment is deemed to be confidential in accordance with Section 66(2)(a) and the definition of 'confidential information' in Section 3(1) of the Local Government Act 2020. The information relates to Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released. If discussion of the confidential information in the attachments to this report is required for Council to make a decision, Council may resolve to discuss the matter in a confidential session or to defer the matter to the confidential section of the agenda.

## Officers' recommendation

That the Services Delegated Committee resolve to:

1. Award Contract No. 2023/05, Lynden Park Pavilion Renewal and Upgrade Works, to Reliance Construction Pty Ltd (ABN/ACN 55 958 950 681 / 603 198 732) at a total cost of \$3,828,036 excluding GST.
2. Authorise the Director Places and Spaces to execute the contract agreement with the above contractor.
3. Approve the allocation of a separate contract contingency, as detailed within the attached confidential Attachment 1, and delegate authority to the Contract Superintendent to expend this contingency to ensure the successful completion of the contract works.
4. Note that the expenditure under this contract is in accordance with Council's 2022/23 amended budget. The shortfall in expenditure in future years has been recognised in the development in the draft 23-24 budget and subject to Council approval.
5. Authorise the Director Places and Spaces to execute a funding agreement between the City of Boroondara and the relevant tenant of Lynden Park Pavilion. Noting this a \$26,000 contribution for a requested tender option to provide bi-fold doors to the social room.

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**Responsible director: Daniel Freer, Director Places and Spaces**

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## 1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2023/05, Lynden Park Pavilion Renewal and Upgrade.

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

The Boroondara Community Plan (2021-31) is structured around the following seven priority themes:

- Community, Services and Facilities
- Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Moving Around
- Local Economy
- Leadership and Governance

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2021-31 and Council Plan (2021-25):

### Theme 1: Community Services and Facilities

**Strategy 1.1** - Neighbourhoods and community spaces facilitate social connections and belonging by providing, maintaining and activating places for people to meet, organise activities and celebrate events.

**Strategy 1.2** - Health and wellbeing is improved through delivering, facilitating and advocating for services and programs that are accessible and affordable.

**Strategy 1.4** - Facilities and sports precincts encourage equal access through social planning, deliver, asset maintenance and renewal activities.

**Strategy 1.6** - Residents and visitors feel safe in public spaces through encouraging local activity and creating and maintaining civic areas

- ***Boroondara Sport and Recreation Strategy 2016***
  - Action 3.12 - Maximise the use of sport and recreation pavilions by providing access to various groups within the community.
  - Item 7.1.1 Community health and wellbeing – Participation in sport and recreation provides a range of physical, social, mental health and economic benefits for individuals and the community. The facilitation of opportunities to participate in physical sport and recreational activities is fundamental in supporting the health and wellbeing of the Boroondara community.

- **Development and Funding of Community Pavilions - Sport and Recreation 2019**
  - Action 3.12 - Maximise the use of sport and recreation pavilions by providing access to various groups within the community.

The procurement process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

### 3. Background

Council requires a suitably qualified organisation to redevelop the Lynden Park Pavilion in accordance with the requirements of the specification.

#### Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations to renew and upgrade the Lynden Park Pavilion. An invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday 21 January 2023 and on Council's website. The closing date for submissions was 4pm, Wednesday 8 March 2023.

In response to the advertisement, Council received 6 submissions:

- Alchemy Construct Pty Ltd;
- Constructive Group Pty Ltd;
- Kinetic Constructions Pty Ltd;
- Neo Construct Pty Ltd;
- Prime Build Pty Ltd; and
- Reliance Construction Pty Ltd

### 4. Outline of key issues/options

#### Construction Management Plan

- Consideration has been given to the impact of construction works to the amenity of the neighbouring residents and users of the reserve including the adjacent Scout's building. As part of the contractor's construction management plan, the following items will be addressed to the satisfaction of Council officers:
  - On street contractor parking and use of the south car park is prohibited except for when deliveries are required. All contractor parking will occur in a designated area.
  - All works are to occur within the hours as noted in City of Boroondara's Amenity Local Law.
  - Appropriate hoarding will be securely installed to minimise the impact on community sport, the scout groups and passive users at the reserve.

### Supply Chain Issues

- Construction industry market factors continue to present as a risk factor for the delivery of capital works projects.
- Council initially tendered the works in November 2022 under Contract 2022/109. The timing close to Christmas and availability of subcontractors resulted in several subcontractors unable to provide firm prices. This resulted in tender prices significantly higher than the approved budget. It was determined by the evaluation panel to publicly re-tender the works to ensure best value for money is achieved.
- The proposed timing for award of this contract and completion of the works has considered material lead time risks and mitigation strategies including early material orders upon award of the contract.

### Tender options

The current social room floor area is at the maximum size in accordance with Council's Development and Funding of Community Pavilions - Sport and Recreation Policy.

During consultation, the clubs advocated for a larger social room due to their growing membership numbers.

In accordance with the policy, provision of larger social space, above the policy maximum, can be considered if fully funded by the clubs. As such, tender options for potential club funded components were included within the tender.

The tender option cost to increase the social space and other club-requested works was provided to the clubs for consideration. The clubs have since confirmed they will not proceed with the option to extend the social room.

However, confirmation in writing for club funded option of bi-fold doors to west wall of the existing social room has been received. (Refer to **Confidential Attachment 2**). As such, this tender option has been included in the contract sum.

## **5. Collaborative Procurement Opportunities**

Due to the nature of the construction works to be engaged there is no opportunity for collaborative procurement for this contract.

## **6. Consultation/communication**

Throughout the design process various design workshops were held with the key internal and external stakeholders to ensure the design was able to meet their operational needs.

In June 2022, a broader community consultation was undertaken with the concept design being made publicly available for comment. The design proposal was well received with queries relating to the following being raised:

- Increasing access to the public toilets outside of the pavilion opening hours
- The provision of adequate parking
- Requests for better flow from the ovals and pathways to the pavilion
- Requests for additional female/ accessible facilities within the pavilion



All community submissions have been responded to and addressed within the design where possible.

## 7. Financial and resource implications

Council's 2021-22, 2022-23 and 2023-24 combined adopted and foreshadowed budgets contains a total allocation of \$3,135,999 for the scoping, design and construction of the Lynden Park Pavilion renewal works.

A further \$800,000 in grant funding has been allocated to support the project as part of the State Government 2022 Local Sports Infrastructure Fund and an additional grant of \$359,000 under the Federal Government Local Roads and Community Infrastructure grant.

A further \$26,000 club-funded option is also confirmed.

### The Project Budget is as follows:

2021-22 Expenditure: Account No. 72935	\$ 35,313.00
2022-23 Amended Budget	\$ 545,000.00
2023-24 Foreshadowed Budget	\$ 1,999,686.00
State Government Grant	\$ 800,000.00
2022-23 DIPP and public toilets (detailed in Appendix 1)	\$ 556,000.00
Federal Government Grant	\$ 359,000.00
Club Funded option	\$ 26,000.00
<b>Total Project Budget</b>	<b>\$ 4,320,999.00</b>

less expenditure to date	\$ 320,365.00
<b>Total Remaining Available Budget</b>	<b>\$ 4,000,634.00</b>

### Proposed Project Expenditure:

Construction Cost (Contract No 2023/05)	\$ 3,828,036.00
Site power upgrade and authority fees	\$ 350,000.00
Other project costs, consultant fees and building levies	\$ 430,193.00
<b>Total Project Cost</b>	<b>\$ 4,608,229.00</b>

<b>Budget Shortfall</b>	<b>\$ 607,595.00</b>
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Lynden Pavilion is a multi-year project and the expenditure under this contract is in accordance with Council's 2022/23 amended budget. The shortfall in expenditure in future years has been recognised in the development of the draft 23-24 budget, subject to Council approval. Council Officers are seeking to reduce the cost of power upgrade and authority fees for this site given their significant expense and inconsistency with a project of this scale.

The draft 23-24 budget has considered ongoing cost escalation challenges impacting the construction industry to successfully deliver Council's foreshadowed capital projects.

## 8. Governance issues

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

No officers involved in the preparation of this report have a general or material conflict of interest requiring disclosure under chapter 5 of the Governance Rules of Boroondara City Council.

The recommendation contained in this report is compatible with the Charter of Human Rights and Responsibilities 2006 as it does not raise any human rights issues.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

## **9. Social and environmental issues**

Council officers believe that the delivery of the new sport pavilion will have a positive impact on the community as it responds to the need for a new and upgraded facility in Lynden Park. The design of the pavilion has the capability to cater for future demand, particularly increased female participation in community sport. It also complies with accessibility requirements, providing compliant access to both the upper and lower oval.

The design of the pavilion also seeks to achieve a sustainable building with the implementation of rainwater tanks, solar panels, water saving fixtures and sustainable materials into the design.

## **10. Evaluation and review**

The evaluation report is provided as **Confidential Attachment 1**.

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2023/05, Lynden Park Pavilion Renewal and Upgrade to:

- Reliance Construction Pty Ltd for the contract award amount of \$3,828,036.00 excluding GST.

**Manager:** Christine White, Manager Capital Projects

**Report officer:** Kristina Taranto, Senior Project Manager