

7.7 Balwyn Community Centre Project - Budget Variation some

Abstract

Approval is being sought to increase the budget allocation for the Balwyn Community Centre (BCC) Redevelopment Project in the Long Term Financial Strategy by \$800,000.

On 26 March 2018 Council resolved to endorse the concept plan for the Balwyn Community Centre Redevelopment and to proceed to detail design and tender for the building works contract.

A pre-tender Cost Plan has been prepared by an independent quantity surveyor, Prowse Quantity Surveyors. The Cost Plan estimates the overall project cost for the Balwyn Community Centre at approximately \$8.67M, some \$800,000 in excess of the available budget.

Officers' recommendation

That Council resolve to approve an increase of \$800,000 in the budget allocation for the Balwyn Community Centre project, which will be referred to the 2019/20 Budget for consideration.

Responsible director: Shiran Wickramasinghe
Acting Director Environment and Infrastructure

1. Purpose

This report seeks Council endorsement to increase the budget allocation for the Balwyn Community Centre (BCC) Redevelopment Project in the Long Term Financial Strategy (LTFS) by \$800,000.

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:

- Strong and engaged communities
- Enhanced amenity
- Quality facilities and assets
- Responsible management

3. Background

The BCC site is situated at 408-418 Whitehorse Road, Surrey Hills. Existing facilities include a Neighbourhood House, Function Centre, Occasional Childcare Centre, Tennis Courts, Community Garden, Parkland and Wetlands.

The concept plan endorsed by Council on 26 March 2018 for the redevelopment of the BCC involved the following works;

- Internal refurbishment of rooms within the existing Neighbourhood House to improve functionality, while retaining the character of the original building
- Rebuilding the former Child Care Centre with a first floor addition for function and program space and incorporating a new Child Care Centre and a relocated two nurse Maternal and Child Health Centre (formerly located in Cherry Road, Balwyn) on the ground floor
- Internal refurbishment and retrofitting the existing Function Centre
- Improvements to the Community Garden including a new shelter and storage shed with ablutions
- Replanting of Gardens and Wetlands
- Creation of a recreation zone on two existing tennis courts, designed also to increase exposure of the community centre to Whitehorse Road and the upgrade of a third remaining tennis court
- Addition of other recreational facilities such as a playground, a childrens learn to ride facility, exercise equipment and table tennis.

Prowse Quantity Surveyors, at the time prepared an indicative estimate of cost reflecting the requirements of the concept plan endorsed by Council. The overall project cost was estimated to be approximately \$7.8M, generally in accord with the funding allocation for the project in Council's Long Term Financial Strategy.

4. Outline of key issues/options

a. Final design and documentation

Council on 26 March 2018 resolved that the project proceed to detail design and tender. Croxon Ramsay Architects completed the final documentation for the project on 27 July 2018.

The documentation accurately responded to the provisions of the design brief and concept plans previously approved by Council and has the agreement of both BCC management and the relevant service departments.

Primary design variations related to the concept plan include:

- Community Centre:

The final design of the Community Centre is similar in total floor area, function and program space, to that depicted on the original concept plan.

The existing single storey section of the building was originally planned to have its east wall demolished to meet internal building arrangements, for increased program space.

The scale of demolition works and its potential to destabilise a large section of that single storey building, led to the consultant structural engineer evading the works. The subject internal program space was rearranged accordingly and the east wall façade varied, cosmetically equivalent to the adjoining new two level section of building.

- Function Centre:

The proposed internal refurbishment and fitout works for the Function Centre are similar to that referenced at the concept phase of the project.

Externally, the partly covered elevated brick paved verandah connection to the north façade of the Function Centre is now planned for retention. Its replacement with a timber deck as depicted in the concept plan includes substantial demolition works and represented unnecessary additional cost to the project.

- Traffic: U turn and Drop Down Facility

The original concept plan proposed that the access road from Whitehorse Rd to the Community Centre Car Park did not include a patron drop off facility. Vehicles undertaking the manoeuvre were required to enter the Car Park and undertake a 3 point 'U' turn. The manoeuvre was considered unsafe as it involved a mix of pedestrian and vehicle traffic, the latter at times in reverse movement.

The final plan includes a discrete 'U' turn manoeuvre capability between the dual carriageways of the access road and an associated drop off zone for centre patrons.

b. Pre Tender Cost Plan

A Pre Tender Cost Plan has been prepared by Prowse Quantity Surveyors on 3 August 2018. The cost plan reflects the requirements of the final tender documentation.

This cost plan estimates the likely overall project cost to be \$8.67M , which is in excess of the overall project budget of approximately \$7.87M, by some \$800,000.

Prowse Quantity Surveyors have undertaken a review of the estimated final cost of the project to explain the difference between the Pre Tender Cost Plan and the earlier conceptual estimate of cost.

The conceptual estimate of cost is based on preliminary information assumptions only, which are confirmed in the advanced documentation associated with the design/development phase of the project.

Typically, the items of the cost plan which were the subject of variation and have potentially contributed to the increase in the Pre Tender Cost Plan include:

- Cost escalation - refinement of project cost associated with design/development phase
- Cost escalation - subject of heightened market inflation
- Decanting/relocation cost in excess of concept estimate
- Professional fees variation
- Contract contingency - increased to 8% from 5% concept estimate.

The project tender process was commenced to supply Council with accurate project costs, based on a tender rather than an estimate. In considering the award of the contract, Council may take an option to negotiate with the preferred tenderer on a reduced scope of work if an increase in budget is not supported.

c. Tender/Construction Phase

The Expression of Interest phase of the tender process closed on Friday 20 July 2018. Six building contractors have made submissions and will be invited to tender for the works.

Final tenders are to be received on Friday 14 September 2018 and referred to the Council Meeting of Monday 22 October 2018 for consideration. The construction period for the project is in the order of 12 months and due for completion in October 2019.

5. Consultation/communication

A significant program of communication and engagement has been conducted to understand local community needs and aspirations for the site. The consultation included on site conversations, a survey of participants, staff tutors and local residents.

Key Council departments that have had input and work collaboratively on this project include Community Planning and Development, Family, Youth and Recreation, Projects and Strategy, Communication and Engagement, Traffic and Transport, Park and Infrastructure and Environment and Sustainable Living.

The project Steering Committee comprising Councillors Jane Addis and Cynthia Watson has met regularly to guide the development of the project.

6. Financial and resource implications

As noted in Section 4 of this report, the pre tender cost plan estimates the overall project cost to be \$8.67M which is \$800,000 in excess of the available budget of \$7.87M. On completion of the tender phase of the project, a report to Council will be prepared for the appointment of a building contractor and will include reconciliation of the proposed project funding.

The 2018-19 Budget and Long Term Financial Strategy has identified that there is \$ 5.129M unallocated funding available in 2019-20. The additional required funds for this project can be obtained from that source noting the reduced capacity for other as yet unidentified projects in the 2019-20 Budget.

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 interest requiring disclosure.

8. Social and environmental issues

It is envisaged that there are no issues relevant to this proposed project budget variation.

9. Conclusion

This report seeks Council endorsement to increase the budget allocation for the Balwyn Community Centre (BCC) Redevelopment Project in the Long Term Financial Strategy (LTFS) by \$800,000.

On completion of the tender phase of the project, a report to Council is to be prepared for the appointment of the building contractor which will include reconciliation of the proposed project funding.

Manager: Charles Turner, Projects & Strategy

Report officer: Don Cameron, Project Manager