Confidential Item

CAMPBELLTOWN CITY COUNCIL

Confidential Item

For Council meeting to be held on

Tuesday 15 December 2020 at 7.00 pm

Refer Item 11.8

Confidential Item

11.8 Tender Assessment Max Amber Sportsfield Redevelopment

Manager Assets and Engineering, Wade Della Torre's Report

Purpose of Report

To consider the tender submission for the redevelopment of the Max Amber Sportsfield.

Strategic Plan Link

Strategy 1.3.1 Provide leisure services that deliver a wide range of sporting, leisure and recreational opportunities

Strategy 2.1.4 Provide effective community and stakeholder engagement to support informed decision making processes

Strategy 4.1.1 Implement integrated planning and management of Community facilities and open spaces to optimise social and environmental outcomes

Background

At its meeting on 6 October 2020, Council endorsed the MAS (Max Amber Sportsfield Redevelopment) project in full, including two netball courts (Option 5a) positioned closely to the main building. Commencing on 18 September 2020 an Open Tender process was undertaken through SA Tenders and Contracts. Throughout the tender period a compulsory site briefing was conducted on 1 October 2020. The tender closed on 26 October 2020 and four companies submitted tenders:

- Mykra Pty Ltd
- Mossop Group Pty Ltd
- Romaldi Constructions Pty ltd
- Sarah Constructions Pty Ltd.

Staff along with the independent superintendent and the design consultants, including both the architect and quantity surveyor, have assessed the tender submissions. This report outlines the outcome of the assessment.

Throughout various stages of the project the design was measured against quantity assessments (costs) undertaken by an external consultant, DCWC (Donald Cant Watts Corke). A final budget estimate was undertaken at 70% design totalling $10.43 million, including contingencies. This budget estimate did not include the Professional Fees (Architects, Engineering and ESD (Ecologically Sustainable Development) consultants), accounted through the development of the design documentation, totalling $0.45 million, bringing the total cost estimate to $10.88 million.

Furthermore at its meeting 1 September 2020, Council endorsed a Prudential Review prepared by BRM Advisory.

The latest building layout, including the netball courts, is attached for Members' information.

Discussion

The tender price received from the four tenderers, including contingencies and additional project provisions, are as follows (all prices are excluding GST):

1. Mykra - $12,639,811
2. Mossop Group - $12,603,250
3. Romaldi Constructions - $10,287,000
4. Sarah Constructions - $12,708,657.

The submissions were assessed by an evaluation panel with respect to their relevant experience, track record (reputation and capacity), technical skills (including ESD capabilities), methodology (including value added services), management systems (environmental, quality, financial & economic stability, WH&S and insurances), the organisations structure and resources, conformity, local use of resources, timeframes, construction program and price.

The assessment panel ranked the top three preferred tenderers as the Mossop Group, Sarah Constructions and Romaldi Constructions. Due to a lack of experience in similar size projects to that of the MAS, the assessment panel had reservations with Mykra's experience in undertaking a project of this size.

Although similar in value, the Mossop Group and Sarah Constructions were significantly different to DCWC's quantity assessment of $10.88 million. The Mossop Group offered value added management options (alternative cost savings) which could potentially lower their total construction cost. Sarah Constructions had detailed the ceiling allowance as a provisional sum higher to the other tenderers adding risk to their submission.

Romaldi Construction's submission compared closely to the quantity assessment however lacked detail. Given this, the tender assessment panel issued a letter seeking additional information from Romaldi Constructions. On 16 November 2020 Romaldi Constructions provided adequate responses to all twenty two clarification questions.

Following the clarification documentation Romaldi Construction's lump sum tender was adjusted to (excluding GST):

1. Romaldi Constructions - $ 10,728,500.

The top three preferred contractor's submissions were further assessed by the architect and quantity surveyor. This assessment indicated a solid consistency between the budget estimate and Romaldi Construction's submission however it highlighted some significant differences to both the Mossop Group and Sarah Constructions tenders primarily within the Preliminaries, Civil Works, Structural Steel and Roofing categories.

Following the clarifications of the original submissions the three preferred contractors were invited to provide a variation to their submission to include the additional two netball courts. The inclusion of the two netball courts, in line with Council's direction (Council meeting 6 October 2020), primarily included changes to the entrance from George Street, the car parking and plaza area (including recommendations through the DDA Committee) and storm water. The closing date for the variation was 27 November 2020. The adjusted lump sum submissions for the preferred tenderers were (excluding GST):

1. Mossop Group - $ 12,671,900
2. Romaldi Constructions - $ 10,915,300
3. Sarah Constructions - $ 12,956,921.

Based on the significant difference in pricing and assurance that they could undertake the works following the responses received through the clarification process, the tender evaluation panel has recommended Romaldi Construction's as the preferred contractor.

While the cost is higher than what is currently set aside in the budget, Staff will work very closely with the architect and the preferred tenderer to find any potential savings through the proposed value management options.

Social Implications

The MAS facilities will contribute to delivering a quality lifestyle through encouraging participation in sport and/or physical activity programs whilst creating a space that can also be used by the local Community for passive leisure and recreational activities, as well as a usable space for personal and Community functions and events.

A few of the key design drivers for the development are to:

- create a Community heart that provides a welcoming focal point and provide a sense of ownership and pride, engagement and enjoyment

- provide a welcoming and inclusive facility that encourages participation.

The establishment of the netball courts close to the proposed sporting hub facility ensures social inclusiveness and equality, with a focus on broad female participation.

The DDA (Disability Discrimination Act) Committee have endorsed the MAS project, ensuring it is DDA compliant and utilises best practice around inclusion and accessibility.

Environmental / Climate Change Implications

The MAS precinct is set in a unique natural setting with the Fifth Creek meandering its way through the site's diverse vegetation. With this focus on the natural setting and Council's broader commitment to the environment and the climate, the project incorporates ESD (Environmental Sustainable Design) principles. This commitment will result in the project achieving a five star ('Greenstar') informal rating, aligning the project's ESD credentials with Australia wide best practice.

The Max Amber Sportsfield redevelopment has incorporated responsibly and/or sustainably sourced elements, and materials with recycled content throughout the proposed design. This includes structural and reinforcing steel, incorporation of fly ash within concrete elements, elevator, insulations and floor coverings. The facility has been designed being mindful of unnecessary construction waste, and that which is unavoidable is targeted to be recycled and/or re-purposed, many materials having an end of life recycling programme available when required.

An efficiently designed building envelope and building services methodology (including a substantial photovoltaic cell array) will reduce the heating and cooling requirements and therefore minimise the consumption of unrenewable fuel sources.

Materials such as prefinished aluminium and steel cladding have been selected for their limited maintenance requirements and recycling ability at the end of the useful life of the building.

Preserving and complementing the natural environment has been a focus of the design team and through incorporating ESD principles the design team has been able to protect regulated and significant trees and complement the natural setting with additional landscaped areas.

The intention of providing multiple sport facilities at one location will reduce the need for families to drive to multiple locations, hence reducing the amount of potential vehicle emissions.

Staff have asked the design team and contractors to investigate the benefits of selecting different and innovative materials, including the selection of the netball court colours, to reduce any negative impact on the heat island effect.

Asset Management Implications

As the existing buildings within the MAS precinct were approaching the end of their useful life, it was timely and important that the redevelopment occurred to ensure that quality services were being provided to those using the facility. This has been reflected with Council's ongoing commitment towards undertaking this project.

A component of these works will be treated as Capital-Renewal and Replacement, and will serve to renew the existing parts of the building. The remaining component will be treated as Capital-New as it provides new functionality (including the additional netball courts) and additional floor space not previously provided at the Centre.

Similar to other buildings of this nature, the useful life of each component will range from 15 years (flooring) to 60 years (superstructure) and will be depreciated in accordance with these timeframes. Due to the proposed increase in redevelopment costs, there will be an associated increase in the annual depreciation expense which has been factored into Council's LTFP (Long Term Financial Plan) and can be accommodated within the parameters of Council's key financial targets, without the need for future proposed rate increases greater than LGPI.

Governance / Risk Management

Considering the views of the Community and key stakeholders in the preparation of the Draft Plan and through the development of the detailed design, will minimise the governance and reputational risks associated with decision making on this project.

Council has endorsed a Prudential Report for this project as required by the Local Government Act 1999 for projects of this magnitude.

Council has received significant funding through the Federal Government ($5 million), State Government Grassroots Football, Cricket, and Netball Facility Program ($245,000) and the SACA (South Australia Cricket Association) ($30,000), which carries contractual arrangements including timeframes and set outcomes. Any delay in progressing the project or making significant changes may involve a risk to the approved funding.

The further risks Council need to consider are associated with managing the contract when in place and the inconvenience on local residents and users.

Community Engagement

The preparation of a Master Plan for MAS included a two-stage Community engagement process to ensure stakeholders and the Community were consulted and is in line with Council's Public Consultation Policy:

Stage 1 Identify the key requirements of existing 2017 user groups

Stage 2 Identify the level of Community support for two options for the Draft Master Plan (October 2017).

A further consultation process was undertaken in June 2019 with two revised concept options based on feedback from the initial Community engagement process undertaken in 2017.

With the adoption of the Option 2 within the Master Plan, the design team have continued to consult key stakeholders to ensure the development of the detailed design meets the needs of the end users and that the project is fit for purpose.

Regional Implications

Due to its size, the MAS is considered a District level precinct. Any development at the site should acknowledge that it is well used and valued by the local Community, whilst attracting people from the wider area.

Economic Development Implications

Improvement of the facilities at MAS may have a positive impact on local economic development as it is likely to attract additional visitors to the Council area.

Financial Implications

As highlighted in the Asset Management Implications sections, the cost of this project has been included in Council's adopted LTFP and indicates that Council is able to fund the project, including any relating to depreciation.

The total project costs through the lump sum tender from Romaldi Constructions of $10,915,300 is higher that the budget for the project of $10,661,200, inclusive of grants.

Staff believe the difference in the price has been influenced by the following factors:

- ESD project, typically escalating total project costs from 3-5%
- Increase in floor area from the 2019 Masterplan of approximately 15% (330m^2)
- Increase in market demand, highlighted through the escalated Preliminaries, increase by approximately 2%.

At this stage Council will require an additional $250,000 to be able to undertake the project in accordance with the pricing provided. Staff recommend that Council allocate the additional funding required and that it be recognised in the Second Budget Review for 2020/2021 to ensure the project is fully funded prior to any contracts being signed. Despite the budget increase, Staff will endeavour to identify cost savings throughout the project through the value management process.

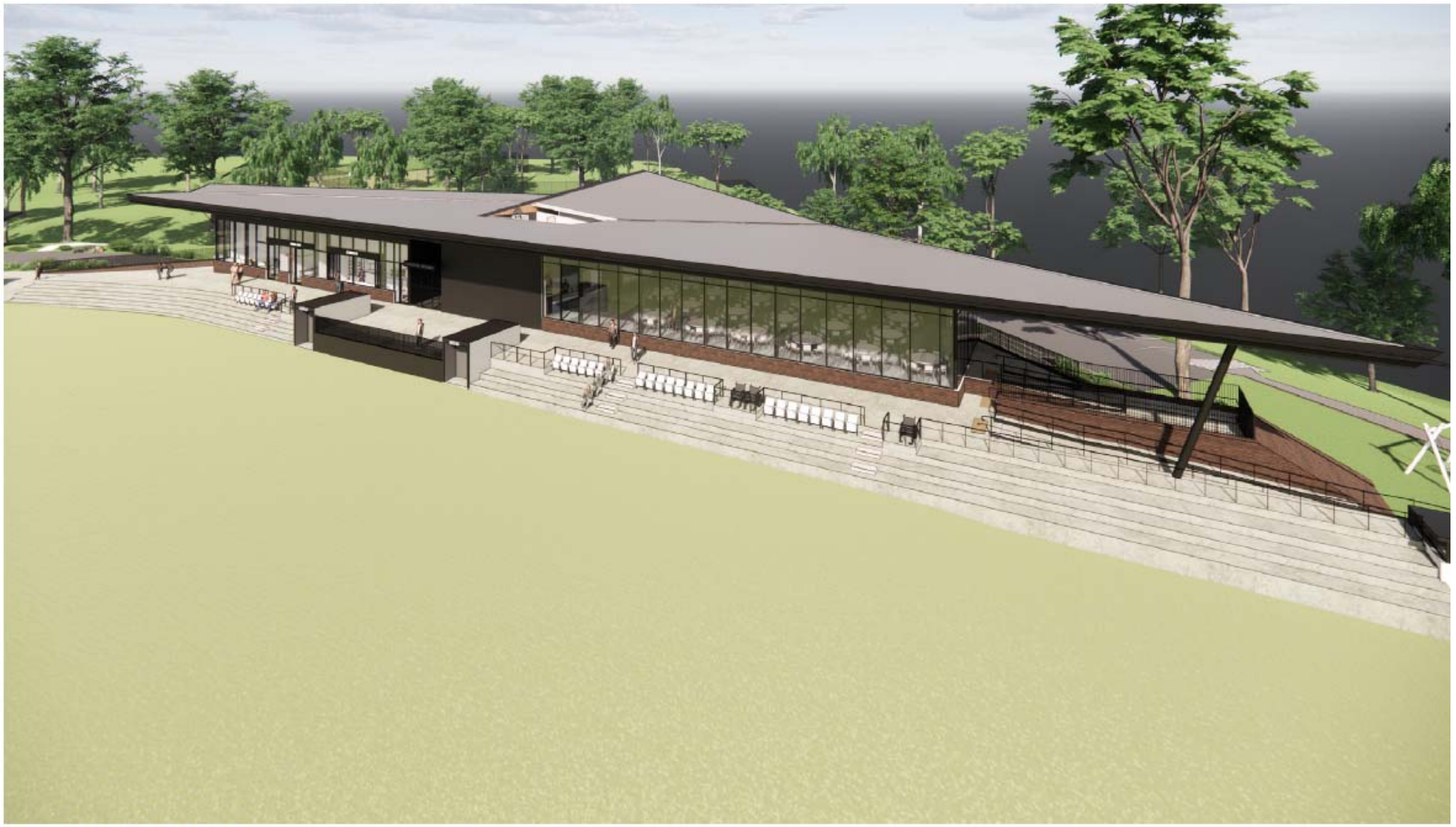
Recommendation

That:

- **the Chief Executive Officer be authorised to sign a contract with Romaldi Construction to undertake the development of the Max Amber Sportsfield Redevelopment project in accordance with the tender price and specification based on a 50 week construction period**

- **the Chief Executive Officer be authorised to continue negotiations with Romaldi Construction to explore further value management options to provide cost savings to minimise the overall construction cost of the project**

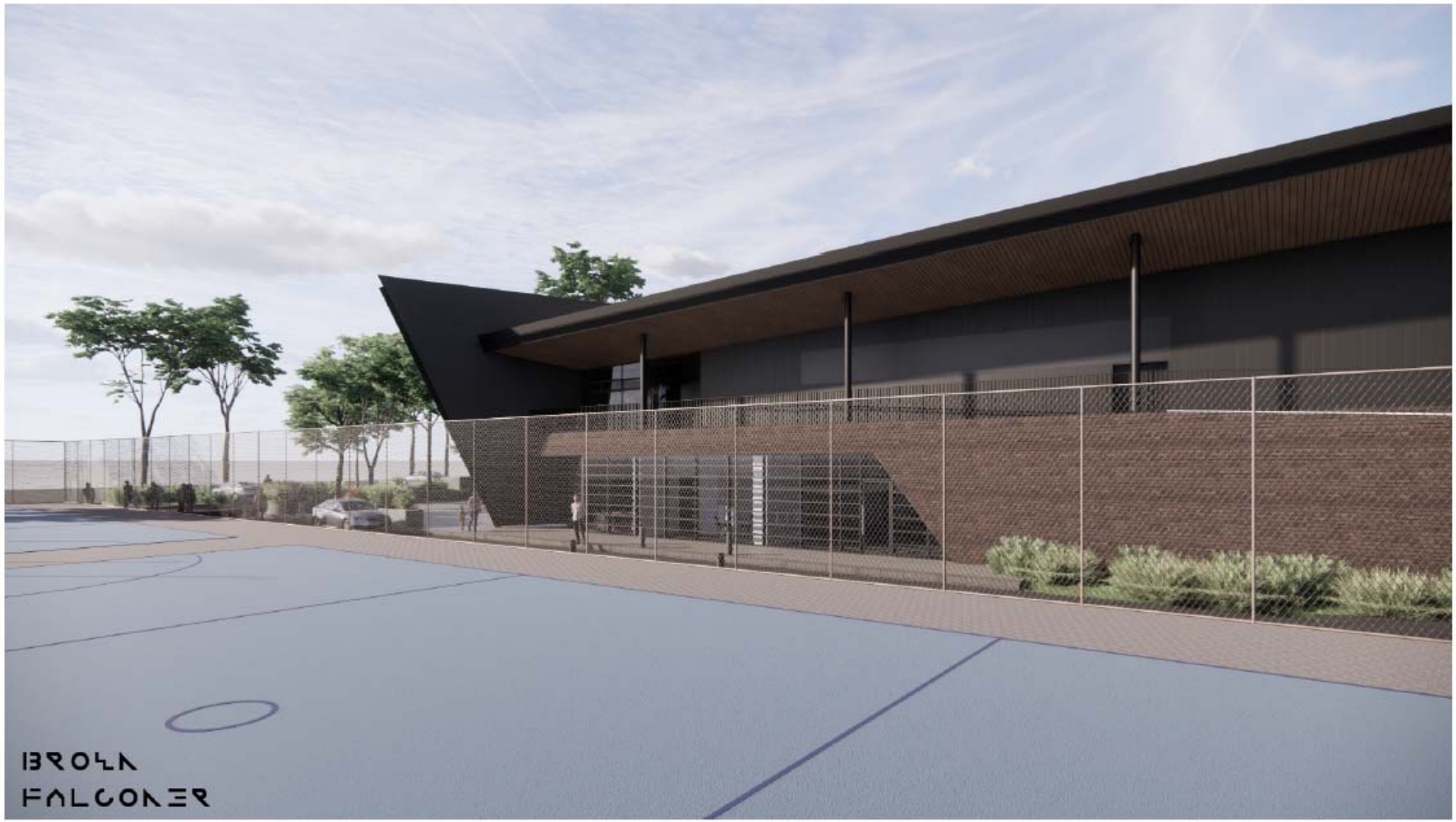
- **Council allocate an additional $250,000 for the redevelopment of the Max Amber Sportsfield and that it be recognised at the Second Budget Review for 2020/2021 in accordance with the cost estimation.**



AERIAL VIEW FROM OVAL

VIEW FROM CARPARK





VIEW FROM NETBALL COURT



VIEW FROM FOYER



COMMUNITY HALL



CLUBROOM - LOOKING NORTH



SOCCER CHANGEROOM / PUBLIC TOILET



TENNIS CLUBHOUSE