

**CITY OF MARION  
SPECIAL GENERAL COUNCIL MEETING  
12 September 2017**

**CONFIDENTIAL REPORT**

**Originating Officer:** Birgit Stroehler, Registered Architect-City Activation  
Ray Barnwell, Manager Finance & Contracts

**Corporate Manager:** Greg Salmon, Manager City Activation

**General Manager:** Abby Dickson, General Manager City Development

**Subject:** Edwardstown Oval – Pre-tender estimate and  
approval to call the stage 2 construction tender

**Report Reference:** SGC120917F01

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If the Council so determines, this matter may be considered in confidence under Section 90(3)(b) and 90(3)(k) of the *Local Government Act 1999* on the grounds that the report contains information relating to the pre-tender cost estimate for construction of the Edwardstown Oval redevelopment. Prior to competitive tenders being called.



**Adrian Skull**  
Chief Executive Officer

**RECOMMENDATION:**

1. That pursuant to Section 90(2), 90(3)(b) and 90(3)(k) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Abby Dickson, Tony Lines, Kate McKenzie, Ray Barnwell, Greg Salmon, Birgit Stroehler and Jaimie Thwaites, be excluded from the meeting as the Council receives and considers information relating to Edwardstown Oval redevelopment, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to the pre-tender estimate for the carrying out of works and disclosure of the information could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council.

## REPORT OBJECTIVE

This report seeks Council's endorsement of the capital budget for the full scope of works documented as the Edwardstown Oval redevelopment. The report provides Council with the pre-tender estimate for the redevelopment including associated site and construction costs. The report also seeks authorisation for calling of tenders for the construction of the project.

## EXECUTIVE SUMMARY

The Edwardstown Oval Redevelopment Project has completed the documentation stage.

This report provides Council with the scope of the redevelopment for the Edwardstown Oval redevelopment. A pre-tender estimate summary for the facility and associated site and construction costs is attached. (Appendix 1).

The documentation includes a new Edwardstown Oval Sport and Community facility, upgraded Memorial Gardens, loop path and resurfaced velodrome, upgraded spectator area with adjacent cycling storage, cricket nets and car park.

The Council approved project capital budget is \$8 million and the attached pre-tender estimate by cost consultants Rider Levett Bucknall provides scope options against associated costs.

The report also brings to Council's attention works that cannot be achieved within the approved project capital budget of \$8 Million and seeks additional Council funding of up to \$275,300 to fund the velodrome loop path and UCI compliant fence. It is recommended the additional funds be sourced from Council's Asset Sustainability Reserve.

The inclusion of the Loop Path & Fence will bring the projected project capital costs to \$8.567m as indicated in the pretender estimate (Appendix 1). The approval of the additional funding of \$275k will bring Council's capital project budget to \$8.275m, leaving a shortfall of \$292k. It is standard practice for DPTI projects that when the project pre-tender estimate is in the order of 3% of the budget, that the project proceeds to tender. Through a competitive market tender process we anticipate the projected shortfall in the proposed budget can be offset. Should this not be achieved options will be presented to Council in November 2017.

## RECOMMENDATIONS

## DUE DATES

### That Council:

- |  |                          |
|--|--------------------------|
| <b>1. Endorses the additional allocation of up to \$275,300 towards the Edwardstown Oval Redevelopment Project to fund the installation of the loop path and UCI compliant fence bringing the total allocation from the Asset Sustainability Reserve to \$4,275,300.</b> | <b>12 September 2017</b> |
| <b>2. Notes that that ramp connecting the Memorial Gardens to the loop path will be delayed works and constructed once partnership funding of up to \$75,628 becomes available.</b>  | <b>12 September 2017</b> |
| <b>3. Authorises the Chief Executive Officer to call the Request</b>   | <b>12 September</b>      |

- |   |               |
|---|---------------|
| for tender, for the redevelopment of the Edwardstown Oval.  | 2017          |
| 4. Requires Administration to bring a report back to Council in November 2017 at the conclusion of the Request for Tender process, for approval to award the construction contract.   | November 2017 |
| 5. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, Edwardstown Oval – Pre-tender estimate and approval to call the stage 2 construction tender and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(k) of the Act, except when required to effect or comply with Council’s resolution(s) regarding this matter be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council meeting in December 2017. | November 2017 |

## BACKGROUND

At the Special Council meeting of 8 March 2016 Council considered the Section 48 Prudential Management Report (SGC080316R02) for the Edwardstown Oval Redevelopment project and it was resolved that Council:

1. *Consider the advice and feedback received from the Finance and Audit Committee on the draft Section 48 Prudential Report.*
2. *Adopt the Section 48 Prudential Report as amended including the KPMG Report on the Proposed Governance and Management Model and Financial Forecast and the Hardy Milazzo Design Concept.*
3. *Authorise Council staff to finalise and submit a bid to the National Stronger Regions Fund (NSRF) Round 3 seeking \$4 million in Federal capital funding matching a \$4 million capital funding commitment by the City of Marion.*
4. *Endorse the capital funding commitment of up to \$4 million for the redevelopment of Edwardstown Oval subject to the successful application for funding to the National Stronger Regions Fund.*
5. *Endorse the increased on-going operating, maintenance and renewal funding (i.e. Cash) requirement as identified in the Section 48 Prudential Report and note the impact to the City of Marion’s adopted Long Term Financial Plan (LTFP) resulting from the additional funding requirement identified in the Section 48 report is forecast to be in the order of \$6.119 million over the 10 year term of the LTFP.*
6. *Commit to undertaking the redevelopment of Edwardstown Oval if funding is received from the National Stronger Regions Fund.*

The NSRF eligibility criteria was changed in 2016 and capital city based projects were no longer considered. Council subsequently received a \$4 million commitment

from the Federal Government which was considered by Council at the 11 November 2016 Council meeting where the following was resolved:

1. *Resolves to accept the terms and conditions associated with the \$4 million federal funding for the Edwardstown Oval Redevelopment from the Department of Infrastructure and Regional Development.*
2. *Authorises the Chief Executive Officer to sign the Federal Funding deed for \$4 million from Department of Infrastructure and Regional Development towards the cost of the Edwardstown Oval Redevelopment.*
3. *Authorises the Chief Executive Officer to review and accept any minor changes that may eventuate from the Department of Infrastructure and Regional Development's quality assurance process so long as any changes do not materially change the deed.*

Since that time a detailed project plan identifying all key stages for the project has been developed and the project team has worked closely with the project's stakeholders through fortnightly user group meetings and management model meetings with the new governing Edwardstown Memorial Sport and Community Club Board.

The documentation stage was undertaken between June 2017 to August 2017 and the documentation is at a level of resolution for Council's consideration and approval to proceed to the tender stage of the project.

## **ANALYSIS**

The full scope of the Edwardstown Project comprises the following elements:

- Shared multipurpose function spaces to cater for the needs of the community and the clubs that overlooks the main oval and bowling greens. Total seating capacity across the 3 spaces is 310 people
- A multipurpose community/meeting/function space accommodating up to 120 people seated
- Four new change rooms connected to amenities rooms with toilets, showers and massage/first aid
- Public male/female/accessible toilets
- Kitchen facilities to meet the needs of clubs and the community
- Shared affiliates office area
- Umpires room including toilet and showers
- Utility/cleaners' room
- Affiliates gym space
- Cold store
- Storage
- WW1 Honour board located within the double height foyer
- External verandah area linking to bowling green
- Upgraded spectator area with adjacent cycling and cricket storage
- New retractable cricket nets
- Velodrome resurfacing including a new duckboard and spoon drain
- Upgraded Memorial Gardens including increased lawn area, seating and ramp access
- Upgraded 1.5m wide loop path and new perimeter fencing to velodrome

- Increased capacity car park. Total of 84 car spaces on site.

At the 27 June 2017 General Council Meeting (GC270617R11), Council endorsed the allocation of up to \$40,000 as part of the 2018-2019 business planning process, for the installation of solar panels on the redeveloped Edwardstown Oval facility. The project has been designed to accommodate a 20kW solar array, which supports the anticipated usage model. This array of 72 panels covers the entire accessible roof area. Elected Members have questioned whether the project should consider use of battery storage. Administration have undertaken further investigations into solar battery storage and have ascertained that the additional cost for battery storage for this size of array is in the order of \$90,000. It is recommended Council do not pursue battery storage due to project cost constraints and given this technology is relatively new and still evolving.

## **PROJECT BUDGET**

The original scope in the \$8 million project capital budget includes the new building, car park, cricket nets, cycling facilities, main site services infrastructure, spectator area, Memorial Gardens on grade upgrade, section of 1.5m wide loop path (approximately one 3<sup>rd</sup> of the current path) which has a direct interface with the building works.

### **Loop Path & Fence**

The remaining extent of 1.5m wide loop path and fence (approximately 2/3<sup>rd</sup> of the current extent) previously noted as delayed works, is a cost of \$275,300. There are a number of issues associated with delaying this scope and separating its installation from the resurfacing of the velodrome. This was first brought to Council's attention at the 27 June 2017 General Council Meeting (GC270617R11). The cost increase of \$32K from the June 2017 report noting \$243,290, is due to the requirements for the fence to have a dedicated handrail to the velodrome side and footings/structure to safely accommodate impact by cyclists. The design of the fence is governed by the UCI compliancy standards for outdoor velodromes.

Below is commentary from a civil contractor (Fulton Hogan) on the impacts to quality and cost if the loop path works were delayed.

The issues for consideration for this approach is as follows:

- Potential of a poor joint finish between the new and old works. This may lead to the joint shrinking and allow water to penetrate into the joint. This may lead to premature failures in the future.
- The change in grade between the velodrome, fence and footpath do not align. This will be very difficult to construct in the future and may result in a poor finish at the top of the velodrome.
- Difficult to construct the new asphalt against the fence, Fulton Hogan suggest that might have to retain the old wearing surface of about 0.5m from the fence to construct new works.
- Removing the old asphalt is proving to be a challenge, and the methodology being considered would result in a saw cut line that wanders and may not be visually appealing.
- Matching the new asphalt work with the old asphalt may lead to a poor finish as the two would have to be matched. The old surface may have some undulations and this would reflect in the new work.

- Mobilisation is a big component of undertaking asphalt works, minimising the number of mobilisations will effectively reduce costs. Depending on the machinery and availability, this could be in the order of \$20k.
- With all asphalt works the joints are critical, doing work as a single mat will ensure a good quality finish. Staging works in this instance will be a challenge and rework maybe required on the new asphalt on the velodrome, due to the grade change between the footpath and thin section of old asphalt retained. A paving machine can only lay at a certain minimum width.

The above costs exclude escalation, additional costs with letting separate construction contracts, abortive interface works and loss of economies of scale associated with delaying the works. Delaying the works will result in impacts to clubs and the community for a second follow up construction period.

Given the above considerations it is recommended that the loop path and fencing not be delayed and that Council allocate additional funds of up to \$275,300 from the Asset Sustainability reserve.

As part of the Annual Budget process for 2017/18 Council has already resolved to fund its existing contribution of \$4.0m from the Asset Sustainability Reserve (Major New Projects). The balance of this reserve is sufficient to cover the increase of \$275,300, leaving approximately \$2.0m for other Major New Projects.

The inclusion of the Loop Path & Fence will bring the projected project capital costs to \$8.567m as indicated in the pretender estimate (Appendix 1). The approval of the additional funding of \$275k will bring Council's capital project budget to \$8.275m, leaving a shortfall of \$292k. It is standard practice for DPTI projects that when the project pre-tender estimate is in the order of 3% of the budget, that the project proceeds to tender. Through a competitive market tender process we anticipate the projected shortfall in the proposed budget can be offset. Should this not be achieved options will be presented to Council in November.

#### **Proposed Delayed works: Ramp works to the Memorial Garden**

The ramp works to the Memorial Gardens (estimated at \$75,628) is still noted as delayed works as it has no significant interface requirements with the new works and therefore sits outside the project budget. This scope can be installed, once funds become available. Administration will continue to seek to secure this funding through external grant and or other partnership funding opportunities.

The following options are available to Council in funding the delayed works:

- Advocate for State Government contribution to deliver the delayed works
- Apply for funds under a future Places for People grant program
- Council increases its contribution through the Asset Sustainability Reserve, which currently funds the \$4 million contribution, to fund the increased cost to complete the project.

It is recommended that Council first seek external funding options before considering funding the ramp works to the memorial garden from its Reserves.

The competitive tendering process to be undertaken in October/November 2017, may enable the additional works to be delivered within the \$8 million project.

### Construction Tender

A 2-stage approach to engaging the construction contractor is being undertaken:

- Stage 1 is an Expression of Interest open tender that will enable the project team to determine a select tender field. This phase closed on the 6<sup>th</sup> September 2017 and submissions are currently being evaluated for shortlisting. The select tender field will then be invited to tender for Stage 2.
- Stage 2 will be undertaken once Council's endorsement to call the RFT is received. This stage is anticipated for the period of September to November 2017.

### Project Milestones

| Scope  | June 2017 | July 2017 | Aug2017 | Sep. 2017 | Oct. 2017 | Nov. 2017 | Dec. 2017 | Jan. 2018 | Feb. 2018 | March 2018 | April 2018 | May 2018 + | Feb. 2019 |
|--|-----------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|-----------|
| Detailed Design/Documentation  | ✓         | ✓         | ✓       |           |           |           |           |           |           |            |            |            |           |
| Development Approval   | ✓         | ✓         | ✓       | ✓         | ✓         |           |           |           |           |            |            |            |           |
| Procurement EOI stage  |           |           | ✓       | ✓         |           |           |           |           |           |            |            |            |           |
| Pre tender estimate  |           |           |         | ✓         |           |           |           |           |           |            |            |            |           |
| Procurement Construction tender stage  |           |           |         | ✓         | ✓         | ✓         |           |           |           |            |            |            |           |
| Construction Federal funding requires an 11 December 2017 start (over a 14 month period) |           |           |         |           |           |           | ✓         | ✓         | ✓         | ✓          | ✓          | ✓          | ✓         |

Council's endorsement of the project costs is required to enable construction to commence in December, as required by the Federal funding deed.

### CONCLUSION

The documentation stage of the Edwardstown Oval redevelopment project has been completed. Council endorsement of the project scope and costs is required, prior to progressing to Request for Tender, to enable the project to progress and start construction in December 2017, as required by the Federal Funding Deed.

### APPENDICES

Appendix 1 – Pre-tender estimate summary

## Edwardstown Oval Redevelopment

### Pre Tender Estimate - September 2017

Location Summary

GFA: Gross Floor Area  
Rates Current At August 2017

| Location                |  | GFA m <sup>2</sup> | Cost/m <sup>2</sup> | Total Cost            |
|-------------------------|--|--------------------|---------------------|-----------------------|
| <b>MP MAIN PROJECT</b>  |  |                    |                     |                       |
| TEN                     | TENDERED WORKS   |                    |                     |                       |
| DE                      | Demolition   |                    |                     | 388,717.55            |
| CB                      | Clubroom Building                                      |                    |                     |                       |
| G                       | Ground   | 1,003              | 2,485               | 2,492,440.74          |
| 1                       | Level 1  | 746                | 3,221               | 2,402,952.47          |
| FFE                     | Furniture, Fittings & Equipment including AV           |                    |                     | 220,000.00            |
|                         | <i>CB - Clubroom Building</i>                          | <u>1,749</u>       | <u>\$2,925</u>      | <u>\$5,115,393.21</u> |
| EW                      | External Works   |                    |                     |                       |
| EW1A                    | Memorial Gardens Pillars (by others)                   |                    |                     | Excl.                 |
| EW1B                    | Memorial Gardens (Path, Landscaping & Furniture)       |                    |                     | 176,643.25            |
| EW2                     | Carpark  |                    |                     | 423,072.92            |
| EW3                     | Spectator Area including Cricket Nets and Bike Storage |                    |                     | 327,422.48            |
| EW4                     | Velodrome Resurfacing                                  |                    |                     | 444,371.55            |
| EW5                     | Upgraded existing loop path and fencing                |                    |                     | 275,300.89            |
| EW6                     | Bowls Storage  |                    |                     | 84,378.44             |
|                         | <i>EW - External Works</i>                             |                    |                     | <u>\$1,731,189.53</u> |
| SI                      | Site Infrastructure                                    |                    |                     | 309,071.12            |
|                         | <i>TEN - TENDERED WORKS</i>                            | <u>1,749</u>       | <u>\$4,314</u>      | <u>\$7,544,371.41</u> |
| PF                      | PROFESSIONAL FEES                                      |                    |                     | 672,069.00            |
| CCT                     | CONSTRUCTION CONTINGENCIES                             |                    |                     | 350,600.00            |
|                         | <b><i>MP - MAIN PROJECT</i></b>                        | <u>1,749</u>       | <u>\$4,898</u>      | <u>\$8,567,040.41</u> |
| <b>DL DELAYED WORKS</b> |  |                    |                     |                       |
| EW1C                    | MEMORIAL GARDENS (RAMP & ASSOCIATED WORKS)             |                    |                     | 75,628.59             |
|                         | <b><i>DL - DELAYED WORKS</i></b>                       |                    |                     | <u>\$75,628.59</u>    |
|                         | <b>ESTIMATED TOTAL COST</b>                            | <u>1,749</u>       | <u>\$4,941</u>      | <u>\$8,642,669.00</u> |