

Capella Reserve Construction of Carpark, Youth Plaza & Skatepark

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| Originating Officer | Open Space & Recreation Planner - Amy Liddicoat |
| Corporate Manager | Manager City Activation - Greg Salmon |
| General Manager | General Manager City Development - Ilia Houridis |
| Report Reference | GC210223F01 |

Confidential



Confidential Motion

That pursuant to Section 90(2) and (3)(b)(i) and (ii) and (k) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager Corporate Services, General Manager City Services, Manager Corporate Governance, Manager City Activation, Unit Manager Open Space & Recreation Planning, Open Space & Recreation Planner, Manager Finance, Unit Manager Communications, Unit Manager Governance and Council Support and Governance Administration Officer, be excluded from the meeting as the Council receives and considers information relating to Capella Reserve Construction of Stage 1: Carpark, Youth Plaza & Skatepark, 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 current tender process.

REPORT OBJECTIVE

To seek endorsement of additional funding for Capella Reserve to address the shortfall in construction for the Carpark, Youth Plaza and Skatepark.

EXECUTIVE SUMMARY

The construction tender for the Carpark, Youth Plaza and Skatepark was released in December 2020 and closed on 2 February 2021. Tender assessment has now been completed. There were 4 tender submissions, all of which were priced over the stage budget of \$1.436M (from \$1.89M to \$2.314M).

Following a review of pricing and presentation of value management options, the lowest tender price is \$1.8m. The increase in costs are a result of additional car parking (approximately \$200,000) that was added during the design phase in consultation with ward members, and current market trends that are resulting from a high volume of construction projects hitting the market fueled by stimulus funding.

An additional \$474,000 is sought from Council to cover the additional cost and contingency.

The matching funding obtained through the Federal Government's Local Roads and Community Infrastructure Program for the construction of the car park and skatepark requires expenditure by 30 June 2021. This will require site works to commence in March 2021 in order to expend the Federal Government portion of funds in time. This target date is still achievable if Council endorses the additional funds.



Administration also seek endorsement of previously committed funds (GC200512R10) noting that the source of matched funding changed from the anticipated DPTI Open Space Grant Program to the Federal Government's Local Roads and Community Infrastructure Program.

RECOMMENDATION

That Council:

- 1. Endorse additional funding of \$474,000 for the construction at Capella Reserve including the car park, youth plaza, and skatepark, to be funded through:**
 - a reallocation of \$200,000 from the existing 2020-2021 Capital Works Budget, as identified in the second budget review, and
 - additional funding of \$274,000 to be allocated from the Asset Sustainability Reserve.
- 2. Endorse the previously allocated funding of \$442,460 (GC200512R10) to the Capella Reserve Project noting matched funding has been committed through a Federal Government grant, to be funded from the Asset Sustainability Reserve.**
- 3. In accordance with Section 91(7) and (9) of the Local Government Act 1999, orders that this report, the attachments and any minutes arising from this report having been considered in confidence under Section 90 (2) and (3)(b) (i) and (ii) and (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 2021.**

GENERAL ANALYSIS

Project Background

This stage of works at Capella Reserve has resulted from several years of planning and seeking of grant funding. Matched funding was allocated to the overall Capella Reserve budget of \$2.58M from two separate rounds of the Federal Government's Local Roads and Community Infrastructure Program.

In October 2020 (GC201027R13), Council endorsed the concept design for Capella Reserve and endorsed construction of the carpark, youth plaza and skatepark.

A summary of the previous Council resolutions relevant to these works can be found in Attachment 1.

DISCUSSION

Carpark Design

Prior to draft concept development a meeting was held onsite at Capella Reserve (8 September 2020) with Coastal Ward Members and the Mayor to discuss the layout of recreational items as well as the extent of work to be undertaken on the existing carpark. There was concern that a minor expansion of the carpark was not adequate for the potential increased use of the site as well as concerns that it would not adequately address crime prevention.

Feedback from ward members included expanding the carpark to within closer proximity of the skate and youth recreation areas to improve accessibility and passive surveillance. This expansion would also provide for increased patronage at the reserve following the upgrade as the reserve will cater for a number of recreational uses.

The existing carpark has 18 parks. There is substantial street parking on surrounding streets including Capella, Coorabie and Lighthouse drive, however access to the reserve from surrounding streets is impacted by the sloping topography of the site and potentially limiting the use of the reserve.

An extended carpark has therefore been incorporated into the design with an additional 26 carparks that will provide for increased use of the site and enable passive surveillance of the adjacent youth plaza and skatepark (Refer to Attachment 2).

Procurement Costs

The construction tender for the carpark, youth plaza and skatepark closed on 2 February 2021.

There were four tender submissions, all of which were priced over the project budget (from \$1.89m to \$2.314m). Tender evaluation has been undertaken and three short-listed tenderers were contacted seeking areas for review and value management.

Two of the revised submissions remained in excess of \$2.2m whilst one tenderer provided value management options and a maximum tender price of \$1.8m. This tenderer has a high level of experience with the delivery of skate park developments and major projects and is recommended for tender award.

The detailed design was reviewed on numerous occasions to achieve value management in accordance with the project budget whilst keeping the intent of the project scope. The current market has also had noticeable increases in construction costs over the past 6 months with further market increases anticipated over the next 6 months due to government stimulus.

Further value management will be discussed with the preferred tenderer, with a focus on delivering the project scope with the best outcome for Council in regards to time, cost and quality.

Due to the tight deadline in which to acquit the federal funding, this report is seeking authorisation to expend additional funds to enable the project to be awarded.

Funding

The current endorsed budget for Capella Reserve is:

| Budget | Project Cost | Council Budget | Federal Funding |
|---|--------------------|--------------------|--------------------|
| Stage 1 - carpark, youth plaza, skatepark | \$1,436,000 | \$718,000 | \$1,290,000 |
| Stage 2 - playground, toilet, fitness | \$1,144,000 | \$572,000 | |
| Total | \$2,580,000 | \$1,290,000 | \$1,290,000 |

Under this proposal an additional contribution of \$474,000 is being sought from Council to deliver the carpark, youth plaza and skatepark. This will increase Council's overall contribution from \$1,290,000 to \$1,764,000.

The \$474,000 is proposed to be sourced from a reassignment of the 2020-2021 Capital Works Budget of \$200,000, included in Budget Review 2, and an allocation from the Asset Sustainability Reserve of \$274,000. As at Budget Review 2 sufficient funding exists in the Asset Sustainability Reserve to accommodate this proposal.

Confirm funding

A portion of funding (\$442,460) already committed (GC200512R10) to this project was subject to matched funding from the DPTI Open Space Grant Program. As the matched funding was actually allocated from a Federal Grant an additional resolution has been included confirming Council's endorsement of these funds.

Attachment

| # | Attachment | Type |
|---|---|----------|
| 1 | Attachment 1 Council Resolutions 2019.2020 | PDF File |
| 2 | Attachment 2 Construction Carpark, Youth Plaza, Skatepark | PDF File |

Council Resolutions 2019 - 2020

June 2019 | GC190611R04 Capella and Nannigai Precinct Plan

That Council:

1. Endorse the project scope and staged plan (Refer Appendix 1 and 2) for consultation.
2. Endorse the development of a draft concept plan and community consultation for Nannigai and Coorabie Reserve as stage 1 of the project.
3. Endorses the development of a draft concept plan and community consultation for Central Capella Reserve as stage 2 of the project.
4. Receives a further report including findings of the community consultation and a final concept plan with cost estimate for Stage 1 and 2 of development.
5. Notes the 2019/20 Capella Reserve draft budget of \$950,000 will be applied to stage 1 of the broader Capella and Nannigai Precinct Plan project.

May 2020 | GC200512R10 Capella Nannigai Precinct Plan

That Council:

1. Endorse the Nannigai Drive Reserve final concept plan for procurement and construction.
2. Endorse the allocation of an additional \$442,460 to the project for Stage 2 Capella Drive Reserve, to meet matching funding requirements of the DPTI open space grant program, subject to the application being successful.
3. Notes that a further report will be provided for Capella Drive Reserve (Stage 2) with findings of the community consultation and a final concept design.

June 2020 | GC200623R11 Prioritisation of Federal Government Stimulus Funding Report

That Council:

1. Notes the report and requested information by Members around the Capella Skate Park and car park.
2. Notes an amendment to funding being sought for the Natural Landscapes and Road Reseal.
3. Endorses 'Suggested Option 1' to proceed as the list of projects for Administration to submit in order to receive funding under the Local Roads and Infrastructure Program. C

October 2020 | GC201027R13 Capella Reserve Concept Design

That Council:

1. Endorse the Capella Reserve Concept (Attachment 1) for final community consultation and detailed design.
2. Endorse stage 1 – carpark and skatepark (Attachment 1, page 2), for final community consultation, detailed design and construction.
3. Note that a funding application will be submitted to DPTI to seek matching funding to complete the remaining stages of construction.
4. Note that a further report will be provided to Council with the outcome of future funding applications and construction timeframes for the remainder of the project.

December 2020 | GC201208R09 Economic stimulus funding

That Council:

1. Endorses the suggested projects outlined in Attachment 1(to the minutes) to proceed to grant submissions under the Federal and State grant funding rounds outlined in this report excluding the Marion Golf Course Project.
2. Agrees to fund 50% of the total project cost in order to meet the 50:50 partnership grant criteria.

