
BAY ISLANDS SPORT AND RESILIENCE HUB

Datworks Filename: 40612-1 Bay Islands Sport and Resilience Hub

Authorising/Responsible Officer:



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Author:

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PURPOSE

The purpose of this report is to request permission to transfer capital (2015/2016 Capital Works Program) from the Cleveland Aquatic Centre (40471) project to the Bay Islands Resilience Hub project (40612-1) to meet Council's obligations to the federal funding body and the market tender prices to build the facility.

BACKGROUND

The Bay Islands Sport and Resilience Hub is the proposed functional centre for the Russell Island Sport and Recreation Park. This project delivers:

- a resilience centre to cope in times of disasters,
- a clubhouse for junior and senior sport, and community groups ;
- a training centre to build community capability;
- public toilet facilities for the park, and
- a community venue for gatherings and events.

Council secured \$500,000.00 funding from the Australian Federal Government to construct a standard brick veneer, gable roof building for the Bay Islands. The Federal Funding Agreement minimum requirements are to provide:

- sport and resilience hub building (up to 500m²) with all ability access;
- change rooms, showers and public toilets;
- kitchen and food service area;
- first aid room;
- multi-purpose area;
- storage areas and administration room; and
- verandah.

To date the project has finalised:

- full detailed design documentation for construction;
- development approval, building approval and plumbing approval; and
- fully paid portable long service leave.

ISSUES

Project Delivery Group (PDG) went to market on 18 October 2014. All tender submissions came in significantly over the remaining project budget of \$853,875 to cover construction.

A revised scope was issued to the existing tenderers for a reduced floor area and modified design.

The revised tender submissions are yet to be fully evaluated as there is an identified budget shortfall of up to \$350,000 (maximum tender price including a small contingency).

PDG are not able to complete and award a tender until sufficient budget is allocated to this project.

The original total budget was \$980,000. This needs to be amended to \$1,330,000.

There is \$1.35 million in 2015/16 Capex allocated for the Cleveland Aquatic Centre. Council is undertaking \$250,000 works in this financial year at the Aquatic Centre, as per the recommendation of the Cockrell Report.

It is envisaged that by undertaking the minor works now, the major project upgrade for the pool can be delayed by three to five years. Council is currently working on a private partnership for the future development and management of the centre.

Council is not in a position to commit the allocated capital in the next financial year.

It is proposed to transfer \$350,000 (excluding GST) from the Cleveland Aquatic Centre project to the Bay Island Sport and Resilience Hub project in 2015/16 Capex.

STRATEGIC IMPLICATIONS

If approved, this ensures adequate budget for construction of the Hub project for Council to meet the market to allow PDG to finalise the tender. It does not adversely impact the Aquatic Centre plans or works.

The Hub is delivering much needed social infrastructure to the Bay Islands in alignment with community expectations and Council's vision objective of "Strong and Connected Communities".

The strategic implications of not allocating budget to this project, places both the project and funding in jeopardy.

If funding were handed back to the Federal Government, it would place any future requests in a vulnerable position and at risk of failure.

To not deliver on this project, it would also mean that the community would not have a clubhouse for its sport, a place to go in time of disaster, a public toilet facility for the park, a place of resilience and education, a focus for the community.

Legislative Requirements

The current tender process needs to be finalised by 12 February 2015 otherwise it automatically lapses. Council also has a current contract with the Federal Government to deliver the Hub project.

Risk Management

With sufficient budget and contingency allocated to this project, PDG will fully assess tenders and award the tender for the work.

As this project has been fully approved for construction, PDG is able to secure a contractor for construction at a tendered price with a small contingency if required.

PDG implements risk management strategies through identification, assessment, and prioritisation of risks and applies project controls to ensure deliverables of the specified contract are met.

Financial

Council has successfully secured \$500,000 towards the project from the Federal Government. The project tender is reflective of the current market rate and would provide economic benefit to both the local island community and wider Redland City.

It is expected that the successful contractor would source products and services from local suppliers where possible. Ongoing benefits:

- direct and indirect employment opportunities;
- economic activity through recreation and sport tourism;
- economic activity through revenue generated by retail sales and participation in recreation and sport activities; and
- economic activity generated by capital developments.

People

This project creates short-term local employment opportunities as well as long-term benefits for skill development as a community education centre for resilience and capability.

Environmental

The building has been designed to be energy efficient and have water-saving features. The building will also support the activities of sustainable food production of the community gardens.

Social

A dynamic and vibrant community reflects the level of social interaction between individuals and groups within that community.

Recreation clubs, groups, associations and facilities provide valuable meeting places where members of a community can interact.

Recreation facilities and open space are not regarded as luxuries, but as necessary aspects of community infrastructure. A major responsibility of local government is to ensure that appropriate infrastructure is available, within the financial constraints of Council and the local community.

Social benefits of this project are:

- reduced health care costs;
- enhanced community identity;
- increased community integration;
- deterrent effect on delinquent behaviour;
- improved social fabric and community development opportunities; and
- increased volunteer participation.

Alignment with Council's Policy and Plans

This project is in alignment with the Redlands Community Plan, Corporate Plan 2010-2015, Social Infrastructure Strategy 2009, SMBI 2030, SMBI Sport and Recreation Strategy 2008, Strong Communities Corporate POL-3087 and Logan Redlands Roadmap 2011.

CONSULTATION

The following were consulted in the preparation of this report: and all are in agreement with the recommendation:

- Service Manager Project Management Services;
- Project Coordinator Building;
- Project Officer;
- Senior Tender & Contracts Officer;
- Business and Infrastructure Finance team.

OPTIONS

Option 1

1. To increase the 2015/16 Capex budget for the Bay Island Sport and Resilience Hub project (40612-1) by \$350,000 (excluding GST) to a new project amount of \$1,330,000; and
2. That this be funded by a matching reduction of \$350,000 (excluding GST) in the 2015/16 Capex budget for the Cleveland Aquatic Centre upgrade project (40471).

Option 2

That Council put a capped program to market, nominating the existing budget as a design and construct. This is not preferable as there is no guarantee that this is achievable as the deliverables on the project still need to meet the requirements of the Federal funding.

It will also extend the project timeframes by at least 3 months and this also puts pressure on Council's ability to deliver the project within the timeframes allowed by the agreement with the Federal Government.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

- To increase the 2015/16 Capex budget for the Bay Island Sport and Resilience Hub project (40612-1) by \$350,000 (excluding GST) to a new project amount of \$1,330,000 (excluding GST); and
- That this be funded by a matching reduction of \$350,000 (excluding GST) in the 2015/16 Capex budget for the Cleveland Aquatic Centre upgrade project (40471).

COUNCIL RESOLUTION

Moved by: Cr M Edwards

Seconded by: Cr M Elliott

That Council resolves as follows:

1. **To vary the Resilience Hub Project Budget in accordance with Option 1 as detailed in the officer's report;**

- 2. To delegate authority to the Chief Executive Officer under s257(1) of the *Local Government Act 2009* to negotiate, make, amend or discharge the project contracts and to use best endeavours to deliver the project within the original budget estimate; and**
- 3. That the report and recommendation remain confidential.**

CARRIED 10/0

Cr Bishop was not present when this motion was put.