

8 REPORTS DIRECT TO COUNCIL**8.8 SUNSHINE COAST CITY HALL - PROJECT UPDATE****File No:** F2016/231211**Author:** Manager Property Management
Business Performance Group**Attachments:** Att 1 - Councillor Meeting Outcomes - *Confidential* 5/5

PURPOSE

To provide an update to Council on the Sunshine Coast City Hall project.

EXECUTIVE SUMMARY

Council has resolved to establish a presence within the Maroochydore City Centre including the development of its own premises, currently known as Sunshine Coast City Hall (SCCH). A high level project plan was adopted by Council on 11 October 2018 (OM18/173), which is being kept live with updates to manage new inputs, and a Project Management Team appointed to deliver this project. Occupation of the completed building is scheduled for 1 July 2022, subject to achievement of all project milestones.

Since the last project update, the following activities have been completed or are underway:

- Principal Architect has met with Councillors to provide a progress update on concept design development.
- Design sub-consultants now appointed and working with the Principal Architect to continue to progress the concept design development.
- A Councillor Workshop was held on 8 April 2019 to discuss *SCC Workplaces*. The SCC Workplaces Project Control Group will now progress the implementation of the SCC Workplaces framework.

The Program of works endorsed in the SCCH Project Management Plan is currently on schedule in the context of the programmed occupation date and the Project remains on budget.

OFFICER RECOMMENDATION

That Council receive and note the report titled “Sunshine Coast City Hall - Project Update”.

FINANCE AND RESOURCING

For this stage of the SCCH Project, the necessary resources have been allocated to progress deliverables for the balance of the current financial year. This includes establishment of the project delivery team and commencement of the design process, including engagement of external design consultants. Funding for this project in 2019/2020 and beyond is being progressed for consideration as part of the standard Council budget process.

CORPORATE PLAN**Corporate Plan Goal:** *A smart economy***Outcome:** 1.2 - New capital investment in the region**Operational Activity:** 1.2.4 - Partner with a developer to design the Sunshine Coast City Hall and engage in construction.

CONSULTATION

Councillor Consultation

Councillors have been consulted on this project on twelve occasions, including Council meetings and workshops since February 2017.

Ongoing consultation with Councillors and staff will be undertaken during the design development phase, which will encompass the development of the preliminary design concept, the procurement and selection of the managing contractor for the design and construction contract and the development and approval of a detailed budget.

Internal Consultation

This report has been written in conjunction with advice from:

- Chief Executive Officer
- Group Executive Business Performance
- Manager Business Development
- Project Director, Workplace
- Project Director, SCCH – Project Urban (Contracted)

External Consultation

A Communication Plan has been developed for the initial stages of the project, particularly pertaining to SCC Workplaces, including provision of information and updates to external parties.

PROPOSAL

Council has resolved to establish a presence within the Maroochydore City Centre, to be known as Sunshine Coast City Hall (SCCH). Since the last project update provided to Council in March 2019, the following activities have been completed or are underway.

Procurement of Specialist Services

Design Consultancy

The tender process is being finalised for two further sub-consultants who will support the Architect in the development of the concept design.

These disciplines include the following,

- Mechanical and Electrical Engineer
- Traffic Engineer

Program

High level milestones and Council decision points

In accordance with the timeframes articulated in the Council endorsed SCCH Project Management Plan, the high level project milestones and Council decision points are identified as follows:

- Appointment of Principal Architect – completed
- Recommendation of design consultancy team – completed
- May 2019 – Recommendation of concept design

- June 2019 – Submission of Development Application to Economic Development Queensland (EDQ)
- September 2019 – Indicative Development decision by EDQ
- December 2019 – Award of Design and Construction contract

Of the above milestones, the expected June 2019 EDQ submission presents as the initial and current key milestone date. The Project Management Team (PMT) has developed a clear strategy and associated program to achieve this target, inclusive of Council engagement, SCC internal stakeholder review and endorsement.

Refinement of the Council engagement process has recently been undertaken and updated to include the following dates (to be considered as additional milestones):

- Concept Design Options update – 28 March 2019
- Concept Design Update – 9 May 2019
- Concept Design consideration – 23 May 2019

Design

Principal Architects, Cottee Parker, met with Councillors on 28 March 2018 to provide a progress update on initial concept designs options, refer Confidential Attachment 1 – **(Attachment 1 – Councillor Meeting outcomes)**

Design and Construction (D&C) Contract

Preparation of the tender for the D&C contract is underway. This includes development of a bespoke D&C contract, which will incorporate the novation of the existing Architectural and Design Consultancy Contracts and the work resulting from same to the appointed D&C contractor. Preliminary advice has been sought from Council's legal representatives in relation to refinement of the D&C contract model to establish the best risk and opportunity balance for Council. Once refined, this advice will be presented to Council.

The award of the D&C contract is targeted for December 2019.

Council Engagement Program

As noted, a clear program and strategy for input, review and endorsement has been prepared by the PMT. At the core of this is a proposed review and endorsement proposal for Council engagement, centered around the following key presentations by the Architect to Council, being:

1. Early Concept Progress
As noted, a progress update was provided to Council on 28 March 2019
2. Concept Options Review Workshop
A workshop to be held on 9 May 2019, presenting detailed information on concept option for consideration by Councillors. The presentation will include a detailed understanding of further design elements and how they respond to the brief, the site and the key development parameters endorsed by Council. The Architect will take feedback on the design option and commentary and proceed to finalise the concept design for Council to consider in late May.
3. Concept Design for Consideration
The final concept design will be presented to Council for consideration at the May Ordinary Meeting.

Following consideration by Council at the Ordinary Meeting of May 2019, engagement will be broadened to staff across the organisation.

SCC Workplaces

Project work has been undertaken to inform how Sunshine Coast Council (SCC) Workplaces will best operate into the future and the SCC Workplaces Framework has been developed to bring all projects and their inputs under one project banner.

A Councillor Workshop was held on 8 April 2019 to discuss SCC Workplaces and current relevant deliverables within the Project and the SCC Workplaces Project Control Group will continue to progress implementation of each project piece as required.

Communication and Engagement Plan

A Communication Plan has been developed for the initial stages of the project and includes the provision of information and updates to internal and external parties.

A Community Engagement Workshop was held on 20 March with key internal stakeholders to inform the development of a Community Engagement Strategy. The purpose of this Strategy is to explore community engagement options for the Sunshine Coast City Hall (SCCH) project which can be used in the development of a comprehensive Community Engagement Plan for the project.

Project Governance / Team Structure

Following the establishment of the Sunshine Coast City Hall (SCCH) project governance structure, the SCCH Project Control Group (PCG) continues to meet monthly.

The SCCH PCG will continue to provide progress updates to the Maroochydore City Centre Shareholder Representative Group (SRG). The SRG oversees Council's interests in the activities of SunCentral Maroochydore Pty Ltd and the development of the Maroochydore City Centre.

Legal

McCullough Robertson Lawyers have been engaged to provide specialist legal services regarding the major contract/s, primarily the Consultancy Deeds and D&C Contract.

The project will involve a series of procurement activities ranging from consultants and project management personnel through to engagement of design and construction entities.

All procurement for the project will be led by an appointed Procurement Specialist from within Council, with the support of appropriate legal advice.

Policy

The SCCH project is being managed in line with Council's Procurement Policy and arrangements for capital projects of this nature.

Risk

A Risk Assessment and Management Plan forms part of the SCCH Project Plan.

Previous Council Resolution

Ordinary Meeting 28 March 2019 (OM19/41)

That Council receive and note the report titled "Sunshine Coast City Hall Building - Project Update".

Ordinary Meeting 21 February 2019 (OM19/25)

That Council receive and note the report titled "Sunshine Coast City Hall Building - Project Update".

Ordinary Meeting 31 January 2019 (OM19/13)

That Council receive and note the report titled "Sunshine Coast City Hall Building - Project Update".

Ordinary Meeting 6 December 2018 (OM18/199)

That Council:

- (a) *receive and note the report titled "**Sunshine Coast City Hall Building - High Level Project Plan**" and*
- (b) *endorse the proposed arrangements for the engagement of the Principal Architect, the project high level milestones, the development of the Base Building Brief and the project governance structure to facilitate progression of the Sunshine Coast City Hall project.*

Ordinary Meeting 11 October 2018 (OM18/173)

That Council:

- (a) *receive and note the report titled "Sunshine Coast City Hall Building - High Level Project Plan" and*
- (b) *endorse the Sunshine Coast City Hall Building - High-Level Project Plan (Appendix A).*

Special Meeting 10 September 2018 (SM18/14)

That Council:

- (a) *note the discussions held in confidential session in relation to City Hall*
- (b) *authorise the Chief Executive Officer to make public Attachment 1 to a report considered by Council on 14 September 2017, namely the Staff Relocation Impact Assessment prepared for Sunshine Coast Council by Lucid Economics dated August 2017, excluding appendices B and C on the basis that these appendices may disclose matters that relate to the commercial proprietary interests of Lucid Economics and*
- (c) *request for the Chief Executive Officer to offer for Lucid Economics to present to the Nambour and Caloundra Chambers.*

Ordinary Meeting 14 September 2017 (OM17/181)

That Council resolves because of the specialised nature of the services that are sought from Woods Bagot it would be impractical or disadvantageous to invite quotes or tenders in relation to The Smart Move Project.

Special Meeting 17 August 2017 (SM17/42)

That Council note the discussions held in confidential session in relation to the Smart Move project update.

Special Meeting 23 February 2017 (SM17/4)

That Council receive and note the report titled "New Council Chambers/Budget Monitoring and Financial Risk status report"

Related Documentation

- Lucid Economics report
- Maroochydore City Centre PDA Development Scheme and associated Precinct 3 Plan
- Nambour Activation Plan Project Control Group Charter
- Caloundra Centre Activation Project Control Group Charter
- SunCentral Maroochydore Pty Ltd Shareholder Representative Group Charter

Critical Dates

The occupation of Sunshine Coast City Hall is planned for 1 July 2022.

Implementation

Following Council's consideration of this project progress report, Council officers will continue to advance the SCCH Project in line with the High Level Project Plan.