

Item 8.12

Ordinary Meeting

Thursday, 20 June 2019

commencing at 11:00am

Council Chambers, Corner Currie and Bury Streets, Nambour

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8 REPORTS DIRECT TO COUNCIL**8.12 SUNSHINE COAST CITY HALL BUILDING - PROJECT UPDATE**

File No: Council Meetings
Author: Group Executive
Business Performance Group
Attachments: Att 1 - Concept Design Ground Floor – *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, Sunshine Coast City Hall (SCCH). A high-level project plan was adopted by Council on 11 October 2018 (OM18/173) and a Project Management Team appointed to deliver this project. An updated Project Plan was delivered to Council on 28 March 2019 (OM19/41) which defined how the project was to be executed. 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:

- Final Concept Design for submission to Economic Development Queensland (EDQ) for development approval was endorsed during the 23 May 19 Ordinary Meeting (OM19/85)
- Public release of the Concept Design took place on 31 May 2019
- Economic Development Queensland (EDQ) and the SunCentral Design Review Panel have provided their feedback on the concept design and are generally supportive of Council's vision for the SCCH development, however have raised a small number of items for further consideration. One of the desires from both groups was to see greater activation at the ground floor plane and an updated design has been developed. The Project Management Team continue to work through the feedback via the ongoing engagement and assessment process.
- Preparations for submission to Economic Development Queensland (EDQ) and are on track for submission at the end of June 2019

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 Building - Project Update"**
- endorse the design variations as contained in this report for incorporation in the Development Application for submission to Economic Development Queensland and**
- delegate authority to the Chief Executive Officer to make changes to the design variations as required for the Development Application.**

FINANCE AND RESOURCING

At this point in time, the necessary resources have been allocated to progress this project for the balance of the current financial year. Sufficient funding exists within the 2018-2019 budget to cover the initial stages of the project. This includes establishment of the SCC internal project delivery team and commencement of the design process, including engagement of external design consultants to the completion of concept design and lodgement of the Development Application with EDQ. The project remains on time and on budget as indicated in the table below:

SUNSHINE COAST CITY HALL PROJECT		
	18/19 FY BUDGET	18/19 ACTUALS TO 31 MAY 19
AUTHORITY FEES AND CHARGES	50,000	
SCC INTERNAL COSTS*	300,000	287,411
EXTERNAL CONSULTANTS		
ARCHITECT	120,000	40,000
REMAINING CONSULTANTS**	530,000	242,404
TOTAL	1,000,000	569,815

* "SCC Internal Costs" include the full SCC Workplaces program including Workplace Strategy, Pilot Space, Depots strategy and Nambour and Caloundra workplaces during the past financial year

**"All Remaining Project Consultants" includes consultancy services for the following specialist disciplines - structural, civil, hydraulic engineering, town planning, building certification, landscape architecture, ESD, quantity surveyor, traffic, legal and probity advisors

Note – Expenditure to 30 June 2019 expected to align with established budget

The Sunshine Coast City Hall building construction costs will be publicly available with the announcement of the preferred builder following an open competitive tendering process. This strategy is to ensure the Sunshine Coast Council and the Sunshine Coast community get the best value for money outcome.

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 updated on this project on fifteen occasions, including Council meetings and workshops since February 2017. The Maroochydore City Centre Shareholder Representative Group Councillors continue to be consulted on all design changes and the Chief Executive Officer has been delegated to make changes to the concept design.

Ongoing consultation with Councillors and staff will be undertaken during the design development phases, which will encompass the development of the detail design, the procurement and selection of the managing contractor for the design and construction contract and the management of a project 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
- The contracted Project Director, Project Urban

External Consultation

A Communication Plan has been developed for the initial stages of the project, including provision of information and updates to external parties. These include several consultative meetings with the following parties -

- Economic Development Queensland (EDQ)
- SunCentral Design Review Panel (DRP)

Community Engagement

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

A Community Engagement Workshop has been held on 20 March with key internal stakeholders representing the SCCH Project Management Team (PMT), Internal Communications, People and Culture, Community Planning, and Communications. Lead by an external consultant the workshop has informed a draft Community Engagement Strategy. Next steps are now underway to finalise the Strategy and implement a comprehensive community engagement plan for the project.

The public release of the concept design on 31 May 2019 has provided the community and internal staff with an opportunity to see how the building is taking shape for the first time and hear from the Mayor about the inspiration behind the design and some of the key building features. Questions have been received internally and externally and will continue to be monitored and responded to. There has been a very positive view rate on the internal and external release videos.

PROPOSAL

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

Procurement of Specialist Services**Design Consultancy**

Finalisation of the contract to the mechanical and electrical engineer in the final stages with contract departures under consideration.

Following submission to EDQ, further consultants will be required during the subsequent detailed design phase. Once engaged, further updates will be provided

Program**High-level milestones and Council decision points**

In accordance with the timeframes articulated in the Council endorsed SCCH High Level 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 – Endorsement 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 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 and the planning report is currently being finalised.

Design

Consultation has been undertaken EDQ and the DRP on the concept design over several meetings to date in preparation for lodgment with EDQ at the end of June. The parties are generally supportive of Council's vision for the SCCH development, however have raised a small number of items for further consideration. One of the desires from both groups was to see greater activation at the ground floor plane and an updated design has been developed Refer **confidential Att 1: Concept Design – Ground Floor**.

The Sunshine Coast City Hall ground floor plane forms an important civic space within the new Maroochydore CBD adjacent the Urban Square. The design has evolved to respond to feedback concerning an activated, connected and safe public realm while ensuring the proposed design takes advantage of the available opportunities on the site at this important level. A number of design principles have been implemented; including secure "cross-block link", increased setbacks to key areas for generous civic spaces, activated facades and permeable landscaping.

The Cross-Block link has been reinterpreted through a permeable foyer design, connecting South Sea Islander Way with Lightning Lane and the Urban Square beyond. The permeable foyer still provides for the intent behind the original cross-block link, yet further enhances the role SCC will play in developing this connection for the public as well as the building's occupants with the Urban Square.

The building ground floor setbacks remain a minimum three meters from the boundary while increased setbacks have been provided to the corner of South Sea Islander Way & Lightning Lane for a consolidated external civic space within the site. This prominent corner has a strong adjacency connection with the Urban Square, and increased setbacks allows for a more permeable pedestrian movement and generous casual gathering space.

Activation is further achieved through active uses on each corner and entry nodes of the SCCH Ground Floor. First Ave/South Sea Islander Way & Lightning Lane host increased opportunities for retail/tenancies and breakout civic spaces in landscape design allowing for the guiding principles of Crime Prevention principles to be achieved.

The Chief Executive Officer as delegated, has supported the design changes and improvements to the ground floor plans and an amended design package will be presented to the DRP and EDQ for their further consideration as part of the ongoing engagement and assessment process.

Design and Construction (D&C) Contract

Preparation of the tender for the D&C contract is underway. This includes preparation 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 sort from Council's legal representative's in relation to the refinement of the D&C contract model to establish the best risk and opportunity balance possible. Once refined this advice will be presented to Council. The award of the D&C contract is scheduled for December 2019.

Following the award of the contract, it is expected that Council and the Head Contractor will undertake a detailed value management exercise to ensure the best possible value for money for Council. Following this construction is due to commence in May / April 2020.

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 conformity with Council's Procurement Policy and arrangements for capital projects of this nature.

Risk

A Risk Assessment and Management Plan forms part of the Project Plan delivered to Council on 28 March 2019 (OM19/41).

Previous Council Resolution**Ordinary Meeting 23 May 2019 (OM19/85)**

That Council note the discussions held in confidential session in relation to Sunshine Coast City Hall Project Update.

Ordinary Meeting 30 April 2019 (OM19/56)

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

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

As noted, a clear program and strategy for input, review and approval has been prepared by the Project Management Team. Following lodgment of the development application with Economic Development Queensland at the end of the month, engagement will be broadened to staff across the organisation during the detailed design phase.