

Late item 8.7

Ordinary Meeting

Thursday, 17 October 2019

commencing at 9:00am

Council Chambers, Corner Currie and Bury Streets, Nambour

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8 REPORTS DIRECT TO COUNCIL**8.7 SUNSHINE COAST CITY HALL - PROJECT UPDATE**

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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.

On 11 October 2018, Council received a high-level Project Management Plan and a Project Management Team was appointed to deliver this project.

On 28 March 2019, Council received an updated Project Management Plan, which defined how the project was to be executed. That Project Management Plan schedules occupation of the completed Sunshine Coast City Hall building from 1 July 2022.

Delivery of the Project has continued to progress in line with the Project Management Plan, with regular updates being provided to Council. Since the last update to Council on 22 August 2019, the following activities have been completed or are underway:

- The Development Application is under review by Economic Development Queensland (EDQ) with an anticipated response now expected in mid-October 2019. Dialogue between EDQ and Council has continued.
- The Architect and the sub consultants have completed the detailed design to a point sufficient for release with the tender.
- On 27 September 2019, the closed tender was released to the five shortlisted Respondents.
- A Detailed Design Review Workshop will be held with the City Hall Design Reference Group during late October 2019. This will provide an opportunity for a holistic view/review of the design by internal subject matter experts.

The Program of Works endorsed in the Project Management Plan is currently on schedule in the context of the programmed occupation date.

OFFICER RECOMMENDATION

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

FINANCE AND RESOURCING

The necessary resources have been identified to progress this project for the 2019/2020 financial year. This includes the detailed design phase of the project and the procurement of a construction partner for the building.

The year to date project costs as at September 2019 are within budget. There have been no significant contract variations to date. Sufficient funding exists within the 2019/20 financial year budget to progress the preliminary stages of the Project, including statutory applications and approvals along with the development of the Detailed Design. The project remains on time and within budget.

CORPORATE PLAN

Corporate Plan Goal: *An outstanding organisation*

Outcome: 5.1 - A collaborative workplace culture, with engaged, energised and skilled people professionally ready for the future

Operational Activity: 5.1.2 - Provide a workplace that is fit for purpose and supports our people to deliver great services to the community across our administrative buildings and depots.

CONSULTATION

Councillor Consultation

Councillors have been updated on this project on multiple occasions since February 2017, including Council ordinary meetings and workshops.

Councillors from the Maroochydore City Centre Shareholder Representative Group continue to be consulted on all design changes and Council has delegated authority to the Chief Executive Officer to make changes to the concept design as required by the development application.

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
- Chief Financial Officer
- Project Director – SCC Workplaces
- The contracted Project Director, Project Urban
- City Hall Design Reference Group

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 and
- SunCentral Design Review Panel

Community Engagement

A structured program of engagement, consultation and communication with the community and key stakeholders has been developed for the project. Details of the program have been presented to Councillors from the Maroochydore City Centre Shareholder Representative Group.

PROPOSAL

High-level milestones and Council decision points

Below are the high-level milestones outlined in the updated Project Management Plan, including achievements to date and a more detailed schedule for the immediate future. They are:

- Appointment of Principal Architect – completed
- Appointment of design consultancy team – completed
- Endorsement of concept design – completed
- Submission of Development Application to EDQ – completed
- EOI – Design and Construction Contract (3 weeks open period) – completed
- Advise EOI Respondents of shortlisting for closed tender - completed
- 27th September – 25th October 2019 – Closed Tender – Design and Construction Contract (4 weeks open period) – Underway
- *Mid* October 2019 – Anticipated time for development decision by EDQ
- 28th October 2019 – 8th November – Tender Evaluation
- 11th November 2019 – 4th December 2019 – Contract negotiations
- December 2019 – Council Meeting – Recommendation to Council of Preferred Supplier for Design and Construction Contract
- December 2019 – Execution of Design and Construction Contract

The Project Management Team have developed a clear strategy and associated program to achieve the relevant milestone targets and dates, for those within the control of Council.

The development decision from EDQ is the immediate milestone. The Project Management Team, with assistance from other Council Officers, has and will continue to engage with EDQ to ensure they have available and necessary information to support a timely and positive decision.

Building Design

The design has been developed to the point that allowed a Development Application to be submitted with EDQ. The content of the Development Application was consistent with the parameters adopted by Council, including the Base Building Brief and the Functional and Design Briefs (as endorsed by Council at the Ordinary Meeting 23 May 2019).

The Architect and sub consultants have completed the detailed design phase to approximately 80%, which was sufficient to release with the closed Tender on 27 September 2019. The successful respondent to the procurement process will complete the design as part of the Design and Construct contract.

A City Hall Design Reference Group has been established and is made up of internal Council subject matter experts. A Detailed Design Review Workshop will be held with the CHDRG during October 2019. This will provide an opportunity for a holistic view/review of the design.

Development Application

The Development Application was lodged with EDQ on 28 June 2019.

The Project Management Team are continuing to engage with Economic Development Queensland throughout the assessment process to achieve the vision and intent for the Sunshine Coast City Hall building. The development decision is now anticipated in mid-October 2019.

Design and Construction Contract

A Procurement Strategy and Plan for the procurement of a Design and Construction contract is being executed. The Plan proposed an EOI followed by a closed tender.

The EOI has been advertised and closed. Eleven submissions being received and at the conclusion of evaluations, five Respondents were shortlisted.

On 27th September 2019, the closed Tender was released to the five shortlisted Respondents. The tender will remain open for submissions until 25th October 2019.

Following the award of the contract, it is expected that Council and the awarded 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 / June 2020.

Project Governance / Team Structure

The Sunshine Coast City Hall project governance structure was established at commencement of the project.

The Sunshine Coast City Hall Project Control Group (PCG) continues to meet monthly. The PCG provides progress updates to the Maroochydore City Centre Shareholder Representative Group. The Shareholder Representative Group oversees Council's interests in the activities of SunCentral Maroochydore Pty Ltd and the development of the Maroochydore City Centre.

Legal

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

External specialist legal services have been engaged regarding the major contract/s, primarily consisting of the Consultancy Deeds and Design and Construction Contract.

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 Sunshine Coast City Hall 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). This plan is continually reviewed.

Previous Council Resolution**Ordinary Meeting 19 September 2019 (OM19/149)**

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

Ordinary Meeting 22 August 2019 (OM19/128)

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

Ordinary Meeting 25 July 2019 (OM19/114)

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

Ordinary Meeting 20 June 2019 (OM19/97)

That Council

- (a) *receive and note the report titled "Sunshine Coast City Hall Building - Project Update"*
- (b) *endorse the design variations as contained in this report for incorporation in the Development Application for submission to Economic Development Queensland and*
- (c) *delegate authority to the Chief Executive Officer to make changes to the design variations as required for the Development Application.*

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 28 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

The Project Management Team will:

- continue to engage with Economic Development Queensland
- finalise the closed tender to appoint a Design and Construction Contractor
- consult with Councillors and the Shareholders Representatives Group on key decisions.