

# Late item 8.2.2

## **Ordinary Meeting**

**Thursday, 6 December 2018**

**commencing at 9:00am**

**Council Chambers, Corner Currie and Bury Streets, Nambour**



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**8 REPORTS DIRECT TO COUNCIL****8.2 BUSINESS PERFORMANCE****8.2.2 SUNSHINE COAST CITY HALL BUILDING - HIGH LEVEL PROJECT PLAN**

**File No:** Council meetings  
**Author:** Group Executive  
Business Performance Group

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**PURPOSE**

On 11 October 2018, at the Ordinary Meeting, Council endorsed the Sunshine Coast City Hall - High Level Project Management Plan. The High Level Project Management Plan, included the following information:

**Core Parameters**

The endorsed core parameters for Sunshine Coast City Hall development concept are:

- Circa 9,400m<sup>2</sup> Gross Floor Area (GFA) of building
- 9 levels excluding basement and rooftop
- Circa 156 car parking spaces
- 5 Star National Australian Built Environment Rating System (NABERS) rating target
- 5 star green star rating target
- Regional A grade commercial building
- Complementary commercial/retail uses

**Timing**

- Initiating stage / Project Management Resources
  - Advertise, recruit and appoint Project Director role: Late 2018
  - Establish Project Team and Project Site Office: Early 2019
- Planning Stage
  - Finalisation of Base Building Brief: Dec 2018
  - Design statutory approvals and Tender: Nov 2018 to Nov 2019
- Execution Stage
  - Base building construction: Dec 2019 to Dec 2021
  - Fit Out: Jan 2022 to June 2022
  - Handover / Occupation: 1 July 2022

The deliverables and updates to be brought back to Council related to:

- Procurement
- Program
- Project Governance / Team Structure

**EXECUTIVE SUMMARY**

Council is in the process of delivering a new city centre within the Maroochydore Priority Development Area (PDA). This new region-making project will assist in driving significant economic and employment opportunities and will be a beacon of innovation and technological advancement.

The new Maroochydore City Centre is identified as a key region-making project for the Sunshine Coast and is recognised as such in the *Sunshine Coast Regional Economic Development Strategy 2013-2033*. Maroochydore itself is identified as the Principal Regional Activity Centre for the Sunshine Coast in the *SEQ Regional Plan 2017* (Shaping SEQ) and the preferred location for “government offices and service centers of regional significance”, second only to Brisbane as a capital city. Establishing a Sunshine Coast City Hall (SCCH) in Maroochydore therefore aligns with the intent of the SEQ Regional Plan and would be significant in terms of indicating to other levels of government and major private investors Council’s ongoing commitment to Maroochydore as the principal centre for the region.

The vision for the City Centre also aligns with Council’s own Vision for the region - *Australia’s most sustainable region: Healthy. Smart. Creative* – and Council will be establishing a presence in the City Centre to place ourselves, and our citizens, at the heart of this new opportunity.

There has been consideration of Council’s existing operating footprint within the region, including its current office locations. Council’s intent is to rationalise and consolidate Council offices located on the Sunshine Coast. A new Sunshine Coast City Hall building gives Council an opportunity to relocate out of rented accommodation in Maroochydore and to own and occupy its own building within the new Central Business District (CBD) of Maroochydore as the capital of the Sunshine Coast region. The Council’s significant investment in the CBD location signals its commitment and recognition of the importance of the Maroochydore city centre project to the region.

Council has also determined certain high-level parameters associated with the development of the Sunshine Coast City Hall and elements associated with Council’s continuing presence in Caloundra and Nambour. Clear commitments have already been made in respect of Council’s continuing presence at both locations with approximately 200 staff remaining at both Caloundra and Nambour. This will ensure that Council continues to effectively deliver services to our community across the entire Sunshine Coast Local Government Area.

Council has established that 1 July 2022 should be occupation date for Sunshine Coast City Hall Building.

## **OFFICER RECOMMENDATION**

**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.**

## **FINANCE AND RESOURCING**

Project planning is currently underway and with the resources being appointed in the coming months, defined project plans and resource cost estimates will be provided. No new budget requests are currently being made for project resources.

Adequate funds exist within the 18/19 budget to fund the commencement of the design process including the engagement of the required external design consultant team and the establishment of project delivery team and project office establishment. Further funds will be sought through normal budgetary processes once the procurement process is further developed.

## 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 during recent workshops and Council meetings as listed:-

- Strategy and Policy Forum 22 November 2018
- Ordinary Meeting 11 October 2018
- Special Meeting 10 September 2018
- Special Meeting 17 May 2018
- Ordinary Meeting 12 October 2017
- Ordinary Meeting 14 September 2017
- Special Meeting 17 August 2017
- Special Meeting 23 February 2017

A detailed project plan, to be developed by the project team once appointed, will inform the next stages of consultation. Extensive consultation with Councillors and staff will be undertaken during the design development aspects including the appointment of the external consultant design team, the development of the preliminary design concepts, the procurement and selection of the construction company as well as the development and approval of a detailed budget.

### Internal Consultation

This report and previous reports has been written in conjunction with advice and directions received from:

- Chief Executive Officer
- Chief Strategy Officer
- Chief of Staff
- Portfolio Director
- Group Executive Liveability and Natural Assets
- Group Executive Built Infrastructure
- Chief Legal Officer
- Manager Project Delivery
- Manager Property Management
- Manager Business Development
- Chief Financial Officer
- Head of People and Culture
- Head of Information Technology

### External Consultation

The current external Project Manager, Project Urban, Bendelta Consulting and Slattery Australia has been consulted in the development of this report.

## **Community Engagement**

During the course of the project, community engagement will be incorporated into the evolution of the design and through construction updates. As part of the development of a detailed Project plan, a community engagement plan will be developed for Council consideration. Regular Updates will be provided to community accordingly.

## **PROPOSAL**

### **Procurement**

Delivery of the Project will require a number of procurement activities. The priorities of those procurement activities are:

#### **Project Director Appointment**

In November 2017, Council undertook an open tender process to appoint a company to provide Project Management Services – Sunshine Coast City Hall. The tender was structured to engage a capable Respondent for early stage development of the Project. The tender also included two extra stages that could be exercised at Councils determination. The first of those two stages is design management.

Prior to considering exercise of any extra stages, Council explored alternative methods for securing Project Management Services, including the direct employment of a Project Director. Through a comprehensive recruitment process, Council received more than fifty applications for the role. Following shortlisting and interviews it was determined that an appointment to the position could not be made.

Council considered the most effective way to ensure the ongoing progress of the Project. It was determined the most effective way to continue, in the short term, would be through the immediate appointment of the existing company. This was achieved by exercising the extension to the original Project Management Services contract for the design management stage only.

It was also determined the most effective way to proceed in the longer term would be with a fresh and open tender process to engage Project Management Services for the construction stage of the Project. The construction phase is the most significant, both in terms of time, complexity and cost. In early 2019, Council will release the tender for Project Management Services – Construction.

#### **Legal Services**

Procurement for Legal Services was conducted through the Local Buy Supplier Arrangement for Legal Services. Four firms were invited to respond to a Request for Quote, with three submitting responses. McCullough Robertson Lawyers were assessed as providing the greatest value to the project as they were rated highest overall when considering both the price and non-price criterion. It was determined they were the most advantageous Respondents and have subsequently been engaged to provide legal services for the Project.

#### **Principal Architect**

The procurement of the design consultancy team is to occur in two stages; firstly, through the appointment of a Principal Architect and secondly, in the establishment of a broader design consultancy team.

The Principal Architect will be responsible for leading the project's design phase and to assist Council in establishing the remaining design consultancy team. This approach will ensure that Council is able to obtain a high quality of design services from capable, experienced firms while strengthening Council's ability to include local suppliers across a range of consultancy services.



A Request for Quote package for the procurement of Principal Architect has been prepared. On 16 November 2018, the package was released to the market. Quotes for architectural services have been requested from five suppliers, ensuring compliance with procurement policy. Requests were made to Suppliers who have demonstrated track records in delivering projects of a comparable size, cost and complexity. This pursuit dictated that larger firms with that demonstrated track record be invited as opposed to speculative invites to those showing promise or lesser experience with comparable projects. It is anticipated to have a Principal Architect appointed in December 2018. Following that appointment, an appropriate suite of procurement activities will be undertaken to engage the remainder of the design consultancy team, which will be recommended in January 2019.

### **Program**

#### **High level milestones and Council decision points**

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

- December 2018 – Appointment of Principal Architect
- January 2019 – Recommendation of design consultancy team
- April 2019 – Recommendation of concept design
- September 2019 – Development Application Approval by EDQ
- December 2019 – Award of construction contract

#### **Base Building Brief**

The purpose of a Base Building Brief (BBB) is to establish and articulate the fundamental design principals of the proposed building design, its functions and servicing requirements and it forms the basis upon which the Concept Design commences;

The BBB includes and defines the following:

- Key Characteristics as established in Vision Workshop, Oct 17
- Key Commercial Parameters as established in October 18 OM
- Environmental and Sustainable Credential Targets
- Materials, Warranties and Lifespan and
- Building Services (Mechanical, Electrical, Hydraulics, ESD, Fire, AWCS & Lifts)

The BBB will be supported by an Accommodation Brief to define the workspace principals and expectations at the conclusion of the Workplace / Accommodation Strategy Review currently being undertaken.

#### **Project Governance / Team Structure**

The project's governance structure has the SCCH Project Control Group (PCG) overseeing delivery of SCCH. The SCCH PCG is a forum to strategically steer the project to meet objectives, and provides a level of decision making to progress the project through its planned phases. The membership of the SCCH PCG has representation from various areas of expertise within Council. The SCCH PCG provides direction to the SCCH Project Team, who are responsible for executing the day to day duties necessary for delivery of SCCH.

The Project Director will lead the SCCH Project Team and be responsible for coordinating the deliverables of the Design Consultant Team and Construction Contractor. The SCCH Project Team is a group of internal project delivery stakeholders performing day to day duties necessary for delivery of SCCH.

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

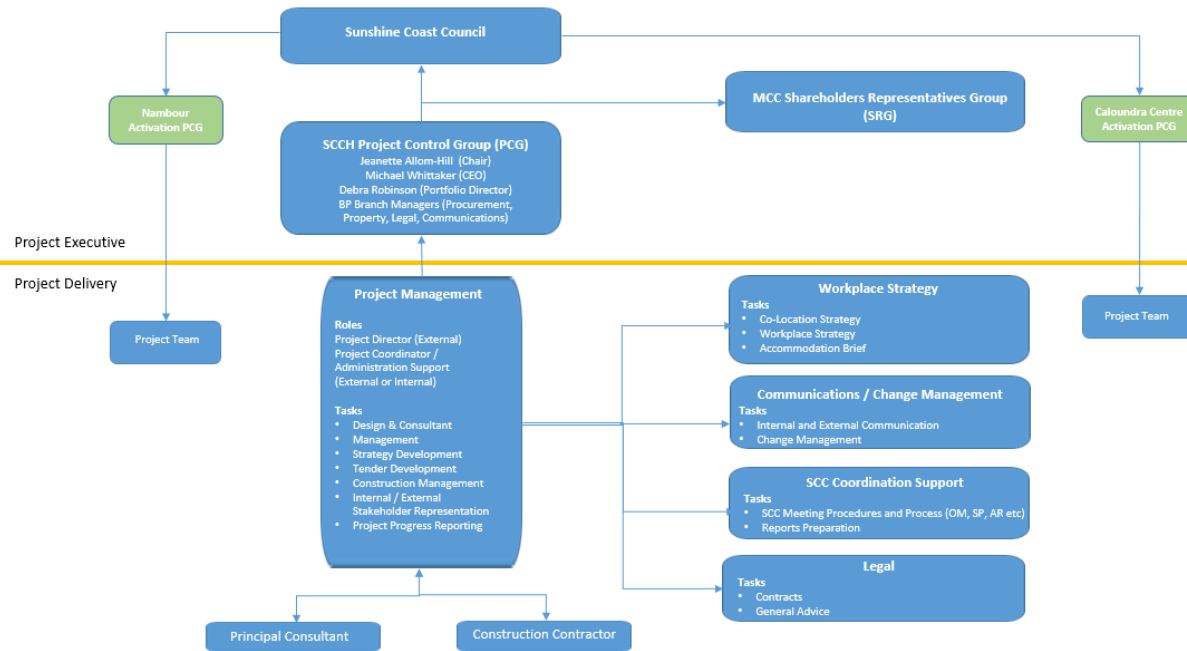


Figure 1: SCCH Project Governance Structure

**Legal**

Council's legal services branch will provide advice on this project as required.

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 will be conducted by Procurement and contracting team members having regard to relevant procurement legislation and with the support of an appropriate legal advice.

**Policy**

This process will conform with Council's established procurement policy and process for capital projects of this nature.

**Risk**

Risk Assessment and Risk Management Plan forms part of the Project Plan, which will be further developed with the project team when they are appointed.

**Previous Council Resolution**

**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.*

**Special Meeting 17 May 2018 (SM18/4)**

*That Council*

- (a) *receive and note the report titled "Maroochydore City Centre Update"*
- (b) *resolve that an application be made to the Minister for Local Government seeking an exemption under section 236 (1)(f) of the Local Government Regulation 2012 for the disposal of Council owned land by lease within Precincts 2, 3 & 6 of the declared Maroochydore Priority Development Area, to enable commercial direct dealings*
- (c) *resolve that a further application be made to the Minister for Local Government seeking an exemption under section 236 (1)(f) of the Local Government Regulation 2012 for the disposal of Council owned land by sale and/or lease within Precincts 4, 5 and 7 of the declared Maroochydore Priority Development Area, to enable commercial direct dealings*
- (d) *request that the Minister for Economic Development Queensland initiate the process for the proposed amendment to the Development Scheme for the declared Maroochydore Priority Development Area and delegate the relevant plan making functions in sections 58,59 and 61 of the Economic Development Act 2012 to Council in respect of the proposed amendment and*
- (e) *delegate to Chief Executive Officer to make any necessary amendments to the documentation outlined in (b), (c) and (d) above and to seek any other approvals which may be required, to enable the delivery of optimum outcomes agreed for the Maroochydore Priority Development Area.*

**Ordinary Meeting 12 October 2017 (OM17/202)**

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

**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 Economies 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 Shareholders Representative Group Charter

**Critical Dates**

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

**Implementation**

The next stage of deliverables (Detailed project plan) for the Sunshine Coast City Hall project will be actioned by the incoming project team, once appointed. There will be associated decision points for Council at each of the stages in the planning and execution phase. Once the team is appointed there will be a specified focus on the planning stage where Council will be engaged and consider the next steps.