

Item 8.11

Ordinary Meeting

Thursday, 22 August 2019

commencing at 9:00am

Council Chambers, Corner Currie and Bury Streets, Nambour

TABLE OF CONTENTS

| ITEM | SUBJECT | PAGE NO |
|-------------|--|----------------|
| 8 | REPORTS DIRECT TO COUNCIL | 5 |
| 8.11 | SUNSHINE COAST CITY HALL - PROJECT UPDATE..... | 5 |

8 REPORTS DIRECT TO COUNCIL**8.11 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 25 July 2019, the following activities have been completed or are underway:

- The Development Application is under review by Economic Development Queensland (EDQ) with an initial response seeking further information received 7 August 2019.
- The Architect and the sub consultants are continuing with the detailed design phase of the project.
- A City Hall Design Reference Group has been established of internal subject matter experts to advise or be informed on matters identified during design.
- An Expression of Interest was released for a Construction partner for City Hall. Expressions will close on 16 August 2019. Following evaluation, a shortlist will be established for invitation to tender.

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 details design phase of the project and the procurement of a construction partner for the building. The project remains on time and on budget.

Commitments of \$147,000 are proposed to be carried over to 2019/20 and will be included in the first Budget Review for Council's consideration.

The year to date project costs as at July 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.

| SUNSHINE COAST CITY HALL PROJECT | | | | | |
|---|--|------------------------------|-----------------------------|-----------------------|-----------------------|
| | 2018/19 | 2019/20 | | | |
| | Actuals to 30 June 2019 | Actuals July 2019 | Budget July 2019 | YTD Actual | YTD Budget |
| \$ | | | | | |
| AUTHORITY FEES AND CHARGES | | 39,597 | 40,000 | 39,597 | 40,000 |
| SCC INTERNAL COSTS | 291,403 | 12,775 | 15,000 | 12,775 | 15,000 |
| EXTERNAL CONSULTANTS | | | | | |
| Architect | 120,000 | 70,672 | 75,000 | 70,672 | 75,000 |
| Other Consultants | 441,616 | 182,468 | 220,000 | 182,468 | 220,000 |
| TOTAL | 853,019 | 305,512 | 350,000 | 305,512 | 350,000 |

CORPORATE PLAN

Corporate Plan Goal: *An outstanding organisation*

Outcome: 5.2 - Investment in core capabilities and opportunities for staff to lead, learn and grow

Operational Activity: 5.2.1 - Progress the design of the Sunshine Coast City Hall to enable procurement of a construction partner for the building.

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 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
- Chief Financial Officer

- Project Director – SCC Workplaces
- 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 and
- SunCentral Design Review Panel

Community Engagement

The Community Engagement Strategy and accompanying Community Engagement Plan will be finalised in August 2019 and will provide guidance on Council's continuing engagement activities throughout the life of this project. Councillors from the Maroochydore City Centre Shareholder Representative Group, along with Portfolio Councillor for Community will be consulted on the Strategy and associated implementation plan, during August.

The Community Engagement Strategy is an internal framework document, which is designed to guide the delivery of Council's specific engagement activities associated with the Sunshine Coast City Hall Project. It is predicated on the provision of information to the community at key points in the development of the Sunshine Coast City Hall, with an ongoing engagement tool available through Council's website. In addition, Council is, and will continue to, engage in specific, targeted consultations with key stakeholders.

On 10 August 2019, the official opening of the Maroochydore City Centre (MCC) included the showcasing of the Sunshine Coast City Hall. The event was an opportunity for the community to find out more about City Hall, and included:

- 3D flythrough of the City Hall Concept Design in situ
- Slide show featuring the City Hall Concept Design
- Mayor's Concept Design announcement video
- City Hall featured in the MCC virtual reality walking tour
- Opportunity to discuss the City Hall with project staff
- Opportunity to register for City Hall updates

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 Economic Development Queensland – completed
- 27th July – 16th August 2019 – Expression of Interest – Design and Construction Contract (3 weeks open period).
- 30th August 2019 – Advise Expression of Interest Respondents of shortlisting for closed tender

- Mid-September 2019 – Anticipated time for development decision by Economic Development Queensland
- 30th September – 25th October 2019 – Closed Tender – Design and Construction Contract (4 weeks open period)
- 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 Economic Development Queensland is the immediate milestone, beyond Council's control. The Project Management Team, with assistance from other Council Officers, has and will continue to engage with Economic Development Queensland to ensure they have available and necessary information to support a timely and positive decision. The Project Management Team received EDQ's initial response requesting further information on 7 August 2019 and will be responding within the week.

Design and Development Application

The design has been developed to a sufficient point that allowed a Development Application to be submitted. 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 Development Application was lodged with Economic Development Queensland on 28 June 2019.

The Project Management Team are continuing to engage with Economic Development Queensland throughout the assessment process. The development decision is anticipated in mid-September 2019.

Economic Development Queensland provided Council with their initial response to the application seeking further information, namely about podium parking and the ground floor of the building. Both parties continue to work collaboratively to achieve the vision and intent for the Sunshine Coast City Hall building.

A City Hall Design Reference Group (CHDRG) has been established and is made up of internal Council subject matter experts. The external design consultancy team will engage with the CHDRG throughout the detailed design phase of the project to achieve industry best practice outcomes for a contemporary building.

Design and Construction Contract

Preparation of strategy and planning for the procurement of the Design and Construction contract is underway.

The Procurement Plan currently contemplates an expression of interest followed by a closed tender.

The expression of interest was publically advertised and open to any prospective respondent on 26 July 2019 and closed 16 August 2019. As at 6 August 2019 the information package had been downloaded 142 times. The submissions are under assessment against criteria generally related to methodology for delivery, capability and experience, with a view to identifying a competitive and capable shortlist.

The shortlisted respondents will be invited, in a closed tender, to validate their proposed methodology, capability and experience (in greater detail) and to price the design and construction work.

The Project Management Team is currently engaged with an external legal specialist to develop a bespoke design and construction contract. Preliminary advice has been sought from Council's legal representative's in relation to the refinement of the design and construction contract model to establish the optimal risk and opportunity balance.

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

McCullough Robertson Lawyers have been engaged to provide specialist legal services regarding the major contract/s, primarily the Consultancy Deeds and Design and Construction 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 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).

Previous Council Resolution

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 until an outcome is received
- progress detailed design of Sunshine Coast City Hall
- prepare and execute a Procurement Plan for the Design and Construction Contract that incorporates an Expression of interest and closed tender and
- consult with Councillors and the Shareholders Representatives Group on key decisions.