

Item 8.6.4

Ordinary Meeting

Thursday, 31 January 2019

commencing at 9:00am

Council Chambers, 1 Omrah Avenue, Caloundra

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8 REPORTS DIRECT TO COUNCIL**8.6 BUSINESS PERFORMANCE****8.6.4 SUNSHINE COAST CITY HALL BUILDING - PROJECT UPDATE**

File No: Council meeting
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Business Performance Group

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) 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:

- A Request for Quote procurement process has been completed, resulting in the award of the Principal Architect Contract to Cottee Parker Architects. Cottee Parker has commenced work and is reviewing relevant material in preparation for initial design work.
- An external Probity Advisor (Charles Kendall Australia) has been engaged to provide expert advice on procurement matters for the duration of the project. The Probity Advisor took part in the procurement of the Principal Architect and has confirmed their support for the approach and decision-making process for awarding the Principal Architect contract.

Procurement of the remainder of the design consultancy team will be undertaken through a combination of open tender and request for quote processes and via utilisation of existing supplier arrangements. A list of potential suppliers for each discipline of the design phase is being developed in consultation with the Principal Architect, with a focus on opportunities for local suppliers.

The Program of works endorsed in the SCCH High Level Project Management Plan is currently on schedule in the context of the programmed occupation date. Appointment of the broader design consultancy team, which was scheduled to occur by the end of January 2019, is likely to be completed in the first half of February 2019. Timing of these appointments will not affect critical delivery timeframes. The Project remains on budget.

OFFICER RECOMMENDATION

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

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 elements of the project. This includes establishment of the project delivery team and the project office and commencement of the design process, including

engagement of external design consultants. Funding for this project in 2019/2020 and beyond will be 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 during nine Council workshops and meetings since 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 phase, which will encompass the development of the preliminary design concepts, 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
- Chief Strategy Officer
- Portfolio Director
- Manager Property Management
- Chief Financial Officer.

The contracted Project Director, Project Urban, has also been consulted in the development of this report.

External Consultation

A comprehensive Communication Plan is being developed and will include provision of information and updates to external parties.

PROPOSAL

Council has resolved to establish a presence within the Maroochydore City Centre, including the development of its own premises, to be known as Sunshine Coast City Hall (SCCH). Since the last project update provided to Council on 6 December 2018, that following activities have been completed or are underway.

Procurement of Specialist Services

Design Consultancy

The procurement of the design consultancy team is occurring in two stages - firstly, through the appointment of a Principal Architect and secondly, the establishment of an appropriate design consultancy team.

1. Principal Architect

A Request for Quote to procure a Principal Architect was released by Council on 16 November 2018. Five suppliers with demonstrated capability and experience were invited to respond, with four submitting responses. Following evaluation of submissions, three suppliers were interviewed to gain further clarifying information and assess their suitability for the role.

The Evaluation Panel conducted a comprehensive assessment of the submissions and interviews, including consideration of the price and relevant capability and experience. The Evaluation Panel recommended that the Principal Architect Contract be awarded to Cottee Parker Architects.

2. Design Consultancy Team

Procurement of the remainder of the design consultancy team will be undertaken through a combination of open tender and request for quote processes and via utilisation of existing supplier arrangements. A list of potential suppliers for each discipline involved in the design phase is currently being developed, in consultation with the Principal Architect, with a focus on opportunities for local suppliers. The current consultancy services being procured are:-

- Structural
- Hydraulics
- Quantity Surveyor
- Certifier
- Town Planning
- Civil
- Landscape
- Traffic

Probity Advisor

An external Probity Advisor (Charles Kendall Australia) has been engaged for the duration of the project. The Probity Advisor has reviewed documents and attended relevant meetings throughout the procurement of the Principal Architect. The Probity Advisor has supported the conduct and outcome of that procurement process.

Project Director

Project Urban is currently engaged as the Project Director to provide project management services through to the completion of design.

A separate procurement process will be undertaken early in 2019 for the provision of project management services for the construction phase of the Project.

Design and Construction (D&C) Contract

The most significant elements in the delivery of the SCCH will involve the detailed design and construction of the building. Council, with input from the Project Director, has considered all base procurement models and has settled on a D&C contract as being the most applicable base model for delivery of a capital project of this nature.

Under this model, the Contractor assumes a degree of responsibility for completing the detailed design work prior to commencing construction. The extent of design work afforded to the Contractor is variable and is determined by the Principal (Council) in procuring and entering into the D&C contract.

For the SCCH project, Council has engaged the Principal Architect who will be supported by a broader design consultancy team to undertake the initial design work for the building. At

an appropriate point in the future, the contracts with the Principal Architect and the design consultancy team, along with the design work and specifications, will be novated to the D&C Contractor. At that point, the D&C Contractor will assume the responsibility of completing detailed design and co-ordination. This process enables Council to maintain an appropriate level of control of the outcome as well as providing a greater degree of certainty in terms of cost and quality.

Similar procurement models are well known and utilised across the development sector. A similar approach was undertaken with the Sunshine Coast Airport Expansion project.

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:

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

While the appointment of the design consultancy team is now anticipated to be completed by mid-February 2019, given that the Principal Architect has been engaged and has commenced work, the slightly later appointment of the design consultancy team will not impact on the overall delivery timeframes.

Design

The Principal Architect has commenced background investigations, including -

- A detailed review and analysis of the base building brief (which articulates the fundamental design principles of the proposed building design, its functions and servicing requirements)
- Critical analysis of the key development parameters and nominated benchmark projects
- Tours of Nambour, Maroochydore and Caloundra Administration centres
- Cultural and Historical Heritage reviews and
- Broad investigations into Council's vision for the future of the Sunshine Coast and how this can be reflected in the design of the SCCH.

It is expected these investigations will lead to the establishment of planning options in early February and high level concept options by the end of February 2019.

Co-Location and Workplace Strategy

A data gathering exercise has commenced to establish a baseline for use in development of the co-location Strategy. The data under review has been provided by the People and Culture Branch of Council and will be used for reconciliation purposes and to ascertain the volume of work space area required in all precincts across the region.

The co-location Strategy will be developed in two-parts:

1. Interdependencies – defining customer profiles and the functional areas of Council based on relationships interdependencies

2. Rationalisation – estimate of space/work area required to accommodate staff within the three precincts of Nambour, Maroochydore and Caloundra.

Communication and Engagement Plan

A comprehensive Communication Plan is being developed and will include engagement with internal stakeholders and provision of information and updates to external parties.

Project Governance / Team Structure

Following the establishment of the SCCH project governance structure, the SCCH Project Control Group (PCG) has convened and will continue to meet monthly for the life of the project.

The SCCH PCG will 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 an 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, which continues to evolve and will be further developed following a risk workshop with key project delivery stakeholders. This is scheduled for mid-February, with an updated Project Plan scheduled to be presented to Council by March 2019.

Previous Council Resolution

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.