

Section 221 of the *Local Government Regulation 2012* stipulates that a Significant Contracting Plan must be prepared prior to commencement of a contract that Council has identified as a Significant Contract. Council may, by resolution, amend a Significant Contracting Plan at any time before the end of the financial year to which the plan relates.

1. Key Information	
Significant Contract Title: Design and Construct – Sunshine Coast City Hall Fitout	
Group: Business Performance	Branch: Sunshine Coast City Hall
Contract Administrator: Frances Cayley	Position: Project Director
Procurement Specialist: Ben Vandenberg	
Contract/Project Description: Design and Construct the fitout of the new Sunshine Coast City Hall within the new Maroochydore City Centre	
Link to Procurement Plan:	

2. Council Resolutions	
Previous Council resolutions:	15 September 2016 (OM16/176) 23 February 2017 (SM17/4) 17 August 2017 (SM/17/42) 14 September 2017 (OM17/181) 12 October 2017 (OM17/202) 17 May 2018 (SM18/4) 10 September 2018 (SM18/14) 11 October 2018 (OM18/173) 6 December 2018 (OM18/199) 31 January 2019 (OM19/13) 28 February 2019 (OM19/25) 28 March 2019 (OM19/41) 30 April 2019 (OM19/56) 23 May 2019 (OM19/85) 20 June 2019 (OM19/97) 25 July 2019 (OM19/114) 22 August 2019 (OM19/128) 19 September 2019 (OM/149) 17 October 2019 (OM19/163) 14 November 2019 (OM19/178) 12 December 2019 (OM19/195)
This plan endorsed by Council:	

3. Background

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.

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.

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 centres 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.

Whilst there is an intention to maintain a decentralised workforce across the region, it is anticipated that a significant civic presence exist on the proposed site. Council administration and support departments that will occupy the building are to be determined following the completion of the Workplace Accommodation Strategy.

Council commenced the design for the SCCH base building project in early 2019 and in early 2020 entered into a contract to construct the base building project and at present works have progressed to the construction of Level 3 structure. The works associated with the base building, which itself consists of a 10 storey typical commercial warm shell building are anticipated to be completed by May 2022.

Fitout works are proposed to commence prior to the completion of the base building project and be completed by July 2022. The fitout for SCCH is to be delivered in accordance with the SCC Workplace Strategy, with particular guidance from the Workplace Principles. The fitout design has progressed through the Concept phase and the Project Team is currently developing the detailed design phase.

4. Objectives

What are the objectives of this contract?

- Secure a contractor to complete the design and construction of the Sunshine Coast City Hall fitout
- Deliver value for money for Council and its ratepayers
- Encourage an open, efficient and competitive procurement process.

How will objectives be achieved?

Two (2) stage public tender for the design and construction of the Sunshine Coast City Hall fitout, and subsequent evaluation of submissions received in order to achieve the most advantageous outcome for Council. EO12058 was released to the market on 15 May 2021.

Council has engaged a Design Consultancy Team to commence the design process. The successful Contractor will be required to finalise design and construct within required budget and timeframe requirements.

How will achievement of objectives be measured?

The delivery of the project in full compliance with agreed design, within budget and within expected timeframes.

Contract will also contain Key Performance Indicators (KPI's) to track achievement of specific objectives. Performance against KPI's will be tracked by Council and its Project Manager, and outcomes discussed with the successful contractor.

What are the alternative ways of achieving the objectives? Include reasons for not adopting alternative ways.

Full design and construction could be completed by a single company instead of the approach being adopted by Council that involves a novation to the design and construct contractor. This approach has not been adopted in order to provide Council greater control over the design which could produce cost efficiencies during the construction phase.

5. Proposed category and contractual arrangements

Which category does this contract fall within?

Capital Works

Which contractual arrangements should be applied to this contract, and why?

Design and Construct (AS4902)

The project will be delivered under a Design and Construct contract AS4902. External Legal Advisors (McCullough Robertson) have been engaged and will assist with drafting the standard terms and conditions to suit this contract.

6. Market and Risk Assessment

Provide an assessment of the market in which the contract is to happen, including an assessment of any procurement risks. Refer to the Risk Assessment Calculator in the Procurement Plan.

Risks:

- **Limited submissions** - The high amount of construction activity being undertaken now may prevent some companies from responding.
- **Limited submissions** – perception that the contractor engaged by Council to complete the base build works will have an advantage may prevent some companies from responding.
- **Program** - Contract can't be executed in time to allow completion of works within the proposed timeframes.
- **Budget** - Responses provided by respondents may be greater than Council's budget for this work.
- **Probity** - Significant public interest will increase the likelihood of requests for information / discussions outside of the normal procurement channels.
- **Probity** – with works already underway on the base build, and several contractors and consultants engaged by Council on the fitout design, the probity risks are significantly higher than for a normal project delivered by Council.

Proposed mitigations for identified risks:

- **Limited submissions** - public tender process. The size, magnitude and profile of the project will be attractive to many in the market.
- **Program** - realistic program has been established for the procurement process. External legal advisors to assist with contract negotiation process.
- **Budget** - budget has been established based on industry advice and market sounding.
- **Probity** - All persons involved in the completion of the contract will be required to sign a probity declaration. Additionally, Council's base build contractor, project management consultant and architect leading the fitout design will be required to develop and sign a probity plan to cover their conduct during the procurement process. The services of an external probity advisor, Charles Kendall Australia, have been engaged in relation to the procurement process.

Undertake an assessment of operational risks relating to the contract/project. Attach details.

1. Pricing variations are considered an ongoing risk and will be mitigated through use of a lump sum design and construct methodology. Council will produce a detailed Principal's Project Requirements document that contactors will be required to comply with when providing their lump sum pricing. Council have engaged the services of an external project management company to assist with contract administration.
2. Fitout works will need to be performed concurrently with base build works, and other works, taking place on the same site. This creates potential workplace health and safety risks and risks to schedule. WH & S risks will be mitigated by assessing WH & S credentials and performance as part of the tender evaluation process, and through legislative

requirements which the contractor will be required to adhere to. Schedule risks will be mitigated through the use of a single Council project team, including external technical experts and project management, responsible for the delivery of the entire SCCH project.

Approvals (prior to resolution)			
Position	Name	Signature	Date
Project Director – Sunshine Coast City Hall and Workplaces	Frances Cayley		
Manager Business and Innovation	Paul Skillen		