



**2018/19 Business Development Branch
 Significant Contracting Plan**

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	
Group: Business Performance	Branch:
Contract Administrator: Jeanette Allom-Hill	Position: Group Executive
Procurement Specialist: Ben Vandenberg	
Contract/Project Description: Design and construction of the new Sunshine Coast City Hall within the new Maroochydore City Centre	
Link to Procurement Plan: D2018/2168263	

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)
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 including, but not limited to Customer Service, Council Chambers (and users ancillary to) & workspace

accommodation for Councillors, Office of the Mayor and Office of the CEO and staff who are in rented premises at Maroochydhore. Council administration and support departments that will occupy the building are to be determined following the completion of the Workplace Accommodation Strategy.

This building should challenge the notion of the traditional 'Town Hall' concept, providing a high level of physical access and engagement to the residents and visitors of the region through creation of the 'City Hall of Tomorrow' and an unprecedented offering of active, inclusive, informative, flexible and functional spaces. Council are seeking market repositioning to be viewed as employer of choice and this will be achieved through a mix of workplace re-calibration and co-location to value add services for staff and customers all within the City Centre.

4. Objectives

What are the objectives of this contract?

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

How will objectives be achieved?

Public tender for the design and construction of the Sunshine Coast City Hall, and subsequent evaluation of submissions received in order to achieve the most advantageous outcome for Council.

Council will engage a Design Consultancy Team to commence the design process. This team will be novated across to the successful contractor. The successful Contractor will be required to complete full 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.

Contact will also contain Key Performance Indicators (KPI's) to track achievement of specific objectives. Performance against KPI's will be tracked by Council 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 to give 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.

The contract will involve the novation to the successful contractor of the design consultancy team engaged by Council.

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 at the moment may prevent

<p>some companies from responding.</p> <ul style="list-style-type: none"> - 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. - Novation – successful construction contractor not prepared to accept novation of Design Consultancy Team, or does not accept agreed design and wishes to restart the design process.
Proposed mitigations for identified risks:
<ul style="list-style-type: none"> - Limited submissions - public tender process. The size, magnitude and profile of the project will be attractive to many in the market. Council will make contact with companies capable of completing this work to ensure that they are aware of the tender. - 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 industry advice and market sounding. - Probity - All persons involved in the completion of the contract will be required to sign a probity declaration. The services of an external probity advisor, Charles Kendall Australia, have been engaged in relation to the procurement process. - Novation – Novation to be part of the contract terms and conditions. Design and Construct procurement process to be initiated as soon as practical to ensure early engagement by construction companies, increasing the likelihood of acceptance of design. Design Consultancy Team engaged by Council to be made up on highly capable and experienced consultants.
Undertake an assessment of operational risks relating to the contract/project. Attach details.

Approvals (prior to resolution)			
Position	Name	Signature	Date
Manager, (of Branch seeking contract)			
Manager, Business Development			