



9.1 LOCAL ROADS & COMMUNITY INFRASTRUCTURE PROGRAM - REALLOCATION OF SAVINGS TO POINT ORMOND PLAYGROUND UPGRADE

EXECUTIVE MEMBER: CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE

PREPARED BY: LACHLAN JOHNSON, EXECUTIVE MANAGER CONSTRUCTION, CONTRACTS AND OPERATIONS

JAMES GULLAN, STRATEGIC PARTNERSHIPS ADVISOR

DANA PRITCHARD, HEAD OF PUBLIC SPACE PROJECTS & PLANNING

SARAH BUFTON, PROJECT OFFICER ASSET MANAGEMENT AND PROPERTY

1. PURPOSE

- 1.1 The purpose of this report is to update Councillors on the progress of the delivery of the Point Ormond Play Space Project and to seek endorsement for savings from projects funded through the Federal Government's Local Roads & Community Infrastructure grant program to be reallocated to Point Ormond.
- 1.2 The report further seeks Council authorisation to temporarily lift the CEO's financial delegation to amend the construction contract to enable a timely conclusion to the project.

2. EXECUTIVE SUMMARY

- 2.1 As part of Council's 2021/22 budget, the playground at Point Ormond Reserve is being renewed and upgraded to provide for enhanced play, recreation, safety and accessibility.
- 2.2 The Point Ormond Playground project is fully funded under the Local Roads & Community Infrastructure (LRCI) program from the Federal Government. The project had an adopted budget, and grant funding amount, of \$1.53m. This was reduced to \$1.33m with the transfer of \$200k of potential savings to the reconstruction of Wattie Watson Oval.
- 2.3 Construction of the Point Ormond playground has been unfortunately impacted by supply chain issues and restrictions on the progression on construction as a result of the COVID 19 pandemic. There are some issues with latent conditions including the extent of soil contamination and the suitability of the spoil for structure fill. Whilst the Beacon Hill component of the works was reopened at the end of 2021, the playground remains under construction. The project is now anticipated to be completed in April.
- 2.4 It is expected that the Project budget will need to be increased to from \$1.33m to \$1.595m in response to these issues (excl GST). This is largely related to reasonable additional expenses (variations) under the contract for the works which was awarded in August 2021 for a total lump sum of \$924,712.57 (Inc.GST).



- 2.5 Noting that the Point Ormond Project is under construction, it is recommended that Council temporarily increase the CEO's financial delegation to allow for contractual variations, within the revised project budget, to be considered and approved expeditiously.
- 2.6 The reconstruction of Wattie Watson Oval has been very successful and although delayed due to impacts from the pandemic, and weather issues at the turf growing facility, is on-track to be completed well within the project budget. Other LRCI funded projects have also been delivered under budget. Combined these savings total \$265k.
- 2.7 In principal agreement from the Federal Government has been received to allow Council to reallocate the savings on those projects. It is therefore proposed to reallocate those savings to the Point Ormond Project.

3. RECOMMENDATION

That Council:

- 3.1 Endorses the transfer of savings from the construction of Local Roads & Community Infrastructure Projects to the value of \$265,000 to the construction of the Point Ormond Playground Upgrade Project increasing the project budget from \$1.33m to \$1.595m.
- 3.2 Authorises the Chief Executive Officer to approve variations within the amended project budget of \$1.595m for the Point Ormond Playground project in line with Council's existing Procurement Policy.

4. KEY POINTS/ISSUES

- 4.1 In 2021, Council was the recipient of \$3.2m of funding through the Federal Government's Local Roads & Community Infrastructure (LRCI) program. Council considered the funding in March 2021. The funding was allocated to various projects across the City including water sensitive urban design and traffic calming works, the reconstruction of Wattie Watson Oval, and other projects. With the completion of many LRCI funded projects, there have been savings of approximately \$265k identified.
- 4.2 One of the projects funded under the LRCI program was the upgrade of facilities at Point Ormond Reserve. The reserve is located on the Elwood foreshore and is a popular location for the local community and visitors. In addition to the predominate playground, it has several BBQ and picnic areas and is bordered by the heavily utilised Bay Trail cycle and pedestrian path, a service road and car park.
- 4.3 Based on asset life, condition, safety and accessibility assessments and its high use, the playground was identified as a high priority for upgrade in a 10-year capital program.
- 4.4 The project includes:
 - Construction of the playground and park amenity improvements
 - New irrigation system installation in the playground area
 - Construction of path network between playground and links to the existing Point Ormond lookout path and Bay Trail
 - Improvements to access around Point Ormond Lookout



- Construction of barbeque area including new picnic shelters (main area adjacent playground and minor area behind the lookout)

- 4.5 In August 2021, a contract for the construction of the Point Ormond Playground was awarded to Citywide Services Solutions Pty Ltd, for the sum of \$924,712.57 (Inc.GST) or \$840,647.79 (Ex.GST), under delegation.
- 4.6 Works have progressed since but have been significantly impacted due to pandemic related shutdowns and restrictions and the broader impact on the supply chain. Latent conditions have also played a role including soil contamination and the suitability of the soil to be used as structural fill.
- 4.7 Recently, Council officers have worked with Federal department representatives on a proposal to transfer the savings from completed LRCI funded projects to the Point Ormond project. Doing so will provide additional financial contingency for the project during the conclusion of construction.
- 4.8 The proposed reallocation of savings would lift the total budget for the Point Ormond Project from \$1.33m to \$1.595m.
- 4.9 Council delegates to the CEO the authority to enter into contracts on their behalf up to a value of \$1m. The original construction contract was valued at \$924,712.57 (Ex.GST). In the interests of expediency and to avoid potential delays during the remainder of construction, it is recommended that Council temporarily lift the CEO's financial delegation to allow for changes in the construction contract, subject to Council's Procurement Policy, to be authorised provided that the project remains within the authorised budget.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Representatives of Council's funding partner, the Federal Government has provided in principle support for the reallocation of savings from LRCI projects to the Point Ormond Playground upgrade project.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 There is a risk that if Council is unable to temporarily authorise the CEO's financial delegation to be amended, it may result in delays in the conclusion of construction at Point Ormond. This could potentially expose Council to delay damages under the contract.
- 6.2 It is noted that the delivery of all LRCI funded projects in end June 2022.

7. FINANCIAL IMPACT

- 7.1 It is proposed that \$265k of savings from other LRCI funded projects be reallocated to Point Ormond to fund additional project contingency for the conclusion of construction work. Noting the following:
- The project is fully funded by the Commonwealth Government's Local Roads and Community Infrastructure (LRCI).
 - Awarded to Citywide Services Solutions Pty Ltd for the sum of \$924,712.57 including GST under CEO's delegation following a public tender process.



8. ENVIRONMENTAL IMPACT

8.1 This report does not have any additional impacts on the environmental outcomes of either project.

9. COMMUNITY IMPACT

9.1 This report is requesting additional delegation to the CEO to ensure Council's timely response to the delivery of the Point Ormond project.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 This report does not have any additional impacts on the alignment outcomes of the project.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- It is currently anticipated that construction of the Point Ormond Playspace upgrade will be concluded in April 2022. This is highly dependent upon supply chain issues, favourable weather and whether latent conditions are encountered during the final construction phase.

11.2 COMMUNICATION

- Subject to Council's decision, officers will work with the Federal Government through the LRCI grant reporting period in April 2022 to formalise the transfer of savings from the other projects to the Point Ormond Playspace project.

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

Nil