



City of Busselton
Geographe Bay

LATE ITEM

Finance Committee Agenda

14 April 2016

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

CITY OF BUSSELTON

LATE ITEMS FOR THE FINANCE COMMITTEE MEETING TO BE HELD ON 14 APRIL 2016

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6. REPORTS

6.8 GEOGRAPHE LEISURE CENTRE - BUDGET AMENDMENT REQUEST DRYSIDE CHANGEROOM RENEWAL

SUBJECT INDEX:	Geographe Leisure Centre
STRATEGIC OBJECTIVE:	A community where people feel safe, empowered, included and enjoy a sense of good health and wellbeing.
BUSINESS UNIT:	Engineering and Facilities Services
ACTIVITY UNIT:	Facilities Services
REPORTING OFFICER:	Facilities Coordinator - Shawn Lombard
AUTHORISING OFFICER:	Director, Engineering and Works Services - Oliver Darby
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Nil

PRÉCIS

The purpose of this report is to seek approval to amend the 2015-2016 Geographe Leisure Centre (GLC) budget to transfer \$60,000.00 (excl. GST) from the GLC Sports Hall capital budget (522-B9513-3280-0000) to the GLC Changeroom/Toilets budget (522-B9514-3280-000) to undertake the dry side refurbishment works and bring this area up to the same standard as the upgraded wet side change room facilities.

BACKGROUND

In 2015 the City of Busselton undertook a major extension and renovation to portions of the Geographe Leisure Centre. These works were done to a certain standard and product finish and specification.

At the start of 2015, in an effort to keep the facility modern and compliant to the most relevant standards, the wet-side change rooms formed part of the original upgrades done to the Geographe Leisure Centre. At that time, The City of Busselton opted to delay the works required for the dry-side change rooms. The objective of this workscope is to undertake the dry side refurbishment works and bring this area up to the same standard as the upgraded wet side change room facilities.

It is also noted that minor works are required on the dry-side ambulant ablution and store room doors, and therefore this has been added to this project in an effort to consolidate the works and achieve full building certification and compliance.

The City originally advertised this project workscope as RFT18/15, and this process was eventually cancelled under CEO delegation due to:

- Only two submissions were received for RFT18/15, from tenderers of which one was deemed non-compliant due to lack of information.
- The one compliant tender from Innovest Construction submitted a price of \$186,559.00 Ex GST, and is therefore considerably over the original revised budget (\$114,334.00 Ex GST) by an amount of \$72,225 Ex. GST. This did not represent good or best value to the evaluation team.

It was then decided to implement the following process to progress this workscope:

All tenderers were formally notified of this cancellation.

Five (5) new suppliers were identified and approached for a new pricing submission under a new RFQ document. This was done immediately after the cancellation process was formalized.

The timing of the works have been deferred to a later date in the financial year, due to the fact these works can only be delivered between scheduled GLC activities and current usage constraints. The indicative dates for commencement previously provided under RFT18/15 will not provide enough time to re-quote and evaluate.

A revised schedule proposed to commence these works at the end of April 2016, with an anticipated time frame of 10 weeks through to completion. This had been confirmed with GLC staff as being the best time for these works.

Department of Sport and Recreation has been notified of the change in project completion timeframes although their one third funding must still be acquitted by 15 June 2016 or we cannot apply for the July round of CSRFF.

This **RFQ 12/16 GLC Dryside Changeroom Renewal** process is complete and concluded with two submissions received from the original five contractors identified and provided with the relevant quotation documentation.

STATUTORY ENVIRONMENT

Section 6.8 of the Local Government Act refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where budget allocation does exist, expenditure is not to be incurred until such time as it is authorized in advance for allocation to a new capital line item, by an absolute majority decision of the Council.

RELEVANT PLANS AND POLICIES

This proposal aligns to the City's Strategic Community Plan of 2013:

Key Goal Area 2: Well planned, Vibrant and Active Places
 Objective: 2.1 A City where the community has access to quality cultural, recreation, leisure facilities and services.
 2.3 Infrastructure assets are well maintained and responsibly managed to provide for future generations.

FINANCIAL IMPLICATIONS

The following budget amendment is recommended, noting this results in a net neutral outcome to Council.

Description	Account String	2014/15 Adopted Budget \$	2014/15 Amended Budget (PROPOSED) \$	Variance \$
GLC Sports Hall capital budget	522-B9513-3280-0000	\$60,000	\$0	-\$60,000
GLC Changeroom/Toilets budget	522-B9514-3280-000	\$114,334.0 0	\$174,334	\$60,000
Net Variance		\$0	\$0	\$0

The evaluation Panel recommended that **Quest Holdings Pty Ltd** be awarded the Contract resulting from **RFQ 12/16 GLC Dryside Changeroom Renewal** on the terms and conditions detailed within the RFQ for the lump sum value of **\$149,118.00 (excluding GST)**.

The remaining \$25,216.00 Ex GST budget will be allocated by the Facilities team to address the following associated issues linked to the change rooms:

- Air handling in the wet and dry areas that require minor remediation's to improve airflow.
- Additional floor strip grates to the entry statement of the female ablution to alleviate the water ingress in these areas.
- Minor remedial works to the wet- side ablution vinyl floor to introduce a possible coving element to help correct the water ingress due to the failing silicone bead.

These are all currently being quoted and considered for inclusion into the current workscope period to help deliver and all round solution to the overall ablution environment.

The practical completion date will be set as detailed in the request for quotation, with practical completion being the **30 June 2016**.

Additionally, the award has been made conditional through amended clarification with Quest Holdings Pty. Ltd. to include the following:

- Revised General Terms and Conditions to suit the amended workscope.
- A guarantee that this project will not be subject to variations from the Contractors end, and that their lump sum price (\$149,118.00 (excluding GST) is all inclusive with sufficient contingency being allocated to the specified workscope, noting that any changes made by the Principle will be the only items considered in this regard.

The \$60,000 for the sports hall floor sanding and re-line has been included in the 2016/17 draft budget.

Long Term Financial Plan Implications

Floor sanding has been rescheduled to the 2016/17 capital budget.

STRATEGIC COMMUNITY OBJECTIVES

Referred to earlier in this report within the Relevant Plans and Policies section.

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendations has been undertaken using the City's risk assessment framework. The assessment identifies 'downside' risks only, rather than 'upside' risks as well. The officer recommendation is considered to be "low" risk.

CONSULTATION

Internal consultation with the Manager Community Services (Maxine Palmer) and the Recreation Facilities Coordinator (Dave Goodwin) has been conducted, noting that they are in agreement with the transfer of the funds to help conclude this key project which hinges around service delivery and facility standards. The Busselton Basketball Association, who were previously pressing for the floor to be relined, have also been consulted with and are in agreement that the change rooms take priority.

OFFICER COMMENT

As this project has gone through several rounds of advertising to try to achieve a value for money outcome, it has become evident that this work required additional funding to be able to deliver the outcomes identified.

Additionally this project is addressing:

- Aspects noted during the general maintenance of this venue, with the aim to improve and replace such items with product that will satisfy the use and upkeep of this hard wearing environment.
- Minor fire compliance works identified and reported by the inspector who provides building compliance and certification for this venue. These have been included as part of the works and require additional funding to get done.

Furthermore, from the consultation, it became evident that the dryside change room works are of a higher priority than the floor sanding due to the current condition and usage rates experienced.

The evaluation team is now more confident that they are achieving a value for money outcome from the responses received under RFQ12/16 GLC Dryside Changeroom Renewal.

CONCLUSION

Officer's recommend Council approve to amend the 2015-2016 Geographe Leisure Centre (GLC) budget to transfer \$60,000.00 (excl. GST) from the GLC Sports Hall capital budget (522-B9513-3280-0000) to the GLC Changeroom/Toilets budget (522-B9514-3280-000) to undertake the dry side refurbishment works and bring this area up to the same standard as the upgraded wet side change room facilities. Additionally this amendment will also provide sufficient funds to conclude the fire compliance works required to achieve full building certification as required under law.

OPTIONS

Council may determine not to support the Officer's recommendation and resolve not to amend and re-allocated the funds to this capital line item, noting this would result in:

- The full workscope not being able to be delivered for the Dryside Change rooms , resulting in a high use area not meeting patrons usage and expectation outcomes.
- The fire compliance works required to achieve full certification sign off not being done, resulting in the GLC operating in state of building code non-compliance.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the officer recommendation be endorsed, budget amendments will occur immediately, as the project is awaiting budget amendment award to meet the required commencement date and funding acquittal timeframes.

OFFICER RECOMMENDATION

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council:

- 1. Approves an amendment to the 2015/16 budget on the following base:

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Net Variance		\$0	\$0	\$0