

AGENDA

For a Special Meeting of Council to be held on Thursday, 12 May 2016 in the Council Chambers, Bridgetown, commencing at the conclusion of the Standing Committee Meeting, called for the purpose of considering anticipated costs and associated budget implications for completing the Bridgetown Sportsground Change Rooms Project.

Acknowledgment of Country – Presiding Member

On behalf of the Councillors, staff and gallery, I acknowledge the Noongar People, the Traditional Owners of the Land on which we are gathered, and pay my respects to their Elders both past and present.

Attendance, Apologies and Leave of Absence

President	- Cr J Nicholas
Councillors	- J Boyle - S Hodson - D Mackman - J Moore - P Quinby - P Scallan - A J Wilson
In Attendance	- T Clynych, CEO - M Larkworthy, Executive Manager Corporate Services - E Denniss, Executive Manager Community Services - T Lockley, Executive Assistant
Leave of Absence	- Cr A Pratico

Attendance of Gallery

Public Question Time

Note: At Special Council Meetings questions must relate to the items on the Agenda.

Petitions/Deputations/Presentations

Comments on Agenda Items by Parties with an Interest

Notification of Disclosures of Interest

Section 5.65 or 5.70 of the Local Government Act requires a Member or Officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Member or Officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

A Member who makes a disclosure under Section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allow a Member to speak, the extent of the interest must also be stated.

Business Items

ITEM NO.	SpC.01/0516	FILE REF.	
SUBJECT	Anticipated Costs and Associated Budget Implications for Completing the Bridgetown Sportsground Change Rooms Project		
OFFICER	Chief Executive Officer		
DATE OF REPORT	5 May 2016		

Attachment 1 – Initial Concept Plans

Attachment 2 – Detailed Design Plans

OFFICER RECOMMENDATION that Council:

1. *Amend its 2015/16 budget as follows:*
 - (i) *Increase the ‘materials & contracts’ allocation for Job No. 17BU ‘Bridgetown Sportsground Change Rooms’ from \$316,864 to \$401,000.*
 - (ii) *Decrease the ‘materials & contracts’ allocation for Job No. 08BU Shire Depot Building Renewals from \$48,735 to \$48,735 to \$32,735*
 - (iii) *Decrease the ‘materials & contracts’ allocation for Job No. 20BU ‘Greenbushes Hall’ from \$30,000 to \$0.*
 - (iv) *Decrease the ‘materials & contracts’ allocation for Job No 28BU ‘32 Gifford Road’ from \$8,700 to \$3,500.*
 - (v) *Transfer an amount of \$32,936 from the Building Maintenance Reserve to Job No. 17BU ‘Bridgetown Sportsground Change Rooms’*
2. *Request the CEO prepare a ‘Major Projects Evaluation’ Policy for consideration by Council.*
3. *Commit to allocating funding in its 2016/17 budget for repairs to the floor at Greenbushes Hall and repairs to walls at the shire depot.*

Summary/Purpose

The purpose of this agenda report is to advise Councillors that cost over runs on the current Bridgetown sportsground change rooms redevelopment project have been identified and to identify possible solutions and budget implications to allow for the required works to be funded.

Background

At its August 2014 meeting Council resolved:

C.10/0814 That Council:

- 1. Endorse the revised concept plans for redevelopment of the change rooms at the Bridgetown Sportsground and authorise the CEO to submit an application under the Department of Sport and Recreation's Community Sporting and Recreation Facilities Fund for one-third funding of the project costs.*
- 2. Dependent upon the success of the Community Sporting and Recreation Facilities Fund application, consider funding the balance of the project costs in the 2015/16 budget.*

The concept plans proposed the demolition of existing walls other than the wall adjoining the football clubrooms and the columns on the wall facing the oval. The floor area of the rooms would increase from 77m² to 102.75m², separated into 35.25m² for visitors and 67.5m² for the home team. Two shower cubicles, two hand basins, a urinal and a disabled WC/shower would be included in a fully tiled wet area in each of the rooms. A disabled ramp was to be constructed at the front of the change rooms with the necessary gradient and length being achieved by having the ramp bend around the side of the building. External wall and roof cladding were proposed to be colourbond, internal wall lining painted villa board and ceilings gyprock.

At that time (August 2014) the preliminary building estimates for construction and wet area fit out was \$256,000 with plumbing, electrical upgrades and fit increasing the estimate to approximately \$300,000. Further refinement of the cost estimates concluded with a final estimate of \$316,864 being determined and this was the basis of an application to the Department of Sport and Recreation's Community Sporting and Recreation Facilities Fund (CSRFF).

Officer Comment

In May 2015 the Shire was advised by the Department of Sport and Recreation that its application for funding had been approved and an amount of \$105,621 ex-GST had been allocated to the change rooms project. Council subsequently included this income in its 2015/16 budget, matched by total expenditure (materials & contracts only) of \$316,864.

Work on the project couldn't commence until the conclusion of the 2015 football season. Over the winter work occurred on converting the concept plans to detailed design plans, including engineering structural assessment of the existing structure and the structural requirements for the new building.

From the concept plans to the detailed design plans the following changes occurred:

- The external materials were changed from light weight steel framed cladding to brick in order to increase the durability of the building, particularly the affixing of internal linings.
- The floor space in each change room was increased in order to achieve compliance to the Building Code of Australia for the expected number of users in each room. Overall the internal floor area increased from the 102.75m² proposed by the concept plan to 133.03m².
- Internal access to the visitors change room was redesigned due to the concept design being non-compliant with universal access space requirements.

- Upon request from the football club the entry doors for each change room were further separated in order to reduce congestion.
- The front ramp to the front of the change rooms was modified to provide a consistent level with the ramp in front of the adjacent football club rooms. There are a number of level changes from the change rooms to the trotting track ground level (access to the oval) and the initial ramp design restricted access from the lower level to the buildings.

In September work commenced with disconnection of electricity followed by demolition of the old change rooms other than the roof structure. Currently the project is approximately 90% complete and is useable, however the following works (at the time of writing the report) remain outstanding:

- Concreting of front ramp/veranda
- Erection of fencing on front retaining wall (ramp)
- Internal bench seating and clothes hooks
- Internal painting
- Fit out of partition walls in wet areas
- Asphalt around building where excavations were required
- Handrails on steps to umpires room
- Cages for hot water systems and gas bottles

The project cannot be delivered within the 'materials & contracts' budget allocation of \$316,864. Whilst the budget was always "tight" and potential cost over runs noted there has been some unexpected works that have increased the overall cost. Normally these would have been reported earlier to Council however in this instance there was the potential that football club members may volunteer in-kind contributions such as labour and technical expertise. Some generous contributions have been recently made by football club members that have helped to minimise the extent of the budget variation. Also the use of some second hand materials sourced from the old swimming pool has occurred.

The total cost of the 'materials & contracts' portion of the project is now estimated at \$401,000 which is \$84,136 over the current budget allocation.

Whilst the Building Maintenance Officer has been used to carry out some works instead of using contractors he has been restricted to general labouring work and not specialist contractor work. Using the Building Maintenance Officer on this project has caused delays in attending to building maintenance work on other Shire buildings/assets so the decision has been made to cease his work on this project.

As an explanation for the cost over runs there have been a number of unexpected costs that were not anticipated when costing the concept plan in 2014/15. These include:

- The steel trusses that supported the roof of the old change rooms required greater restoration and repair than anticipated. Some had significant rust that required cutting out and welding.
- The steel columns in the old rear wall had to be completely replaced due to rust and other deterioration – these were unable to be inspected during the planning/design process.

- The engineering certification obtained after completion of the detailed design plans stipulated a much greater size of footing and building slab thickness than expected – due to soil tests indicating the soil at the site has low bearing capacity. This required approximately double the concrete than estimated which in addition to the greater cost required the use of a pump truck instead of manual laying of the concrete.
- There was a need to provide temporary services (power, water & gas) to the football club rooms during the period of the build.
- Originally the intention was to retain the hot water systems from the old change rooms (taking into account advice from the football club) however assessment of these units by the plumber confirmed they were unsuitable for the volume of water being used in each change room. The cages used to secure the old hot water systems are not suitable for the new systems hence new cages need to be purchased or manufactured. Similarly the cages previously used to secure the gas bottles are insufficient as more gas bottles are required hence new cages are required.
- A new water line had to be provided from the Shire Depot to the change rooms in order to provide the minimum water pressure to run the number of water points. Note it has become apparent that due to the condition of the showers and other water points in the old change rooms that the use of water was far less than will occur with the new facilities.
- A new water service to the umpires change rooms was required.
- Excavation around the change rooms uncovered a damaged inlet pipe to the septic system that required replacement. At the same time stormwater drains from the building were improved.
- Previously the power to the change rooms, external lighting and external ablution block was controlled from a switch in the football clubrooms. As the change rooms and other facilities are Shire assets available for use by other sporting groups the decision was made to install wiring to separate these switches from the football clubrooms.

In addition to the cost over runs on ‘materials & contracts’ it is also to be noted that the use of the Building Maintenance Officer to carry out some works instead of engaging contractors has incurred expenditure of approximately \$8,500 on wages and \$17,500 overheads. This has been funded by the Building Maintenance Officer not doing works budgeted for on other Shire buildings and assets. Whilst this in itself does constitute a variation to the budget the expenditure does not require additional funding by Council.

The \$84,136 estimated overspend in the ‘materials & contracts’ allocation of the change rooms projects is a 26.5% overspend. Whilst there are reasons (explained above) for the over spend on the change rooms project it isn’t financially sustainable for this practice to become a regular occurrence. Using the lessons learnt from this instance there is considered a need to prepare a policy that provides Council and officers direction on how to evaluate and implement a major project.

In the case of the change rooms it is now recognised that the budget estimates and grant funding applications for the project shouldn’t have been based on a concept plan. For major projects such as this the detailed design phase is the appropriate time to finalise planning and cost estimates. It is proposed that the CEO will prepare a draft ‘Major Projects Evaluation’ Policy to Council for consideration in which major

projects (the policy would define what constitutes a “major” project) would go through a three phase process:

- Phase 1 – community/stakeholder consultation, design brief, concept planning
- Phase 2 – detailed design, cost estimates and funding considerations (including grant funding opportunities)
- Phase 3 – budget and implementation

Council is requested to approve a budget amendment to increase the ‘materials & contracts’ allocation of the change rooms projects by \$84,136.

Council could elect to fund this over run from reserve account funds by transferring the equivalent amount either wholly from the Land and Buildings Reserve (current balance of \$602,797) or partly from that reserve account and partly from the Building Maintenance Reserve (current balance of \$65,615).

Alternatively there are three building maintenance/capital upgrade jobs that will not be commenced prior to 30 June 2016. All three jobs are scheduled for carry-forward into the 2016/17 budget but Council could elect to draw on the funds set aside for these jobs in the current budget and commit to funding the same jobs in the next budget. These jobs are:

- 08BU – Shire Depot – one of the jobs under this number is to repair white ant damaged walls & frames - \$16,000
- 20BU - Repairs to Greenbushes Hall floors - \$30,000
- 28BU – Shire Dwelling 31 Gifford Road, one of the jobs under this number is to replace downpipes and guttering - \$5,200

Both the Shire Depot and Greenbushes Hall jobs are currently being assessed to determine a more detailed scope of works and associated cost estimates. In the case of the hall it is anticipated that an allocation of more than \$30,000 will be included in the 2016/17 budget. With the Gifford Road house job an assessment of the roofing material is being done as part of the 2016/17 budget investigations. It makes little sense to replace downpipes and gutters this year if roof works are required in the following year.

With the Greenbushes Hall floor works in particular there is considerable community expectation that this work will be done therefore if Council does agree to use the funds set aside in 2015/16 for this work it should, via resolution, give an assurance that the works will be budgeted for in 2016/17.

If Council agrees to use the funds currently set aside for the three jobs listed above the draw down on the Building Maintenance Reserve would be reduced to \$32,936.

It is therefore recommended that Council fund the \$84,136 additional ‘materials & contracts’ expenditure for the Bridgetown Sportsground Change Rooms (Job No. 17BU) by:

- Reducing ‘materials & contracts’ allocation for Job No. 08BU Shire Depot from \$48,735 to \$32,735 (saving of \$16,000)

- Reducing ‘materials & contracts’ allocation for Job No 20BU Greenbushes Hall from \$30,000 to \$0 (saving of \$30,000)
- Reducing materials & contracts’ allocation for Job No. 28BU 31 Gifford Road from \$8,700 to \$3,500 (saving of \$5,200)

Statutory Environment - Nil

Integrated Planning

- Strategic Community Plan
Objective 3 – our community enjoys a high quality of life
Outcome 3.1 – maintain a high standard of lifestyle, recreational and cultural facilities
Strategy 3.1.4 - implement the Sport and Recreation Strategic Plan
Objective 4 – a collaborative and engaged community
Outcome 4.5 – long term financial viability
Strategy 4.5.4 – minimise own source funding of capital projects
- Corporate Business Plan
Strategy 3.1.4 - implement the Sport and Recreation Strategic Plan
Action 3.1.4.2 – implement capital works as recommended in the Sport and Recreation Strategic Plan
- Long Term Financial Plan - Nil
- Asset Management Plans - Nil
- Workforce Plan - Nil
- Other Integrated Planning
Sport and Recreation Strategic Plan
Outcome 2: support organised sporting/recreational clubs
Key Indicator 2.1 – develop Bridgetown sports grounds
Action 2.1.1 – redevelop the ageing facility to enhance the use of the club rooms and reduce the long term cost of maintenance

Policy

Policy F.7 – ‘Reporting Forecast Budget Variations’ – where over expenditure of over \$10,000 occurs on a single budget line item the matter is to be reported to council at a special meeting.

Budget Implications

Should Council endorse the recommendations associated with this report there are no budget implications as additional expenditure required for the change rooms will be funded by deferral (and therefore expenditure) of existing building maintenance/capital upgrade jobs already provided for in the budget and a transfer from the Building Maintenance Reserve.

Fiscal Equity

The change rooms are a shire asset available for use by a number of sporting groups that use the Bridgetown Sportsground. The facilities are not solely for use by the football club.

Whole of Life Accounting

The recommendations achieve the principles of whole of life accounting by ensuring the works undertaken are of a standard sufficient to allow ongoing building operations and service delivery without any extravagance. The building is required to be a safe working environment for users and the expenditure required is considered commensurate with the life expectancy of the building.

Social Equity – Not Applicable

Ecological Equity – Not Applicable

Cultural Equity – Not Applicable

Risk Management

The additional expenditure is necessary to complete the building to a standard suitable for ongoing use by the public.

Continuous Improvement

Managing the cost over runs has identified a need for a review of our current project evaluation and project management practices for major projects and accordingly the need for an appropriate policy has been identified.


Voting Requirements – Simple Majority

Closure

The President to close the Meeting

List of Attachments

Attachment	Item No.	Details
1	SpC.01/0516	Initial Concept Plans
2	SpC.01/0516	Detailed Design Plans

Agenda papers checked and authorised by CEO, Mr T P Clynych		6.5.16
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