



City of
Whittlesea

LATE ITEMS

OF SCHEDULED COUNCIL MEETING

HELD ON

TUESDAY 17 NOVEMBER 2020

AT 3.00PM

LATE ITEMS

The Chief Executive Officer submits the following Late Items:

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6.2	PLANNING AND DEVELOPMENT.....	7
6.2.1	FOR DECISION - WOLLERT EAST COMMUNITY CENTRE TENDER EVALUATION.....	7

Note:

At the Chair of Administrators discretion, the meeting may be closed in accordance with Section 66(2)(a) of the *Local Government Act 2020*. The provision which is likely to be relied upon to enable closure is set out in each item. These reports are not available for public distribution.

Question Time:

During the meeting, the Chief Executive Officer will answer questions from residents and ratepayers. Questions should be submitted in writing no later than 3 hours prior to the advertised commencement time of a scheduled Council Meeting unless this unreasonably prevents or hinders you from participating. A Question Time form can be downloaded from Council's website and copies of the form are available at the meeting. Refer: <https://www.whittlesea.vic.gov.au/about-us/council/council-meetings/>

Council is committed to ensuring that all residents and ratepayers of the municipality may contribute to Council's democratic process and therefore, if you have special requirements, please telephone the Governance Team prior to any Council Meeting on 9217 2294.

Large Attachments:

Where large attachments form part of the Report, due to the size of the attachments – a copy has not been provided in the Agenda document

Copies of these attachments are available for inspection by the public at the following locations:

- a) Council offices at 25 Ferres Boulevard, South Morang; and
- b) Council's internet site – <http://cam.whittlesea.vic.gov.au/>

The VSBA tender evaluation panel advised that:

- 3 tenders were received; and
- the recommended tender will be provided once the Minister has signed the VSBA tender evaluation report on Monday 16th November. This will be provided to Administrators as a confidential attachment.

The VSBA coordinated the tender evaluation assessment. Council was advised of the successful tenderer and was able to engage in an options analysis to obtain the final tender cost. As the tender amount was within budget, the total project will proceed without reducing any scope.

RATIONALE FOR RECOMMENDATION

The tender amount is in line with Council's Independent Quantity Surveyor estimate and provides the best value for money. The VSBA will deliver this project as per the Development Agreement, ensuring Council meets its delivery timeline of October 2021. This delivery timeline will enable Council to be open for kindergarten in January 2022, in line with the school opening and thereby meeting projected local demand for kindergarten provision.

IMPACTS OF RECOMMENDATION

The delivery of the Community Centre as part of the Inclusive Hub primary school model will bring much needed services to Wollert East in a timely manner. Through co-locating with DET on their site, the Wollert East community will benefit from improved integrated community services as well as a financially better outcome for City of Whittlesea ratepayers. This includes retaining ownership of the land originally allocated for the Community Centre in the Precinct Structure Plan.

Early delivery of a community facility in a new residential development like Wollert East has the benefits of:

- Addressing the well-known and well-documented negative outcomes that come from social isolation experienced by residents of growth areas in a preventative way.
- The facility and the spaces, programs and café, will offer opportunities for social connection.
- Schools are also places of community connection and with this facility being on-site, it will be a natural progression for people to continue conversations, connection, and activities in the community centre.
- Being on the school site will provide parents with children in both school and kinder, an easy one-stop-shop rather than having to get back in the car and drive elsewhere.
- A further benefit is the early and targeted service and program provision including MCH, Early Childhood and other ancillary services (like an autism service). These types of services support the community so that issues don't emerge and become entrenched. When not supported in this way, the negative effects become very costly and difficult to redress.

WHAT MEASURES WILL BE PUT IN PLACE TO MANAGE IMPACTS

The Development Agreement is the legal contract that provides certainty to Council regarding delivery, costs and mutual obligations. As part of this contract Council and the VSBA will hold monthly project working group meetings to discuss progress of the project.

Council has provided detailed input into the Community Centres specifications and will have an ongoing role in the delivery.

A communications plan has been developed in partnership with the VSBA, DET and Council. Our combined communications strategy will ensure the community are kept informed of the progress of delivery of the facility and the services it will offer.

Sustainable operating models across not only this centre, but all Council Community Centres will continue to be explored to ensure the appropriate balance is achieved between cross subsidising and contributing to capital and operating costs, as well as supporting service providers who provide much needed community services.

REPORT**BACKGROUND**

Land was set aside for a community facility within the high-level planning framework, the Epping North East Structure Plan. Following investigations into the site, it was confirmed that it would not be suitable for a community facility. To ensure service provision for the community, the City of Whittlesea has been working with the Department of Education and Training (DET) since July 2019 to integrate a future Council community centre. Council officers were able to negotiate the purchase of more land by DET for the delivery of the primary and secondary school, inclusive of co-location of a Council community facility, without cost to Council other than via a \$1 per annum peppercorn lease. DET have further invested in this community facility by bundling the architectural and detailed design expenses together with the school design process, saving Council significant costs.

The Community Centre will be comprised of a three-room kindergarten, 2 Maternal and Child Health offices, program space, consult suites, a large community hall with an integrated community meeting room and a semi-commercial kitchen, within the P-12 'Inclusive' government school facilities in Wollert East.

Partnership agreements were entered into with the Minister for Education relating to the delivery of this project, subject to the tender costs, which have now been received.

Tender submissions were reviewed by the Victorian Schools Building Authority (VSBA) in consultation with Council officers. The total project cost of \$8,403,576 is more cost effective than the independent detailed cost estimates provided by both Council 's and the VSBA's Quantity Surveyors. Previous cost estimates were \$8,928,101 and \$8,701,020 respectively. A building blocks grant of \$2.75 million was recently received for this project. The grant, combined with the budget allocation of \$7 million, provides a total budget of \$9.75 million.

This innovative delivery mode has not only delivered cost savings to council but has ensured services can be provided in a way that supports the unique needs for our growth communities. The inclusive hub will not only deliver kindergarten, MCH and community spaces for connection, it will also provide access to autism services for the region.

This report provides details of the procurement process for the construction of the Wollert East Community Centre. The tender evaluation was performed by the VSBA, as per the Development Agreement. Tenders for the contract closed on 9 September 2020. The tender price and additional Council costs are detailed in the confidential attachment.

The attachment also provides additional details to ensure a wholistic picture of capital and operating cost considerations.

EVALUATION

The procurement process is in accordance with the *Project Development and Construction Management Act 1994 (Vic)* (PDCMA), the Ministerial Directions for Public Construction in Victoria (Directions) and the associated Instructions and Guidance, and the VSBA's Project Management Framework. These are referred to in aggregate as the 'relevant procurement requirements.'

The VSBA engaged CourtHeath Consulting as an independent probity advisor for the project; CourtHeath has been consulted on the procurement process followed and attended all key meetings throughout the tendering and evaluation process.

In accordance with the Directions, a public 'Forward Notice' providing details of the upcoming procurement was published on the Buying For Victoria website from 20 May 2020 until 17 June 2020.

The Forward Notice invited contractors pre-qualified on the Department of Treasury and Finance's Construction Supplier Register (CSR) to register their interest in tendering for the project, by completing and returning a 'Confirmation Letter'

Following the closure of the Forward Notice and receipt of Letters of Confirmation, the VSBA, in its absolute discretion, determined a list of tenderers to be invited to participate in a 'Selective Tender' process for the project (as defined in the Directions), based on its assessment of each Tenderer's:

- Experience;
- Capability; and
- Past performance on similar projects.

Three CSR pre-qualified tenderers were invited to submit a tender. The tender period opened on 2 July 2020 and closed on 9 September 2020. The Selective Tender process complies with the relevant procurement guidelines.

A briefing session for tenderers was held on 9 July 2020. Non-mandatory site visits, which were attended by all tenderers, were held between 13-17 July 2020. 'Interactive Tender Meetings' were held with tenderers, in the presence of CourtHeath as the project's probity advisors, between 22-27 July, and between 11-14 August.

Following the receipt of tenders, the evaluation process was conducted in accordance with the attached Evaluation Plan.

Following the completion of the evaluation process, the tender evaluation panel made a recommendation to the Project Sponsor (being the Executive Director, Delivery, VSBA) for the appointment of the preferred contractor. Upon the Project Sponsor's approval, the VSBA entered into a 'Letter of Intent' with the preferred contractor, and contract documents were prepared for execution by the Minister for Education (being the relevant Financial Approver). The Letter of Intent enables the preferred contractor to commence limited works within the financial delegation of the Project Sponsor in the interim period until the contract documents are executed by the Minister for Education.

No member of the VSBA Tender Evaluation Panel, nor Council staff associated with this project declared any conflict of interest in relation to this tender evaluation.

The evaluation outcome is provided in the confidential attachment.

IMPLICATIONS

Sufficient funding for this contract is available in the New Works program budget for the Wollert East Community Centre. Capital cost funding is detailed as follows, additional project cost are provided in the confidential section:

Budget	Funding Source	Cost
Construction Cost		\$7,253,964
Developer contributions	\$ 4,235,653.00	
Building Blocks Grant	\$ 2,750,000.00	
Approved Council capital	\$ 2,764,347.00	
Total Project Cost		\$8,430,576
Total budget available	\$ 9,750,000.00	

The above table indicates that Council's initial capital allocation of \$2.76M will be reduced significantly to around \$1.4M.

In addition to the above budget, through partnering with DET Council will retain ownership of the land allocated for the Community Centre in the Precinct Structure Plan. DET's investment in this facility included the purchase of adequate land to accommodate a future community facility, without cost to Council other than via a \$1 per annum peppercorn lease.

Operational cost considerations

The Wollert East Community Centre was developed under the existing Community Centre operational model, the standard for which includes the provision of 2 X Maternal and Child Health offices, a Community Centre Coordinator, consult suites and meeting rooms/hall for generating fees.

The fees and charges generated contribute to the operating costs of the facility. Council leases the kindergarten and meeting spaces to approved service providers and community groups. Details of this standard model and opportunities to explore offsetting and generating further income from Community Centres will continue to be explored and presented back to Council. Sustainable operating models are important and need to be considered across all Council facilities to achieve an appropriate balance between cross subsidising and contributing to capital and operating costs, as well as supporting service providers who provide much needed community services.

LINK TO STRATEGIC RISKS

Strategic Risk *Service Delivery - Inability to plan for and provide critical community services and infrastructure impacting on community wellbeing*

If Council is not able to deliver the Community Centre by January 2022, Council will not meet the demand for 3 and 4-year-old kindergarten in the Wollert East area. It is also not guaranteed that Council will have access to DET land should it decide not to proceed with the project. A Not-For-Profit paediatric autism service provider is ready to commence work at the centre subject to an appropriate public Expression of Interest process. They have reported that there are approximately 1500 children 'on the spectrum' within the Wollert - Epping-Mernda areas, many of whom will benefit immensely from access to this much needed service. Current service provision for autism services for Wollert are based in the City of Darebin. The provision of an autism service in Wollert East will provide City of Whittlesea residents with a local option and eliminate the need for them to travel vast distances to specialist appointments, often during peak hours.

LINKS TO WHITTLESEA 2040 AND THE COUNCIL PLAN

Goal **Liveable neighbourhoods**

Key Direction **Well-designed neighbourhoods and vibrant town centres**

Our community's access to services and facilities is an adopted measure by which Council assesses its achievement of delivering well-designed neighbourhoods and vibrant town centres.

Through the delivery of the Wollert East community centre Council will be able to facilitate a socially cohesive community, that is connected and able to access services that will enable educational opportunities for all.

DECLARATIONS OF CONFLICTS OF INTEREST

Under Section 130 of the *Local Government Act 2020* and Chapter 5.7 of the *Governance Rules 2020*, officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

CONCLUSION

The Development Agreement and confirmed tender costs provides Council with certainty that the VSBA will deliver the Wollert East Community Centre in a cost-effective, high quality and collaborative manner. The partnership is considered the best value for Council and it will deliver the facility to the required standards.

RECOMMENDATION

THAT Council resolve to:

- 1. Accept the outcome of VSBA tender assessment and reimburse VSBA the sum of \$7,253,964 (GST will not apply):**

Number: 2020-94

Title: Wollert East Community Centre

Term: 17 November 2020 to 27 February 2023 (includes defects and liabilities period)

In milestone payments be made in accordance with the Development Agreement, which ensures the works undertaken are completed and verified, before payment is processed as follows:

- Milestone 1: Sign the Funding Agreement (10%)**
- Milestone 2: Construction start e.g. slab laid or equivalent (40%)**
- Milestone 3: Construction complete (50%)**

- 2. Approve the funding arrangements detailed in the confidential attachment.**
- 3. Acknowledge receipt of the \$2.75M *Building Blocks* capacity grant funding from the State Government.**
- 4. Explore operating models of community centres that balance user contributions and cross subsidisation with community need service provision.**