



VC Mitchell Park (Confidential Presentation)

DONNYBROOK COMMUNITY, SPORTING,
RECREATION AND EVENTS PRECINT

**9 November 2022
Council Workshop**

- *DRAFT Contract*

Direct Purchase Negotiation

How is this made possible?

STATUTORY COMPLIANCE

The Local Government (Functions and General) Regulations 1996 are the legislative head of power for local government procurement processes. Regulation 11(2)(c) of the Regulations establishes the 'direct purchase' process as follows:

- (2) *Tenders do not have to be publicly invited according to the requirements of this Division if —*
 - (c) *within the last 6 months —*
 - (i) *the local government has, according to the requirements of this Division, publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications or satisfied the value for money assessment;*

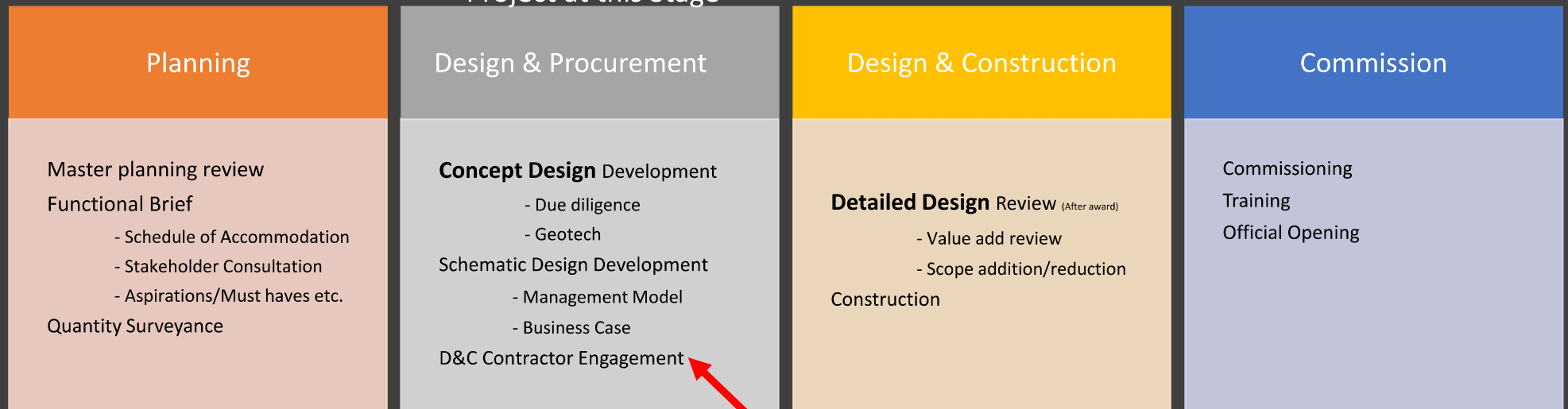
The Shire undertook the following process prior to this clause coming into effect:

- A public Tender process that produced no market response.
- A concurrently run Expression of Interest (EOI) process that had two (2) responses, these being:
 - Perkins Pty Ltd
 - Smiths Construction

Development Stages:

SHAPE MANAGEMENT - VC Mitchell Park Project Overview

Project at this Stage



We are at this stage



APPROVAL GATEWAYS:

These are the key points (Gates) at which Council makes a decision to proceed based on the information at that point before progressing to the next Gate.

Gate 1 (Complete)

- Functional Brief development
- Principal's Project Requirements and Concept/Schematic Design
- Pre-tender Estimate

Gate 2 (90% Complete)

- D&C Tender Documentation approval to release
- Management Model Defined using Schematic design
- Business Case(Plan) Defined using Schematic design
- Financial Funding & Cost validation (Shire Loan, Funding acceptance, Budget adoption, Asset Operational/Capital Modelling, Cost to Stakeholders, QS project estimate using Final Schematic design)

Gate 3 (Anticipated award by end of November '22)

- Appointment of the D&C Contractor (**PERKINS PTY LTD**)
- Detail Design review and variation negotiations/approval

Gate 4 (12 -18-month period)

- Detailed Design completion (by the Contractor) (3 hold points)
- IFC market price test scope negotiation (pre-Construction phase award)
- Award and commencement of Site works (Construction Phase)

Gate 5

- Practical Completion
- Official Opening
- Defects & Liability period (12-month period after PC)



Hold Points

Hold Point Visualisation:

STAGE 1 - DESIGN PHASE				
<p>Design Phase cost: \$596,757.00 Ex GST</p>	<p>Hold point: 1 Schematic Design</p>	<p>The documents will identify area allocations, conceptual organization of exterior and interior spaces, conceptual image and building massing, usage of feature interior and exterior materials, selection of structural, mechanical, plumbing and electrical system concepts.</p>	<p>Schematic design deliverables include:</p> <ul style="list-style-type: none"> - Schematic Design Report including project summary and narrative. - Site and code analysis. - Specific Schematic Design Documentation with detailed requirements as per Appendix A. This will include: <ul style="list-style-type: none"> o Architectural o Structural / Civil Schematic Design Documentation o Mechanical Schematic Design Documentation o Electrical / communications / security o Site services Infrastructure including electrical, water, wastewater, drainage, fire etc. o Any others as required to inform the Schematic Design - Safety In Design Report - Cross reference to Functional Brief. This should highlight any non-conformances with Brief including mitigation rationale. - Cost Plan –population / update of cost plan based on Schematic Design to ensure that design is in alignment with budget. (refer to Appendix B) - Value Management opportunities - Contractor advice on early works / procurement opportunities - Project Programme - Risk analysis – to be facilitated by Shire representatives with input required from Contractor and appointed consultants. 	<p>Council through the Superintendent review and either accept/reject the progress/deliverables at this stage.</p>
	<p>Hold point: 2 Detailed Design</p>	<p>To summarize, the detailed design phase consists of the following documentation:</p>	<p>Design development deliverables</p> <ul style="list-style-type: none"> - Detailed Design Report including project summary and narrative. - Analysis of Net Lettable Areas and Gross Floor Areas. - Specific Detailed Design Documentation with detailed requirements as per Appendix A. This will include: <ul style="list-style-type: none"> o Architectural (including finishes schedules and 3D renders as applicable) o FF&E Schedules and requirements for samples or selections to be approved. o Structural / Civil o Mechanical o Electrical / communications / security / dry fire o Hydraulics / wet fire o Vertical Transport o Acoustics o BCA / DDA Compliance o Site services Infrastructure including electrical, water, wastewater, drainage, fire etc. o Any others as required to inform the Detailed Design - Update to Safety In Design Report - Cross reference to Functional Brief. This should highlight any non-conformances with Brief including mitigation rationale. - Cost Plan –population / update of cost plan based on Detailed Design to ensure that design is in alignment with budget. (refer to Appendix B) - Value Management opportunities - Contractor advice on early works / procurement opportunities - Project Programme - Risk analysis – to be facilitated by Shire representatives with input required from Contractor and appointed consultants. 	<p>Council through the Superintendent review and either accept/reject the progress/deliverables at this stage.</p>
	<p>Hold point: 3 For Construction Documentation and Lump Sum Contract</p>	<p>This phase consists of the following:</p>	<ul style="list-style-type: none"> o Full Construction documentation plus Intellectual Property Ownership o Sourcing of a minimum of three (3) comparative market price tests for each trade package building up to a fixed Lump Sum. Trade package schedule is to be developed prior reaching Hold Point 3. o It is noted that pricing will be in a tabular format showing the 3 comparable pricing with quotations including scope and exclusions to be provided for the preferred sub-contract package. Others may be requested on a case by case for auditing and assessment purposes. o Table showing discretionary scope (shopping list) with tested pricing for Principal review and future inclusion, this based on market tested pricing. o Contractor lump sum price based on agreed selected packages following consultation and negotiation with the Shire and representatives. This should demonstrate best value that conforms to the available budget with detailed listing of inclusions, exclusions and provisional sums. o Works Programme including critical path, key milestones, any Separable Portions and allowances for float. 	<p>Council through the Superintendent review and either accept/reject the progress/deliverables at this stage.</p>
STAGE 2 - CONSTRUCTION PHASE				
<p>Construction Phase Cost: \$7,917,009.40 Ex GST</p>	<p>18 months of build governed by the AS 4902 Terms and Conditions through the Shire appointed Superintendent</p>		<p>Total Project award to Perkins Pty Ltd: \$8,513,766.40 Ex GST</p>	

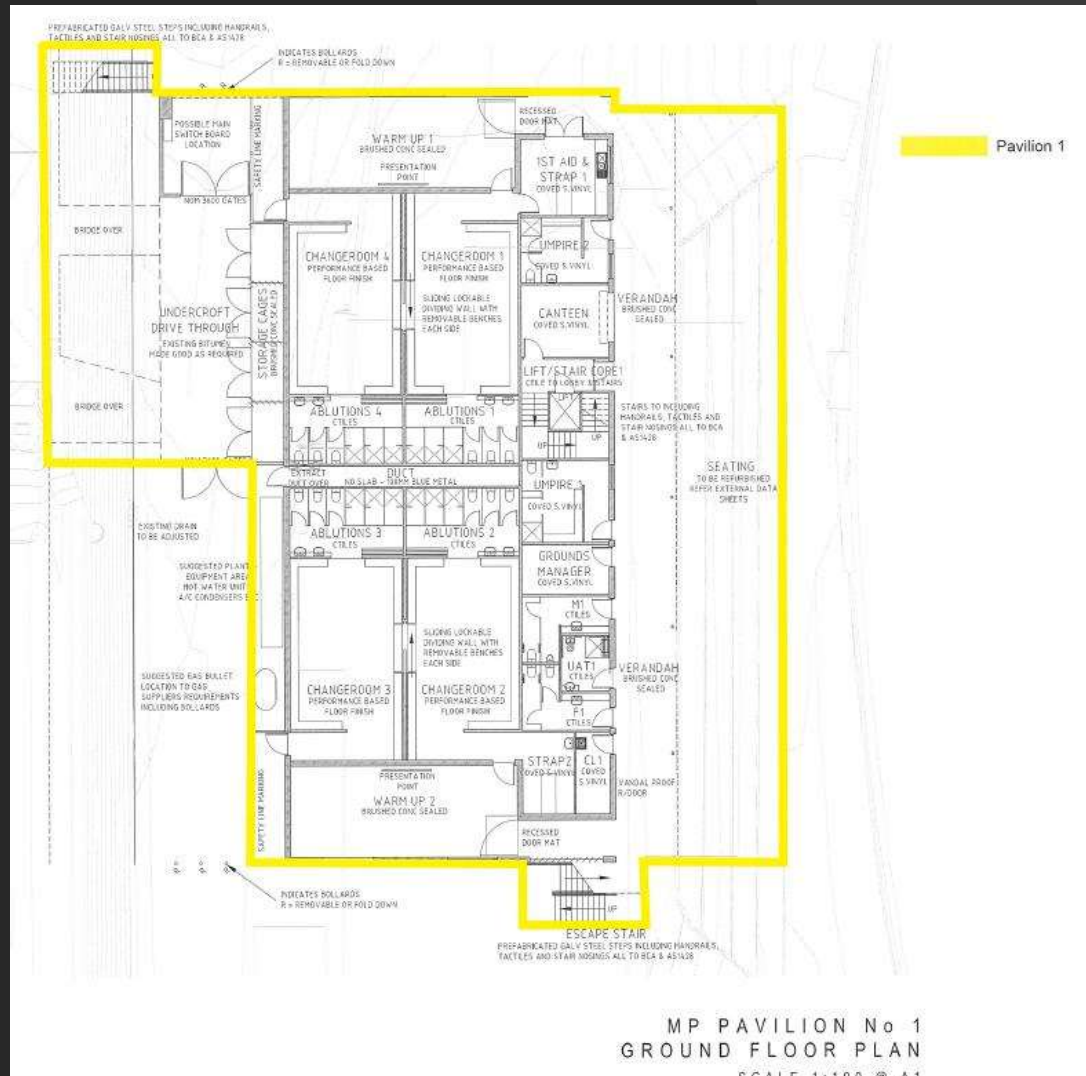
Stage: 1

Negotiated Works Package

– as of 19 October 2022

Multi-Purpose Pavilion 1 - 2 Storey

Concept Ground Floor Plan

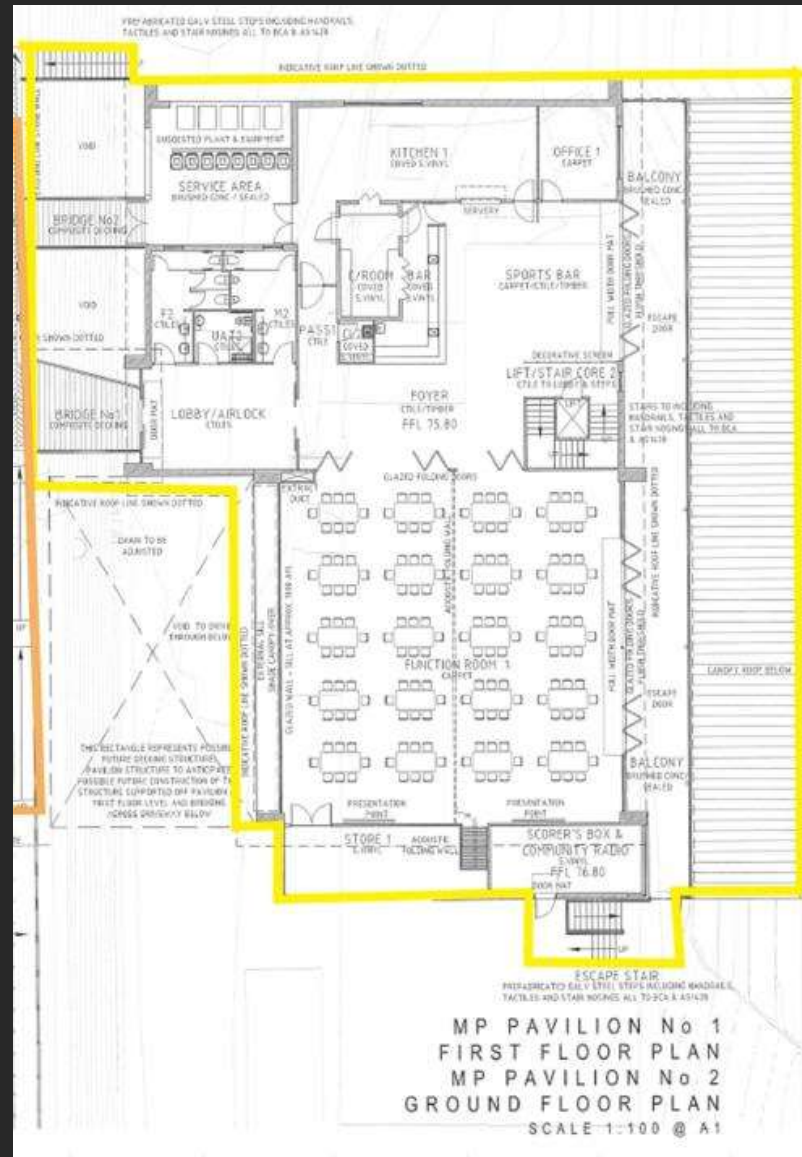


Pavilion 1

Multi-Purpose Pavilion 1 - 2 Storey

Perkins value engineered this floor by removing \$45,000 for the bi-fold doors component, this to be installed later.

Concept 1st Floor Plan



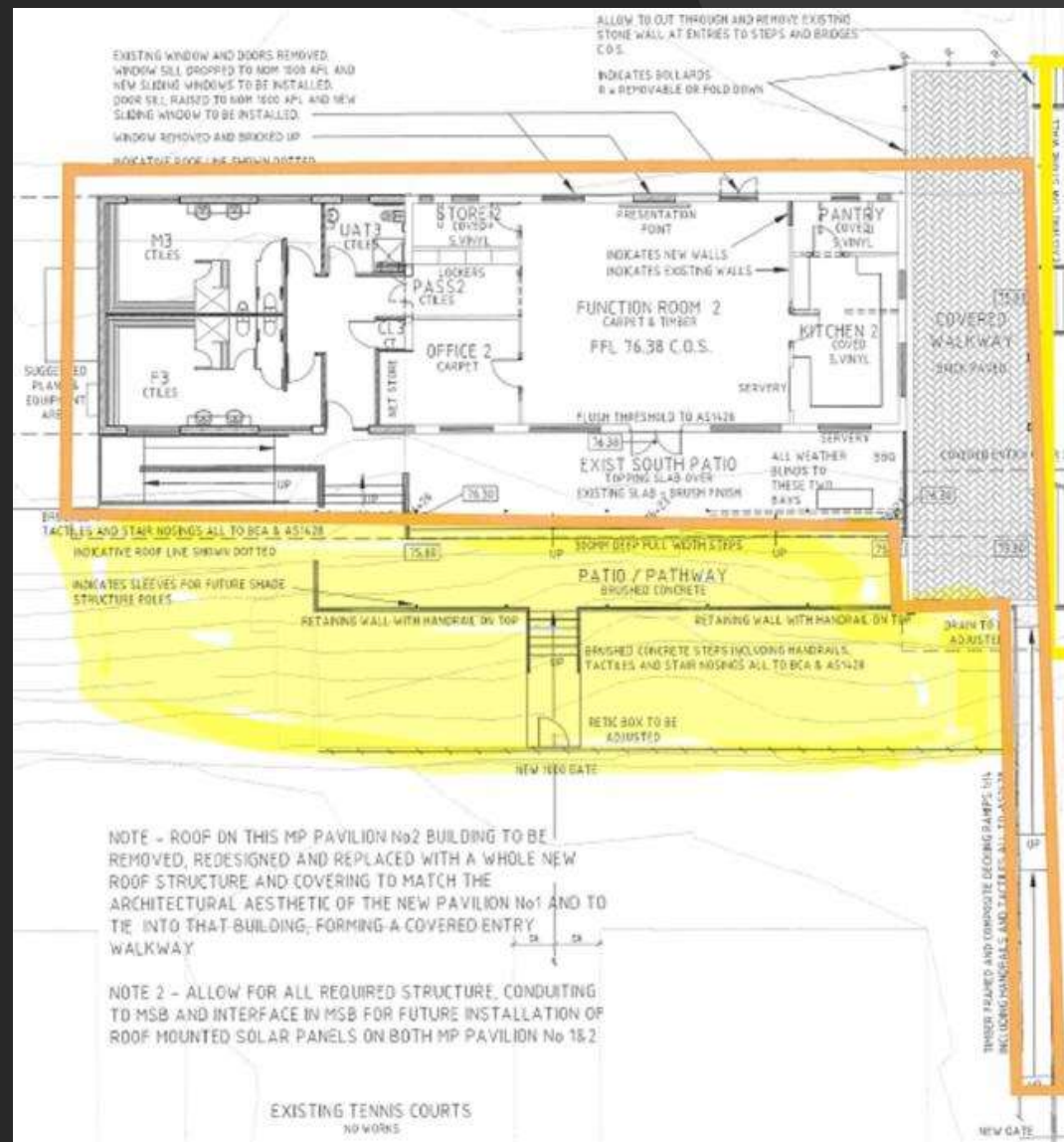
Multi- Purpose Pavilion 2

Inclusions:

- Tennis Club Roof Refurbishment
- Full Changerooms and fit-out
- Footpath connections to Pavilion 1

Perkins value engineered this item by removing:

- New roof design and fabrication - \$70,000 saving
- No refurbishment work to existing Tennis Club built form - \$640,000 saving



Project Infrastructure Services

Hydraulic Services:

- Water supply
- Sewer systems
- Fire fighting infra-structure
- *This only for built form with future connection provisions.*

Electrical Services:

- Mains Power upgrade
- Power reticulation
- *This only for built form with future connection provisions.*

Civil & Structural Engineering:

- Engineering oversight for all design
- Compliance checks and directives
- Due diligence

Project Management & Design:

- Independent Project Management (Shape Management (Superintendent - Shire engagement)
- Architectural Services & sub-consultancies (Perkins engagement)

Inclusions in the
Perkins Pty Ltd
DRAFT Contract
negotiation

***Negotiated
Stage: 1 - DRAFT
Cost Estimate***

(as of 19 October, 2022)

Budget Summary:

<u>TOTAL PROJECT BUDGET BREAKDOWN</u>		
Funding	Total Budget	Actual expenditure
Borrowings	3,000,000	0.00
Grants	6,000,000	250,000.00
Reserve - Land Development Reserve	250,000	0.00
Council - Own Source (Over Budget)	0	11,703.62
Hockey Pitch - Insurance Claim	41,229	28,310.63
Hockey Pitch - Trust Fund - Cash in Lieu of POS - Donnybrook (Mead St)	188,457	188,457.00
Hockey Pitch - Trust Fund - Cash in Lieu of POS - Donnybrook (General)	20,314	20,314.00
Sub-Total:	9,500,000	
WAFC (female ablutionn fitout grant)	120,000	
Donnybrook Football Club co-contribution	250,000	
	9,870,000	498,785
Total Remaining budget:	9,371,215	

Perkins Pty Ltd

Contract Cost summary

Disclaimer:

- The Design fee for separable portion 1 is a fixed Lump Sum cost up to and including final IFC (Issue for Construction) market price test and final Construction fixed lump price and scope negotiation

- The Construction fee is a capped maximum cost fixed lump sum.

- This fee will be tested at hold point three of the design phase and renegotiated.
- Only scope will vary in this negotiation based on market price test results.

Note:

These values are the latest 19 October 2022 values.
These values are still subject to industry price changes.

VC Mitchell Park Pricing Schedule - Rev B	
STAGE 1 - DESIGN PHASE	
Professional Fees (8% residual) - SD to PC - Perkins Design Fees	596,757.00
Subtotal	596,757.00
STAGE 2 - CONSTRUCTION PHASE	
Multi-Purpose Pavilion 1 & 2 (As designed)	
Multi-Purpose Pavilion 1 (as designed) - Adjusted as refurbish tiered seating priced separately	5,344,995.48
Multi-Purpose Pavilion 2 (as designed)	405,087.61
Multi-Purpose Pavilion 2 (reduced scope aesthetic works only)	
Lighting Footpaths	
Lighting Oval	
Lighting Tennis	
Lighting Netball	
Lighting Carpark 3 (Full Scope)	
Lighting Oval - Infrastructure	10,000.00
Lighting Tennis - Infrastructure	15,000.00
Lighting Netball - Infrastructure	
Pathways from Lower to Upper	98,450.00
Landscaping	
Football Tiered Seating (refurbish existing)	Included
Infrastructure - Electrical	200,000.00
Infrastructure - Hydraulics (sewer and water)	564,932.97
Infrastructure - Drainage	
Site Prep and Demolition (reduced as per clarifications)	0.00
Subtotal	6,638,466.06
Prelims and Margin (15%)	969,424.97
Regional Loading (5%)	
Contingency (8%)	100,000.00
Authority Fees (1.5%)	114,118.37
Perkins Provisional sums	45,000.00
Provisional Sum - Retaining wall (as per clarifications)	50,000.00
Subtotal	1,278,543.34
Construction Total	7,917,009.40
Total (Perkins Contract Award value)	8,513,766.40

Project Risk

(as of 19 October 2022)

Project Team risk review

- Market Conditions – Continued escalation in prices and reduced capacity / availability of Contractors / Sub-contractors and raw material.
- Final IFC design market pricing test coming in higher than allowances and requiring additional scope cut.
- Final IFC *cost versus scope* inclusion negotiation with Perkins stalling due to value for money negotiations.
- DRAFT Contract Terms & Conditions negotiation stalling on inclusions/exclusions of specified changed clauses to protect the Principal.
- Stakeholder opposition to final DRAFT Contract negotiated scope outcomes.
- No temporary facilities allowed for Clubs, particularly Tennis and Football to be without facilities for at least one season and potentially longer.

Next Steps

- 1. Collate and amend final Contract document reflecting both Perkins/Council changes from the workshop, then reissue document as part of 16 November 2022 Special Council meeting package.**
- 2. Award Contract (Stage 1 – Design Phase), anticipated by end of November 2022.**
- 3. Award Contract (Stage 2 – Construction Phase) with a capped budget value, this conditioned on final market price testing and final scope vs budget negotiation with Perkins.**
- 4. Secure all funding streams.**
- 5. Communicate outcomes of the award process to all stakeholders.**
- 6. Commence Detail Design Phase (4 -5 months pending complexity). (3 hold points and Council approvals)**
- 7. Engage of the Superintendent for the duration of the Detail Design and Construction Phase.**

The background is a complex, textured surface with a mix of dark grey, black, and muted blue-green tones, resembling a weathered or aged material. A solid, bright orange horizontal bar spans the width of the image near the bottom. Centered over the textured area is the text "The End" in a bold, italicized, orange font.

The End