

3.1 CAPITAL WORKS PROGRAM – PROJECT VARIATIONS (Author RG: D19-560360)

Responsible Officer: Danny Wain, Chief Financial Officer

RECOMMENDATION

That Council:

- 1. Approves the change of scope for the Drainage Contribution Plan Hinkler Reserve Glen Waverley project and increases the project budget to \$773,000, an additional \$528,000 to be drawn from the Drainage Contribution Plan Reserves in 2019/20.*
- 2. Approves the commencement of the Gardiners Reserve South Modular Change Rooms project and approve a project budget of \$453,500 in 2019/20, to be drawn from Council reserves.*
- 3. Approves increase to the overall project budget for the Oakleigh Recreation Centre Redevelopment by \$900,000, to a total \$25,348,860 overall expenditure, including a variation to the construction contract (Contract No. CF2019079), with this additional expenditure to be included in the 2020/21 Budget.*
- 4. Authorises the Chief Executive Officer to execute the contract variations for the Oakleigh Recreation Centre Redevelopment.*

INTRODUCTION

Officers are seeking Council approval for three project budget variations, including one contract variation.

BACKGROUND

Council's annual Capital Works program is set out each year in the Annual Budget. New projects, or changes to the funding of projects within the program, are reported to Council through the quarterly Financial Management and Capital Works Progress Report for approval. Where there is a significant change to a project budget or scope, or the commencement of a new project, approval is sought separately from Council often at the time of awarding a Tender.

DISCUSSION

Three projects are seeking approval for budget variations.

Drainage Contribution Plan Hinkler Reserve Glen Waverley (P-9048)

The Hinkler Reserve drainage project will alleviate water runoff discharging into residential properties in Driftwood Drive, Garrison Drive, Wattletree Court and

Wolseley Avenue Glen Waverley. The project was first considered in 2018 and was treated solely as a drainage project without regard for amenity impact, reserve improvement opportunities or impact on vegetation and tree canopy including the removal of significant trees. A review of the planned drainage works identified missed opportunities in proceeding in this manner. Officers carried out internal consultations as well as consulted with the community in September 2018, which identified a significant number of improvements to the reserve.

The initial budget of \$180,000 funding allocated in the 2019/20 Budget (and \$65,000 expenditure in 2018/19) only responded to drainage issue as no other works were contemplated. Whilst costs have increased significantly, officers believe undertaking all the work onsite at one time will be less disruptive to the community and yield better results. The increased costs will allow for reserve improvements including:

- Substantial landscaping and plantings (including 150 additional small and large trees, 700 small to large shrubs and around 4,500 ground cover plants),
- Additional stormwater infrastructure including two basins
- Realignment of the path between Hinkler Road and Hinkler Road East
- More shade and natural play opportunities for children and pets.

A copy of the indicative landscaping plan is attached.

The Budget breakdown for the project is:

Civil construction & landscaping	\$ 693,000
Contingency	\$ 53,000
Project Management	\$ 27,000

The revised design can be funded from two Developer Contribution Plan accounts: Capital Avenue Main Drain (\$370,000) and East Oakleigh (\$403,000). The East Oakleigh fund would be overdrawn, however will be replenished from future contributions

Gardiners Reserve South Modular Change Rooms (P-1248)

The Eastern Lions Football Club is a well-established National Premier League (NPL) community-based club located in Burwood, Melbourne. The senior team won promotion to NPL 1 in September 2019 and requires fully compliant facilities. The Eastern Lions facilities at Gardiners Reserve (Pitch 1) are not compliant with NPL 1 guidelines, specifically the requirement to have 4 change room facilities to allow seniors and under 20 teams to play matches on the same day at the same venue.

Officers have identified that a modular facility could be built off site and placed at the reserve within 15-20 weeks from the time of order. Subject to Football Victoria approval and fixture requests, the club could play all home games at

the same venue in the 2020 season if a decision were made to proceed immediately. The modular facility would ideally be located at the southern end of the existing pavilion to allow the unit to integrate with the existing player's race and pitch location.

The project would be funded in the 2019/20 Capital Works program with a total cost of \$453,500 comprising:

Construction, delivery and installation costs	\$ 375,000
Contingency	\$ 37,500
Planning & design	\$ 20,500
Project Management	\$ 20,500

Oakleigh Recreation Centre Redevelopment (P-8019)

Council in its meeting of 14 May 2019 awarded the tender for the construction of the Oakleigh Recreation Centre Project. The construction has commenced and is progressing to schedule with completion due by October 2020.

A number of additional works have been identified over the past month which incur significant costs in relation to Electrical, Mechanical and Fire Services.

- Fire services upgrade including 52kL storage tank, diesel powered booster pump to meet MFB and Building Code Australia requirements - \$300,000
- Upgrade of the electrical distribution system and mechanical systems to power the cooling systems to the two facilities - \$467,000

The design changes required were prompted in part with a change in the consultant design personnel, Melbourne Fire Brigade requirements and assumptions made in terms of existing capacity of the systems. These matters are being worked through with the responsible consultants but works onsite need to continue so that penalty costs are not incurred and the completion date not impacted.

In addition to these latterly emerging requirements further latent conditions were discovered following the demolition work to the existing building which have increased project costs:

- Replacement of North & South Walls of the Existing Gymnasium to make fire rated compliant - \$120,000
- Additional concrete for foundations due to poor ground conditions - \$80,000
- Additional costs for replacement of roof to WGC Administration / Change Room area beyond initial identified extent - \$80,000
- Replace existing unstable wall linings - \$40,000
- Additional costs for BT fit out & equipment to existing facility to comply with current standards - \$80,000

FINANCIAL IMPLICATIONS

As noted above, funding of the three projects would be treated differently:

- Hinkler Reserve Glen Waverley Drainage would be funded out of the Drainage Contribution Plan Reserve.
- Gardiners Reserve South Modular Change Rooms would be funded as a brought forward project, reducing available funds in the 2020/21 Capital Works Program.
- Oakleigh Recreation Centre Redevelopment would be funded as additional expenditure in the 2020/21 Budget, in part accommodated in the capital works renewal program.

CONCLUSION

Three project variations for Council's Capital Works program are put forward for Council approval.