

7.4.5 PROJECT C01602 - SITE REMEDIATION AND EOI FOR SOCIAL HOUSING 329-331 & 333 WAVERLEY ROAD, MOUNT WAVERLEY - PROJECT BUDGET VARIATION EXCEEDING CEO DELEGATION

Responsible Manager:	Andrew Andonopoulos, Manager Capital Works
Responsible Director:	Jarrold Doake, Director City Services

RECOMMENDATION

That Council:

1. Approves an increase to the Project Budget for Project C01602 - Site remediation and EOI for Social Housing at 329-331 & 333 Waverley Road, Mount Waverley in the amount of \$440,000;
2. Notes that the additional funding required for this project will be managed within delivery of the overall 2023/24 Capital Works Program; and
3. Notes that the revised project budget for Project C01602 - Site remediation and EOI for Social Housing at 329-331 & 333 Waverley Road, Mount Waverley is \$1,019,150.

(*Please note that all dollar figures are GST inclusive unless stated otherwise)

BACKGROUND

The works are required in order for Council to complete environmental testing and site remediation required to achieve a statement of environmental audit for the site. The original adopted budget for this project was \$579,150 (GST Incl.)

In 1978, Council purchased an unused service station and mechanic's workshop at 329-331 Waverley Road, Mount Waverley. The service station building was leased to and used by the Waverley Gem Club for many years and the local traders used the site for car parking. Council's intention is now to dispose of the site. To maximise Council's return and given the site's previous use, Council is required to achieve a statement of environmental audit prior to sale.

Council also owns the adjacent site at 333 Waverley Road. This site was previously occupied by a residence. A decision was taken to demolish the existing house at 333 Waverley Road and construct a carpark for use by the adjoining traders at the Mount Waverley South Shopping Centre. While the site at 333 Waverley Road was not initially included within the EPA Audit scope, it was added to give increased certainty to any potential developer over site conditions and to increase the value of the site, should Council also wish to dispose of this site at a later date.

The works across the two sites have been undertaken in two stages in order to maintain car parking to service the local traders throughout the works.

The works have included:

Stage 1 (Works Completed)

- Removal of the existing house at 333 Waverley Road, its associated landscaping and concrete driveways;
- Removal of the top 500mm of site material, environmental testing and stockpiling for use in stage 2; and
- Reinstatement of the site with installation of an asphalted car park on a new crushed rock base.

Stage 2 (Partially Complete)

- Removal of the old service station building complex at 329-331 Waverley Road, its surrounding concrete apron and the removal of the inground decommissioned fuel tanks and associated infrastructure;
- Backfilling of the excavated area following the removal of the underground fuel storage tanks with suitable compactable fill material; and
- Reinstatement of the site with the installation of 100mm crushed rock layer.

Council also engaged an Environmental Auditor (GHD) and Environmental Testing Consultant (Compass Environmental) to undertake the testing, analysis and reporting. The Environmental Auditor requires to complete the audit. The testing includes analysis of the contents of and the soil surrounding in-situ infrastructure (underground fuel storage tanks, fuel lines and interceptor valves) following their removal and groundwater sampling following the completion of the works. Soils found to be contaminated are then disposed of to an EPA licenced facility.

Throughout the audit process, a range of findings from the soil testing and analysis of the contents of underground fuel storage tanks have necessitated additional works. These have included:

- Testing of the soils on the stage 1 site confirmed that the material could be used for backfilling the underground fuel storage tanks during stage 2 with the excess disposed of as clean fill;
- The incorporation of stage 1 into the EPA audit to bring the entire property available for clearance in future development resulting in additional GHD Auditor and Compass Environmental costs, including additional soil testing and analysis;
- The rectification of soft spots in the carpark construction encountered during stage 1 of the works;
- The cost of the removal of contaminated material from around the underground fuel storage tanks as this element could not be quantified at the time of tender;
- The testing and removal of asbestos fibres found under the concrete slabs in stage 2 as this element was not anticipated at the time of tender;
- Testing of soils around concrete pits discovered as part of the excavations; and
- The removal and disposal of liquid waste remaining in the underground fuel storage tanks.

In order to complete the soil testing required for the audit process, a number of soil samples were required to be taken from beneath the old service station building. It was not anticipated that any issues would be discovered under the building as there was no evidence of any fuel lines leading into that area to suggest areas for concern. However, initial excavation works in that area quickly uncovered soils that were both discoloured and with an odour of hydrocarbons.

Following further sampling, it has become apparent that this is not a minor, isolated spot of contamination but appears to be an old, decommissioned pit of some sort that contains contaminated material. This area has been exposed to the weather (since demolition of the old service station building) and there is the potential that the surrounding soils may also have become contaminated. It is unclear what this is at this point in time, the extent of the contamination and the categorisation of those contaminated soils. As such, it is difficult to quantify the cost of the removal and disposal of those soils. Nonetheless, further environmental testing and site remediation will be required to achieve a statement of environmental audit for the site.

In preparing this variation, Council officers and Council’s Environmental Consultant, Compass Environmental, have worked to develop what is a realistic scenario on the anticipated volume of material that could be expected to be generated (approximately 300 cubic metres/600 tonnes) and the anticipated categorisation level contaminants encountered (Category C/D) to develop a budget estimate. Estimates have also been made for the cost of further soil testing, consultant and auditor expenses, the cost of removal, transport and disposal; and the cost of delivery and placement of clean backfill.

Given that the volume and categorisation of these materials cannot yet be accurately quantified, a contingency of 50% is requested to cover any additional unexpected discoveries should the current location prove larger than anticipated or should this discovery lead to the auditor requiring further investigation or excavation at other areas across the site.

A Council approved variation to the amount is \$440,000 (incl GST) is sought to allow for the completion of the project and to achieve a Certificate of Environmental Audit over the full extent of the site (both stages 1 and 2).

Estimates of costs to be incurred to complete the project are shown in the table below.

Item	Cost	
	(excl GST)	(incl GST)
Auditor fees to final sign off	\$20,000	\$22,000
Environmental Consultant fees for testing, contractor supervision and final signoff	\$30,000	\$33,000
Contractor fees (Excavator to remove soils and load onto truck)	\$30,000	\$33,000
Transport fees (600 tonnes @ \$100/t)	\$60,000	\$66,000
Disposal fees (600 tonnes Cat C/D @ \$160/t)	\$96,000	\$105,600
Fill material (600 tonnes @ \$50/t)	\$30,000	\$33,000
Contingency	\$134,000	\$147,400
Total Additional Funding Required	\$400,000	\$440,000

FINANCIAL IMPLICATIONS

In line with Council's Financial Delegation Limits (Item 4.1 Delegation Manual), Council must approve variations to Projects that are greater than 10% of the adopted budget.

The additional funding of \$440,000 (inc GST) required for this project will be managed within delivery of the overall 2023/24 Capital Works Program.

The scope of works needed cannot be accommodated within the original budget and therefore additional funding of \$440,000 is required to complete the project. Subject to approval, the revised project budget for Project C01602 Site Remediation and EOI for 329-331 & 333 Waverley Road, Mount Waverley will be \$1,019,150.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

That Council approves the recommendations contained within this report.

ATTACHMENT LIST

Nil