

**4.2 PROJECT C09298 – W.A SCAMMELL RESERVE SPORTSGROUND BOUNDARY FENCE RENEWAL & BEHIND GOAL NETTING – PROJECT BUDGET VARIATION EXCEEDING CEO DELEGATION**  
(C09298: AA)

Responsible Director: Jarrod Doake

**RECOMMENDATION\***

*That Council:*

- 1. Approves an increase to the Project Budget for Project C09298 – W.A Scammell Reserve, Oakleigh South - Sportsground Boundary Fencing Renewal & Behind Goal Netting of \$40,796.*
- 2. Notes that the current approved budget is \$97,000 which includes a club contribution of \$24,000 for the new behind goal soft netting; and*
- 3. Notes the revised project budget is \$137,796, inclusive of the \$24,000 club contribution.*

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

**BACKGROUND**

On 28 June 2022 Council adopted the 2022/23 Budget included a Capital Works Program allocation of \$73,000 for Project C09298 – W.A Scammell Reserve Sportsground Boundary Fence Renewal to be undertaken in Oakleigh South.

This project aimed to renew an ageing Council asset that posed issues with compliance with State Sporting Association Facility Guidelines, and safety concerns requiring regular repairs and patching, and ensuring Monash reserve infrastructure is fit for purpose.

The Active Monash team advised the user groups of the project scope and preferred delivery timeframes. The Oakleigh Youth Football Club Inc requested officers increase the scope to incorporate a new behind goal netting structure that would create a barrier stopping footballs leaving the active playing area and travelling across the vehicle service road within the reserve. The club have also made a contribution of \$24,000 towards these works based upon a club sponsor, who is also a contractor in the fencing and netting industry providing a project estimate for these works in July 2022.

The increased project budget including club contribution of \$24,000 was included in the *2022/23 Financial Management and Capital Works Progress Report – First Quarter 30 September 2022* presented at the November 2022 Council Meeting.

**DISCUSSION**

The revised project scope includes:

- Removal and disposal of existing pipe and rail fence around the sports oval
- Construct new black pipe and rail fence with chain mesh in-fill, new vehicle and pedestrian gate
- Installation of new behind goal netting structure spanning 24M wide x 10M high
- Removal of all spoil and remediation of all reserve area

The construction tender was advertised on 15 October and closed 9 November 2022. The evaluation panel has completed their review of submissions with the preferred and most cost-effective contractor identified. Both submissions received came in over the available budget of \$97,000.

The evaluation panel reviewed the project scope and identified value management opportunities that would result in a reduction of price without compromising the overall project objectives.

The value management identified that a 70m section of fencing replaced at the time of the pavilion construction in 2018 could be retained. This portion of fencing is located between existing coaches boxes and so visually will, is in good condition and although slightly lower than the remainder of fencing that is being replaced can be retained. The lower fence height complies with AFL and Cricket Victoria facility guidelines for boundary fencing (height must be between 900 - 1200mm high). This value management item reduced the construction cost by \$16,620.

The final anticipated project expenditure incorporating value management & inclusive of all geotechnical, building permit, design, project management fees and contingency is \$137,796 leaving a budget shortfall of \$40,796.

The 2022/23 budget was prepared commencing October 2021 with officer bids based upon officer's estimates, awarded contracts for similar works previously delivered and allowing for reasonable CPI increases forecast at the time.

The estimates and final budget allocations were further reviewed and confirmed to be reasonable at the time of preparation for adoption of the draft budget (April 2022). Tenders / quotations received in early 2022 did not show a major increase in costs beyond what may reasonably be expected.

However, there have been significant increases in construction costs since this time. This is reflected in higher-than-expected prices received for the tendered works.

As an example, the price of the soft netting component increased approximately \$12,000 inclusive of reinstatement works to the surface within this portion of the oval surrounds.

Council Officers approached Oakleigh Youth Football Club Inc seeking additional funding towards the increased cost for the behind the goal soft netting and associated works however, the club confirmed that their funding contribution toward this project is capped

at a maximum of \$24,000. It is recommended that Council funds the additional \$40,796 required to deliver this project inclusive of the behind goal netting.

This construction contract has been tendered and the increase in required funding has been determined from publicly tendered prices received from the market.

The tender evaluation is ready for awarding under delegation, subject to formal Council approval to increase the Project Budget. Approval for this project budget increase exceeds the CEO's delegation of 10%.

The preferred project delivery timeframe is February to March 2023 to enable the works to be completed at the back end of the cricket season and in the changeover period before the 2023 football season.

Subject to Council approval of the project budget increase, the awarding of the construction contract will be actioned with works commencing mid-February 2023.

#### ***FINANCIAL***

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.

Oakleigh Youth Football Club Inc funding contribution toward this project is capped at a maximum of \$24,000. Officers from Active Monash revisited discussions with the Club regarding additional financial contribution however the Club was unable to commit any further funds. It is recommended that the additional funds of \$40,796 required to deliver this project is funded by Council.

#### ***CONCLUSION***

That Council approves the recommendations contained within this report.