

Works and Urban Development Committee

Notice of Meeting
26 April 2017
5.30pm

Committee Room 1
Ninth Floor
Council House
27 St Georges Terrace, Perth



City of Perth

Agenda

ORDER OF BUSINESS AND INDEX

- 1 Declaration of Opening
- 2 Apologies and Members on Leave of Absence
- 3 Confirmation of minutes – 28 March 2017
- 4 Correspondence
- 5 Disclosure of Members' interests
- 6 Reports
 - 6.1 - Perth Concert Hall Mechanical Services - Cooling Towers Replacement Project
- 7 Motions of which Previous Notice has been given
- 8 General Business
 - 8.1 - Responses to General Business from a Previous Meeting
 - 8.2 - New General Business
- 9 Items for consideration at a future meeting
 - Nicks Lane (raised at WK28/03/17)
 - Lighting Taskforce (raised at WK28/03/17)
 - UWA Parking Precinct Management (raised at WK28/03/17)Outstanding Reports:
Nil
- 10 Closure

MARTIN MILEHAM
CHIEF EXECUTIVE OFFICER

20 April 2017

This meeting is not open to members of the public

WORKS AND URBAN DEVELOPMENT COMMITTEE

Established: 17 May 2005 (Members appointed 22 October 2015)

Members:	1st Deputy:	2nd Deputy:
Cr Limnios (Presiding Member)	Cr Harley	Cr Chen
The Lord Mayor		
Cr McEvoy		

Quorum: Two

Expiry: October 2017

TERMS OF REFERENCE: [Adopted OCM 24/11/15]

To oversee and make recommendations to the Council on matters related to:

1. works required to construct, upgrade and maintain streets, footpaths, thoroughfares and other public places, including streetscape upgrades, landscaping initiatives and directional signage and graffiti;
2. design, construction and upgrading of parks, reserves, recreational and civic amenities and facilities and Council owned buildings, excluding Council House, the Perth Town Hall, City of Perth Public Lending Library and the Perth Concert Hall;
3. oversight of the implementation of the Lighting Strategy;
4. waste management.

Agenda **Perth Concert Hall Mechanical Services - Cooling Towers**
Item 6.1 **Replacement Project**

Recommendation:

That Council BY ABSOLUTE MAJORITY:

- 1. approves for the City to proceed with a public tender for the replacement of the Perth Concert Hall Cooling Towers under a Design and Construct Contract within the current 2016/2017 financial year;***
- 2. notes that the approved budget of CW1876 for implementation works was re-budgeted from 2016/2017 to 2017/2018 financial year, subject to Council approval; and***
- 3. approves Delegated Authority to the City's Chief Executive Officer to award the tender following evaluation up to the approved budget value, subject to Council approval.***

FILE REFERENCE:	P1031721
REPORTING UNIT:	Construction
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
DATE:	12 April 2017
ATTACHMENT/S:	Attachment 6.1A – Project Schedule Option A Attachment 6.1B – Project Schedule Option B Council Approval

Legislation / Strategic Plan / Policy:

Legislation	Part 4 – Tenders for Providing Goods and Services of the Local Government (Functions & General Regulations) 1996
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Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Perth as a Capital City S2 Maximise commercial and community outcomes within property & commercial enterprises
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Policy	
Policy No and Name:	9.7 – Purchasing Policy

Purpose and Background:

The Perth Concert Hall cooling towers have reached the end of their serviceable life and require replacement. Due to the need to co-ordinate with Concert Hall events there is a critical timeframe for the replacement of the cooling towers between the dates of 17 December 2017 to 31 January 2018.

The City proposes to deliver the Cooling Tower Replacement via a Design and Construct contract. The intent of a Design and Construct tender is to identify the best solution that will provide 'Value for Money' to the City and ensure all challenges are taken into consideration. The proposed timeline for this project is included in Attachment 6.1A.

The budget for the replacement is to be included in the 2017/18 financial year, and therefore in accordance with the *Local Government Act 1995* Clause 6.8, Council approval is required to allow the City to proceed to tender directly.

To ensure the City undertakes the replacement works with the full consideration of an important Heritage listed building, 'Value for Money' on this project for the City, includes:

- Whole of life costs (sustainability) and ongoing maintainability;
- Efficiency of the system with regards to location, maintenance, access, operation;
- Cost to undertake the proposed scope in the most effective and efficient manner;
- Ability to meet timelines including, the procurement of cooling units from international suppliers;
- Minimal impact to the operation of the PCH and the surrounding businesses and associated infrastructure (St Georges Terrace); and
- Compliance with building codes (as necessary), heritage, standards, specifications.

Details:

In agreement with WAVE Pty Ltd (West Australia Venue and Events) the Concert Hall has no events booked for the period between 17 December 2017 and 31 January 2018. It is therefore essential that the City meet this time frame for implementation.

In order to meet with the implementation window, the City is required to proceed immediately with tender. Appointment will occur in the 2017/2018 financial year following budget approval. With budget not yet formalised it is now necessary under the *Local Government Act 1995* Clause 6.8 to seek Council approval in order to proceed with advertising a public tender process. This tender process will note the further requirement for Council approval of the budget in the 2017/2018 budget, in order for the project to progress to implementation.

It is also recommended the City move directly to appointment by Delegated Authority, as this would result in an additional process period being required within the project schedule. This is detailed in Attachment 6.1B 'Option B Council Approval'. This option would result in minimal float being available, which given the criticality of this project is not recommended. Should the replacement not proceed within the scheduled dates above, the Perth Concert Hall would be at risk of closing the facility down for a longer period during events season to facilitate these works, and therefore the retention of suitable float within the project schedule is essential.

The schedule detailed in Attachment 6.1A 'Option A Preferred' (without Council approval) maintains a controllable level of risk. Approval by Council is therefore sought in this report to provide the CEO with delegated authority to award the tender, subject to it being within the approved budget amount and to mitigate the risk of future critical delay to the project.

The following information provides the details of the tender criteria on which the decision to award would be based.

Tender Criteria:

The tender assessment is proposed to be reviewed and scored against the following five criteria:

- SC1: Project Appreciation through design and delivery methodology;
- SC2: Relevant Project Experience and Personnel
- SC3: Quality Control and Life Cycle Costing;
- SC4: Safety and Environment Management – Documentation and Practises;
- SC5: Tendered Price.

Design Deliverables:

The Key design deliverables are as follows:

- Concept Design, risk / SWOT analysis, report and cost;
- At 15% progress of the projected timeline, the Design/ Documentation process concept plans, drawings, sketches and specifications and technical details shall be delivered;
- At 85% progress of the projected timeline, the Design/ Documentation process final design drawings, detail design and final construction tender documentation for review shall be delivered;
- At 100% of the project timeline, the Design/ Documentation process the final set of Construction Documentation package for review and approval shall be submitted;
- Services (Mechanical, Hydraulic and Electrical) engineering documentation and recommendations for proposed tower procurement, infrastructure, including performance specifications and technical information guarantees and warranties and procurement schedules at all of the above stages.
- A detailed maintenance report on the offsite storage, spare parts and ongoing maintenance lifecycle needs and requirements to operate and maintain the installed plant and equipment, at requested stage.
- Each stage of the design process requires sign off by an independent certifier / verifier of the said works. The cost associated with this Verifier / Certifier, is to be shared equally between the Tenderer and the City. The City has the right to remove this option.

Construction Deliverables:

The Contractor to provide the following construction deliverables:

- Identify and remove from site as agreed, obsolete infrastructure;
- Ensure suitable tie in to the chiller units;
- Make good repairs to existing infrastructure as required accommodating removal and allow for new works;

- Ensure the agreed option for location and scope (based on the agreed option, specific deliverables to be determined during design phase) is to achieve the City's satisfaction;
- Ensure compliance with the State Heritage Office and any other relevant agency;
- Ensure minimal disruption to the surrounding buildings, infrastructure and events;
- Management and control of water borne bacterial and algae to ensure appropriate public health standards;
- Ensure compliance with all transport, traffic, safety etc. requirements associated with the lifting and placement of the towers and associated equipment;
- Reinstate to the City's satisfaction, all work and affected areas;
- Full clean up, make good of all areas on completion; and
- Each stage of the construction process, the Client requires sign off by and independent certifier / verifier of the said works. The cost associated with this Verifier / Certifier, is to be shared equally between the Tenderer and the City. The City has the right not to proceed with this option if they so do so.

Asset Write Off Implications

The estimated asset disposal value is \$0 as the equipment has exceeded its serviceable life, due to effective and ongoing maintenance, but replacement is now necessary.

A finalised asset disposal report will be provided to Chief Executive Officer once the works are completed and the exact values are confirmed.

Communications

A communication plan will be developed and this will be implemented in conjunction with the contractor's construction management plan following Council approval of the works.

Contract Arrangements

The works will be delivered under a Design and Construct contract arrangement (AS4300).

The benefits of a Design and Construct contract with this project, include:

- Reduced Program – early ordering of equipment;
- Fixed Cost before design is detailed;
- Innovation - introduces constructability and innovation while design is being detailed and during construction by the contractor;
- Improved value or enhanced performance ;
- Established Program – dates are set before the project is detailed; and
- Reduction in variation claims when compared to traditional lump sum contract approaches.

Financial Implications:

ACCOUNT NO:	CW 1876
BUDGET ITEM:	Perth Concert Hall Mechanical Services
BUDGETED AMOUNT:	\$2,097,382
AMOUNT SPENT TO DATE:	\$ 46,626
PROPOSED COST:	\$1,900,000
BALANCE REMAINING:	\$155,756
ANNUAL MAINTENANCE:	N/A (by WAVE Pty Ltd)

ESTIMATED WHOLE OF LIFE To be determined as part of the Tender criteria

All figures quoted in this report are exclusive of GST.

Comments:

Based on the above report, the City hereby seeks a resolution by ABSOLUTE MAJORITY, to allow the City to proceed to public tender in April/May 2017 through to June 2017 and appoint a Contractor by July 2017 once the approved budget is made available.

Procurement Option A: Preferred

ID	Task Mode	Task Name	Duration	Start	Finish	'17																											
						27 Mar '17		8 May '17		19 Jun '17		31 Jul '17		11 Sep '17		23 Oct '17		4 Dec '17		15 Jan '18		26 Feb '18											
						F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F						
1		Cooling Tower Procurement Option A	217 days	Thu 13/04/17	Fri 9/02/18																												
2		Council Process	19 days	Thu 13/04/17	Tue 9/05/17																												
3		Works Committee	0 days	Wed 26/04/17	Wed 26/04/17																												
4		Council Approval	0 days	Tue 9/05/17	Tue 9/05/17																												
5		Process to Issue of Tender	10 days	Wed 10/05/17	Tue 23/05/17																												
6		Tender Period	4 wks	Wed 24/05/17	Tue 20/06/17																												
7		Tender assessment	15 days	Wed 21/06/17	Tue 11/07/17																												
8		Appoint Contractor	10 days	Wed 12/07/17	Tue 25/07/17																												
9		Mobilisation Phase	10 days	Wed 26/07/17	Tue 8/08/17																												
10		30% Design Phase	20 days	Wed 9/08/17	Tue 5/09/17																												
11		85% Design Phase	30 days	Wed 6/09/17	Tue 17/10/17																												
12		100% Design Phase	15 days	Wed 18/10/17	Tue 7/11/17																												
13		IFC	0 days	Tue 7/11/17	Tue 7/11/17																												
14		Procurement - cooling units	12 wks	Wed 6/09/17	Tue 28/11/17																												
15		Access to Concert Hall	0 days	Sun 17/12/17	Sun 17/12/17																												
16		Installation	8 wks	Mon 18/12/17	Fri 9/02/18																												

Procurement Option B: Council Approval of Award

ID	Task Mode	Task Name	Duration	Start	Finish	Calendar																											
						'17	27 Mar '17	8 May '17	19 Jun '17	31 Jul '17	11 Sep '17	23 Oct '17	4 Dec '17	15 Jan '18	26 Feb '18																		
						F	T	S	W	S	T	M	F	T	S	W	S	T	M	F	T	S	W	S	T	M	F						
1		Cooling Tower Procurement Option A: Council Approval of award	222 days	Thu 13/04/17	Fri 16/02/18	[Gantt bar spanning from 13/04/17 to 16/02/18]																											
2		Council Process	19 days	Thu 13/04/17	Tue 9/05/17	[Gantt bar: 13/04 - 9/05]																											
3		Works Committee	0 days	Wed 26/04/17	Wed 26/04/17	[Milestone: 26/04]																											
4		Council Approval	0 days	Tue 9/05/17	Tue 9/05/17	[Milestone: 9/05]																											
5		Process to Issue of Tender	10 days	Wed 10/05/17	Tue 23/05/17	[Gantt bar: 10/05 - 23/05]																											
6		Tender Period	4 wks	Wed 24/05/17	Tue 20/06/17	[Gantt bar: 24/05 - 20/06]																											
7		Tender assessment	14 days	Wed 21/06/17	Mon 10/07/17	[Gantt bar: 21/06 - 10/07]																											
8		Council Process	19 days	Tue 11/07/17	Fri 4/08/17	[Gantt bar: 11/07 - 4/08]																											
9		Works Committee	0 days	Tue 18/07/17	Tue 18/07/17	[Milestone: 18/07]																											
10		Council Meeting	0 days	Tue 1/08/17	Tue 1/08/17	[Milestone: 1/08]																											
11		Appoint Contractor	10 days	Mon 7/08/17	Fri 18/08/17	[Gantt bar: 7/08 - 18/08]																											
12		Mobilisation Phase	10 days	Mon 21/08/17	Fri 1/09/17	[Gantt bar: 21/08 - 1/09]																											
13		30% Design Phase	20 days	Mon 4/09/17	Fri 29/09/17	[Gantt bar: 4/09 - 29/09]																											
14		85% Design Phase	30 days	Mon 2/10/17	Fri 10/11/17	[Gantt bar: 2/10 - 10/11]																											
15		100% Design Phase	15 days	Mon 13/11/17	Fri 1/12/17	[Gantt bar: 13/11 - 1/12]																											
16		IFC	0 days	Fri 1/12/17	Fri 1/12/17	[Milestone: 1/12]																											
17		Procurement - cooling units	12 wks	Mon 2/10/17	Fri 22/12/17	[Gantt bar: 2/10 - 22/12]																											
18		Access to Concert Hall	0 days	Sun 17/12/17	Sun 17/12/17	[Milestone: 17/12]																											
19		Installation	8 wks	Mon 25/12/17	Fri 16/02/18	[Gantt bar: 25/12 - 16/02]																											

ATTACHMENT 6.1B