



City of
KINGSTON

Special Meeting of Council Agenda

Monday, 5th August 2013

Commencing at 6.00pm

Council Chamber
1230 Nepean Highway, Cheltenham

<http://www.kingston.vic.gov.au>

Paul Franklin
Acting Chief Executive Officer
Kingston City Council

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Special Meeting of Council**

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Notice is given that a Special Meeting of Kingston City Council will be held at 6.00pm at Council Chamber, 1230 Nepean Highway, Cheltenham, on Monday, 5 August 2013.

1. Apologies

2. Foreshadowed Declaration by Councillors, Officers or Contractors of any Conflict of Interest

Note that any Conflicts of Interest need to be formally declared at the start of the meeting and immediately prior to the item being considered – type and nature of interest is required to be disclosed – if disclosed in writing to the CEO prior to the meeting only the type of interest needs to be disclosed prior to the item being considered.

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Confidential Attachments

3.1 Award of Contract 13/60 - Parkdale Family & Children's Centre

Appendix 1 Confidential attachment - matrix - CON 13-60 Parkdale Family & Children's Centre

3. Community Sustainability Reports

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Agenda Item No: 3.1

AWARD OF CONTRACT 13/60 - PARKDALE FAMILY & CHILDREN'S CENTRE

Contact Officer: Steve Lewis, Manager Community Buildings

Purpose of Report

The purpose of this report is to seek Council approval to award Contract 13/60 for the construction of Stage 1 of the Parkdale Intergenerational Community Hub complex, in the form of the Parkdale Family & Children's Centre project, to the recommended tenderer from the tender submissions received.

Disclosure of Officer / Contractor Direct or Indirect Interest

No Council officer/s and/or Contractor/s who have provided advice in relation to this report have declared a Conflict of Interest regarding the matter under consideration.

OFFICER RECOMMENDATION

That Council :

1. Receive the information contained within this report and attached confidential assessment matrix for the tender submissions received for Con 13/60,
2. Award Contract 13/60 – Parkdale Family & Children's Centre Project for the fixed lump sum of \$3,506,002 (exclusive of GST) to Lloyd Group Pty Ltd.

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1. Executive Summary

Council has worked over the last three years with representatives of Parkdale Secondary College, DEECD and the local community to develop an over-arching community precinct plan for the Parkdale secondary school site located on Warren Road, Parkdale, which provides the context for significant partnership investments into a range of community and sporting infrastructure projects from all partners involved.

As part of this precinct plan, Council has previously agreed to proceed with the development of an “inter-generational community hub” facility at the site on land leased from DEECD for a period of at least 50 years. Following Council approval, and due to constraints imposed by construction timing, officers have progressed detailed designs for the proposed community hub in two distinct stages.

Stage 1 of the hub constitutes the development of the Parkdale Family & Children’s Centre on part of the leased land, which includes provision for new Kindergarten services together with relocated and expanded Long Day Care and Maternal Child Health services. Subject to the availability of funding and land at the site, Stage 2 is planned to include for the provision of flexible multi-use community meeting/training/activity space, together with expanded administration and storage facilities to support the Stage 1 elements of the project.

Following completion of detailed design and consultation phases, officers have now sought tenders for the construction of Stage 1 of the Hub, which will see the development of the Parkdale Family & Children’s Centre at the school site.

Following assessment of the tender submissions, it is recommended that Council appoint Lloyd Group Pty Ltd to fulfil obligations under Con-13/60 – Parkdale Family & Children’s Centre facility, for the lump sum amount of \$3,506,002 (exclusive of GST), and to commence construction of Stage 1 of the Parkdale Intergenerational Community Hub project during August 2013.

2. Background

The Australian States and Territories agreed to implement the Council of Australia Governments Early Childhood Reform Agenda under the banner of the National Quality Framework (NQF) that provides for better outcomes for children.

This framework includes new quality standards and regulations that services have to meet that were implemented on 1 January 2012, as well the universal access to education and care (15 hours) commencing 2013.

The implementation of the NQF requires investment in a number of initiatives including early years’ infrastructure such as kindergartens, to provide facilities that are able to cater for increased teacher to child ratios and longer program hours.

To facilitate this investment in early years’ infrastructure, the State Government recently announced the creation of a new “Early Learning Facility Upgrade Grant” in order to enhance existing early years’ facilities across the State. Through this program, Council has been successful in securing grant assistance for the provision and/or upgrade of a number of early year’s facilities, including the provision of a \$1.5 million contribution towards the creation of the new Parkdale Family & Children’s Centre.

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Ordinary Council, at its meeting on 27th February 2012, agreed to:-

- (i) *“construct the Parkdale Intergenerational Hub on the site of Parkdale Secondary College, Warren Road, Parkdale, subject to provision of a lease, on terms acceptable to Council, allocating suitable land for the hub’s construction.*
- (ii) *Proceed with the design and construction of the proposed Intergenerational Hub in 2 separate stages. Stage 1, which is expected to commence construction during 2013, will include the development of an Integrated Children’s Centre, including Kindergarten, Long Day Care and Maternal & Child Health. Stage 2 will, subject to the availability of suitable land and funding, include provision of flexible multi-use community meeting/training/activity space”.*

In accordance with the above resolution, which was further supported by a subsequent resolution adopted by Council on 25th March 2013, Officers have progressed detailed designs for Stage 1 of the community hub project to create the new Parkdale Family & Children’s Centre, which will include provision for new Kindergarten services, together with relocated and expanded Long Day Care and Maternal Child Health services.

Tenders for the construction of the agreed scope of works for the construction of the Parkdale Family & Children’s Centre have now been sought and evaluated for consideration and contract award.

Funding for the project is contained within Council’s approved capital programme, spread across financial years 2012/13 to 2014/15, sourced from both Council capital funding and a contribution of \$1.5 million State Government external grant, via the Early Year’s Facilities Grant programme.

3. Discussion

3.1. Council Plan Alignment

Planned Outcome 1 - Infrastructure for a Safe and Active Community
Strategy 1.3 - High quality community facilities that are accessible, safe and well utilised

The works proposed at the Parkdale Family & Children’s Centre will provide new kindergarten facilities to meet community demand in this area of the City, as well as renewing and expanding Council’s Long Day Care and Maternal/Child Health in Parkdale/Mordialloc and Mentone. The new building will ensure that facilities meet both modern service standards/regulations and provide Council with the capacity to meet current and projected community needs for early years’ services.

3.2. Consultation/Internal Review

The project scope and plans have been developed in consultation with the affected Council services, representatives of the Parkdale Secondary College, Mordialloc Community Centre and with the local community over several months. Public consultation sessions were held throughout April 2013 and feedback from the community has been generally supportive of the proposed works.

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3.3. Operation and Strategic Issues

3.3.1. Tender Evaluation

Tenders for Contract 13/60 – Parkdale Family & Children’s Centre Project were invited from a selection of contractors from State Government’s Contractor Supplier Register (CSR). At the close of tenders at 2.00pm on Thursday 20th June 2013, the tenders as indicated in the table below were received:-

<i>Tenders received from CSR Contractors (in alphabetical order)</i>
2-Construct Pty Ltd
Allmore Pty Ltd
Dura (Aust) Pty Ltd
George Rydell Pty Ltd
Kane Construction Pty Ltd
Lloyd Group Pty Ltd
Newton Manor Pty Ltd
S. J. Higgins Group Pty Ltd
Stosius & Staff Pty Ltd

<i>Tender Amount submitted at tender close lowest to highest (excl GST)</i>
\$ 3,506,002.00
\$ 3,725,532.00
\$ 3,880,741.00
\$ 3,921,000.00
\$ 3,969,468.00
\$ 4,054,000.00
\$ 4,197,150.00
\$ 4,288,216.00
\$ 4,335,900.00

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The Tender Evaluation Panel (TEP) comprised the following Officers:

- Community Buildings Team Leader Capital Projects
- Community Buildings Manager
- Senior Facilities Development Co-ordinator
- Acting Manager Family, Children & Youth Services
- Facilities Manager, Parkdale Secondary College

The criteria used to evaluate the submissions received ranked in order to importance were:

- (i) Tender Price;
- (ii) Performance on their past & most recent projects;
- (iii) Ability to deliver the project within required timelines;
- (iv) Proposed site organisation and capacity to deliver the project and in accordance with Council's operational standards & requirements;
- (v) Compliance with Council's OH&S requirements (assessed via Ipro-Live); and
- (vi) Compliance with Council's Environmental requirements (assessed via Ipro-Live.)

In accordance with the agreed Tender Evaluation Plan, the three lowest tenderers were short listed for detailed assessment and invited to attend an interview with the Tender Evaluation Panel where a range of points were discussed to establish their understanding of the scope documented and that their submitted price accounted for the scope.

4. Conclusion

Following assessment of the tender submissions, it is recommended that Council be asked to appoint Lloyd Group Pty Ltd to fulfil obligations under Con-13/60 – Parkdale Family & Children's Centre facility, for the lump sum amount of \$3,506,002, and commence construction of Stage 1 of the proposed Parkdale Intergenerational Community Hub project during August 2013.

4.1. Environmental Implications

The tendered scope of works has been subject to an independent environmentally sustainable design (ESD) assessment during its detailed design phase. This has resulted in the project being designed so as to include a high degree of environmental sustainable design features that minimise its environmental footprint. These include issues such as building orientation, use of materials with high thermal mass, stormwater capture & re-use and maximising opportunities for natural ventilation.

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4.2. Social Implications

The proposed Parkdale Family & Children's Centre and wider community precinct, of which it forms part, will serve to support a range of community needs in the Parkdale/Mordialloc area, through the provision of:-

- (i) Early years services and facilities;
- (ii) Community sports infrastructure; and
- (iii) Visual and performance arts infrastructure.

Council has a major role to play in the implementation of the National Quality Framework (NQF) through the provision of children's services facilities that meet community demand and are fit-for-purpose allowing community partners to deliver these much needed and highly valued services.

Through Council's review of community facilities, the Parkdale/Mordialloc area has been identified as an area experiencing consistent and increasing demand for kindergarten and other early years services. The changes in national regulations and children - teacher ratios will also place further pressure on existing kindergarten places as these reforms take effect, thus further necessitating the requirement for investment in such facilities in this area.

The proposed new Parkdale Family & Children's Centre includes provision for:-

- 2 new kindergarten rooms, each with 22 places;
- 3 new long day care rooms which will accommodate relocated places from the Mountview Ave. and Stawell Street centres, as well as providing additional capacity for the Parkdale/Mordialloc/Mentone areas;
- 3 new Maternal & Child Health consulting rooms; and
- a new shared meeting/training space, with provision for user storage.

Subject to Council approval, construction of the Family & Children's Centre is expected to commence on site during August 2013 with completion likely to be achieved during late 2014. It is envisaged that the first intake to the new kindergarten rooms would take place in February 2015.

4.3. Resource Implications

Funding for the proposed Parkdale Intergenerational Hub complex is included within the 2012/13, 2013/14 and 2014/15 financial years. Stage 1 of the Hub relates to the construction of the Parkdale Family & Children's Centre, which is to be funded through a combination of Council and external grant resources in the form of a \$1.5 million State Government Early Learning Facility Upgrade Grant that has been secured for the project.

Table 1 below, which was reported to Council in March 2013, sets out the total available budget for construction of the Parkdale Intergenerational Hub complex:-

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Table 1 – Approved Budget for Construction of Stages 1 & 2 of the Parkdale Hub Project

<i>Proposed Project Funding Arrangements - Parkdale Hub & Precinct</i>	2011/12	2012/13	2013-2014	2014-2015	Total
DEECD Early Years Facility Grant		\$ 1,500,000.00	\$ -	\$ -	\$ 1,500,000.00
Council Capital Programme - Rates Funded	\$ 130,000.00				\$ 130,000.00
Council approved borrowing		\$ 350,000.00	\$ 3,000,000.00	\$ 1,585,000.00	\$ 4,935,000.00
Amount required from other funding, (e.g. Asset sales from Stawall Street and Mountview Avenue facilities)		\$ -	\$ -	\$1,140,000.00	\$ 1,140,000.00
Total Funding Required	\$ 130,000.00	\$ 1,850,000.00	\$ 3,000,000.00	\$ 2,725,000.00	\$ 7,705,000.00

Table 2 below identifies all costs (both actual and estimated) for the delivery of the Parkdale Intergeneration Hub project Stage 1.

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Table 2 – Parkdale Hub Project : Proposed Expenditure

Parkdale Community Hub Stage 1 - Parkdale Family & Childrens Centre :	2011/12	2012/13	2013/14	2014/15	Total
Advanced contribution toward cost of construction of northern car-park, required to service future hub buildings - allocated 29 spaces	\$ 130,000.00	0	0	0	\$ 130,000.00
Council shared use contribution towards community access to sporting & arts infrastructure	0	\$ 1,575,000.00	0	0	\$ 1,575,000.00
Site clearance & demolition	0	0	\$ 200,000.00	0	\$ 200,000.00
Contract 13-60 Construction Works for Parkdale Family & Children's Centre	0	0	\$ 2,560,000.00	\$ 946,002.00	\$ 3,506,002.00
New Fire Service	0	0	0	\$ 55,000.00	\$ 55,000.00
Design/documentation and building Permit fees	0	\$ 275,000.00	\$ 105,000.00	\$ -	\$ 380,000.00
Internal fit out costs	0	0	0	\$ 200,000.00	\$ 200,000.00
Project contingency sum @ 5% of contract value	0	0	0	\$ 175,000.00	\$ 175,000.00
Sub-Total Stage 1 Costs =	\$ 130,000.00	\$ 1,850,000.00	\$ 2,865,000.00	\$ 1,376,002.00	\$ 6,221,002.00

As can be seen from Tables 1 and 2 above, all identified costs can be fully accommodated from within approved resources. It is, therefore, recommended that Council proceed to appoint Lloyd Group Pty Ltd to fulfil obligations under Con-13/60 – Parkdale Family & Children’s Centre facility, for the lump sum amount of \$3,506,002.

5. Legal / Risk Implications

The main risks around this project arise if Council does not agree to proceed with the project as proposed in this report. Failure to undertake the proposed works would impact as follows:-

- (i) Loss of external funding/resources to renew/replace Council’s ageing infrastructure;
- (ii) Constrained opportunities to provide appropriate levels of services to the local community; and
- (iii) Reputational & public perception risks associated with failure to deliver universal access to 15 hours per week of high quality kindergarten in the year before school by 2013.

Appendices

Appendix 1 - Confidential attachment - matrix - CON 13-60 Parkdale Family & Children's Centre - Confidential

Author/s: Steve Lewis, Manager Community Buildings

Reviewed and Approved By: Mauro Bolin, General Manager Community Sustainability

4 Confidential Items

The following items were deemed by the Chief Executive Officer to be suitable for consideration in closed session in accordance with section 89 (2) of the Local Government Act 1989. In accordance with that Act, Council may resolve to consider these issues in open or closed session.

Confidential Appendices

- 3.1 Award of Contract 13/60 - Parkdale Family & Children's Centre**
Appendix 1, Confidential attachment - matrix - CON 13-60 Parkdale Family & Children's Centre is designated confidential as it relates to (s89 2d)

RECOMMENDATION

That in accordance with the provisions of section 89(2) of the *Local Government Act 1989*, the meeting be closed to members of the public for the consideration of the following confidential items:

Confidential Appendices

- 3.1 Award of Contract 13/60 - Parkdale Family & Children's Centre**
Appendix 1, Confidential attachment - matrix - CON 13-60 Parkdale Family & Children's Centre
This appendix is confidential in accordance with the Local Government Act s89(2) as it relates to (s89

2d)