

7.11 NARC DESIGN AND PROCUREMENT UPDATE**Author:** Project Manager**Reviewed By:** General Manager Operations and Capital

EXECUTIVE SUMMARY

The Northcote Aquatic and Recreation Centre (NARC) redevelopment project has progressed such that the detailed design phase is ready to commence. Council officers are now preparing the documentation for the construction tender and seeking Council's approval to proceed to procurement.

The project quantity surveyor has prepared the cost plan for the construction of the new NARC facility and based on current design; the project is on target to be delivered on budget.

Legal and project management advice has been sought to inform the procurement process and assist officers to prepare the requisite documentation to deliver the construction of the NARC facility in the most efficient way that effectively shares risks with any future construction contractor and provides the flexibility in delivery required in these uncertain times.

The community engagement was completed in May 2020 and the internal Council stakeholder engagement has been ongoing throughout the design process. The design has been developed in accordance with the design brief and addresses valuable feedback received from the various stakeholders.

It is recommended that Council authorises officers to proceed to procurement for the construction of NARC. The procurement process will be a staged process, commencing with a market approach seeking expressions of interests from suitable contractors then shortlisting respondents and inviting them to provide detailed proposal.

In early 2021, Council will be asked to award a contract to construct the NARC.

Recommendation

That Council:

- (1) Authorises that the Northcote Aquatic and Recreation Centre proceed to the construction contractor procurement stage.
 - (2) Notes the design responses addressing community feedback.
-

BACKGROUND / KEY INFORMATION

The NARC project is moving into the detailed design phase. All feedback captured during the consultation on the schematic design has been thoroughly assessed against the original objectives of the project and design principles, and where appropriate addressed in the current design and specification for the NARC facility.

Legal and project management advice has been sought to inform the procurement for construction with the underpinning principles considered prior to procurement are:

- Appropriate distribution of risk, minimising Council's exposure to construction risks;

- Simplified contract administration, limited procurement mechanisms, streamlined transition from design to construction and flexibility in delivery, e.g. accelerated works.
- Clear accountabilities, e.g. the principal contractor becomes accountable for the facility achieving the 6- star green star rating under the Green Building Council of Australia certification scheme.

Previous Council Resolution

At its meeting held on 24 June 2019, Council resolved:

That Council:

- (1) *Awards Contract No. CT2018148 for the Northcote Aquatic and Recreation Centre principal design consultant services to Warren and Mahoney Architects Australia for the contract sum of \$2,958,840.50 (incl. GST).*
- (2) *Approves a contingency amount of \$591,768 (incl. GST), being approximately 20% of the contract amount, to be used if required for variations and other unforeseen items as part of the Contract No. CT2018148.*
- (3) *Authorises the Chief Executive to finalise and execute the contract documentation on behalf of the Council.'*

On 6 April 2020, Council resolved:

That Council:

- (1) *Endorse the concept design for the Northcote Aquatic and Recreation Centre and continue engagement with key external stakeholders and community.*
- (2) *Council receive a Council report on the outcomes of the consultation and engagement with key stakeholders and community members.*

On 20 July 2020, Council resolved:

That Council:

- (1) *Notes the finding of the community consultation of the proposed concept design for the Northcote Aquatic and Recreation Centre.*
- (2) *Notes that the design process is continuing, utilising the community feedback that has been received to further define and shape the project. Changes made as a result of the community consultation will be done so ensuring that the project is delivered within budget.*

COMMUNICATIONS AND ENGAGEMENT

Consultation

A detailed report on the consultation and engagement methods and findings was considered by Council on the 20 July 2020.

The project team has since met with Darebin Climate Action Now (DCAN) regarding the ESD elements of the project. This engagement will continue.

The results of the consultation and engagement period, including councillor's feedback from the briefing held on the 6 July 2020, were incorporated as required into the design.

Key changes to the design as a result of the consultation and engagement process:

Item	Feedback	Design Response
Amenities	Need to ensure change rooms provided for all users' needs and not only gender-neutral spaces	Gender specific, family, ambulant, additional needs, changing places as well as gender neutral facilities are included in the design.
Toddler Pool	Concern around the outdoor aquatic space for small children and the size of the aquatic play area	The outdoor aquatic play space is designed to include nature-based play spaces with multiple water levels and sensory activities. There will be space to allow adults to connect with each other while watching children play and will be of an area no less than the existing provision level.
Multipurpose Room	Multipurpose space for use by clubs, groups and community	Two multipurpose rooms, one small and one larger room have been integrated into the facility design. The smaller room will be used as a prayer room, a quiet space and a breastfeeding space. The larger room will be available for (swimming) clubs, school groups, community groups and birthday parties.
Shade	Shading is needed over the outdoor splash play area	Design include a canopy area, providing shade for the outdoor aquatic activities, lifeguards, swim coaches and public.
Parking / Green Travel	Sufficient bike racks and provision for sustainable transport options	A green travel plan will be developed for the facility
Pool Wall / Boom	Consider pool wall / boom for sports and community usage	The inclusion of a boom is being tested but is likely to be cost prohibitive. Should future investment for NARC be contemplated, a boom might be considered at this time.

Procurement:

Consultation was carried out with the following stakeholders to inform the preferred procurement model for the construction of the NARC:

- Assets and Capital Delivery team
- Leisure team
- Procurement and Contracts team
- Warren and Mahoney Architects – Principal Design consultant for NARC
- Currie and Brown – Quantity Surveyor for NARC
- Root Partnership – Project Management Consultant
- Maddocks – Procurement Legal Advisory
- Anne Dalton and Associates – Probity Officer

Communications

The NARC Your Say webpage has been updated with the community consultation and engagement findings report. This site and the communication and engagement plan will continue to be updated throughout the life of the project.

ANALYSIS

Alignment to Council Plan / Council policy

Goal 2 - Opportunities to live well

2.2 We will expand opportunities for participation and social connection through sport, physical activity, arts, culture and other leisure activities.

Council Plan Big Action Item – Renew the Northcote Aquatic and Recreation Centre to give new life to a facility that supports the health and wellbeing of our community.

Environmental Sustainability Considerations

The NARC redevelopment project is on track to deliver a 6 Star Green Star rated facility (understood to be the first in Australia for an indoor aquatic centre). Continued engagement with the Green Building Council of Australia (GBCA) and by transferring accountability for the achievement of the 6 Star Green Star rating to the principal contractor and linking it to incentives is more likely to achieve this significant sustainability outcome.

Council's Environmentally Sustainable Developments Officer and ESD team have been and will be active members of the design team as we move into the detailed design phase.

Climate Emergency

As part of the Green Star certification process, NARC aims to outperform most public pools related to both climate change mitigation and resilience. The ESD targets are specific to energy consumption, accessibility and sustainable transport outcomes, indoor environment quality, reliance on potable water and use of recycled materials and products. The selection criteria will provide strong incentives as part of the selection criteria to provide a state-of-the-art facility with significantly reduced carbon footprint.

Equity, Inclusion and Wellbeing Considerations

An Equity Impact Assessment has been completed for this project with a focus on the design, construction and operational phases of the project.

Equity and inclusion considerations raised in the Equity, Inclusion and Wellbeing Planning and Audit Tool meetings and the audit process have directly influenced facility design and the future operations and programming of the facility. Universal design principles are used throughout the facility.

The design includes quiet room to be used for prayer, a quiet area for children and breastfeeding parents seeking privacy. The warm water pool, being separated from the main pool hall in the proposed plans, allows for gender specific programming. The designs of the change rooms include a range of facilities to cater for men, women, families, gender neutral members, changing places users. This provides choice and promotes inclusion to all patrons of the facility.

The request for tender and evaluation criteria will include equity, inclusion and wellbeing considerations in the accordance with Council's Social and Sustainable Procurement Policy.

Cultural Considerations

Actions are continuing as per the report on the 20 July 2020.

Economic Development Considerations

Social procurement initiatives will be considered in the construction contract in accordance with Council's Social and Sustainable Procurement Policy.

Financial and Resource Implications

The cost plan for the NARC project is on budget and will be monitored through the design phase.

Council has a budget of \$63.5 million for NARC. Council's quantity surveyor Currie and Brown has provided a cost plan for the schematic design at \$63,485,000. A summary of the costs is shown in table 1.

COMPONENT	Budget (Excl. GST)
Net Construction Cost	\$47,736,638
Design and construction contingencies	\$6,683,130
Total Construction cost	\$54,419,768
Escalation costs	\$2,752,676
Total estimated project cost including escalation	\$57,172,444
Client costs	\$6,312,556
Total End Project Cost	\$63,485,000

Table 1 Breakdown of Cost Plan

This cost plan is based upon schematic design and the plan is high level, conservative and includes design and construction contingencies.

Legal and Risk Implications

Legal advice has been sought on the available procurement options. It is recommended that a design novate construct procurement model is the most appropriate for the delivery of the NARC facility. This was recommended by the lawyers for the following reasons:

- The principal contractor takes on the design risks, construction risk and liabilities in defects, meaning Council only has one party to pursue for rectification.
- The principal contractor has a greater potential to introduce innovations and savings through construction innovations and approved substitutions.
- Council can advertise a tender sooner under a design and construct model as the design does not need to be 100% complete, giving greater flexibility
- Council can expect a greater level competitive pricing because the principal contractor has greater certainty related to constructability of the design.

Operational Impacts

Due to COVID -19, the current facility is closed to public for the second time. As the situation continues to evolve, the procurement strategy will be revised and adapted to the market situation.

Expression of interest for the construction of NARC is not affected by the market conditions and provides benefit to the project to fast track procurement.

DISCUSSION

Consultation Phase

The consultation on the concept design has concluded and feedback from the community has been tested against the project's design principles and where possible incorporated into the design, allowing the project to move to the detailed design stage.

Procurement Model

Legal advice has been sought and it is recommended that Council adopts a design novate construct model for the project in a three-step approach – Expression of Interest (**EOI**), followed by a Request For Tender (**RFT**), followed by an Early Contractor Review (**ECR**), which is dependent on construction or operational restrictions related to Covid-19, followed by a design novate construct contract (**DNC**) for the construction of the NARC facility.

Tender Preparation

Preparation for the tender advertisement is underway with procurement and probity plans currently being prepared. An external probity advisor and probity auditor have been engaged to provide oversight to the evaluation panel who will be assessing the construction tenders.

The expression of interest part of the construction tender is planned to be advertised over the coming months.

OPTIONS FOR CONSIDERATION

Option 1 - (recommended) – Proceed with procurement of the principal contractor for construction of NARC.

Option 2 - (not recommended) – Delay procurement, which will impact on the project timeline, by delaying the construction period and will likely increase the total project costs.

IMPLEMENTATION STRATEGY

Details

The following planning activities will take place in preparation for the construction contract tender:

- Part 1: Expression of Interest (EOI)
- Part 2: First stage of the request for tender (RFT) / early contractor review (ECR) process
- Part 3: Final stage of the request for tender (RFT) and DNC contract.

Communication

The project communications will continue to be implemented in accordance with the communications plan.

Timeline

The following indicative timelines (only) are planned regarding the procurement activities for the procurement of the construction contractor.

Milestone	Date
Prepare procurement and probity documents	July 2020
Part 1: EOI Released on tender site	August 2020
EOI Closing date	September 2020
Completion of evaluation of EOIs	October 2020
Shortlisted contractors informed	October 2020

COVID -19 impact: The procurement strategy will be revisited and updated if the COVID-19 has affected the market.

Part 2: RFT using the ECR model is released to shortlisted Contractors	November 2020 to January 2021
Part 3: Final RFT	February 2021
Council awards construction contract	April 2021

RELATED DOCUMENTS

Nil

Attachments

Nil

DISCLOSURE OF INTEREST

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

w