



City of Perth

# Special Council Meeting

**AGENDA**

4 August 2020

5.30pm



Notice is hereby given that an Special Council Meeting of the City of Perth will be held in the Council Chamber, Level 9, 27 St Georges Terrace, Perth on Tuesday, 4 August 2020 at 5.30pm.

**Mr Murray Jorgensen** | Chief Executive Officer | 31 July 2020

This meeting is open to members of the public

## INFORMATION FOR THE PUBLIC PARTICIPATING IN COUNCIL MEETINGS

Welcome to this evening's Council meeting. This information is provided on matters which may affect members of the public. If you have any queries on procedural matters, please contact a member of the City's Governance team via [governance@cityofperth.wa.gov.au](mailto:governance@cityofperth.wa.gov.au).

### Question Time for the Public

- An opportunity is available at Council meetings for members of the public to ask a question about any issue relating to the City. This time is available only for asking questions and not for making statements. Complex questions requiring research should be submitted as early as possible in order to allow the City sufficient time to prepare a response.
- The Presiding Person may nominate a member of staff to answer the question and may also determine that any complex question requiring research be answered in writing. No debate or discussion is allowed to take place on any question or answer.
- To ask a question, please complete the Public Question Time form available on the City's website <https://www.perth.wa.gov.au/council/council-meetings>. Questions should be forwarded to the City of Perth prior to the meeting via [governance@cityofperth.wa.gov.au](mailto:governance@cityofperth.wa.gov.au)

### Deputations

- To submit a deputation request, please complete the Deputation Request form available on the City's website <https://www.perth.wa.gov.au/council/council-meetings>. Deputation requests should be forwarded to the City of Perth by midday on the day of the meeting via [governance@cityofperth.wa.gov.au](mailto:governance@cityofperth.wa.gov.au)

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Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any Commissioner or officer of the City during the course of any meeting is not intended to be and is not to be taken as notice of approval from the City. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received.

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# Order of Business

## Item

1. Prayer/Acknowledgement of Country
2. Declaration of opening
3. Apologies
4. Question time for the public and notification of deputations
5. Disclosures of members interest
6. Matters for which the meeting may be closed

Attachment No.	Item No. and Title	Reason
Confidential Attachments 7.2A, 7.2B and 7.2C	Item 7.2 – Tender RFT000016 - Koolangka Koolangka Playground Construction - Wellington Square	s5.23(2)(e)(ii)

## 7. Reports

Item No.	Item Title	Page No.
7.1	Adoption of the 2020/21 Annual Budget	X
7.2	Tender RFT000016 - Koolangka Koolangka Playground Construction - Wellington Square	X

## Attachments

Attachment No.	Page No.
7.1A	X
7.1B	X
7.1C	X
7.2A (CONF)	X
7.2B (CONF)	X
7.2C (CONF)	X

## 8. Closure

## Item 7.1 - Adoption of the 2020/21 Annual Budget

<b>File reference</b>	P1028787-6
<b>Report author</b>	Michael Kent, Project Director Strategic Finance
<b>Other contributors</b>	Various
<b>Reporting Service Unit and Alliance</b>	Strategic Finance, Corporate Services
<b>Report author disclosure of interest</b>	Nil
<b>Date of report</b>	27 July 2020
<b>Nature of Council's role</b>	Executive
<b>Voting requirement</b>	Absolute Majority
<b>Attachment/s</b>	Attachment 7.1A - 2020/21 Annual Budget Attachment 7.1B - 2020/21 Management Budget Attachment 7.1C - 2020/21 Fees and Charges Schedule

### Purpose

The purpose of this report is to seek Council endorsement of the City's Annual Budget 2020/21.

### Background

Preparation of the annual budget is both a statutory requirement of the *Local Government Act 1995* and a responsible financial management practice. The annual budget is the corporate document that guides the allocation of the financial resources necessary for the City to deliver on our community's aspirations. By guiding our approach to delivering infrastructure and services to the community in a responsible and affordable way, it demonstrates the City's commitment to managing its operations in a sustainable manner.

This budget is developed in a time when our state is emerging from the COVID-19 pandemic. The anticipated financial impacts of that event have been responsibly incorporated into the budget model. The COVID-19 pandemic has adversely impacted the City's revenue streams. Reduced revenues from parking operations, provision of financial relief for property rentals, waiving of certain fees and charges, the 2020/21 rates freeze, zero percent increase to fees and significant reduction in investment revenues have created a challenging financial environment.

The City's response to these challenges is reflected in the 2020/21 Budget funding model.

The budget document (Attachment 7.1A) includes the statutory budget format with all relevant disclosures to discharge financial accountability to the community and the management budget (Attachment 7.1B). It is accompanied by the 2020/21 Schedule of Fees and Charges (Attachment 7.1C).

The City of Perth Annual Budget 2020/21 is now presented to Council for formal consideration.

### Details

Persuasively influenced by the Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan, the 2020/21 Budget continues the focus on making the City more financially sustainable

into the future and driving structural reform of the City's finances. Operating expenses have been brought back to sustainable levels and expenditure focus has shifted from discretionary projects back to core service. There is also increased commitment to asset stewardship responsibilities by prioritising asset renewal and new and upgraded community infrastructure.

The budget presents a \$305.3 Million financial blueprint for the City for the 2020/21 year.

<b>Funding Required:</b>	<b>Amount \$ M</b>
Core Service Delivery - Excluding Non-Cash Expenses	137.39
Discretionary Operating Projects	4.79
Covid 19 Economic Rebound Projects	20.11
<b>Sub Total - Operating Expenses</b>	<b>162.29</b>
Asset Renewal	22.34
Major Capital Projects	27.01
Discretionary Capital Expenditure	14.29
<b>Sub Total - Capital Expenses</b>	<b>63.64</b>
Loan Principal Repayments	4.68
Reserve Funds Created	64.36
Closing Position (Surplus)	10.34
<b>Sub Total - Financing Activities</b>	<b>79.38</b>
<b>Total Funding Required</b>	<b>305.31</b>
<b>Funding Sources:</b>	
Parking Revenues	55.78
Fees and Charges	19.29
Grants Funds - Operating	1.58
Grants Funds - Asset Acquisition	5.44
Other Revenues	4.88
<b>Sub Total - Operating Activities</b>	<b>86.97</b>
New Loan Proceeds	10.00
Reserve Funds Used	73.17
Opening Position	36.84
<b>Sub Total - Financing Activities</b>	<b>120.01</b>
<b>Total Funding Available - Excluding Rates</b>	<b>206.98</b>
<b>Amount Required to be Raised from Rates</b>	<b>98.33</b>

Developing the 2020/21 Budget has presented a unique set of challenges including, but not limited to the financial impacts of COVID-19, the zero percent rates increase and the three-yearly revaluation of property gross rental value (GRV)s.

To support the post COVID-19 economic rebound, an allocation of \$20.115M has been made for 2020/21.

The combination of a zero percent increase in overall rates yield and the triennial revaluation of gross rental values (GRV) for each rateable property means that whilst the City will generate the same rates yield in 2020/21 as it did in 2019/20; not all ratepayers will experience a zero change in rates. For some properties, there will actually be reductions, for some, no or little change and for others, increases of

differing scales. This is the peculiarity of the GRV based model which is used by all local governments to distribute the relative contributions of individual properties to the total rates yield. These new GRVs will remain in force for three years.

A detailed analysis of the City's Rating model for this year is provided at Section 6.2 of the 2020/21 annual budget document.

The budget model incorporates \$10.0M of new borrowings repayable quarterly over ten years and the draw-down of previously accumulated cash reserves to lessen the reliance on rates revenue as a proportion of the total funding package in the 2020/21 year. These are detailed at Section 6.3 and Section 6.4 of the 2020/21 annual budget document.

The budget model acknowledges that other opportunities may arise through extra-ordinary grants from other levels of government or non-government sources. These have not been incorporated into the model due to their current uncertainty, but the budget financial model can readily be adapted to respond to such opportunities should they arise.

The 2020/21 Budget also references the City's budgeted financial ratios against industry benchmarks. Whilst some specific indicators may not be met in the 2020/21 year, the City has in place, through its Long Term Financial Plan, a responsible and realistic plan to ensure that trends and average ratios over the longer term meet or exceed preferred industry benchmarks.

This budget reflects a balanced and sustainable response to the challenging economic climate in which it was developed. It will play an essential role in guiding the organisation as we continue to re-position our capital city's finances for a sustainable future.

## Stakeholder engagement

Preparation of the annual budget has been persuasively influenced by the Long Term Financial Plan 2020/21 - 2029/30 adopted by Council on 30 June 2020. It is informed by the outputs of various community consultation exercises including, but not limited to, the Community Strategic Plan, Corporate Business Plan and Economic Rebound Strategy. It also incorporates inputs from the Workforce Plan, Asset Management Plans and other internally focused strategies and plans.

Following approval by Council at the 30 June 2020 Council meeting, the City advertised the 2020/21 proposed differential rates and the purpose and objects of those differential rates.

One submission was received but it did not pertain to the proposed differential rates.

It is through the preceding mechanisms that stakeholder input has been captured, considered and where appropriate, incorporated into the budget model.

## Strategic alignment

### Strategic Community Plan

This item addresses the community's vision for the future and specifically the following aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2019 - 2029:

<b>Aspiration:</b>	Performance
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<b>Strategic Objective:</b>	5.5 A financial business model underpinned by a culture of cost management, best value and strategic financial analysis that is subject to ongoing oversight, transparency and accountability
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## Legal and statutory implications

The 2020/21 Annual Budget has been developed in accordance with the provisions of Part 6 of the *Local Government Act 1995*, Part 3 of the *Local Government (Financial Management) Regulations 1996* and also takes into consideration, additional statutory obligations imposed by the *Local Government (COVID-19 Response) Ministerial Order 2020*.

The *Local Government (COVID-19 Response) Ministerial Order 2020* specifically modifies the statutory obligations under the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* to require consideration of the financial impacts of COVID-19 on the City's strategic priorities, plans for the future and revenue streams in formulating the budget. The City has been proactively scenario modelling and modifying its financial models for COVID-19 impacts since March 2020 and has incorporated all known and anticipated impacts into its Long Term Financial Plan and Corporate Business Plan that were adopted by Council on 30 June 2020.

As the 2020/21 Budget is persuasively influenced by those documents, the City can confidently attest that it has fully complied with those requirements.

The City will also have a Financial Hardship Policy in place by the first due date for rates instalments as required by the *Local Government (COVID-19 Response) Ministerial Order 2020*.

### Connection with mandates in the *City of Perth Act 2016*

8(1)(a) - to provide for the good government of persons in the City of Perth, including residents, ratepayers and visitors

## Risk implications

Impact of decision	
Organisation	Low
Community	Low

Risk domain	Consequence	Likelihood	Risk rating
Financial	Moderate	Unlikely	Low
Legal & Regulatory	Minor	Unlikely	Low

A carefully considered, well informed budget aligned to the City's Community Strategic Plan, Corporate Business Plan and Long Term Financial Plan is the most effective way to manage risk associated with financial sustainability and cashflow management. Timely and accountable management reporting and regular monitoring of actual financial performance against budget will provide continued assurance moving forward.

## Approval implications

This report seeks Council approval to adopt the 2020/21 Budget including all statutory disclosures and the 2020/21 Schedule of Fees & Charges. The City is required to adopt its Annual Budget in the required

format by no later than 31 August each year.

## Financial implications

The financial implications associated with this report are detailed in the attached 2020/21 Annual Budget and Schedule of Fees & Charges. Overall, it represents a \$202.2M commitment to the delivery of a range of ongoing programs and services plus a \$63.64M capital expenditure program. This financial commitment is funded by a responsible mix of earned revenues, loan borrowings and cash reserves supported by rates revenue of \$98.33M to produce a balanced budget.

## Policy references

Policy 9.1 Budget and 9.2 Heritage Rates Concessions are relevant to this report.

## Comments

Nil

### Officer Recommendation

That Council ADOPTS BY ABSOLUTE MAJORITY:

1. The City of Perth 2020/21 Statutory Annual Budget as detailed in Agenda Attachment 7.1A inclusive of the following:
  - 1.1 Statement of Comprehensive Income
  - 1.2 Statement of Cash Flows
  - 1.3 Rate Setting Statement
  - 1.4 Capital Expenditure Program
  - 1.5 Transfers to and from Cash Backed Reserves
  - 1.6 Notes to and forming part of the Statutory Budget
  
2. The following rates in the dollar of GRV based upon the predominant purpose for which the rated land is held:

1.1 Commercial Category	6.47853 cents in the dollar
1.2 Hotel Category	6.41214 cents in the dollar
1.3 Retail Category	6.47925 cents in the dollar
1.4 Office Category	5.45000 cents in the dollar
1.5 Residential	6.45000 cents in the dollar
1.6 Vacant Land	7.39961 cents in the dollar
  
3. Minimum Rate Payment  
The following minimum rate payments to be imposed in accordance with Section 6.35 of the *Local Government Act 1995* in respect of any rateable land within the city:

3.1 Commercial Category	\$800
3.2 Hotel Category	\$750
3.3 Retail	\$750
3.4 Office Category	\$800



3.5	Residential	\$750
3.6	Vacant Land	\$800

#### 4. Instalment Payments

The provision of the options of one, two or four instalments for the payment of rates.

4.1 The City will impose, in accordance with section 6.45(3) of the *Local Government Act 1995* and clause 13 of the Local Government (COVID-19 Response) Ministerial Order 2020, gazetted on 8 May 2020, an additional charge of \$35 and interest rate of 5.5% applicable to rate and service charge instalment arrangements, subject to:

4.2 this additional charge and interest rate cannot be applied to an excluded person, as defined in the Local Government (COVID-19 Response) Ministerial Order 2020, that has been determined as suffering financial hardship as a direct consequence of the COVID-19 pandemic in accordance with Council's Financial Hardship Policy.

The following due dates for the payment of rates by instalments:

4.2.1 28 September 2020

4.2.2 27 November 2020

4.2.3 05 February 2021

4.2.4 09 April 2021

#### 5. Late Payment Interest

5.1 The City will impose, in accordance with section 6.51(1) of the *Local Government Act 1995* and clause 14 of the Local Government (COVID-19 Response) Ministerial Order 2020, gazetted on 8 May 2020, an interest rate of 5.5% applicable to overdue and unpaid rate and service charges, subject to:

5.2 this interest rate cannot be applied to an excluded person, as defined in the Local Government (COVID-19 Response) Ministerial Order 2020, that has been determined by the City of Perth as suffering financial hardship as a direct consequence of the COVID-19 pandemic.

5.3 The City will recoup the cost of recovery of such rates and service charges that remain unpaid after becoming due and payable.

#### 6. Heritage Rates Concession

6.1 In accordance with *Section 6.47 of the Local Government Act 1995*, the City will continue the Heritage Rate Concession Scheme (Council Policy 9.2 refers), introduced to support the retention of the City's heritage, for the 2020/21 financial year.

#### 7. Creation of Reserve Fund

The creation of the following Cash Backed Reserve (purpose of Reserve as stated below) in accordance with *Section 6.11(1) of the Local Government Act 1995*:

##### 7.1 COVID-19 Economic Rebound Reserve

This reserve is established to quarantine funding for the initiatives associated with the City's COVID-19 Economic Rebound Strategy.

#### 8. New Loan Approvals

The proposal to borrow \$10.0M repayable quarterly over ten years at fixed interest rates from WA Treasury Corporation to support the capital program and COVID-19 Economic Rebound Strategy.

9. Reserve Fund Transfers

The proposed transfers to and from Reserves identified in the 2020/21 Annual Budget, including the change of purpose of Reserves made in accordance with Section 6.11 (3) 9.1 of the *Local Government Act 1995*.

10. Fees and Charges

The 2020/21 Schedule of Fees & Charges as detailed in Agenda Attachment 7.1C (including waste collection service charges).

11. Financial Reporting and Materiality

As per *Local Government (Financial Management) Regulations 1996* Section 34 (5) each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS (Australian Accounting Standards), to be used in statements of financial activity for reporting material variances.

For the purpose of materiality, in monthly financial reports for the 2020/21 financial year, operating variances shall be those greater than 10% of the original adopted Annual Budget and a value greater than \$20,000.

For the purpose of materiality, in monthly financial reports for the 2020/21 financial year, capital variances shall be those greater than 10% of the original adopted Annual Budget or a value greater than \$50,000.

## Item 7.2 – Tender RFT000016 – Koolangka Koolangka Playground Construction – Wellington Square

<b>File reference</b>	P1039125
<b>Report author</b>	Richard Jeffcote, Project Delivery Lead
<b>Other contributors</b>	Gaynor Boros, Category Specialist
<b>Reporting Service Unit and Alliance</b>	Construction, Infrastructure and Operations
<b>Report author disclosure of interest</b>	Nil
<b>Date of report</b>	6 July 2020
<b>Nature of Council's role</b>	Executive
<b>Voting requirement</b>	Simple Majority
<b>Attachment/s</b>	Attachment 7.2A – Confidential Tender Assessment Matrix Attachment 7.2B – Confidential Qualitative Criteria against Price Attachment 7.2C – Confidential Value Engineering Analysis <i>Confidential attachments are distributed to Commissioners under separate cover</i>

### Purpose

This report presents the outcome of Tender RFT000016 - Koolangka Koolangka Playground Construction, Wellington Square and seeks Council approval to award the contract for the playground construction and associated civil works.

### Background

At its meeting held on 25 September 2018, Council approved the Final Wellington Square Masterplan; noted that the enhancement will be staged over six years commencing in 2019, and noted that the detailed design and cost estimate of various enhancement packages will be presented to Council in line with the staging plan.

Since then, the project has progressed well, with the main contract package that included landscape, civil, lighting and electrical works awarded in November 2019. The artwork tender was awarded in March 2020.

This report seeks Council approval for the award of the final major package, to deliver the playground component, in line with an accelerated timeline, to have the main contractor works and playground completed in the 2020/21 financial year and the artwork completed by May 2022.

The project has been successful in receiving funding from Lotterywest in the amount of \$4.37M for the playground construction (Attachment 7.2A). The project team have endeavoured to manage expenditure against the original project budget as external funding is included in the Long Term Financial Plan as a City budget, not additional project budget.

## Details

The Tender was advertised on 8 April 2020 and closed on 14 May 2020, with submissions received from the following tenderers:

1. BOS Civil Pty Ltd
2. D.B Cunningham Pty Ltd t/as Advantearing Civil Engineers
3. Densford Civil Pty Ltd / Djana Koodal Pty Ltd (Joint Venture)
4. Environmental Industries Pty Ltd
5. Menchetti Consolidated Pty Ltd t/as MG Group WA
6. Phase 3 Landscape Construction Pty Ltd
7. Visual Design Metal Fabrication Pty Ltd

### Overview of proposed works

The Koolangka Koolangka playground will be situated in the south-east corner of Wellington Square, near the corner of Wellington and Bennett Streets, providing a range of facilities including a skatepark, parkour activities, a pump track, waterplay, climbing towers, terracing and rest areas. The scope of works includes demolition, irrigation works, landscape works, hardscape and soft landscape works, multiple catenary structures, custom playground structures, water play works, signage works, electrical and lighting works.

### Compliance Criteria

A compliance assessment was completed on all tenderers with all submission, bar one, deemed as conforming tenders. The tender received from Visual Design Metal Fabrication Pty Ltd, failed to include the required documentation, including the Tenderer's Offer, and was deemed a non-compliant tender. It was not considered for further evaluation.

### Qualitative Selection Criteria

The submitted tenders were evaluated against the following four qualitative selection criteria:

- Construction Methodology (25%);
- Demonstrated Project Experience (40%);
- Experience and Qualifications of Key Personnel (20%); and
- Program of Works (15%).

**BOS Civil** provided an adequate response with a sound appreciation and understanding of the scope of work required and outlined a detailed methodology to deliver the project. They provided some examples that included bespoke elements, however most projects listed are civil and paving jobs and not similar in scope or complexity to this playground project. The key team have reasonable experience behind them but seems to be quite a young team with 5-20 years' experience. The construction program indicated a completion date within the City's required timeframe.

**D.B Cunningham Pty Ltd (Advantearing)** provided a sound appreciation and understanding of the scope and listed control measures for potential constraints and outlined a detailed methodology. They provided project examples with photos and nature playground elements, similar in scope and scale and have demonstrated local government experience. The project team experienced in delivery of large projects and have nominated key sub-contractors and have allowed a level of contingency in resourcing the works. The construction program indicated a completion date within the City's required timeframe.

**Densford** briefly outlined methodology and steps/staging required and provided a very good response to appreciation and understanding of aboriginal and heritage management including Whadjuk Noongar significance. Demonstrated project experience is adequate, however are less convincing they can deliver regional scale playgrounds as their main experience lies in civil works with projects on a smaller scale. They are the main contractor for the Wellington Square Enhancement project so have the advantage of site familiarity, qualified project team and subconsultant engagement, which provides confidence their program of works could meet the timeframe.

**Environmental Industries** provided a sound methodology and demonstrated a good understanding of project constraints. Have demonstrated project experience in successful delivery of playgrounds of a similar scale and nature. The project team are experienced in the delivery of high-quality projects. Program for main playground works can be completed within required timeframe, however there is a delay of two months for delivery of the catenary structure.

**MG Group** provided a very thorough and convincing response to all selection criteria, demonstrating an excellent understanding and appreciation of the scope of works and very clearly outlined a descriptive step-by-step methodology. Has demonstrated substantial experience in the delivery of regional scale playgrounds consisting of highly bespoke elements finished to a high level of detail. The project team are highly qualified and demonstrated experienced in working on similar projects and provided a detailed list of subcontractors. They provided a detailed programme including key dates and milestones to meet the required timeframe, however it was noted that meeting the deadline depended on the lead time for certain items.

**Phase3** provided a marginal response to appreciation and understanding of the scope of works and outlined a brief methodology. They demonstrated extensive experience in the delivery of regional destination playgrounds throughout WA with highly bespoke elements and provided details for completed projects of a similar scope and nature. The project team are qualified and demonstrated experienced in working on similar projects. Their program of works is not able to meet the required timeframe indicating completion date in April 2021.

The Tender Assessment Matrix and the Qualitative Criteria against Price summary is presented in Confidential Attachments 7.2A and 7.2B. The City also underwent a value engineering exercise to determine the final contract award amount (Confidential Attachment 7.2C).

## **Stakeholder engagement**

The Wellington Square Masterplan was endorsed by Council on 25 September 2018 and involved significant input from the community and stakeholders. This engagement resulted in a vision for Wellington Square that recognised the history of the site, balanced the competing needs of a diverse range of stakeholders and created a vision for Wellington Square that befits the largest public open space within the City of Perth. One key feature of the Masterplan includes an Intergenerational Play Space.

## **Strategic alignment**

### Strategic Community Plan

This item addresses the community's vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Strategic Community Plan 2019 – 2029:

<b>Aspiration:</b>	Place
<b>Strategic Objective:</b>	2.1 A city that is seen by all as a great place to be. 2.7 Safe and enjoyable experiences in the public realm enabled by smart technologies, innovative design and quality infrastructure

The delivery of the playground is a key outcome of the Wellington Square Masterplan and will provide the local community with outstanding local facilities.

## Legal and statutory implications

Section 3.57 of the Local Government Act 1995 covers the legal requirements for local governments to invite public tenders before it enters into a contract of this nature.

More specifically, Division 2 of the *Local Government (Functions and General) Regulations 1996* covers the detail and subject matter of the tender requirements.

### Connection with mandates in the *City of Perth Act 2016*

8(1)(c) - to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists

## Risk implications

Impact of decision	
Organisation	Low
Community	Low

Risk domain	Consequence	Likelihood	Risk rating
Reputation and External Stakeholders	Moderate	Possible	Medium

The key risk relating to the delivery of the project are potential for the delays to the playground's completion (end of 2020) due to the supply of bespoke items and therefore the extended disruption to the surrounding residents and enjoyment of the facilities.

A Financial Assessment was undertaken on Advantearing which indicated that it has a sound financial capacity to undertake the contract.

## Approval implications

If the contract is not awarded the playground will not be delivered and the overall Wellington Square Masterplan Enhancement be left uncompleted.

## Financial implications

### Within existing budget

There are no additional financial implications associated with this report. The recommended tender award

value is fully accommodated within the project's capital budget.

<b>Account number:</b>	SP 1104 273 80 11967
<b>Description:</b>	Wellington Square Enhancement
<b>Account type (Operating/Capital/Reserve):</b>	Capital
<b>Total Project Funding (2019/20 and 2020/21)</b>	\$17.04M
<b>Budget Breakdown</b>	<b>(\$M)</b>
	Main contractor 9.08
	Playground 4.89
	Automated Public Toilet 0.24
	Kiosk Toilet 0.22
	Staff Costs 0.43
	Consultancy 0.34
	Other 0.40
	Contingency 1.44
	<b>17.04</b>

## Policy references

9.7 – Purchasing

### Value engineering

As the original submission prices were higher than initially estimated, officers have reviewed elements of the scope (predominately the size of the catenary structure) and the use of alternative materials in some areas to reduce the costs. The revisions do not detract from the playground, still producing a high-quality project outcome. Details of the elements which were revised, and associated costings are provided in Confidential Attachment 7.2C.

## Comments

The pricing confirmed by Advantearing following the value engineering process demonstrates the best value for money for the Wellington Square Koolangka Koolangka Playground project, taking into consideration qualitative assessment and tender price. The proposal is within the overall project budget and is considered medium risk in meeting the City's project expectation.

### **Officer Recommendation**

That Council ACCEPTS the most suitable tender, being D.B Cunningham Pty Ltd t/as Advantearing Civil Engineers for the Wellington Square Koolangka Koolangka Playground (Tender 000016) at a lump sum price of \$4,886,561 (excluding GST).