

ITEM 12 POST TENDER NEGOTIATIONS N1000018 - SOUTHERN SUBURBS COMMUNITY CENTRE AND LIBRARY

This report recommends acceptance of a tender for the Main Works – Southern Suburbs Community Centre and Library and Associated Works in accordance with the requirements of the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

The scope of work proposed under the contract for the Southern Suburbs Community Centre and Library includes the finalisation of design and construction of the following:

- The Southern Suburbs Community Centre and Library, a three-storey building containing a community centre, district library, lease holder accommodation and support function areas
- Landscaping and public domain works; and,
- Car parking.

The vision is for this area to be a key cultural destination by providing the opportunity to bring people together by creating comfortable public spaces and attractive destinations catering to the daily needs of its culturally rich community.

RECOMMENDATION

- 1 That following post tender negotiations in accordance with Section 178(3)(e) of the *Local Government (General) Regulation 2021*, Council accept the tender from Grindley Constructions Pty Limited for the sum of \$41,678,842.34 Incl. GST, for the provision of the works under of Contract N1000018 – Southern Suburbs Community Centre, Library and Associated Works.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Jeremy Morgan, Manager Project Delivery (Acting)
 Authorised by: Paul Tracey, Director Infrastructure + Works (Acting)

ATTACHMENTS

There are no attachments for this report.

ACRONYMS USED IN REPORT

Abbreviation	Meaning
GC21	NSW Government GC21 (Edition 2) General conditions of Contract

BACKGROUND

The provision of a district level library and community centre has been a part of Council's long-term vision for the southern suburbs of Wollongong. The planning has moved through various milestones since 1998, including:

- The pursuit of a district level centre for the southern suburbs commenced with an initial social needs analysis completed in 1998.
- In 2006 the Wollongong Planning People Places report committed to investigate a district level facility for four nominated Council districts. Three of these facilities have now been delivered at Corrimal, Dapto and Thirroul.
- In 2013 initial community engagement activities were undertaken for a district level centre to be built at Warrawong to serve the southern suburbs. Several site options were considered to identify the most suitable site.

- The proposed facility was also identified in the Warrawong Town Centre Masterplan in 2013, and subsequent planning documents.
- In 2018, Council reaffirmed its commitment to the proposed facility in Council's adopted Social Infrastructure Planning Framework.
- Further, in 2023 Council again supported in the Social Infrastructure Future Directions Plan including the need for a facility in this precinct.

This proposed facility project has been in the planning phase for over 27 years. The options assessment for siting the facility was undertaken between 2013 and 2018, with the location agreed in 2019. Council has engaged with the community and stakeholders at multiple stages of the project development.

Following an Expression of Interest process, select tenders were invited with a submission date of 14 December 2023. The outcomes of this process were considered by Council at its meeting of 5 February 2024, and Council resolved as follows:

- 1 *In accordance with Section 178(1)(b) of the Local Government (General) Regulation 2021 Council decline to accept any of the tenders received for the Southern Suburbs Community Centre, Library and Associated Works and resolve to enter into negotiations with one or all of the tenderers or any other party with a view to entering into a contract in relation to the subject matter of the tender.*
- 2 *In accordance with Section 178(4) of the Local Government (General) Regulation 2021 the reason for hereby resolving to enter into negotiations with one or all of the tenderers or any other party and not inviting fresh tenders is that it is anticipated that a satisfactory outcome can be achieved with one of those parties who demonstrate a capacity and ability to undertake the works.*
- 3 *Council delegate to the General Manager the authority to undertake and finalise the negotiations, firstly with the tenderers, and, in the event of failure of negotiations with those tenderers, any other party, with a view to entering into a contract in relation to the subject matter of the tender.*
- 4 *Council grant authority for the use of the Common seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.*
- 5 *A report describing the outcome of the procurement process be submitted to the next available Council meeting following the successful engagement of contractor or contractors highlighting the probity and governance processes for transparency.*

Following the resolution of Council, negotiations have been completed, and a revised tender offer has been received in relation to the Southern Suburbs Community Centre and Library. This report outlines the outcomes of the negotiations and recommends acceptance of a revised tender.

OUTCOME OF POST-TENDER NEGOTIATIONS

During the negotiation period, hazards associated with inappropriate use and vandalism of the existing vacant buildings was occurring on site and demolition and site preparation was identified as an appropriate risk mitigation measure. As a result, demolition of existing buildings and site preparation works was removed from the scope of the works under contract T1000125 - Southern Suburbs Community Centre, Library and Associated Works and undertaken as an early works package.

The early works contract for demolition and site preparation is currently underway and is anticipated to be completed by the end of July 2025. Further site investigations works are also currently underway to determine the extent of contamination on site and to prepare a remediation action plan for the site. This work will be undertaken either prior to the main works contract or as a variation to the main works contract.

The negotiation process identified an opportunity to undertake a value engineering process to improve value through implementing actions aimed at achieving the intended outcomes at a lower cost. This can be achieved using multiple actions and often involves substitution of materials and finishes with alternates, removal of non-essential elements, and using alternative construction methodologies.

In addition to value engineering, the scope of works was further reviewed, and it was identified that some of the proposed traffic and ancillary streetscape works are recommended for deferral at this stage whilst the Warrawong Parklands master planning exercise is undertaken.

Revised Tender

A revised scope of work under Contract N1000018 – Southern Suburbs Community Centre, Library and Associated Works was prepared including:

- Removal of streetscape works inclusive of Greene Street / King Street intersection, traffic signal modifications, Lane 127 and Lane 128 from the scope;
- Adjusted provisional sum items; and,
- Agreed value engineering options.

Grindley Constructions Pty Limited was invited to submit a revised tender based on the revised scope of works. The tender has been scrutinised and assessed by representatives of the Project Delivery Division. The assessment of the tender was in accordance with the evaluation criteria and weightings as set out in the formal tender documents.

PROPOSAL

Following negotiations undertaken in accordance with Council Resolution of 5 February 2024, this report recommends acceptance of the tender from Grindley Construction Pty Limited to carry out the Main Works – Southern Suburbs Community Centre, Library and Associated Works in accordance with the scope of works and technical specifications developed for the project.

The recommended tenderer has satisfied the Evaluation Panel representatives that it has the necessary experience and is capable of undertaking the works to Council's standards in accordance with any technical specification.

A financial capability assessment has been requested in relation to the recommended tenderer.

Referees nominated by the recommended tenderer have been contacted as part of the original expression of interest process and satisfied the Evaluation Panel regarding the contractor's standard of work and methods of operation.

CONSULTATION AND COMMUNICATION

- 1 Representatives of Project Delivery
- 2 Representatives of Negotiation Team

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2032 Our Future Goal 4 "We are a connected and engaged community". It specifically delivers on the following:

Community Strategic Plan 2032	Delivery Program 2022-2026
Strategy	Service
4.11 Quality services, libraries and facilities are available to communities to access and gather.	Libraries

SUSTAINABILITY IMPLICATIONS

The following sustainability implications have been considered:

- Glazing and external louvres designed to minimise internal heating and cooling requirements
- Electrical design to enable Council to procure 100% renewable energy
- Future PV panel space on the roof
- Future provision for EV charging system in the carpark

- Energy efficient design including energy efficient equipment, maximising daylighting, increase in outside air rates, best practice lighting
- Energy efficient heating, ventilation and air-conditioning system
- Atrium to be used as part of the return air strategy
- No fossil fuels (i.e. gas supply) used in the building services
- Rainwater collection system and re-use to provide additional stormwater detention and reduce water consumption
- Landscaping using native species to reduce the demand for irrigation
- Heat Island Effect reduced through landscaping and reflectivity of hard surfaces
- Cycling storage provided

The project also includes public spaces such as community hall, community lounge, meeting rooms, offices, town square, arcade and carpark.

RISK MANAGEMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Framework and the *Local Government Act 1993*.

The risk of the project works or services is considered medium based upon Council's risk assessment matrix and appropriate risk management strategies will be implemented.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Operational Plan –

2025/2026 Capital Budget

2026/2027 Capital Budget

The revised tender from Grindley Construction Pty Limited is within the budget proposed in the revised Infrastructure Delivery Program

CONCLUSION

The provision of the Southern Suburbs Community Centre and Library has been part of Council's long-term planning vision for almost three-decades. A negotiation process has resulted in a favourable outcome to deliver this facility for the community through a revised tender. Grindley Construction Pty Limited have provided a satisfactory submission, and it is recommended that Council endorse the recommendations of this report.