

AGENDA ITEM NO.: 15.1

TO: Council Meeting on 26 September 2017

DIRECTOR: Cate Hart, Chief Executive Officer

REPORT AUTHOR: Chris Newby, CLIC Project Lead

SUBJECT: Project Update – Community Hub, Library & Innovation Centre (CLIC)

1. EXECUTIVE SUMMARY

This project update for the Community Hub, Library and Innovation Centre (CLIC) Project covers the period since the August 2017 update report. Progress has occurred under the following key tasks:

- A number of offers have been received following a marketing campaign by Real Estate Agents CBRE, with a separate (confidential) report to be presented to Council on 26 September 2017 so that these offers may be formally considered.
- The release of the Main North Road / Johns Road sites has been deferred until mid-October, to allow additional time for the marketing material to be completed and for the programming of a launch event to be considered.
- A Project Manager has been appointed to drive the design and construction of the new facility, including tendering processes via a Managing Contractor procurement methodology. The appointed firm has already assisted in the shortlisting and interview of architects who submitted Expressions of Interest for the building design.
- A quantity surveyor has also been appointed to provide independent oversight of the anticipated construction costs, with their advice to form part of the materials detailed in the Prudential Report and considered by Council's Audit Committee in coming months.
- Transitional arrangements for staff continue to be refined, with recommendations for a three site solution finalised for consideration by Council at its September 2017 meeting.
- Risk mitigation remains a focus, with work continuing on identifying and putting in place processes to minimise Council's exposure to risk.
- The Project Executive Group (PEG) continues to meet regularly to work through the detail of the documentation and research associated with the CLIC Project. The Actions List coming out of each meeting (refer **Attachment 1**) has been updated with items progressed by key Council staff.

2. RECOMMENDATION

- (1) Council having considered Item 15.1 Project Update – Community Hub, Library & Innovation Centre receives and notes the progress update for the Community Hub, Library and Innovation Centre for the period 22 August 2017 until 26 September 2017.

3. RELEVANCE TO CORE STRATEGIES / POLICY

- Council's Community Engagement and Consultation Policy (adopted November 2012) provides the framework to engage and consult with our community such to enable their participation in and contribution to Council's decision making.

Strategic Plan to 2020 Theme 1 – People "Know, empower, celebrate, educate and activate our community"

Strategy 1.1	Know our community	The Community Engagement Plan for the project is based upon the requirement to 'know' our communities, be inclusive of a broad cross section of our residents and ensure that residents are well informed of the steps being taken for the development of the CLIC.
Strategy 1.2	Environmentally active, sustainably focused	
Strategy 1.3	Active living for every age, every stage	
Strategy 1.4	Celebrate our diverse and creative community	

Strategic Plan to 2020 Theme 2 – Place "Loved heritage, leafy streets, fabulous places"

Strategy 2.1	Respect the past, create our future	Delivery of the CLIC will be based upon that aspect of the Strategic Plan referring to 'fabulous places', requiring a high quality facility that is loved by our communities.
Strategy 2.2	Loved parks and places	
Strategy 2.3	An accessible City	
Strategy 2.4	A greener future	

Strategic Plan to 2020 Theme 3 – Prosperity "More jobs, more investment, more activity, more vibrancy"

Strategy 3.1	A stronger local economy	The CLIC's location in the heart of Prospect Road, in combination with the improved community facilities and longer hours of accessibility, will contribute to more vibrancy in this part of the city.
Strategy 3.2	A more vibrant night-time	
Strategy 3.3	Leverage our digital advantage	
Strategy 3.4	International Prospect	

Strategic Plan to 2020 Theme 4 – Services “Leaders of the sector providing efficient, responsive, accessible services”

Strategy 4.1 Excellence in Infrastructure	The strategies within Theme 4 of the Strategic Plan speak to Council’s requirement that the CLIC is delivered on time and on budget according to our standards of excellence.
Strategy 4.2 Sound Financial Management	
Strategy 4.3 Responsible Waste Management	
Strategy 4.4 Accountable and people-focused services	

Intelligent Community Indicators

3. Innovation	Intelligent Communities pursue innovation through a relationship between business, government and institutions (ie. universities).	The new facility has the potential to provide for new relationships with businesses and institutions, whilst allowing access to broadband technologies and continuing to provide services to improve the community’s skills in the use of technology. There is also a clear desire to ensure that the building will achieve a high level of environmental sustainability.
4. Digital Equality	Allowing everyone access to broadband technologies and skills to use them	
5. Sustainability	Economic growth while reducing the environmental impact of that growth	

4. REGIONAL IMPACT

While the patronage of the CLIC is likely to include people from beyond the boundaries of City of Prospect, the CLIC is unlikely to have a significant regional impact and is not being delivered in partnership with nearby Councils.

5. COMMUNITY INVOLVEMENT

The Community Reference Group (CRG) continues to meet monthly to provide valuable input on the project as it continues to take shape. The CRG met on 6 September and worked through an activity on “creating spaces that work.” With an activity on the arrival space completed at its August meeting, the CRG’s focus for this month was on large and small meeting spaces, as well as contributions of ideas for the Family History and Gallery areas.

The outcomes of their discussions will be provided to the architects appointed to design the new building. No broader community consultation has been undertaken within the period of this project update.

6. DISCUSSION

6.1 Sale of 132-134 Prospect Road

The Expressions of Interest period closed with a number of EOIs received by Council's appointed Real Estate Agent CBRE. The leading EOIs (based on financial offer and nature of development that would be undertaken on the site) were subsequently invited to make a Best and Final Offer, with a particular emphasis on the opportunity that the site provides.

Legal advice has also been received confirming the instruments available for Council to exercise some control over the development outcome that occurs on the site (and the timing within which it should occur), notwithstanding the role of Council administration and the Council Assessment Panel in the subsequent assessment of a proposal for the site.

The sale of 132-134 Prospect Road is the subject of a separate (confidential) report to Council.

6.2 Sale (or other tenure option) of 218 Main North Road and 82 Johns Road

The release of this site to the market is scheduled for mid-October, which according to CBRE is an ideal time to release an offering of this type. The Project Executive Group is working collaboratively with CBRE on the key messages to accompany the release, to ensure that the campaign results in the highest possible number (and highest quality) of responses from potential developers and groups.

While the Information Memorandum accompanying the release will contain details of key characteristics of the site and its relationship to features of the surrounding area, the main emphasis will be on the opportunity that the site offers for a range of residential options and community-focused facilities, alongside the commercial uses typically anticipated in the zone.

The potential offered by the State Heritage listed Tram Barn will also be highlighted, with the work undertaken for Council by Flightpath Architects readily available to those interested in adapting the building to suit a new use. The marketing material will also recognise that a range of tenure options could be considered, so the offer and proposal from a would-be developer (or developers) will need to be clearly expressed and articulated.

Consideration is also being given to holding a launch event, where all potentially interested bidders would be able to hear about Council's vision for the site and the area, and the opportunity that this offering represents.

6.3 Project Manager Appointment

The highly regarded project management firm Jim Allen & Associates has been appointed to project manage the design and delivery of the construction of the CLIC. Luigi Rossi (Project Director) and Pete Reilly (Project Manager) take on an important role in ensuring that the new building is delivered on time and on budget.

Their participation in critical steps in design and construction processes, including project scheduling, appointment of specialist sub-consultants and tendering for construction, will be essential to the project's success. They have already provided invaluable assistance in assisting the interview and recommendation of the project architects, and will assist the CEO in undertaking a select tender process to appoint a Managing Contractor.

6.4 Architect Appointment

Council received Expressions of Interest from a number of highly regarded architecture studios. Following independent assessment by Jim Allen & Associates, Council held a special meeting on 5 September 2017 and selected four studios to interview. The interview process assisted in informing a recommendation to Council at a Special Meeting on 12 September 2017, at which time Council resolved to appoint JPE Design Studio to undertake the architectural, interior design and landscape design for the project.

The appointment of an architect is a critical step in the delivery of the project, with a series of workshops with staff, Elected Members and the Community Reference Group scheduled to inform the completion of concept design prior to broader community consultation. Other consultants (eg. traffic engineers, ICT consultants, AV and lighting specialists, and heritage consultants) will be separately engaged by Council in liaison with the Project Team.

6.5 Transitional Arrangements

An internal Transition Team was established to explore and recommend options for the temporary accommodation required for ongoing service delivery during the construction period. The outcome of these investigations will be the subject of a separate report to Council at its September 2017 meeting, with a three site solution proposed comprising customer service operations from the Irish Harp Room / Town Hall, community services from the Thomas Street Centre, and administrative and depot services to be accommodated within the Walkerville depot.

The timing of the relocation of staff is influenced by the timeframe for demolition of the existing Civic Centre building, so the Transition Team is working closely with the Internal Project Team to ensure that the timeframe is clearly understood. Council's appointed Project Manager and Architect are also providing advice on factors that influence when transitional arrangements need to be implemented.

Council's Management Team have also been active in keeping their respective teams updated on the project delivery, and encouraging input from them to ensure Council's services to the community are effectively maintained during the transition to the new facility.

6.6 Prudential Reporting

Council administration met with John Jovicevic of independent accountancy firm Dean Newbery & Partners, who have been engaged to complete the Prudential Report (required under Section 48 of the Local Government), to discuss the information currently available on the project and to determine what additional detail was required to complete the report. His advice was that greater certainty is required on the design

and cost of the building before the Prudential Report can be completed and considered by Council's Audit Committee, prior to being presented to Council.

It is anticipated that this will occur following the endorsement of concept plans for community consultation, at which time Council's independent cost consultant, Rider Levett Bucknall (RLB), will be able to provide advice on anticipated costs. RLB will be providing independent quantity surveying services and working with the Project Team throughout the course of the project to ensure that the projected project costs are accurate.

6.7 Risk Mitigation

Council's internal risk adviser continues to work with the Project Lead, Project Executive Group and Management Team on identifying and controlling the risks associated with the project. The risks identified include those related to the project design and construction (eg. potential project creep), financial management (eg. possible inaccuracies in cost projections), service continuity (eg. reduction in service levels during transition), as well as others associated with stakeholder engagement and reporting.

To assist in mitigating these risks, they have been categorised according to the particular activity or process that the risk relates to (such as design, consultation, or procurement processes) and the location to which they relate (recognising that some risks relate primarily to the existing centres of operation, while others are more relevant to the new facility). The analysis has identified a series of existing controls, with additional controls identified (where possible) in relation to risks that have been evaluated as high or extreme level of risk. The analyses will continue to be revised as the project matures.

6.8 Assessment Process

Consideration has been given to the likely development assessment process to be undertaken once concept plans are prepared, noting that this process has the potential to be a significant hold point in delivery of the project. In the absence of a legislated trigger for the proposal to be assessed by the State Commission Assessment Panel (SCAP) as the relevant authority (unless the proposed development is five or more storeys in height), Council has written to the planning minister seeking that the SCAP be appointed as the assessing authority.

Previous advice from staff at the Department for Planning, Transport and Infrastructure (DPTI) suggests that the request will be declined, as it is considered that the Council Assessment Panel (CAP) provides sufficient independence for a decision on a matter where Council has a direct interest in the outcome of the assessment process. To support the CAP in its assessment, the proposal will be referred to the Office for Design and Architecture SA (ODASA) for design review and comment, and that an independent planner will be engaged to prepare the report to the CAP.

6.9 Project Executive Group (PEG) Update

The PEG continues to meet regularly to work through the progression of the CLIC Project. The Actions List (**Attachment 1**) has been updated with items progressed by key Council staff, while other sub-groups continue to assist with the delivery of the

project and the necessary steps required to reach the critical decision making points and key milestones, allowing the project to be completed on-time and on-budget.

On-going project updates will continue to be provided to Council as an agenda item within ordinary meetings.

Financial and Resource Implications

The engagement of independent experts to assist in the delivery of the project is being undertaken within identified budget parameters, and internal resources are being drawn on to provide support and assistance as required across the various project components.

7. CONCLUDING STATEMENTS

The reporting period has seen a number of significant decisions made to progress the project, with good traction being gained through the timely appointment of additional external resources to complement the ongoing use of internal staff. The project continues to gain momentum in the lead up to concept plans for the new facility being prepared for discussion with Council and the community.

ATTACHMENTS

Attachment 1: Project Executive Group Actions List

Meeting Date	Meeting PEG or IPT	Topic	Action Item	Responsibility	O = Ongoing C = Completed H = Historic	Target Date	Status
2/05/2017	PEG	Project Plan	Ensure risk management register is established for recording and review of risks	Chris N	O	15/08/2017	Risk register to be developed in consultation with Council's Strategic Risk Management Adviser and discussed with PEG at 15/8/17 meeting.
6/06/2017	PEG	Cultural Heritage Policy Request	Add to Workshop Program. Consider whether council wants to establish a Cultural heritage framework - could be an overarching framework which all the cultural elements sit under. (Liaise with Manager Arts Gallery & Events)	Chris N	C	5/09/2017	Overall policy for Council is broader than CLIC project. Council Workshop scheduled for 5 September 2017 - David Kilner to present
4/07/2017	PEG	Procurement	Nathan to make contact with Andrew Haste (LGAP) in next 2 weeks. Meeting with Andrew Haste (LGAP) in respect of procurement and how they can assist/ advise on architect brief and process options.	Nathan	C	4/08/2017	Meeting held. Project Manager subsequently appointed and assisting with architect appointment
18/07/2017	PEG	Cost Planner	Aim to have a Cost Planner to start to cross check initial findings. Obtain quote for these services for the duration of project – for a lump sum fee. (Andrew Haste LGAP possibly could advise).	Chris	C	15/08/2017	Cost Planner quotes received and preferred firm selected.
18/07/2017	PEG	Main North Road Sale Options	Mayor (possibly with CEO) to arrange meetings to stimulate the market for Main North Road site/s.	Mayor/CEO	O	29/08/2017	Meetings must occur prior to release to market
1/08/2017	PEG	Marketing of sites	Develop (with CBRE's advice) a framework and criteria for assessment of EOIs – prior to closing.	Nathan/Chris	C	15/08/2017	Initial criteria received from CBRE for further discussion
1/08/2017	PEG	Future services	Schedule a workshop session on staffing and services, to occur prior to forming the 2018/19 budget.	Chris	C	15/08/2017	Workshop discussion scheduled for 12 December 2017
1/08/2017	PEG	Risk register	Administration to refine risk register document and bring back to PEG.	Chris	C	15/08/2017	The document continues to be populated and risk mitigation strategies identified.
15/08/2017	PEG	Risk register	Have risk management framework completed within two weeks	Chris	C	5/09/2017	Framework updated in consultation with Risk Officer and additional risks / mitigation strategies identified.
15/08/2017	PEG	Marketing of sites	Include proposal type in criteria for analysis	Chris	C	5/09/2017	Noted. CBRE instructed accordingly and recommendation to Council to include proposal details.