

8.2 PLAYFORD SPORTS PRECINCT - SOFTBALL LIGHTS

Contact Person: Dale Welsh

Why is this matter confidential?

Subject to an order pursuant to Sections 90 (3)(d)(k) of the Local Government Act 1999, this matter is confidential because the report contains detailed cost information received during a currently active open tender process.

A. COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE

No action – this motion passed in the open section.

B. THE BUSINESS MATTER

8.2 PLAYFORD SPORTS PRECINCT - SOFTBALL LIGHTS

Responsible Executive Manager : Dale Welsh

Report Author : Janey Mitson

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

PURPOSE

The purpose of this report is to seek additional funding towards the delivery of the Playford Sports Precinct Softball Lights.

STAFF RECOMMENDATION

1. Council approves the allocation of an additional \$550,845 to the Playford Sports Precinct Softball Lights project.
2. The additional budget allocation be accounted for in Budget Review One.

EXECUTIVE SUMMARY

The Playford Sports Precinct Softball Lights were a high priority project in the Sportsground Direction Study (2014) and were a key inclusion in the Playford Sports Precinct Masterplan. The scoping of this project commenced in the 2020/21 Annual Business Plan and a successful application has seen external funding through the Office for Recreation, Sport & Racing allocated to the delivery of this project.

Additional funding is now required to deliver the project due to cost pressures and market escalations. The purchase of the luminaires and poles has already occurred; however the cost of installation has significantly increased and has resulted in a short-fall of funding to the extent of \$550,845.

Significant work has already commenced or been completed for this project which includes:

- The purchase and delivery of the luminaires and poles.

- The establishment of Playford & District Softball Association to manage the co-location of Central District Softball Association and Northern Area Men's Softball Association.
- A commitment from Softball SA for Ridley Reserve West to host the 2025 Junior State Championships under the assumption the project would be delivered.

The work that still needs to occur to finalise the project includes:

- Provision of SAPN power supply.
- Installation and connection of the light towers.
- Relocation of Northern Area Men's Softball Association to Ridley Reserve West. This can't occur until lights are installed as they play on Friday evenings.
- Acquit the grant funding as per the grant agreement.

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1. BACKGROUND

Ridley Reserve is a key feature of the Playford Sports Precinct master plan which has been partially implemented to date. The current stage of this master plan includes the construction of new floodlights at Ridley Reserve West, which is identified as the Softball Centre. This project facilitates and enables the co-location of the Central District Softball Association (CDSA) and Northern Area Men's Softball Association (NAMSA) at Ridley Reserve West and provides great access to Ridley Reserve West throughout the winter.

At the Ordinary Council meeting on 15 December 2020, Council acknowledged the grant funding application for Ridley Reserve Softball Lighting. It was also acknowledged that if the funding application was successful, the capital and ongoing operating funding implications would be addressed in the 2021/22 Annual Business Plan.

In preparing the grant funding application, a lighting design for the floodlights was developed by RRW Consulting in consultation with Softball SA and a cost estimate was also prepared. The total project budget for this project was \$811,000, with \$400,000 in grant funding and \$411,000 funding from Council.

In June 2021, Council received notification that the funding application was successful and the project was approved by Council via the 21/22 Annual Business Plan.

Detailed design was completed in November 2021 and in mid-January 2022 Council received approval from Softball SA for the design.

The 2023/24 Annual Business Plan provided information on the project lifecycle for Major Projects continuing from previous years, and forecast a completion date of December 2023 for the Softball Lights.

2. RELEVANCE TO STRATEGIC PLAN

Community Theme 1 - Improving safety and accessibility

Lighting Ridley Reserve West will unlock greater access in the winter season as well as provide flexibility in time of use for each softball Association.

Community Theme 3 - Connecting with our community and each other

The installation of lights will provide an opportunity for additional use during the winter season and will enable Council to hire out the space to winter sports for ad-hoc and casual use.

Community Theme 5 - Using money wisely

Council received \$400,000 in external funding towards the project. The installation of lights at Ridley Reserve West is an identified priority project in the Playford Sports Precinct Masterplan.

3. PUBLIC CONSULTATION

Direct consultation has been conducted with project stakeholders, including Softball SA, Central District Softball Association and Northern Area Men's Softball Association. In accordance with Council's Engagement Policy no further public consultation requirements were identified.

4. DISCUSSION

- 4.1 Throughout the project delivery phase, Sport & Property established an Association, Playford & District Softball Association (PDSA), to manage the co-location of the

CDSA and NAMSA. The PDSA became an Incorporated Association in August 2022 through the collaboration of a working party comprising of the City of Playford Sport Development Officer, a consultant and 3 members each from CDSA & NAMSA.

- 4.2 The original cost estimate for the project was completed in December 2020 which was pre-Covid.
- 4.3 Using the established Council methodology for delivery of sporting facility lighting projects, the decision was made for Council to purchase the light fittings and poles as individual contracts, and then separately tender for the installation, with the poles and light fittings to be supplied by Council to the installation contractor.
- 4.4 The market was approached for the purchase of the light fittings in April 2022. The market was approached for the purchase of the poles in October 2022. The total cost for the light fittings and poles was \$450,353.
- 4.5 The first installation tender was advertised in November 2022. Only one response was received, which was priced at \$849k. A second procurement approach undertaken in March 2023 attracted more responses, with the lowest priced at \$626k.
- 4.6 With the inclusion of the SAPN connection cost (\$153k), project management, design and engineering, and capitalised interest, this brings the total project estimate to \$1,361,845, leaving a shortfall of \$551k.
- 4.7 It is believed that repeating the procurement process a third time will not achieve any further reduction in the tender price.
- 4.8 A small contingency has been included as the tender validity period has expired during this decision making process and fluctuations in the price of copper (for cabling) and concrete (for the pole footings) may cause a CPI increase to the tendered price.
- 4.9 It is reasonable to acknowledge that cost pressures and market escalations since 2020 are the main contributors to the project not being able to be delivered to budget.
- 4.10 A grant extension from Office for Recreation, Sport and Racing has been approved until 30 June 2024.
- 4.11 There is a commitment from Softball SA for Ridley Reserve West to hold the 2025 Junior State Championships if the lights are installed.

5. OPTIONS

Recommendation

1. Council approves the allocation of an additional \$550,845 to the Playford Sports Precinct Softball Lights project.
2. The additional budget allocation be accounted for in Budget Review One.

OPTION 2

1. Council does not support additional funding to deliver the Playford Sports Precinct Softball Lights project.
2. Council returns the \$400,000 grant funding to the Office for Recreation, Sport and Racing.

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

This decision will enable the delivery of much needed infrastructure on Ridley Reserve West and provide additional participation opportunities at the site. The luminaires and poles have already been delivered and are ready for installation, however additional budget is required prior to award of the installation contract.

This decision will enable the completion of the project and fulfill the grant funding obligations. The delivery of this project will facilitate the co-location of the two Softball Associations and provide additional participation opportunities at the site, particularly in the winter season.

Risk Appetite

Reputation

Council has a low appetite for negative perceptions that compromise its credibility and reputation, achievement of its long term vision (Playford Community Vision 2043) and strategic objectives, or ability to maintain its status as a progressive and major growth Council.

Not continuing with the project will result in the light poles and luminaires already purchased remaining in storage and not delivering a community outcome. In addition, both Softball Associations have collaborated on a shared-tenancy model in preparation for the completion of the project and failure to complete this project will result in negative perceptions that compromise its credibility and reputation. The reputational risk of not delivering the project and fulfilling the external funding requirements could jeopardise future external funding applications.

Financial Sustainability

Council has a low appetite for short-term financial risk that adversely impacts on the delivery of the long term financial plan and the Council's overall stability and sustainability.

This decision will ensure we are able to meet our external funding requirements and ensure that we are able to complete the project that already has an expenditure of \$450,000. Failure to endorse this recommendation will result in not meeting the funding obligations and the \$400,000 grant will need to be returned. In addition, this could jeopardise future external funding applications.

6.1.2 Financial Implications

This decision will have short-term budget implications and will need additional capital funds allocated.

	Current Year 2023/24 \$'000	Future Years \$'000	Ongoing \$'000
Operating Revenue			
Operating Expenditure			10
Net Operating Impact			10
Capital – Investing Revenue			

Capital Expenditure	551		
Total Borrowings (Capital Investment)	551		

The additional capital budget required for this project can be funded through the open space reserve. The ongoing operating cost can be funded via existing budgeted surplus in Budget Review One.

Other current budget requests include Peerless Road, Gould Road and Pete Smith Reserve Upgrades.

The combined impact of both requests are:

	Current Year 2023/24 \$'000	Future Years \$'000	Ongoing \$'000
Operating Revenue			
Operating Expenditure			128
Net Operating Impact			128
Capital Revenue			
Capital Expenditure	1,448		
Total Capital Investment	1,448		

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

This option will result in insufficient funds to install the light poles and luminaires that have already been purchased and delivered, and cancellation of the project.

The light poles and luminaires would remain in storage until a suitable future use is identified (i.e. Munno Para Sportsground).

6.2.2 Financial Implications

This option will result in the \$450,000 already spent on the procurement of poles and light fittings not providing any immediate community benefit.

In addition, this decision will also mean that the grant requirements will not be fulfilled and funding for this project will need to be returned.

C. COMMITTEE TO DECIDE HOW LONG ITEM 8.2 IS TO BE KEPT IN CONFIDENCE

PURPOSE

To resolve how long agenda item 8.2 is to be kept confidential.

STAFF RECOMMENDATION

Pursuant to Section 91(7) of the *Local Government Act 1999*, the Committee orders that the following aspects of Item 8.2 be kept confidential in accordance with Committee's reasons to deal with this item in confidence pursuant to Sections 90(3)(d)(k) of the *Local Government Act 1999*:

- Report for Item 8.2
- Presentation for Item 8.2
- Minutes for Item 8.2

This order shall operate until the end of the defects liability period for the contract works or will be reviewed and determined as part of the annual review by Council in accordance with Section 91(9)(a) of the *Local Government Act 1999*, whichever comes first.

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