

17.5 ANGLE VALE COMMUNITY SPORTS CENTRE - STAGE 5A

Contact Person: Simon Blom

A. COUNCIL TO MOVE MOTION TO GO INTO CONFIDENCE

No action – this motion passed in the open section.

B. THE BUSINESS MATTER**17.5 ANGLE VALE COMMUNITY SPORTS CENTRE - STAGE 5A**

Responsible Executive Manager : Simon Blom

Report Author : Rino Pace

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

Attachments : 1. Plans

PURPOSE

The report seeks support for additional capital and associated operating costs to complete the delivery of the project and fulfil the expectations of the community and the club association. This will also ensure the project completes the delivery of the Angle Vale Community Sports Centre Masterplan.

STAFF RECOMMENDATION

- That Council fund the additional \$412k capital shortfall and associated operating costs \$44,496.
- That the Chief Executive Officer be the delegated authority to enter into a construction contract before or during the Council caretaker period.
- That the additional capital and operating costs be addressed via the Council's 2022/23 first budget review process.
- No additional borrowing facility required.

EXECUTIVE SUMMARY

This scope of works was originally included in Stage 5, however a pre-tender estimate indicated that the remaining scope would be in excess of the \$5m Stage 5 budget. As a result, the Stage 5A works were removed from scope prior to council approving the ABP and prior to the works being tendered. The Stage 5 tender process then resulted in costs being submitted under the budget of \$5m, with approximately \$730k remaining after completion of Stage 5.

Council on 26 October 2021 recommended to proceed with detailed design and tender and construction for Stage 5A which includes a playground expansion, ½ court basketball court, BMX track and public toilet using existing capital budget. This process has now been completed. After going through a competitive public tender process, our tender prices to deliver on this outcome exceeds available budget. This is reflective of the status of construction projects across the industry.

This report seeks Council approval to fund the additional capital and associated operating costs to complete the project and deliver on the community and clubs needs. It will also complete the masterplan and will 'finish what we started'.

1. BACKGROUND

At the Ordinary Council meeting on 26 October 2021, Council recommended proceeding with detailed design and tender and construction for Stage 5A of the Angle Vale Community Sports Centre which includes a playground extension, 1/2 court basketball court, BMX track and public toilet using existing capital budget.

This process has been completed including the construction tender. Current market conditions and cost increases across the construction sector have provided tenders all over the remaining available budget. This report seeks Council approval for additional capital and associated operating costs to complete the project and masterplan and finish 'what we started.'

2. RELEVANCE TO STRATEGIC PLAN

Community Theme 3: Connecting with our community and each other.

This will provide increased benefits to our community by the provision of additional active and passive recreational facilities to an existing facility.

3. PUBLIC CONSULTATION

Any new and enhanced services (projects) are included in Council's Annual Business Plan which is placed on public consultation each year prior to being endorsed by Council.

Consultation has occurred with the Angle Vale Sports and Community Association and the four tenant clubs as part of developing the concept plan and original masterplan. Once detailed design was completed, a copy was sent to the clubs for their information.

4. DISCUSSION

The Angle Vale Community Sports Centre (AVCSC) is a district level sportsground that is home to the Angle Vale Sports and Community Association (AVSACA). The AVSACA consists of the following four clubs: Angle Vale Football Club; Angle Vale Netball Club; Angle Vale Cricket Club; and Angle Vale Soccer Club.

The AVCSC was opened in 2013 with the Masterplan for the site only partially complete. Since the opening of the sportsground Council has been further developing stages as funding has become available through Council and the State and Federal Governments. A summary of the stages completed to date are outlined below.

Stage	Facilities	Year
1	Clubrooms, senior oval, senior pitch, junior pitch, car park, flood lights, netball courts	2013
2	Cricket nets and playground	2014
3	Northern car park	2017
4	Female change rooms	2018
5	New senior and junior soccer pitches, new shared AFL/Cricket oval, car parking, sports lighting	2020

The continuation of Stage 5A of the project, is the final portion of the Masterplan to be constructed and consists of additional new playground equipment, a BMX track, an external public toilet, formalised DDA access and paths, and associated landscaping.

This scope of works was originally included in Stage 5, however a pre-tender estimate indicated that the full remaining scope would be way in excess of the \$5m Stage 5 budget. As a result, the Stage 5A works were removed from scope prior to council approving the ABP and prior to the works being tendered. The Stage 5 tender process then resulted in costs being submitted under the budget of \$5m, with approximately \$730k remaining after

completion of Stage 5. Council at its meeting in October 2021 agreed to use these savings to fund the remainder of the Stage 5 works previously removed from the scope (Stage 5A).

Attachment 1 provides a capture of the detailed design.

Project Status

The Stage 5A works reached 100% detailed design and proceeded to construction tender. The tender closed in May and the evaluation team has assessed all tenders, however the prices bid exceed the remaining budget available from Stage 5. The original budget allocation was based on quantity surveyors' costs in April 2021 as part of scoping the Stage 5 project (i.e. new junior and senior soccer pitches, new shared football/cricket oval, sports lighting, car parking and associated landscaping) recently completed.

As we have seen in the last couple of the years, market conditions have changed considerably which has seen prices escalate significantly.

A summary of the capital budget is shown below:

Total Construction Budget Required	\$1.0M
Contingency Required	\$0.1M
Total Budget	\$1.1M
Savings available from Stage 5	\$688K
Shortfall	\$412k

As of 30 June 2022, there is a forecast saving of \$688k relating to Stage 5.

Consideration has been given as to whether it is possible to de-scope some 'big ticket' items and what the implications of this to the budget would be. A summary of this is shown below:

	Capital Cost	Remaining budget shortfall
External Toilet	\$280k	(-\$132k)
Playground	\$115k	(-\$297k)
Paving of pathways	\$120k	(-\$292k)
BMX track	\$30k	(-\$382k)

Each option to remove one of these 'big ticket' items, still results in a budget shortfall.

For example, if the external toilet was removed from scope and delivery consisted only of the playground, pathway paving and BMX track, there is still a shortfall of \$132k. If the playground was removed and the other items were funded, the shortfall would still be \$297k and so on.

Removal of any of these items would also not complete nor deliver on the final stage of the Masterplan which will have a negative reputational impact from the club and general community.

It should also be noted that the Council resolution on 26 October 2021 recommended proceeding with the Stage 5A (continuation of Stage 5) using existing capital budget. See meeting minutes below:

15.5 ANGLE VALE COMMUNITY SPORTS CENTRE - STAGE 5 ADDITIONAL SCOPE**Responsible Executive Manager: Simon Blom****COUNCIL RESOLUTION****4794****Moved: Cr Rentoulis****Seconded: Cr Marsh**

Council recommends proceeding with detailed design and tender and construction for Stage 5A which includes a playground expansion, ½ court basketball court, BMX track and public toilet using existing capital budget.

CARRIED**5. OPTIONS**Recommendation

- That Council fund the additional \$412k capital shortfall and associated operating costs \$44,496.
- That the Chief Executive Officer be the delegated authority to enter into a construction contract before or during the Council caretaker period.
- That the additional capital and operating costs be addressed via the Council's 2022/23 first budget review process.
- No additional borrowing facility required.

Option 2

Council selects to remove a 'big ticket' item. Regardless of which of the items are removed, Council will still be required to fund a shortfall. The capital shortfall is dependent on which item is removed as shown below.

	Capital Cost	Associated Operating	Capital Remaining budget shortfall	Operating Remaining budget shortfall
External Toilet	\$280K	\$30,240	(\$132k)	(\$14,256)
Playground	\$115k	\$12,420	(\$297k)	(\$32,076)
Paving of pathways	\$120k	\$12,960	(\$292k)	(\$31,536)
BMX track	\$30K	\$3,240	(\$382k)	(\$41,256)

Option 3

Not proceed with the Stage 5A works and allocate the savings to other capital projects.

6. ANALYSIS OF OPTIONS**6.1 Recommendation Analysis****6.1.1 Analysis & Implications of the Recommendation**

This option would have a financial implication of allocating an additional \$412k of capital and associated operating costs of \$44,496 to complete the final stage of the Angle Vale Community Sports Centre Masterplan. It will ensure Council's reputation is maintained, the club and community's expectations are fulfilled, and that we are 'finishing what we started'.

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.

This decision will provide the general community and the tenant clubs what they have requested and will ensure Council's reputation is maintained that it will complete the Angle Vale Community Sports Centre masterplan and 'finish what it started.'

6.1.2 Financial Implications

Short-term = impacts on the current year budget

Long-term = impacts extending beyond one year, primarily implications on achievement of the LTFP and associated financial sustainability ratios

	Current Year 2022/23 \$'000	Ongoing \$'000
Operating Revenue		
Operating Expenditure	\$44	\$44
Net Operating Impact	(\$44)	(\$44)
Capital – Investing Revenue		
Capital Expenditure	\$412	Nil
Total Borrowings (Capital Investment)	\$412	Nil

Capital expenditure of \$412,000 will be require new debt, increasing total borrowing for the 2022/23 by \$412,000. No additional funding facility required.

The net operational impact of \$44,496 per annum will be reviewed as part of the budget review one and will result in a decrease in the budgeted operating surplus of \$1.880million.

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

The items listed are all items proposed by the community or club as part of the Masterplan consultation process. The removal of any of these items would not fulfil all the requirements and thus impact on Council's reputation to deliver on what it said it would deliver.

The removal of any items will still require Council to fund a shortfall depending on which item is selected.

6.2.2 Financial Implications

Whatever option is selected, Council would still be required to fund a capital shortfall and the associated operating costs.

6.3 Option 3 Analysis

6.3.1 Analysis & Implications of Option 3

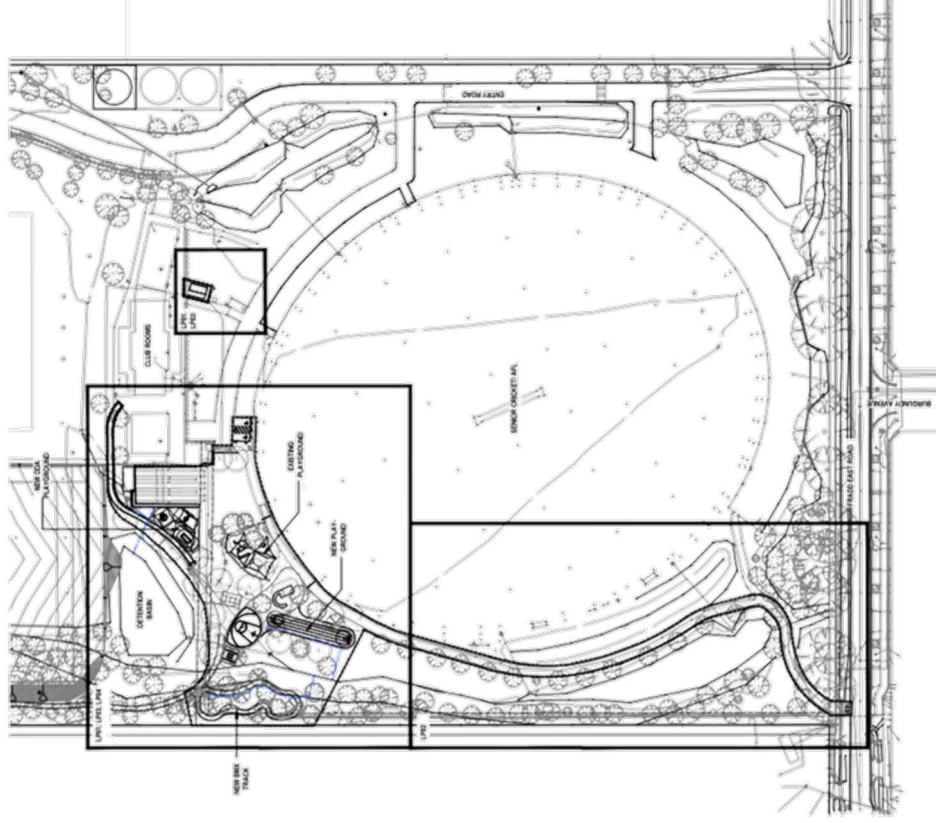
Although financially this would provide a project capital saving of approximately \$688k, it will significantly tarnish Council's reputation on delivering the expected community and club outcomes and will not deliver on completing the Masterplan. Although this could be placed on

hold until Council receives additional funding, since the construction of the masterplan commenced in 2013, delaying it further may create reputational risk to Council.

6.3.2 Financial Implications

This option will provide a capital saving of \$688,000 and ongoing operating costs of \$65k.

PROJECT NUMBER: OS732

[illegible][illegible]

OUTER SPACE

Project: **ANGLE VALE SPORTS PRECINCT -
PLAYGROUND & BMX TRACK**

CITY OF PLAYFORD

Country: USA

[illegible]

ISSUE FOR TENDER

Drawn Date	10/10/2022	Original Date	01/01/2022
------------	------------	---------------	------------

OS732	LP00
-------	------

