

**QLDC Council
26 February 2015**

Report for Agenda Item: 1

**Department:
Operations**

Stage One of the Wanaka Sports Facility and Future Pool Design Options

Purpose

- 1 To agree to a closed tender for stage one of the Wanaka Sports Facility (WSF), approve budget movement and progression pool design through until 30 June 2015.

Executive Summary

- 2 Stage One of the Wanaka Sports Facility has progressed through to developed design and the project team is working towards completing tender documentation in anticipation of going to a closed tender in March.
- 3 An Expression of Interest (EOI) process to find a main construction contractor was completed earlier this year. Nine submissions were received and evaluated on non-price attributes. It is recommended that the top three submissions be invited to progress to a closed tender process for work on Stage One of the Wanaka Sports Facility.
- 4 Cost for the agreed scope of two courts, change rooms, storage, outdoor multi-sport turf and car parking in August at preliminary design was \$13.4 million. Since then the design has developed through to detailed design and the inclusion of LED lighting to the sports hall, mechanical roof vents and floodlighting to the outdoor multi-sport turf are recommended options bringing the budget to \$13.9 million.
- 5 The final floor plate is noted in the appendix of this report and has been through an independent peer review by Sport New Zealand's facility team. The floor plate meets the scope agreed upon by Council during the 2014/2015 Annual Plan process and subsequent August 2014 meeting.
- 6 Following the December 2014 Council meeting officers were asked to investigate options of progressing the pool design in parallel with the Long Term Plan consultation.

Recommendation

- 7 *That Council:*
 - a. **Note** the final floor plate through developed design for tender documentation.
 - b. **Approve** an increase in Stage One of the WSF budget by \$315,000 to alter the scope and allow the inclusion of LED lighting in the main sports

hall, mechanical roof dampers and floodlights to light the outdoor multisport turf; and a further \$185,000 in material increases have additionally been identified as the project team has progressed from preliminary design through to developed design.

- c. **Note** that as a result of the increases noted in recommendation (b) the detailed design cost estimate is \$13.9 million;
- d. **Approve** additional unbudgeted expenditure of \$150,000-\$200,000 to progress pool design to the preliminary design stage by 30 June 2015 with the current design consortium of the Wanaka Sports Facility Stage One project;
- e. **Authorise** officers to proceed to a closed tender with the top three submissions received through the Expression of Interest process with the aim of confirming a main contractor for the WSF project.
- f. **Authorise** the Chief Executive to use delegated authority to appoint the main contractor provided capital costs do not exceed \$13.9 million.

OR

- g. **Directs** officers to report back to the Council in May following evaluation of tender submissions

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Leader

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11/02/2015

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Background

- 8 On 28 August 2014 Council resolved to:
 - a. Agree that Stage 1 of the Wanaka Sports Facility ['WSF'] be progressed through detailed design to tender documentation based on the recommended specification of Council's design team.
 - b. Agree that officers work with Snow Sports New Zealand (SSNZ) to establish a tenancy within stage one of the WSF on terms that are acceptable to the Council, including achieving recovery of the Council's capital costs associated with additional development.
- 9 Officers progressed the design on the scope approved in the 2014/2015 annual plan, which provided for two courts, change rooms, storage, outdoor

artificial court and car parking and which was based on the recommended specification of Council's design team approved in August.

- 10 The final floor plate attached as appendix A is consistent with this approved scope. This floor plate has also been independently reviewed by Sport New Zealand's facilities team.
- 11 An Expression of Interest (EOI) document was issued on 11 December 2014 and closed 23 January 2015 for the main contractor works tender for the WSF.
- 12 The project team met with the Urban Design Panel on 18 December 2014 to present stage one of the WSF. The Panel was supportive of the plans.
- 13 An earthworks consent application was lodged in mid-January and approved on 4 February 2015. The remainder of consents for stage one will be lodged in two parts: foundations and slab; and building consent.
- 14 Following the Special Consultative Process regarding future pool provisions for the Wanaka community, the Council resolved on 18 December 2014:
 - a. To agree the inclusion of \$11.8 million in the draft 2015-2025 Long Term Plan as allocated funding for a new pool development at Three Parks adjacent to the sports hall with the following conditions:
 - i. Design proposed to begin in 2015-16 (subject to the date being confirmed during the LTP planning process) with Council to determine what the components and design should include and consider whether any components might reasonably be constructed as part of the Northlake development;
 - ii. Construction to be completed in 2016-17 (subject to the date being confirmed during the LTP consultation process);
 - iii. The Wanaka community being encouraged to fundraise to reduce rating impact.
 - iv. Officers to report back to February Council meeting with options to progress design in 2014-15.
- 15 Given the above, this report discusses the following:
 - a. Expression of Interest process
 - b. Construction Timeline
 - c. Revised Costs Estimates and Stage One Scope Inclusions
 - d. Pool Design Options
 - e. SnowSports Update

Comment

Expression of Interest (EOI)

- 16 An EOI was issued on 15 December 2014 and closing 23 January 2015, to seek a main contractor for the construction works commencing in May 2015 and completion in June 2016. The purpose of the EOI was to inform

construction companies of upcoming projects in a busy market; allowing companies to plan their programming and resources.

17 The outline scope of the EOI requested submissions on non-price attributes. It was signalled following receipt and review of submissions, three parties would be shortlisted and given the opportunity to tender on a Fixed Price Lump Sum basis. The project scope was outlined as:

- Infrastructure including roads, car parking, footpaths; mains water, sewerage, storm water, telecommunications and power.
- Earthworks and landscaping including planting and paving.
- Construction of the WSF building which consists of two sports courts, changing facilities, administrative and office facilities, storage areas, plant rooms and general circulation space.
- Construction of an artificial/multi-sports turf.
- Lighting to the artificial/multi-sports turf.
- The potential for an additional package of works post tender was also noted in the scope.

18 Nine submissions were received. Evaluation was completed by a panel comprising representatives from RCP, QLDC and Rider Levett Bucknall (RLB), who each provided independent scores that were incorporated into an evaluation matrix to obtain final ratings. The evaluation criteria included:

- Relevant Experience and Team
- Capacity
- Health and Safety
- Health and Safety Accident Register (actual)
- Litigation (Historical and current)
- Current Levels of Relevant Insurance
- Conflict of Interest

19 Litigation and legal due diligence was carried out on the five top submissions. It was found all five complied with the request and qualified for acceptance to the next stage.

20 The top three submissions were superior in all the non-price attributes and are recommended to be accepted as 'Preferred Main Contractors' and for each to be invited to provide tenders for the WSF project via a Request for Proposal (RFP) process in March 2015.

21 These submissions will be evaluated by a panel of representatives from RCP, RLB and QLDC. Due to the tight timeframe to lay the foundations before winter (outlines below) there are two options for acceptance of the tender:

- The Council delegates authority to the Chief Executive to consider the tenders and appoint the main contractor; or;
- The Council holds an extraordinary meeting in early May to consider the tenders and appoint the main contractor.

Construction Timeline

22 If the main contractor is appointed in May, construction of Stage One will be completed by 30 June 2016 and the facility opened in July 2016.

23 To achieve this the key dates are as follows:

- 27 February: Notify successful and unsuccessful EOI submitters.
- 2 March: Lodge Stage 1 building consent application for foundation and slab.
- 16 March: Building consent and tender documentation complete.
- 23 March: Lodge Stage 2 building consent application for structure and balance of facility. Upload tender documentation (RFP) to preferred main contractors.
- Mid-April: Stage 1 approved foundation building consent issued.
- 2 May: Appoint main contractor and Stage 2 approved building consent issued.
- Mid May: Establishment on site.

Revised Cost Estimates and Stage One Scope Inclusions

24 Officers reported to Council on 28 August 2014 with a cost estimate of \$13.4 million at the preliminary design stage for WSF Stage One. This figure has increased to \$13.9 million with the introduction of floodlights for the outdoor multisport turf, LED lighting to the indoor courts and mechanical controlled roof vents. There have also been some increases in the costs of materials in the intervening period.

25 Floodlighting to the outside multisport turf increases the capital spend by \$275,000. This includes six floodlights, towers, underground ducting and a sub mains cable connecting to the sports hall.

26 Following discussion with Councillors on the inclusion of the floodlights, officers also engaged with local sports user groups in Wanaka. Upper Clutha Hockey Club and Upper Clutha Netball Club indicated their codes' winter use and participation numbers would rely heavily on the inclusion of the floodlights.

27 Upper Clutha Hockey Club representatives indicated they would use floodlights throughout winter 3-4 nights per week while the Upper Clutha Netball Club envisioned the club or associated teams would use lights 4-5 nights per week throughout winter.

28 Ongoing operating costs for the proposed lights have been calculated based on 4 hours' use a day at 7 days a week, 20 weeks a year equalling 560 hours. This has been calculated as an annual cost of \$3,245.

29 In August, Councillors expressed concerns about the recommended roof vents and the risk of water ingress. Officers have subsequently sought further advice on mechanical dampers which stop water ingress and allow air to flow by mechanical means. The capital cost for this higher spec is \$20,000. No increase in operating cost is anticipated.

- 30 LED lighting in the main sports hall requires an additional capital spend of \$20,000. Fluorescent lights were previously scoped. Following discussions with Councillors and further analysis of ongoing operating costs suggest that the inclusion of LED lights will have a three year payback on the capital cost. Given the higher quality of light projection in the sports hall that LED lights would provide, and a three year payback of the capital through reduced operating costs, LED lights are recommended.
- 31 Floodlighting, mechanical roof vents and LED lighting equate to an additional capital spend of \$315k. The additional \$185k increase in estimated costs since August is due to material increases which have been identified as the project team has progressed from preliminary design through to developed design. An updated Estimate of Costs is attached as appendix B.
- 32 In addition to the above, officers also recommend including \$10,000 to allow for a future pool. This includes increasing the capacity of the water supply line from the site boundary to the dry facility from the current 100 mm PN12 PE to 150 mm diameter and upsizing the storm water soakage pit by approximately a third to cater for future pool roof runoff and pool car-parking overflow.

Pool Design Option

- 33 Following the 18 December 2014 Council meeting, officers were directed to report back on options to progress the design of a new pool in 2014-15.
- 34 The purpose of the following table is to provide Councillors with options and risks associated with progressing design (up to completion of preliminary design) for the proposed new pool provisions at Three Parks prior to June 2015 and a decision on progressing this option through QLDC's Long Term Plan consideration.

35 Wanaka Pool Options for Progression of Pool Design till 30 June 2015

OPTIONS	DESCRIPTION	PRO'S	CON'S	RISKS	KEY DATES	ESTIMATED COSTS (30 June 2015)
A	Progress to Complete Preliminary Design Before 30 June 2015 - Stage one WSF lead design consultant continues	<ul style="list-style-type: none"> - Familiar with WSF - Easy integration with dry facility - Consistency with sub consultants - Experience on aquatic centres - Significant local/national resource - Understanding Urban of Design Panel requirements 	<ul style="list-style-type: none"> - Complacency from a fee and design deliverable perspective 	<ul style="list-style-type: none"> - QLDC will be exposed to a cost of \$150,00-\$200,000 if pool not adopted in to LTP - Abortive construction costs of \$50,000-\$100,000 	Construction Complete June 2017	\$150,00-\$200,000 + GST
B	Progress to Complete Preliminary Design Before 30 June 2015 - Issue a request for Proposal (RFP) to procure new lead design consultant.	<ul style="list-style-type: none"> - Potential to reduce cost fee's through the developed and detailed design phases by introducing competitive tension. 	<ul style="list-style-type: none"> - Lack of familiarity with WSF pool project (lack of intellectual property) - Potential for process to lead to same result (i.e appoint W&M) - New lead designer will want to change philosophy (possible cost and programme implications) 	<ul style="list-style-type: none"> - QLDC will be exposed to a cost of \$150-\$300,00 if pool not adopted in to LTP - Abortive construction costs \$50,000-\$100,000 	Construction Complete June 2017	\$150,000-\$300,000 + GST
C	Delay Commencement of Preliminary Design Until 1 July 2015 - Do not undertake any design work until decision to include the WSF Pool is confirmed in the LTP.	<ul style="list-style-type: none"> - No financial expenditure on design un the 2014/2015 financial year - No cost risk should pool not be adopted in the LTP. 	<ul style="list-style-type: none"> - Delay to completion date of pool - Potential for greater abortive works costs to WSF dry facility - Potential for construction cost escalation 	<ul style="list-style-type: none"> - Programme risk of approx. 6 months to the construction completion date - Potential for greater abortive works costs to the WSF dry facility, circa \$75,00-\$150,000 - Increase in construction cost 	Construction Complete December 2017	Nil

36 Key table notes:

- Cost table in Option B come with a number of potential variables which impact on cost, hence the cost range. These include costs associated with an additional RFP process and evaluation, lack of familiarity with existing project history and potential changes to design details and specification.
- There are likely abortive construction costs should Council proceed with a swimming pool amalgamated to the approved dry facility. Such works include removing cladding, walls and drainage lines. The timing of construction of the pool will impact on the extent of the abortive costs.
- The above 'Risks' column are reasonably high level estimates at this stage and will be subject to further cost assessment.
- Costs declared in the 'Risks' columns for cost escalation (Option C) are based on a swimming pool cost of \$11,800,000. Should pool design and cost change, this escalation will also be subject to cost movement.

37 Reviewing the above table, progressing the pool design in parallel with the LTP consultation, officers see option A as the most risk adverse option. If the pool is not adopted in to the 2015/2016 LTP, the preliminary design work can be shelved until the year of adoption wherein it can be continued on at any stage.

38 The existing design consortium is familiar with Stage One of the WSF and has had involvement in pool designs for the 2014 Special Consultative Process.

39 Last year several Councillors attended a workshop on Future Community Facility Development in New Zealand run by Sport New Zealand and the Central Lakes Trust. Officers were asked to investigate the concept of a 'drop in, ready to go pool' as an option for Wanaka.

40 Sport New Zealand is currently developing a "kiwi version" of the Sport England Affordable Sports Facilities model. The main objective of this work is to provide communities with facility plans for sports halls and swimming pools based on a formula which takes into account a community's population, demography, ratepayer base, surrounding facilities and national hub requirements. This exercise is still a work in progress and is not available to the Council at this stage.

SnowSports Update

41 Following the August 2014 Council meeting, officers were instructed to work with SnowSports New Zealand (SSNZ) to establish a tenancy within stage one of the WSF on the terms that were acceptable to Council and achieve recovery of Council capital costs associated with the additional development.

42 SSNZ receives its funding from Central Government through Sport New Zealand in five-year increments. This prevents SSNZ from committing to a lease beyond that period.

43 A potential commercial partner was identified by SSNZ to assist with underwriting a longer term commercial lease.

44 Officers have been advised that the potential partner has elected not to proceed. SSNZ has further advised it has no additional underwrite options or source of capital to establish a tenancy in Stage One of the WSF.

Financial Implications

45 No financial implications other than Council are incurring expenditure earlier than expected for pool development. This will be offset by underspend on WSF for 2014/2015 against budget of \$4.5m

Local Government Act 2002 Purpose Provisions

46 The decision to proceed with the WSF as proposed is consistent with S10 of the Local Government Act 2002 as it enables the delivery of good quality local infrastructure that is fit for purpose and supported by the Wanaka community.

Council Policies

47 The following Council Policies were considered:

- Policy on Significance and Engagement to determine whether the decision to proceed with additional investment in pool provision is significant.
- Annual Plan to confirm the scope of WSF Stage One to progress to detailed design and tender.
- Long Term Plan to confirm budget previously consulted on for WSF Stage One.

Consultation

48 The WSF and its development stages has been the subject of a number of public consultation and engagement processes, most recently the draft Annual Plan 2014/15 to confirm the scope of Stage 1.

49 The decision on future pool provision was subject to public consultation through the Special Consultative Process at the end of 2014. Further public consultation will occur during the 2015/16 Long Term Plan.

Publicity

50 It is recommended that a media statement be released which confirms the resolutions.

Attachments

- A Final Sports Hall and Site Layout
- B Cost Estimates for Stage one of WSF