

**GROWTH AND INFRASTRUCTURE COMMITTEE LATE REPORTS**

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\*\* Item includes confidential papers

**GROWTH AND INFRASTRUCTURE COMMITTEE NO. 9**

**10 SEPTEMBER 2019**

LATE REPORTS

1. **\*\*TENDER CONSIDERATION PLAN: BRISBANE LIONS STADIUM FIT FOR PURPOSE WORKS**

In 2017 Council entered into a Heads of Agreement (HOA) with the Brisbane Bears-Fitzroy Football Club Ltd trading as the Brisbane Lions to develop Lot 60 SP251816 into an Australian Rules Football Stadium and training facility to be utilised by the Brisbane Lions, with some community usage.

As part of the HOA, Ipswich City Council committed to completing the Fit for Purpose works on the lot to enable the Lions to build the stadium and training facility. The Fit for Purpose works include bulk earthworks, drainage and a creek relocation to allow for the stadium to be built. The HOA specifies that the Lions will then build a stadium / training facility on the land which will include aspects of community usage. Council will then lease the facility to the Brisbane Lions on a 50 year lease with an option to extend for a further 49 years.

Given that the fit for purpose works need to be suitable for the ultimate construction of the stadium by the Lions, it is recommended that the Brisbane Lions are best placed to manage the project and engage the contractor for the fit for purposes works on behalf of Council.

**RECOMMENDATION**

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve to prepare a Quote or Tender Consideration Plan for the Brisbane Bears-Fitzroy Football Club to deliver the fit for purpose works on Lot 60 of SP251816 in accordance with section 230(1)(a) of the *Local Government Regulation 2012*.
- B. That Council (Interim Administrator of Ipswich City Council) resolve to adopt the Quote or Tender Consideration Plan for the Brisbane Bears-Fitzroy Football Club to deliver the fit for purpose works on Lot 60 of SP251816 as outlined in the report by the General Manager Coordination and Performance dated 2 September 2019 in accordance with section 230(1)(b) of the *Local Government Regulation 2012*.
- C. That Council (Interim Administrator of Ipswich City Council) enter into an Elective Works Deed (contract) with Brisbane Bears-Fitzroy Football Club Ltd trading as the Brisbane Lions to deliver the fit for purpose works on Lot 60 of SP251816 on the terms described in the report by the General Manager Coordination and Performance dated 2 September 2019.

- D. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the Elective Works Deed (contract) with Brisbane Bears-Fitzroy Football Club Ltd trading as the Brisbane Lions to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.
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\*\* Item includes confidential papers

and any other items as considered necessary.

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*The Chairperson has determined this matter is of real urgency and approval has been given to refer this report to the Growth and Infrastructure Committee as a late item.*

ITEM: 1

SUBJECT: TENDER CONSIDERATION PLAN: BRISBANE LIONS STADIUM FIT FOR PURPOSE WORKS

AUTHOR: GENERAL MANAGER - COORDINATION AND PERFORMANCE

DATE: 2 SEPTEMBER 2019

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## EXECUTIVE SUMMARY

In 2017 Council entered into a Heads of Agreement (HOA) with the Brisbane Bears-Fitzroy Football Club Ltd trading as the Brisbane Lions to develop Lot 60 SP251816 into an Australian Rules Football Stadium and training facility to be utilised by the Brisbane Lions, with some community usage.

As part of the HOA, Ipswich City Council committed to completing the Fit for Purpose works on the lot to enable the Lions to build the stadium and training facility. The Fit for Purpose works include bulk earthworks, drainage and a creek relocation to allow for the stadium to be built. The HOA specifies that the Lions will then build a stadium / training facility on the land which will include aspects of community usage. Council will then lease the facility to the Brisbane Lions on a 50 year lease with an option to extend for a further 49 years.

Given that the fit for purpose works need to be suitable for the ultimate construction of the stadium by the Lions, it is recommended that the Brisbane Lions are best placed to manage the project and engage the contractor for the fit for purposes works on behalf of Council.

## RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve to prepare a Quote or Tender Consideration Plan for the Brisbane Bears-Fitzroy Football Club to deliver the fit for purpose works on Lot 60 of SP251816 in accordance with section 230(1)(a) of the *Local Government Regulation 2012*.**
- B. That Council (Interim Administrator of Ipswich City Council) resolve to adopt the Quote or Tender Consideration Plan for the Brisbane Bears-Fitzroy Football Club to deliver the fit for purpose works on Lot 60 of SP251816 as outlined in the report by the General Manager Coordination and Performance dated 2 September 2019 in accordance with section 230(1)(b) of the *Local Government Regulation 2012*.**

- C. That Council (Interim Administrator of Ipswich City Council) enter into an Elective Works Deed (contract) with Brisbane Bears-Fitzroy Football Club Ltd trading as the Brisbane Lions to deliver the fit for purpose works on Lot 60 of SP251816 on the terms described in the report by the General Manager Coordination and Performance dated 2 September 2019**
- D. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the Elective Works Deed (contract) with Brisbane Bears-Fitzroy Football Club Ltd trading as the Brisbane Lions to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.**

#### **RELATED PARTIES**

Brisbane Bears-Fitzroy Football Club Ltd trading as the Brisbane Lions

BMD Urban Pty Ltd

COHA Group

No conflicts of interest have been identified by any ICC staff involved in this project.

#### **ADVANCE IPSWICH THEME**

Managing growth and delivering key infrastructure

#### **PURPOSE OF REPORT/BACKGROUND**

In 2017 Council entered into a Heads of Agreement (HOA) with the Brisbane Bears-Fitzroy Football Club Ltd trading as the Brisbane Lions to develop Lot 60 SP251816 into an Australian Rules Football Stadium and training facility to be utilised by the Brisbane Lions, with some community usage.

As part of the HOA, Ipswich City Council committed to completing the Fit for Purpose works on the lot to enable the Lions to build the stadium and training facility. The Fit for Purpose works include bulk earthworks, drainage and a creek relocation to allow for the stadium to be built. The HOA specifies that the Lions will then build a stadium / training facility on the land which will include aspects of community usage. Council will then lease the facility to the Brisbane Lions on a 50 year lease with an option to extend for a further 49 years.

Given that the fit for purpose works need to be suitable for the ultimate construction of the stadium by the Lions, it was previously determined by the Acting COO of Works, Parks and Recreation that the Brisbane Lions are best placed to manage the project and engage the contractor for the fit for purposes works on behalf of Council. The Brisbane Lions want to perform the fit for purpose works, in accordance with an Elective Works Deed, which will be negotiated to minimise the legal and financial risks to Council.

The Brisbane Lions subsequently engaged BMD to conduct the works for the following reasons:

- The Tender Consideration Plan (TCP) is the appropriate exception to apply, under s230 of the *Local government Regulation 2012*, in this instance, to depart from the ordinary tender/quote process. The Brisbane Lions are the eventual custodians of the stadium, and want to manage the preliminary fit for purpose works on behalf of Council and in accordance with the HOA. The Lions have engaged a contractor to perform the works and due to the relevance of Council's particular supplier relationship with the Lions, with this particular project, it is appropriate that the Lions are engaged on Council's behalf to perform the Fit for purpose works.
- Springfield City Group had already formally engaged BMD to undertake the new mainline sewer upgrade which underlies the fit for purpose works.
- BMD had already provided Council with a costing for the creek relocation and it was considered to be a competitive price, based on an opinion of costs provided by Cardno.

Based on these factors, the Lions determined that BMD were the contractor best positioned to conduct the works due to their cost, the current works being undertaken on the site by BMD and to ensure that the works are completed in a timely fashion prior to the commencement of the wet season which could have significant environmental impacts on the site.

In order to have the works completed this calendar year before the wet season, Council has entered into an Access and Works Deed with the Lions to allow them to commence the fit for purpose works. This was entered into by the CEO under delegation and under the provisions of sections 238(2) and 235(c) of the *Local Government Regulation 2012*. This agreement is set to expire on 31 October 2019.

Council is now seeking to enter into an elective works deed with the Lions, to allow for the remainder of the fit for purpose works to be completed by BMD who are engaged by the Lions.

On 30 April 2019, Cardno engineers provided an independent opinion of cost that assessed all of the fit for purpose works including the creek relocation. This opinion of cost is attached to this report and calculated the costs to be approximately \$6,011,249.50. The BMD construction quote provided to the lions for the fit for purpose works including the creek relocation amounts to \$6,271,325.79. Based on the figure provided by Cardno and the closeness of the BMD quote to this amount, council can be confident that they are achieving value for money from the Lion's project managing the works on behalf of council.

### **LEGAL/POLICY BASIS**

This report and its recommendations are consistent with the following legislative provisions:  
*Local Government Regulation 2012*

## **RISK MANAGEMENT IMPLICATIONS**

The risks and mitigation strategies have been identified in relation to ICC appointing the Brisbane Lions as project delivery manager in the Tender Consideration Plan which is attached to this report.

If Council does not approve the tender consideration plan to appoint the Brisbane Lions the project will potentially be placed at risk in terms of timeframes, environmental consequences and cost.

## **FINANCIAL/RESOURCE IMPLICATIONS**

The fixed price contract between the Brisbane Lions and BMD is in the amount of \$6,271,325.79 ex GST. This does not include any contingencies.

## **COMMUNITY AND OTHER CONSULTATION**

Consultation has been undertaken with Council's General Counsel who have assisted in the drafting of this report, tender consideration plan and the recommendations for Council to adopt. Council's General Counsel is supportive of this approach to the procurement of the Lions.

The Brisbane Lions have been consulted in relation to this matter and are supportive of leading the delivery of the fit for purpose works.

Springfield City Group have been advised of the fit for purpose works and are supportive of the Lions continuing to deliver this project.

## **CONCLUSION**

It is recommended that Council adopt the tender consideration plan and appoint the Brisbane Lions as the delivery agent for the remaining fit for purpose works.

## **ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS**

1.	CONFIDENTIAL Tender Consideration Plan
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Sean Madigan

**GENERAL MANAGER - COORDINATION AND PERFORMANCE**

I concur with the recommendations contained in this report.

David Farmer

**CHIEF EXECUTIVE OFFICER**

***“Together, we proudly enhance the quality of life for our community”***