



City of
Ipswich

**IPSWICH
CITY
COUNCIL**

AGENDA

of the

ECONOMIC DEVELOPMENT COMMITTEE

**Held in the Council Chambers
2nd floor – Council Administration Building
45 Roderick Street
IPSWICH QLD 4305**

**On Tuesday, 14 May 2019
At 8:30 AM**

<u>MEMBERS OF THE ECONOMIC DEVELOPMENT COMMITTEE</u>	
Interim Administrator Greg Chemello (Chairperson)	

ECONOMIC DEVELOPMENT COMMITTEE AGENDA

8:30 AM on **Tuesday**, 14 May 2019

Council Chambers

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** Item includes confidential papers

ECONOMIC DEVELOPMENT COMMITTEE NO. 5

14 MAY 2019

AGENDA

1. **STATUTORY EXPRESSION OF INTEREST FOR PARTNERS OF FIRE STATION 101**

With reference to a report concerning a proposed statutory Expressions of Interest seeking to establish partners of Fire Station 101.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve that it is satisfied that the calling of Expressions of Interest under section 228(5) of the *Local Government Regulation 2012*, as detailed in the report by the Project Manager (Fire Station 101) dated 1 May 2019, is in the public interest for the following reason:

It will allow Council to identify potential contractors who are serious contenders for the provision of products and services that will improve or enhance knowledge and skills to build innovation capability without putting all contenders to the expense of preparing a full tender response in the initial stages.

- B. That Council (Interim Administrator of Ipswich City Council) resolve to invite Expressions of Interest under section 228(5) of the *Local Government Regulation 2012*, as detailed in the report by the Project Manager (Fire Station 101) dated 1 May 2019, for products and services that will improve or enhance knowledge and skills to build innovation capability.

2. **WIND-UP OF IPSWICH CITY PROPERTIES PTY LTD**

With reference to a report concerning the progress of the winding-up of Ipswich City Properties Pty Ltd (ICP), a 100% owned entity of Ipswich City Council (Council), as per the formal plan which was tabled by the Chief Operating Officer Finance and Corporate Services at the Project Steering Committee meeting held on 8 April 2019. The wind-up plan is to have current ICP assets, licences, leases, intellectual property and operations transferred and incorporated into Council by 30 June 2019. The final deregistration process is then scheduled to occur from July to December 2019.

RECOMMENDATION

That the report be received and the contents noted.

3. ****IPSWICH CENTRAL PROGRAM REPORT NO. 11 TO 16 APRIL 2019**

With reference to a report concerning a monthly update for the Ipswich Central Program of Works.

RECOMMENDATION

That the report on the Ipswich Central Program Report No. 11 effective to 16 April 2019 be received and the contents noted.

4. ****NICHOLAS STREET AND UNION PLACE - LANDSCAPING AND SERVICES COMPLETION WORKS - NICHOLAS STREET - IPSWICH CENTRAL**

With reference to a report concerning the delivery of the remaining scope (yet to be awarded) of construction works ("Remainder Works") within Nicholas Street and Union Place, for Nicholas St – Ipswich Central, which includes the completion of all construction works above pavement level.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve it is satisfied under section 235(a) of the *Local Government Regulation 2012* (Regulation) that the exemption under s235(a) of the Regulation applies and that J. MAC Constructions Pty Ltd is the only supplier reasonably available to it to provide Landscaping and Services Completion Works for Nicholas Street and Union Place for the following reason:

Allows project delivery timeframes to be achieved, provides opportunity for savings through economies of scale with the Contractor, and mitigates interface risks both on site and with design documentation.

- B. That Council (Interim Administrator of Ipswich City Council) approve a variation to Contract No. 13139 with J. MAC Constructions Pty Ltd for the provision of Landscaping and Services Completion Works as set out in Attachments 1 and 2.
- C. That the Chief Executive Officer be authorised to administer contract variations for the Design and Construction of Ipswich City Mall Upgrade Nicholas St and Union Pl, Contract No. 13139 and to do any other acts necessary to implement Council's decision in accordance with section 13(3)(c) of the *Local Government Act 2009*.

**** Item includes confidential papers**

and any other items as considered necessary.

Doc ID No: A5493470

ITEM: 1

SUBJECT: STATUTORY EXPRESSION OF INTEREST FOR PARTNERS OF FIRE STATION 101

AUTHOR: PROJECT MANAGER (FIRE STATION - SECONDMENT)

DATE: 1 MAY 2019

EXECUTIVE SUMMARY

This is a report concerning a proposed statutory Expressions of Interest seeking to establish partners of Fire Station 101.

Since opening in March 2016, Fire Station 101 (FS101) has operated as a membership based start-up incubator, co-working space and events facility. FS101 has worked with over 180 start-up businesses who have secured over \$600,000 in initial investment, spawned 15 new companies and the hub has hosted over 150 events.

In 2018 the ownership and operations of FS101 were transferred wholly to Council from Ipswich City Developments and Ipswich City Enterprises. The transfer and integration of FS101 into Council's Office of Economic Development has maximised Council's investment and resources in the delivery of innovation, business accelerator, technology and smart city activities delivering increased economic, workforce and community outcomes.

As we look to the future of FS101, a review of community needs, market factors and operating models has lead the team to explore alternative ways to deliver relevant products and services through FS101 as a centre of excellence that grows knowledge, encourages collaboration and develops skills to drive social and economic outcomes for Ipswich.

Consequently an expression of interest for FS101 partners is recommended, seeking proposals from organisations to deliver products and services that will improve and enhance community knowledge and skills to build innovation capability.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve that it is satisfied that the calling of Expressions of Interest under section 228(5) of the *Local Government Regulation 2012*, as detailed in the report by the Project Manager (Fire Station 101) dated 1 May 2019, is in the public interest for the following reason:

It will allow Council to identify potential contractors who are serious contenders for the provision of products and services that will improve or enhance knowledge and skills to build innovation capability without putting all contenders to the expense of preparing a full tender response in the initial stages.

- B. That Council (Interim Administrator of Ipswich City Council) resolve to invite Expressions of Interest under section 228(5) of the *Local Government Regulation 2012*, as detailed in the report by the Project Manager (Fire Station 101) dated 1 May 2019, for products and services that will improve or enhance knowledge and skills to build innovation capability.

RELATED PARTIES

There are no related party matters associated with this report.

ADVANCE IPSWICH THEME LINKAGE

Strengthening our local economy and building prosperity

PURPOSE OF REPORT/BACKGROUND

FS101 has developed into a significant regional hub for collaboration and innovation, building community capability and opportunity. It is a key civic asset that continues to facilitate objectives and outcomes prioritised in the Advance Ipswich Plan and the Economic and Workforce Development Plan, such as:

- Lead an innovation and digital technology agenda enabling new ways to working and living and be recognised as a national centre for smart city research, development and solutions
- Strengthen and diversify the local digital economy
- Drive the enhancement of existing industries and the emergence of new industries to create a diversified economy and economic prosperity
- Enable business diversification, adapting and responding to technological advances and creating an attractive economic environment for business investment

FS101 stands as a unique offering in the market, as an established and mature innovation hub FS101 has strong brand awareness in the start-up, business and government communities and has achieved momentum and organic growth.

However, it is recognised that for FS101 to continually improve its community value it must look for more effective ways to generate relevant outputs and outcomes. An evidence-based approach to the products and services has been developed as well as a strengthening and enhancement of these through a partnership approach.

Due to the niche market in which many capable providers already operate and rather than functioning in competition with existing private sector specialists, mutually beneficial partnership arrangements may offer an opportunity to leverage industry experience and generate the most cost effective and successful outcome.

Consequently a Request for Expressions of Interest (EOI) to partner with FS101 has been developed. The EOI will seek proposals from organisations to partner with FS101 with the intent to deliver products and services that will improve or enhance knowledge and skills to build innovation capability.

Through the EOI, partner proposals will be sought for the following:

- Management or co-management of the daily operations of the facility; and/or
- Development, delivery and/or coordination of products and services such as programs, activities, and events focused on knowledge and skill and capability development of FS101 members and the community; and/or
- Leveraging of their existing networks, partnerships and industry knowledge for the benefit of FS101 and broader community; and/or
- Raising the profile of and promote FS101 to industry, business and the community; and/or
- Identifying and pursuing alternative funding opportunities.

Proposals can cover one, several or all of the key programs as indicated above. A variety of operating and commercial models will also be considered. Additional projects may be added from time to time by mutual agreement. Additional projects may be proposed by either Council or the chosen partner(s). Proponents may provide information in their proposals on recommended projects that could support Council's agenda for FS101.

In addition to improving or enhancing knowledge and skills to build capability, the objectives sought through this EOI and ultimately the delivery of appropriate partnerships include:

- a) Solving local business problems and identify new market opportunities; and/or
- b) Generating projects that provide social value; and/or
- c) Creating jobs and generating economic value; and/or
- d) Generating new revenue streams for FS101 with a long-term goal of financial sustainability; and/or
- e) Increasing return on investment for ratepayers; and/or
- f) Positioning Ipswich as an innovative community; and/or
- g) Allowing council to increase its community advocacy role.

FINANCIAL/RESOURCE IMPLICATIONS

To deliver the EOI current labour resources are deemed sufficient. Additional materials and services budget will be required to enter into any appropriately determined partnership arrangement, however this allowance has been proposed in 2019-2020 budget considerations.

RISK MANAGEMENT IMPLICATIONS

The major risks and proposed solutions associated with the proposed EOI are outlined below:

Risk	Category	Rating
Don't receive quality responses	Supply	High
Receive responses that do not provide value for money	Finance and Economic	Medium
	Overall Rating:	High

To reduce the above risks occurring a desktop analysis of potential respondents will be conducted and these respondents may be directly informed of when the EOI will be released if deemed appropriate.

The major risks and proposed solutions associated with not approving the proposed EOI are outlined below:

Risk	Category	Rating
Continue to deliver current products and services	Finance and Economic	High
	Overall Rating:	High

The outcome of continuing to deliver current products and services is the missed opportunity to leverage the existing position of FS101 to deliver social and economic outcomes for Ipswich.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009

COMMUNITY AND OTHER CONSULTATION

The key stakeholders are Economic Development and Marketing Department staff and have thus been consulted in relation to the proposed EOI.

CONCLUSION

Fire Station 101 builds the capability to innovate through being a centre of excellence that grows knowledge, encourages collaboration and develops skills to drive social and economic outcomes for Ipswich. It has been recognised through a review process that for Fire Station 101 to achieve its full potential and thus deliver social and economic outcomes for Ipswich, the products and services currently being offered require improvement. An evidence-based approach to the products and services has been developed as well as a strengthening and enhancement of these through a partnership approach.

Consequently an EOI to partner with Fire Station 101 has been developed. The purpose of the proposed EOI is to seek proposals from organisations to partner with Fire Station 101 with the intent to deliver products and services that will improve or enhance knowledge and skills to build innovation capability.

Jodie Welsh

PROJECT MANAGER (FIRE STATION - SECONDMENT)

I concur with the recommendations contained in this report.

Paul Massingham

ECONOMIC DEVELOPMENT MANAGER

I concur with the recommendations contained in this report.

Ben Pole

CHIEF OPERATING OFFICER (ECONOMIC DEVELOPMENT AND MARKETING)

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Doc ID No: A5484032

ITEM: 2
SUBJECT: WIND-UP OF IPSWICH CITY PROPERTIES PTY LTD
AUTHOR: COMMERCIAL ASSET MANAGER
DATE: 26 APRIL 2019

EXECUTIVE SUMMARY

This is a report concerning the progress of the winding-up of Ipswich City Properties Pty Ltd (ICP), a 100% owned entity of Ipswich City Council (Council), as per the formal plan which was tabled by the Chief Operating Officer Finance and Corporate Services at the Project Steering Committee meeting held on 8 April 2019. The wind-up plan is to have current ICP assets, licences, leases, intellectual property and operations transferred and incorporated into Council by 30 June 2019. The final deregistration process is then scheduled to occur from July to December 2019.

RECOMMENDATION/S

That the report be received and the contents noted.

RELATED PARTIES

Ipswich City Council
McGrath Nicol
Clayton Utz
King and Wood Mallesons

ADVANCE IPSWICH THEME LINKAGE

Managing growth and delivering key infrastructure

PURPOSE OF REPORT/BACKGROUND

At the meeting of the Board of ICP on 17 April 2019, the Board resolved that a report be prepared for the next meeting of Ipswich City Council in relation to the current engagement of ICP and ICC personnel with McGrath Nicol and Clayton Utz for the coordination of all activities and processes directed at achieving a final winding up of ICP by 30 June 2019. The information in this report should be read in conjunction with the "Ipswich City Council – Ipswich City Properties Pty Ltd Transition Plan Status Update" from McGrath Nicol dated 23 April 2019 which appears as Attachment 1.

Clayton Utz were engaged by ICP on 23 April 2019 to advise on and carry out all legal requirements associated with ICP's involvement in the winding-up process. This includes arranging for the following:

1. Transfer of freehold land
2. Transfer of leasehold – 2 Bell St
3. Queensland Rail (QR) option
4. Infrastructure credits
5. Intellectual property
6. Deed of release of ICP from Council to forgive debt at the end of the above processes and before liquidation/de-registration of ICP.

In addition to the ongoing interaction between ICP and Council personnel with Clayton Utz, McGrath Nicol and King and Wood Mallesons (the latter two acting under instructions from Council), JLL Advisory Services were commissioned by ICP on 18 April 2019 to undertake a new valuation of the ICP owned property assets in advance of the planned transfer of these assets to Council. McGrath Nicol are actively assisting the winding-up process in having already finalised the action plan and schedule to enable the facilitation and monitoring of targeted deliverables and timeframes. King and Wood Mallesons have been engaged by Council to provide an independent review of Clayton Utz documents, with Council and McGrath Nicol managing this process to ensure that no duplication of legal matters or conflicting advice occurs. ICP understands that King and Wood Mallesons will be providing Council with stamp duty advice regarding corporate reorganisation and that they will prepare and lodge an exemption request with the Office of State Revenue on Council's behalf. Council's Finance team and McGrath Nicol have had discussions regarding the loan account depending on asset values, and other balance sheet items (e.g. debtors / creditors).

Other activities being covered by the various teams involved from these organisations include the following:

1. Asset Register
2. Leases and Licences register (tenants)
3. Supplier/Consultants associated with Nicholas St – Ipswich Central redevelopment
4. Suppliers – Operational and services
5. Confirmation of title searches (which have already been undertaken)

Further to the above, a meeting on 8 May 2019 has been scheduled with Council's General Counsel and City Solicitor, by ICP and Council Finance personnel involved in the winding-up process, to progress matters involving the assignment and subsequent management of current ICP leases/licences once the property assets have been transferred into Council ownership, along with the novation of relevant ICP contracts across to Council. Also to be discussed at this meeting will be the establishment of an internal plan to deal with any procurement issues arising as and from the date of transfer of assets from ICP to Council and Council's management as and from that transfer date.

Other activities currently being pursued in relation to the winding-up process include:

1. Engagement with QR on the 2 Bell St lease and the remaining Ellenborough St purchase option.
2. Location of securities and BG's for contractors Hutchinson, JMac and James Trowse.
3. Follow up by Ranbury with Council P&D on available Infrastructure credits for the Project.
4. A review of all ICP records to identify all consultancy engagements and tax invoices for both the Project and for property management operational and services requirements.
5. The integration of seconded ICP staff back to Council and the cancellation of relevant secondment agreements.

FINANCIAL/RESOURCE IMPLICATIONS

A Scope and Fee Estimate received from Clayton Utz for an amount of \$33,500 was formally approved by the Board of ICP on 18 April 2019 to cover ICP's legal requirements involved with the winding-up process of ICP by 30 June 2019 at its cost. All other ICP generated resourcing related to the winding-up process is being handled in-house by ICC personnel seconded to ICP. The involvement of McGrath Nicol and King and Wood Mallesons with the winding-up process are under separate terms of engagement issued by Council as previously authorised by the Chief Operating Officer Finance and Corporate Services and are estimated to be around \$60,000 to \$80,000.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009



COMMUNITY AND OTHER CONSULTATION

No community consultation is required for this report.

CONCLUSION

This report provides confirmation that the ongoing and active management process between the relevant parties involved, which is focussed on achieving a final winding up of ICP by 30 June 2019, remains on schedule as at 24 April 2019. With approximately two months to run prior to the required completion deadline being reached, it is the view of all parties involved that the required outcome is achievable by that date, utilising the combined resources currently dedicated to the task.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Transition Plan Status Update - McGrath Nicol  
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Steve Bannister-Tyrrell
COMMERCIAL ASSET MANAGER

I concur with the recommendations contained in this report.

Andrew Knight
CHIEF OPERATING OFFICER (FINANCE AND CORPORATE SERVICES)

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Ipswich City Council – Ipswich City Properties Pty Ltd

Transition plan status update

23 April 2019



Glossary

Council	Ipswich City Council
DNRME	Department of Natural Resources, Mines and Energy
ICP	Ipswich City Properties Pty Ltd
ICP	Ipswich City Properties Pty Ltd
KWM	King & Wood Mallesons
QR	Queensland Rail

Transition plan status update



Key tasks undertaken to date

- Initial briefing of McGrathNicol
- Initial briefing of Clayton Utz
- Initial briefing of KWM
- Initial briefing of Ranbury
- Initial draft transition plan prepared
- Valuer instructed
- Stamp duty advice and exemption application recommended
- Asset register updated
- Tenant register updated and review of tenancy agreements commenced
- Key consultants/suppliers required by Council identified

Key next steps to be undertaken

- Finalise and submit stamp duty exemption application
- Receive valuation
- Finalise review of tenancy agreements to identify consents/assignments required, including of any securities
- Finalise review of supplier/consultant agreements to identify the most appropriate way to provide the benefit of these agreements and any associated securities to Council
- Initial contact with QR regarding lease option and assignment of leases
- Provide draft documents to QR
- Initial contact with DNRME regarding consent to assignment of crown lease

Key potential causes of delay

- Consent from QR to assignment of leases
- Ministerial consent to assignment of crown lease (traffic ramps)
- Execution of novation deeds with key suppliers/consultants

Doc ID No: A5495355

ITEM: 3
SUBJECT: IPSWICH CENTRAL PROGRAM REPORT NO. 11 TO 16 APRIL 2019
AUTHOR: BUSINESS SUPPORT OFFICER
DATE: 2 MAY 2019

EXECUTIVE SUMMARY

This is a report concerning a monthly update for the Ipswich Central Program of Works.

RECOMMENDATION/S

That the report on the Ipswich Central Program Report No. 11 effective to 16 April 2019 be received and the contents noted.

RELATED PARTIES

Program Management Partner, Ranbury Management Group – for the Ipswich CBD Transformation Project.

ADVANCE IPSWICH THEME LINKAGE

Strengthening our local economy and building prosperity

PURPOSE OF REPORT/BACKGROUND

This report includes Monthly Program Report No. 11 for Ipswich Central effective to 16 April 2019. It is to inform the Committee of the progress of the redevelopment works, including status of design, procurement, programme, potential risks with related mitigation strategies, etc.

FINANCIAL/RESOURCE IMPLICATIONS

Not applicable

RISK MANAGEMENT IMPLICATIONS

Not applicable

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009



COMMUNITY AND OTHER CONSULTATION

Not applicable

CONCLUSION

This report is provided as a monthly update on the Ipswich Central Program of Works.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Summary Report No 11 to 16 April 2019  
	CONFIDENTIAL
2.	Executive Report No 1 to 16 April 2019

Nicole Denman
BUSINESS SUPPORT OFFICER

I concur with the recommendations contained in this report.

Sean Madigan
CHIEF OPERATING OFFICER (HEALTH, SECURITY AND REGULATORY SERVICES)

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Nicholas Street, Ipswich Central

Summary Report No.11

To 16th April 2019



Endorsed by:

Date: _____

NICHOLASST

IPSWICH CENTRAL

DOCUMENT INFORMATION

Title: Ipswich Central
Subtitle: Project Management Report
Date: 26 April 2019

VERSION	DATE	OUR REFERENCE
1	15 April 2019	T:\Projects\Ipswich Central\16044-Program Management\9-Reporting\Program & Project Management Reports\2019-04 April

AUTHOR, REVIEWER AND APPROVER DETAILS

Prepared by: Ranbury Date: 15/04/2019

Distribution

Ipswich Central Project Steering Committee



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1. Project Summary

Table 1 below details the various projects included in Ipswich Central together with their current status and completion timelines:

Table 1 – Project Status Summary

Ref	Project	Current Status	Target Completion
1.1	Admin Building	Tender Evaluation	Q2 2021
1.2	Library	Tender Evaluation	Q2 2020
1.3	Civic Plaza	Tender Evaluation	Q2 2020
1.4	Car Park Upgrade	Tender Evaluation	Q2 2020
1.5	Nicholas / Union (above street level)	Tender Evaluation	Q1 2020
1.6	Bremer St Ramps	Tender Evaluation	Q3 2020
2.1	Commonwealth Hotel (Deconstruction)	Complete	Q3 2018
2.2	Commonwealth Hotel (Stabilisation)	In Construction	Q2 2019
2.3	Commonwealth Hotel (Reconstruction)	Detailed Design	Q2 2020
2.4	Commonwealth Hotel (Retail Fitout)	Concept Design	Q2 2020
3.1	Nicholas / Union (below street level)	In Construction	Q4 2019
4.1	Metro A (Bells St Link)	Concept Design	Q2 2020
4.2	Metro B (2 Bell Street)	Concept Design	Q2 2020
4.3	Eats (Food & Bev)	Concept Design	Q2 2020
4.4	Venue (Entertainment Bldg)	Concept Design	Q2 2020
5.1	AV Project (Nicholas / Union)	Concept Design	Q2 2020
6.0	Demolition works	Complete	Q2 2018
7.0	Safe City Relocation	Complete	Q2 2018

NICHOLASST

IPSWICH CENTRAL

2. Design & Construction

2.1 CIVIC PROJECT

The tender evaluation for the Ipswich Central Civic Project (the "Civic Project") is currently underway. The works include the following components of the program:

1. The Admin Building (including integrated fit-out)
2. Library (including fit-out)
3. Civic Plaza
4. Existing Car Park Upgrade
5. Nicholas / Union (works above street level including lighting, planter beds, street furniture)
6. Bremer Street ramps removal

The evaluation panel is bound by confidentiality and detail cannot be disclosed at this point in time. However, it is noted that an announcement is due in May 2019.

2.2 COMMONWEALTH HOTEL

Work to the Commonwealth Hotel is proceeding according to program, it has been packaged into the following work phases:

1. **Deconstruction:** Careful deconstruction of this historic asset was completed in 2018 to ensure safety of workers and the public with oversight by suitably qualified consultants.
2. **Stabilisation:** Construction works continue with underpinning works to the front and rear facades and internal slabs completed and services installation progressing.
3. **Reconstruction:** The recent Board meeting approved the proposed contracting and procurement process for the rebuilding of this historic asset. Capability, financial checks and negotiations will be under taken prior to award.
4. **Fitout:** Design is underway for retail fitout elements of the project.

Completion of the fitout work is forecast to coincide with completion of adjacent retail fitout projects.

2.3 NICHOLAS / UNION

Jmac Constructions, the contractor for Nicholas St/Union Place, continues construction works on site and now has possession of the northern end of Nicholas St. A staged approval of the design is ongoing to enable Jmac to progress earthworks and inground services.

The RFQ evaluation for pavement supply is now complete. The Evaluation report is to be submitted to the Program Steering Committee for approval.

2.4 RETAIL

Retail fitout works are proposed to be delivered as a consolidated program of works to ensure efficiency and facilitate coordination between the works. The projects comprising the retail program include:

1. Metro A – Bell Street Link
2. Metro B – 2 Bell Street
3. Eats – Food & Beverage tenancies on the western side of Nicholas Street (lower end)
4. Venue – Entertainment building on the western side of Nicholas Street (upper end)

Engineering consultants have been approved to undertake due diligence across all buildings.

NICHOLAS

IPSWICH CENTRAL

2.5 AV PROJECT

The AV project is in the concept design phase. Detailed documentation is forecast to commence in the coming months.

The AV work is currently listed as a separate package of work. Pursuant to further design the procurement arrangements will be finalised and this work may ultimately be combined with other packages if appropriate.

2.6 DEMOLITION WORK

Demolition work was completed in 2018 and included lot creation to facilitate construction of the Admin Building and adjacent Civic Project elements. The demolition work has reduced the risk and program duration of the Civic Project.

The Contractor, Hutchison Builders, are currently maintaining the site to ensure public safety and ensure the stability of the works pending a Contractor being appointed to take possession of the site and commence construction of the Civic Project.

2.7 SAFE CITY RELOCATION

The Safe City Relocation project has been completed.



3. Marketing & Leasing

3.1 CENTRAL CIVIC PROJECT

Ipswich Central branding has been resumed by the Council and applied to a much greater area. A branding exercise for the former CBD has also been undertaken. This new branding has now been approved and appropriate collateral will be developed to reflect this. This process has progressed significantly and resulted in a brand definition of Nicholas Street, along with other sub-brands for the retail assets. The sub brands are needed to assist in the promotion and sale of the asset moving forward.

3.2 COMMONWEALTH HOTEL

The original name of the Commonwealth Hotel has been reinstated for the project. In previous documentation this site / project has been referred to as 'Murphy's Pub'.

3.3 NICHOLAS / UNION

Hoardings erected by JMac have previously approved Ipswich Central project branding applied. This will be updated to the Nicholas St brand.

Pedestrian travel paths within the mall and through to Bell Street are being amended as needed to allow the progression of the works.

ICC have temporarily closed the customer services centre at 143 Brisbane Street which is accessed from the mall. This will allow the contractor to close the section of footpath in front of the centre with the intention to accelerate works in this area.

The project team continue to maintain contact with adjacent leaseholders.

3.4 RETAIL

Provisional agreement reached on Buchan's concept design package pending budget and final costs. Fly through video presented at Ipswich public forum on 05/03/2019 and has also been released for public viewing.

3.5 AV PROJECT

The AV façade projections have been incorporated into 3D renders and are being used to market the precinct to potential tenants. This feature of the precinct redevelopment has been included into

3.6 DEMOLITION

Demolition work is complete however the project signage remains in place. Many aspects of this signage are required from an safety and regulatory perspective. Following award of the main D&C contract this signage will be replaced with new signage, including precinct branding graphics.

3.7 SAFE CITIES

The safe cities involvement in the project is ongoing. The quality and safety of the civic space is an important factor in the marketing and leasing of the precinct.

Doc ID No: A5500454

ITEM: 4

SUBJECT: NICHOLAS STREET AND UNION PLACE - LANDSCAPING AND SERVICES
COMPLETION WORKS - NICHOLAS STREET - IPSWICH CENTRAL

AUTHOR: PROJECT ACCOUNTANT

DATE: 7 MAY 2019

EXECUTIVE SUMMARY

This is a report concerning the delivery of the remaining scope (yet to be awarded) of construction works ("Remainder Works") within Nicholas Street and Union Place, for Nicholas St – Ipswich Central, which includes the completion of all construction works above pavement level.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve it is satisfied under section 235(a) of the *Local Government Regulation 2012* (Regulation) that the exemption under s235(a) of the Regulation applies and that J. MAC Constructions Pty Ltd is the only supplier reasonably available to it to provide Landscaping and Services Completion Works for Nicholas Street and Union Place for the following reason:
- Allows project delivery timeframes to be achieved, provides opportunity for savings through economies of scale with the Contractor, and mitigates interface risks both on site and with design documentation.
- B. That Council (Interim Administrator of Ipswich City Council) approve a variation to Contract No. 13139 with J. MAC Constructions Pty Ltd for the provision of Landscaping and Services Completion Works as set out in Attachments 1 and 2.
- C. That the Chief Executive Officer be authorised to administer contract variations for the Design and Construction of Ipswich City Mall Upgrade Nicholas St and Union Pl, Contract No. 13139 and to do any other acts necessary to implement Council's decision in accordance with section 13(3)(c) of the *Local Government Act 2009*.

RELATED PARTIES

JMAC Constructions Pty Ltd

ADVANCE IPSWICH THEME LINKAGE

Strengthening our local economy and building prosperity

PURPOSE OF REPORT/BACKGROUND

Ipswich City Council (ICC) called open public tenders for the Design and Construction of Nicholas Street and Union Place in April 2018. J MAC Constructions Pty Ltd (JMAC) was successful and was appointed as the Principal Contractor in November 2018.

The scope of works awarded under the contract included for the full design of all works within Nicholas Street and Union Place, but construction of part only of the full scope of works. The Remainder Works was to be awarded as a separate contract following the completion of JMAC's contract.

As part of the tender process currently underway for the Administration Building, Library, Civic Space and Carpark refurbishment works (Main Contract), a Separable Portion (SP5) has been included for the completion of the Remainder Works. The Remainder Works has been included in the current tender for the Main Contract as a provisional sum.

Two options have been identified for the delivery of the Remainder Works:

- Remainder Works are delivered by the Main Contractor
- Remainder Works are delivered by JMAC as a variation to their existing Contract

A Strategic Procurement Plan has been prepared and is attached to this report, detailing its objectives and how they will be achieved and measured, with option identification and analysis.

Rider Levett Bucknall (RLB) has reviewed the JMAC variation and have endorsed the proposed construction costs proposed by JMAC. It should be noted that the proposal includes a market-tested provisional sum for electrical work that will be competitively tendered by JMAC.

FINANCIAL/RESOURCE IMPLICATIONS

A detailed comparison of tender price vs existing provisional sum is included in Attachment 2. Resource costs of delivering the works are included in the Tender sum. Existing project resources will be utilised to manage the Contractor.

RISK MANAGEMENT IMPLICATIONS

Identification of key risks are included in Attachments 1 and 2. Management of such risks are in accordance with ICC's Risk Management Framework and guidelines, as stated in the CBD Transformation Project Program Management Plan.

This recommendation is being made to reduce the probability of scope-gaps and design conflicts for this work which is linked to JMAC's current scope. Furthermore, we anticipate JMAC will be more flexible with regard to incorporating any changes to scope or program that may arise in finalizing the timing of this work.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009

COMMUNITY AND OTHER CONSULTATION



This is a scope of work within the overall Program of Works for Nicholas St – Ipswich Central, and as such does not require any additional specific community consultation as this has been undertaken as part of the overall Program of Works.

It should be highlighted that JMAC currently have an established relationship with adjacent stakeholders and we recommend maintaining continuity in this relationship.

CONCLUSION

It is recommended Council resolve to adopt the Strategic Procurement Plan and engage JMAC to deliver the Remainder Works as a variation to their existing Contract.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Strategic Procurement Plan  
	CONFIDENTIAL
2.	Variation Assessment Report

Brett Edmunds

PROJECT ACCOUNTANT

I concur with the recommendations contained in this report.

Sean Madigan

CHIEF OPERATING OFFICER (HEALTH, SECURITY AND REGULATORY SERVICES)

"Together, we proudly enhance the quality of life for our community"



Ipswich Central

Strategic Procurement Plan: SP 5 Nicholas Street & Union Place – Landscaping and Services completion works

18th February 2019





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1. OBJECTIVES:

The objectives of this Strategic Procurement Plan (SPP) are that the procurement process should address the following;

	OBJECTIVES
1	Complies with the procurement requirements of the Local Government Act
2	Utilises the investment made to date in the previous tender processes where appropriate.
3	The Ipswich Central redevelopment should proceed in a timely manner with continuity of works
4	Key risks associated with the tender scope are identified and mitigated
5	Opportunities are considered which may provide benefit to the Council through the scope of the proposed services.

2. HOW WILL OBJECTIVES BE ACHIEVED

The objectives identified for the SPP in section 1 will be achieved by the actions detailed in the following table;

	OBJECTIVE	ACHIEVED BY
1	Complies with the procurement requirements of the Local Government Act	Comply with the five (5) principles as laid down in Section 104(3) - Sound Contracting Principles, of the <i>Local Government Act 2009</i> , namely: I. Value for Money II. Open and effective competition III. The development of competitive local business and industry IV. Environmental protection V. Ethical behavior and fair dealing
2	Utilises the investment made to date in the previous tender processes where appropriate.	Consider options which utilise and protect the significant investment made to date in the planning, design and documentation involved to date and analyses associated risks / opportunities.
3	The Ipswich Central redevelopment should proceed in a timely manner with continuity of works	Following significant program delays and loss of confidence, provide continuity of services to ensure that the program of works has the opportunity to be delivered in the most advantageous timeframe
4	Key risks associated with the tender scope are identified and mitigated	Identify key risks and review mitigating strategies
5	Opportunities are considered which may provide benefit to the Council through the scope of the proposed services.	Consider delivery strategy for Ipswich Central to ensure most efficient and effective provision of services for Council.



3. HOW WILL ACHIEVEMENTS BE MEASURED

To following table details the measurements required to confirm objectives are achieved:

	OBJECTIVE ACHIEVED BY	MEASUREMENT
1	Comply with the five (5) principles as laid down in Section 104(3) - Sound Contracting Principles, of the <i>Local Government Act 2009</i> , namely:	
	I. Value for Money	Requirement for competitive tenders or quotes to be provided for all services where possible. and review against pre-tender estimate from independent quantity surveyor
	II. Open and effective competition	Comparison against original competitive tendered rates, and sourcing of competitive quotations for provisional sum works
	III. The development of competitive local business and industry	Local industry involvement to be included in procurement and assessment and measured and reported during construction
	IV. Environmental protection	Environmental Plans to be included in tender assessment
	V. Ethical behavior and fair dealing	Processes and correspondence to be fully documented and auditable.
2	Consider options which utilise and protect the significant investment made to date in the planning, design and documentation tender process and tenderers involved to date and analyse associated risks / opportunities.	Alternative procurement options to be identified and assessed
3	Following significant program delays and loss of confidence, provide continuity of services to ensure that the program of works has the opportunity to be delivered in the most advantageous timeframe	Compare delivery timeframes for procurement options
4	Identify key risks and review mitigating strategies	Independent quantity surveyor report including key risks
5	Consider delivery strategy for Ipswich Central to ensure most efficient and effective provision of services for Council.	Options considered to include review of packaging and scope of works



4. OPTION IDENTIFICATION & ANALYSIS:

Ipswich City Council (ICC) called open public tenders for the Design and Construction of Nicholas Street and Union Place in April 2018. JMAC Constructions (JMAC) was successful and was appointed as the Principal Contractor in November 2018. The scope of works awarded under the contract included for the full design of all works within Nicholas Street and Union Place, but construction of part only of the full scope of works. The remaining scope of construction works ("Remainder Works"), which includes the completion of all construction works above pavement level, was to be awarded as a separate contract following the completion of JMAC's contract.

As part of the tender process currently underway for the Administration Building, Library, Civic Space and Carpark refurbishment works (Main Contract), a Separable Portion (SP5) has been included for the completion of the Remainder Works. The Remainder Works has been included in the current tender for the Main Contract as a provisional sum.

With consideration of the objectives of this plan and the current status of the design and progress of works, the following options have been identified for the delivery of the Remainder Works and analysed as follows.

Options	Description	Outcome
1	Remainder Works are delivered by the Main Contractor	<ul style="list-style-type: none"> Tender documents currently includes a provisional sum allowance based on the RLB cost plan. Lump Sum pricing by the Tenderer will be priced under the Provisional sum following the completion of the design by JMAC The Tenderer's access to commence works would be impacted by the completion of the JMAC contract works.
2	Remainder Works are delivered by JMAC as a variation to their existing Contract	<ul style="list-style-type: none"> JMAC provide a Lump Sum Variation price, with provisional sum allowances based on their current design status. JMAC progress with works as part of their contract with no access delays or coordination requirements with other contractors. SP5 works removed from the Main Contract scope.

ICC therefore have the option to continue the tender process and award a construction contract for the Main Contract including Remainder Works, or consider deleting the Remainder Works from the Main Contract and completing the works by variation to the current D&C main contractor in JMAC.

Item 4 / Attachment 1.



Option Analysis:

To properly analyse these options the following items have been identified for further consideration and resolution.

Criteria	Comment
Project delivery timing	Review of the impact on the delivery timing of the SP5 works
Probity issues	Are there any probity considerations or issues with the proposed options?
Interface and Coordination risks	What are relative risks / opportunities for the options relating to the interfaces between different contractors?
Economies of scale	Are there opportunities for cost efficiencies and potential economies of scale from the options?
Administrative efficiencies	Are there administrative benefits from options?
Value of additional / reduced work	If additional / reduced scope is included in the works will the change in value have an impact on the current tenderers?
Exposure to tendering costs	Do any of the options risk payment of tendering costs?
The current tendering market	Has the tendering market changed, potentially requiring a different approach to be considered?

Option	Advantages	Disadvantages	Risks
1	<ul style="list-style-type: none"> Maintains current tendering process under the Main Contract No exposure to tendering costs No Probity issues 	<ul style="list-style-type: none"> Tenders price will be a provisional sum and not finalized until JMAC design works are finalised. The price will then need to be negotiated or valued under the Provisional Sum either post award or during the Tender evaluation period. The Main Contract's access to complete the Remainder Works will either be delayed until JMAC's current contract works are complete or access will need to be coordinated with JMAC. This has potential to delay commencement and / or increase construction durations. The Main Contractor will be working from documentation developed under JMAC's D&C contract. Any issues with the design raised by the Main Contractor will need to be coordinated through the Superintendent with the JMAC design consultants. Public access to completed facilities delayed due to later start on works. 	<ul style="list-style-type: none"> Extended contract durations duration due to coordination and access requirements Resolution of Design documentation issues. No guarantee that final agreed variation for the works will be less than the allowed Provisional Sum amount.

Item 4 / Attachment 1.



2	<ul style="list-style-type: none"> • Reduced construction duration as JMAC are able to schedule the remaining works within their own construction program. • Provides earliest completion dates and public access to completed facilities. • No exposure to tendering costs • Maximises savings from economies of scale by combining the additional scope into JMAC contract reducing preliminary costs • JMAC are able to provide Lump sum price for the works immediately, with provisional sum allowances for a smaller value than in Option1 • Minimises interface and demarcation issues • JMAC as the D&C Contractor will be responsible for resolution of design documentation issues. • The works are currently nominated in the Main Contract as a provisional sum and can be easily removed from that contract scope. 	<ul style="list-style-type: none"> • Perception related to previous agreements 	<ul style="list-style-type: none"> • Probity surrounding tender process given the value of the works and that they would be awarded as a variation to an existing contract. • Justification of evidencing value for money. Price review by and against independent QS cost plan. • Part of the scope of works still remain a provisional sum cost as the design is not complete.
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Regardless of which option is taken, the price for the Remainder Works will be validated by a Quantity Surveyor.

5. SUMMARY

Subject to an ICC approval, then Option 2 would appear to be the most advantageous approach, because it provides the shortest project timeframe, provides opportunity for savings through economies of scale with JMAC and mitigates interface risks both on site and with design documentation.