

Confidential Minutes of the Ordinary Meeting of Council of the City of Holdfast Bay held via Electronic Means in a Virtual Meeting Room on 12 May 2020.

18. ITEMS IN CONFIDENCE

18.1 Holdfast Tennis Club – Courts and Clubhouse Upgrade – Funding Request and Contract Award (Report No: 93/20)

Motion – Exclusion of the Public – Section 90(2)(d) Order

C120520/1900

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 93/20 Holdfast Tennis Club – Courts and Clubhouse Upgrade – Funding Request and Contract Award in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 93/20 Holdfast Tennis Club – Courts and Clubhouse Upgrade – Funding Request and Contract Award on the following grounds:
 - d. pursuant to Section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to confer a commercial advantage on a third party with whom Council is in tender negotiations.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Clancy, Seconded Councillor Lonie

Carried Unanimously

Following endorsement of the Glenelg Oval Masterplan by the Council in 2017, funds were allocated in 2019/20 Capital Works budget to undertake Stage 1, being the detailed design and construction of a new Holdfast Tennis Clubhouse together with upgrades to the adjacent tennis courts to meet new design standards.

The budget for this project is \$1,090,099. This includes \$889,949 for construction, \$100,000 for planning and design, \$60,000 for retaining wall repairs and \$40,150 carried forward from the 2018/19 financial year.

Detailed design of the new clubhouse and the tennis courts reconfiguration were completed mid-late 2019 in consultation with Ward Councilors, tennis club representatives, Tennis SA and engineering consultants. Repairs to the retaining wall along the western edge of the courts were also completed in late 2019.

Although Administration has revised the designs a number of times and undertaken several tender processes in order to reduce the overall costs, the cheapest tender is still over budget by \$113,250, totaling \$1,063,356 (ex GST).

With a remaining available construction budget of \$950,106, Council is therefore requested to allocate an additional \$163,250 to the overall project budget (inclusive of \$50,000 contingency) to enable the project to proceed as documented.

An alternative option is to use existing funds to construct the new Clubrooms, but to defer expenditure on the tennis court reconfiguration until a future financial year. However this will result in a higher cost for the building component and result in the club continuing

Motion

C120520/1901

That Council approve:

1. an additional \$163,250 of capital funding to complete the Holdfast Tennis Club Courts and Clubhouse;
2. award of the combined building and court reconfiguration contract to Cook Building at the tender price of \$1,063,356 (ex GST); and

RETAIN IN CONFIDENCE - Section 91(7) Order

3. That having considered Agenda Item 18.1 Holdfast Tennis Club – Courts and Clubhouse Upgrade – Funding Request and Contract Award (Report No: 93/20) in confidence under Section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to Section 91(7) of that Act orders that the report be retained in confidence for a period of 12 months and/or the Chief Executive Officer is authorised to release the documents following execution of the contract and that this order be reviewed every 12 months.

Moved Councillor Bouchee, Seconded Councillor Smedley

Carried Unanimously

CONFIRMED **26 May 2020**

MAYOR

CONFIDENTIAL

ITEM NUMBER: 18.1

CONFIDENTIAL REPORT

HOLDFAST TENNIS CLUB – COURTS AND CLUBHOUSE UPGRADE – FUNDING REQUEST AND CONTRACT AWARD (Report No: 93/20)

Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

Recommendation – Exclusion of the Public – Section 90(3)(d) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 93/20 Holdfast Tennis Club – Courts and Clubhouse Upgrade – Funding Request and Contract Award in confidence.
 2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 93/20 Holdfast Tennis Club – Courts and Clubhouse Upgrade – Funding Request and Contract Award on the following grounds:
 - d. pursuant to Section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to confer a commercial advantage on a third party with whom Council is in tender negotiations.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
 3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: **18.1**

Subject: **HOLDFAST TENNIS CLUB – COURTS AND CLUBHOUSE UPGRADE – FUNDING REQUEST AND CONTRACT AWARD**

Date: 12 May 2020

Written By: Program Manager, Project Delivery
Manager, Active Communities

General Manager: City Assets and Services, Mr H Lacy

SUMMARY

Following endorsement of the Glenelg Oval Masterplan by the Council in 2017, funds were allocated in 2019/20 Capital Works budget to undertake Stage 1, being the detailed design and construction of a new Holdfast Tennis Clubhouse together with upgrades to the adjacent tennis courts to meet new design standards.

The budget for this project is \$1,090,099. This includes \$889,949 for construction, \$100,000 for planning and design, \$60,000 for retaining wall repairs and \$40,150 carried forward from the 2018/19 financial year.

Detailed design of the new clubhouse and the tennis courts reconfiguration were completed mid-late 2019 in consultation with Ward Councilors, tennis club representatives, Tennis SA and engineering consultants. Repairs to the retaining wall along the western edge of the courts were also completed in late 2019.

Although Administration has revised the designs a number of times and undertaken several tender processes in order to reduce the overall costs, the cheapest tender is still over budget by \$113,250, totaling \$1,063,356 (ex GST).

With a remaining available construction budget of \$950,106, Council is therefore requested to allocate an additional \$163,250 to the overall project budget (inclusive of \$50,000 contingency) to enable the project to proceed as documented.

An alternative option is to use existing funds to construct the new Clubrooms, but to defer expenditure on the tennis court reconfiguration until a future financial year. However this will result in a higher cost for the building component and result in the club continuing to play on non-compliant courts.

RECOMMENDATION

That Council approve:

1. an additional \$163,250 of capital funding to complete the Holdfast Tennis Club Courts and Clubhouse;
2. award of the combined building and court reconfiguration contract to Cook Building at the tender price of \$1,063,356 (ex GST); and

RETAIN IN CONFIDENCE - Section 91(7) Order

3. that having considered Agenda Item 18.1 Holdfast Tennis Club – Courts and Clubhouse Upgrade – Funding Request and Contract Award (Report No: 93/20) in confidence under Section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to Section 91(7) of that Act orders that the report be retained in confidence for a period of 12 months and/or the Chief Executive Officer is authorised to release the documents following execution of the contract and that this order be reviewed every 12 months.

COMMUNITY PLAN

Placemaking: Creating lively and safe places

Placemaking: Developing walkable connected neighbourhoods

Placemaking: Building character and celebrating history

Community: Building a healthy, active and resilient community

Community: Celebrating culture and diversity

Community: Providing welcoming and accessible facilities

Community: Fostering an engaged and contributing community

Environment: Fostering an environmentally connected community

Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Not Applicable.

STATUTORY PROVISIONS

Development Act 1993

Heritage Places Act 1993

BACKGROUND

The endorsed Glenelg Oval Master Plan 2017 provides a long term vision for the development of the Glenelg Oval site, with an overall implementation cost of around \$20 million. The Masterplan

is proposed to be implemented in three stages. The Stage 1 is the upgrade of Holdfast Tennis Club courts, construction of a new clubhouse building and associated landscaping to comply with Tennis Australia standards including lighting, runoff area clearances and drainage.

Council allocated a total of \$1,090,099 in the 2019/20 Capital Works program as follows:

Construction budget	\$889,949
Planning and design budget	\$100,000
Retaining wall repair budget	\$60,000
Carried forward from previous year (2018/19)	\$40,150
Total	\$1,090,099

The detailed design work for the new building and courts, along with the repairs to the retaining wall were delivered under budget enabling the combined savings of \$20,000 to be allocated to the construction of the building and courts, off-setting some of the higher than anticipated construction tender price.

REPORT

At the end of 2019, public tenders were called from specialist contractors for construction of the tennis court upgrade component of the project. Tender submissions received were significantly above the available budget and so Administration worked with the designers, club representatives and Tennis SA to review the scope of work in an effort to bring the price of the court upgrade closer to budget.

In January 2020, public tenders were called for the new Clubroom construction. Once again the tender prices were significantly higher than the available budget. Further changes to scope were agreed in order to bring the Clubroom price closer to budget.

In an effort to bring the tendered cost of the project within budget, Administration has revised the designs a number of times and reduced the scope of work to the minimum required to meet the design outcomes for the project. A further combined clubhouse and courts upgrade tender was also called from the two tenderers who had offered the lowest prices for the clubrooms.

Following close of the combined tender, negotiations were undertaken in a further attempt to optimize the project cost and bring the project price within budget. The final revised tender prices are as follows:

Items	Cook Building	Kennett Builders
Clubhouse	\$471,164	\$494,000
Court upgrade	\$618,566	\$641,000
Tender Price (before negotiation)	\$1,089,730	\$1,135,000
Value Management Savings (estimated)	-\$27,920	-\$8,000
Revised Tender Price	\$1,063,356	\$1,127,000
Contingency	+\$50,000	+\$50,000
Total Construction Budget	\$1,113,356	\$1,177,000

The currently available budget is approximately \$950,106 as follows:

Total available budget	\$1,090,099
Total expended to date	\$132,993
Committed (estimated)	\$7,000
Available budget	\$950,106

The cheapest tender (including contingency of \$50,000) is still over budget by \$163,250 at \$1,113,356 (ex GST).

Council is therefore requested to approve an increase in total project budget of \$163,250 to enable the project to proceed as originally scoped and tendered.

This approach allows for the construction of the new clubroom (to a design agreed with Ward Councilors and club representatives) and for reconfiguration of the tennis courts to bring them into compliance with current Tennis Australia's technical criteria – specifically clearance run-off areas around the 8 courts (6 club courts and 2 community courts) which are currently deficient.

Should Council not wish to approve additional funding, alternative approaches which Council could consider are:

- Option 1: Reduce the scope of the tennis courts upgrade to only resurface and extend the run-off to 6 club courts instead of total 8 courts; and to reduce the standard of the fencing, reduce lighting upgrade and reduce landscaping. This would save an estimated \$35,000 from the project cost.
- Option 2: Proceed with the clubhouse upgrade but not the court upgrade. The lowest tendered price for the clubroom is \$479,800. However the disadvantage is that the tennis courts would continue to be non-compliant with current standards and as such, council would have a potential liability if a player was injured as a result. Also, when the court reconfiguration is undertaken, the Club's tennis season will again be disrupted for a second time.

Consultation

The local residents in Williams Ave were consulted as part of the design phase for the tennis clubroom and court redevelopment, along with significant engagement with the tennis club management committee, Ward Councilors, Tennis SA and Tennis Australia.

BUDGET

The currently available budget is approximately \$950,000 which includes the original construction budget of \$930,099 plus the savings achieved from the design and retaining wall repair budgets.

Tender Price	Contingency required (~5%)	Total Construction Budget	Available budget	Short fall
\$1,063,356	\$50,000	\$1,113,356	\$950,106	\$163,250

Note that the contingency amount may or may not be spent. If it is not spent, this funds will be returned to budget.

LIFE CYCLE COSTS

Once the project is completed, the component life and additional asset value will be updated in the asset register will ultimately result in a slight increase in depreciation charges from 2020/21.

A small increase in maintenance costs will be incurred as a result of this project.