

Agenda Report Template

10.2.1 – Keirnan Park – Project Scope Reduction to meet Financial Assistance Agreement (SJ1364)	
Responsible Officer:	Manager Project Delivery
Senior Officers:	Deputy CEO/Director Community and Organisational Development, Director Infrastructure Services
Disclosure of Officers Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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Report Purpose

The purpose of this report is to seek Council approval to reduce the scope of works for the Keirnan Park Recreation Precinct Project Stage 1A Design, Documentation Tender and Construction Phase and request Council consider advocating to the Western Australian State Government for further funding to ensure the delivery of a second oval as a part of Stage 1A.

Relevant Previous Decisions of Council

<i>Ordinary Council Meeting – 15 March 2021 – OCM057/03/21 - COUNCIL RESOLUTION</i>	
<i>That Council:</i>	
1.	<i>ADOPTS the Keirnan Park Masterplan as detailed in attachment 3.</i>
2.	<i>ENDORSES the staging plan as proposed in the Keirnan Park Masterplan Report: 1(a) Senior AFL ovals, entry road and pavilion – fully funded. 1(b) BMX Facility – funding application submitted. 1(c) Netball Hub – not funded at this stage.</i>
3.	<i>ADOPTS the Keirnan Park Business Case detailed in attachment 2.</i>
4.	<i>NOTES that the Chief Executive Officer has submitted an application for round 5 BBRF funding for Stage 1(b) BMX facility, supported by the Keirnan Park Masterplan and Business Case.</i>
5.	<i>NOTES the consultation undertaken in the development of the Keirnan Park Masterplan project.</i>
6.	<i>REQUESTS the Chief Executive Officer explore funding options for Stage 1(c) Netball Hub.</i>
7.	<i>NOTES a notional space has been allowed for on the Masterplan and an update will be presented to Council once the Community Space/Men’s Shed details have been developed.</i>

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Background

Overview of development of concepts

Following a successful tender period in May 2021, Bollig Design Group were appointed lead consultant on 18 October 2021.

The following list indicates the meetings arranged for consultation with the lead consultant as follows:

No	Date	Time	Location	Description
1	Monday, 1 November 2021	10:30 AM-11:30 AM	BDG Office	Kick-off meeting
2	Thursday, 4 November 202	4:30 PM-5:00 PM	Teams	Stakeholder Engagement - Content discussion
3	Monday, 8 November 2022	1:00 PM-2:00 PM	Teams	Aboriginal Heritage
4	Tuesday, 9 November 2021	3:00 PM-4:30 PM	Shire Office	Sport Club - T-Ball and Softball Consultation
5	Tuesday, 9 November 2021	4:30 PM-6:00 PM	Shire Office/ Team	Sport Club - BMX Consultation
6	Thursday, 11 November 202	10:00 AM-11:30 AM	Shire Office	Sport Club - AFL Consultation
7	Friday, 19 November 2021	11:00 AM-12:30 PM	Shire Office	Sport Club - Cricket Consultation
8	Monday, 6 December 2021	10:30 AM-11:30 AM	BDG Office	Meeting with Henry Dykstra
9	Tuesday, 7 December 2021	14:30 PM-15:30 PM	Shire Office	Project Progress
10	Tuesday, 14 December 2021	12:00 PM-12:30 PM	Teams	Contract and Progress Claim
11	Wednesday, 15 December 2021	10:00 AM-11:30 AM	Shire Office	AFL Concept
12	Wednesday, 15 December 2021	12:00 PM-13:00 PM	Shire Office	Maintenance Depot Concept

Table 1: Schedule of Consultation

The above consultation provided the lead consultant with club requirements. As a result of the consultation and further consideration of the needs of the project a number of concept development changes to the scope being items that were not allowed for during Master planning

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phase, were identified through the consultation period that further achieved the objectives of the project. These items are classified below:

Original scope	Scope Increase
Entry road/Boulevard	Maintenance Depot and access road
Site entrance Auto Gate	Increase in site area
Landscaping	Increase in Gross Floor Area (GFA) to pavilion
AFL Pavilion 1,500m2 split level building	Subsoil Drainage
2 x AFL Ovals	Diamond Sports
Lighting	Additional car parking bays
Cricket nets	Car parking bays 295 and lighting
Car Parking bays 225	Water tanks and drainage cell storage
Lighting	Emergency Vehicle Access Road
	SSJ Costs

Table 2: Comparison Original scope and Scope Increase

This resulted in an ideal project scope containing: 2 x AFL ovals, dual carriageway grand boulevard entry road, 295 carparking spaces (original scope 225), a 2,264m2 sports pavilion (original scope 1,500m2), cricket nets and pitches, diamond sports, maintenance depot/shed, ATU (septic system) field and playground.

The Consultant then produced a Stage 1A concept reflecting these changes, shown in Image 1. This concept had a total cost of \$37,081,790, reflecting a significant cost increase as a result in scope increase and an escalation in costs due to the current construction environment.

Council workshop 2 February 2022

Following the consultation with stakeholders a workshop was held with Councillors where they were shown the Stage 1A plan contained in Image 1 below.



Image 1: Stage 1A Full scope with additional scope \$37,081,790

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After discussion about the increased estimated cost of Stage 1A by \$17,081,790, it was agreed to value manage the project and produce options on how Stage 1A could be delivered.

The outcome of the meeting was as follows:

1. Arrange a value management workshop with options on how stage 1A can be delivered.
2. Officers to investigate other funding options.

Councillor workshop on valued managed options 30 March 2022

The lead consultant was directed to produce three value managed options and an option within \$20 million budget in mid-March 2022. These options were presented to the Keirnan Park Special Steering Group (SSG) and to a second Councillor workshop on 30 March 2022. Options as per Images 2 to 5 below.

VE Option 1

- Estimate: \$29,086,000
- Scope:
 - 1x AFL oval
 - AFL Pavilion – Single storey with 250m² of social and warm up space
 - Cricket nets & pitches
 - Hardstand parking for 121 cars
 - Sealed parking for 84 cars
 - Single dual access road
 - Dry planting with no irrigation
- Comments:
 - This is not a 'Value Engineering' option as indicated by the title, this is a scope reduction.
 - The scope of VE Option 1 is delivering less scope than the Business Case

Design by Bollig Design Group

Image 2: Value Managed Option 1 (estimated cost \$29,086,000)

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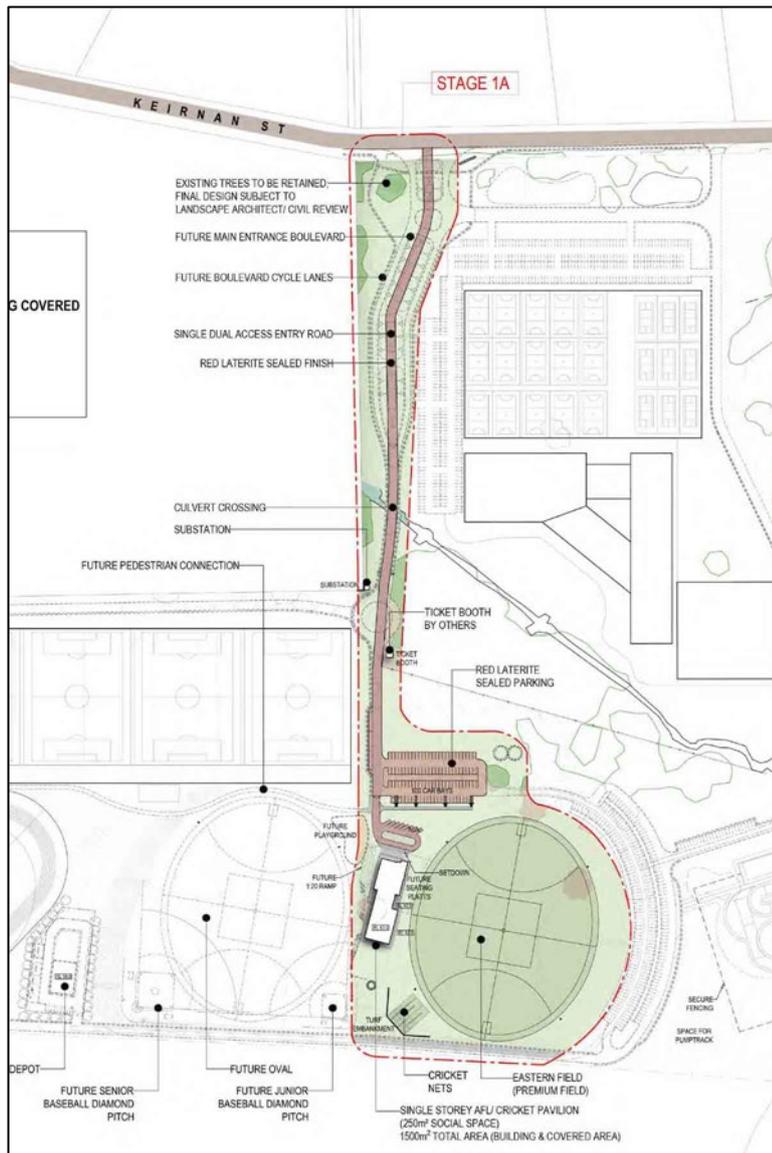


Image 5: Value Managed Option 4 (estimated cost \$20,000,000)

The option seen as most favourable was the reduced scope (detailed further in this report) within the \$20 million budget. The decision by Councillors at that meeting was that the reduced scope option be presented at the first Keirnan Park Stakeholder Reference Group on 31 March 2022 meeting for feedback.

Stakeholder Reference Group meeting 31 March 2022

The Keirnan Park Stakeholder Reference Group (KPSRG) considered the reduced scope option (Image 5) and initial pavilion concept (image 6). Feedback from group members focused on the size of the pavilion social space (being a proposed 250m² social space within the 1,500m² footprint) and provision for only one oval. The concern expressed by group members in relation to the size of the social space was that the space was not big enough to accommodate their needs in relation to club activities such as end of year functions and that existing hall spaces for hire within the Shire were not large enough to cater for these needs. The group also expressed a desire to see a large social space that could support broader community functions such as weddings, funerals and parties.

The other element of concern was the provision of only one oval instead of two. The intended primary user groups – being cricket and AFL – outlined their concerns that the development would

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not provide more space or additional benefits than their existing premise at Mundijong Oval and Briggs Pavilion, whilst simultaneously causing them to have to split activities across multiple sites which can be logistically challenging. The Clubs did however acknowledge that this is something they already largely manage, so is not necessarily prohibitive to operations, just not ideal.

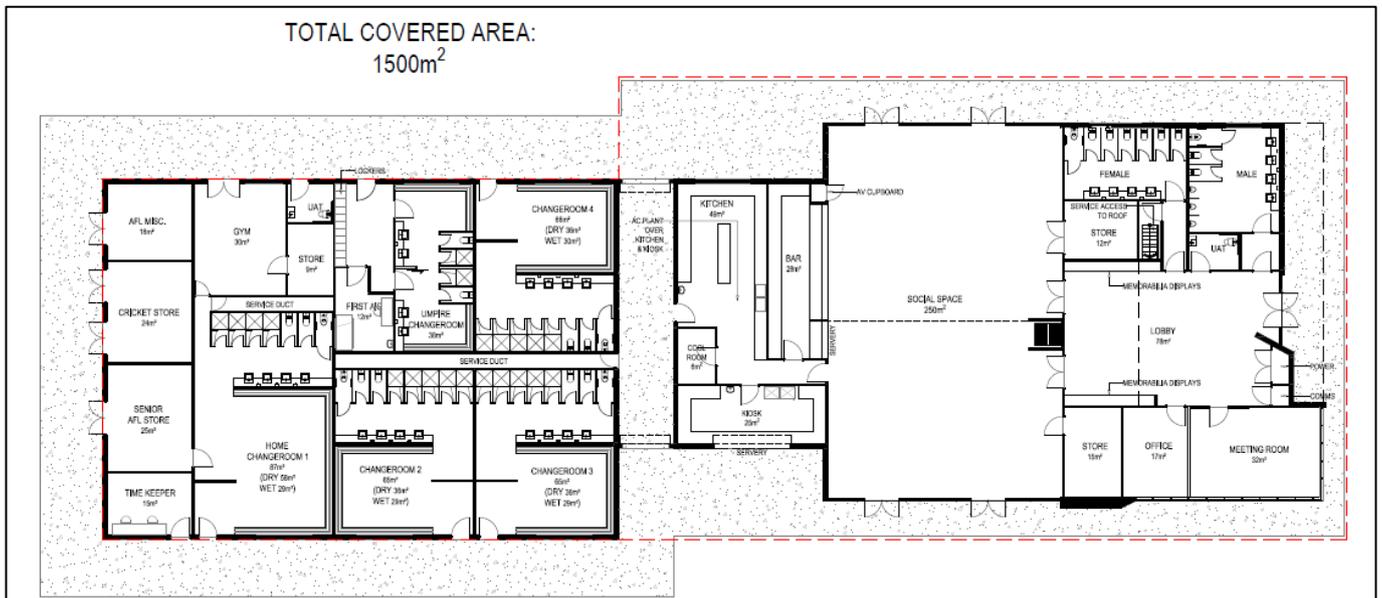


Image 6: Initial Pavilion Concept (within \$20M)

Further development of the pavilion concept design

Following the meeting with the Stakeholder Reference Group (KPSRG) meeting, the internal Project Steering Group met to discuss the proposed reduced scope and feedback from the KPSRG. The Group also discussed the provision of other amenities in the facility in line with the AFL Preferred Facility Guidelines and feedback from the representative from the DLGSC.

Additional to this, Officers held discussions with representatives from the Department of Local Government, Sport and Cultural Industries and the WA Football Commission and WA Cricket Association. The outcome of these discussions is further outlined under Community/Stakeholder Consultation.

As a result, Bollig Group was requested to make amendments to the pavilion concept design, including increasing the social space to 300m². The revised concept design is shown in Image 9.

These changes brought the facility in line with the AFL Preferred Facility Guidelines for a Regional Facility, providing a social space area beyond the requirements of the standards. The comparison of the provision of amenities within the concept shown in Image 11 and the AFL preferred Facility Guidelines is shown in Image 9.

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4. PAVILIONS & CHANGE FACILITIES

4.6 Quick Guide to Preferred Provision

The following table shows the preferred minimum standard guidelines for the provision of main pavilion facilities for State, Regional and Local level facilities at single playing field venues. While these areas set the minimum levels, exceeding these guidelines to meet a range of other uses and users may be a consideration for project partners.

Multiple playing fields may require additional amenities to cater for concurrent use. All facilities are considered **core components** unless identified otherwise.

**KEIRNAN PARK - PAVILION
AREA STUDY
BDG 3/5/2022**

PROPOSED (SK02 RevE) 3/5/22

Playing Field Facilities	Preferred Minimum Sizes (m ²)			
	State	Regional	Local	
Player Amenities (toilet/showers)	35m ² x 2*	25m ² x 2*	25m ² x 2*	26 sqm x 4
Number of showers	5 x showers per amenity	4 x showers per amenity	3 x showers per amenity	4 x showers per amenity
Number of pan toilets	5 x toilets per amenity	4 x toilets per amenity	3 x toilets per amenity	3 x toilets per amenity
Player Change Rooms	2* x 75m ² -90m ²	2* x 55m ² -75m ²	2* x 45m ² -55m ²	4 x 56 sqm
Doctors Room	15m ²	10m ² <i>Optional</i>	10m ² <i>Optional</i>	Nil
Massage / Strapping Room	2 x 20m ²	2 x 15m ²	2 x 10m ² <i>Optional</i>	Nil
External covered viewing area	150m ²	75m ²	50m ²	159 sqm East, 117 sqm West
Gymnasium / Fitness Room	40m ² -50m ²	25m ² -30m ² <i>Optional</i>	20m ² -25m ² <i>Optional</i>	Nil - Future Gym 26 sqm
Kitchen & Kiosk	40m ²	30m ²	20m ²	74 sqm kit/kiosk, 28 sqm Bar
First Aid / Medical Room (Public Access)	15m ²	15m ² <i>Optional</i>	15m ² <i>Optional</i>	12 sqm
Office / Administration / Meeting	25m ²	20m ²	15m ²	Office 17 sqm, Meeting room 27 sqm
Public Toilets	Male 20m ² Female 20m ² Accessible 5m ² <i>(or can be gender neutral to size specified)</i>	Male 15m ² Female 15m ² Accessible 5m ² <i>(or can be gender neutral to size specified)</i>	Male 10m ² Female 10m ² Accessible 5m ² <i>(or can be gender neutral to size specified)</i>	Male 25 sqm Female 25 sqm Accessible 7 sqm x 2
Storage (internal and external)	25m ² +	20m ² +	20m ²	93 sqm
Social / Community Room	200m ²	150m ²	100m ²	300 sqm
Third umpire / match referee / venue management room	15m ²	10m ² <i>Optional</i>	10m ² <i>Optional</i>	Nil. Option to use Meeting room 27 sqm or Office 17sqm
Timekeeping / Scorers Box	15m ²	10m ²	10m ²	15 sqm
Umpires Rooms (including toilet and showers)	30m ² -40m ²	30m ² -40m ²	20m ² -25m ²	33 sqm
Utility / Cleaners Room	5m ² +	5m ² +	5m ² +	7 sqm

* Note: Individual sites that cater for higher level competition and/or back-to-back schedules may consider the provision of additional player change rooms and amenity areas.

Image 7: Comparison of AFL Preferred Facility Guidelines with Keirnan Park Stage 1A Pavilion

These changes were then presented to the Stakeholder Reference Group meeting held 4 May 2022.

Stakeholder Reference Group meeting 4 May 2022

Officers presented the concepts shown in Images 10 and 11 and discussed the reduced scope oval with the group, providing only one oval and the intention to recommend Council advocate to the State Government for funding for the second oval. The group was disappointed with the provision of one oval only but supported Council advocating for funding for the second oval.

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Officers provided an overview of the renewed pavilion layout and its design in relation to the AFL Preferred Facility Guidelines and discussed the limitations of the total sqm floor area of the pavilion, in line with budget available. Members of the group expressed that they were disappointed the facility was not two storey as they feel was originally conveyed to them, that they felt the social space was undersized given the need they had previously expressed and that the storage areas were insufficient.

Officers also provided an overview of the proposed \$20 million budget breakdown, including an overview of the purpose of the Shire of Serpentine Jarrahdale costs and the function these costs have.

Some members of the group expressed frustration that they considered that the Shire is not making a significant financial contribution towards the project to achieve better outcomes for the community.

Officers advised that the reduced scope option was being presented to Council for endorsement through this report.

Community / Stakeholder Consultation

The following consultation was carried out:

1. Councillor workshop 2 February 2022;
Agreed to value manage the project and produce options to keep it within the grant funding.
2. Councillor workshop 30 March 2022;
Agreed to present the reduced scope to the Stakeholder Reference group.
3. Stakeholder Reference Group 31 March 2022;
Issues raised in order of priority were:
 - Size of social space too small at 250m²;
 - Only one oval.
4. Keirnan Park Special Steering Group (SSG) meeting 14 March 2022 with Regional Manager – Peel / South West Department of Local Government, Sport and Cultural Industries.
Issues discussed with funding body Regional Manager. Suggested reduction of scope on some areas to achieve requirements in others. The funding is for sports facilities mainly.
The SSG are supportive of the proposed reduced scope.
5. AFL and Cricket Peak Body discussions with DLGSC - 2 May 2022
Shire Officers met with Cricket Association of WA, WA Football Commission and DLGSC to generically outline proposed scope reductions in order to understand any significant impacts this may cause for further consideration. Specifically, social space of approximately 250m² and one oval. Feedback received as follows:
 - Basic standard social size for a State AFL facility is 200m², with 100 – 150m² for regional level. KP concept already above this so no immediate need for a larger size for any sporting purpose.
 - Other comparative venues recently built with contemporary designs demonstrate that improved functionality can result without a need to increase sq. metre size.
 - The operational needs of the Clubs are to be prioritised over aspirational wants. The additional oval should therefore be of key consideration.

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- Cricket and AFL representatives did not agree that a function room that could jointly host Senior and Junior Clubs at the same time would be necessary, as that would be unusual. Juniors and Seniors would have separate functions.
 - Both representatives would speak with the local clubs to further understand their concerns.
6. Stakeholder Reference Group 4 May 2022
- Reduced scope oval and pavilion presented.
 - Breakdown of Costs was discussed, Officers provided an overview of the budget and allocation of Shire cost for delivering the project.
 - The group members feel the provision of the second oval is very important to meet community sporting need and supported advocating for funding for additional oval.
 - Overall feedback that the social space is undersized and won't meet the needs for annual functions such as end of seasons for clubs. Also, some members felt the opportunity to provide a larger space for the community has been lost.
 - Members expressed frustration that the pavilion is being design as a one not two storey building and that the storage space was too small for needs. Also, that additional female toilets would be of benefit.
 - Some members expressed frustration that the Shire was not making a larger financial contribution to achieve the outcomes for the community.
 - If a second oval cannot be provided, then it would be ideal to increase the size of the one oval.
7. Meeting with Minister for Sports and Recreation 5 May 2022
- The Shire President, Deputy Shire President and CEO met with Minister Templeman Minister for Sport and Recreation to discuss the financial limitations of the project and request for additional funding to deliver the second oval.

Statutory Environment

Nil.

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Comment

Proposed reduced scope plan

Image 8 below depicts the reduced scope to deliver the project within the \$20 million budget.

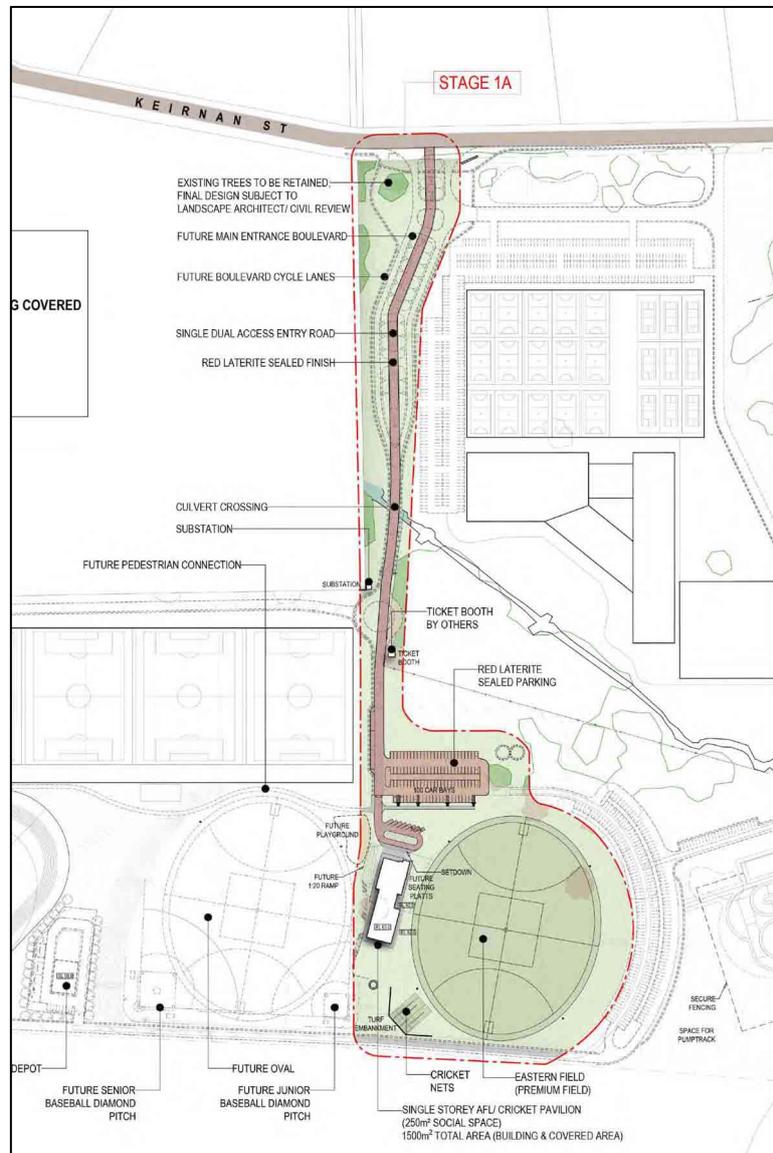


Image 8: Stage 1A Reduced scope \$20 million

The scope of Stage 1A involves the reducing elements within the building to balance sporting needs and social space, as follows:

- 4 changerooms;
- Reduced covered viewing area, no external seating plats. (size of social space 300m2);
- Building a singular entrance road into the site;
- 100 car parking spaces;
- Single eastern oval;
- Reduction in water storage;

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- Reduction in landscaping;
- Reduction in surface treatments;
- Provision of one senior sized oval 165 x 135 meters with a runoff area of 5 meters with the ability to be used flexibly outside the defined 'playing surface area'.

The proposed floor plan for the pavilion (See Image 9 below) shows the general layout in concept form (internal details e.g. dry store etc.)

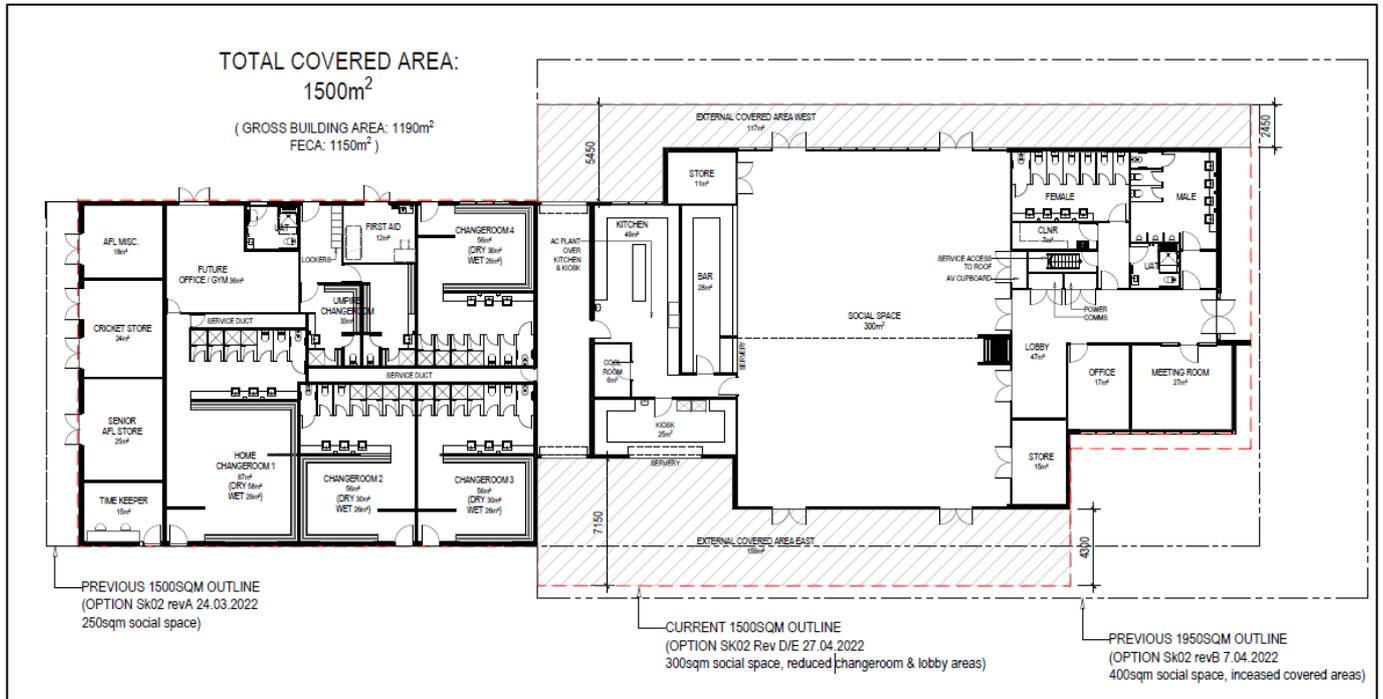


Image 9: Proposed Pavilion Floor Plan

Facilities include:

- 4 changerooms 26m²
- Male/Female umpire change rooms 27m²
- First aid room 12m²
- Office 36m²
- timekeeper room 15m²
- Store rooms 67m²
- Unisex Accessible Toilet
- Semi commercial kitchen 49m²
- Kiosk 25m²
- Bar 28m²
- Social space 300m²
- Cleaners cupboard 7m²
- Foyer 47m²
- Store 15m²
- Office 17m²
- Meeting room 27m²
- Public toilets male and female.

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The above scheme would meet the AFL guidelines and the original business case scope of works regarding the building's social space. The social space of 300m² was in the original scope of works which will match the Briggs Pavilion for function space and is larger than the current Mundijong oval clubhouse social space. However, it will not meet the entire Stage 1A business scope of works (which included a second oval).

Budget for reduced scope plan

The table below (table 3) shows a summary breakdown of the costs to stage 1A.

Item 15 indicates \$1.1 million being attributed to the development of the second oval; or to be attributed to additional or improved facilities should the Shire be successful in securing additional funds (to be discussed later in this report).

A recent soil investigation by Galt consultants indicated that not all the soil cut from the first oval could be used on the second oval as there was evidence of a high clay content not far beneath the sand surface. The result of this information is that additional fill soil will be required to build the second oval adding to its costs.

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Item	Description	Estimate
1	Building Act – AFL Pavilion	\$4,907,000
2	External works (Incl. preliminaries)	\$4,659,000
3	External Works (Incl. preliminaries)	\$1,513,000
TOTAL CONSTRUCTION COSTS (TCC)		\$11,079,000
4	Contingency	\$1,596,000
5	Headwork and statutory charges	Included
6	Building act compliance	Included
7	Public art	\$50,000
8	FFE	\$250,000
9	Professional design team fees (Incl. Escalation)	\$2,200,000
10	Enabling works	\$1,000,000
GROSS PROJECT COSTS		\$16,238,000
11	Escalation	\$762,000
ESCALATED NET PROJECT COSTS		\$17,000,000
12	Shire of Serpentine and Jarrahdale costs	\$1,900,000
13	Preliminary works to second oval	\$1,100,000
ESTIMATED TOTAL PROJECT COSTS		\$20,000,000

Table 3: Summary breakdown of Stage 1A costs

Second oval

The second oval shown in Image 10, could not be included in the reduced scope within the available budget, but can be built later if additional funding is available. Some earthworks for the second oval can be completed in the first stage when the eastern oval excavation spoil is used as fill for the second oval.

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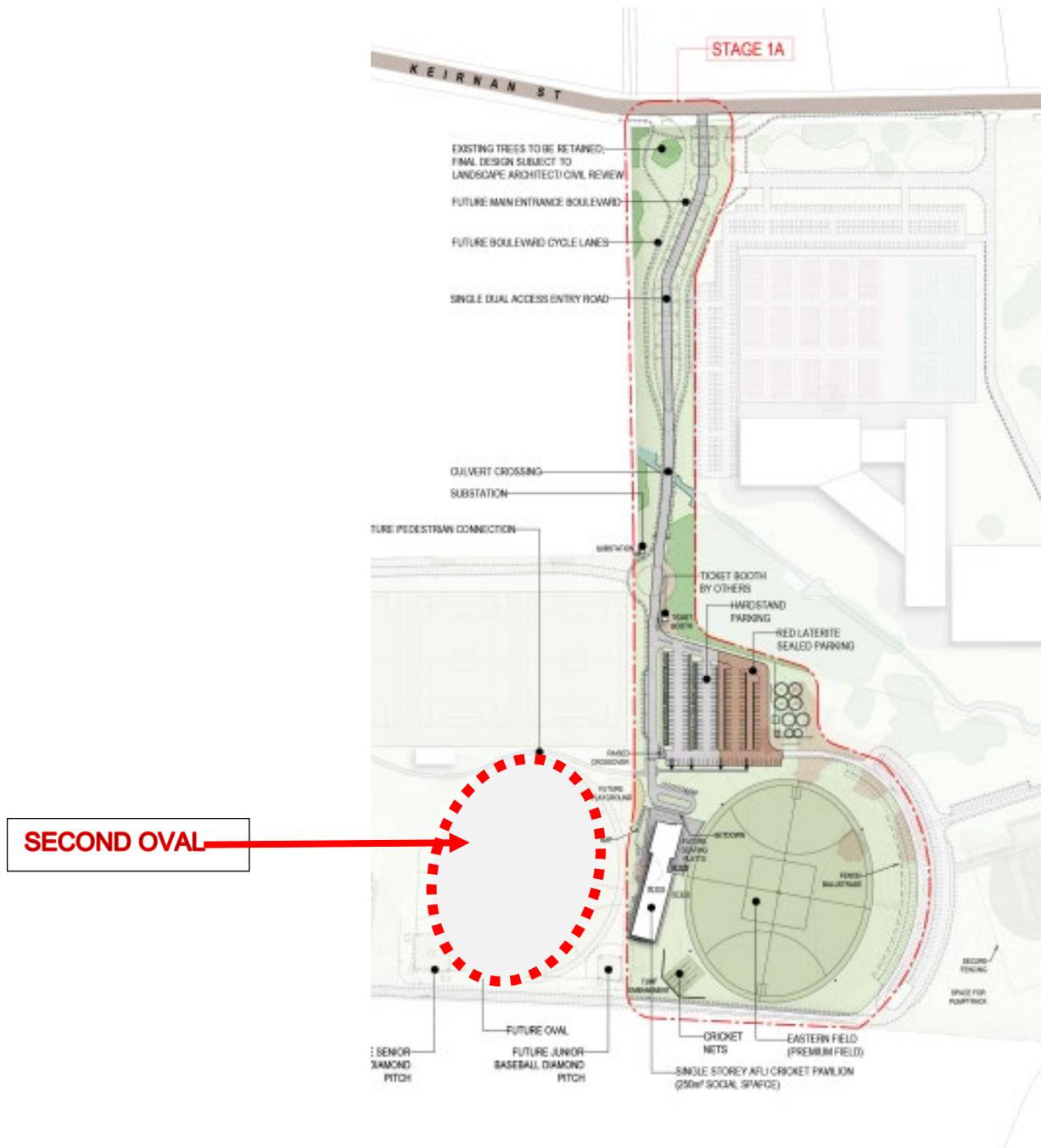


Image 10: Second oval

The potential for Council to advocate for additional monies for construction of the second oval would be recommended. The estimate for the second oval is \$4.05m and detailed below (See Fig.9):

Item	Description	Estimate
1	Earthworks	Included in current costs

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Item	Description	Estimate
2	Turf irrigation, rootsoil, soil conditioner,12 months maintenance	\$1,900,000
3	Lighting	\$400,000
4	Sub soil drainage	\$350,000
5	Cricket pitch/Goal posts/Netting	\$50,000
6	Car Park	\$600,000
7	Ramp	\$50,000
8	Contingency 10%	\$335,000
9	SSJ costs 10%	\$368,500
	Total (Note: The above figures have not included escalation of costs in labour and materials)	\$4,053,500

Table 4: Second oval summary cost breakdown

Discussion

Whilst the existing sporting oval facilities are sufficient to service the AFL and Cricket needs, other sports such as the developing local rugby league or soccer, lack facilities which has resulted in an unmet demand for playing space across the Shire.

Based on the PLA Community Facilities Guidelines and the current Shire population, the Shire should currently be providing spaces that support a minimum of 5 soccer pitches and 1 rugby pitch.

With the current pressure on existing facilities to accommodate AFL, it has not been possible for soccer to develop in the Shire. The Serpentine Jarrahdale Rugby League & Sporting Club is currently able to train in the Shire however the limited facilities result in the Club having to play at locations outside of the Shire. The lack of facilities also limits the development and expansion of the Club and sport in the Shire.

The provision of the additional oval at Keirnan Park Recreation Precinct will assist in providing additional space across the Shire to support the development and delivery of these sports.

Additionally, with the increase focus and participation in female sporting activities, in particular in AFL is putting additional pressure on existing sporting facilities including ovals, toilets and change rooms. The ability to accommodate the growth of female sporting competitions will be heavily restricted given the current limited facilities the Shire has.

It is recommended that Council support formally advocating to the Western Australian State Government for the additional funding to deliver the second oval. The Shire is able to clearly

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demonstrate the need for this space and the impact of the hyper growth development on community facilities.

On 5 May 2022 the Shire President, Deputy Shire President and CEO met with Minister Templeman Minister for Sport and Recreation to discuss the financial limitations of the project and request for additional funding to deliver the second oval. The community need was discussed and the high degree of rigor that the project has been through to date to ensure the maximum outcomes are being achieved for the funds available. Council is requested to support formally confirming this request for funding with the Western Australian State Government.

Consultant contract and additional costs

The consultant's contract to design and document Stage 1A is currently delayed due to changes in scope and the value management of the project. The Shire may potentially incur additional costs should the contract be delayed further. The consultant has advised that a cost variation associated with delays in the order of \$89,500 per month could apply.

The consultants have been recently requested to proceed with detail design for the full civil works scope only which includes the second oval, grand boulevard entry road, car parking for full capacity and full water storage. The documents can be produced so that the tender documents only include the reduced scope of works to be built (see reduced scope on page 4). The reason for doing this is that the Shire will have a full set of tender ready documents that are to the original design intent that will deliver the full scope of works later when funds become available.

As a risk reduction measure the contract can be divided into 'separable portions' which will allow the Shire the ability to separate elements of the reduced scope of works should cost escalation still be an issue in the future.

Alternative funding opportunities for the project

Additional to recommending that Council seek further funding from the Western Australian State Government, Officers are preparing a future report that will be presented in respect of alternative funding options, including further examination of developer contribution matters.

Officers have also successfully applied for funding from Cricket Australia to the value of \$100,000 (ex GST). As the funding application was completed based on the original scope of the Keirnan Park project, the funding commitment has outlined that the allocation is for the below project components:

- New pavilion including player and umpire change rooms and supporting amenities
- Construction of two new playing fields, including synthetic centre wickets
- Construction of new synthetic training net facilities (6)
- Lighting to Cricket Australia standards (this element will add an additional \$85,000.00 to the Stage 1A budget)

Execution of the agreement is currently on hold, being subject to the agreed scope of works and subsequent ability to meet conditions outlined in the Agreement. Specifically, there may be variation to the value of support if only 1 oval is to be delivered in the current stage.

Federal Funding Opportunities

In addition to the above, Officers have made application to building better regions fund seeking \$10 million (the maximum available) towards the development of 1A and 1C (the netball facilities).

In accordance with Council's adopted federal government election priorities, the Shire President and CEO have been advocating for additional funding toward the project.

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At the time of writing this report, neither the outcome of the BBRF and the election advocacy is not known.

CEO KPI

The provision of this report to Council achieves the CEO KPI related to the project.

Options and Implications

Option 1

That Council:

1. ENDORSES the reduced Stage 1A scope as shown in Image 8 and detailed in this report;
2. REQUESTS the Chief Executive Officer to seek approval from the Department of Local Government, Sport and Cultural Industries for the scope reduction; and
3. REQUESTS the Shire President write to the Minister for Sport and Recreation to request \$4.05m funding to deliver the second oval and supporting infrastructure to be provided in 2023/2024 financial year.

Implications: Continuity of the project to achieve the original objective. Potential future funding to complete the balance of the original scope of works.

Option 2

That Council:

1. DOES NOT endorse the reduced scope as detailed in this report; and
2. RESOLVES to advise the Department of Local Government, Sports and Cultural Industries that the Shire will not progress with the project and will return any unspent Grant monies.

Implications: Put a hold on the entire Keirnan Park project, terminate the consultants' contract with possible termination costs. Shire reputation affected by not completing the project which may, in turn affect future grant funding opportunities.

Option 3

That Council:

1. DOES NOT endorse reduced scope and considers a financial contribution to the project in order to achieve the \$37million Stage 1A concept as detailed in Figure1; and
2. REQUESTS the Chief Executive Officer to approach the Department of Local Government, Sports and Cultural Industries for an extension of time on using the grant monies.

Implications: Time in preparing the report for Council and then accessing additional funds will affect the existing lead consultants contract resulting in prolongation costs of \$89,500/month. Failure in obtaining additional funds results in not meeting the DLGSC grant timelines and returning grant funding.

Option 1 is recommended.

Conclusion

Advice from the Lead Consultants is that the escalation of costs in the current market has resulted in the original scope exceeding the \$20 million grant monies provided. The value management analysis provided by the consultants indicates the only way forward being the reduction in scope of the project to proceed within budget. The current momentum of the project means delivery of

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Stage 1A is possible. Should the project be terminated more monies will be required for termination and to restart the whole process.

The scope outline provides a reasonable first step, to deliver project of this magnitude, Officers envisage further opportunities (2nd oval and infrastructure) for funding if need demonstrated.

Attachments (available under separate cover)

Nil.

Alignment with our Strategic Community Plan

Outcome 1.1	A healthy, active, connected and inclusive community
Strategy 1.1.1	Provide well planned and maintained public open space and community infrastructure
Strategy 1.1.2	Provide a healthy community environment
Outcome 1.2	A recognised culture and heritage
Strategy 1.2.1	Recognise local heritage
Strategy 1.2.2	Encourage and support public art in public areas
Outcome 2.2	A sustainable natural environment
Strategy 2.2.1	Develop, maintain and implement plans for the management and maintenance of Shire controlled parks, reserves, and natural assets
Strategy 2.2.2	Seek to minimise resource usage and continue to maximise reuse opportunities
Strategy 2.2.4	Support community groups (both new and existing), who are preserving and enhancing the natural environment.
Outcome 4.2	A strategically focused Council
Strategy 4.2.1	Build and promote strategic relationships in the Shire's interest.
Strategy 4.2.2	Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions
Outcome 1.1	A healthy, active, connected and inclusive community
Strategy 1.1.1	Provide well planned and maintained public open space and community infrastructure
Outcome 4.2	A strategically focused Council
Strategy 4.2.2	Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions

Financial Implications

Consultant delays costs as discussed above.

As part of the detailed design, a management plan for the facility will be developed which will include details of service levels, operational and ongoing maintenance costs. It is intended to present the report to Council prior to construction tenders being invited.

Agenda Report Template

Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Due to the current ongoing escalation in prices project costs may still escalate beyond the current funds available	The proposed reduced scope and estimated costs includes escalation costs	Organisational Performance	Possible	Moderate	MODERATE	Nil
2	Returning the funds will impact the Shire's ability to seek future funding for future projects due to inability to deliver projects	Proceed with Option 1 as detailed in this report.	Reputation	Likely	Major	HIGH	Nil
3	Enabling Works, Tender and start of the Construction Phase funding is not completed in full in 2022/2023 requiring municipal funds to complete in future years.	Nil	Financial	Likely	Major	HIGH	Nil

Voting Requirements: Simple Majority

Officer Recommendation

That Council:

1. **ENDORSES** the reduced Stage 1A scope as shown in Image 8 and detailed in this report;
2. **REQUESTS** the Chief Executive Officer to seek approval from the Department of Local Government, Sport and Cultural Industries for the scope reduction; and
3. **REQUESTS** the Shire President write to the Minister for Sport and Recreation to request \$4.05m funding to deliver the second oval and supporting infrastructure to be provided in 2023/2024 financial year.