



CITY OF BAYSWATER

**UNDER SEPARATE
COVER**

Ordinary Council Meeting

25 May 2021

Item 10.4.4 Bayswater Waves Detailed Design



10.4.4 Bayswater Waves Detailed Design

Responsible Branch:	Recreation
Responsible Directorate:	Community and Development
Authority/Discretion:	Executive/Strategic
Voting Requirement:	<i>ABSOLUTE MAJORITY REQUIRED</i>
Attachments:	Nil.
Refer:	Item 10.4.4: OCM 27.1.2021 Item 10.4.6: OCM 25.2.2020 Item 11.2.5: OM 17.11.2015

SUMMARY

- \$450,000 was approved in the 2020/21 capital works budget for the engineering consultancy of the Bayswater Waves Refurbishment project.
- Glen Flood Group (GFG) was engaged by the City in April 2020 to provide Engineering Consultancy Services with an estimated project cost of \$343,777.
- GFG has now completed Phase One of the detailed design and have requested additional funding of \$131,536 to complete the detailed design of Phase Two.
- Remaining funds of \$62,541 are available in the project's capital budget reducing the additional funding required to \$68,995.
- The Bayswater Waves refurbishment works are scheduled to be carried out in two construction stages with the first stage scheduled to commence in 2020/21. Roofing works included in the scope for Stage One construction have been allowed for in the 2020/21 mid-year budget review process negating the need for \$88,440 from the required funding. It is proposed to use a portion of this allocation for the shortfall in funding for the detailed design noted above.

OFFICER'S RECOMMENDATION

That Council:

- 1. Approves the re-allocation of \$68,995 from 80614 – Bayswater Waves – Refurbish 25m pool, pool hall and plant room to 80365 – Bayswater Waves – Refurbishment Tender design, and amend the City’s 2020/21 Budget as follows:**

ACCOUNT	CURRENT BUDGET	REVISED BUDGET	VARIATION
80365 - Bayswater Waves Refurbishment Tender Design	\$450,000	\$518,995	\$68,995
80614 – Bayswater Waves Refurb 25m pool, pool hall and plant room	\$1,569,500	\$1,500,505	-\$68,995)
		NET EFFECT	NIL

- 2. Notes that funds remaining in 80365 - Bayswater Waves Refurbishment Tender Design will be carried forward to the 2021/22 financial year.**

BACKGROUND

Bayswater Waves, in its current configuration, was constructed in 1998 and is over 22 years old. The facility consists of seven separate pools including WA's only wave pool. The centre also has a number of non-aquatic facilities including a multi-storey health club, group fitness facilities, café and other function rooms.

Plant and equipment required to operate a facility of this size incurs significant expense through maintenance, upkeep and capital replacement. Funds were allocated in the 2014/15 budget to

commission an Engineering Report for the pools and associated plant to assess future life cycle and maintenance requirements for Bayswater Waves.

The engineering firm GHD was commissioned to assess the condition and possible future capital expenditure for the:

- Building services;
- Building fabric and pool structure; and.
- Water treatment.

The GHD report detailed that the building fabric and pool structure were in fair to good condition for their age, however various building elements were identified as requiring significant repair/replacement for the building to reach its intended service life. Based on the conditions observed on site GHD recommended the City plan for major refurbishments of the site within the next five years.

At the Ordinary Council Meeting 17 November 2015, Council considered the above matter and resolved as follows:

"That Council:

1. *APPROVED staged asset renewal program for the Bayswater Waves over a 10-year period.*
2. *NOTES that officers will develop a schedule of works, asset management program and associated budgets for inclusion in the City's Long Term Financial Plan."*

The first stage of the works identified in 2015 was split into two sub-stages with the initial stage focusing on the outdoor 50m Olympic pool and the next stage on the hydrotherapy area including the hydrotherapy pool, spa, sauna and steam room. The initial stage commenced in May 2017 and was completed in January 2018. The next stage commenced in June 2018 and was completed in December 2018.

An allocation of \$650,000 was included in the 2019/20 budget for "Bayswater Waves refurbishment tender design". Tender 15-2019 for engineering consultancy for remaining refurbishments at Bayswater Waves was developed requesting submissions on the following deliverables:

- (a) Produce a detailed scope of works supported by detailed quantity surveying of all aspects of the project, and comprehensive testing and analysis of necessary technical works for the recommended refurbishment.
- (b) Provide recommendations regarding stages, scheduling and prioritisation of program of works.
- (c) Investigate and report on the feasibility of sustainability opportunities including, but not limited to, geothermal water heating for consideration.
- (d) Design and develop project tender documentation complete with design schematics, project specifications and a detailed program of works.

Council considered the submissions for Tender 15-2019 at the Ordinary Council Meeting (OCM) held 25 February 2020, and resolved as follows:

"That Council awards Tender 15-2019 for the Engineering Consultancy for Remaining Refurbishments at Bayswater Waves to Glen Flood Group Consultancy in accordance with their tender submission dated 20 December 2019."

GFG was awarded the consultancy tender with an estimated price of \$343,777. The scope of the submission was based on like for like refurbishment as detailed in the GHD Engineering Report of 2015. In the 2019/20 mid-year budget review the allocated project funding of \$650,000 was reduced to \$450,000 to align with the estimated project costs.

GFG presented to Councilors on 1 December 2020 recommending condensing the remaining four stages into two larger stages to take advantage of current borrowing conditions whilst maintaining a level of service provision and minimising the impact to customers. They further recommended a number of compliance and aesthetic upgrades that were not included in the GHD report.

At the OCM held 27 January 2021 Council adopted the officer's recommendation and resolved as follows:

"That Council:

- 1. Notes the Bayswater Waves Facility Condition Assessment and Refurbishment Concept prepared by Glen Flood Group.*
- 2. Notes that the remaining Bayswater Waves Refurbishment project funding of \$8,600,000 is currently proposed over seven financial years in the existing Long Term Financial Plan, with \$1,569,500 approved in the 2020/21 budget with funds from the Economic Stimulus Reserve.*
- 3. Endorses the proposed Bayswater Waves refurbishment concept as outlined in Attachment 1 to this report.*
- 4. Endorses the proposed staging of the refurbishment of Bayswater Waves as outlined in Attachment 3 to this report.*
- 5. Notes that a portion of the \$1,569,500 contained in the 2020/21 budget for the part refurbishment of Bayswater Waves will be carried forward to the 2021/22 financial year.*
- 6. Considers the additional funding of \$1,284,715 required to complete the proposed Stage 1 of the Bayswater Waves refurbishment works as part of the 2021/22 budget process.*
- 7. Considers an amount of \$7,345,524 required to complete proposed Stage 2 of the Bayswater Waves refurbishment works as part of the major review of the Long-Term Financial Plan.*
- 8. Requests the Chief Executive Officer to identify funding options through a combination of borrowings and applications for grants to facilitate the unfunded portion of proposed Stages 1 and 2 of the Bayswater Waves refurbishment works.*
- 9. Notes that any borrowings relating to the Bayswater Waves refurbishment works will be included in the draft 2021/22 budget and subsequent budgets as required."*

EXTERNAL CONSULTATION

Nil.

OFFICER'S COMMENTS

In line with the Council resolution at the OCM of 27 January 2021, GFG split the detailed design into two substantive stages, commencing Phase One immediately. Detailed design of Phase One has now been completed. Phase Two of the detailed design is scheduled to commence in June 2021 and be completed by September 2021.

Phase one of the detailed design includes:

- The 25m pool area;
- Chlorine gas compound;

- Sustainability initiatives; and
- Accessibility improvements.

At the above OCM, Council also endorsed the list of projects identified in the City's Recovery Plans for submission under Phase 2 of the Federal Governments Local Roads and Community Infrastructure Program (LRCIP), subject to confirmation that the City can meet the eligibility criteria for the program. Included in the LRCIP funding submission was \$500,000 of access and inclusion improvements identified in the Bayswater Waves Refurbishment Project. As such, structuring of the detailed design Phase One package into four separable portions (waterslide, adult change room, external gym access and external hydrotherapy area access), was required so that items could be easily excluded if the LRCIP grant funding was not approved. The City received notification of the successful grant submission on 30 March 2021 mid-way through Phase One detailed design. A portion of funding for the detailed design will be allocated to this grant and is taken into account in this request for additional funding.

GFG has recently advised that the detailed design project hours have exceeded the original tender estimations and that additional funding of \$131,536, over and above the initial contract amount of \$343,777 is required to complete the Phase Two detailed design. The original tender was awarded on an hourly rate basis with estimated project hours, rather than a fixed sum contract price. A shortfall of \$68,995 exists if this request is to be accepted, with remaining funds of \$62,541 allocated to the capital project 80365 - Bayswater Waves - refurbishment tender design. It is noted that the revised project funding for the additional components detailed below remains well under the original budget allocation of \$650,000.

There are a number of contributing factors to this request as detailed below.

- The original tender was based on like for like refurbishment without the requirement for design of functionality, compliance, accessibility and aesthetic improvements. A number of changes to the scope of the detailed design to realise facility improvements were unknown and not factored into the tender price.
- Separating detailed design into two substantive stages to meet planned timeframes.
- Phase One scope changes required bringing forward the detailed design of the disability access improvements to successfully meet the construction timeframes of the LRCIP grant funding.
- Structuring of the detailed design Phase One package into four separable portions so that items could be easily excluded if the LRCIP grant funding was not approved.
- Additional specialist pool consulting fees to more appropriately assess and manage failure risk when refurbishing the pools, particularly the ageing 25m pool.
- Benefits of the proposed upgrades to the facility include:
 - Remodelling of the entry foyer and other areas to create a more inviting entry pathway, reduce staffing requirements, increase program capacity and minimise damage to technology infrastructure.
 - Address compliance issues and reduce risk in relation to the handling and storage of hazardous substances.
 - Improve the accessibility of the facility through the provision of ramps, pathways and the reconfiguration of previously inaccessible areas.
 - The facility is more than 20 years old. The works will modernise the appearance of the facility to highlight the significant investment that the City has made.

If additional funding for the detailed design is not approved, the scope of the refurbishment will need to be reduced. Potential areas that will be affected by this reduced scope include:

- Reconfiguration of the entry foyer to improve patron experience, reduce staffing requirement and address premature ageing of information technology infrastructure.
- Extension of the group fitness room. With the current membership base the group fitness program is at capacity during peak periods. Extending the room will allow for greater participation without additional staffing costs.

As part of the entry foyer reconfiguration, it is proposed that the main reception desk be relocated to the opposite side of the foyer and that the health club desk also be relocated to sit alongside the reception desk. This reconfiguration will provide a more direct entry pathway to the Aquatic area and will allow for us to share staffing resources to provide greater coverage whilst decreasing staffing requirements of both the health club and reception areas. Whilst savings from a lower staffing requirement and increased capacity would not be realised immediately they represent ongoing cost savings.

The additional costs of the detailed design works can be covered as part of 80614 - Bayswater Waves - Refurbish 25m pool, pool hall, plant room (\$1,569,500). Remedial roofing works originally intended to be undertaken in Stage One of the refurbishment works due to commence in the 2020/21 financial year have since been prioritised with an allocation to complete them approved in the 2020/21 mid-year budget review process. These works are now being progressed separately creating a Stage One project saving of \$88,440.

LEGISLATIVE COMPLIANCE

Nil.

RISK ASSESSMENT

In accordance with the City’s Risk Management Framework, the officer’s recommendation/following options have been assessed against the City’s adopted risk tolerance. Comments are provided against each of the risk categories.

Officers Recommendation	That Council:			
	1. Approves the re-allocation of \$68,995 from 80614 – Bayswater Waves – Refurbish 25m pool, pool hall and plant room to 80365 – Bayswater Waves – refurbishment tender design, and for the City’s 2020-21 Capital Works Budget to be amended as follows:			
	ACCOUNT	CURRENT BUDGET	REVISED BUDGET	VARIATION
	80365 - Bayswater Waves Refurbishment Tender Design	\$450,000	\$518,995	\$68,995
	80614 – Bayswater Waves Refurb 25m pool, pool hall and plant room	\$1,569,500	\$1,500,505	-\$68,995
		NET EFFECT	NIL	
	2. Notes the funds remaining in the 80365 - Bayswater Waves Refurbishment Tender Design are to be carried forward to the 2021-22 financial year.			
Risk Category	Adopted Risk Appetite		Risk Assessment Outcome	
Strategic Direction	Moderate		Low	
Reputation	Low		Low	
Governance	Low		Low	
Community and Stakeholder	Moderate		Low	
Financial Management	Low		Moderate	
Environmental Responsibility	Low		Low	
Service Delivery	Low		Low	
Organisational Health and Safety	Low		Low	
Conclusion	This option allows for all of the identified refurbishment improvements to be			

	delivered as recommended by the specialist consultants. It is considered that this option represents the lowest risk to the City, providing a number of functionality, compliance and accessibility upgrades and significantly increasing service delivery and program capacity. This option can also be completed within existing budget allocations albeit from the construction allocation rather than design. With the increased project funding this option presents a moderate financial risk to the City.
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Option 2	That Council declines the re-allocation of \$68,995 from 80614 – Bayswater Waves – Refurbish 25m pool, pool hall and plant room to 80365 – Bayswater Waves – refurbishment tender design.	
Risk Category	Adopted Risk Appetite	Risk Assessment Outcome
Strategic Direction	Moderate	Low
Reputation	Low	Moderate
Governance	Low	Low
Community and Stakeholder	Moderate	Moderate
Financial Management	Low	Low
Environmental Responsibility	Low	Low
Service Delivery	Low	High
Organisational Health and Safety	Low	Low
Conclusion	It is considered that there is a high service delivery risk associated with adopting this option. The scope of the refurbishment will need to be significantly reduced with several of the proposed improvements removed. This will limit the facility's program capacity and ability to meet future demand. Reducing the scope and eliminating several of the proposed improvements will cause a level of frustration amongst members and facility patrons presenting moderate reputational and community and stakeholder risks for the City.	

FINANCIAL IMPLICATIONS

The following financial implications are applicable:

- Item 1:** Bayswater Waves Refurbishment Tender Design
- Asset Category:** Refurbish and Renewal **Source of Funds:** Municipal
- LTFP Impacts:** Nil
- Notes:** Additional funds of \$131,536 are needed to complete the Bayswater Waves Refurbishment Detailed Design.

There are \$62,541 of funds remaining in the 2020/21 Capital budget – 80365 - Bayswater Waves Refurbishment Tender Design budget leaving a short-fall in funding of \$68,995.

\$68,995 to be re-allocated from 2020/21 Capital Budget 80614 - Bayswater Waves - Refurbish 25m pool, pool hall and plant room to 2020/21 Capital Budget - 80365 - Bayswater Waves - refurbishment tender design.

ITEM NO.	CAPITAL / UPFRONT COSTS (\$)	ONGOING COSTS (\$) ANNUAL		INCOME (\$)	ASSET LIFE (YEARS)	WHOLE OF LIFE COSTS (\$)	CURRENT BUDGET (\$)
		MATERIALS & CONTRACT	STAFFING				
1	Additional: \$68,996 (Total: \$518,995)	-	-	-	25	-	*\$450,000 **\$1,569,500

*80365 – Bayswater Waves Refurbishment Tender Design
 **80614 – Bayswater Waves – Refurbish 25m pool, pool hall and plant room

STRATEGIC IMPLICATIONS

In accordance with the City of Bayswater Strategic Community Plan 2017-2027 (as amended), the following applies:

Theme: Our Community

Aspiration: An active and engaged community

Outcome C1: A strong sense of community through the provision of quality services and facilities

The improvements identified in the GFG report are in line with the above Theme, Aspiration and Outcome.

CONCLUSION

The refurbishment of Bayswater Waves is required to extend the facility's service life for a further 25 plus years. The identified improvements and associated costs will enable the ongoing provision of quality services and facilities and ensure that we can meet future demand.

The additional costs required to undertake the detailed design of the recommended improvements will be offset by the reduction of staffing requirements, increased facility capacity and the decrease in Stage One project costs associated with the excluded roofing works (which is currently being progressed). Option 1 is therefore recommended.