

13.2 Edward Millen Redevelopment Progress Report and Variation Request

Location	East Victoria Park
Reporting officer	Strategic Projects Manager
Responsible officer	Chief Operations Officer
Voting requirement	Simple majority
Attachments	Nil

Recommendation

That Council:

1. Notes the information and updates in relation to the Edward Millen Redevelopment Project, as contained within this report.
2. Accepts the value management redesign scope, as detailed in this Report.
3. Approves the Edward Millen Park Value Management Re-Documentation Variation of \$79,185 (excluding GST).
4. Notes that \$100,000 has been allocated as part of the 2022/23 Mid-Year Budget Review for the Value Management Redocumentation Variation, Heritage Impact Statements and costing analysis.

Purpose

To present an update to Council for the Edward Millen Adaptive Heritage Redevelopment Project and seek approval of a scope and contract variation for value management redocumentation.

In brief

Edward Millen House Adaptive Heritage Redevelopment Project:

- Negotiations of the Agreement for Lease and Lease of the Edward Millen House to Blackoak Capital have been prolonged and are nearing resolution.
- Progress on the design of the adaptive reuse of the heritage buildings has been on hold while lease negotiations progress.

Edward Millen Park Redevelopment Project:

- A detailed scope of design changes has been developed to bring the construction cost of the project within Council's endorsed budget.
- A variation of \$79,185+GST has been received to conduct the redocumentation from the design consultant team. This variation is more than 10% of the original contract value.
- In accordance with the current Town of Victoria Park Register of Delegations and Sub-Delegations clause 12a, variations of a formal Request for tender contract that exceeds 10% of the contract value requires approval from Council to proceed.

Background

1. At its meeting held on 18 February 2020 Council approved the Edward Millen Park Masterplan and agreed to proceed to detailed design, with the requirement to “include an option for a water play space/feature”.
2. On 19 May 2020, Council acknowledged that further investigation into a water feature for Edward Millen Park Masterplan has been completed, and approved the Edward Millen Park Masterplan to proceed to detailed design without a water play/space feature.
3. The Detailed Design Tender was approved in June 2020 with a design team led by Hassell Studio.
4. 18 May 2021 OCM item 13.3 was provided to Council to approve the detailed design documentation of the Edward Millen Reserve. The cost estimate for the detailed design provided in the report was \$9.1 million, with escalation due to local and international market conditions, inclusive of labour and materials cost increases. Council requested that an options analysis be undertaken to show the impact of the total construction, to cost no more than \$6 million and no more than \$7 million.
5. In July 2021 Council requested a tender documentation set be created for a \$7.5 million budget and a second tender documentation set at a higher cost that would be reliant on the sourcing of additional funding.
6. In July 2021 Council noted that the Edward Millen Park Tender would be released at the most appropriate time to complement the Adaptive Heritage Redevelopment of the Edward Millen Buildings.
7. The final tender documentation was received by the Town in May 2022. As per the July 2021 Council endorsement, two sets were received the \$7.5 million option and the higher cost option. During the design process in October 2021, these were estimated at \$6.4 and \$9.1 million ex GST.
8. The tender documentation received in May 2022 did not have an accompanying updated cost estimate. This cost analysis was subsequently conducted and has been received by the Town in September 2022. Due to the extreme construction industry cost escalation experienced in 2021 and 2022, the cost estimates for the tender documentation packages were \$8.8 million and \$11 million ex GST.

Strategic alignment

Environment	
Community priority	Intended public value outcome or impact
EN1 - Protecting and enhancing the natural environment.	The redesign scope includes a change to utilise the Town’s Urban Ecosystem approach which will increase the amount of ecosystem services delivered by the project.
EN4 - Increasing and improving public open spaces.	The redesign scope will ensure the delivery of the project achieves the communities' expectations of the project to transform Edward Millen Park into a contemporary, high-quality, active park within the requested budget.

Engagement

Internal engagement	
Stakeholder	Comments

Parks maintenance coordinator	Comments on the design have been incorporated into the redesign scope.
Irrigation Team	Comments on the design have been incorporated into the redesign scope.
Urban Ecosystem team	Comments on the design have been incorporated into the redesign scope.
Urban Forest Team	Comments on the design have been incorporated into the redesign scope.
Public Art team	Comments on the design have been incorporated into the redesign scope.

Other engagement	
Stakeholder	Comments
Autism Association of Western Australia	Following meetings and documentation review, some comments have been included in the design scope and others have guided the project approach.
Heritage Council of Western Australia	Following meetings and documentation review, some comments have been included in the design scope and others have guided the project approach.
Mindeera Advisory Group	The detailed design has been presented to the Mindeera Advisory Group 3 times and the group has been influential in the development of the approach to the inclusion of indigenous cultural representation in the process.

Legal compliance

Not applicable

Risk management consideration

Risk impact category	Risk event description	Consequence rating	Likelihood rating	Overall risk level score	Council's risk appetite	Risk treatment option and rationale for actions
Financial	Not undergoing a value management design round could lead to the park delivery being well in excess of the endorsed budget.	Moderate	Likely	High	Low	TREAT risk by Undergoing design changes to reduce the cost without significant loss of proposed functions.
Environmental	Not redesigning to utilise the Town's Urban Ecosystem Programs'	Minor	Likely		Medium	TREAT risk through redesigning project to utilise the Town's Urban Ecosystem

	approach will be a lost opportunity to improve the projects environmental benefits.					Program's techniques and approaches.
Health and safety	Not applicable.				Low	
Infrastructure/ ICT systems/ utilities	Not applicable.				Medium	
Legislative compliance	Not applicable.				Low	
Reputation	Proceeding with the current design will deliver heritage interpretation elements that omit pre-European heritage of the site.	Moderate	Likely	High	Low	TREAT through redesign to facilitate the recognition of ongoing Indigenous cultural significance of the site through art and interpretation.
Service delivery	Not applicable.				Medium	

Financial implications

Current budget impact	<p>Sufficient funds do not exist within the annual budget. It is proposed that funding will be acquired through:</p> <ul style="list-style-type: none"> Mid-Year Budget review allocation.
Future budget impact	The redesign is expected to reduce the construction cost of the park from the estimated \$8.8m+GST to within the construction budget of \$7.5m

Analysis

Edward Millen House Adaptive Heritage Redevelopment Project:

9. Negotiations of the Agreement for Lease and Lease of the Edward Millen House to Blackoak Capital have been prolonged and are nearing resolution.
10. Progress on the design of the adaptive reuse of the heritage buildings has been placed on hold by Blackoak while lease negotiations progress.
11. Some recent agreements have been reached with Blackoak on certain clauses the Town found to be unacceptable, which has provided confidence that an agreed draft AFL and Lease is imminent.

Edward Millen Park:

12. Town officers have completed the development of a detailed scope for redesign and redocumentation to bring the project within the July 2021 endorsed budget of \$7.5 million.
13. The development of this scope included detailed review and workshopping with the Autism Association of Western Australia, the Heritage Council of Western Australia, The Town's Parks, Irrigation, Urban Forest, Urban Ecosystem and Public Art teams and the Mindeera Advisory Group.
14. The redesign also presents an opportunity to include an indigenous cultural component to the park through public art. The spatial requirements for this will be included in the redesign scope and the park construction. However, the public art procurement process and delivery will occur separately.
15. Another opportunity is the adoption of the Town's Urban Ecosystem approach to the proposed garden bed areas. This would expand the ecosystem services of the site and act as an extension of the Hillview Terrace bushland ecosystem, increasing the environmental benefits of the project.
16. The inclusion of an urban ecosystem approach suits planting via community planting days which will increase community ownership and connection to the park while providing a celebratory moment for the park redevelopment completion.
17. The Urban Ecosystem approach will however leave large areas of mulch at the completion of the park construction project while the garden beds await community planting.
18. Additional changes have been proposed and will be further explored that improve the access and inclusion outcome on-site through the removal of stairs.
19. The redesign will include a tree impact review and explore opportunities to minimise the impact on healthy trees, particularly those of high ecological or heritage significance.
20. The value management redesign scope was presented to Hassell, and action was agreed to for each redesign scope component. The Redesign Scope table captures the value management redesign scope and design team comment:

Redesign Scope

	Description	Action
Cost Reduction		
1	Remove all elements beyond site boundary and show black oak path and separable portion.	Documentation to be revised. Clarity required with regards to separation of electrical, hydraulic and irrigation services between Blackoak and Park portions.
2	Remove demolition of existing building from contract (Town to conduct directly)	Documentation to be revised.
3	Remove all shrub planting	Planting areas to be shown as "Urban Eco-system areas" and specified as cultivated beds with mulch. Planting to be removed from schedules.
4	Tree removal and pruning by Town as forward works	No drawing revision required only to be separately delivered as forward works under separate contract arrangement.

5	Change from decorative to coloured concrete	Drawings and specification to be amended to coloured concrete and maintain cream effect
6	Review steel bollards and consider change to plastic replas where suitable.	Extent of plastic and steel (drop-down) bollards to be reviewed.
7	Remove art panels in shade structures	Documentation to be revised.
8	Change playground fence to black cyclone fencing (bar at top and bottom)	Documentation to be revised.
9	Remove LWE003 walls near toilet (~14m)	Review will be conducted with a view to omitting the walls where not required for retaining.
10	Remove Stairs 1 and 2 (and realign align path with stair 1 connection point). Add required walkways to replace stairs. Remove wing walls and hand rails associated with stairs.	These design requirements will be reviewed and a sketch plan prepared for approval prior to re-documentation.
11	Reduce new turf by 25%, and replace with increased retained turf area	Documentation to be revised.
12	Remove heritage interpretation text in paving	Documentation to be revised.
13	Trees reduced to 45L size	Documentation to be revised.
Separable Portions		
14	Create separable Portion 1 - Blackoak Lease Area Path. This portion will be paid for and potentially delivered by Blackoak.	Documentation to be revised.
15	Create separable Portion 2 -Plinth, spectrum shelter and connecting path. This portion will only be delivered if construction is within budget.	Documentation to be revised.
Public Art and Indigenous Culture:		
16	Include Soft Path concept and expand garden bed area to Hillview Terrace. Develop a design solution for integrating the "soft path" with hardstand path to connect to Blackoak lease area. Explore continuation of garden beds along "soft Path" for connection to Hillview terrace bushland. Art and Interpretation as separate stage to follow main park construction.	These design requirements will be reviewed and a sketch plan prepared for approval prior to re-documentation.
Autism Association of WA:		
17	Change stethoscope so it looks like a generic play element.	reference to 'Stethoscope' name will be removed and the three end pieces omitted.

18	Can hand dryer be removed?	To be reviewed
19	Can additional panels be added to the cubbies to increase enclosure?	These design requirements will be reviewed and a sketch plan prepared for approval prior to re-documentation.
20	Update Playground communication board and add sensory mapping to the overall map. Icons for each element, repeated on map and on individual element sign.	Further discussion is required on this element. Confirmation required to confirm specific signs and quantity impacted. Further engagement with Autism WA recommended to confirm requirements.
21	Individual play element signs – add sensory focus Vestibular (balance and movement), Proprioception (pushing, pulling, regulation), touch, hearing sight.	These design requirements will be reviewed and a sketch plan prepared for approval prior to re-documentation. Further engagement with Autism WA recommended to confirm requirements
Parks Department		
22	Vehicle access across site should be considered, ie crossing points at paths.	Diagram to be provided that shows the areas which can accommodate vehicles for maintenance. general arrangement of the design.
23	Mowing kerbs required between all lawn and garden bed areas.	Sketch to be prepared for confirmation and updating of documentation.
Irrigation		
24	Review location of iron filter and irrigation compound, include main line for future extension to Blackoak lease area. Include fertigation unit. Retain existing irrigation cabinet. Review and ensure design is to Town specification. Utilise HDPE in playground area and under infrastructure.	Irrigation changes to be developed with irrigation consultant, reviewed by ToVP and documentation revised.
Urban Ecosystems		
25	All planting areas suitable to be urban ecosystem zones. Two types of zones to be created, High and low profile. Park construction contract to create beds and mulch zones only. Planting will then occur with community planting days. Weed control and spraying out of lawn to occur once design drawings are confirmed.	Remove all planting design from the documentation. The planting beds shown as mulch areas will be noted as High Profile or Standard UE areas with irrigation documentation amended to suit. We will prepare a sketch first for confirmation prior to re-documentation.

21. A variation quote was requested from Hassell to deliver the agreed actions and was received as a fee letter on 23 February 2023. This fee letter quoted a lump sum of \$79,185+GST.
22. A detailed breakdown of the fee is not included in this report in the interest of not disclosing commercial in-confidence information while maintaining the public nature of this report.
23. The schedule of rates that the value of the variation is based upon has been compared to recent tender submissions from comparable design consultancies. This comparison found that the rates proposed are in keeping with current market rates.

24. It was not deemed appropriate to request additional quotes for the redesign work from other design teams. Any new consultant would require full redocumentation services as they would not have progressed the design to this stage.

Relevant documents

[Edward Millen Park Masterplan](#)

Further consideration

25. At the Agenda Briefing Forum held on 7 March 2023, the following information was requested
26. Further information to be provided on proceeding with work on the gardens ahead of any lease agreement to reduce the potential for cost blowouts.
27. Provide an estimate of the grassed area that will be subject to the urban ecosystem approach.
28. Further information to be obtained as to why the Autism Association requested the removal of the stethoscope art installation.
29. In response to 29 above; The detailed design, documentation and construction procurement work will proceed independently of the Edward Millen House lease negotiations and aims to have a construction RFT outcome ready for council approval by October 2023. At that time the decision can be made whether to commence construction of the park based on the availability of the \$2 million funding contribution from Blackoak. It is anticipated the lease negotiations will be finalised by that time and funding contribution secured. The park construction will then commence prior to the Edward Millen House redevelopment.
30. In response to 30 above; by land area the park is currently 15% urban ecosystem area. The current design documentation package proposes 23% total garden bed and retained urban ecosystem area. The proposed design changes will change this to 29% urban ecosystem planting (all planting changed to urban ecosystem approach).
31. In response to 31 above; The Autism Association did not request removing the stethoscope. In a detailed design review workshop with the Autism Association the stethoscope play element was discussed. It was advised the symbolism of the element has the potential for misinterpretation by members of the community in a way that could cause offence. It was advised that contemporary views on autism conceive a neurodiversity spectrum that includes all people rather than the past medicalisation of autism and the aim to separate the concept of illness from disability and neurodiversity. A related comment received was that the spectrum shelter and plinth was an excellent representation of this contemporary view. The design change proposed does not remove the element. It alters the element, so the functionality is retained but the element no longer symbolises a stethoscope.