

Coastal Walkway Update - Field River

Originating Officer Coordinator Coastal Walkway - Alex Cortes

Corporate Manager Manager City Activation - Greg Salmon

General Manager General Manager City Development - Ilia Houridis

Report Reference GC210622F03

Confidential ☒

Confidential Motion

That pursuant to Section 90(2) and (3)(b)(i) and (ii) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager Corporate Services, General Manager City Services, Manager Corporate Governance, Manager City Activation, Project Manager Strategic Projects, Coordinator Coastal Walkway, Unit Manager Communications, Unit Manager Governance and Council Support and Governance Officer, be excluded from the meeting as the Council receives and considers information relating to Coastal Walkway Update - Field River report, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to proposed funding and tender outcomes.

REPORT OBJECTIVE

To provide Council with an update regarding the Coastal Walkway project and anticipated project costs exceeding the allocated budget for Sections 10 (Field River), 5 (Grey Gully) and 6 (Kurnabinna Gully).

This report seeks Council's approval to reallocate funding to commence construction and deliver the Field River section by December 2021.

EXECUTIVE SUMMARY

Over the past 18 months, Administration staff have been working with the consulting team to design the Coastal Walkway's Field River section and the rebuild of the Grey and Kurnabinna Gullies. The project has a committed \$4.88 million budget.

To date, the Field River section has been 100% designed and released to the market to tender for construction. Given the highly competitive market resulting from Covid-19 and Government stimulus packages together with the use of recycled materials and a scope revision to improve environmental and infrastructure outcomes by elevating the walkway platform across the dunes, all tender price submissions are above the pre-tender estimate of \$572,000. To proceed with the construction of the Field River, the shortfall in funding can be allocated from within the existing \$4.88 million budget acknowledging that there may be a shortfall for the two gullies once their full costs are understood.

Whilst the Field River is under construction, the design for the Gullies will be finalised through Early Contractor Involvement mitigating risks and providing price certainty for the rebuild of this section of the Coastal Walkway. A report will be brought back to Council in late 2021 with the updated costs for the reconstruction of the Grey and Kurnabinna Gullies with consideration to any budget implications.

This report seeks Council's endorsement of the reallocation of budget within the \$4.88m will allow the Field River component of the Coastal Walkway to be delivered whilst detailed design progresses on the



Gullies. Administration will continue to identify external funding opportunities to address any budget shortfalls.

RECOMMENDATION

That Council:

1. Endorses the engagement of the contractor and commencement of construction for Field River based on the revised tender price to enable this component to be delivered by December 2021.
2. Notes that Administration will continue to design the Gullies through Early Contractor Involvement to progress the design and construction methodology to 100% for this section of the Coastal Walkway.
3. Receives a further report by no later than December 2021 on the updated costs for the reconstruction of Grey and Kurnabinna Gullies.
4. In accordance with Section 91 (7) and (9) of the Local Government Act 1999 the Council orders that the report, attachments and minutes arising from this report having been considered in confidence under Section 90(2) 3(b) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2021.

DISCUSSION

Background

Back in November 2019, Council committed \$2.44 million for the reconstruction of Sections 5 (Grey Gully), 6 (Kurnabinna Gully) and new connection for Section 10 (Field River). At the time, short term remediation works for the gullies were also explored but it was resolved to reconstruct with Council committing 50% of the initial desktop cost estimate based on the following figures:

Section 5 (Grey Gully)	\$1,820,293
Section 6 (Kurnabinna Gully)	\$2,488,833
Section 10 (Field River)	\$ 572,081
	\$4,881,207

In June 2020, through the Open Space and Places for People grant funding application, State Government matched Council's funding commitment of \$2.44 million bringing the total budget to \$4.88 million.

The project is funded over three financial years (2019-2020 to 2022-2023) and in accordance with the State Government funding agreement requires all works to be completed by December 2022.

Discussion

On 27 November 2020, Council endorsed Administration to advance detailed designs for the Sections 10 (Field River), 5 (Grey Gully) and 6 (Kurnabinna Gully). The Chief Executive Officer was authorised to award the construction contracts for these Sections on the basis that overall construction price is within the endorsed project budget of \$4.88 million including all other project expenses.

Over the past months, an extensive amount of preliminary works across Sections 10 (Field River), 5 (Grey Gully) and 6 (Kurnabinna Gully) have been undertaken to understand the geology and constructability of the sites.

The Field River design has since been completed with the tender for construction closing on 28 May 2021. In a highly competitive market with there being a shortfall in supply of materials and labour in the



construction industry, Council received a total of three submissions with tender prices averaging over \$1,000,000 against the original estimate of \$572,081.

Tender cost impacts

The higher costs submissions reflect industry trends and material prices as a result of Covid-19 and both State and Federal Government stimulus grants.

The initial cost estimate was desk based with the dune section of the walkway priced as a gravel finish at ground level. The detailed investigations and stakeholder engagement showed that an elevated walkway across the dunes was required to minimise environmental impact on the dunes, flora and fauna and to meet the 50 year asset life goal of the project by being constructed above the 2100 expected sea level. The elevated walkway also provides full DDA access to the walkway as opposed to an option requiring stairs to the bottom of the dune.

There was also a strong preference for the use of recycled plastics which result in a higher upfront costs but lower long term maintenance costs to Council.

To enable the Field River to progress, the shortfall in funding will need to be provisioned from the existing \$4.88 million budget. This will allow the project to be completed by December 2021 in line with community expectations for this component of works.

The tender estimates for the construction of the Field River are \$1,121,110 requiring a additional funding of \$549,029. The primary changes to the final construction cost, as outlined above address price escalations in the market, the cost of recycled materials (noting lower whole of life costs to Council) and necessary change in scope for the construction methodology of the walkway over the dune section of Field River.

Reallocating approximately \$549,029 of the budget to the Field River may place additional pressure on the design outcome for the Gullies. Should Council endorse the reallocation of funds for the construction of the Field River, the Chief Executive Officer has delegated authority, per Council approval on 27 November 2020, to execute the contract to commence construction.

Impact to future stages

The Gullies are at 30% design with a significant amount of investigative works undertaken. An Early Contractor Involvement procurement process is being progressed by Administration to manage the complexity and risks of the rebuild.

This procurement model will engage a builder at 30% design to be involved in a collaborative approach and provide sound construction methodology throughout the design development phase providing price certainty for the Gullies rebuild.

At this stage it is not expected that the gullies will have cost increases as proportionally high as the Field River section as their cost estimates were based on the rebuild of an existing asset as opposed to construction of a new section of the walkway.

It is anticipated the ECI procurement process for the Gullies will commence in July 2021 and be completed in November 2021 ready for construction subject to the allocated budget. Following this procurement model, Council will have a better understanding on construction costs and possible impact on budget as a comprehensive report outlining any budget implications will be brought back.

Council's endorsement of the reallocation of budget within the \$4.88m will allow the Field River component of the Coastal Walkway to be delivered whilst detailed design progresses on the Gullies.

Administration will continue to identify funding opportunities with the State Government to address any budget shortfalls.



Project Program

Procure Construction Team for Field River	June 2021 (Current stage)
Field River Construction commence	July 2021
Tender for ECI for Gullies	July 2021
Award ECI Contract for Gullies	Aug 2021
Design for Construction Documentation for Gullies Complete	Nov 2021
Construction commence Gullies	Dec 2021
Construction Program for Gullies	To be confirmed following tender
Construction complete Field River	Dec 2021
Construction complete for Gullies	To be confirmed following tender

Attachment

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1	Coastal Walkway Upgrade_Concept