Detailed design for the PumpHouse was completed by CK Architecture in July 2022, along with the issuing of the Construction Certificate for the remediation works and new extension housing toilets, kitchen, and office facilities.

The scope of works for this tender is for the construction, remediation and fit out of the PumpHouse Creative Enterprise & Maker Space, and includes the following:

- demolition, removal and capping of historical water and stormwater assets as required, and construction of new underground services as specified in design documents;
- construction of amenities extension;
- civil works including car park construction and access paths;
- remediation of the historical building, including brick re-pointing, re-roofing, flooring, fire safety and mechanical and electrical services, as per the detailed design, and including power supply upgrade and sub-floor level ventilation system;
- the internal fit-out of the Maker Space including the historical building and amenities building; and
- remediation of the out-building to be used as a ceramics kiln room.

The Development Consent and Construction Certificate have been issued, thereby mitigating any risk of project mobilisation delays due to authority approvals.

Council's 2022/23 adopted budget allocation for the PumpHouse Project is $3,080,000 (including GST), with the construction component of the budget totalling $2,481,600 (including GST). The construction component consists of $501,600 in grant funding through CreateNSW Regional Cultural Fund and $1.98M from the Water Fund (Water Fund component relates to the remediation of the historic water headworks facility). The remaining funds relate to the purchase of specialised art equipment, marketing, branding and business development. The construction budget was originally informed by a detailed cost plan developed by Quantity Surveyor, Donald Cant Watts Corke, in February 2021.

On the completion of detailed design, a revised pre-tender estimate was completed in March 2022. This report was commissioned in acknowledgement of the changed construction industry market conditions and the identification of additional structural works required during detailed design to remediate the historic building. This revised cost estimate stipulated a total cost for construction only of $3,369,563 (including GST).

Tenders were invited for Contract No. 21/02252, 'Remediation, Construct & Fit-out PumpHouse, Amenities & Boiler Room' and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on Tuesday 16 August 2022. The contract duration is estimated at 30 weeks and will be completed in the 2022/23 financial year.

Locality Plan and 3D renders are attached for information (attachments 1 and 2).

Maker Space at the PumpHouse building has been widely publicised. Delivery of this project in some form would offset the risks and be welcomed by Albury's creative community and NSW Government. COVID-19 has impacted Albury's creative community, they are still trying to piece together some semblance of an economy. Continuing development of this project, as originally proposed, could be a key driver of the creative sector's economic recovery. Should Council not deliver a Creative Enterprise and Maker Space project, it could be viewed that Council is not delivering on the Creative Economy Strategy. It will also result in Council not meeting the funding deed requirements and timelines required by the Regional Cultural Fund grant deed.

- **WHS and Public Risk** – WHS risks due to the construction works will be controlled in accordance with AlburyCity procedures. The contractor will be WHS registered with AlburyCity and will be required to implement relevant Safe Work Method Statements and safety inspections.

- **Environmental Risk** – A Statement of Environmental Effects and Hazardous Material Audit have been completed for inclusion in the tender documents. The successful contractor will be required to submit a Construction Environmental Management Plan with Environmental Control Plans, addressing specific environmental measures to be implemented; in particular, erosion and sediment control, noise, and air quality.

- **Delivery Program Risk** – This project is included in Council's Project Management Framework and adopted budgets. Standard delivery program risks are possible, such as delays due to inclement weather, COVID-19 related staff shortages, supply chain long lead times, or adverse site conditions and contractor caused delays. The delivery of the Regional Cultural Fund component of the PumpHouse project by the approved date of 30 January 2023 is at this stage unlikely, therefore an extension is currently being sought for the completion date of the project.

Community Engagement

The PumpHouse is identified in various strategies, frameworks, and stakeholder engagement plans, which include extensive stakeholder engagement and public exhibition processes, identified as follows:

1. *Creative Economy Strategy*

The development of a Maker Space is a direct response to the AlburyCity Creative Economy Strategy, which was compiled in 2017. Three key elements of primary market research were undertaken for this project – selective individual interviews, five focus group discussions, and a survey that secured 190 responses from community members engaged in the creative sector. Participants suggested AlburyCity could assist artists/creatives with access to a physical space for development, networking and commercial purposes, and could take a lead in actively providing these spaces by developing a co-located artists 'hub' for creative industries. Other suggestions included subsidised rent on existing commercial spaces, and creative use of disused spaces, such as pop-ups in empty retail spaces.

A quantitative and qualitative assessment indicated that Monarch Building Solutions Pty Ltd was the most favourable submission. Their tendered price for construction of $2,978,910 (including GST) is above the original budget allocation for construction of $2,481,600 (including GST), however below the pre-tender cost estimate of $3,369,563 (including GST), thus considered reflective of current market value. The estimated total project shortfall, including project management and contingencies, of $747,310 (including GST), can be addressed through the future quarterly budget reviews.

Recommendation

That Council:

a. accepts the tender from Monarch Building Solutions Pty Ltd, for Contract No. 21/02252 'Remediation, Construct & Fit-out PumpHouse, Amenities & Boiler Room', for the lump sum amount of $2,978,910 (including GST).

b. approves the necessary adjustments to the 2022/2023 Capital Works Program to accommodate the delivery of the PumpHouse Project.

Attachments

1. Locality Plan (DOC22/181607).
2. PumpHouse 3D Renders (DOC22/181606).