

midland oval redevelopment

Project Definition Plan

City of Swan Western Australia

August 2012



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executive summary

The City of Swan Council has the strong desire to redevelop its city centre into a vibrant and commercially successful destination.

To date, studies have been undertaken which have focused on the need to energize this precinct, but for various reasons have not been progressed. The appetite, focus and desire is now clearly present within the project team and with good momentum gathering, the time is right to continue to progress this scheme. Potential growth opportunities may have been lost to other regions or Council areas and the existing City Centre lacks urban connectivity and the ability to provide an attractive framework for businesses, residents and investors contemplating their future in the area.

Savills Project Management have drafted this Project Definition Plan (PDP) to provide a delivery framework. This will allow the projects to be implemented within an overall feasibility structure, controlled delivery structure and to an integrated programme which maximises the benefits of the 'parts' to the 'whole'.

City of Swan Council are a significant landowner and beneficiary of a coordinated development approach. However it is the overarching requirement for an integrated development of the 10ha city centre area which demands that an effective PDP be implemented before individual projects or further lost opportunity undermine the potential outcomes for the Council.

introduction

The Project Definition Plan (“PDP”) has been prepared by Savills Project Management on behalf of City of Swan Council (“Council”) and provides an outline for integrating the various supporting work streams towards a mutually shared vision that drives the Midland Oval Development Project (“MODP”). The PDP also provides a framework to guide Council to effectively progress the pre-implementation phase of this complex and multi-faceted development.

The PDP aims to consolidate the work carried out to date by Council, reiterating the Council’s objectives and socio-economic drivers for the contemporary master planning of the city centre. This document establishes a blueprint for executing the various work streams.

The PDP discusses various development options available to the Council, presenting the advantages and disadvantages for consideration.

An analysis of likely project risks and identification of strategies to mitigate those risks is highlighted.

Suggested management and control processes are detailed, drawing upon recent experience with other Councils and focusing on appropriate governance, probity and Council processes. Early establishment of the development structure and allocation of dedicated experienced resources is essential to ensure that momentum is established and maintained.

Detailed analysis is provided of procurement options including their respective risk profiles and allocation of risk through the project delivery.

Importantly, implementation of a PDP does not mean that Council has to expedite capital works projects immediately. By providing an over-arching framework, individual projects can be assessed in terms of Council’s appetite for capital spend on property, service needs versus private sector provision and timing to suit market and community drivers.

Background

City of Swan Profile

The City of Swan is an outer metropolitan Council, located 16 kms to 50 kms north-east of Perth GPO. It is the largest Local Government area in metropolitan Perth, covering over 1040 square kms. It has a range of diverse locations suitable for all business types, ranging from industrial parks and major commercial centres to rural areas.

The City of Swan has grown rapidly in the last 18 years from a residential population of 53,000 in 1991 to an estimated population of 105,364 in 2009, with most of this growth in the new urban areas of Ellenbrook, The Vines, Aveley, Ballajura, Stratton and Jane Brook. Population growth is expected to continue, particularly in the Urban Growth Corridor (Henley Brook [Albion], West Swan and Caversham).

Industrial and commercial areas have also grown with the development of the Malaga industrial area and the expansion of the Midland retail sector. Midland is the main Strategic Regional Centre in the East Metropolitan Region. It is the northern and eastern gateway to regional Western Australia, with Great Eastern Hwy, Great Northern Hwy and the Midland train line all leading into Midland.

The catchment area for Midland is far wider than the City of Swan, and includes the Perth Hills, Chittering, Gingin, the Wheatbelt and the Avon Valley. Midland is home to retail, commercial and industrial enterprises and major offices, as well as a range of government, recreation and community facilities.

The City of Swan has a diverse economic base and strong economic sectors, including construction, retailing, manufacturing, property and business services, wholesale trade and agriculture/livestock. The tourism industry is also thriving. A highlight of the area is the Swan Valley, a renowned grape-growing region containing world-class wineries, restaurants, cafes, fresh food producers, breweries, distilleries, recreational activities, arts, crafts, historic attractions and accommodation. The City also has significant nature-based tourism with National Parks, State Forests and nature reserves.

Council Objectives

The aim of the MODP is to optimise outcomes for:

- ✘ Midland's economic growth, urban form and social outcomes;
- ✘ long term revenue streams;
- ✘ residential intensification; and
- ✘ the future of Midland as a hub for regional development.

The Council's vision behind the development is to create a City Centre that:

- ✘ is lively and safe, with round-the-clock activity
- ✘ is attractive and convenient to walk in
- ✘ recognises the important current and future role of public transport through rail and bus networks locally and regionally
- ✘ has a mixture of activities and higher density development to create the critical mass for lively cafes and activities
- ✘ has a strong sense of place
- ✘ increases the residential population and allows for apartments and business facilities that are designed to co-exist happily
- ✘ encourages and attracts high quality investment
- ✘ provides for the economic wellbeing of existing and new business



Discussion on Approach

Redevelopment of a city centre is a substantial undertaking, bearing in mind the potential scope of work, budgets, timeframe and resource requirements. Midland has had, by comparison with other urban centres around the region, little development in recent years.

The process for moving forward with the considered and controlled development of the centre should be:

- ✘ putting in place an over-arching governance framework, planning concept and long term objectives
- ✘ obtaining consensus to the development approach, and allocating resources to implement the development processes
- ✘ segmenting the concept into practical precincts or discrete projects which are able to be delivered separately within the overall framework
- ✘ identifying constraints such as available capital, willingness to invest, risk profile and existing leases
- ✘ establishing appropriate approaches for each precinct, including gateway decision points by Council, procurement methodologies, business cases, budgets and skilled resources to deliver the desired Council outcomes
- ✘ providing a detailed reporting and probity regime with constant independent review/adjustment of the overall framework as changes occur.

In our view, major mixed use projects need to generate momentum and market confidence, and the private sector will seek certainty and committed action in order to enlist their participation

statement of need

From the significant work undertaken over the past 45 years, there is a very clear and urgent need for the redevelopment of the Midland Oval into a Civic and Cultural Precinct that will not only invigorate the City and provide significant vibrancy to the area, but will also provide substantial commercial benefits to the residents of Midland. Whilst the Midland Gate Shopping Centre brings significant attention to the region, it does little to invigorate the local community on the greater variety of levels required to significantly affect the Midland area as an accepted destination focal point.

Dating back to 1968, there has been significant investigation and discussion surrounding potential developments on Midland Oval and with the quantum of options discussed it is critical that this project now gains traction towards delivery to the community. Central to these investigations, was the Midland Oval Structure Plan (2010). The current requirement is to plan for only those areas which are under the current ownership of the City of Swan or are in negotiation for such. However, the main considerations remain and would serve as a good starting point for further investigations.

Midland clearly has a very strong future as a strategic metropolitan centre:

- ✘ Midland has been identified as a Strategic Metropolitan Centre:
 - highest level outside Perth CBD
- ✘ Principal centre for retail, commercial, community, entertainment, residential and employment to a large hinterland catchment
 - Catchment for up to 300,000 people
- ✘ Residential population of 30,000 by 2041 within Midland itself
- ✘ Cale St – the future Main Street
- ✘ Midland Gate Shopping Centre:
 - second busiest in Perth
- ✘ 20,000sq m future Midland Gate expansion proposed

Strategic Overview

- ✘ Midland requires a significant town centre attraction that will serve as a focal point for the City.
- ✘ With a growing population, it is critical that the facilities within Midland keep step and increase the attraction of Midland.
- ✘ The infrastructure in Midland is ageing and presents a chance to address this.
- ✘ There will be significant pressure on the available space within the admin centre to accommodate a growing staff base.
- ✘ Food, wine and entertainment are key ingredients in a town square and arts and cultural land use focus for the eastern region.
- ✘ A point of difference will be key to ensuring this development does not become just another shopping centre.
- ✘ Both the Swan Valley and our multicultural community should provide a strong anchor to the scheme.
- ✘ Proximity to the airport should be a key focus as a valuable asset.
- ✘ The health campus and residential growth are major advantages to leverage from and provide a heart to the town centre.
- ✘ A hub that feeds out to local business destinations is critical to ensure local business engagement
- ✘ To identify the implications for the City's existing facilities
- ✘ The approach to built form and density should not be based around existing limits if there is a good commercial reason and strong potential to achieve greater.
- ✘ The role of Midland as a second level regional centre has a significant role as a destination and significant local population – employment, retail, entertainment, residential, etc.

Development Objectives

- ✘ Create a consolidated civic use and entertainment sub-precinct on Council land that offers diversity and functions as a regional destination and attraction.
- ✘ Offering appeal and attraction throughout the day and night, all days of the week.
- ✘ Provide for a significant and permanent mix of residential and short stay living within walking distance of the local attractions.
- ✘ Creating a sense of place that complements a wider agreed Place Plan and allows flexibility to adapt to a changing business and commercial environment including possible LGA amalgamations.
- ✘ Provide a Performing Arts Centre and venue for concerts and open air events in a town square setting.
- ✘ Operates within a diverse mixed use precinct offering a range of land uses.
- ✘ Allows flexibility and market appeal to provide for innovative funding solutions.
- ✘ Acts as a catalyst for early development of the neighbouring private land.

Specific Requirements

On Council Land

- ✘ Entertainment including;
 - Food and beverage
 - Amphitheatre/Performance space
 - Concerts
 - Markets
 - Alfresco activities
- ✘ Civic Centre and Performing Arts
 - Including Council chambers and offices
 - Exhibition space/conventions
 - Potentially at higher levels with other activities at ground floor level
 - Library in a potentially different format – possibly a main library with other satellite facilities

- ✘ Health & wellbeing centre
 - Smaller size leisure facility
 - Swimming lessons
 - Hydro therapy – rehab
 - Smaller swimming carnivals
 - Gym for rehab and personal fitness
 - Regional swimming events held elsewhere – Whiteman Park
- ✘ On public or private land - Accommodation and residential
 - Short stay – hotel
 - Permanent housing

Optional Extra's

- Commercial and government offices
- Museum
- Wine appreciation centre
- Visitor Centre
- Mixed use development

Implications of the Vision

- ✘ Social impacts – e.g. noise, anti-social
 - Separation where possible
 - Design Guidelines
 - Noise attenuation measures – double glazing, landscaping etc
 - Memorial of title
 - Creative design detail
 - Crime Prevention Through Environmental Design
- ✘ Private land holdings
 - Possible partnerships or development incentives
 - Some acquisitions or buy outs to get economies of scale
 - May need to consider rezoning
 - Land uses must be complementary
 - Appropriate measures e.g. Outline Development Plan (ODP) or other to drive change
- ✘ Leisure or Commercial
 - May need incentives to attract
 - Partnerships may help to attract

- ✂ Built form sustainability
 - Must be high standard – water and energy
 - Needs to be scoped, developed and understood
 - Promoting recycling and self sufficiency
 - Improved lifestyle resulting
 - Setting the standard high but not necessarily showcase
 - Agreeing the definition of sustainability
- ✂ Parking
 - Available but discrete (below ground if possible)
 - Impacts for public and private land holdings
 - Understanding the implications of provision requirements and targets must be equitable
 - Minimising car dependency
 - Strong walking, cycling and public transport links along Cale St
 - Allowing for a change in train station location
 - Tourist buses
 - Setting land aside for car parking purposes
- ✂ Timing
 - Achieved within the ten year plan
- ✂ Existing assets – Swan Park, existing Council offices.
 - Assess options - Demolish or dispose or identify adaptive uses to invest in this project
 - Redevelop for other land uses – commercial, retail, residential or other
 - Retain some level of wellness and fitness subject to cost implications at Swan Park
- ✂ Cost and Finance
 - Identify and provide seed capital
 - Agree and define the enabling budget and resourcing requirements
 - Use available budget for Performing Arts to commence the feasibility process



status of development

Land Ownership Status

The Council-owned sites and those targeted to be secured are shown in appendix 5.

There is a well thought through strategy for the overall land consolidation for Midland Oval which is being provided by City of Swan Commercialisation. We have assumed that Council will make no further land purchases, unless further requirements are identified through the masterplanning process, or key plots become available that provide significant benefit to the development.

Planning

There has been significant work done in providing draft Master plans for the development, but there has been nothing formal that can be used to progress the project into the delivery phase due to land holdings. Indeed what has been provided to date requires updating to encompass the latest requirements into a workable scheme.

The ongoing action of the project team would be to provide a Master Plan based on the requirements identified within this proposal and then to populate the Master Plan with detailed planning and compliance documentation, and finally lodge the documentation as an amendment to the District Plan. See appendix 6 for outline of following stages.

Several issues may need to be addressed in the District Plan amendment, or in subsequent Development Control Plans for individual precincts:

- ✘ Amendment of any specific Park Reserve areas into appropriate zoning for alternate uses where necessary
- ✘ Consideration of restrictions on commercial zonings elsewhere in the Council region, to avoid competitive development to that contemplated for the City Centre
- ✘ Development of 'Public Domain Guidelines' as a template to tie together the disparate precincts and provide a consistent, quality streetscape and urban connectivity.
- ✘ Consideration of the feasibility and business case effects of the proposed amended District Plan, in terms of land ownership, Floor Space Ratio, flexibility of land use and market demands.

Concurrent with the formalization of amendments to the District Plan, detailed planning could occur on discrete Precinct areas. This would provide impetus to early developments, and momentum for progressing private sector involvement.

Generally, the Precincts could be planned in detail by a selected Architect/Urban Planner – appointed from a competitive process and with reference to specific, relevant expertise (e.g. retail, high-rise residential, hotel etc.).

There are a number of planning instruments that will affect the development process, and Council will need to develop strategies and review planning documentation, including:

Land Acquisition Strategy

Council has already taken the bold step to acquire the land in advance of substantial development planning work being carried out. Where Council does not wish to participate in the development process but still wants to generate development activity, land could be sold with a pre-determined planning envelope or use requirement.

Any further land acquisition strategy will depend on:

- ✘ Availability of funds, quantity and timing
- ✘ Generation of funds
- ✘ Staging and type of proposed development



Staging Strategy

In order for the development to be feasible, a staging strategy will need to be implemented. The staging will depend on:

- ✘ Developing parcels of land to raise revenue to pass on to the next parcel of land to be developed
- ✘ Developing a parcel to add value to other Council land
- ✘ Key drivers for the development, i.e. population increases, community needs, specialised industry demand (e.g. hotel)
- ✘ Their effect on other components of the overall Master Plan area.

This staging strategy will be dependent on the Masterplanning stage being completed but can be run concurrently to provide critical input into the business case process.

Planning Controls

Planning controls may need to be revised to reflect the Master Plan. These include:

- ✘ District Plan
- ✘ Precinct Development Control Plans (DCP)
- ✘ Contributions Plan
- ✘ Cash-in Lieu Car Parking Policy

Current Works

Works are progressing by other parties in and around the MODP area as follows:

1. Significant development of Midland Gate Shopping Centre by Colonial. Due to be complete by 2015
2. St John of God Hospital precinct in Lloyd Street
3. Train station relocation and alignment with Cale St.

project constituents

Whilst there are many possible project constituents that would be attractive to this project, significant thought and emphasis must be placed on the key requirements of the Midland Oval Development Project outlined in the Statement of Need section, namely:

Development Objectives

- ✘ Create a consolidated civic use and entertainment sub-precinct on Council land that offers diversity and functions as a regional destination and attraction.
- ✘ Offering appeal and attraction throughout the day and night, all days of the week.
- ✘ Provide for a significant and permanent mix of residential and short stay living within walking distance of the local attractions.
- ✘ Creating a sense of place that complements a wider agreed Place Plan and allows flexibility to adapt to a changing business and commercial environment including possible LGA amalgamations.
- ✘ Provide a Performing Arts Centre and venue for concerts and open air events in a town square setting.
- ✘ Operates within a diverse mixed use precinct offering a range of land uses.
- ✘ Provide for adaptable land use over time.
- ✘ Allows flexibility and market appeal to provide for innovative funding solutions.
- ✘ Acts as a catalyst for early development of the neighbouring private land.

The long list of opportunities identified have been narrowed into the elements outlined below, but separated into “must-haves” and “nice-to-haves”, further separated by sector. Whilst this will be the key driver for opportunities within the Masterplanning phase, it is critical that the MODP is not restricted to these elements should others be identified as critical.

“Must-Haves” - Entertainment

Food & Beverage Outlets

- **Size/Scope/Mix** - Individually small in size, these will likely cover the perimeter of the Piazza area as well as individual kiosks scattered throughout the Midland Oval scheme.

An EOI process will further develop the likely interest from the market which will direct the type, spread and mix of outlets.

It is envisaged, at this stage, to target bistro’s, coffee outlets, small restaurant chains. There may be opportunity to engage with a limited number of fast food outlets, but this has significant implications on the surrounding environment that would need to be strongly managed.

- **Implications** - Food and beverage outlets will add significantly to the amenities and the vibrancy of the facility. It will play a key role in ensuring an attractive feature is available across a wide range of time where vibrancy and community engagement is required.

However, there is significant work to be done to ensure sufficient and suitable patrons are available to engage with these outlets and provide the businesses with a strong and sustained income stream. Activities and events within the Piazza area and surrounds must be clearly planned and structured to provide significant draw of people into the area to energise the food and beverage outlets. Specifically targets should be weeknights where existing passing trade will be reduced.

Commercial Offices and Council Precinct will provide significant custom during the weekdays, as well as the added retail outlets.

It is of key importance that this space is planned to ensure noise and anti-social behavior is minimised. There may be significant benefit to be had in engaging with the local Police to obtain key advice in this regard.

Markets

- **Size/Scope/Mix** - These are envisaged to be small arts & craft type market stalls rather than fruit and veg type. These would take space within the Piazza area on specific days of the week and would likely be managed by the events/functions piazza team.
- **Implications** - Significant vibrancy and attraction can be provided by the selective use of market stalls especially during the weekends. The expected change in Sunday trading laws could significantly enhance the demand and return for these traders whilst providing substantial activity in these areas.

Piazza Performance Space

- **Size/Scope/Mix** - The Piazza Performance Space may be one of the greatest attractions but will most certainly provide the greatest measure of vibrancy and community engagement for the whole development. This area must provide a great mixture of uses for the entire community to ensure that there is something for everyone to do. The small eateries placed around the periphery, activities carried out within the space (market stalls, al fresco eating/coffee/bars, children play activities, seating areas etc) will provide a significant “buzz” and generate huge attraction.
- **Implications** - If integrated successfully within the development, the Piazza will greatly enhance the Midland Oval scheme and will provide the key focal point for the community. It will allow significant multi-use, from market stalls, eateries and bars to outdoor concerts spaces, large-scale television viewing events etc. Without the Piazza area, the Midland Oval development runs the risk of becoming simply another standard retail space without the vibrancy and return to the community required.

Additionally, if the Piazza area is not developed and provided with the necessary input in terms of opex, management and focus, it runs the risk of turning into an unused and barren area similar to other similar efforts within Perth. If this were allowed to happen, it would significantly affect the success of the entire development and subsequent returns.

Child Play Area

- **Size/Scope/Mix** - This could range from some outdoor play equipment in a dedicated space within the Piazza space, to an indoor play centre such as “Go Bananas/Chipmunks” or “Citie des Enfants” etc.
- **Implications** - There is significant foot traffic generated by families at the weekend as well as Mums and children during the week. This could have a significant knock-on effect on the vibrancy and patronage at quieter times.

There may be a concern over attracting operators to an area which could attract significant rent, as most similar facilities are placed on industrial estates due to large space requirements and so high rental costs. This could be “subsidized” by City of Swan agreements.

Cinemas

- **Size/Scope/Mix** - The cinema facility at Midland Oval could vary substantially in size, but significant areas would be required regardless. Additional facilities such as eateries close by would provide complimentary services to patrons. The critical issue would be how sophisticated the facility is, which would impact on the financial outlay.
- **Implications** - Cinemas/bowling alleys etc provide substantial foot traffic and attraction if planned correctly. If the Midland Oval development becomes a multi-use destination which provides visitors with a longer duration attraction, then it must have a broad mix of activities such as a Cinema.



“Must-Haves” – Commercial

Commercial Offices

- **Size/Scope/Mix** - Commercial Offices would most likely be situated in a shared occupancy style in the main retail building, rather than in a stand-alone commercial office block. However, care must be taken to provide sufficient volumes of people to provide that vibrancy in the public spaces below.
- **Implications** - Commercial offices provide significant vibrancy during the week at times when there may be little. If significant volumes of office workers are present on site, the knock-on effects of coffee and lunch sales can provide substantial vibrancy and returns for retail operators.

Retail

- **Size/Scope/Mix** - Retail will arguably form the largest section of the Midland Oval Development. With obvious synergies to be had with the Midland Gate Shopping Centre, it is clear that a major draw could be provided by extending the existing centre into the Midland Oval area. With a severe limit of space placed on this centre in its existing position, it would provide significant scope to provide new anchor tenants as well as additional smaller retail outlets and springboard the area into the most significant retail destination in WA.
- **Implications** - The attraction to providing a strong retail presence would be to not only enhance the existing, but also to provide sub-surface connections and parking improvements that would improve the traffic and pedestrian flow through the whole area and provide greater opportunities throughout the wider area. Whilst links to the existing owner of Midland Gate Shopping Centre are obvious, opportunities with other retail partners should not be ruled out in order to provide the very best opportunities.



“Must-Haves” – Civic & Performing Arts

Council Precinct

- **Size/Scope/Mix** – the opportunity to incorporate a new council precinct into the Midland Oval Project would provide the ability to increase accommodation dependant on potential mergers between local councils as well as rationalizing council space across the region. There would be good opportunity to include a number of smaller entities into the Council Precinct and provide a significant council presence (i.e. visitor kiosk, library etc).
- **Implications** – the council precinct, whilst not contributing to weekend vibrancy, would provide significant mid-week foot traffic and business to surrounding commercial partners. Whether the cost/benefit of having the council precinct occupy valuable land and forgo the commercial return would have to be evaluated and decided upon during the business case phase.

Performing Arts Centre

- **Size/Scope/Mix** – the size of the Performing Arts Centre would need to be determined by the business case study following this phase of the development process. There is significant concern that a centre of any real size would be a valuable asset to the Midland Oval project, but there is an appetite to pursue this further.
- **Implications** – the greatest concern with the Performing Arts Centre is that there is unlikely to be a commercial return. Whilst not prohibitive in itself, the limited value-add in terms of vibrancy as well as the significant cost to manage the facility would highlight this element as potentially unviable. Greater certainty around likely costs (both opex and capex) would need to be identified during the business case.

Library

- **Size/Scope/Mix** – the library element is seen as a modern, relatively high-tech version, such as The Grove in Peppermint Grove. Providing a significant mix of services (school holiday activities, storytime sessions for various age groups, internet access, book/DVD lending, ebook activities etc.) this element would provide a substantial draw into the development as a whole, thus invigorating the area.
- **Implications** – forming part of the Council Precinct would likely provide the best possible space for any Library. Although providing no commercial return and limited vibrancy to the area, the key attraction of the Library is in providing an amenity to the community within the Midland Oval project. This benefit would be significant.

“Must-Haves” – Health & Wellbeing

Health & Wellbeing Centre

- **Size/Scope/Mix** - It is expected that a Health and Wellbeing Centre would be best placed as part of a mixed-use and shared Hotel/Residential facility, along with the swimming pool. This is the most likely position to allow commercial success for its operation.
- **Implications** - If well positioned, a Health and Wellbeing Centre will provide a significant draw of higher socio-economic as well as providing an additional facility for Hotel/Residential guests and other visitors to the Midland Oval development.

Swimming Pool

- **Size/Scope/Mix** - A swimming pool of any significant size generally struggles to make a financial return for the operator. For that reason, it would be envisaged that a smaller facility as part of the Hotel asset and attached to the health and Wellness Centre would provide the best opportunity for success.
- **Implications** - Whilst not open to the general public, access to the pool through hotel patronage, residential ownership and/or Health and Wellness patronage, the pool would greatly enhance the attraction to each of these assets. However, this individual asset would provide little in the way of adding to the vibrancy and attraction of the Midland Oval development itself.

“Must-Haves” – Accommodation

Hotel

- **Size/Scope/Mix** - Whilst a 5-star hotel would be welcome, the rating of the facility, and hence the commercial return and attraction to the development, would be governed by the location and the facilities provided. It is expected that a 3.5-4 star rating would provide the required attraction without extensive costly facilities. This also fits into the likely patronage requirements.
- **Implications** - A Hotel would provide a very strong draw for visitors to the Midland Oval development and the wider area. Not only do visitors to the area come from a significant distance away, to enjoy the retail facilities provided by the Midland Gate Shopping Centre, but there would also be a

significant attraction to the new Midland Oval facility as well as a need for visitors attending the soon to be built St John of God Hospital complex close by. These factors, when taken together with the shortage of Hotel space in Perth and surrounds, provide a very strong case for a significant Hotel development to be provided.

Residential Apartments

- **Size/Scope/Mix** - Despite current building restrictions, it is envisaged that these may be relaxed if the appetite for higher and more complex structures are identified. 12-storey+, underground parking, shared use of hotel amenities are all some of the ideas that may attract a higher socio-economic.
- **Implications** - The provision of a number of residential apartment blocks will financially underpin the Midland Oval development and provide the catalyst for the further precincts. Providing a very strong mix of good quality apartments right in the heart of the Midland “City Centre” will attract not only good quality owners and tenants, but will also provide a strong starter market for the surrounding retail outlets.

“Nice-to-Haves” – Various

Govt Offices

- **Size/Scope/Mix** – the opportunity to include Govt. offices within the Council precinct is a real one, but any appetite to determine scope and scale would need to be investigated at a future stage.
- **Implications** – provision of govt offices within the development would provide limited appeal in terms of commercial return and vibrancy, but may provide a strong element of kudos for both parties and so might prove to be an attractive option.

Visitor Kiosk

- **Size/Scope/Mix** - The visitor kiosk will be small in size, cost and impact and may be incorporated into the library/civic centre facility. However, it must be very visible to serve its purpose.
- **Implications** - A Visitor Kiosk will require staff as well as an opex budget. However, the significant benefit expected from this facility not only for the immediate area but also for the wider local area in the Swan Valley will greatly outweigh the likely cost.

development structure

Council Management

Council Role

Council has several roles and responsibilities in relation to the MODP including facilitator, owner, consent authority and potential part tenant. In order to manage these various roles and to provide a transparent process, and to ensure there is skilled independent management oversight of the project, Council need to establish the Midland Oval Commercialisation Committee (MOCC).

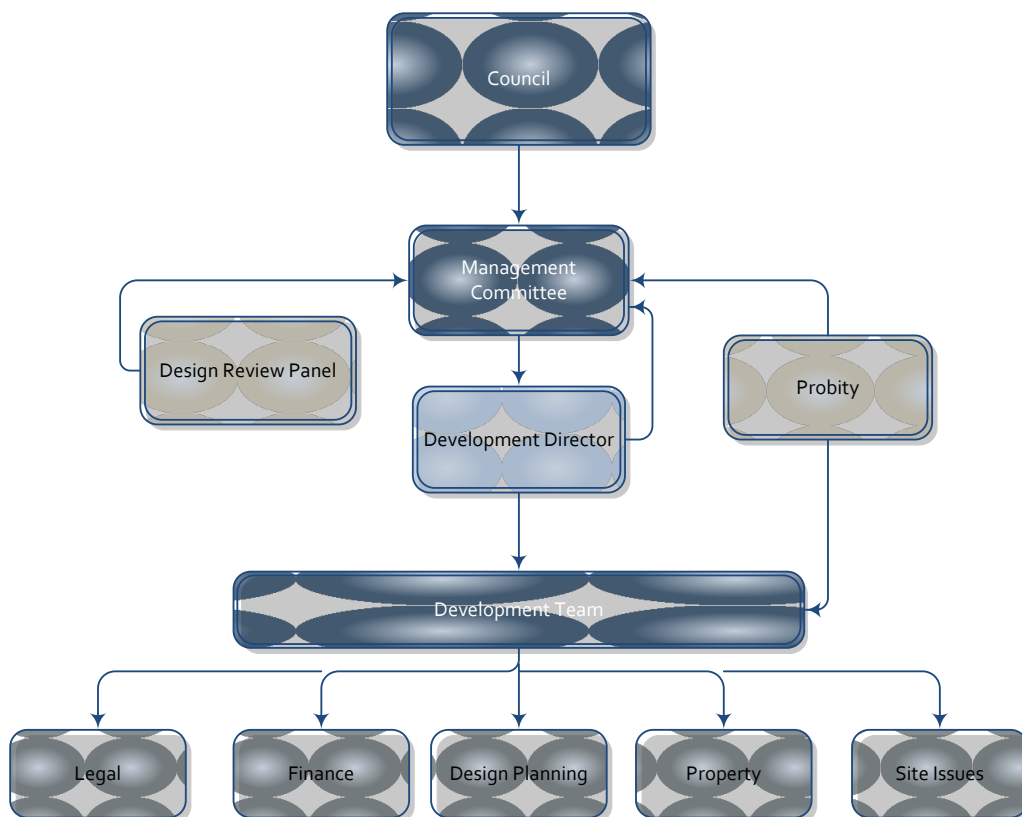
The ultimate party to any of the development agreements and transaction documents involving Council land will be City of Swan City Council. Accepting, therefore, that the Council is an essential partner, it is important to engender a level of credibility and authority in the decision making process that would encourage potential private sector developers to participate willingly in a process.

Without going so far as to adopt creation of a corporation and a Board of Directors, it would be desirable to create a management board which has certain similarities. To proceed with the management of the development process, Council should ensure that the MOCC has:

- ✘ Senior stakeholder representatives
- ✘ External credibility
- ✘ Delegated authority

The MOCC needs to conform to legislation set out by local government.

DEVELOPMENT MANAGEMENT STRUCTURE

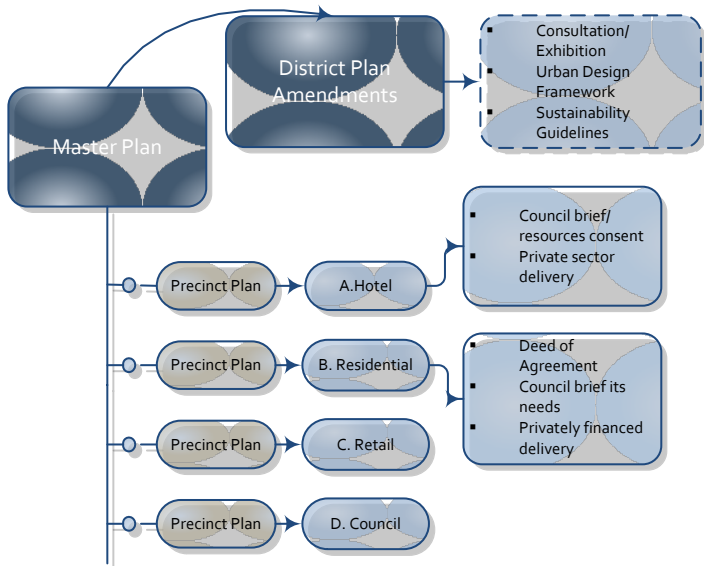


MODP Team

A project of this magnitude and complexity requires significant input from a range of professionals across many disciplines. Council must recognise that whilst there are a number of skilled personnel within its own organisation, external professional assistance would be required to successfully deliver the myriad of projects.

The MODP Team needs to contain a mixture of Council staff and private sector consultants, all working under the direction of a Development Manager/Director.

The team would assess each component of the Master Plan and devise individual approaches to each part, including Precinct Plans such as the following diagram:



External Resources

Supporting advisors / consultants may be appointed for the following specialist areas:

- ✘ Legal
- ✘ Financial
- ✘ Valuation
- ✘ Economic
- ✘ Probity
- ✘ Design/Technical Review
- ✘ Marketing.

Standard Council procedures for the appointment of consultants would be followed.

Appropriate annual budgets should be established for the formation and operation of the Management Committee and external resources.

Decision Framework

The Management Committee provides advice to Council regarding the delivery of the MODP. Council has overall responsibility for corporate governance of the development and is the ultimate decision-maker in matters relating to the project.

The representatives on the Management Committee should include senior representatives of the Council, the Development Director and senior skilled external advisors, to be chaired by a credible senior private sector person.

Others could be added to the Management Committee from time to time, or attend meetings by invitation.

The Management Committee has a clear charter and authority and is charged with developing the Project in accordance with the Master Plan.

The Management Committee will meet on a regular basis, has agendas, minutes, reports on status etc, and continue to provide interim sign-offs on the commercial aspects of the Project.

The Management Committee then makes recommendations for Council decisions.

Development Process

Council will necessarily have different development systems for various Precincts/sites within the MODP area. This will depend on the level of Council participation and the type of development.

The development systems could extend from:

- ✘ sale of land
- ✘ sale of land with development constraints
- ✘ value add to land (e.g. Resource Consent)
- ✘ inclusion of pre-commitment on land, prior to developer bids
- ✘ inclusion of land for development interest.
- ✘ Joint Venture with City undertaking the development

The market expects a high degree of commitment by the Council. That much of the preliminary planning, commercial, and investigative work has been undertaken prior to going to market is one such example. They would also expect agreements to be in place with any third party property owners.

Preliminary market demand studies have been carried out by the City of Swan, however these have not been based on any developed Master Plan. One of the first activities of the Management Committee will be to commission focused user/tenant market analysis, and to determine the SWOT characteristics of the development as against competing projects. Any resolution to bring focus into a City of Swan “City Centre” must also address the planning controls that apply to the balance of the Council-controlled area.

There is considerable complexity and detail involved in the preparation of the Expression of Interest (EOI) and the Request for Proposal (RFP) documents. There is a need to have a large number of title, planning, commercial, risk, options and the like dealt with before the documents can be issued.

Probity and legal advisors as well as revenue and financial consultants will need to be appointed to contribute and coordinate the EOI and RFP documents.

Level of Authority

Appropriate levels of authority need to be determined for members of the MOCC, the Development Director and the various team members.

Probity

Council may wish to engage a probity consultant to develop a Probity Plan. The purpose of this Probity Plan is to support the several roles and responsibilities that City of Swan Council has in relation to the MODP. These roles include facilitator, owner, consent authority and tenant. In particular, the probity plan is to support the tendering processes being undertaken by Council and reduce the probity risks associated with the selection of a development partner for the development, construction and management of the MODP Site. This Probity Plan will guide Council in the following components:

- ✘ selecting respondents that offer best value for money to Council for the Project
- ✘ undertaking all communication and negotiations in a manner that is consistent with probity principles and is in line with relevant government and Council policies and procedures
- ✘ assist Council to align probity requirements and forms a key component of Council’s overall business plan for the project.

The Probity Plan addresses the management of probity risks in accordance with the generally accepted Government probity principles of:

- ✘ transparency
- ✘ accountability
- ✘ maintaining security and confidentiality
- ✘ managing conflicts of interests
- ✘ obtaining value for money

This Probity Plan will apply to all Councilors, Council staff and any external consultants or advisers connected with the Project. It will be developed to promote awareness of probity principles and issues and to assist in the application of those principles, the management of any probity issues which may arise and the method in which these issues are resolved and documented.

Summary and Steps Forward

To move the overall redevelopment forward in a structured and controlled manner, and to give confidence to the private sector to participate in the vision, Council will need to follow the following steps:

- ✘ Set up an MODP Management Committee, and Reporting and Meeting Schedule
- ✘ Adopt an overall programme and strategy
- ✘ Engage a Development Director/Team
- ✘ Agree Levels of Authority
- ✘ Engage a consultant to develop a Probity Plan
- ✘ Engage external consultants as required for the masterplanning phase
- ✘ Develop business cases for each contemplated project/precinct
- ✘ Develop a detailed delivery strategy for each individual project/precinct following sign-off of the masterplanning delivery strategy.



Procurement Management

A multiple contract delivery system offers the Council flexibility to deliver the different work streams that encompass Master Plan in a staggered programme.

The following **contract systems** may be considered:

- ✘ Construct Only (CO) - contract for construction and a minimum of design;
- ✘ Design Develop and Construct (DD&C) - contract for construction and design based on at least a concept design
- ✘ Design and Construct (D&C) - contract for construction and design based on at least a project/functional brief;
- ✘ Design, Novate and Construct (DN&C) - contract for construction and design where the previously engaged designer is novated to the contractor;
- ✘ Design, Develop, Construct and Maintain (DDC&M) - contract for construction, design based on at least a concept design, and then maintenance of the constructed asset;
- ✘ Design, Construct and Maintain (DC&M) - contract for construction, design based on at least a project/functional brief, and then maintenance of the constructed asset; and
- ✘ Guaranteed Maximum Price (GMP - design (or design develop) and construct contract with conditions restricting the price/time for the work.

A detailed explanation of each of the contract systems is given in Appendix 1.

The most significant differences between the contract systems are the amounts and types of risks to the contractor and Council with the various systems. There is

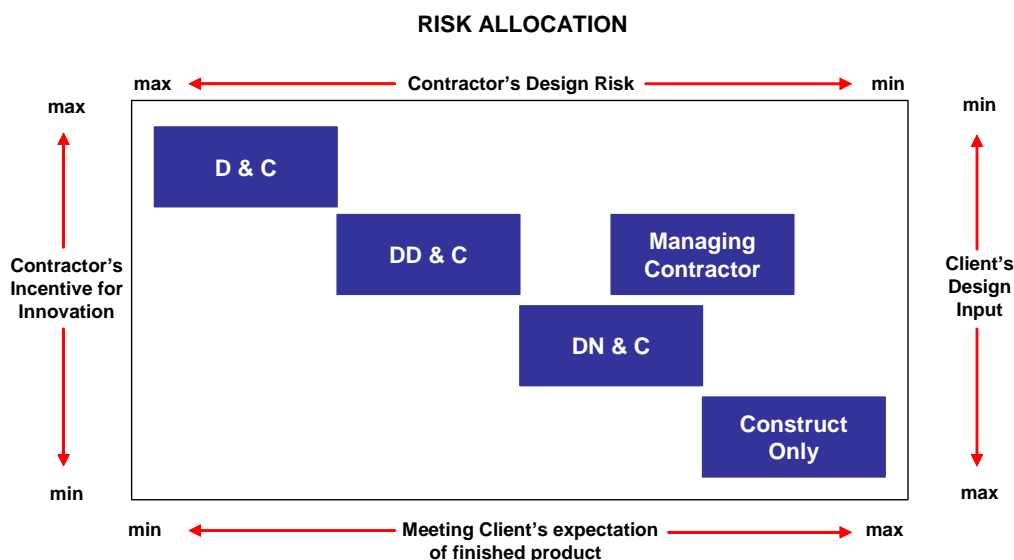
less risk to the contractor involved with CO and more with D&C contracts. However, the risk to Council of design quality not meeting expectations increases with more design being done by the contractor. This risk is less where the design brief is well understood, such as for a proprietary product or when reproducing a well defined asset. Also, with managing contractor and alliance contract systems this risk can be reduced for special projects.

Including maintenance in a contract can reduce the design and quality risks to Council, as there is more incentive for the contractor to optimise asset quality and maintenance needs, which may mean improved design and construction quality to optimise construction and maintenance costs.

Other risks to Council increase with D&C/DC&M and DD&C/DDC&M (though less so) relative to CO contracts with:

- ✘ longer tender and evaluation periods being needed and greater related costs being involved, where more design and other services are required of the contractor
- ✘ cost and time impacts of Council generated design changes being greater where the contractor does more design
- ✘ larger contingencies in tender prices being likely to allow for risks to the contractor where the design is less developed at the tender stage.

Conversely, where the contractor does more design, risk to Council diminishes with less potential for costs due to Council's design documentation errors and consequent contractor claims. Some of the risk relativities with the various contract systems are illustrated below.



The D&C system gives a greater ability to fast track a contract by allowing the greatest potential to overlap design and construction. Construct only does not allow this overlap. D&C also involves a greater cost to tenderers with tender preparation. Construct only involves the least cost to tenderers. Managing contractor and alliance contracts allow overlapping and fast tracking with less cost to tenderers.

D&C contracts may reduce the overall project costs and/or time for some but not all projects. Generally it is likely that the overall project time will be reduced with this system because of the greater potential to overlap design and construction. There is also generally some potential with D&C/DD&C based contracts for cost savings due to the contractor's ability to better match design to existing design/products and preferred/efficient construction methods, though in some cases the allowances made for design risks may offset some or all of these savings.

Because less design information is included in a D&C contract and the contractor's planning and work depends more on how this is interpreted, the potential is greater for costs and time to increase with any changes needed to clarify or alter requirements. Also, there is more risk with a D&C contract, where requirements and expectations are not made clear, of the quality of the final product not achieving the level of Council satisfaction likely with a CO contract that specifies the design. Where there are difficulties with covering all the functional/performance requirements and product purposes in preparing the specifications for a D&C contract, the risks are greater with achieving the design and construction outcomes sought.

Management Systems

The following management systems may be considered within the MODP development team. Each system also involves a project officer and support personnel to act for Council:

- ✧ **Project management** - where the overall management of the whole project is the responsibility of consultant, in-house or other Council personnel (a person or team) engaged as a project manager;
- ✧ **Project/construction management** - involving project management and a more intense approach to managing the construction phase of the project, where direct labour or many small work/contract packages are involved; and

- ✧ **Project/contract management** - involving project management, but for the management of Council interface with only one main contract for the remainder of the project work, such as a D&C contract or managing contractor contract, by consultant, in-house or another Council personnel (a person or team) engaged as a contract manager.

Project Management

The project manager manages the engagement of appropriate consultants to carry out any design/documentation involved and other activities for the project. The consultants may be engaged under a contract/agreement with Council, with a project manager providing Council's representative or acting as an agent of Council.

The project manager is responsible for the coordination and management of each contract with a consultant and for ensuring that contract work complies with the contract. The project manager is not directly responsible for the adequacy of the consultants' work.

Following preparation of sufficient documentation, the project manager manages the engagement of building/construction contractors for Council. The project manager manages the contracts between Council and building/construction contractors, and provides a person to act as Council's authorised person (or representative) under the contracts.

A multiple contract delivery system requires additional management by the project manager, outside the building/construction contracts, of the interface between contracts, and the time and other performance of all contractors. CO/DD&C contracts require some pre-contract design management by the project manager.

Project/Construction Management

If the construction component of the project includes multiple contract delivery and multiple trade or many small contracts, the project manager may be required to use more of its personnel for the more intense construction management involved, or Council may engage a construction manager (as a person or team) with a project and/or design manager (person or team). A construction manager could manage the trade or many small contracts as a "head contractor" responsible for project construction, and direct the day-to-day activities of the trades/small contractors.

Any such construction manager would not normally undertake construction work, but may arrange preliminaries and common services under separate small contracts. A construction manager would help to identify the specific contract packages, document tender requirements, manage contract awards and manage the contracts. A construction manager would work closely with the design management before and during construction to help address programming, coordination and any build-ability issues before contractors are engaged.

Project/Contract Management

With a single contract delivery system, a project may not require as much management or ongoing coordination for or on behalf of Council. The one contract will then determine the project completion date. The level of pre and post contract management/coordination required for Council will vary and depend upon the contract system adopted. Construct only contracts require more pre-contract management and coordination, in completing pre-contract design, than D&C contracts, which require more post-contract management for Council to achieve the design outcomes required through the contract.

Managing contractor and PFP delivery, and possibly a single D&C (and DD&C in some cases) contract, require less management for Council. Where less is required, only the smaller contract manager (person or team) and/or the project officer (and advisors) may be needed to manage Council's interests before and under the contract. With an alliance contract, a separate project or contract manager would not be needed and the project officer (and probably expert advisors) would be included and work in the alliance management team for Council.

Selection of Procurement Strategy

The relative advantages and disadvantages of each contract system depend on the Council's key project success criteria, indicatively summarized below:

- ✘ Cost (30%): Council's requirement for cost control is centred on the need for an end cost budget which cannot be exceeded;
- ✘ Quality (40%): Council's key objective is to deliver a highly functional facility which demonstrates excellence in architecture, urban design and environmental sustainability.
- ✘ Time (10%): Early delivery is not Council's highest priority and certainly not at the expense of cost and quality. Notwithstanding, dates for practical completion and occupation should be identified at contract award in order to assist in Council's planning and cashflow activities.

- ✘ Risk Management (20%) where not already covered above: Council requires a clear allocation of risk and an appropriate transfer of risk to the Contractor for sub-contract coordination and site management.

Management System

Council would generally award one contract for each precinct at an appropriate time to achieve the desired completion date. Dependent on the delivery system, most of the project coordination risk will be with the contractor, and the management for Council is minimised. However, Council may wish to engage a professional project management consultant to manage the project on its behalf. This will further reduce the risk to Council by introducing expertise in contract preparation, design management and contract administration, assist Council in acting as an informed and proactive Client, reduce the drain on Council's in-house resources and maintain an independent focus on the project's objectives and success criteria.

It is also recommended that Council engage an independent Quantity Surveyor who can inform the designers in their selection of construction methodologies, finishes and fitments and review the design at key milestones to ensure progressive conformance with the budget. The Quantity Surveyor will further provide an independent assessment of any contractor cost variations.



Procurement of Design Team

The recommended approach is:

- ✧ Call for Expressions of Interest for major Precinct roles only, to widely canvas firms with a suitable range of expertise and experience. The process should use a clear set of evaluation criteria but not overly emphasise experience on projects exactly of this type and scale as this may strike out architects with similar experience but with greater creativity.
- ✧ Generally, tender to a pre-selected shortlist for the most qualified team. The evaluation process should involve an interview with the key team members to gauge how the tenderer will engage with and work with Council to achieve the desired outcomes.
- ✧ Design commences based on a detailed understanding of Council's requirements, in detailed consultation with Council, to arrive at the optimum brief.

Dependent on the individual Precinct and the adopted procurement systems, a process for implementation would then commence, involving:

- planning
- design
- staging
- approvals
- delivery.

programme & risks

An outline development programme has been prepared to provide a step by step process and key milestone dates.

In order for Private development partnership interest, Council needs to maintain momentum in reaching key milestones and to complete those actions that it promises.

In each of the Precincts, a series of Gateways must be agreed, whereby Council has decision-making opportunities in relation to progressing the project. These relate to major capital commitments or risk-adjusted positions.

The draft Midland Oval Development Project programme is included in Appendix 7

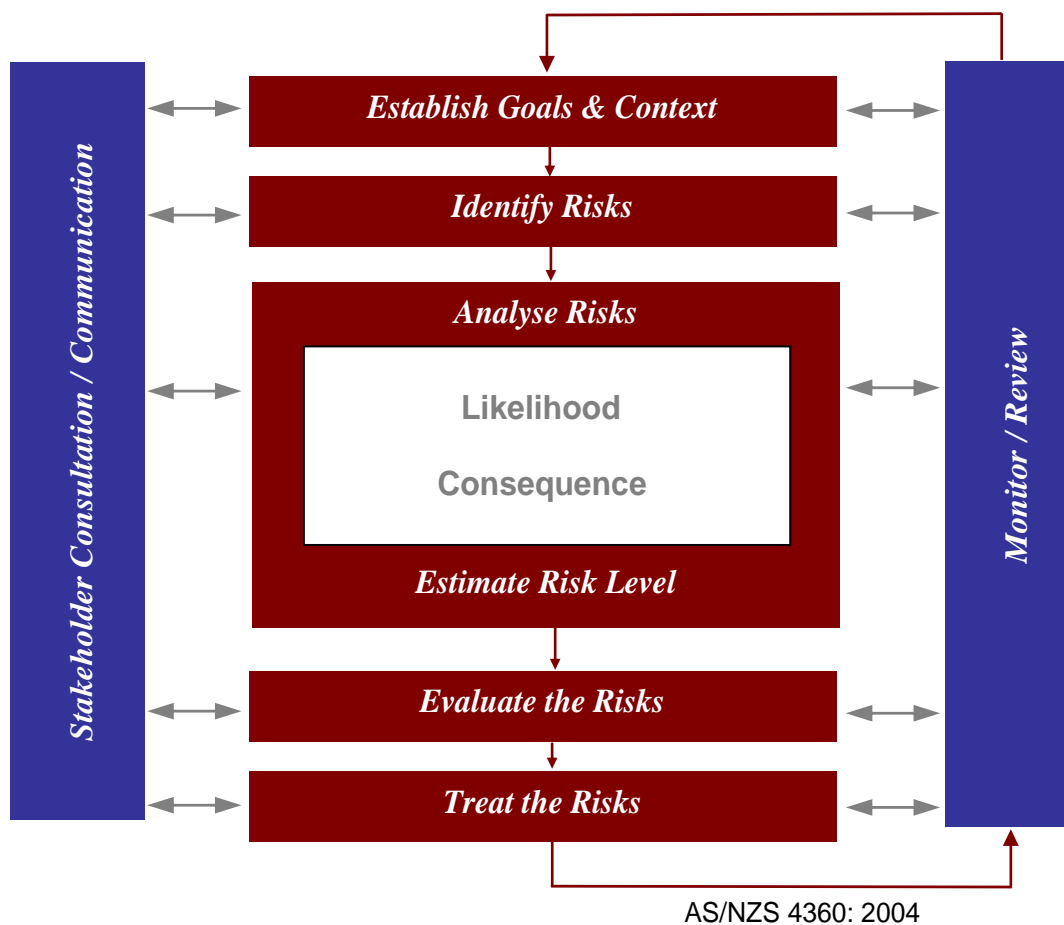
This programme must form the basis for the project moving forward, but must be developed and amended as more detail is provided through each of the subsequent stages.

Risk Management Process

A risk is defined by the Australia/New Zealand Standard for Risk Management (AS/NZS 4360:2004) as:

"...the possibility of something happening that impacts on your objectives. It is the chance to either make a gain or a loss. It is measured in terms of likelihood and consequence."

The process of risk management is set out in ASNZS 4360: 2004 as follows:



An outline risk management matrix is included in Appendix 3.

communications strategy

Stakeholder Consultation

The next step in the process of bringing this project into reality may be consultation with Council and the wider community.

Consultation with the community at the District Plan amendment stage should not be undertaken on a 'blank paper' basis which will likely result in a wish list which cannot be supported by the business case. Rather community consultation should engage to garner support for the proposal and elicit comment to further refine the functional requirements of the revitalization plan in order to maximize its relevance and usability for the community. The communications strategy needs to create an appreciation of the inadequacies of existing facilities and of the substantial benefits to the community in proceeding with the proposal.

The Councilors and community need to be convinced that 'Do Nothing' is not an option and that the proposed precinct developments offer maximum value to the community. Given that community consultation has yet to be undertaken, the risk is that Councilors or the community may seek to change the functional requirements of the overall revitalization plan which could impact on the capital cost estimates and funding strategy.

It will be essential that Council prepare and implement project-specific Communications and Stakeholder Consultation Plans. This may need to consider alternate delivery options and/or address any community concern over asset sales and/or debt levels. The Plan should include a program and resources for careful presentation of project information.

Stakeholders and community need to be consulted in a regular and orderly fashion.

Who is a stakeholder?

- ✘ Property owners in Midland
- ✘ City of Swan Councilors
- ✘ Relevant Government Agencies
- ✘ City of Swan Council Staff and Residents
- ✘ All City of Swan regional constituents

Potential Primary Partners of City of Swan Council

- ✘ Coles/Woolworths
- ✘ Grand Cinemas
- ✘ Colonial First State/Westfield/Centro
- ✘ Mantra
- ✘ Pindan/Georgiou/Mirvac/Finbar/Diploma

External Parties

- ✘ National Government
- ✘ Members of Parliament
- ✘ Department of State and Regional Development

Business

- ✘ City of Swan Chamber of Commerce
- ✘ Midland Oval Shopping Centre tenants
- ✘ Affected Land Owners on the fringe of development sites

Public and Community Groups

- ✘ Environmental & Community Groups
- ✘ Rail and bus commuters
- ✘ Indigenous groups

Media

- ✘ Print
- ✘ Radio
- ✘ Television
- ✘ Internet

Communications Strategy

A communication strategy is required to ensure that all relevant stakeholders (particularly the community) are kept informed of the progress of the Project, whilst generating further interest in the development of Midland Oval.

It is a mixture of informing stakeholders (and getting tacit and expressed endorsement where necessary), as well as ensuring that interested parties (i.e. citizens or future potential investors) are encouraged by progress.

The communication strategy during the pre-implementation phase should focus on the following elements;

- Stakeholder endorsement by direct contact (Council, MPs, Government Departments)
- Media (for local citizens and the investment/property community)
- Launch of the agreed master plan (to generate investment/property interest and the community)
- Feedback
- Decision to commence implementation (to signal a new phase in the Midland City Centre Revitalization).

It is vital that Council establish regular and open communication with all stakeholders. However particular attention must be paid to the primary stakeholders, to ensure the smooth progress of the Project and the support of all parties.

The appointed Development Director/Team will establish monthly contact meetings with those primary stakeholders to ensure the stakeholders commitment to the project.

appendix 1 – procurement strategy

Development Agreement

A ‘development agreement’ structure will be used by Council where it has a site and/or development need but does not wish to participate in the development/capital/delivery process with its consequent risks.

In this form of delivery, Council obtains a defined outcome (e.g. car spaces in a multi-deck car park, new offices) for defined inputs.

Delivery of development outcome can be achieved under a Development Deed by any of the following delivery systems by the private sector.

Single Contract Delivery System

Characteristics

With a single contract delivery system, one major contract is used to carry out the majority of the project works and usually determines most of the cost of the project. Some pre-contract management/coordination and brief/design preparation are required, usually involving consultant engagements, the amount of which will depend upon the contract system adopted. A project or contract manager and Council project officer would normally provide the pre and post contract management required for Council.

Any contract system may be used with this delivery system. A managing contractor or alliance contract may also be used to allow for more scope development and other special project needs under the contract. They are considered separately as delivery systems below.

When Used

A single contract delivery system is the most appropriate choice where:

- ✘ there is no advantage to be gained in using several contract packages
- ✘ enough time is available, and there is no need for fast tracking using more packages
- ✘ one contractor can most efficiently manage the mix and scale of work, particularly where a more conventional contract form is appropriate
- ✘ the project budget needs to be evaluated/validated prior to construction starting
- ✘ the whole scope of work can be agreed, readily defined and documented early in the life of the project
- ✘ Council is seeking, and the project suits, the simplest system to coordinate.

As a general rule the single contract is the most common system adopted. Being the simplest form to coordinate, it should always be considered.

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ Council is only required to award one main contract at an appropriate time to achieve the desired completion date. 	<ul style="list-style-type: none"> ➤ Not as suitable for fast tracking by overlapping design and construction as a multiple contract delivery system.
<ul style="list-style-type: none"> ➤ Most of the project coordination risk is with the contractor, and the management for Council is minimised. 	<ul style="list-style-type: none"> ➤ The brief and/or design and specification must be clear for the full project to avoid changes that are usually more costly after a contract award.
<ul style="list-style-type: none"> ➤ A better overall market-based contract/project cost estimate can be obtained early in the life of the project. 	<ul style="list-style-type: none"> ➤ Not as flexible as other delivery systems for special projects, if the scope needs development or changes are likely after the contract award.

Multiple Contract Delivery System

Characteristics

With a multiple contract delivery system, the project is divided into and delivered by a number of contract packages or work streams, or trade packages. These can be initiated progressively, each involving a contract system. The work packages selection must be well planned and structured to suit the project implementation required. The system involves Council risks with the coordination of the contract packages, but offers more timing and work flexibility.

The system allows some contract work to begin before all contract documentation is complete for the project. It allows contracts to be let as documents for each package are prepared to suit a staged program for the project. Risks can then be addressed, as they are understood, in the various contract packages as they are awarded progressively.

The system allows project/program time compression with the staging, and can provide more time for Council to control or influence the design process. Any later changes to design requirements in later packages can then be more economically and readily accommodated. It allows for design, construction, commissioning and occupation of some project works components to progress ahead of others (possibly at some cost risk). There is then a greater ability to react progressively to technological changes and new opportunities as the project proceeds. Cashflow can be more readily managed with the staging allowed. Separate supply contracts for major items of specialised equipment that have a long lead-time may be used.

A multiple contract delivery system requires decisions to be made on the contract system for each of the contract packages involved, and whether they will be independent or related work packages or interdependent trade packages, or a combination of these.

Trade packages are usually highly interrelated to each other with each being highly dependent on performance under the others. Such packaging requires a highly developed and detailed trade based construction

program, a tight schedule for the design and documentation to support the construction timing, and more detailed expert management. Generally using trade packages is not the best option, and they are only used where absolutely necessary because of the detailed Council control needed of the parts of the project involved.

More management for Council, sometimes including more intense construction management with many small or trade packages, is generally needed for the multiple contract system, with the extent depending on the number and type of contracts and consultant engagements involved. A project manager and Council project officer would normally provide the management required.

For suitable projects where the early involvement of a key contractor(s) and other special features are required, the flexibility and other advantages (with less management and coordination for Council) of this delivery system may also be obtained with managing contractor delivery system. The alliance contract delivery system may also offer flexibility in early participant involvement advantages for extraordinary projects and circumstances.

When Used

The multiple contract delivery system is suitable for projects where:

- ✘ separate components of the construction are spatially independent and should be completed separately for this and other reasons, where the extra flexibility, staging and separate packaging are necessary or advantageous
- ✘ risk management requires some components to be completed earlier to identify or resolve issues, such as where there are potential foundation problems and an initial contract is awarded for foundation preparation to address the risks ahead of, and to help define, the subsequent work
- ✘ separate work package contracts are required to deal separately with particular complexities or specialist work associated with parts of the project.

Advantages	Disadvantages
<ul style="list-style-type: none"> Allows time compression with the early commencement of some construction ahead of complete design/contract documentation for all project components, when preparation and tendering for only one contract would not be possible in time. 	<ul style="list-style-type: none"> Later identification of overall market based project cost estimate, more uncertainty with the end cost, and more cost risks than with a single contract, particularly with trade packages.
<ul style="list-style-type: none"> Enables the direct early engagement of some specialist contractors (product or trade or with design input) and direct early purchases of major plant items and materials from suppliers. 	<ul style="list-style-type: none"> More uncertainty with the overall project completion time and more time risks than with a single contract.
<ul style="list-style-type: none"> Allows staging with the opportunity to bring forward or postpone packages or accelerate or decelerate some work more economically, including to meet cash flow requirements. 	<ul style="list-style-type: none"> More discipline is needed to minimise avoidable changes, made possible with the extra flexibility with the system, and to expedite design and thereby decrease avoidable project costs.
<ul style="list-style-type: none"> Allows more control with the direct selection of particular work or trade contractors and hence the quality of the finished product. 	<ul style="list-style-type: none"> Increased disruption, delay and cost potential with discrepancies and interfaces between contract packages.
<ul style="list-style-type: none"> Allows more flexibility in controlling costs within budget with less certain initial briefs and conditions, as standards may be reduced or work omitted where a cost or time overrun with early work is expected, or alternatively, work and standards may be increased where funds and time permit. 	<ul style="list-style-type: none"> More Council management resources and costs are required in the preparation of tender and contract documents, tender process management, and in contract administration and coordination.
<ul style="list-style-type: none"> Allows more flexibility in dealing with the potential impacts of brief, design or work changes, including in the construction phase. 	<ul style="list-style-type: none"> A commitment to all contracts and some construction is needed prior to knowing contract prices for the whole project.
<ul style="list-style-type: none"> Allows more choice with the quality and size of particular construction/contract teams. 	<ul style="list-style-type: none"> Council carries greater contract coordination and interface risks generally.

Managing Contractor Delivery System

Characteristics

Managing contractor is where one contractor is engaged very early in the life of the project to manage and undertake the scope definition, design, documentation and construction of the project works.

The managing contractor system is for projects where the scope of work requires substantial development to suit a basic project brief, and there are advantages in involving a contractor early to manage and help with this development and then design and construct the project works. After competitive tendering for management fees and other payment arrangements, the managing contractor is engaged early to commission, manage and accept responsibility for a team of consultants that develops the brief and designs the project works, and a team of subcontractors that constructs the project works. The contract involves incentives for achieving agreeing target price limits and other performance when the scope is defined.

Only projects with special needs suit or require this approach, and for these the managing contractor system provides unique advantages.

A number of managing contractor system approaches is available. The contract initially involves a design and project management agreement and then usually provides guaranteed lump sum ceiling priced DD&C/D&C agreements, negotiated after the scope is sufficiently developed under the contract. Some provisions for price changes and the sharing of savings with incentive fees are included. Mechanisms are usually included to assist relationship management and the removal of barriers.

A managing contractor contract is not a lump sum contract. It involves the payment of actual reasonable costs (up to the ceiling priced or guaranteed construction sum(s) for construction work, or up to a guaranteed total price for all the work to suit a target set by Council) plus fees, plus the incentive fees where targets are bettered.

The managing contractor confirms the project brief, and develops the design brief, concept design and design. During this, Council has the opportunity to influence or change design with a minimum of risk of unreasonable additional design and construction costs.

Reasonable actual costs are identified or agreed and paid with the fee percentage.

The Council input into design, and greater potential to influence both the design and construction processes allowed, involves less Council cost/time risks with changes than would be involved with D&C and DD&C contracts, with their greater potential for related disruption and higher contractor claims.

The potential for late changes is less, because the managing contractor is not asked to offer lump sum ceiling prices until the design is sufficiently advanced and resolved with Council.

The system allows flexibility with subcontract times for completion and staging with the subcontract work packages identified and developed with the managing contractor, before subcontracts are awarded, reducing the scope for disruption or delay costs with changes that are passed on to Council.

The managing contractor is selected as an expert in the management of large design and construction projects. At the same time, Council can have a say in the managing contractor's early selection of the best design consultants and the most efficient construction subcontractors.

Both design and construction are competitively tendered with the engagement of consultants and subcontractors, giving assurances about the value for money achieved.

More Council influence and involvement in selecting and monitoring consultants and subcontractors is usually involved to verify value for money. Open-book approaches may also be used to verify costs. This extra involvement entails more administration, but the system requires less overall management for Council than would be required with full design and construction management with a project manager, as more is contracted to the managing contractor.

The additional administration includes monitoring the tender process for the selection of design consultants and subcontractors, obtaining and negotiating the guaranteed construction sum(s), verifying consultant and subcontractor costs, and a more complicated process of verifying the progress and final payments.

Approaches can be used that allow for less involvement in these processes, with some increased risks with demonstrating value for money.

A contract manager would normally also be engaged and/or a Council project officer appointed to manage the managing contractor contract and support Council. Less management is required of them relative to other systems with difficult projects (e.g. a single D&C/DD&C contract may involve less generally, but would not suit such projects).

When Used

The special types of projects that need the managing contractor approach would have many or all of the following characteristics that mean they would not be delivered as well by other means:

- ✘ project threats and opportunities that are best managed collectively by the key participants, including more involvement by Council in delivery
- ✘ significant/many unknown factors that are complex to resolve in the time available, including unclear or uncertain scope, uncertain
- ✘ unpredictable risks, changeable project criteria and/or changeable scope throughout the initial delivery
- ✘ delivery times that are early/tight and fixed
- ✘ funding that is fixed
- ✘ early key participant input and industry innovation are required, such as special technology input and/or progressive technical updates
- ✘ project risks and their management are more complex generally
- ✘ more conventional risk allocation, to suit the participant that would normally best manage the risk, would be unrealistic at the time the participants need to be engaged
- ✘ the various diverse interests of the key participants need to be brought together early/expeditiously to allow the project to proceed
- ✘ stakeholder interfaces and relationships are substantial, complex and/or difficult to manage, particularly in the time available
- ✘ Council accepts that risk management requires a special delivery approach.

For difficult projects with special needs, the advantages of the system are clear. However, there are then potential disadvantages because of the inherent uncertainties with such difficult projects and the methodologies needed to deal with them such as the system.

These system disadvantages are generally only involved, relative to other more conventional delivery/contract systems, until a guaranteed construction sum(s) or guaranteed total price, with agreed contractual dates for completion, are in place.

Advantages	Disadvantages
<ul style="list-style-type: none"> Allows collective stakeholder resolution of early scope issues, with fuller Council and expert initial input into design with less cost risk and more control of scope/value. 	<ul style="list-style-type: none"> Early “cost plus” arrangement (within tendered fee and subcontract package limits) with more early risks to Council of exceeding cost targets.
<ul style="list-style-type: none"> Allows earlier completions with the overlap of design and construction, and staging, and allows the early start to construction without waiting for full design completion. 	<ul style="list-style-type: none"> Early target rather than fixed time periods (within tendered subcontract package limits) with more early risks to Council of exceeding time targets) limits.
<ul style="list-style-type: none"> Provides more flexibility and is better able to deal with complexity in developing the scope and design, giving better outcomes, for suitable projects. 	<ul style="list-style-type: none"> Greater early dependence on good relationships and contractor efficiency, with managing project risks, and achieving targets and outcomes.
<ul style="list-style-type: none"> Gives greater flexibility to accommodate design influences/changes during early design with less cost risk. 	<ul style="list-style-type: none"> Early risks to Council of not achieving best value for money outcomes, with inappropriate contractor management.
<ul style="list-style-type: none"> Allows the early involvement of all key project participants in developing responses to the project objectives. 	<ul style="list-style-type: none"> More contract administration, but less overall management for Council than with other options for special projects.
<ul style="list-style-type: none"> Encourages the early involvement of hard dollar contractor management in project management with incentives, for special projects, and reduces the need for separate overall project management support for Council. 	<ul style="list-style-type: none"> Less early incentive to expedite design, and greater early risk with having late design decisions and design changes, requiring greater discipline and prudent management by Council and contractor.
<ul style="list-style-type: none"> Gives management advantages, for special projects, relative to other delivery systems because of the type of managers/management more likely to be provided. 	<ul style="list-style-type: none"> Difficulty with setting appropriate target prices early to suit the expected work scope based only on a project brief and possibly some concept design details.
<ul style="list-style-type: none"> Provides greater potential for more efficiencies/optimum design and savings that are shared with Council with incentive payments. 	<ul style="list-style-type: none"> Potential for Council to have expectations exceeding the brief and targets set, reducing the incentive for the contractor to agree guaranteed construction sums and/or work within the targets.
<ul style="list-style-type: none"> Provides many of the other advantages of “relationship contracting” with its mechanisms for resolving issues and sharing benefits for special projects. 	<ul style="list-style-type: none"> Number of competent and willing potential tenderers is more limited, and higher margins for the management provided and different profit potential involved may be expected.

Alliance Contract Delivery System

Characteristics

An alliance contract (or project alliance) is an agreement between Council and other entities to undertake work cooperatively, reaching decisions jointly by consensus, using an integrated management team and intensive relationship facilitation. These entities each to cover some project risks and potentially gain some rewards in achieving the agreed outcomes, relying on good faith and trust, and using an open-book approach to identifying costs and payments.

Alliance contracts are part of a range of delivery and contract systems that involve “relationship contracting” that include processes to manage relationships, remove barriers, and maximise the contributions made and successes achieved by all the participants. Other relationship contracting models include the managing contractor system and *GC21 General Conditions of Contract* based contracts (in part).

Alliance participants are selected early in the project on the basis of factors other than price, including the alignment expected with, and the relationships expected between, the participants. Council chooses the entities it regards as most able to deliver the required project outcomes, including value for money. Time is spent in the selection of participants, involving discussion, alignment, senior executive meetings and workshops, to establish trust, explore relationships and identify the right personnel and participants.

The participants in alliances vary to suit the project. All the key participants in a project could be parties to the alliance contract. As a minimum Council, the designer and key construction contractor(s) would normally be involved.

Typically, the project participants could also include, consultants, expert advisors (could also be engaged separately, particularly relationship/alliance facilitation, time, cost and KPI experts), key management providers and specialist contractors/suppliers. Participants may be identified as consortium teams, individual organisation or persons. Some organisations, including contractors and

subcontractors, could be involved in a project through more conventional contracts.

The participants are represented equally (say up to 2 people each) on a management “board” with an equal say in decisions that are made by consensus (except with changed project scope and funding, that are determined by Council or client).

The people provided by the participants form an integrated management team (headed by one person as project manager) in a single office with positions filled on a “best for project” basis (not necessarily to suit their employees role). The people are given clearly defined roles and responsibilities and are required to make decisions on a “best for project” basis. A project officer and Council personnel would normally represent Council on the “board” and management team.

Council would normally agree to pay participants for their base costs, as confirmed by open-book audit and/or negotiation, plus pre-determined corporate overhead and profit margins, so long as the target costs for the project are not exceeded and target performance is achieved. These margins would be reduced or not paid if the target costs were exceeded or target performance was not achieved. The proportion at risk would be determined by agreed risk/reward curves or formulae. Other incentives may also be involved, linked to performance targets, such as the payment of agreed shares of cost savings or the deduction from payments of agreed shares of cost overruns, adjusted to suit other performance (using KPI) and shared in proportion to each non-client/Council participant’s pre-agreed involvement.

The liability and pain of the non-client/Council participants is capped (and Council has the remaining liability), with the participants agreeing they have no recourse to litigation except for wilful default, failure to maintain insurance, non-payment, failure to honour an indemnity or failure to give audit access. PI insurance does not cover areas where the insured’s liability is waived, so special Council liability provisions and insurance cover are required where professional risks are high and the consequences are substantial.

When Used

Alliance contracts may be more effective and beneficial than other alternatives, and be the best approach, when most of the following project constraints and characteristics exist for large and complex (probably high profile) projects:

- ✘ improved and extraordinary outcomes are sought under extraordinary circumstances, through the extra relationship facilitation and motivation possible through an alliance, including with project location and/or complexities that are exceptionally challenging;

- ✘ threats and opportunities are involved that are best managed collectively by the key participants, including more involvement by Council in delivery;
- ✘ budget is fixed and limited and requires a special or extraordinary effort to achieve the outcomes expected;
- ✘ time and the other challenges with the project do not allow other alternatives, and require a special or extraordinary effort, including where more conventional contracts would not be possible when the participants need to be engaged;
- ✘ project scope is unclear or uncertain, and is very difficult to properly define in the time available with significant/many unknown factors involved;
- ✘ project risks are uncertain or unpredictable, and project criteria may be changeable;
- ✘ considerable complexity is involved, with little time to resolve the issues, such as environmental issues, and those that require special and complex key stakeholder involvement;
- ✘ there is a need for early advice from a range of key stakeholder experts to help together to define the scope and resolve the issues involved;
- ✘ there are various diverse key stakeholder interests to be brought together early and expeditiously;
- ✘ key stakeholder interfaces and relationships are complex and/or particularly difficult and require a special approach such as complex Council, consultant and contractor interaction and management with large design and construct projects; and
- ✘ Community interests are complex and require a special approach.

With other delivery and contract systems, for applicable projects the constraints would lead to greater risks to outcomes and more potential for problems. Under an alliance contract extraordinary issues and problems are able to be dealt with on the best for the project basis, facilitated by the non-adversarial alliance approach and mechanisms, including the cooperative and collaborative behaviour encouraged, the collective decision-making and integrated management involved.

An alliance contract will not be suitable, where:

- ✘ Council, consultant, contractor other participant personnel to be involved are not experienced at (to some degree), or suited to, successfully working, or not able to work, as a team with the attitudes and approaches needed for an alliance
- ✘ Council is not convinced the risk management needed requires this special delivery approach

- ✘ the non-client/Council participants required do not have the attitude, capacity, expertise, or corporate cultures needed for an alliance
- ✘ the project is relatively small, and the additional tender process and alliance implementation costs are not consistent with the project value and the benefits to be gained; or
- ✘ more conventional delivery and contract systems will achieve the outcomes required, such as where the project is not as complex, there is little room for improving outcomes with such an effort, the outcomes can be achieved more readily by other means with less intensive relationship facilitation, and time is available to resolve complexity/issues and complete design without alliances.

There is usually an inherent early uncertainty about project outcomes because of the special nature of applicable projects, and not just the system, that would be the same or worse with other systems. The system also involves inherent risks and benefits as follows.

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ Lower industry tendering costs and reduced, but more intense, tender evaluation period(s). 	<ul style="list-style-type: none"> ➤ Less tender price competition and related certainty with value for money.
<ul style="list-style-type: none"> ➤ More reasonable risk allocation for non- Council/client participants (but greater potential risk to Council). 	<ul style="list-style-type: none"> ➤ Higher costs and more effort involved facilitating relationships and determining costs.
<ul style="list-style-type: none"> ➤ Better potential for maximising innovation and product efficiencies with special projects. 	<ul style="list-style-type: none"> ➤ Responsibility with risks may not be as clear.
<ul style="list-style-type: none"> ➤ Better incentives for safer working conditions with special projects. 	<ul style="list-style-type: none"> ➤ More risks with controlling the direct costs.
<ul style="list-style-type: none"> ➤ No dispute culture and better potential for win/win outcomes with special projects. 	<ul style="list-style-type: none"> ➤ More potential for quality to be compromised to meet cost targets, mitigated by quality targets and more Council involvement.
<ul style="list-style-type: none"> ➤ Potential for reduced project costs, earlier completion and better outcomes generally with special projects under extraordinary circumstances, and with the incentives for cost savings and cost transparency available. 	<ul style="list-style-type: none"> ➤ High level of dependence on relationships, teamwork and the adaptability and performance of individuals, more demanding on all the personnel involved, and difficult culture and attitude shifts/changes required of many.
<ul style="list-style-type: none"> ➤ More project management efficiencies with integrated management for special projects. 	<ul style="list-style-type: none"> ➤ Extra direct Council involvement, cost and input required, though probably less than other systems for special projects.
<ul style="list-style-type: none"> ➤ Allows early key participant input and involvement, allowing better development of the responses to the project objectives with special projects. 	<ul style="list-style-type: none"> ➤ The non-client/Council participants could expect and receive a higher margin (including profit) than with other systems for the additional resource intensive and demanding input and commitment required.
<ul style="list-style-type: none"> ➤ Improved design and quality outcomes with special projects. 	<ul style="list-style-type: none"> ➤ Higher consultant costs are more likely (but lower construction costs potential greater).
<ul style="list-style-type: none"> ➤ Better potential for job satisfaction and skill enhancement for the people involved. 	<ul style="list-style-type: none"> ➤ Much lower liability cap for non-client/Council participants and loss of Council/client litigation/legal rights, and reduced PI cover to suit lower limits to the liability of professionals.
<ul style="list-style-type: none"> ➤ Advantages for Council with more certainty with cost recovery and better potential for returns; capped liability and risk; better potential for win/win outcomes; and better potential for enhanced corporate reputation, satisfaction and skill development, particularly with achieving enhanced goals, and making culture and attitude changes. 	<ul style="list-style-type: none"> ➤ Disadvantages for the non-client/Council participants with the extra effort required to provide a return (possibly due to the project demands as much as the system), particularly with stretch goals, extra people management, and culture and attitude shift/change required; opening of books' to public scrutiny and having accounts to suit; more demands on people; and requirement to provide the best people, expertise, resources and skills available to the one project.

Public Private Partnerships

Characteristics

A public-private partnership (PPP) is an arrangement between a council and a private person for the purposes of:

- ✘ Providing public infrastructure or facilities in which the council has an interest, liability or responsibility under the arrangement, and/or;
- ✘ Delivering services in accordance with the arrangement.

The definition captures a range of arrangements that include models described as Build, Own, Operate, Transfer (BOOT); Build, Operate, Transfer (BOT), and Privately Financed Projects (PFP).

Privately financed projects (PFP) involve the private sector financing and developing an asset with developer ownership/control (possibly operation) and provision of the asset for a concession period. The Council may contribute through land, capital works, risk acceptance, revenue diversion or the purchase of agreed services related to the asset, such as their maintenance. The approach is generally used to cover economic and social infrastructure, and typically includes both a capital works component and an ongoing service delivery component.

Projects of the Build-Own-Operate-Transfer (BOOT) type involve a private developer financing, building, owning and operating a facility for a specified period. At the expiration of the specified period, the facility is returned to the Government.

BOT is build, operate and transfer whereby a company builds a facility, gets to operate it for a while and is paid for that, and finally transfers it back to the public sector at the end of an agreed period determined by when the construction company is believed to have been paid a satisfactory amount.

Suitable projects are usually initiated by seeking expressions of interest, and then a request for detailed proposals from a short listed panel of respondents, and the selection of a developer from the proponents. The invitation for expressions of interest and request for detailed proposals would define the scope of work/options being sought from the private sector and the basis/criteria for the evaluation of responses and proposals.

Arranging a PFP agreement requires more effort, expert advice, management and support for Council than other systems. A contract manager would normally be engaged and/or Council project officer appointed to manage the agreement and support Council. Less management may be required than for other systems after the agreement is in place, as more is contracted to the developer.

The following are some general PFP agreement characteristics:

- ✘ risk management processes would be used to ensure that all project risks are properly assessed, valued (where appropriate) and allocated to the party best able to manage them in any agreement
- ✘ the Government would not guarantee private sector borrowing's or take an equity share holding
- ✘ the return to a developer and, where applicable, to Council, would only reflect the risk(s) borne
- ✘ adverse affects on consumer rights would be prohibited
- ✘ assets would be developed (and operated) in accordance with appropriate New Zealand and international standards, and the developer would be required to obtain and conform with appropriate Development Approval conditions and regulations, including those covering the protection of the environment
- ✘ core services related to the asset would be delivered by the public sector, and non-core services would be delivered by the private sector where this provides better value for money.

When Used

Projects requiring private sector financing that are able to provide a return to a private sector developer, with long concession/service delivery periods, possibly up to 25 years or more for some assets, and with a total contract value of \$20 million or more may suit this delivery system.

Such projects must meet the same standards of economic, social and environmental evaluation set for publicly funded projects, and a PFP option must be shown to give a better overall outcome for the Government in these areas relative to other delivery systems (using comparator model assessments).

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ Enables much of the impact of obtaining capital funding to be either totally or partially absorbed by the private sector or spread over a much longer period than for other systems. 	<ul style="list-style-type: none"> ➤ Possible public misconceptions about the benefits and nature of the project as a private sector initiative rather than, and in comparison with, a Government initiative.
<ul style="list-style-type: none"> ➤ For applicable projects, the asset management risk rests with the private sector developer, not only during construction but also during part or all of the life of the asset. 	<ul style="list-style-type: none"> ➤ The need for officers and advisors/consultants with the right level of less common contract experience necessary to thoroughly assess financial/technical proposals, to manage the tender process and negotiations with potential developers, and to document and manage the PFP agreement.
<ul style="list-style-type: none"> ➤ Provides more economic asset development and, where applicable, associated service provision for special projects. 	<ul style="list-style-type: none"> ➤ More Council cost/time with the efforts of the above advisors/consultant and other resources, and developing the comparator model/assessments required, and much higher industry tendering cost. ➤ Potential for asset quality to be compromised, and the real relative cost/benefits to be unclear, unless there is complete and appropriate documentation of asset quality requirements, proper comparator model and allowance for the proper confirmation of outcomes.
<ul style="list-style-type: none"> ➤ Lower overall Council asset delivery and management cost, offset to some extent by higher Council tender process costs. 	<ul style="list-style-type: none"> ➤ Less Council control over the asset quality.

Privately Financed Project

Generally, this delivery system is implemented where a public sector need is alternatively delivered by private sector funding. This can occur when the demand need (e.g. library to service 25,000 patrons per annum) is tendered to the private sector, generally on a build, own, maintain and transfer basis.

Where this method is contemplated for any particular project component, detailed explanations of the characteristics of this method will be provided.

Further Procurement Options

Characteristics

Design and Construct (Turnkey) commissions represent a low risk proposition for Council by transferring all the project risks to the private party such as a principal contractor who offers a fixed lump sum price for the design and construction of a project in response to a requirement brief or concept design issued by Council. This provides a single point of accountability to the Council for time, cost, safety and quality aspects of a project. The private entity is responsible for all aspects of project delivery including design, procurement, authority approvals, and construction, commissioning and hand-over to Council.



appendix 2 – risk assessment matrix

Risk Assessment Matrix – Midland Oval

- E – Extreme risk – detailed action plan required**
- H - High risk – needs senior management attention**
- M – Medium risk – specify management responsibility**
- L – Low risk – manage by routine procedures**

High or Extreme risks must be reported to Senior Management and require detailed treatment plans to reduce the risk to **Low or Medium**.

				Consequence				
				Insignificant	Minor	Moderate	Major	Catastrophic
				1	2	3	4	5
People	Injuries or ailments not requiring medical treatment.	Minor injury or First Aid Treatment Case.	Serious injury causing hospitalisation or multiple medical treatment cases.	Life threatening injury or multiple serious injuries causing hospitalisation.	Death or multiple life threatening injuries.			
Reputation	Internal Review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny required by external committees or Auditor, etc.	Intense public, political and media scrutiny. Eg: front page headlines, TV, etc.	Assembly inquiry or Commission of inquiry or adverse national media.			
Business Process & Systems	Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall schedule.	Policy procedural rule occasionally not met or services do not fully meet needs.	One or more key accountability requirements not met. Inconvenient but not client welfare threatening.	Strategies not consistent with Council agenda. Trends show service is degraded.	Critical system failure, bad policy advice or ongoing non-compliance. Business severely affected.			
Financial	0.5% of Budget or <\$150K	2% of Budget or <\$600K	> 5% of Budget or <\$1.5M	> 10% of Budget or <\$3M	>25% of Budget or >\$7.5M			

Likelihood	Probability:	Historical:		Almost Certain	M	H	H	E	E
	>1 in 10	Is expected to occur in most circumstances	A	Almost Certain	M	H	H	E	E
	1 in 10 - 100	Will probably occur	B	Likely	M	M	H	E	E
	1 in 100 – 1,000	Might occur at some time in the future	C	Possible	L	M	M	H	E
	1 in 1,000 – 10,000	Could occur but doubtful	D	Unlikely	L	L	M	H	H
	1 in 10,000 – 100,000	May occur but only in exceptional circumstances	E	Rare	I	I	L	M	H

Adapted from Standards Australia Risk Management AS/NZS 4360: 2004

RISK REFERENCE	THE RISK What could go wrong?	SOURCE How can this happen?	IMPACT From event happening	LIKELIHOOD	CONSEQUENCE	RISK LEVEL	TREATMENT	PERSON RESP.	MONITORING strategies to measure effectiveness of Risk Treatments
GOVERNANCE									
P1	Change of personnel in key positions in management in Project Team		Loss of knowledge and continuity	C	2	Medium			
RESOURCES									
R1	Project Team Officers distracted from core function leads to exposure in service delivery	Project demands on Project Officers exceeds their surplus capacity	Either service delivery or project delivery suffer	B	2	Moderate	Financial model to include the appointment of a dedicated Project Officer responsible for managing up, including responses to RFIs, meetings and ensuring communications		
FUNDING									
F1	Difficulty in disposing of assets in accordance with financial model	Slow market for asset sales	Inability to fund project or delay to project or req't for more debt	C	5	Extreme	Conduct a sensitivity analysis on the financial model with varying timeframes Consider risk in Procurement Plan	PM GS	
F2	Servicing loan affects other Council operations	Debt payments exceed Council operating surplus	Ongoing service delivery suffers from operational funding cuts	C	3	Moderate	Verify financial model against operating surplus	PM	

RISK REFERENCE	THE RISK What could go wrong?	SOURCE How can this happen?	IMPACT From event happening	LIKELIHOOD	CONSEQUENCE	RISK LEVEL	TREATMENT	PERSON RESP.	MONITORING strategies to measure effectiveness of Risk Treatments
F3	Incorrect financial elements – land value, interest rates, construction cost estimates and contributions	Inaccurate land valuations or changes in property values; inadequate contingencies	Budget blow-out	C	4	High	Engage QS to review estimates at each phase Allow adequate contingencies in time and \$ Use independent valuers for land valuations and scrutinize assumptions behind valuations	Project Manager Quantity Surveyor Project Manager	Regularly update financial model to include new cost data
DESIGN									
D1	Client scope changes	Poor definition or understanding of brief; sign-off by stakeholders not obtained	Continual changes throughout project leading to design and contractor variations and prolongation	B	4	Extreme	Obtain Council sign-off of brief and undertake community consultation prior to tendering Design Team.		
D2	Failure to adequately address licensing req'ts such as Aus Standards etc	Failure to obtain occupancy or late changes to design or construction	Cost penalty	C	3	High	Ensure that Design Consultants are responsible for compliance with all relevant statutory requirements.	Project Manager	
COMMUNITY / COMMUNICATIONS / POLITICS									

RISK REFERENCE	THE RISK What could go wrong?	SOURCE How can this happen?	IMPACT From event happening	LIKELIHOOD	CONSEQUENCE	RISK LEVEL	TREATMENT	PERSON RESP.	MONITORING strategies to measure effectiveness of Risk Treatments
C1	Lack of Councilor support for project including funding strategy or community opposition fuels political turnaround	Councilors do not share project vision and unprepared to commit to debt servicing; or poor presentation of proposal;	Political backlash Project stops	C	5	Extreme	Careful presentation of project information Avoid project becoming a partisan issue Carefully prepare and implement project-specific Communications + Stakeholder Consultation Plan	General Mgr Project Mgr Mgr, Media & Communications	
C2	Community upset by proposed city centre changes	Lack of understanding about community benefits from new central facilities	Bad PR Community opposition fuels political turnaround	C	4	High	Implement Stakeholder Management Plan to communicate benefits and listen to concerns	Mgr, Media & Communications	
C3	National Govt politicians do not support project	Project deemed politically unpalatable	Bad PR / Media	C	2	Moderate	Consult with local members Monitor political environment	General Manager	
APPROVALS									

RISK REFERENCE	THE RISK What could go wrong?	SOURCE How can this happen?	IMPACT From event happening	LIKELIHOOD	CONSEQUENCE	RISK LEVEL	TREATMENT	PERSON RESP.	MONITORING strategies to measure effectiveness of Risk Treatments
A1	Risk that necessary approvals may not be obtained or may be obtained only subject to unanticipated conditions which have adverse cost consequences or cause prolonged delay	Failure to consult council planners during the application process	Delay in works commencement or completion and cost increases	C	4	High	Project exhibition during planning application process to obtain community comment Engage an independent consultant to conduct a merit based assessment of the application; Communicate to community that independent assessment has been undertaken	Project Manager	
A2	Third party appeal	Failure to consult with neighbours and the wider community	Delay to planning approval Possible need for redesign leading to costs and delays	C	3	Moderate	Undertake community consultation during early planning to hear community concerns Ensure that design appropriately addresses views from adjacent neighbours	Project Manager	Monitor community consultation
A3	Public commitment to ESD Performance. However targeted GreenStar rating not achieved	GreenStar pathway not est'd at concept design and documented throughout	GreenStar certification not achieved	C	4	High	Appoint GreenStar Professional as part of Design Team, responsible for driving ESD Performance and preparing GreenStar documentation		
SITE									

RISK REFERENCE	THE RISK What could go wrong?	SOURCE How can this happen?	IMPACT From event happening	LIKELIHOOD	CONSEQUENCE	RISK LEVEL	TREATMENT	PERSON RESP.	MONITORING strategies to measure effectiveness of Risk Treatments
S1	Unable to purchase or acquire required sites	Preferred site is too expensive or becomes unavailable (ie Council gets gazumped)	Need to consider alternate proposals and revise cost estimates	C	3	Moderate	Confidentiality in site purchases	Commercialisation	
S2	Site services are a latent condition or are under capacity	Capacity and location of site services is not assessed prior to budgeting + design	Service is under capacity and req's upgrade; or service req's relocation. Potential significant cost	D	3	Moderate	Undertake a site services survey to determine location and capacity of existing services and consult with utility authorities. Includes: <ul style="list-style-type: none"> - power - water - stormwater - sewerage 	GS	
CONSTRUCTION DELIVERY									
B1	OH&S non-conformance – leading to incident or major accident during construction	Non-OH&S conformance by Contractor	Injury or even death	D	4	High	Contractual requirement for Contractor Safety Management Plan	Project Manager	Monitor implementation of SMP on site
B2	Main contractor or major sub-contractor insolvency	Company is over-extended, or is poorly managed or inadequately financed	Construction stops; needs to be re-tendered; significant delays	C	4	High	Security required for contacts Financial checks during tender evaluation	Project Manager	

appendix 3 – contract systems

Construct Only

Characteristics

With a construct only contract, Council and a consultant Design Team prepares the detailed design for the whole of the works (except for some detailing such as workshop drawings).

A contract, based on a lump sum price or a schedule of rates (where the quantities are uncertain), is awarded for the completion of the remaining design/documentation and construction of the works.

When Used

A construct only contract may be appropriate for projects where the following requirements are substantially satisfied:

- ✘ the optimum design can be developed without involving the prospective contractor or specialist subcontractors;
- ✘ Council prefers and is able to manage the interface between the detailed design and construction, and select and engage, and be directly responsible for, the design consultants;
- ✘ there is enough time available for the detailed design to be completed before construction must commence to complete the project on or within time; and
- ✘ Council prefers to have the design fixed prior to construction contract award.

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ A detailed design is available before construction contract award, potentially allowing the highest level of Council control and satisfaction with product detail and quality. 	<ul style="list-style-type: none"> ➤ Increased project duration with the longer lead-time to prepare the design and tender documents.
<ul style="list-style-type: none"> ➤ Risks to Council are reduced with the design essentially completed to suit Council requirements prior to construction, and with the resulting simpler contract management. 	<ul style="list-style-type: none"> ➤ Little cash flow control after letting contract.
<ul style="list-style-type: none"> ➤ More likely to obtain appropriate and better tenders/prices for fully defined contract works where they are well defined. 	<ul style="list-style-type: none"> ➤ The greater document complexity and volume with Council controlled design may lead to more errors and omissions, and increase the potential for contract claims and extra costs.
<ul style="list-style-type: none"> ➤ There are lower tenderer tendering costs, and Council tender process costs. 	<ul style="list-style-type: none"> ➤ Less opportunity for contractor innovation.
<ul style="list-style-type: none"> ➤ There is a larger pool of suitable tenderers, which increases the scope for competitive prices/tenders for some contracts. 	<ul style="list-style-type: none"> ➤ Not necessarily least end cost. ➤ Greater potential for design and construction coordination and buildability problems. ➤ Council's directly arranged design and project management resources, effort and costs are greater.

Design, Develop and Construct

Characteristics

With a design development & construct contract, Council prepares a concept design (and possibly does some design development) and performance specifications, using external consultant resources.

A contract is awarded for the design development/documentation and construction of the works. The contract often involves a lump sum price, but may be based on a schedule of rates where some quantities are uncertain.

When Used

Projects suited to the DD&C system will be those where:

- ✘ the concept design and design brief can be clearly and well defined;
- ✘ there are well established standards for design development, such as standards for details and finishes;
- ✘ there would be some design and construction coordination and buildability risks with the construct only system that are to be avoided;
- ✘ Council seeks to retain more control over concept design and/or does not have the resources or time available, or need, to complete the design;
- ✘ the requisite specifications for the developed design, including the product and material standards/performance to be used, can be clearly described, or some proprietary designs and/or construction processes are available in the marketplace and may be more economical than using special designs; and
- ✘ the contractor is not required to perform extensive investigation work and interact extensively with outside authorities in completing design.

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ Council can substantially determine the concept design and need only nominate the performance criteria required to regulate design development. 	<ul style="list-style-type: none"> ➤ The cost to tenderers of preparing tenders is higher, potentially reducing tenderer interest and competition.
<ul style="list-style-type: none"> ➤ Council's risk is reduced with the contractor being responsible for, and best able to manage, detailed design and its coordination with construction. 	<ul style="list-style-type: none"> ➤ With less Council design there is risk to that contract design documents may not be specific enough or may be ambiguous, increasing quality, outcome and cost risks.
<ul style="list-style-type: none"> ➤ Reduced Council risk of design related changes being needed, and resulting contractor cost/time claims, because the concept design is set. 	<ul style="list-style-type: none"> ➤ The tender prices may carry a higher risk premium, as the contractor bears more design risk than with the construct only system.
<ul style="list-style-type: none"> ➤ Fewer Council arranged resources are required for design than with construct only, and with contract management than with D&C. 	<ul style="list-style-type: none"> ➤ Council initiated variations are more costly if the contractor's design/construction is disrupted.
<ul style="list-style-type: none"> ➤ Greater potential for cost and time savings with faster and more efficient construction, with the contractor better able to tailor design detail to preferred construction methods, and the overlapping of design and construction. 	<ul style="list-style-type: none"> ➤ The numbers of competent potential tenderers is less than for some construct only contracts, especially for smaller projects. ➤ More contract management for Council than for construct only contracts.

Design, Novate and Construct

Characteristics

The design, novate & construct contract system is similar to the DD&C system, though usually requiring less design development by the contractor. It has the distinguishing feature of allowing the use of the same designer/design team from design conception to completion.

When the DN&C contract is let there is also a novation of Council's design agreement with the designer to the contractor. Novation involves signing over the contractual relationship between the designer and Council to create a contractual relationship on exactly the same terms between the designer and the contractor. The contractor then assumes full and unambiguous responsibility for the whole design as well as for the construction. The contractor takes over responsibility for paying the designers fees for work done to complete the design from the time of novation. The contract usually involves a lump sum price, but may be based on a schedule of rates where some quantities are uncertain.

When Used

- ✘ This system is best selected where:
- ✘ Council needs full control in producing the concept design and the design continuity achievable with the same designer completing design development;
- ✘ the project involves large, one-off unusual works with special design needs;
- ✘ the design brief/concept design and Council's design agreement with the designer are clear and well defined;
- ✘ details of the required design development, including the product and material standards required, to satisfy the design brief, can be clearly described;
- ✘ appropriate alternative design resources may not be available to the contractor; and
- ✘ there is a significant extra benefit to Council with having the contractor responsible for all design and documentation, and the contractor having full access to the original designer and its knowledge of the design issues.

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ The continuity with the designer's involvement in all design and documentation reduces some of the risk with special designs of the intent not being understood and quality not meeting Council's needs and expectations. 	<ul style="list-style-type: none"> ➤ The contractor and designer may be disadvantaged by having to enter an engagement on terms predetermined by others, thus increasing costs. It is possible the designer/contractor may not ratify the novation.
<ul style="list-style-type: none"> ➤ The contractor is able to improve design buildability in developing the concept design, which should lead to more efficient and effective construction. 	<ul style="list-style-type: none"> ➤ There is potential for complex litigious problems if the relationship between designer and contractor deteriorates. If parties have not worked together well before, and are not matched carefully there is a "forced marriage" risk.
<ul style="list-style-type: none"> ➤ Functional/concept design planning and some design details are developed to fully meet Council's requirements before contract award, as for DD&C, giving an advantage over the D&C system. 	<ul style="list-style-type: none"> ➤ There may be a premium in the tender prices for uncertainties and additional risks such as latent conditions, designer relationships and design errors, which may or may not eventuate.
<ul style="list-style-type: none"> ➤ The other advantages of the DD&C system. 	<ul style="list-style-type: none"> ➤ The other disadvantages of DD&C, with some possible reduction in Council's design document risks.

Design and Construct

Characteristics

Under a design & construct contract, Council prepares a project brief, and performance and quality requirement specifications (and possibly does part of a concept design). A contract is awarded to prepare or complete the concept design, and for design development/documentation and construction of the works. The contract usually involves a lump sum price or is based on a schedule of rates. A “supply and install” contract can be a form of D&C contract.

When Used

D&C contracts are suitable for projects where:

- ✘ there are well established standards for works component details, finishes and other design, and Council wishes to avoid many of the risks with design born with some other contract systems;
- ✘ a straightforward, more precise, properly defined and concise brief can be prepared, and there are few complex issues to resolve, and little likelihood of changes after the contract award;

- ✘ Council has insufficient time or resources, or no need, to use the construct only or DD&C contract systems;
- ✘ encouraging tenderers to offer alternative design concepts and/or details may result in cost savings and other benefits for Council;
- ✘ Council’s requirements and required outcomes can be identified clearly at the time of entering into a contract; and
- ✘ using specialist firms, proprietary designs and construction processes available in the marketplace may be more economical than using special project specific designs.

With the system, post contract design changes are likely to be more costly as there is greater potential to disrupt the contractor’s design dependent work program. Uncertainty in the project brief could result in a need for contract variations and/or in disputes over interpretations.

The system would not be the most suitable where the requirements and required outcomes cannot be properly identified at the time of entering into a contract, and there are possible latent conditions and uncertainties involved. Then the tenders may be qualified or include contingency sums, removing time and cost advantages with the system.

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ Project time can be reduced by starting construction prior to the finalisation of all detailed design, at the contractor’s risk. 	<ul style="list-style-type: none"> ➤ Council initiated design changes or other variations may be more costly where design/construction is disrupted.
<ul style="list-style-type: none"> ➤ For suitable contracts, the full benefit may be obtained of applicable proprietary designs and products, and related construction processes, available in the marketplace. 	<ul style="list-style-type: none"> ➤ If the project brief is uncertain, there is more risk the contractor will justify claims for the rectification of work, or produce work below the anticipated quality/standard, where the requirements are unclear. This and the greater design quality risk generally means ensuring design quality may be more difficult, and contract management more complicated.
<ul style="list-style-type: none"> ➤ The contractor assumes total responsibility for the project works. 	<ul style="list-style-type: none"> ➤ Tender prices may be higher to compensate for the additional contractor risks involved.
<ul style="list-style-type: none"> ➤ Fewer directly arranged Council resources are required for design, offset to some extent by more complicated contract management. 	<ul style="list-style-type: none"> ➤ More costly for tenderers to prepare tenders.
<ul style="list-style-type: none"> ➤ There is wider scope for innovation by the contractor. 	<ul style="list-style-type: none"> ➤ If fewer tenderers are invited to reduce tendering costs this may reduce competition. ➤ Number of competent potential tenderers is more limited, especially for smaller projects.

Design, Construct and Maintain

Characteristics

Under a design, construct & maintain contract, Council prepares a project brief, performance and quality requirement specifications, and possibly part of the concept design (a concept design and possibly more design is completed for DDC&M and DDCO). The specifications include asset condition monitoring indicators and maintenance conditions to ensure the finished works/assets continue to perform during the maintenance phase. Typically, a contract is awarded for the concept design (for DC&M/DCO), design development/documentation, construction of the works involving a lump sum price, with maintenance (for say up to 10 or 12 years) of the works based on a schedule of rates.

When Used

DC&M and DDC&M contracts are suitable for projects where maintenance of the constructed asset is required,

with the advantages this provides with contractor responsibility/incentives for designing and constructing to optimise asset quality and maintenance needs, and where D&C and DD&C contract systems, respectively, would also be preferred. Where also required, including operation further enhances the incentives for optimising asset quality.

The issues with design changes with DC&M and DDC&M contracts are the same as for D&C and DD&C contracts respectively. Uncertainty in the maintenance specification would produce contract variation risks and/or disputes over interpretations. Changes to the design or construction that change the asset impact on maintenance will also involve related variation risks.

The systems are inappropriate if the requirements and required outcomes cannot be properly identified at the time of entering into a contract. As for D&C/DD&C contracts, without sufficient certainty, the tenders may be qualified or include contingency sums that would negate time and cost advantages with the systems. Certainty with maintenance conditions is also required to avoid the risks involved.

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ The contractor is more likely to deliver a better product at the end of the construction phase to optimise asset quality, and better address maintenance needs. 	<ul style="list-style-type: none"> ➤ Council must be able to define what it wants during the maintenance period.
<ul style="list-style-type: none"> ➤ The contractor's liability for defective works is extended beyond what is normally the limit by law (6 years in NSW without a Deed). 	<ul style="list-style-type: none"> ➤ More costly to tenderers to prepare tenders, and to Council for the tender process, with the design and maintenance involved.
<ul style="list-style-type: none"> ➤ Project time can be reduced by starting construction prior to the finalisation of all detailed design, at the contractors risk. 	<ul style="list-style-type: none"> ➤ The other disadvantages of D&C/DD&C, as applicable, with some reduction possible in design quality risks, but increases in contract management costs with maintenance.
<ul style="list-style-type: none"> ➤ There is wider scope for innovation in design, construction and maintenance by the contractor. 	<ul style="list-style-type: none"> ➤ Tender prices may be higher for design and construction to compensate for the additional risks involved.
<ul style="list-style-type: none"> ➤ The contractor assumes total responsibility for the works and their maintenance. 	<ul style="list-style-type: none"> ➤ Higher tendering costs involved, potentially reduce competition.
<ul style="list-style-type: none"> ➤ Fewer directly arranged Council resources are required for design than with construct only, offset to some extent by more complicated contract management. 	<ul style="list-style-type: none"> ➤ Council initiated design and other variations may be more costly where design/ construction are disrupted and/or maintenance is affected.
<ul style="list-style-type: none"> ➤ The other advantages of the D&C and DD&C systems, as applicable. 	<ul style="list-style-type: none"> ➤ The number of competent potential tenderers is more limited with design and maintenance being involved, potentially reducing competition.
<ul style="list-style-type: none"> ➤ Fewer directly arranged Council resources and less effort are required for maintenance, offset by the extra contract administration required over the maintenance period. 	<ul style="list-style-type: none"> ➤ System is not suitable for smaller projects.
<ul style="list-style-type: none"> ➤ More potential for better and more coordinated maintenance than if it was done by other means. 	<ul style="list-style-type: none"> ➤ Most likely building contractors do not have a maintenance arm and could subcontract the maintenance activities, which may involve more risks with ensuring the constructor and maintainer synergies and asset/maintenance optimisation sought with the system. ➤ More risks with contractor maintenance activities because end users occupy the site, requiring better coordination and

cooperation between the various parties involved.

Guaranteed Maximum Price

Characteristics

The guaranteed maximum price contract system is designed to provide greater certainty with the contract end cost and completion date. The GMP system can be applied with the DD&C and D&C systems, to include the key additional features they provide.

The system is designed to reduce the scope for changes to the contract price and completion date, and to reduce Council's direct management effort, by:

- ✘ having the contractor take the risks associated with ambiguities or discrepancies in the tender/contract documents, with no claims being allowed for variations or otherwise with such ambiguities or discrepancies;
- ✘ allowing no subcontractors to be nominated or selected by Council;
- ✘ having the contractor take the risks associated with, and allowing no claims for, latent conditions;

- ✘ having no cost adjustment for inflation;
- ✘ reducing the grounds for extensions of time, such as limiting those due for delays with inclement weather and industrial disputes; and
- ✘ allowing a bonus for early completion (as a possible option).

With the system, where Council directs a variation increasing the work, the contractor is required to propose offsets with reduced quality, less design and/or a reduction in scope, where this it is needed to maintain the original contract price. There is also provision for the quick resolution of disputes over the value of such offsets/variations using an independent expert for a prompt, binding decision.

When Used

The system is suitable when quality and scope reductions can be accepted to achieve greater certainty with the cost/time outcomes required. It is suitable for contracts where DD&C or D&C systems are preferred, and the additional certainty potentially available with the system is also required.

Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ Lower level of contract management required by Council with reduced potential for claims where other issues and disputes are minimised. 	<ul style="list-style-type: none"> ➤ Further restriction to the field of capable and willing tenderers.
<ul style="list-style-type: none"> ➤ Restricted right of contractor to claim with less complicated contract provisions, provided the contractor is not inclined to raise issues to cover costs and disputes are minimised. 	<ul style="list-style-type: none"> ➤ More prone to Council/contractor disputes.
<ul style="list-style-type: none"> ➤ Greater potential for the end cost to approximate the original contract price, if tender price competition does not result in an unrealistically low contract price and related disputes. 	<ul style="list-style-type: none"> ➤ Risks with disputed claims with particular events being successful where they are supposed to be barred with the system.
<ul style="list-style-type: none"> ➤ Greater potential for on time completion (possibly with extra cost) through reduced opportunity to claim extensions of time and optional bonus provisions. 	<ul style="list-style-type: none"> ➤ The other disadvantages of D&C/DD&C, as applicable.
<ul style="list-style-type: none"> ➤ Discouragement of Council variations that increase the scope. 	<ul style="list-style-type: none"> ➤ Potential for higher tender prices and higher end cost, as tenderers need to price additional cost/time risks that may not eventuate, or take risks and possibly make claims and raise disputes to cover costs.
<ul style="list-style-type: none"> ➤ The other advantages of the D&C and DD&C systems, as applicable. 	<ul style="list-style-type: none"> ➤ Council expectations may not be met where the scope/quality is reduced to meet cost/time targets. ➤ Some industry resistance to contracts involving such risks to contractors, and issues with the inequity and problems with the system that mean it is not used often.

appendix 4 – midland oval commercialization committee

The suggested roles and functions of the Board would be:

- ✘ To advise on and recommend to Council the optimal strategic delivery/procurement process for the Project;
- ✘ To manage the delivery/procurement process for the Project on behalf of Council;
- ✘ To advise on financial, structuring and risk issues for Council and to make recommendations to Council;
- ✘ To advise on and recommend to Council property acquisition and related property issues;
- ✘ To advise on and recommend the appointment of consultants to Council for the Project;
- ✘ To advise on and recommend the appointment of a Design Review Panel and other specialist panels to assist in the evaluation of submissions;
- ✘ In any Expression of Interest (EOI) process, to act as the evaluation panel and to make recommendations on preferred applicants to Council for its decision;
- ✘ In any Request for Proposal (RFP) process, act as the evaluation panel and to make recommendations on the two preferred shortlisted applicants and then the final preferred Development Partner for that precinct to Council for its decision;
- ✘ To approve the Probity Plan;
- ✘ To review the Probity Plan at designated milestones and recommend its amendment or any separate Probity Plan at those designated milestones;
- ✘ To approve any Evaluation Methodologies, including the approval of weightings to be applied to any evaluation criteria;
- ✘ To provide policy guidance to the Project Team;
- ✘ To receive reports and recommendations from the Project Team; and
- ✘ To seek clarification from the Project Team on any matter.

appendix 6 – further delivery stages

Phase Two – Masterplan & Feasibility Study		
Project Management Role	Activity	Outcome
Preliminary Concept Plan		
Manage preparation of integrated concept plan		Concept plan
Opportunities and Constraints		
Develop brief to engage necessary consultants for feasibility input Prepare consultant agreements Manage consultant engagement Manage consultant input Identify project risks	<ul style="list-style-type: none"> ■ Planning ■ Environmental ■ Heritage ■ Transport ■ Utilities ■ Civil Work ■ Valuation Data ■ Sales Evidence ■ Legal 	
Project Assessment		
Manage the development of assessment data inputs and establish appropriate assessment models	<ul style="list-style-type: none"> ■ Finance ■ Revenue & Costs 	Preliminary feasibility inputs and model
Financial Analysis		
Manage financial analysis including testing against project objectives Prepare preliminary feasibility report	<ul style="list-style-type: none"> ■ Static Analysis ■ Dynamic Discounted cash flow 	Preliminary feasibility report
Market Analysis		
Develop brief to engage necessary consultants for market analysis Prepare consultant agreement Manage consultant engagement Monitor consultant work and output	<ul style="list-style-type: none"> ■ Market research ■ Associated Retail market research 	
Site Investigation		
Develop brief to engage necessary consultants for site investigation Prepare consultant agreements Manage consultant engagements Monitor consultant work and output	<ul style="list-style-type: none"> ■ Survey ■ Geotechnical ■ Hydrology ■ Environmental ■ Heritage 	Concept plan
Political		
Meet with relevant government agencies	<ul style="list-style-type: none"> ■ Ministry for Planning 	Letters of support or otherwise

and authorities	<ul style="list-style-type: none"> ■ Local Authorities ■ State Agencies 	
Public Consultation		
Manage preliminary public consultation process to determine if any significant issues are present Prepare issue strategy plan	<ul style="list-style-type: none"> ■ Social Issues ■ Interest Groups ■ Aboriginal 	Consultation report Public issue strategy plan
Operations		
Develop brief to engage operations consultant Prepare consultant agreement Manage consultant agreement Monitor consultant work and output	<ul style="list-style-type: none"> ■ 	Operations plan Operating budgets & pro-formas
Master Plan		
Develop briefs to engage necessary consultants in addition to those previously engaged Prepare consultant agreements Manage consultant engagements Manage consultant team and output	<ul style="list-style-type: none"> ■ Planning / Urban Design ■ Architecture ■ Environmental ■ Heritage ■ Transport ■ Utilities ■ Civil Works / Hydrology ■ Operations 	Concept plans Staging plans Civil works and servicing plans Environmental strategy plans Transport plans
Financial Analysis		
Manage financial analysis including testing against project objectives Prepare feasibility study report	<ul style="list-style-type: none"> ■ Financial Inputs ■ Static Analysis ■ Dynamic Discounted Cash Flow 	Feasibility study report
Approval		
Decision to Proceed	Yes or No	Commitment to proceed

Phase Three – Planning and Design		
Project Management Role	Activity	Outcome
Review Project Plan		
Undertake review and amend project plan as necessary Establish project management systems & processes Establish key performance Indicators to measure project performance	<ul style="list-style-type: none"> ■ Communications ■ Control ■ Administration 	Revised project plan
Confirm / Appoint Consultant Team		
Develop briefs to engage or confirm necessary consultants Prepare consultant agreements Manage consultant tendering and engagement	<ul style="list-style-type: none"> ■ Planning / urban design ■ Architect ■ Environmental ■ Heritage ■ Landscape architect ■ Geotechnical ■ Surveying ■ Civil / structural engineer ■ Services engineer ■ Lighting ■ Acoustic ■ Graphics ■ FF&E ■ Art ■ Cost (QS) ■ Marketing ■ Legal 	Consultant agreements
Site Investigation		
Manage additional site investigation	<ul style="list-style-type: none"> ■ Survey ■ Environmental ■ Geotechnical 	Survey reports & plans
Concept Design		
Coordinate consultant Input Test design against project plan Coordinate client review and sign-off	<ul style="list-style-type: none"> ■ Objectives ■ Risks ■ Cost 	Endorsed concept plans

Design Development		
Coordinate consultant Input Test design against project plan Coordinate client review and sign-off	<ul style="list-style-type: none"> ■ Objectives ■ Risks ■ Cost 	Endorsed design development plans
Detail Design & Documentation		
Coordinate consultant input Test design against project plan Manage preparation of tender Documents and contract documents Manage preparation of detailed Construction cost estimate Coordinate client review and sign-off	<ul style="list-style-type: none"> ■ Objectives ■ Risks ■ Cost 	Endorsed pre-tender cost plan Endorsed tender documents
Development Approvals		
Establish and manage approval processes	<ul style="list-style-type: none"> ■ Planning ■ Environmental ■ Building 	Development approvals

Phase Four – Implementation		
Project Management Role	Activity	Outcome
Forward Works		
Develop briefs to engage forward works contractors Manage preparation of Forward Works agreements Manage Forward Works Tendering and Engagement Manage supervision of Forward Works Provide contract administration of Forward Works Manage Close Out and Hand over of Forward Works	<ul style="list-style-type: none"> ■ Demolition ■ Clearing ■ Temporary Fencing, Roads & Drainage ■ Site Office ■ Signage 	Prepared site Temporary facilities
Construction Tender		
Prepare and issue EOI invitations for major contracts Evaluate and prepare shortlist Subcontractors Manager tender document issue Conduct tender clarification meetings and manage tender questions and responses Manage tender clarifications and interviews Prepare recommendations for client Manage contractor engagements	<ul style="list-style-type: none"> ■ Bulk Earthworks ■ Civil Infrastructure ■ Maintenance Facility ■ IT & communications ■ Landscape ■ Irrigation ■ Interiors ■ Signage 	Executed contract documents

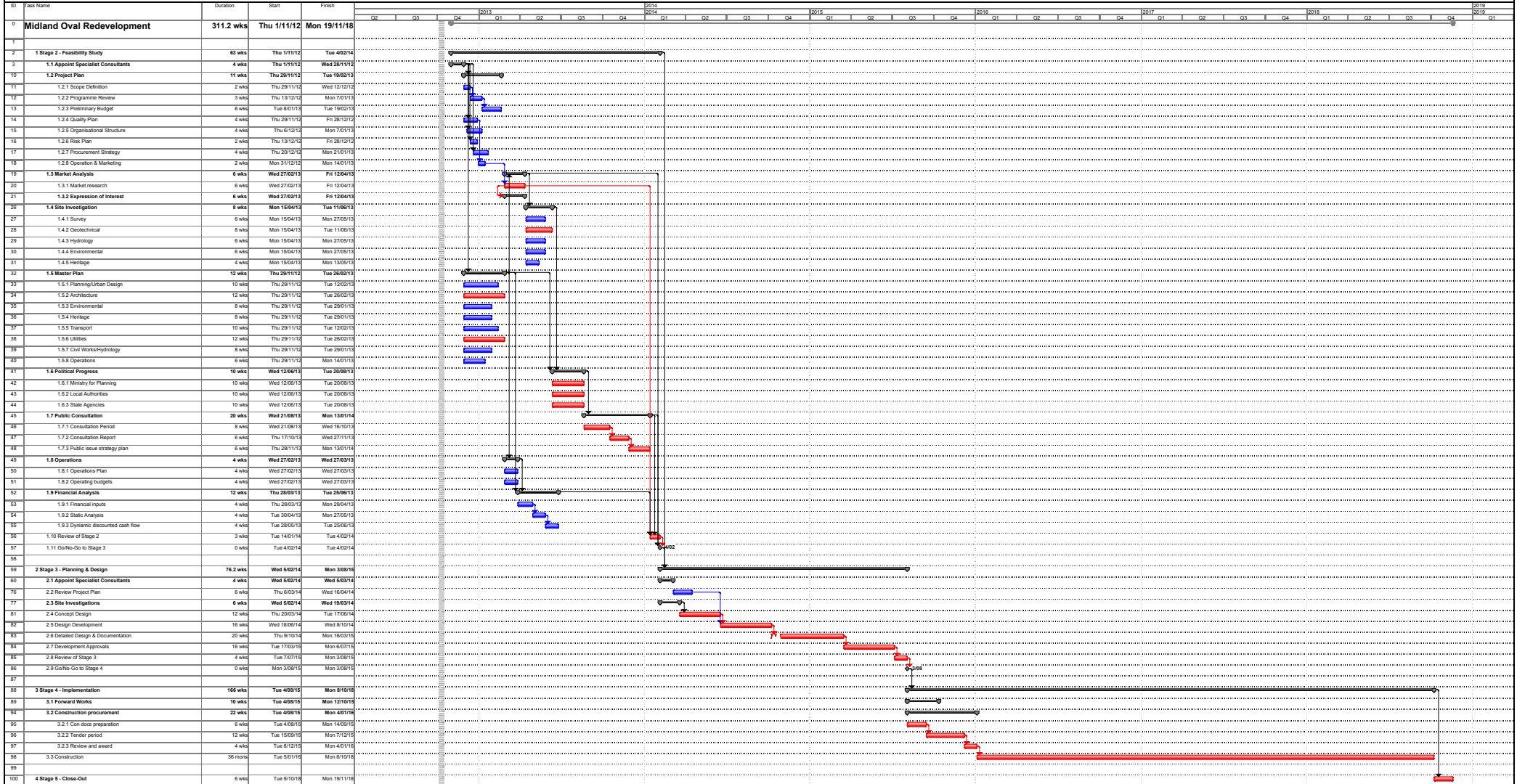
Construction		
Issue site possession certificates Provide contract administration for construction contracts Manage contract supervision and QA programs Manage off-site fabrication inspections Monitor time schedule and implement corrective action as required Maintain cost plan Manage construction contracts interface Conduct regular coordination meetings Prepare monthly progress reports Coordinate client approvals and sample sign-offs including mock-ups Monitor status of bank guarantees and insurances Monitor OH&S Manage construction approvals Manage defect list preparation Manage commissioning Finalise contractor accounts Issue practical completion certificates Manage contract disputes as required	<ul style="list-style-type: none"> ■ Progress claim assessment ■ Process variation orders ■ Evaluate extension of time claims ■ Manage site instructions 	Practical completion of main contracts
Supply Contracts		
Manage preparation of request for quotations for supply contracts Manage quotation evaluation and recommendation process Manage preparation of supply contracts Manage delivery and "sign-off" Collate item warranties and other documentation Manage "Artwork" contract	<ul style="list-style-type: none"> ■ Maintenance equipment 	Installation of all loose supply items
Operations		
Interface construction activities with pre-opening operation activities	<ul style="list-style-type: none"> ■ Operations staff training ■ Simulations ■ Soft opening activities 	Resolution of conflict between implementation functions
Marketing		
Interface construction activities with pre-opening marketing activities	<ul style="list-style-type: none"> ■ Tours ■ Milestone ceremonies ■ Progress press releases and media packs 	Resolution of conflict between implementation functions

Phase Four – Close Out		
Project Management Role	Activity	Outcome
Hand Over		
Manage hand over process Coordinate maintenance staff training Engage on-going maintenance contracts as required Manage collation of hand over documents Coordinate opening ceremony with operator	<ul style="list-style-type: none"> ■ As-builts ■ Operating manuals ■ Warrantees ■ Commissioning reports 	Hand over documents

appendix 7 – programme



Midland Oval Redevelopment Master Programme Rev No 1.



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