

Maitland Administration Centre

Capital Expenditure Review



Capital Expenditure

Contents

1. INTRODUCTION	3
2. PROJECT TIMELINE	6
3. BACKGROUND	8
3.1 1981 to today – current Administration Building	21
3.2 2006-2012 – consideration of options for new facility	26
3.3 2012-2016 – best site, procurement and delivers	27
3.4 2016-2020 – Detailed design and procurement approach ..	27
4. PROJECT OUTLINE AND OBJECTIVES	18
5. PROJECT JUSTIFICATION	20
6. COUNCIL CAPACITY TO DELIVER THE PROJECT	21
7. GOVERNANCE MODEL & INTERNAL CONTROLS	22
8. CONSIDERATION OF PRIORITIES	25
9. ALTERNATIVES	25
10. FINANCIAL IMPLICATIONS	26
11. COMMUNITY CONSULTATION	27
12. FUTURE ASSET MANAGEMENT	29
13. CONSTRUCTION TENDER & FUNDING STRATEGY	29
14. RISK MANAGEMENT PLAN	29
15. PROBITY PLAN	30
17. REPORTING	30
18. APPENDICES	31
APPENDIX A – Financial Implications	
APPENDIX B - - Project Governance Structure	
APPENDIX C – Risk Management Plan	
APPENDIX D – Probity Plan	
APPENDIX E – Communications Plan	

1. INTRODUCTION

One of the State's most rapidly growing and changing LGAs, Maitland is located centrally in the Hunter Region growth corridor. The city straddles the New England Highway, midway between Newcastle and Singleton, with highway linkages to Sydney, the Upper Hunter and northern NSW, and the Lower North Coast. The city is serviced by the Great Northern Railway and North Coast Railway - all routes lead to Maitland and its affordable and diverse housing, employment opportunities, sport and recreational experiences and lifestyle choices.

It's these factors that have seen Maitland continue to sustain a growth rate of over 2% per annum. As a result, Maitland City Council has been growing at an accelerated rate to ensure services can be provided to this expanding community. The current population is approximately 85,000 with an anticipated 110,600 residents by 2040.

Council has occupied its current administration facility in the Civic Precinct of Central Maitland for 40 years. Clearly a building designed and constructed in the early 1980s cannot provide the function or amenity of

a contemporary building, nor can it accommodate the size of Council's office-based workforce and therefore provide services efficiently and effectively.

The city's existing office administration building, next door to Town Hall, was completed in 1981 with a floor area of 2,270m². Due to the sustained annual increases in staff required to service a growing community, Council has outgrown the existing building. A number of satellite offices have now been established to accommodate staff and in 2017, Council leased 800m² of office space in central Maitland.



Aerial view, site location of new Maitland Administration Centre, High Street, Maitland

The development of a new administration facility has been in discussion for 15 years, listed for a feasibility study in the 2005/06 Management Plan, and has featured in Council's Delivery Program and Operational Plan since the introduction of integrated planning and reporting in 2011.

Further, in-line with community priorities, Council has been focused on the conservation and

enhancement of the adjacent 1890 built Town Hall. In addition to being one of the best examples of Victorian architecture in the region, the facility has the potential to better meet contemporary community needs, as a meeting venue and primary performance space in the city. In 2017, Council completed a refurbishment of the auditorium and in 2020 restored the Italianate dome and clock tower.



Maitland Town Hall, 1890

Council has taken a measured and structured approach to the determination of future needs of both staff and the community, with a staged journey to ensure the best value outcomes from an investment in a new facility in the city.

Council has determined the best location for a new facility is to remain within the Civic Precinct, and to integrate with the heritage listed Town Hall and former Town Hall café, being an example of one of Maitland's earliest commercial premises.

Council has decided to maintain its civic functions in the Council Chambers within the Town Hall, rather than construct a new Chambers, in recognition of the significant history associated with the conduct of its civic duties within the building over the past 130 years. The integration of the new administration facility with Town Hall also delivers a range of further community benefits, with significant refurbishment of community meeting rooms and upgrading of the commercial kitchen.

The estimated cost of the project at \$45.5 million. This includes an estimate of \$30.5 million for the new administration building, \$9.7million for the Town Hall upgrade and \$5.3 million for associated car parking and site improvements.

The need for this facility is supported by the Council, and well-established with the community.

A range of procurement and funding options have been considered with the preferred option being to borrow funds to build and maintain ownership

of the facility. Debt servicing has been factored into Council's long term financial plan. The execution of this project will not impact on the delivery of planned community infrastructure works, nor impact on Council's ability to fund such works into the future.

The emergence of the global COVID-19 pandemic, which particularly impacted the Maitland community from March 2020, has further cemented the importance of completing this project to its timeline. Continuation of the project as planned will support local jobs and businesses through the construction phase. A capital investment of this significance in the Maitland economy will have a flow on Gross Regional Product impact in excess of \$230 million. The upgraded Town Hall will provide a benefit to the Maitland community, optimising this public asset as a true multipurpose regional entertainment venue capable of a wide range of activities from 2022 onwards.

This Capital Expenditure Review has been prepared in line with the NSW Government's 2010 Capital Expenditure Review Guidelines to publicly demonstrate the process undertaken over the past 15 years, articulate the well-established need for the project, outline Council's ability to deliver the project as well as maintain a position of financial sustainability.

This capital expenditure review was formally presented to Council on 8 September 2020, and supplied to the Office of Local Government.

2. MAITLAND ADMINISTRATION CENTRE PROJECT TIMELINE

DATE	ACTION	OUTCOME
1981	Current Administration facility construction completed, floor area of 2,270m ²	176 staff move into building, servicing population of 42,000
2005	Commitment to feasibility study for new Council Administration Centre/Facility in Council's 2005/06 Management Plan	Consultants engaged to undertake feasibility study
2006	Baker Kavanagh Architects engaged to complete initial site investigations for future Administration Building in Civic precinct	Suggested location identified as site bounded by Devonshire and High Streets, adjacent to Town Hall
2008	McLachlan Lister consultants further review appropriate location and procurement options	Re-confirms best site options within existing civic precinct and best procurement option of Council build and own, using capital/loan proposed
2011	Action to formally adopt position and timeline for Administration Building identified in 2011/12 Operational Plan	Preliminary investigations continue
2012	Report to Council on need to complete investigations on best site, procurement and delivery options	Council formally resolves to proceed with investigations
2012	Action to implement Council's agreed position on Administration Building in Central Maitland in 2012/13 Operational, Plan	Investigations continue
2013	Action to resolve Council's direction for upgrade of Council administration building in 2013/14 Operational Plan	Investigations continue
2014	Action to resolve direction carried over into 2014/15 Operational Plan	BVN Workplace consultants engaged to analyse current workplace and provide benchmarking information and data
2015	Action to resolve direction carried over into 2015/16 Operational Plan	Investigations continue
2015	Report to Council on future workplace principles, based on analysis of needs and staff consultation. Identifies need for 6,000m ² of floor area over 30 years	Resolutions of Council include agreement on principles, continuation of investigations into preferred location, procurement and delivery options
2016	Action to implement Council's position on future administration facilities in 2016/17 Operational Plan	Consultants continue work on workplace principles and design
2016	Progress report to Council, including site planning and building design principles for the new administration facility	Principles agreed, concept design to be progressed, capex review initiated, and procurement options to be further examined.
2017	Action to implement Council's position on future administration facilities carried continued in 2017/18 Operational Plan	Further investigation and planning continues

DATE	ACTION	OUTCOME
2017	Council agrees to leases 800m ² commercial office space in Central Maitland	220 indoor staff located across 4 locations to be moved into one central location
2018	Action to develop concepts design, prepare capital expenditure review and investigate procurement options for proposed Administration Centre in 2018/19 Operational Plan	Concept design and financial analysis continues
2018	Report to Council	Council resolves to continue the concept design development for the proposed Administration Centre up to Development Application stage
October 2018	Report to Council on changes to the original site and building principles agreed in 2016, as a result of the detailed design work. Overview of key work stages and consultants required to progress to development application stage.	Council resolves to accept and adopt updated 'Site Planning Principles' and 'Building Design Principles' and to prepare and lodge a Development Application; and commits to the construction of a new City Administration Centre on the corner of High and Devonshire Streets, Maitland
2019	Dedicated project page established on Council's website to provide comprehensive information to the community on the project	Community has up-to-date information on staging of project
2019	Action to complete design and commence construction in 2019/20 Operational Plan	Design process continues
2019	OLG formally advised of Council's intention to develop a new City Administration Centre with approximately 4,800 m ² of new floor area in conjunction with 1,200m ² of refurbished floor area within the Town Hall.	Council will continue to engage with OLG when required.
30 April 2019	Development application lodged	Application and support documentation on public exhibition 8 May 2019 – 14 June 2019. No submissions received.
August 2019	Report to Council on tender process for provision of architectural documentation processes for Maitland Administration Centre	PTW Architecture appointed
November 2019	Development Application determined	Approval granted by Hunter Central Coast Joint Regional Planning Panel
June 2020	Council resolves tenders for the construction of the Maitland Administration Centre be invited using a selective tendering method by which invitations to tender are made following a public advertisement asking for expressions of interest	Expressions of Interest open 11 June 2020. The tender shortlist is being reported to Council on the 8 September.
September 2020	Capital Expenditure Review finalised	Review presented to Council and OLG

3. BACKGROUND

3.1 EARLY 1980S TO TODAY

Current Administration Building, 285-287 High Street, Maitland

Maitland City Council's current Administration Building, built in the early 1980s with a floor area of 2,270m², is at capacity and has reached the end of its ability to support staff currently working in it.

Since 2017, Council has been leasing 800m² of additional commercial office space within walking distance of the current Administration Building to accommodate a significant proportion of its office-based workforce, in addition to having office-based staff distributed in other facilities such as the Visitor Information Centre and Depot.



Maitland Town Hall (left) with current Administration Building (right), High Street, Maitland

3.2 2006 – 2012 – CONSIDERATION OF OPTIONS FOR A NEW ADMINISTRATION FACILITY

The need for a new administration building for Maitland City Council has been long established. In 2006, Council engaged Baker Kavanagh Architects to recommend location options within the civic precinct (Council-owned land between High, Grant and Devonshire Streets in Central Maitland), for an administration facility.

In 2008, McLachlan Lister consultants considered the various potential building sites and procurement methods, including public private partnership. Their report recommended building and owning a new building on the Civic Precinct site with procurement via capital and loan.

Subsequent to the analysis carried out in 2006 and 2008, two location options for the administration

facility in the civic precinct were shortlisted for further investigation. These were firstly a refurbishment and extension of the existing administration building with an extension on the rear side and a new carpark, and secondly a standalone building involving single phase construction of a contemporary, commercial grade new building on a parcel of Council owned land within the civic precinct.



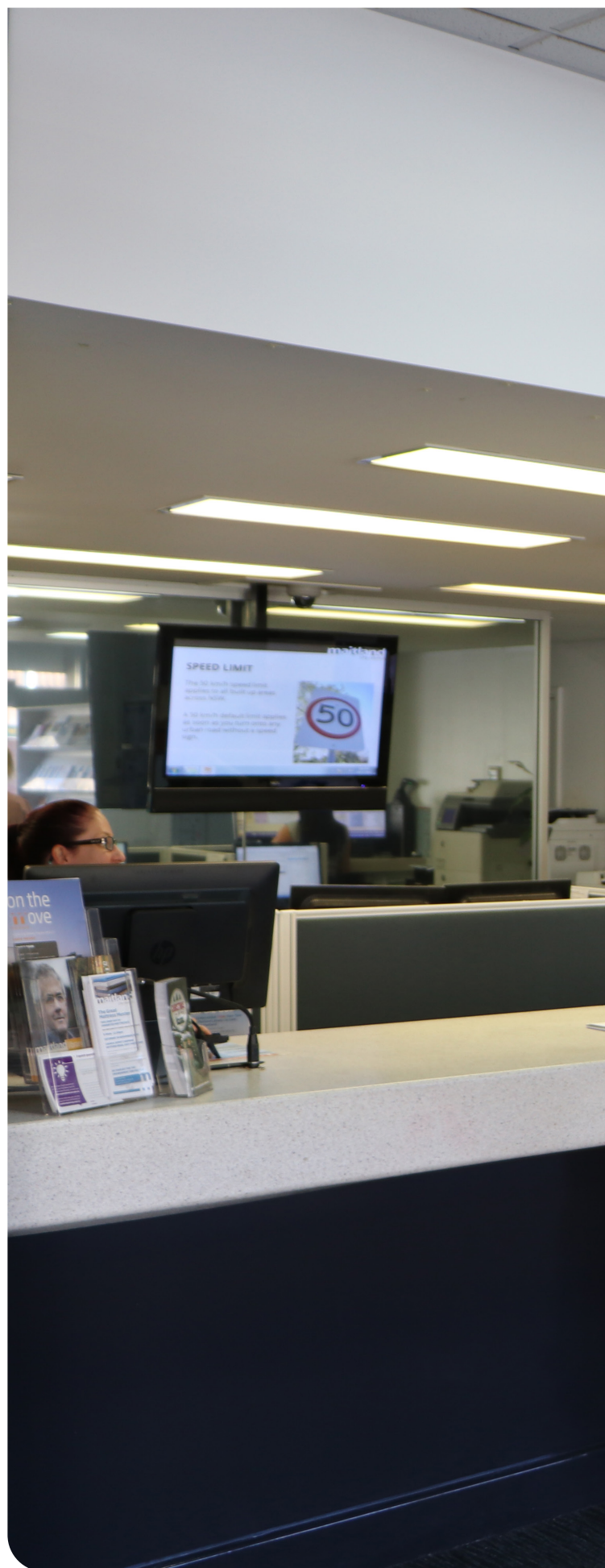
Aerial view of the Civic Precinct, with Town Hall at centre, existing Administration Building to the right, and site for new Administration Centre at left (vacant site).

3.3 2012-2016 – investigations into best site, procurement and delivery options

On 24th July 2012, Council resolved to complete investigations into the provision of a suitable, appropriately sized administration facility in the precinct. The investigations were to include consideration of a preferred location, procurement and delivery options, opportunities within the precinct that could assist to offset costs of delivery and operation of an administration facility, and the contribution of the development to the achievement of Council's goal to revitalise Central Maitland.

To advance this project and assess current and forecast workplace needs, Council engaged BVN Workplace Consultants to research and analyse the current workplace and provide benchmarking information and data. BVN engaged with Maitland City Council staff using a variety of methods. The feedback highlighted the following:

- Professional customer facilities are critical to service delivery. The current facilities do not reflect the values of Council and the requirements of our citizens.
- The Administration Building should be central to a public space that instils a sense of pride in the City of Maitland.
- Staff expressed a strong desire for a high performance and collaborative workplace which reflects the changing nature of work.
- The lack of space and overcrowding in the current building impacts on the attraction and retention of staff. This is also evidenced in exit interviews.
- The current overcrowding is and will continue to present a work, health and safety risk.
- Currently, a large percentage of the workspace is dedicated to individual work areas. BVN recommended that this ratio could shift toward a higher percentage of public and shared workspace to accommodate changes in work styles and ensure a more customer focused approach.





The foyer of the current Administration Building, High Street, Maitland, does not meet customer expectations.

The BVN report recommended that:

- Council move toward the development of a new workplace based on the principles of:
 - Connectivity and collaboration
 - Choice (of work and collaboration spaces)
 - Wellbeing
 - Flexibility
 - Community focus
- Council follow a workplace strategy which focusses on specific aspects in relation to:
 - Circulation and connection
 - Public space
 - Social space
 - Collaboration space
 - Support space
 - Individual work space
- Council moves toward an activity-based work environment in a new administration facility.
- Council looks to accommodate all staff in one location as a single tenant in order to create an open and transparent workplace environment.

The BVN Workplace Consultancy Report was formally endorsed by Council at its meeting of the 8th of December 2015 to provide the detail and context needed for the further development of a proposal for the provision of new administration facilities for the City. It was further agreed that Council proceed with actions identified in the Council resolution of 24th July 2012; being completion of investigations for a preferred location, procurement and delivery options, opportunities within the precinct that could assist to offset costs of delivery and operation of an administration facility, and the contribution of the development to the achievement of Council's goal to revitalise Central Maitland; and further that Council would undertake further investigations into delivery options, including discussions on a Public-Private Partnership with the then Division of Local Government. Council also resolved that further reports would be presented to Council as the matter progressed, and prior to any action to proceed with a call for Expressions of Interest for procurement and delivery of an administration facility.

In December 2016, Council was presented with a comprehensive progress update on the continued investigations. Primarily, Council was formally presented with site planning and building design principles for the new administration facility.

The principles were developed to provide a degree of certainty for:

- The continued development of concepts for the building itself;
- An ongoing review and refining of preliminary estimates of cost for the building and surrounding site works;
- Preparation of required capital expenditure reviews and consideration of procurement options, as are mandatory for council projects of this scale; and
- An appropriate program of informing and engaging with the community on the rationale for and development of a new administration centre for the Council, with particular reference to the ongoing revitalisation of Central Maitland.

In summary form, the site planning principles were established as follows:

- Position the building alongside High Street re-establishing a continuous building frontage along High Street to Devonshire Street
- By positioning the building along High Street land is retained to the south of the site, fronting Devonshire and Grant Streets, to accommodate ground level parking (this land could accommodate future development)
- A combination of on-site and off-site staff parking is to be considered (consider accommodating staff parking at the future Maitland Regional Athletics Centre)
- Recognise existing heights of context and the importance of the Town Hall clock tower
- Building entry to align with a future new entry to the Town Hall at the eastern side of the 1930s Town Hall annex building
- Building entry to allow for a pedestrian connection from High Street through to the existing Senior Citizens building
- Widen Devonshire Street to improve vehicular circulation
- Removal of existing Town Hall Café building to allow for an efficient building floor plate

In summary form, the building design principles were established as follows:

- Respect the 'public' nature of entry and associated spaces (one-stop shop, event space)
- Inclusion of a new Council Chamber
- External space for downtime and events
- Use of voids and atria to vertically connect floors
- Large open floorplates to collocate staff/teams/ departments
- Central shared café space
- Narrow floorplates to help natural light penetration
- Light from multiple directions – sides and above
- Recognise the Council Chambers in the building form/materials
- Floor space provided over ground level plus three floors.

In regard to procurement options, the report to Council highlighted that there were a number of options open for consideration by Council. Broadly, the options were direct procurement by Council or alternatively procurement via a public/private partnership, with several variants of each. The report highlighted that preliminary internal review by staff indicated potential significant savings to Council under a direct procurement scenario as distinct from a public/private partnership through which the Council occupies the centre as a tenant. However, the report identified that further and more detailed

investigation and deliberation would be necessary before a final procurement approach could be determined, taking into account matters including:

- Cost benefit analysis outcomes
- Council borrowing capacity and loan servicing capability
- Any implications for Council's forward borrowings and longer term financial planning generally
- Strategic asset management
- Whole of life building costs

At this meeting, Council resolved:

1. Council accept and adopt the 'Site Planning Principles' and 'Building Design Principles' as presented in this report in relation to the proposed development of a new Administration Centre for Council and the City at the corner of High and Devonshire Streets;
2. Council endorse the continued development of concept designs for the proposed Administration Centre based on the adopted principles;
3. Council proceed with the preparation and refining of a Capital Expenditure Review for the proposed Administration Centre;
4. Council continue to investigate procurement options for the delivery of the proposed Administration Centre; and
5. Further reports continue to be provided to Council as project planning, the Capital Expenditure Review and procurement options are progressed.

3.4 2016-2019 – DETAILED DESIGN AND PROCUREMENT APPROACH FINALISED

During 2016, Council was provided with briefing updates in the project, noting that at the time the NSW State Government's 'Fit for the Future' program had been initiated and Maitland City Council was identified as a potential merger partner for Dungog Shire Council. This impacted on the progression of the project.

In February 2018, Council was formally presented with a report updating on progress on the project, outlining tasks and target timeframes.

The report detailed that range of expert design consultant services were required to inform the concept design up to the Development Application stage, with architecture, traffic planning, heritage, structural engineering, site and building services, geotechnical and contamination functions identified. The report signaled a cost estimate for all consultant fees for the concept design development and documentation stage will be in the order of \$350,000 ex GST.

Council resolved to continue the concept design development for the proposed Administration Centre up to Development Application stage; that the developed concept design be endorsed by Council before proceeding with the preparation of Development Application documentation; Council continue the preparation and refinement of a Capital Expenditure Review for the proposed Administration Centre; and further reports are to be provided to Council as project planning and the Capital Expenditure Review is progressed.

In October 2018, Council was again presented with a project update. This report outlined some potential changes to the original site and building principles that had been agreed in 2016, as a result of the detailed design work that has been undertaken.

In summary, these changes were as follows:

- The retention and incorporation of the existing shop at 273 High Street, known as the 'Town Hall Café'
- The physical connection of the new Administration Centre building to the existing Town Hall
- The addition of a loading dock and refurbishment of the existing kitchen in the Town Hall to service both the Town Hall and the new Administration Centre

- The addition of new public toilets in the Town Hall
- The retention and continued use of the Town Hall Council chambers
- The reconstruction of the first floor addition to the 1930s Town Hall annex containing a first floor connection between the Town Hall and new Administration Centre.

The decision to retain and incorporate the existing shop at 273 High Street into the proposed development was based on the findings of a recent investigation undertaken by a heritage consultant. That investigation found that that the building, due largely to its age, has a high level of local heritage significance.

The decision to connect the proposed Administration Centre to the Town Hall was based on the following reasons:

- A new building entry in the Administration Centre serving both buildings is able to provide equitable access to both the ground and first floor of the Town Hall
- The provision of equitable public access and improved amenities allows for the continuation of public use of the existing Town Hall Council chamber, auditoria and meeting rooms
- A number of facilities proposed for the new Administration Centre are able to service both the new Administration Centre and the Town Hall. This includes a new loading dock, commercial kitchen and new building services, plant and equipment
- The Town Hall improvements will provide a recognisable public benefit to both the Town Hall building and the surrounding civic precinct.

Council reconfirmed its site planning and building design principles as follows:

Site Planning Principles

- Position the building alongside High Street re-establishing a continuous building frontage along High Street to Devonshire Street
- By positioning the building along High Street land is retained to the south of the site, fronting Devonshire and Grant Streets, to accommodate ground level parking (this land could accommodate future development or expansion)
- A combination of on-site and off-site staff parking is to be considered
- Recognise existing heights of context and the importance of the Town Hall clock tower
- Connect the new Administration Centre building to the Town Hall via a new entry to the Town Hall at the eastern side of the 1930s Town Hall annex building (the design of the connection will allow for future flexibility)
- Building entry to allow for a pedestrian connection from High Street through to the existing Senior Citizens building
- Widen Devonshire Street to improve vehicular circulation
- Retention and integration of the existing 'Town Hall Café' building.



New Maitland Administration Centre, High Street, Maitland looking west

Building Design Principles

- Respect the 'public' nature of entry and associated spaces (one-stop shop, event space)
- Retain and continue the use of the existing Council Chamber
- Space for downtime and events
- Use of voids and atria to vertically connect floors
- Large open floorplates to co-locate staff/teams/ departments
- Central shared café space
- Maximise natural light penetration from multiple directions – sides and above
- Administration Centre floor space provided over ground level plus two floors
- Construct a new loading dock and kitchen in the Town Hall to serve both the Town Hall and new Administration Centre
- Modify the existing Town Hall to accommodate new improved public amenities.

The report also outlined timing and anticipated costs of \$200,000 ex GST for preparation of documentation required for the development application, utilising consultants for Architecture, traffic planning, heritage, archaeology, planning, structural engineering, site and building services, geotechnical and contamination.

Council resolved at this meeting on the 23rd October 2018 to accept and adopt the updated 'Site Planning Principles' and 'Building Design Principles'; to prepare and lodge a Development Application for the proposed development of a new Administration Centre for Council based on these principles; to continue the preparation of documentation required to satisfy the Office of Local Government (OLG) Capital Expenditure Guidelines for the proposed Administration Centre; subject to the Office of Local Government (OLG) notification and outcomes of the Development Application process, Council commit to the construction of a new City Administration Centre on the corner of High and Devonshire Streets, Maitland as detailed in this report; further reports are to be provided to Council as project planning and the Capital Expenditure Review is progressed. The development application for the new Public Administration Building, Alterations and Additions to

Maitland Town Hall, Associated Site Improvements, Car Parking and Demolition of Two (2) Residential Dwellings was lodged on 30 April 2019. The application and all associated documentation was placed on exhibition from the 8th May to the 14th June 2019. No submissions were received in this period.

On 14th May 2019, Council was formally advised that the Development Application had been lodged, with a recommendation to invite selective tenders for architectural documentation services and open tenders for other secondary consultant documentation services including structural design and other engineering services. This recommendation was adopted.

On the 25th of June 2019, Council was presented with a report on the assessment of the Expressions of Interest received, and the evaluation conducted by the Tender Evaluation Panel. At this meeting, Council resolved that tenders be called for architectural documentation services from BVN Architecture Pty Ltd and PTW Architects.

On 27th August 2019, Council was presented with a confidential report on the tenders received for architectural documentation services.

The report outlined the assessment process, advising that in accordance with the Office of Local Government Capital Expenditure Review Guidelines for a project of this size, a Probity Advisor was appointed to oversee the assessment of all tenders required for the Maitland Administration Centre project.

Tenders were assessed by a Tender Evaluation Panel in accordance with a Tender Evaluation Plan. The Tender Evaluation Panel is comprised of Council's Executive Manager Vibrant City, Manager Works and two Senior Project Architects.

The tender assessment was undertaken in two stages. The first stage involved a first pass review by the Tender Evaluation Panel to ensure that both tenders do not involve unacceptable risks or non-conformity with the documentation requirements. At the end of the first stage of the assessment the Tender Evaluation Panel and the Probity Advisor met and agreed that both tenders should be considered further in the second stage of the assessment.

The second stage of the tender evaluation involved a detailed assessment of the tender price and project delivery methodology. The EOI assessment scores for previous experience, reference checks and organisational capability were carried over to the tender assessment.

After reviewing the comprehensive report, Council resolved to award the contract to PTW Architecture.

On 20th November 2019, the development application was determined as approved by the Hunter Central Coast Joint Regional Planning Panel.

On 9th June 2020, Council was presented with a report advising PTW was nearing completion of required construction documentation in preparation for Council to invite tenders for construction. The report provided an update on the progress of the design and documentation of the project and a recommendation to invite construction tenders by selective tendering.

Selective tendering is effective when a large number of tender responses are anticipated as it allows the Tender Evaluation Panel to assess tenders only from appropriately experienced and qualified contractors. It is likely that a large number of contractors will be interested in the MAC tender and therefore a

selective tendering method was recommended. The proposed tender shortlist will be reported to Council prior to calling tenders.

Selective Tenders will be assessed by a Tender Evaluation Panel consisting of three Council staff. The tender evaluation panel will also include an external Project Manager who has been appointed to provide specialist advice on construction of a scale comparable to the MAC project.

A Tender Evaluation Plan has been prepared by Council's Project Officer in consultation with the Tender Evaluation Panel and Council's Probity Advisor. The Tender Evaluation Plan provides an overview of the tender processes and guiding principles for the evaluation of a two-part, selective tender for a construction contractor.

At this meeting, Council resolved to call tenders for construction of the Maitland Administration Centre be invited using a selective tendering method by which invitations to tender are made following a public advertisement asking for expressions of interest.

This has triggered the need for the finalisation of this Capital Expenditure Review and its presentation to Council and the Office of Local Government.



4. PROJECT OUTLINE AND OBJECTIVES

The proposed development site for the new administration building component is a Council owned, vacant parcel of land beside the Town Hall. The City Administration Centre in its entirety, including associated parking, is contained within a Council-owned city block bounded by High Street, Devonshire Street, Grant Street and Albert Street in central Maitland.

The existing Town Hall contains a multipurpose hall seating approximately 400 patrons and a smaller public auditorium seating approximately 100 patrons. The facility has been in operation as a public facility since the late 19th Century and continues to serve the community today. The project also proposes improvements to the existing main hall stage including change rooms, a new stage door loading dock and accessibility improvements. The upgraded Town Hall will provide a benefit to the Maitland community optimising the building for use as a true multipurpose regional entertainment venue capable of a wide range of activities.

The new building will accommodate approximately 4,800 m² of new floor area in conjunction with 1,200m² of refurbished floor area within the Town Hall. It will accommodate up to 360 staff.

The two buildings combined form what has been named the Maitland Administration Centre project. The refurbished areas within the existing Town Hall will accommodate shared meetings rooms, a kitchen facility, a plant room servicing both buildings and retention of the existing Council Chamber, which has been in operation since the late 19th Century.

The new administration building component is connected to the existing Town Hall via a new public lobby over two levels which removes an existing accessibility deficiency in the Town Hall.

The objectives of the project are to:

- Contribute to the revitalization of Central Maitland through consolidating Council's administration presence in the established Civic Precinct, on land owned by Council
- Construct a building that will accommodate all office-based staff in one location to create an open, efficient and transparent workplace environment
- Leverage the investment being made through connection of the new Administration Centre building to the heritage-listed Town Hall, improving the amenity and functionality of the Town Hall for the community, and incorporate the existing Council Chamber
- Ensure the new centre can meet needs of the community now and into the future (estimated time period of 40 years)
- Ensure the project is a fiscally responsible and delivered at a cost that is affordable for Council and the community.



Maitland Town Hall, integrated with New Maitland Administration Centre, High Street, Maitland looking east.

5. PROJECT JUSTIFICATION

The community strategic plan Maitland +10 sets a clear vision for the city, with Council integral to achieving many of the goals established in support of that vision. The plan contains several goals, expressed as ‘what our community would like’, to which this multi-faceted project will contribute:

- Central Maitland is the vibrant heart of our city, creating a strong sense of pride within the community
- Our unique built heritage is maintained and enhanced, coupled with sustainable new developments to meet the needs of our growing community
- Our infrastructure is well planned, integrated and timely, meeting community needs now and into the future
- Our community, recreation and leisure services and facilities meet the needs of our growing and active city
- A reputable and performance driven Council focused on the future of our city.
- Staff expressed a strong desire for a high performance and collaborative workplace which reflects the changing nature of work.
- The lack of space and overcrowding in the current building impacts on the attraction and retention of staff. This is also evidenced in exit interviews.
- The current overcrowding is and will continue to present a work, health and safety risk.
- Currently, a large percentage of the workspace is dedicated to individual work areas. BVN recommended that this ratio could shift toward a higher percentage of public and shared workspace to accommodate changes in work styles and ensure a more customer focused approach.

Maitland City Council provides services to a population of approximately 85,000 people today – primarily from a building constructed in 1981 to house a workforce to provide services to a then population of 42,000. Council currently has 327 office-based staff located in four (4) locations across the city.

This growth alone is evidence of the need to provide more contemporary and functional space. Additionally, the current Administration Building can be characterized as overcrowded and poorly laid out, with insufficient meeting/collaborative space, limited staff facilities and a lack of convenience for citizens.

In 2015, BVN Workplace Consultants were engaged to research and analyse the current workplace and provide benchmarking information and data. BVN engaged with staff using a variety of methods. The feedback highlighted the following:

- Professional customer facilities are critical to service delivery. The current facilities do not reflect the values of Council and the requirements of our citizens.
- The Administration Building should be central to a public space that instils a sense of pride in the City of Maitland.

The BVN report recommended that:

- Council move toward the development of a new workplace based on the principles of:
 - Connectivity and collaboration
 - Choice (of work and collaboration spaces)
 - Wellbeing
 - Flexibility
 - Community focus
- Council follow a workplace strategy which focusses on specific aspects in relation to:
 - Circulation and connection
 - Public space
 - Social space
 - Collaboration space
 - Support space
 - Individual work space
- Council moves toward an activity-based work environment in a new administration facility.
- Council looks to accommodate all staff in one location as a single tenant in order to create an open and transparent workplace environment.

The emergence of the global COVID-19 pandemic, which particularly impacted the Maitland community from March 2020, has further cemented the importance of completing this project to its timeline. Continuation of the project as planned will support local jobs and businesses through the construction phase. An investment of this significance in the

Maitland economy will contribute significant stimulus and boost gross regional product. The upgraded Town Hall will provide a benefit to the Maitland community, optimising the building for use as a true multipurpose regional entertainment venue capable of a wide range of activities from 2022 onwards.

6. COUNCIL CAPACITY TO DELIVER THE PROJECT

Maitland City Council has the ability to deliver the Maitland Administration Centre, with a demonstrated track record of delivering major infrastructure projects within time and on budget. With a rapidly growing community and demands on infrastructure, the funding of major projects has been supported through the attainment of grant funding. Attainment of significant grants from both the State and Federal Government is testament to Council's capacity to deliver and reputation as a strong infrastructure partner.

As such Council has a strong track record of delivering major projects in addition to its annual capital works program within time and budget. Most recently, this has included:

- The Levee (Stage 1) - value \$10 million, completed 2015
- Maitland Indoor Aquatic Facility - \$9.7 million, completed 2017
- Maitland Number 1 Sportsground - \$8.6 million, completed 2017
- The Levee (Stage 2), including River Link Building, value \$10.3 million, completed 2018
- Maitland Transport Interchange and inner city bypass, value \$6.5 million, completed 2020
- Cessnock Road cycleway. \$2.5 million, due for completion June 2020
- Maitland Regional Athletics Track \$10.5 million, due for completion July 2020
- Maitland Regional Sports Hub, \$8.6million, due for completion 2021
- Mount Vincent Waste Transfer Station, \$17.9 million, due for completion 2022

In 2020-21, Council has a budget of \$179.5 million, with a capital works budget of \$63 million.

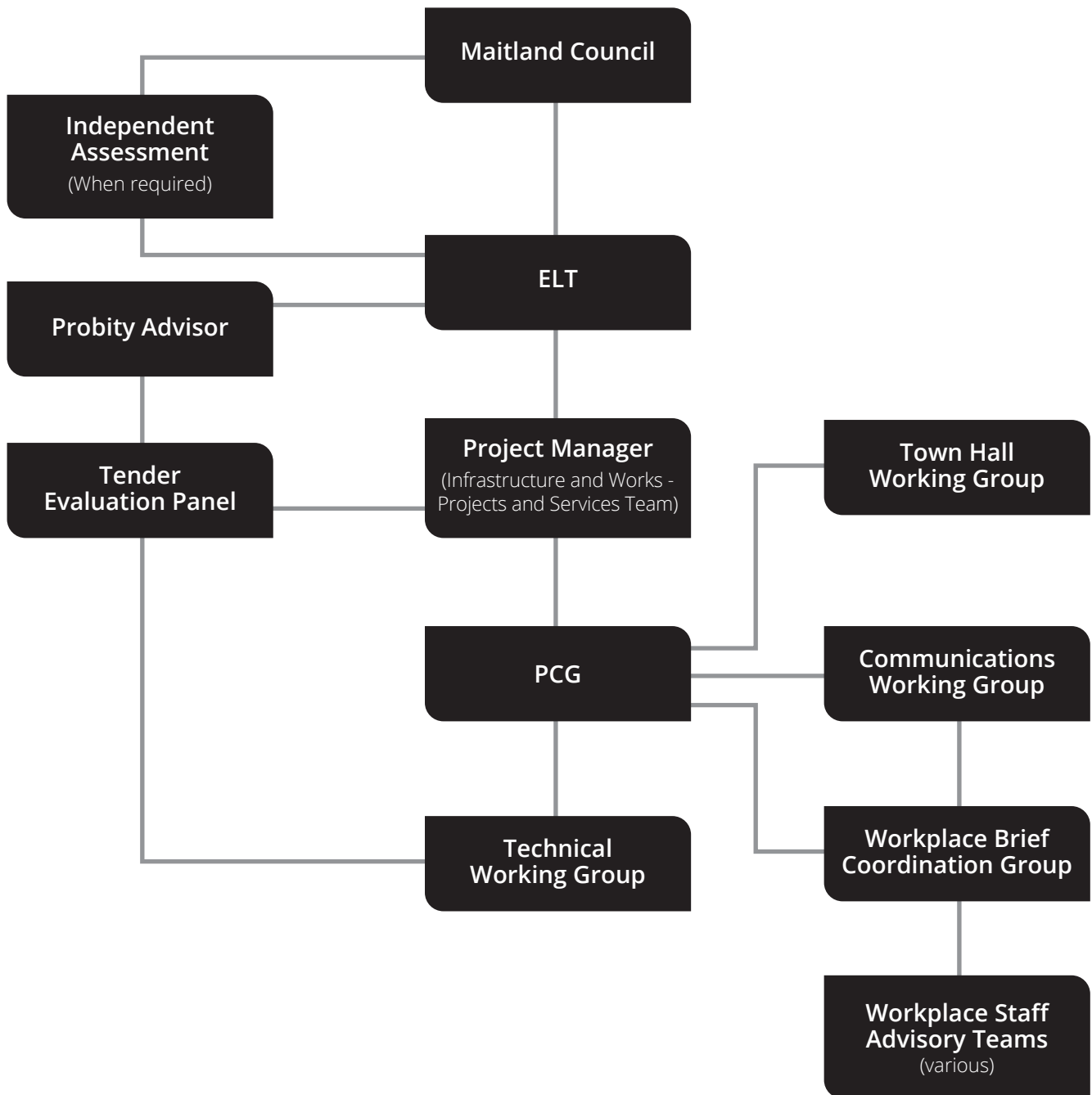


7. GOVERNANCE MODEL AND INTERNAL CONTROLS

In consultation with the Probity Auditor, Council established a suite of project planning documents to provide a framework for the Governance of the project including Governance Structure; Probity Plan; Risk Plan; and Communications Plan.

The overall project management structure is as follows:

PROJECT MANAGEMENT STRUCTURE



Council

The elected Council is responsible for the overall corporate governance of the project. Council is the ultimate decision-maker and is responsible and accountable to its constituents with respect to all decisions taken in this process.

For this project, Council is responsible for decisions including the voting of money for expenditure on works, services and operations; the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property; the acceptance of tenders and; the making of an application or the giving of notice to the Governor or Minister.

Executive Leadership Team

The Executive Leadership Team, as the Project Steering Committee, is responsible for providing guidance and decisions on direction, resourcing (staff and funding), reporting, engagement, corporate governance, property, risk and probity.

The ELT has the following members:

- General Manager, David Evans PSM – with over 45 years of experience in local government, with 22 years as General Manager of Maitland City Council. David has overseen the continued growth of Council, with an annual budget of close to \$180 million, \$150 million in investments and \$1.2 billion of assets. David is also Director of Hunter Councils Legal Services Ltd, Director and Chairman of Strategic Services Australia. David was awarded a Public Service Medal for outstanding public service in 2014.
- Group Manager Infrastructure and Works, Chris James - an engineer with extensive experience in the delivery of major infrastructure projects. Chris and his team work to ensure efficient project delivery, applying best practice in all facets of project management, in particular scheduling, budget control, tender processes, contractor management and asset construction. Chris oversees 203 staff responsible for the construction and maintenance of all Council's infrastructure. Council has a well-resourced in house capability to design, construct and project manage civil and building works.
- Group Manager Strategy, Performance and Business Systems, Leah Flint – with close to 25 years of experience in State and local government, Leah is focused on ensuring Council's services meet the needs of the community, continue to evolve in line with community priorities and ensure a financially sustainable future for the City. Leah has a Bachelor of Arts (Organisational Communication) and Master of Public Administration.
- Group Manager, Community, Culture and Recreation, Judy Jaegar – Judy has worked in both local government and the private sector. Judy holds a Bachelor of Arts (Library and Information Science) and Master of Business Administration. Judy participated in the Future Cities Collaborative in the USA realising changes to urban renewal, affordable housing and economic development initiatives. Judy's has also delivered the \$28 million Newcastle Museum project, and concept and detailed design for the Gosford City Library and Learning Centre.
- Group Manager Planning and Environment, Matthew Prendergast – Matthew joined MCC in 2019, with experience in local government in NSW, as well as experience in urban design in Qatar. He is focused on achieving high quality design outcomes for the community, placing people at the core. Matthew holds a Bachelor in Town Planning and Master of Environmental Law.
- Executive Manager Vibrant City, Rachel Maclucas – Rachel has extensive experience in the visitor economy and events, having worked with Council for almost 20 years. Rachel holds a Bachelor of Arts (Communications).
- Executive Manager Human Resources, Tiffany Allen – Tiffany has recently moved to the local government sector, after a successful career in multinational manufacturing and the not for profit sector in banking and aged care.

Project Manager

The Project Manager is responsible for the overall management and coordination of project tasks and project groups. The project manager is the Senior Project Architect, Aaron Cook. A registered architect with over 18 years experience in private practice and local government, Aaron has the broad range of communication and project management skills required to support the execution of complex architectural and public domain projects. Whilst with Maitland City Council, Aaron has performed a design management role during recent major projects including The Levee (Stage 1) and The Levee (Stage 2), including River Link Building. Aaron held a dual design management/project management role for the Maitland Indoor Aquatic Facility and the Maitland Number 1 Sportsground. Aaron holds a Bachelor of Architecture, and has completed further training in frontline management, project management and heritage.

Project Control Group

The Project Control Group (PCG) is responsible for the oversight and monitoring of the project against the implementation of the project plan.

The group consists of the Group Manager Infrastructure and Works, Chief Financial Officer, the Executive Managers of Human Resources and Vibrant City, the Managers of Business Systems, Property and Governance; Infrastructure Design; Community, Culture and Recreation and Senior Project Architect.

Technical Working Group

The Technical Working Group's role is to consider, undertake and coordinate tasks associated with the planning, design and construction of the project.

Manager Infrastructure Projects & Building Services, Senior Project Architect, Manager Infrastructure Design, Project Engineer, Principal Planner, Senior Property Advisor.

Tender Evaluation Panel

The panels will assess all tenders in accordance with a Tender Evaluation Plan, and consist of Manager Infrastructure Projects & Building Services, Senior Project Architect, other members as determined in accordance with each Tender Evaluation Plan and the External Probity Auditor.

External Probity Auditor

To monitor Council's tendering processes and to advise on/compliance with the Local Government Act Tendering Regulations.

Town Hall Working Group

The group considers all project briefing requirements relating to the Town Hall including the auditoria, kitchen, meeting rooms and the Council Chambers. Its members are Group Manager Culture, Community and Recreation, Manager Community and Recreation, Operations Manager Major Venues & Facilities, Team Leader Major Venues & Facilities, General Manager's Support, Coordinator Events, Senior Project Architect.

Communications Working Group

Established to provide communication strategies through to project completion and staff occupation of the new building, the group consists of Executive Manager Vibrant City, Strategic Engagement Officer, Communications Business Partner and Senior Project Architect,

A copy of the agreed governance framework can be seen as Appendix B

8. CONSIDERATION OF PRIORITIES

Consideration of a new administration facility has been incorporated into Council's Delivery Program and Operational Plan since 2011, with each cycle underpinned by extensive community engagement.

Council has resolved to continue with the Maitland Administration Centre as a priority, given its established need for staff to provide essential services, in addition to improvements to the Town Hall for community use.

9. ALTERNATIVES

In the initial investigation phases Council considered:

- Refurbishment and extension of the existing High Street Building.
- Construction of a new building on an alternative site within the Civic Precinct
- Construction of a new building on an alternative location within Central Maitland
- Continued leasing of commercial premises, combined with distributed usage of satellite Council-owned facilities within the LGA.

Alternatives investigated by Council and researched gave due consideration to the risk, long term sustainability and cost benefit of the alternatives identified.

Ultimately, after consideration of alternatives, Council resolved to construct a new Maitland Administration Centre, encompassing both a new administration centre to house staff, as well as refurbishment of the adjacent Town Hall, including the 19th century Council Chamber and other community venues within the building.

Should Council not proceed with this proposal, service delivery will be compromised. Council would need to, at a minimum, undertake extensive refurbishment of its existing facility to meet contemporary standards as well as secure additional commercial rentals to accommodate staff growth.

The construction will be funded using borrowings, with Council's debt service ratio projected to be at Appendix A over the ten year forecast.

Realisation of the building does not impact on Council's forward works program, or ability to execute planned major project and opportunistic strategic grant funded works as they may arise.

Council's ability to attract and retain appropriate skilled staff would be impacted.

In reaching the preferred position, it was clear that the construction of the new centre will:

- Reconfirm Council's position in the Civic Precinct within Central Maitland, in proximity to sport and cultural facilities
- Signal the strength of investment in Central Maitland to the broader business community, given Council's position as a major local employer
- Leverage the benefit the investment for the community, through incorporation of the Town Hall in the project
- Ensure retention of the heritage 'Town Hall café' building, a locally significant heritage item
- Provide opportunity for future re-use of the existing administration building
- Retain Council's ownership of the entire city block for consideration into the future
- Enable Council's operations to continue through the construction stage.

10. ASSESSMENT OF FINANCIAL IMPLICATIONS

Initial estimates indicated that the project costs as follows:

- Administration Centre \$30.5M
- Town Hall Improvements \$9.7M
- Car park and other infrastructure \$5.3M

After careful analysis the project will be funded by external borrowings \$31.5M and Council funds \$14M. Refer to Appendix A “Assessment of Financial Implications – MAC for details.

The financial implication document at Appendix A support the project viability with net cash inflows over 30 years exceeding \$5M. there is also significant non-financial benefits from providing a one stop shop with all administration personnel within the one complex. Currently there is significant inefficiencies with administration scattered across the Maitland LGA.

Financial Planning

Council has been financially planning for the construction of this building since 2017, this included maintaining a low debt service ratio. Due to this planning Council is able to fund the building through loan borrowings. The funding model also allows for a contingency associated with the project.

Funding Model

Please refer to Appendix A for “Assessment of financial implication – MAC” for the funding model. This model also includes proposed future operational and renewal costs.

Cash Flow Model

Please refer to Appendix A for “Assessment of Financial Implications – MAC” for the cash flow model which is aligned to the use of loan borrowings.

Financial Reporting

Financial reporting is monthly through the PCG with a focus on both quality and budget control.

Loan borrowings and financial sustainability

Council was independently assessed for financial sustainability by The NSW Treasury Corporation (TCorp) in 2013 as part of their sustainability assessment of Local Government. Maitland City Council received a moderate (neutral outlook) rating for sustainability. Since this assessment Council's

borrowing program has been conservative providing the ability to sustain the anticipate borrowing required for this project. Outside this project and the standard borrowing program of \$4.8M annually for the annual infrastructure renewal program there are no other planned borrowing for infrastructure over the long term financial plan horizon.

Although not required under the Local Government Act Council seeks a number of quotes to test financial markets and secure its annual borrowing program. The drawdown and structure of the loan is still under negotiation and will be finalised before the loan funding is required (estimated Feb 2021). This will ensure Council is able to take advantage of the current low interest environment.

Variations and Scope Creep

Council has closely considered the financial risks associated with variations on the Maitland Administration Centre project, since its inception.

Throughout all stages of design development Council has retained the services of a quantity surveying consultant to review the estimated cost of works. Design and scope modifications have been made progressively in response to each cost estimate review as required to retain alignment with the project budget. In the final stages of construction documentation, a pre-tender estimate has been prepared in three progressive stages culminating in a detailed pre-tender cost estimate prior to calling tenders for construction.

Cost and time variations during the main construction contract will be managed in accordance Council's GC21 construction contract. Council have appointed an external Project Management consultant to perform a contract superintendent role during the main construction contract. This role is defined as the Principal's Authorised Person (PAP) in the GC21 Contract. The PAP will undertake an independent assessment of all variation claims prior to making a recommendation to Council. The services of a quantity surveyor, and other specialists, will be used as required to assist with the assessment of high value variation claims.

11. COMMUNITY CONSULTATION

As highlighted, Council has publicly stated the need for new administration facilities over the past 15 years, with an objective and action pertaining to the project appearing in every Delivery Program and Operational Plan since 2012.

The community strategic plan Maitland +10 sets a clear vision for the city, with Council integral to achieving many of the goals established in support of that vision. One of the goals expressed in the plan is 'Central Maitland is the vibrant heart of our city, creating a strong sense of pride within the community.' With the supporting strategy 'We will continue to enhance the built form and streetscapes of Central Maitland complemented by creative activation and promotional initiatives that make it the vibrant heart of the city'.

In Council's Delivery Program 2018-21, an objective established for Council in support of this is 'to reinforce Central Maitland as the focal point for governing and civic leadership', with a supporting action to 'Design and construct the Maitland Administration Centre'. The current Operational Plan action is to complete design and commence construction of the centre.

The development application for the new Public Administration Building, Alterations and Additions to Maitland Town Hall, Associated Site Improvements, Car Parking and Demolition of Two (2) Residential Dwellings was lodged on 30 April 2019. The application and all associated documentation was placed on exhibition from the 8th May to the 14th June 2019. No submissions were received in this period.

Additionally, in line with the Communications Plan prepared for the project (Appendix E), Council has been active in ensuring the community has been informed. This has included publication of a dedicated project page on Council's website, updates in Momentum (quarterly newsletter to all households in the LGA), regular media releases and social media updates.





Home > My Council > Works and Major Projects > Maitland Administration Centre

MAITLAND ADMINISTRATION CENTRE

Council is developing a fit for purpose Maitland Administration Centre, adjacent to Town Hall on High Street.

Maitland is a rapidly growing community and to keep up with this growth, Maitland City Council also continues to grow. As such, Council has outgrown its main Administration Building and staff are spread across a range of sites which are now also reaching or at capacity. As a response to this Council is developing a fit for purpose Maitland Administration Centre to meet the needs of our growing city. The Centre will be constructed on the eastern side of the Maitland Town Hall and run through to Devonshire Street in the east.

The Maitland Administration Centre development will link to Town Hall across the ground and first floors, providing better accessibility to the Council Chamber and connectivity to upgraded facilities in Town Hall for the community. This includes proposed improvements to change rooms, kitchen facilities and a new stage loading dock, allowing the Town Hall to continue to operate as a true multipurpose regional entertainment venue capable of a wide range of activities.

2021

Estimated completion

\$28 MIL

New administration building cost

197

Jobs created during construction

The new Maitland Administration building is estimated to be delivered at a cost of \$28m, with associated ground works, upgrades to Town Hall and parking and site landscaping improvements bringing the total project cost to an estimated \$43m, to be funded via loan borrowings. Completion is expected by the end of 2021.

Car parking including dedicated on-site parking for Council visitors will be located at ground level towards the rear of the site accessed from Devonshire and Grant Streets.

As the project progresses Council will provide ongoing, accurate and timely updates to the community.

Flyby animation & artists impression



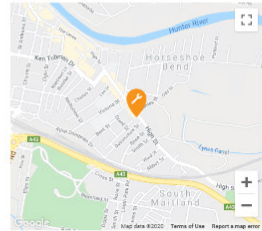
Project status

- **Planning commenced**
2015
- **Development application lodged**
April 2019
- **Tenders called for construction**
Early to mid 2020
- **Construction**
Mid 2020 - Late 2021 (18 month build)
- **Occupied by Council staff**
Early 2022

FAQs

- > Why is it required?
- > What is the cost?
- > Who is funding this?
- > Will our rates go up?
- > How long will it take to be operational?
- > Where exactly is it going?
- > Will the public be consulted on the project?
- > How will a contractor be engaged for the building works?
- > How many staff will the new building hold, and how does this compare to the existing building?
- > Will sufficient parking be available for staff and visitors?
- > What will happen to the existing administration building?
- > Will Council approve their own application for the new administration building?
- > What type of design is it?

Location



12. FUTURE ASSET MANAGEMENT AND OPERATIONAL PLANS

The development of the Maitland Administration Centre will be underpinned by a series of management plans. This includes a Town Hall business plan, as well as an operational management model for the new administration centre.

The main construction contractor will be required to provide a detailed operation manual and staff

training prior to completion and hand over of the new facility. The operation manual will inform Council's ongoing maintenance planning for the new facility. The builders operation manual will include all asset data required to inform Council's Asset Management Register and asset management procedures in accordance with the Asset Management Plan.

13. CONSTRUCTION TENDER AND FUNDING STRATEGY

Council intends to appoint a head contractor following a selective tender process. A Tender Evaluation Panel has prepared a Tender Evaluation Plan to guide the selective tender process. Council's Probity Advisor will oversee the selective tender process.

Council is planning to call tenders during October and November following an expression of interest stage in July. The appointment of a contractor and

commencement of construction is anticipated in early 2021 following a tender assessment phase in December 2020 and January 2021. At the completion of the tender assessment, prior to the preparation of a Council report on the construction tender, the Probity Advisor will issue a probity audit report.

The funding strategy can be viewed in Section 10.0 Assessment of Financial Implications, and Appendix A.

14. RISK MANAGEMENT PLAN

Council has an enterprise risk management framework in place to enhance the knowledge held regarding risks to the organisation and to identify those areas of operational and strategic risk that may present an immediate or short term significant risk.

Council has for a long period been proactive in individual risk management procedures for specific areas and has adopted Best Practice Manuals for key areas such as roads, footpaths, signs, remote supervision, aquatic centres, trees and tree roots, as well as ensuring active annual review of relevant insurance policies and the cover they provide.

Council's Risk Management Policy (2015) ensures a holistic approach is taken to risk management that includes risk awareness and willingness to manage risks at all levels of the organisation. This policy reinforces that risk management has a key role in ensuring Council achieves its strategic and operational objectives.

Council will ensure:

- the Council, Councillors, General Manager and senior management will be in a position to confidently make informed strategic, business and operational decisions based on risk assessment

- all reasonably foreseeable risks will be systematically identified, assessed, analysed, prioritised and considered for appropriate treatment
- better identification and exploitation of opportunities
- compliance with relevant legislation
- reduction of costs and improved use of resources through more targeted and effective controls
- improved protection of the public, our employees, volunteers, our assets and our financial integrity.

Project specific risks have been identified during the scoping and preparation of concept plans along with mitigation measures, as provided in the attached Risk Management Plan (Appendix C). The risk plan, including mitigation strategies, will be continually monitored as the project progresses through construction

15. PROBITY PLAN

Probity is defined as complete and confirmed integrity, uprightness and honesty. Probity during procurement is concerned with ensuring the integrity of procedures and processes put into place to provide fairness and transparency in purchasing decisions.

A probity plan for the project has been developed by probity advisors Regional Procurement. The plan provides an overview on probity principles and requirements in relation to the specified Tender Process, and will be followed by all relevant personnel (listed in the plan) to ensure the process:

- is accountable and transparent;
- maintains the integrity of staff and the process itself;
- is compliant with adopted processes;
- is consistently applied to ensure all offers are evaluated against the same criteria;
- preserves council and supplier confidence in the process;

- minimises potential conflicts and the potential for litigation;
- provides the best value outcomes; and
- avoids the potential for misconduct, fraud and/or corruption.

The plan outlines the tender process, required tender documents, record-keeping responsibilities, process for establishing evaluation criteria, advertising guidelines, access to documentation for tenderers, communication, variations, receipt and storage of tenders, opening of tenders, consideration of tenders, management of conflicts of interest and evaluation processes.

The Maitland Administration Centre project probity plan can be seen as Appendix D.

16. REPORTING

Council will maintain its regular cycle of internal and publicly available reporting through the lifecycle of the project.

Reporting requirements will include (at a minimum):

- Quarterly reporting to the Council on the progress of the project;
- Quarterly reporting to the Council on the costs and budget variances regarding the project. Where costs and budget variances are reported by line item, the report will include the impact on the total project;
- Any issues that may have an adverse impact on the project (monetary and non-monetary);
- Reporting capital works projects in Council's annual report, which is considered to be best practice.

17. APPENDICES

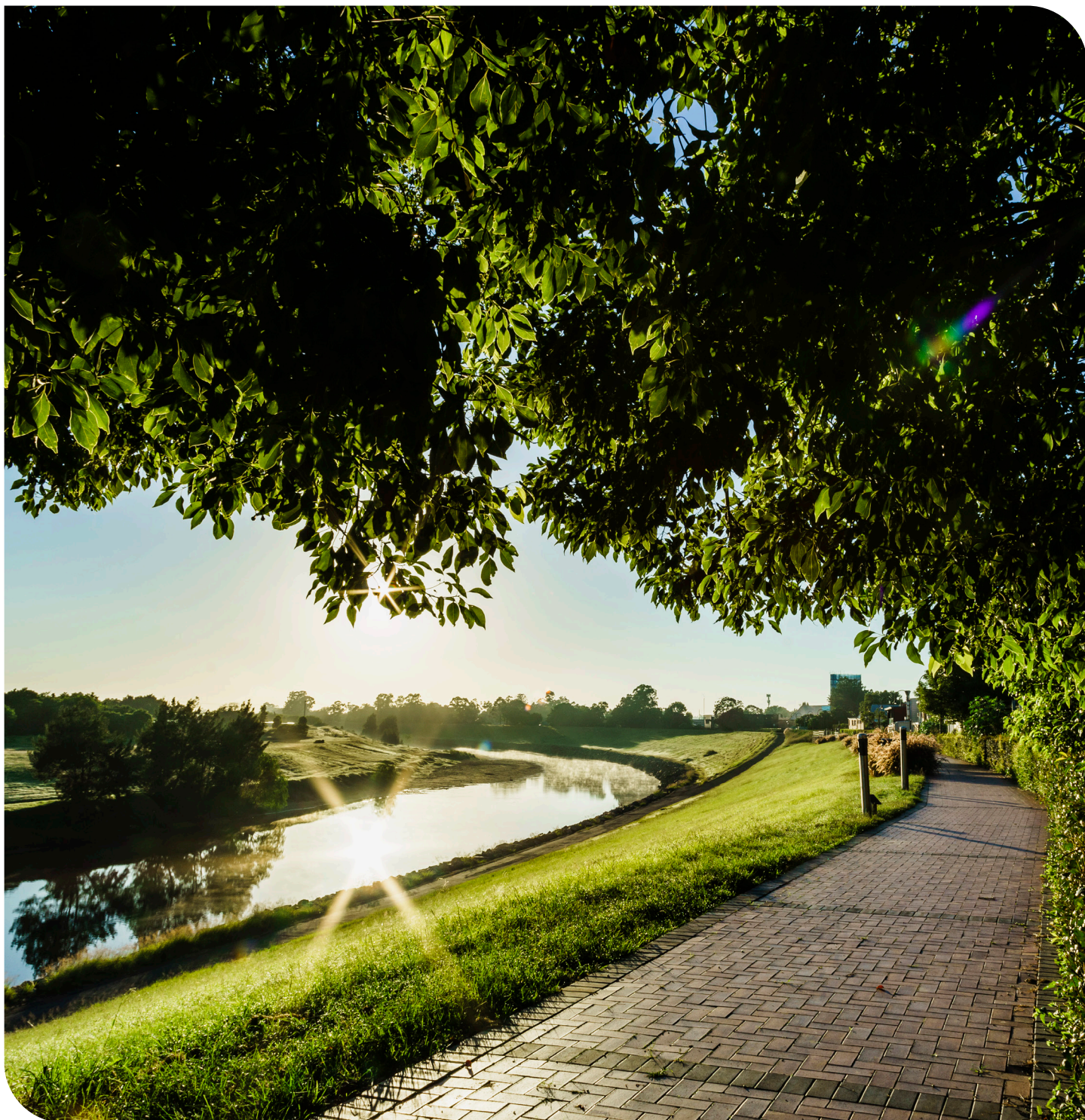
APPENDIX A - Assessment of Financial Implications

APPENDIX B - Project Governance Structure

APPENDIX C – Risk Management Plan

APPENDIX D – Probity Plan

APPENDIX E – Communications Plan



maitland
city council

285 - 287 High Street
(PO Box 220)
Maitland NSW 2320

t 02 4934 9700
f 02 4933 3209

info@maitland.nsw.gov.au
maitland.nsw.gov.au