

Meeting Date: Wednesday 6 June 2012
Location: Committee Rooms 2 & 3, Level 5, Civic Centre,
1 Devlin Street, Ryde
Time: 7.30pm

ATTACHMENTS FOR CIVIC PRECINCT COMMITTEE

Item		Page
2	CITY OF RYDE PRECINCT REDEVELOPMENT TENDER	
Attachment 1	ATTACHMENT A – Executive Summary.....	1
Attachment 2	ATTACHMENT B – WT Memorandum.....	7
Attachment 3	ATTACHMENT C – Lend Lease Images.....	22
Attachment 4	ATTACHMENT D – Probity Assurance Report	28



Lifestyle and opportunity @ your doorstep



ATTACHMENT A

RYDE CIVIC PRECINCT

REDEVELOPMENT

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

10 Year Comparison of Each Option

	DO NOTHING REACTIVE MAINTENANCE ONLY	REFURBISHMENT OPTION FIX ESSENTIAL SERVICES IN 5 YEARS LIMITED REFURBISHMENT IN 10 YEARS	DEVELOPMENT OPTION PROCEED WITH LEASE TO REDEVELOP THE SITE
Community Meeting Rooms	Argyle Community Hall closed and not replaced	Argyle Community Hall closed and not replaced	<ul style="list-style-type: none"> 1 multifunction/rehearsal room (125 seats) 2 large multifunction/meeting rooms (65 seats each)
Auditorium	350 seats <ul style="list-style-type: none"> No backstage facilities limited kitchen and storage Poor acoustics and lighting and display quality Does not comply with disabled access Does not comply with Building Code of Australia Regulations 	350 seats <ul style="list-style-type: none"> No backstage facilities limited kitchen and storage Poor acoustics modern lighting and display Does not comply with disabled access Does not comply with Building Code of Australia Regulations 	400 seats <ul style="list-style-type: none"> Backstage change, amenities, modern kitchen and storage Acoustically designed with quality sound, lighting and display Fully compliant with disabled access including stage access Fully compliant with Building Code of Australia Regulations
Council Chambers	158m2 <ul style="list-style-type: none"> Outdated decor with poor sound/audio visual and display Does not Comply with disabled access 	158m2 <ul style="list-style-type: none"> Moderately renovated with limited sound /audio visual/ display facilities Does not comply with disabled access 	200m2 <ul style="list-style-type: none"> Contemporary design with quality sound video/display facilities Multipurpose - available for business hire Fully compliant with disabled access

	DO NOTHING	REFURBISHMENT OPTION	DEVELOPMENT OPTION
Councillor Offices and Meeting Facilities	<ul style="list-style-type: none"> • Mayors suite • No private interview rooms or workspaces for Councillors 	<ul style="list-style-type: none"> • Mayors suite • No private interview rooms or workspaces for Councillors 	<ul style="list-style-type: none"> • Mayor's Suite • 11 Councillors workspaces • Private interview room for Councillors (35 m²) • Entertainment room for Mayoral functions (45 m²) • Informal meeting area (30 m²) • Council Chamber Ante – room (20 m²)
Public Domain	<ul style="list-style-type: none"> • Underutilised grassed area fully exposed to noise and weather 	<ul style="list-style-type: none"> • Underutilised grassed area fully exposed to noise and weather 	<ul style="list-style-type: none"> • Public square sheltered from Devlin Street and created as a 'people place' • Cafe and dining animate the public square and civic centre forecourt • Access to public domain shared with residents

	DO NOTHING	REFURBISHMENT OPTION	DEVELOPMENT OPTION
Staff Accommodation	<p>2950m² Net area Accommodates 247 staff</p> <ul style="list-style-type: none"> Poor office layouts due to outdated inefficient floor plate designs and outmoded workstations Working conditions often too hot or cold leading to 'sick building syndrome' Overcrowded workplaces High operating costs due to poor environmentally sensitive design Staff spread across 3 locations leading to inefficiencies in operations Does not comply with disabled access Does not comply with Building Code of Australia Building services eg electrics, hydraulics etc nearing the end of their life cycle Low staff satisfaction with working conditions 	<p>2950m² Net area Accommodates 247 staff</p> <ul style="list-style-type: none"> Poor office layouts due to outdated inefficient floor plate designs and outmoded workstations Workplace environment will improve cosmetically Overcrowded work place High operating costs due to poor environmentally sensitive design Staff spread across 3 locations leading to inefficiencies in operations Does not comply with disabled access Does not comply with Building Code of Australia Some improved staff satisfaction with working conditions within six to ten years Business disruption over 12 months as the building is refurbished 	<p>4000 m² Net area Potential to Accommodate 327 staff</p> <ul style="list-style-type: none"> Contemporary, efficient office design gaining efficiencies in workspace allocation due to larger floor plates Lower operating costs due to environmentally sensitive climate control Staff collocated from 3 locations leading to greater operational efficiencies Fully compliant with disabled access Fully compliant with Building Code of Australia Greater staff satisfaction with working conditions within three years Collaboration work environment Functionally efficient work stations Staff only move once with minimal business disruption
Parking	135 cars For Public, staff and Civic Functions	135 cars For Public, staff and Civic Functions	221 cars For Public, staff and Civic Functions

	DO NOTHING	REFURBISHMENT OPTION	DEVELOPMENT OPTION
Traffic	<ul style="list-style-type: none"> Integrated traffic solution - under road tunnels (\$40 million already invested) is currently under utilised Dangerous intersection from Parkes to Blaxland Road via 'the loop' Resident parking scheme introduced 	<ul style="list-style-type: none"> Integrated traffic solution -under road tunnels (\$40 million already invested) is currently under utilised Dangerous intersection from Parkes to Blaxland Road via 'the loop' Resident parking scheme introduced 	<ul style="list-style-type: none"> Integrated traffic solution activated providing easier access to the site Parkes Street straightened Resident parking scheme introduced Blaxland Road becomes shared pedestrian way Additional turning lanes at Blaxland Road /Devlin Street intersection Improved left hand turn from Devlin Street into Parkes Street
Pedestrian Access	<ul style="list-style-type: none"> Pedestrian pathways across the site conflicts with vehicles No public domain landscaping 	<ul style="list-style-type: none"> Pedestrian pathways across the site conflicts with vehicles Limited public domain landscaping 	<ul style="list-style-type: none"> Disabled and pedestrian ramp access to the overhead foot bridge Pedestrian access to site improved through pedestrian zones and public squares. Cross site pedestrian moved encouraged through public domain and landscaped areas Improved integration of access to pedestrian foot bridges Animated public square
Sustainability	<ul style="list-style-type: none"> Very poor essential building services leading to high costs and waste of water and electricity Services likely to fail between 3 and 5 years 	<ul style="list-style-type: none"> Very poor essential building services leading to high costs and waste of water and electricity Building service life extended but building services remain inadequate Can not gain Green Star Rating Costly to operate 	<ul style="list-style-type: none"> Civic Centre and Council Office designed as 5 Green Star buildings Economical operation costs Reduced energy and water waste Healthier workplace environment

	DO NOTHING	REFURBISHMENT OPTION	DEVELOPMENT OPTION
Cost	<ul style="list-style-type: none"> If Council does nothing then expenditure could exceed \$500,000 per year in reactive maintenance (bandaid maintenance) until building fails completely 	<ul style="list-style-type: none"> \$12.4 million required over 5 years for essential service upgrade \$27.6 million required over ten years for essential service upgrade and limited office / workstation refurbishment Councils \$15.3 million re-development property reserve depleted and loans required for \$12.3 million No allowance for upgrade of Civic Hall and old library space 	<ul style="list-style-type: none"> Commercial offer from Lend Lease to provide facilities at minimal cost to Council Council cash outlays estimated to be \$6.9 million after ten years
Asset value	<ul style="list-style-type: none"> Following site consolidation and zoning approval and building is removed and site redeveloped - \$40 million Council land value exceeds building value 	<ul style="list-style-type: none"> Following site consolidation and zoning approval and building is removed and site redeveloped - \$40 million Council land value exceeds building value 	<ul style="list-style-type: none"> \$79 million total value



Lifestyle and opportunity @ your doorstep



ATTACHMENT B

RYDE CIVIC PRECINCT

REDEVELOPMENT

WT PARTNERSHIP MEMORANDUM

MEMORANDUM

DATE: 28 May 2012

TO: Mitch Corn

CC: Mark Tebbatt

FROM: Peter Bower

REGARDING: 9909 - Update of Previous Engineering Services Audit, Council Civic Centre, 1 Devlin Street, Ryde.

In May 2011, WT Partnership (WTP) was commissioned by the City of Ryde Council (the "Council") to prepare a Services Audit Report (the "Report") on the Council's property at 1 Devlin St. Ryde NSW 2112, i.e. the Council's existing Civic Centre building.

Due to unreliability issues with the air conditioning within the building, Council sought preliminary advice as to the state of dilapidation of the concealed building services (Mechanical, Electrical, Hydraulic and Fire Services) within the Civic Centre to enable it to comprehend the magnitude of the works and budget which could reasonably be anticipated to be incurred for *repairs, maintenance and replacement works*, in order to provide a level of amenity similar to a PCA (Property Council of Australia) B Grade Suburban office. This Report which recommended a total expenditure requirement of \$12.4 million (excl. GST) DID NOT address bringing the building up to a BCA compliant standard. This Report and associated recommended expenditure dealt with the major engineering services upgrade only and excluded lifts.

Shortly after submission of the Report, Council received 2 further reports, each from Davis Langdon, addressing Building Code of Australia (BCA) compliance issues for Council properties as follows;

- Report dated 14 June 2011 from Davis Langdon entitled - Building Code of Australia 2011 – BCA Review Report for Existing Premises, Ryde Civic Centre, 1 Devlin St Ryde, Project No. 251527;
- Report dated 23 June 2011 from Davis Langdon entitled - Building Code of Australia 2011 – BCA Review Report for Existing Premises, Argyle Centre, 33 Blaxland Rd, Ryde, Project No. 251527.

These Reports identified non compliances with BCA 2011 in both Civic Centre and Argyle Centre.

WTP was then re-commissioned by Council to prepare further estimates for Civic Centre and Argyle Centre to rectify those BCA non-compliance issues raised by Davis Langdon, and further, to broaden the scope of reporting to include a 20 year Capex Expenditure Schedule for operating and maintaining these properties. This WTP supplementary report entitled "*Dilapidation Survey and Report of Building Systems in Civic and Argyle Centres*" was provided to Council in July 2011, (the Supplementary Report).

The findings of the Supplementary Report was for expenditure of \$48.2 million (excl. GST) over the next 20 years to refurbish these buildings, have them comply with 2011 BCA requirements

and maintain the "*whole of building life*" condition of the Buildings for at least the next 20 years.

Since WTP furnished its Reports in May and July 2011, (the Report & Supplementary Report) Council has initiated a potential redevelopment the Civic Centre site which could be completed by early 2015. If the project was to proceed to completion, Council would not incur the expense of a costly building refurbishment program and ongoing excessive operational costs.

Further, should Council embark on this redevelopment, the existing Civic Centre would be required to serve for 3 further years only (2012, 2013 & 2014), before being integrated in 2015 into the new redevelopment. Capex expenditure could be significantly reduced from that forecast within WTP Supplementary Report as this expenditure would be on a "*bare minimum*" basis and required only to cover the next 3 years building occupation.

The "non expenditure" of costs for upgrading the Civic Centre, could therefore be offset against the cost of the future redevelopment. The savings born from not having to expend \$12.4m for service upgrades could be offset against the project's feasibility, thereby assisting Council's budget.

In order to fully consider its redevelopment decision, Council has requested that the WTP Supplementary Report be updated to include the cost of the "*bare minimum*" Capex spend on the Civic Centre for the next 3 years. Under this proposal, Council will occupy the Civic Centre and extend the working life of the engineering services within the building by the most cost effective means.

WTP updated "*Bare Minimum*" Engineering Services Repairs, Maintenance And Urgent Replacement Works – Indicative Cost June 2012 for Civic Centre is attached providing "*bare minimum*" cash flow expenditure and making no allowance for BCA upgrade works identified by Davis Langdon. In addition to the "*bare minimum*" cash flow forecast, this update also accounts for Council funds spent in the last 12 months since the original WTP Report.

In respect to Capex funds expenditure during the last 12 months, Council has advised WTP that it has expended approximately \$1,000,000.00 (including GST, for details see attached spreadsheet) during 2011 / 2012 in replacing and repairing engineering services related plant and facilities within the Civic Centre. The main elements of plant expenditure included within this sum are;

- Replacement of air cooled chillers in the roof plant room - \$230,000.00;
- Replacement of the Building Management and Control System (BMCS) head end and local controls in the roof plant room \$150,000.00;
- Repairs and replacement of hydraulic sanitary stacks and vents on several floors throughout the building - \$160,000.00;

Additionally, Council advises it has spent a further \$460,000.00 in general unspecified and unplanned repairs associated with all services within the building.

Obviously, if redevelopment of Civic Centre site does not progress, the current forecast Capex expenditure for the future 20 year period (or adjusted for some other period advised by Council) into the existing building will require reconsideration. If Council elected to bring the building up to BCA compliance (including full disabled access) and refurbish the building to suburban B grade PCA Standard, Council would be faced with full expenditure identified in the WTP Supplementary Report provided to Council in July 2011.

The following summary represents the minimum required expenditure if Council was to redevelop the site compared to non redevelopment scenario wherein \$12.4 million would be expended over the following 3 years to provide the necessary *repairs and replacement* to the existing Civic Centre's Engineering Services as previously reported. As summarised below, WTP has provided an estimated cash flow for Council's feasibility, including within this estimate for the "bare minimum" capital expenditure to "band aid" the Civic Centre's operations until its incorporation into the redevelopment project. This projected expenditure is predicated on vacating the Civic Centre by 2015. Recent emergency service failures (such as bursting of sewer lines in occupied areas) require the allocation of further funding from Council or allocation of project contingency funds to provide for these 'service failure emergencies.'

Following is a table demonstrating the "bare minimum" expenditure and the effective savings in 2015 and 2016 from not having to carry out full services upgrades as Council would be relocating from the existing building to redeveloped offices in 2015. Council would rely on a "band aid" solution to maintain the Council Office and Civic Hall. This situation cannot be maintained further than the proposed short term as all the services are well past their effective life as reported previously by WTP.

Bare Minimum Cost Summary Engineering Services Repairs, Maintenance & Urgent Replacement Works – Indicative Costs June 2012	
Civic Centre Expenditure (cost rounded up)	
Cost expended to date (2011, part 2012)	\$942,000.00
2012 expenditure (band aid cost estimate)	\$506,000.00
2013 expenditure (band aid cost estimate)	\$466,000.00
2014 Expenditure (band aid cost estimate)	\$466,000.00
2015 Planned Capital Expenditure (saving to new development)	\$8,020,000.00
2016 Planned Capital Expenditure (saving to new development)	\$3,821,000.00
Total Cost	\$14,221,000.00

28 MAY 2012

In order to ensure "like for like" cost comparisons, all forecast costs are on a present day basis and exclude escalation. If a 10 year cash flow was to be represented, WTP would recommend provisioning for cost escalation at average annual rate of 3%.

In addition to current Capital Expenditure forecasts, if Council elected not to proceed with the development option and chose to remain in the building for the next 10 years, without carrying out the BCA upgrade, the building would require an aesthetic refurbishment (paint, carpets, work stations, partitioning) and the like. WTP estimate this cost at approx. \$3.85 million to be carried out in conjunction with the engineering services upgrade works.

Please refer attached spreadsheet entitled *"Bare Minimum" Engineering Services Repairs, Maintenance and Urgent Replacement Works – Indicative Cost June 2012 for expenditure details.*

Should you have any questions or require further clarification, please contact the writer.

Regards

WT PARTNERSHIP



PETER BOWER
Director

Enc.

9909 – Site Redevelopment BARE MINIMUM Engineering Services Repairs Replacement & Urgent Works Ryde Civic Centre June 2012;

RYDE CIVIC CENTRE
BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

No	Trade	Item Description	QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
1	M	Roof Level Plantroom Level 7												
2	M	Replace "Greenhalgh" condenser serving the IT room split system with	1	Item	4,000	5,600	5,600		5,600					5,600
3	M	De-rust and re-paint kitchen exhaust fan and ductwork discharging on roof	1	Item	3,000	4,200	4,200					4,200		4,200
4	M	Re-paint air admitting valves serving "Buffalo Triden" condenser on roof	1	Item	1,000	1,400	1,400		1,400					1,400
5	M	Replace 2 x compressors and electric motors in roof plant room	2	Item	200,000	280,000	560,000		560,000					560,000
6	M	Replace existing oil fired water boiler with gas fired condensing boiler	1	Item	60,000	84,000	84,000					84,000		84,000
7	M	Replace existing DX airconditioning unit with new dedicated AHU to provide	1	Item	50,000	70,000	70,000					70,000		70,000
8	H	Provide air conditioning to lift motor room in advance of specialist lift consultant	1	Item	10,000	14,000	14,000					14,000		14,000
9	VT	Provide natural gas piping between ground floor external gas connection point	1	no.	40,000	56,000	56,000					56,000		56,000
10	VT	Replace existing pneumatic control system with DDS electronic system	1	no.	350,000	490,000	490,000		280,000			105,000	105,000	490,000
11	F	Undertake Specialist Lift Consultant Inspection & Report on current installation	1	Item	5,000	7,000	7,000			7,000				21,000
12	F	Install strobe lights / horn speakers to plantroom for Emergency Warning &	80	m2	60	84	6,720							6,720
13	E	Install smoke detector & EWS speaker in LMR	1	ea	700	980	980							980
14	E	Upgrade / replace existing house services electrical switchboard to include for	1	Item	10,000	14,000	14,000					14,000		14,000
15	E	Replace electrical submain to roof to provide power to new plant	1	Item	45,000	63,000	63,000					63,000		63,000
16	B	"Bare Minimum" funding to Level 7 pending completion of Civic Centre	1	Item	29,500	41,300	41,300			41,300	41,300			123,900
17		Allow for BWIC (Builder's Work In Connection With services)	8	perc				67,200		3,864	3,864	32,816	8,400	121,184
SUBTOTAL COSTS PLANT ROOM & ROOF														1,635,984
									907,200	52,164	52,164	443,016	113,400	1,635,984

RYDE CIVIC CENTRE
BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

			QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per Item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
Council Office Floor Level 6 Estimated Costs														
18	D	Allow to demolish existing ceiling, lighting, fire detection, EWIS speakers, in	500	m2	60	84	42,000							42,000
19	M	Replace HHW piping main flow & return pipes & insulation to roof	20	m	500	700	14,000							14,000
20	M	Replace CHW piping main flow & return pipes & insulation to roof	20	m	400	560	11,200							11,200
21	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500							38,500
22	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800							30,800
23	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m2 including	10	no.	8,000	11,200	112,000							112,000
24	M	Provide new supply air rising duct to new AHU on roof including penetration,	40	m	1,500	2,100	84,000							84,000
25	M	Provide branch ducting on each floor to connect to each fan coil unit proposed	60	m	500	700	42,000							42,000
26	M	Extend and upgrade ducting capacity into meeting rooms	100	m2	300	420	42,000							42,000
27	M	Rebalance the floor registers	20	item	200	280	5,600							5,600
28	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800							16,800
29	M	Review the requirement for kitchen cooking on level 6 and if agreed remove	1	no.	3,500	4,900	4,900							4,900
30	B	Remove & replace ceiling and associated services to permit mechanical upgrade	500	m2	500	700	350,000							350,000
31	E	Upgrade / replace existing house services electrical switchboard to include for	1	item	10,000	14,000	14,000							14,000
32	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	item	40,000	56,000	16,800							16,800
33	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780							3,780
34	H	Install dual flush cistern to WC in bathrooms	4	no.	700	980	3,920							3,920
35	H	Allowance per floor to investigate & repair water leaks - identified during site	1	item	2,000	2,800	2,800	2,800						2,800
36	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500		3,500					3,500
37	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do	1	item	200	280	280		280					280
38	F	Clean / replace smoke detectors throughout the floor - included in ceiling item	40	no.	400	560	22,400							22,400
39	B	Provide Self contained electrical riser complete with fire rated door, fire rated	4	m	8,000	11,200	44,800							44,800
40	B	Allow for repairs to window seal level 6 windows	28	No.	400	560	15,680							15,680
41	B	"Bare Minimum" funding to Level 6 pending completion of Civic Centre	1	item	29,500	41,300	41,300	224	41,300	41,300	41,300			123,900
42	B	Allow for BWIC (Builder's Work in Connection With services)	8	perc.				3,024	3,606	3,304	3,304			83,653
SUBTOTAL COSTS LEVEL 6														
									48,686	44,604	44,604		988,394	1,129,313

RYDE CIVIC CENTRE

BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

			QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per Item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
Council Office Floor Level 5 Estimated Costs														
43	D	Allow to demolish existing ceiling, lighting, fire detection, EWIS speakers, in	500	m2	60	84	42,000		\$	\$	\$	\$	\$	42,000
44	M	Replace HHW piping main flow & return pipes & insulation to roof	20	m	500	700	14,000							14,000
45	M	Replace CHW piping main flow & return pipes & insulation to roof	20	m	400	560	11,200							11,200
46	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500							38,500
47	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800							30,800
48	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m2 including	10	no.	8,000	11,200	112,000							112,000
49	M	Provide new supply air rising duct to new AHU on roof including penetration,	40	m	1,500	2,100	84,000							84,000
50	M	Provide branch ducting on each floor to connect to each fan coil unit proposed	60	m	500	700	42,000							42,000
51	M	Extend and upgrade ducting capacity into meeting rooms	100	m2	300	420	42,000							42,000
52	M	Rebalance the floor registers	20	Item	200	280	5,600							5,600
53	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800							16,800
54	B	Remove & replace ceiling and associated services to permit mechanical upgrade	500	m2	500	700	350,000							350,000
55	E	Upgrade / replace existing house services electrical switchboard to include for	1	Item	10,000	14,000	14,000							14,000
56	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	Item	40,000	56,000	16,800							16,800
57	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780							3,780
58	H	Install dual flush cistern to WC in bathrooms	4	no.	700	980	3,920							3,920
59	H	Allowance per floor to investigate & repair water leaks - identified during site	1	Item	2,000	2,800	2,800	2,800						2,800
60	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500		3,500					3,500
61	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do	1	Item	200	280	280		280					280
62	F	Clean / replace smoke detectors throughout the floor - included in ceiling item	40	no.	400	560	22,400							22,400
63	B	Provide self contained electrical riser complete with fire rated door, fire rated	4	m	8,000	11,200	44,800							44,800
64	B	Allow for repairs to window seal level 5 windows	28	No.	400	560	15,680							15,680
65	B	"Bare Minimum" funding to Level 5 pending completion of Civic Centre	1	Item	29,500	41,300	41,300		41,300	41,300	41,300			123,900
66	B	Allow for BWIC (Builder's Work in Connection With services)	8	perc				224	3,606	3,304	3,304		72,822	83,261
SUBTOTAL COSTS LEVEL 5									48,686	44,604	44,604	-	983,102	1,124,021

RYDE CIVIC CENTRE

BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

			QTY	Unit	NETT RATE	RATE Incl 40% prelims	Cost per Item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
Council Office Floor Level 4 Estimated Costs														
67	D	Allow to demolish existing ceiling, lighting, fire detection, EWS speakers, in	500	m2	60	84	42,000							42,000
68	M	Replace HHW piping main flow & return pipes & insulation to roof	20	m	500	700	14,000							14,000
69	M	Replace CHW piping main flow & return pipes & insulation to roof	20	m	400	560	11,200							11,200
70	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500							38,500
71	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800							30,800
72	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m2 including	10	no.	8,000	11,200	112,000							112,000
73	M	Provide new supply air rising duct to new AHU on roof including penetration,	40	m	1,500	2,100	84,000							84,000
74	M	Provide branch ducting on each floor to connect to each fan coil unit proposed	60	m	500	700	42,000							42,000
75	M	Extend and upgrade ducting capacity into meeting rooms	100	m2	300	420	42,000							42,000
76	M	Rebalance the floor registers	20	Item	200	280	5,600							5,600
77	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800							16,800
78	B	Remove & replace ceiling and associated services to permit mechanical upgrade	500	m2	500	700	350,000							350,000
79	E	Upgrade / replace existing house services electrical switchboard to include for	1	Item	10,000	14,000	14,000							14,000
80	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	Item	40,000	56,000	16,800							16,800
81	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780							3,780
82	H	Install dual flush cistern to WC in bathrooms	4	no.	700	980	3,920							3,920
83	H	Allowance per floor to investigate & repair water leaks - identified during site	1	Item	2,000	2,800	2,800	2,800						2,800
84	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500	3,500						3,500
85	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do	1	Item	200	280	280	280						280
86	F	Clean / replace smoke detectors throughout the floor - included in ceiling item	40	no.	400	560	22,400							22,400
87	B	Provide Self contained electrical riser complete with fire rated door, fire rated	4	m	8,000	11,200	44,800							44,800
88	B	Allow for repairs to window seal level 4 windows ...	28	No.	400	560	15,680							15,680
89		"Bare Minimum" funding to Level 4 pending completion of Civic Centre	1	Item	29,500	41,300	41,300	41,300	41,300	41,300	41,300			123,900
90	B	Allow for BWIC (Builder's Work In Connection With services)	8	perc				224	3,606	3,304	3,304		72,822	83,261
SUBTOTAL COSTS LEVEL 4									48,686	44,604	44,604	-	983,102	1,124,021

RYDE CIVIC CENTRE

BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

			QTY	Unit	NETT RATE	RATE Incl 40% prelims	Cost per Item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
Council Office Floor Level 3 Estimated Costs														
91	D	Allow to demolish existing ceiling, lighting, fire detection, EWS speakers, in	500	m2	60	84	42,000					42,000		42,000
92	M	Replace HHW piping main flow & return pipes & insulation to roof	20	m	500	700	14,000					14,000		14,000
93	M	Replace CHW piping main flow & return pipes & insulation to roof	20	m	400	560	11,200					11,200		11,200
94	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500					38,500		38,500
95	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800					30,800		30,800
96	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m2 including	10	no.	8,000	11,200	112,000					112,000		112,000
97	M	Provide new supply air rising duct to new AHU on roof including penetration,	40	m	1,500	2,100	84,000					84,000		84,000
98	M	Provide branch ducting on each floor to connect to each fan coil unit proposed	60	m	500	700	42,000					42,000		42,000
99	M	Extend and upgrade ducting capacity into meeting rooms	100	m2	300	420	42,000					42,000		42,000
100	M	Rebalance the floor registers	20	Item	200	280	5,600					5,600		5,600
101	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800					16,800		16,800
102	B	Remove & replace ceiling and associated services to permit mechanical upgrade	500	m2	500	700	350,000					350,000		350,000
103	E	Upgrade / replace existing house services electrical switchboard to include for	1	Item	10,000	14,000	14,000					14,000		14,000
104	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	Item	40,000	56,000	16,800					16,800		16,800
105	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780					3,780		3,780
106	H	Install dual flush cistern to WC in bathrooms	4	no.	700	980	3,920					3,920		3,920
107	H	Allowance per floor to investigate & repair water leaks - identified during site	1	Item	2,000	2,800	2,800	2,800						2,800
108	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500		3,500					3,500
109	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do	1	Item	200	280	280		280					280
110	F	Clean / replace smoke detectors throughout the floor - included in ceiling item	40	no.	400	560	22,400					22,400		22,400
111	B	Provide Self contained electrical riser complete with fire rated door, fire rated	4	m	8,000	11,200	44,800					44,800		44,800
112	B	Allow for repairs to window seal level 3 windows	28	No.	400	560	15,680					15,680		15,680
113	B	"Bare Minimum" funding to Level 3 pending completion of Civic Centre	1	Item	41,300	41,300	41,300		41,300	41,300	41,300			123,900
114	B	Allow for BWC (Builder's Work in Connection With services)	8	perc	29,500	41,300	41,300		3,606	3,304	3,304	72,822	-	83,261
		SUBTOTAL COSTS LEVEL 3						3,024	48,686	44,604	44,604	983,102	-	1,124,021

RYDE CIVIC CENTRE
BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

			QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per Item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
Council Office Floor Level 2 Estimated Costs														
115	D	Allow to demolish existing ceiling, lighting, fire detection, EWIS speakers, in	500	m2	60	84	42,000							
116	M	Replace HHW piping main flow & return pipes & insulation to roof	20	m	500	700	14,000					42,000		42,000
117	M	Replace CHW piping main flow & return pipes & insulation to roof	20	m	400	560	11,200					14,000		14,000
118	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500					11,200		11,200
119	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800					38,500		38,500
120	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m2 including	10	no.	8,000	11,200	112,000					30,800		30,800
121	M	Provide new supply air rising duct to new AHU on roof including penetration,	40	m	1,500	2,100	84,000					112,000		112,000
122	M	Provide branch ducting on each floor to connect to each fan coil unit proposed	60	m	500	700	42,000					84,000		84,000
123	M	Extend and upgrade ducting capacity into meeting rooms	100	m2	300	420	42,000					42,000		42,000
124	M	Rebalance the floor registers	20	Item	200	280	5,600					5,600		5,600
125	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800					16,800		16,800
126	B	Remove & replace ceiling and associated services to permit mechanical upgrade	500	m2	500	700	350,000					350,000		350,000
127	E	Upgrade / replace existing house services electrical switchboard to include for	1	Item	10,000	14,000	14,000					14,000		14,000
128	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	Item	40,000	56,000	16,800					16,800		16,800
129	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780					3,780		3,780
130	H	Install dual flush cistern to WC in bathrooms	4	no.	700	980	3,920					3,920		3,920
131	H	Allowance per floor to investigate & repair water leaks - identified during site	1	Item	2,000	2,800	2,800	2,800						2,800
132	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500							3,500
133	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do	1	Item	200	280	280		3,500					280
134	F	Clean / replace smoke detectors throughout the floor - included in ceiling item	40	no.	400	560	22,400		280			22,400		22,400
135	B	Provide Self contained electrical riser complete with fire rated door, fire rated	4	m	8,000	11,200	44,800					44,800		44,800
136	B	Allow for repairs to window seal level 2 windows	28	No.	400	560	15,680					15,700		15,700
137	B	"Bare Minimum" funding to Level 2 pending completion of Civic Centre	1	Item	29,500	41,300	41,300	224	41,300	41,300	41,300	72,824		123,900
138	B	Allow for BWIC (Builder's Work In Connection With services)	8	perc				3,024	3,606	3,304	3,304			83,262
SUBTOTAL COSTS LEVEL 2									48,686	44,604	44,604	983,124	-	1,124,042

RYDE CIVIC CENTRE
BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

			QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per Item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
Council Office Floor Level 1 Estimated Costs														
139	D	Allow to demolish existing ceiling, lighting, fire detection, EWIS speakers, in	500	m2	60	84	42,000		\$	\$	\$	\$	\$	42,000
140	M	Replace HHV piping main flow & return pipes & insulation to roof	20	m	500	700	14,000					42,000		14,000
141	M	Replace CHW piping main flow & return pipes & insulation to roof	20	m	400	560	11,200					14,000		11,200
142	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500					11,200		38,500
143	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800					30,800		30,800
144	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m2 including	10	no.	8,000	11,200	112,000					112,000		112,000
145	M	Provide new supply air rising duct to new AHU on roof including penetration,	40	m	1,500	2,100	84,000					84,000		84,000
146	M	Provide branch ducting on each floor to connect to each fan coil unit proposed	60	m	500	700	42,000					42,000		42,000
147	M	Extend and upgrade ducting capacity into meeting rooms	100	m2	300	420	42,000					42,000		42,000
148	M	Rebalance the floor registers	20	Item	200	280	5,600					5,600		5,600
149	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800					16,800		16,800
150	B	Remove & replace ceiling and associated services to permit mechanical upgrade	500	m2	500	700	350,000					350,000		350,000
151	E	Upgrade / replace existing house services electrical switchboard to include for	1	Item	10,000	14,000	14,000					14,000		14,000
152	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	Item	40,000	56,000	16,800					16,800		16,800
153	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780					3,780		3,780
154	H	Install dual flush cistern to WC in bathrooms	4	no.	700	980	3,920					3,920		3,920
155	H	Allowance per floor to investigate & repair water leaks - identified during site	1	Item	2,000	2,800	2,800	2,800						2,800
156	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500		3,500					3,500
157	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do	1	Item	200	280	280		280					280
158	F	Clean / replace smoke detectors throughout the floor - included in ceiling item	40	no.	400	560	22,400					22,400		22,400
159	B	Provide Self contained electrical riser complete with fire rated door, fire rated	4	m	8,000	11,200	44,800					44,800		44,800
160	B	Allow for repairs to window seal level 2 windows	28	No.	400	560	15,680					15,700		15,700
161		"Bare Minimum" funding to Level 1 pending completion of Civic Centre	1	Item	29,500	41,300	41,300	224	41,300	41,300	41,300	72,824		123,900
162	B	Allow for BWC (Builder's Work in Connection With services)	8	perc				3,024	3,606	3,304	3,304			83,262
SUBTOTAL COSTS LEVEL 1									48,686	44,604	44,604	983,124	-	1,124,042

RYDE CIVIC CENTRE
BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

			QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
Council Office Ground Floor Estimated Costs														
163	M		1	no.	25,000	35,000	35,000							
164	M		20	m	500	700	14,000					35,000		35,000
165	M		20	m	400	560	11,200					14,000		14,000
166	M		110	m	250	350	38,500					11,200		11,200
167	M		110	m	200	280	30,800					38,500		38,500
168	M		10	no.	8,000	11,200	112,000					30,800		30,800
169	M		40	m	1,500	2,100	84,000					112,000		112,000
170	M		60	m	500	700	42,000					84,000		84,000
171	M		1	no.	7,500	10,500	10,500					42,000		42,000
172	M		100	m2	300	420	42,000					10,500		10,500
173	M		20	no.	1,000	1,400	28,000					42,000		42,000
174	M		20	item	200	280	5,600					28,000		28,000
175	M		2	no.	5,000	7,000	14,000					5,600		5,600
176	M		500	m2	500	700	350,000					14,000		14,000
177	E		1	item	7,500	10,500	10,500					350,000		350,000
178	E		0.30	item	40,000	56,000	16,800					10,500		10,500
179	H		6	pr.	450	630	3,780					16,800		16,800
180	H		4	no.	700	980	3,920					3,780		3,780
181	H		1	item	2,000	2,800	2,800	2,800				3,920		3,920
182	H		1	no.	2,500	3,500	3,500		3,500			2,800		2,800
183	VT		1	item	200	280	280		280			3,500		3,500
184	F		40	no.	400	560	22,400					22,400		22,400
185	B		4	m	8,000	11,200	44,800					44,800		44,800
186	B		28	No.	400	560	15,680					15,700		15,700
187	B		1	item	29,500	41,300	41,300		41,300	41,300		74,840		123,900
188	B		8	perc		-	-	224	3,606	3,304	3,304	-	-	85,278
SUBTOTAL COSTS GROUND LEVEL									48,686	44,604	44,604	1,010,340	-	1,151,258

RYDE CIVIC CENTRE
BUILDING ENGINEERING SERVICES AUDIT REPORT - EXCLUDING LIFTS

"BARE MINIMUM" ENGINEERING SERVICES REPAIRS, MAINTENANCE & URGENT REPLACEMENT WORKS - INDICATIVE COSTS JUNE 2012

		QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	Council Funds Spent 2011/12	"Bare Minimum" Forecast Capex Spend 2012	"Bare Minimum" Forecast Capex Spend 2013	"Bare Minimum" Forecast Capex Spend 2014	Forecast Spend 2015	Forecast Spend 2016	Total (\$)
Council Office Basement Estimated Costs													
189	M	1	no.	25,000	35,000	35,000							
190	M	10	m	500	700	7,000					35,000		35,000
191	M	10	m	400	560	5,600					7,000		7,000
192	M	20	Item	200	280	5,600					5,600		5,600
193	M	2	no.	5,000	7,000	14,000					14,000		14,000
194	E	1	Item	12,000	16,800	16,800					16,800		16,800
195	E	1	Item	250,000	350,000	350,000					350,000		350,000
196	E	1	Item	45,000	63,000	63,000					63,000		63,000
197	E	1	Item	160,000	224,000	224,000					224,000		224,000
198	H	1	Item	2,000	2,800	2,800	2,800						2,800
199	H	1	no.	2,500	3,500	3,500		3,500					3,500
200	VT	1	Item	200	280	280		280					280
201	F	100	no.	60	84	8,400					8,400		8,400
202	F	40	no.	400	560	22,400					22,400		22,400
203		1	Item	23,500	32,900	32,900		32,900	32,900	32,900			98,700
204	B	8	perc		-	-	224	2,934	2,632	2,632	60,144	-	68,566
SUBTOTAL COSTS GROUND LEVEL							3,024	39,614	35,532	35,532	811,944	-	925,646



Lifestyle and opportunity @ your doorstep



ATTACHMENT C

RYDE CIVIC PRECINCT

REDEVELOPMENT

LEND LEASE IMAGES

RYDE CIVIC PRECINCT REDEVELOPMENT

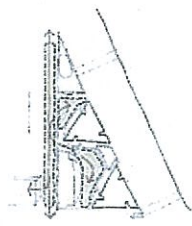
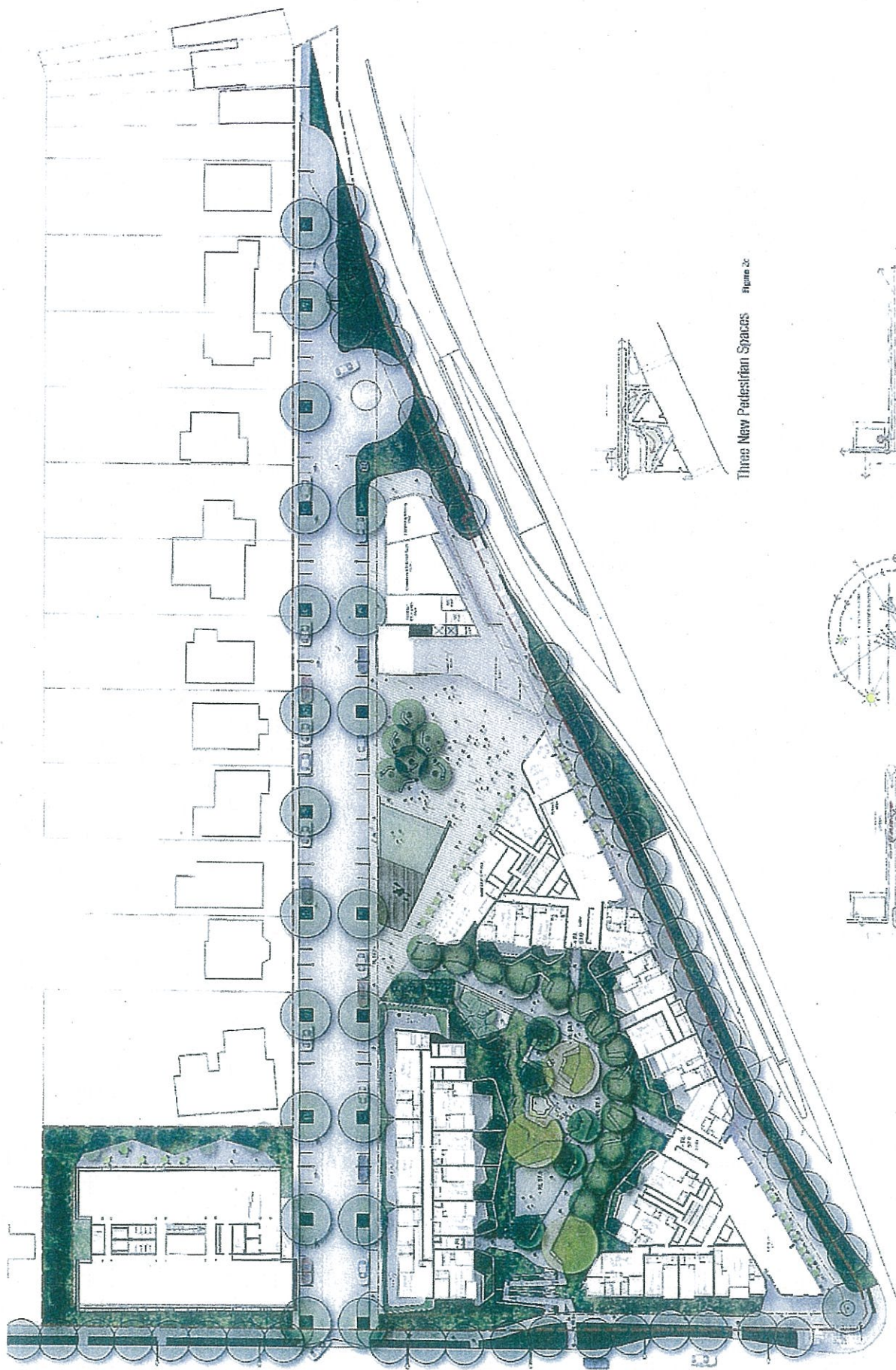




Piazza – Perspective looking north east



Council Offices – perspective looking south west



Three New Pedestrian Spaces Figure 2c

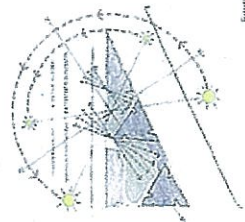


Figure 2a

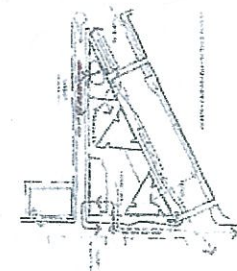


Figure 2b



View to East



Lifestyle and opportunity @ your doorstep

ATTACHMENT D

RYDE CIVIC PRECINCT

REDEVELOPMENT

O'CONNOR MARSDEN

PROBITY ASSURANCE REPORT



City of Ryde Council

Probity Assurance Report: Request For Tender (COR – RFT– 2/12) for the Ryde Civic Precinct Redevelopment

29 May 2012

Mr. John Neish
General Manager
City of Ryde Council
Locked Bag 2069
NORTH RYDE NSW 1670

Copy to: Mr. John Schanz, Service Unit Manager – Risk and Audit

29 May 2012

Dear John,

**Probity Assurance Report: Ryde Civic Precinct Redevelopment Project – Request For Tender
(COR – RFT – 2/12)**

In accordance with our proposal dated 4 November 2011, the City of Ryde Council (City of Ryde) has requested O'Connor Marsden & Associates Pty Ltd (OCM) to undertake a review of the Request for Tender (RFT) process for the selected request for tender for the redevelopment of the Ryde Civic Precinct. In this capacity, OCM has set out its report below in regard to probity aspects of the City of Ryde's evaluation process Civic Precinct Redevelopment RFT. This report should be read in conjunction with the probity assurance report for the Expression of Interest phase dated 24 February 2012.

This Probity Report covers the period 10 February 2012 to 29 May 2012 (the date on which we received the final Evaluation Report).

If you would like to further discuss the report, please feel free to contact either myself or Sarah Mullins on (02) 9252 2565.

Yours sincerely



**Andrew Marsden
Director**

Table of Contents

1	Executive Summary	1
1.1	Introduction	1
1.2	Background	1
1.3	Objectives	2
1.4	Scope	3
1.5	Methodology	3
1.6	Acknowledgement	3
1.7	Conclusion	3
2	Work performed	4
	Appendix A: Probity Principles	9
	Appendix B: Statement of Responsibility	10

About OCM

The practitioners and team from O'Connor Marsden & Associates (OCM) are a market leader in the provision of probity and governance services to the government sector across Australia. OCM has assembled a dedicated probity specific team that has conducted a considerable number of individual probity engagements for many Australian Local, State and Commonwealth government sector agencies, particularly targeting projects with high public profiles. The team has successfully addressed many complex probity matters such as conflict of interest management, interactive tendering processes, diverse stakeholder arrangements, detailed negotiation processes, testing phases and alternative bid submissions.

The services we provide are best described through our approach to Governance, Probity, Assurance and Forensic. Under Governance we provide advice and training programs in order to support project and program conformance and performance; under Probity, we review, audit and provide advice in relation to processes undertaken during procurement in order to meet the required standards and provide value-for-money; under Assurance, we examine and report on issues from an independent and expert third party perspective; and under Forensic we provide fraud and corruption risk management solutions, including Investigation Services.

About the Services

The services described in this document are of an audit and internal risk management nature only and are not intended to be of a financial services nature.

Confidential - this document and the information contained in it are confidential and should not be used or disclosed in any way without our prior consent.

© O'Connor Marsden & Associates, May, 2012. All rights reserved.

1 Executive Summary

1.1 Introduction

At the request of the City of Ryde Council (Council), O'Connor Marsden & Associates (OCM) has undertaken a probity review of the evaluation process in regard to the Request for Tender for the Ryde Civic Precinct Redevelopment (the Project). The Request for Tender process was undertaken with selected organisations identified in the Expression of Interest phase of the project which was concluded in February 2012.

The engagement was performed in accordance with the Australian Auditing Standard on Assurance Engagements ASAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Government Auditing and Assurance Standards Board.

Further information in relation to the extent of the procedures performed and the scope of our engagement is detailed below and in the Statement of Responsibility in **Appendix B**.

1.2 Background

Council is seeking innovative solutions for the:

- Design, construction and financing of a new Civic Centre and a New Council Office Building and relocation of Council's offices to the new Council Office Building
- Design, construction and financing of an appropriate residential / commercial development including car parking and public domain within the precinct.

The Project, involving demolition of the existing structures and redevelopment of the Precinct, is a key element of Council's vision to deliver much needed new community, civic and administration facilities and achieve some of the key objectives of Council's Community Strategic Plan.

The Project also provides the opportunity to complete the second stage of the revitalisation of Ryde Town Centre and is considered to be a "once in a generation" opportunity to deliver new community facilities.

An Expression of Interest process was undertaken that concluded in early February 2012 and resulted in four organisations being shortlisted to participate in the select tender process. The organisations were:

- Lend Lease Developments Pty Ltd (Lend Lease)
- Billbergia Pty Ltd (Billbergia)
- Leighton Properties Pty Ltd
- Mirvac Projects Pty Ltd (Mircvac).

The RFT was issued to the shortlisted tenderers on 10 February 2012 with the closing date for submissions being 10 April. During the tender period the organisations were provided with the opportunity to attend interactive sessions with Council representatives to discuss the project including key design elements, commercial outcomes and planning related matters. These workshops were held during the period 15 February 2012 to 14 March 2012.

At close of tender, responses were received from Lend Lease, which submitted a base case and an alternative offer and Billbergia which submitted a base case and two alternative offers. The other two selected tenderers, whilst participating in some of the interactive workshops made a decision not to submit a tender response. These two organisations were Mirvac which quoted workload limitations for its non response and Leighton's Properties Pty Ltd which did not cite a reason in its letter to Council of 10 April 2012.

An Evaluation Panel was established for the assessment of the tender responses which, consistent with the Evaluation Panel for the EOI phase, consisted of expert advisors in the following areas:

- Sustainability

- Planning
- Urban design
- Cost and risk
- Finance and funding
- Legal and contract

The Evaluation Panel held three evaluation meetings to review the tenders. At the first evaluation meeting on 9 May 2012, the Evaluation Panel decided:

- To accept the base case and the alternate case offered by Lend Lease as compliant offers
- To accept the base case and one alternate case offered by Billbergia as compliant offers
- To reject the Billbergia alternative of a Build, Operate Transfer funding model which was a Public Private Partnership model which was beyond the scope of the RFT and did not meet the RFT requirements for consideration and timing. The evaluation panel deemed the alternative to represent a change of scope and that if it was accepted then all tenderers should have been provided with the opportunity to submit a PPP offer, potentially leading to a retender.

Both tenderers made presentations to the Evaluation Panel on 20 April 2012, on their proposed solution and offer.

Further meetings were held with the tenderers on 7 May 2012, 8 May 2012 and 17 May 2012 in order to discuss potential negotiation items and matters for clarification which would be considered by Council should negotiations be required, pursuant to clause 178 (3) of the *Local Government (General) Regulation 2005*. Information provided during these clarification meetings was not included in the evaluation of the submitted tenders.

The Evaluation Panel scored the four compliant bids as follows:

- Lend Lease Alternative Case 68.2
- Lend Lease Base Case 64.4
- Billbergia Alternative Case 43.7
- Billbergia Base Case 42.1
- Billbergia BOT *not scored as not compliant with the RFT and Project requirements*

The Evaluation Panel produced an evaluation report detailing the evaluation process which recommended that:

- Council reject all tenders received consistent with clause 178 (1) (b) of the *Local Government (General) Regulation 2005* and section 11.1 (c) of the RFT
- Council not invite fresh tenders, invite fresh applications or undertake the development itself
- Council engage in direct negotiations with Lend Lease pursuant to clause 178 (3) (e) of the *Local Government (General) Regulation 2005* and section 9.9 of the RFT.

We understand from the evaluation process and the evaluation report that the tender from Lend Lease was considered by the Evaluation Panel to be the least unacceptable and therefore the tenderer with which negotiations are recommended with the most success to make successful. The Evaluation Report will be considered by Council at a closed meeting on 12 June 2012.

1.3 Objectives

As detailed in our proposal dated 4 November 2011, the overall objective of our engagement was to provide a conclusion based on the work performed on whether anything came to our attention to indicate that the Council evaluation process did not comply with the probity principles in all material respects. If considered appropriate, OCM was also to provide observations and/or recommendations in relation to the probity aspects of the evaluation process, particularly in regard to procedural fairness and equity.

1.4 Scope

The scope of our engagement covers the probity aspects of the evaluation process undertaken by Council for the Ryde Civic Precinct Redevelopment Project RFT.

In accordance with generally accepted probity principles, we have focused on Council's RFT evaluation management systems and processes in regard to:

- Accountability of the participants and transparency of the process;
- Fairness, impartiality and honesty in carrying out the process;
- Management of actual, potential and perceived conflicts of interest
- Maintenance of confidentiality and security of documentation and information; and
- Attaining best possible value for money under the prevailing circumstances.

A further description of these principles is included in **Appendix A**.

This report covers the period 10 February 2012 (the date at which the weightings for the RFT Evaluation Criteria were set) until 29 May 2012 (the date on which we received the final Evaluation Report).

1.5 Methodology

Our methodology included attendance at selected RFT and evaluation activities, as well as sighting relevant documentation. These are more fully described under Work Performed, in order to:

- Review the link between procurement planning and the selected approach to the market;
- Review the documented probity controls, including conflict of interest, confidentiality and security management;
- Review the evaluation procedures, including alignment with the RFT documentation, evaluation meetings, criteria assessment and scoring methodology;
- Review the evaluation documentation, including records, scoring and reporting; and
- Review the communications and meetings between the tenderer and the Council, including the provision of addenda and seeking of clarifications.

1.6 Acknowledgement

We wish to place on record our appreciation of the assistance and cooperation received from the management and staff of the Council.

1.7 Conclusion

Based upon the work described in the Work Performed section, nothing has come to our attention, during the period 10 February 2012 to 29 May 2012, to indicate that the evaluation procedures carried out by Council for the Ryde Civic Precinct Redevelopment Request for Tender were not compliant with the probity principles described in the Scope in all material respects.

2 Work performed

In completing our work, we undertook the following tasks in order to form a conclusion from a probity perspective in regard to the RFT evaluation process followed by Council:

1. Confirmed, via review of the signed Evaluation Report, that the RFT was issued to the four invited tenderers on 10 February 2012 and submissions closed on 10 April 2012 providing a tender period of 60 days. This is consistent with the *Local Government (General) Regulation 2005* clause 168 which states that tenders should be open for at least 21 days.
2. Reviewed, from a probity perspective, the Request For Tender document titled *Ryde Civic Precinct Redevelopment Request For Tender (COR – RFT – 2/12)* and observed that it contained the following clauses with regard to probity:
 - a. The project objectives and vision for the Civic Precinct redevelopment
 - b. An indicative procurement timeline
 - c. The scope of the project including the Civic Precinct, provision of a new public domain, and residential, retail and commercial components identified in the Concept Plan
 - d. The commercial framework of the project being to deliver the civic developments and facilitate the commercial developments
 - e. The Council's intention to enter into a Project Delivery Agreement with the successful tenderer
 - f. An outline of the procurement process
 - g. The role and contact details for OCM as the Probity Advisers on the project
 - h. The details of all advisers engaged by Council on the project
 - i. The evaluation methodology including the criteria to be used for the evaluation including reference to the relevant returnable schedules
 - j. An outline of the mandatory criteria to be met by respondents
 - k. Discretion for the Evaluation Panel not to further consider a submission where they are not satisfied that a respondent demonstrates a satisfactory achievement of any of the evaluation criteria
 - l. Lodgement requirements including that late submissions will generally not be accepted by the City of Ryde, which is consistent with the *Local Government (General) Regulation 2005*
 - m. Instructions that any enquiries by respondents are to be directed through the TenderLink portal or to the Development Director if clarification is required
 - n. The process Council will follow for the opening of RFT submissions including the ability for members of the public to be present, consistent with the *Local Government (General) Regulation 2005*
 - o. The process for Council issuing amendments to the RFT via an addendum loaded onto the Tenderlink portal
 - p. The requirement for respondents to submit a conforming tender and discretion for Council to reject any submissions that do not comply with the RFT requirements
 - q. Details of the procurement guidelines that apply to this process including the Local Government Tendering Guidelines

- r. Discretion for Council to not select any tenderer and cancel the RFT process
 - s. Reference to the disclosure requirements under the *Local Government Act 1993* and the *Government Information (Public Access) Act 2010*
 - t. Confidentiality requirements as they apply to the process.
 - u. General submission requirements
 - v. The returnable schedules including the mandatory schedules
 - w. A statutory declaration for respondents to complete and return as part of the Mandatory Returnable Schedule 1, which confirmed that the respondent:
 - i. is not aware of any conflict of interest involving any person employed or engaged by Council in relation to the project
 - ii. has not engaged in any unethical behaviour or sought or obtained an unfair advantage in obtaining business with Council in connection with this project
 - iii. has not disclosed any confidential information relating to this project
 - iv. understands and agrees to accept all conditions of the RFT
3. Reviewed from a probity perspective the *Request For Tender Evaluation Plan* and noted that it contained the following clauses with regard to probity:
- a. The purpose of the Evaluation Plan including to ensure that the evaluation is carried out in a fair, equitable and transparent manner
 - b. An overview of the project
 - c. Lodgment requirements including reference to the returnable schedules
 - d. The governance framework for the procurement consistent with the RFT document
 - e. The role and composition of the Evaluation Panel
 - f. The ability for the Evaluation Panel to consult with expert advisers if required
 - g. The requirements for the acceptance of late submissions in accordance with the *Local Government (General) Regulation 2005*
 - h. The process for the opening of RFT submissions
 - i. The process for the initial compliance check of the submissions and the preparation of the compliance report by the Project Manager for consideration by the Evaluation Panel
 - j. Security arrangements to apply to the RFT evaluation including the ability for the Panel members to review the submissions in their own offices subject to approval by the Chair of the Evaluation Panel and confirmation that the security of the submissions has been maintained
 - k. The evaluation methodology including an individual assessment of the submissions by the Evaluation Panel members, seeking input from technical advisers where required, seeking clarification from respondents and the evaluation criteria and applicable weightings
 - l. Scoring guidelines
 - m. Record keeping requirements including meeting minutes and the evaluation report.
4. Observed that the Evaluation Criteria in the *Request for Tender Evaluation Plan* were consistent with those provided in the RFT.

5. Attended the following pre RFT workshops between Council and the four organisations which had been invited to tender:

- Lend Lease: 21 February 2012 and 14 March 2012
- Billbergia: 16 February 2012
- Mirvac: 15 February 2012 and 5 March 2012
- Leighton Properties: 16 February 2012 and 12 March 2102.

At these workshops we did not identify anything to suggest that any tenderer was provided with information that was not made available to the other shortlisted tenderers or were provided with any opportunity that would give them an actual or perceived advantage during the tender period. Council maintained records of these meetings which OCM reviewed and it was confirmed that the minutes were an accurate representation of the matters discussed with the tenderers.

6. Attended a meeting of the Evaluation Panel on 22 March 2012 where the Evaluation Criteria weightings were agreed. This meeting where the weightings were set was prior to the closing date for tender submissions.
7. Observed that Billbergia made a request on 26 March 2012 to alter the composition of their consortium relative to that which had been selected in the EOI phase and observed that Council's General Manager permitted the consortium change 30 March 2012 consistent with section 10.3 of the RFT.
8. Confirmed with the Project Manager for the Project on 23 May 2012 that 19 Notices were issued to all proponents during the RFT period.
9. Attended the RFT opening at 2:00pm 10 April 2012 and observed the following:
 - a. The electronic tender box was opened after the closing date for tenders
 - b. No late responses were received
 - c. There were two representatives from the Council present at the tender opening consistent with the Evaluation Plan as well as the Service Unit Manager – Risk and Audit.

We did not identify anything to suggest that the tender opening process was inconsistent with the process described in the RFT and the Evaluation Plan or with the requirements outlined in the Local Government Act 1993 and the *Local Government (General) Regulations 2005*.

10. Sighted the letters from Leighton Properties and from Mirvac which advised that these two organisations would not provide a tender response. Mirvac quoted workload limitation issues for its decision not to respond and Leighton Properties did not cite a reason for not submitting a bid in its letter to Council of 10 April 2010. Contacted a representative of each of Mirvac and Leighton Properties to inquire if their decision not to tender was influenced by any probity issue and both reported no probity issues.
11. Attended the Evaluation Panel meetings on 3 May 2012, 9 May 2012 and 21 May 2012 and observed the following:
 - a. Panel members had completed an individual assessment of the tender responses prior to the meeting
 - b. Panel members received a briefing from Clayton Utz as the legal advisors on the project in relation to the process for seeking clarification as well as the options available to the Panel on recommendations to be made to Council on the acceptance or rejection of the tender responses

- c. Panel members received a briefing from the subject matter experts as well as a copy of the reports covering these areas which was taken into consideration as part of the assessment of the tender responses
- d. The Panel members' individual scores were inputted into the evaluation spreadsheet which calculated the average scores and overall scores following the application of the criteria weightings
- e. The Panel members discussed the rankings of the respondents and confirmed that there was a clear differentiation in scores between the first and second ranked tenderers

On the basis of our observation of the evaluation meetings, we did not identify anything to suggest that the process followed for the assessment of the submissions was inconsistent with the agreed methodology in the RFT document and the Evaluation Plan.

- 12. Observed the performance of the members of the Evaluation Panel at the meetings we attended. Nothing came to our attention to indicate that the Panel as a whole did not include the appropriate skills, professional qualifications and experience required to undertake an evaluation of this nature. Noted the composition of the Evaluation Panel was also approved by the General Manager, Council's most senior delegated officer for this RFT, as part of his approval of the Evaluation Plan.
- 13. Attended the offices of the independent consultant, JBA, who provided advice to Council as well as briefing information to the tenderers on planning related matters, to confirm the maintenance of confidentiality at JBA. During this review we did not identify any breaches of probity or the probity plan.
- 14. Attended and provided a probity briefing to tenderers' at the presentations on 20 April 2012. Also attended the clarification meetings with tenderers on 7 May 2012, 8 May 2012, 17 May 2012 and did not identify any probity issues in Council's communication with tenderers. Observed that Council advised the tenderers at these meetings that:
 - The presentations and responses to clarifications were not part of the evaluation process and that all tenders would be assessed on their original bids
 - The purpose of the presentations and clarifications was to further understand tenderers' responses in the event that Council resolved to directly negotiate with tenderers
- 15. Reviewed the Evaluation Spreadsheet and confirmed:
 - a. The evaluation was undertaken against stated criteria
 - b. The agreed score was arrived at by applying the method outlined in Council's Evaluation Plan
 - c. The scores for the criteria were applied consistently
 - d. The agreed scores were correctly transcribed to scoresheets/spreadsheets.
- 16. Received confirmation from members of the Evaluation Panel on 21 May 2012 that:
 - a. Sufficient enquiry was made and adequate time and resources allocated to the evaluation process
 - b. There were no known breaches of confidentiality
 - c. There were no known conflicts of interest and no Evaluation Member had any associations with tenderers other than professional contacts
 - d. They are unaware of any bias in the evaluation process
 - e. They are unaware of any other issue of a probity nature that has not been resolved.
- 17. Reviewed from a probity perspective the *Ryde Civic Precinct – Redevelopment – Evaluation Report – COR-RFT-2/12* (Evaluation Report) dated 29 May 2012 and noted that it contained the following items with regard to probity:
 - a. Overview of the RFT COR-RFT-2/12 including the responses required and the purpose of the Evaluation Report

- b. A description of the RFT evaluation panel including subject matter experts
 - c. The Assessment Schedule including the timelines for the evaluation process
 - d. Administrative matters including descriptions of the declaration of interests, the confidentiality of information, and the Evaluation Plan approval process
 - e. The submissions received, including document distribution, the RFT opening process noting no late submissions and a summary of compliance issues with the submissions
 - f. An overview of the evaluation process including the evaluation criteria and weightings and the scoring system
 - g. An overview of the RFT Panel deliberations
 - h. Review of submissions received
 - i. The Evaluation Panel's recommendation for Council to resolve to reject all tenders and enter into negotiations with Lend Lease who submitted the least unacceptable tender
 - j. Appendices including Minutes of the evaluation panel meeting, clarifications sought and received, conflict of interest and confidentiality undertaking, the Compliance Summary Report.
- 18. Observed on 25 May 2012 that the Evaluation Report was endorsed, via email, by all members of the Evaluation Panel. We noted no material changes in Council's final Evaluation Report of 29 May 2012 compared to the Evaluation Report of 25 May 2012 which was endorsed by the Evaluation Panel members.
 - 19. Contacted representatives of Lend Lease and Billbergia on 18 May 2012 and provided them with an opportunity to raise probity concerns and no probity concerns were raised.
 - 20. Reviewed the assessment of Council's Service Unit Manager: Risk and Audit, of Confidentiality Undertakings and Statements of Association, supplied on 25 May 2012, which did not identify any staff, consultants and advisors had not provided Confidentiality Undertakings and Statements of Association.
 - 21. Observed the evaluation process for the tender responses and did not identify anything to suggest that the process followed by the Evaluation Panel for the assessment of submissions was inconsistent with the RFT document, the Evaluation Plan, or the tender requirements outlined in the Local Government Act 1993 and the *Local Government (General) Regulations 2005* and the Local Government Tendering Guidelines.

Appendix A: Probity Principles

Accountability of the participants and transparency of the process

Accountability and Transparency are related concepts. Accountability involves agencies being able to justify the use of public resources to an appropriate authority by allocating and taking responsibility for past and expected performance. This includes aligning the decision making process with the appropriate delegated authority, and keeping adequate records that will leave an auditable trail. Transparency refers to the preparedness to open a project and its processes to scrutiny and possible criticism. This also involves providing reasons for all decisions that are taken and the provision of appropriate information to relevant stakeholders.

Fairness, impartiality and honesty

Individuals and organisations involved in preparing and submitting proposals are entitled to expect impartial treatment at every stage of the process. If they do not consider the process to be fair, impartial and honest they may withhold valuable ideas or be deterred from bidding in the future. Any form of bias, whether driven by personal interests or not, could jeopardise the integrity of the project. Procedures that include multiple person panels, independent members and observers mitigate this risk.

Management of Conflicts of Interest

A conflict of interest is a conflict between the public duty and private interests of a public official where the public official has private interests which could improperly influence their official duties and responsibilities. The community and potential tenderers have a right to expect that public officials will make decisions that are not influenced by private interests. Similarly, when the private sector is engaged to perform public sector duties, there is an obligation to ensure that conflicts of interest are disclosed and effectively managed. Perceived or potential conflicts of interest can be as damaging as actual conflicts, and procedures should be implemented to mitigate the effect.

Maintenance of confidentiality and ensuring security

Although accountability and transparency are fundamental to the work of public sector organisations and public officials, there is some information that needs to be kept confidential, at least for a specified period of time, in order to protect the integrity of the process and give tenderers the confidence to do business with government. This information can include the content of proposals, intellectual property and tenderers' pricing and profit structures. Importantly, much of the information relating to the project needs to be kept confidential up to the point where a contract is executed with the successful tenderer. However, once this has happened, government guidelines require that certain information be released, consistent with the fundamental principles of public sector accountability and transparency, as discussed above. Procedures must be implemented to ensure that no unauthorised release of confidential information occurs.

Attaining value for money

This is demonstrated by the use of an open competitive environment in which the market is tested regularly, and tenderers can make attractive, innovative proposals with the confidence that they will be assessed on their merits. Value-for-Money is not necessarily achieved by accepting the lowest available price. The process should include: the evaluation of non-price criteria (such as the quality of the goods or services offered, the experience and past performance of the providers, the financial strength of the companies, the differing risk factors, the quality of the personnel, etc.); cost-benefit analysis against a target outcome or budget; the assessment of the total cost over the proposed life of the project; and, where appropriate, whether the outcome is best achieved by the Private Sector, using a Public Sector Comparator. Procedures should include a comparison of the non-price and price criteria on a weighted basis, with both the criteria and the weighting between price and non-price criteria declared in the call documentation.

Appendix B: Statement of Responsibility

Management's responsibility for the evaluation process

The management of the City of Ryde is responsible for the design and implementation of the evaluation process controls in accordance with Government and the City of Ryde's policies. This responsibility includes establishing and maintaining processes relevant to the evaluation process to ensure that the process meets appropriate probity policies, laws and regulations; and leads to selecting the most appropriate tenderer or tenderers under the prevailing circumstances.

Assurance practitioner's responsibility

Our responsibility is to express a conclusion on the Evaluation Process based on our review. We conducted our review in accordance with the Australian Auditing Standard on Assurance Engagements ASAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Australian Government Auditing and Assurance Standards Board, in order to state whether or not, on the basis of the procedures described and witnessed where appropriate, we have become aware of any matter that makes us believe that the evaluation process is not in accordance with the principles described above.

A review consists primarily of making enquiries, primarily of persons responsible for undertaking the evaluation process and its underlying documentation, applying analytical and other review procedures, and examination of evidence for a small number of transactions or events. A review is substantially less in scope than a reasonable assurance audit conducted in accordance with ASAE 3000. Accordingly, we do not express an audit opinion. Had we performed a reasonable assurance audit as defined by ASAE 3000 or an audit as defined by the Australian Auditing Standards, additional information may have come to our attention, which would have been reported to the City of Ryde.

While conducting our review and/or in our report we may provide advice and/or recommendations in relation to the mitigation of risk of challenge to the processes undertaken by the City of Ryde. In these cases, our responsibility is limited to providing such advice and/or recommendations, based on our experience and knowledge of the subject matter of the project. For the avoidance of doubt, the procedures performed in providing advice and/or recommendations do not constitute an assurance engagement in accordance with the Australian Auditing Standards for Assurance Engagements, nor do they represent any form of audit under the Australian Auditing Standards. We therefore do not express any form of assurance in relation to the advice and/or recommendations, and none should be inferred from any such commentary in this report.

Inherent limitations

Our Work is subject to the following limitations:

- Owing to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout the period and the tests performed are on a sample basis.
- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.
- The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including

fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the evaluation process, or potential instances of non-compliance that may exist.

Advice and/or recommendations for improvement should be assessed by management for their full commercial impact before they are implemented.

Limitations on use

This report is made solely to the management of the City of Ryde in accordance with our proposal dated 4 November 2011, for the purpose of providing comfort to senior management on the appropriateness and robustness of the evaluation process and should not be quoted in whole or in part without our prior written consent. We disclaim any assumption of responsibility for any reliance on this report to any person other than the management of the City of Ryde, or for any purpose other than that for which it was prepared.

We disclaim all liability to any other party for all costs, loss, damages, and liability that the other party might suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party, or the reliance on our report by the other party.

Independence, Competence, and Experience

All professional personnel involved in this engagement have met the independence requirements of the Australian professional accounting bodies.