

# Headon Stadium Refurbishment - Outcome of tender process

RM No.: 2208418

**FOR PUBLIC RELEASE**

## Executive Summary

The refurbishment of the Headon Stadium has been a key project for Council for some time.

Council identified a number of outcomes for the project and selected a refurbishment option that best achieves these outcomes.

The project has been tendered and the results will be available for the meeting.

It is expected that the full project cost will exceed the \$1.55 million Council has allocated.

Council is requested to:

- consider whether it is prepared to accept the successful tender and allocate additional funding to the project or
- review how it wishes to proceed with the Headon Stadium.

## Recommendation

**That:**

1. **Council accept the successful tender of \_\_\_\_\_ for \$ and the revised total project cost of \$ OR Council reject all tenders and reconsider how it wishes to proceed.**

## Background

The refurbishment of Headon Stadium has been a key project for Council.

In November 2017 CoveKinloch, Building Consultants reported to Council on their review of the buildings condition and options for renewal and maintenance. CoveKinloch identified that attending to deferred maintenance would cost approximately \$480,529. Alternatively to address both deferred maintenance and undertake upgrades to the building would cost approximately \$1,197,103.

On 13 December 2017 Council decided to proceed with planning and implementation for upgrading Headon Stadium. A budget of \$1.5 million was proposed with the work to be undertaken in 2018/19.

The 2018-28 Long Term Plan formally secured the \$1.5 million.

A building project manager (WSP/Opus – Sunny Tutlani) and architect (MOAA Architects – Tim Horne) were appointed early in 2018.

In June 2018 the architect was provided a brief which reflected both the user feedback through initial consultation and also Council's preferences.

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Council is reminded that we did not incorporate all of the user wishes.

The brief to the architect explained that Council wish to, where possible, future proof the facility to ensure it remains safe and functional for the next 50 years. Future proofing needed to take into account a new two court facility currently being considered for Matamata located away from Headon Stadium. It was expected that facility would likely draw a number of the established users away from Headon Stadium in time.

The brief did not provide for an increase in sports floor area for an additional court or to meet the run-off requirements for sports like netball and basketball. Future proofing instead considered current and potential future users requirements and the need for flexibility to cater for a wide range of potential indoor recreational uses.

*Vision for Headon Stadium:*

A vision was developed for the future of Headon Stadium.

For the next 5 to 10 years:

A safe, functional and attractive facility that meets the basic requirements for indoor court sports and recreation activity for Matamata

Once the Matamata Futures Trust facility is developed (i.e. in 5 years or more):

To transition into a more specific sports “hub” facility that:

- caters for more permanent fixtures not necessarily compatible with the Futures Trust facility (i.e. gym sports/ karate for example) and;
- provides for the needs of the Pohlen Park sports users (i.e. social space for cricket and football).

Council considered a range of refurbishment options with the view to achieving the following outcomes:

- Future proof the building for the next 50 years
- Improve the earthquake strengthening if possible -Current 51% targeting 67%
- Address the lack of disabled facilities or wheelchair access
- Address the health and safety risks including access for maintenance and inspection of the roof of the building, the risks associated with the external fire stairs and the fire sprinkler system.
- Eliminate the condensation occurring on the sports hall floor and other parts of the stadium
- Upgrade the kitchen and toilet facilities
- Address the poor condition of the exterior of the building
- Improve the limited storage facilities on the ground floor
- Improve the changing rooms to better meet both the sports field and facility users
- Improve the current sports scorers seating bench

Council selected the option that it considers best achieved these outcomes. Importantly the selected option ensures 100% compliance with the building code including earthquake requirements.

The option involves the retention of the existing floor, a new building shell and interior.

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The project has progressed to the stage where tenders were invited through a two stage process:

- Stage 1 Registration of Interest – contractors were invited via the Government Electronic Tender Service to register for the project. The contractors were evaluated and the top four were included in the next stage.
- Stage 2. Tender – the four contractors were invited to submit tenders. The tender evaluation is on the basis of the lowest price confirming tender. The results of the evaluation will be available prior to the meeting.

## Issues/Discussion

### Project Budget

Council allocated \$1.5 million capital funding in the long term plan and \$50,000 from the community purposes reserve toward the project.

In the procurement plan for the project the updated estimate for construction (excluding professional fees and project management) is \$1,977 million.

Expenditure to date is as follows:

Project Management (Opus)	\$56,531
Feasibility, Consultation, other (Xyst)	\$47,575
Architect	\$63,722
Structural engineer	\$39,420
Geotech	\$ 9,340
Electrical, Mechanical design	\$17,510
Other	\$ 9,142
Total	\$243,240

Professional fees for the remainder of the project will be mainly project management.

We will revise the total forecast project costs once the successful tender is known.

It is expected that this will greatly exceed the \$1.55 million Council has allocated.

Council will need to decide if it wishes to accept the successful tender and allocate additional funding to the project.

### Deferred Maintenance

As noted in the background to the report, CoveKinloch identified it would cost \$480,529 to address deferred maintenance. A summary of the deferred maintenance identified in 2017 is attached. Some urgent minor items have been completed. Since that time the basketball goal supports have been removed for safety reasons.

The building structure is sound and it is not earthquake prone ie it is above 34% of the current New Building Standard (NBS). A renewal of the building warrant of fitness was issued earlier this year.

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If the refurbishment does not go ahead, a deferred maintenance schedule could be prepared to match Council's desired funding commitment.

This is unlikely to achieve any of the key outcomes that Council identified for the refurbishment project.

Importantly the building is assessed at 51% of the NBS which is less than desirable for an indoor sports stadium. This might be more acceptable if Council now considered the remaining functional life for the building has significantly shortened.

## **Risk**

There has been a significant amount of investigation and design work undertaken in preparation for the tender and construction.

The risks associated with construction are considered to be standard project risks (eg health and safety, cost control, time lag etc).

The project manager has a full project risk register.

There are very different risks if Council decides not to proceed with the refurbishment (eg potential user dissatisfaction).

## **Options**

1. Council accept the successful tender and approve a total of \$ for the project
2. Council decline the tenders and reconsider how it wishes to proceed with the project.

Option 1 will ensure that the outcomes that Council has sought for the project will be achieved. This may be at a cost which Council considers is unaffordable.

If the tenders are declined, we will need to expense the total costs incurred to date.

## **Legal and policy considerations**

There are no legal or policy issues.

## **Communications and timeframes**

We have a distribution list for users. Our last communication in July was that users could have access to the stadium until the end of September. We further advised that we would review this once tenders were received as tenderers are to nominate their construction start date.

We have had some discussions with neighbours regarding the project. We will follow-up with more information when we have confirmed the construction timetable.

Council may wish to give consideration to the communication to the wider community.

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## Consent issues

The resource consent has been issued and building consent is being processed.

## Timeframes

We have specified that the construction shall not exceed 8 months.

## Financial Cost and Funding Source

Council has allocated \$1.55m for the project.

It is assumed that if the project proceeds, additional funding required will be loan funded.

If the project does not proceed the costs incurred to date will be expensed.

## Attachments

- A. Summary of Building Condition Headon Stadium - August 2017

## Signatories

Author(s)	Manaia Te Wiata <b>Group Manager Business Support</b>	
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Approved by	Don McLeod <b>Chief Executive Officer</b>	
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