

9.3 RAY WALSH HOUSE RELOCATION PROJECT - UPDATE AND BUDGET VARIATION APPROVAL

DIRECTORATE: OFFICE OF THE GENERAL MANAGER

AUTHOR: Paul Bennett, General Manager

Reference: Item 9.2 to Ordinary Council 13 September 2022 - Minute No 260/22

RECOMMENDATION

That in relation to the report “Ray Walsh House Relocation Project - Update and Budget Variation Approval”, Council:

- (i) note and approve the additional budget allocation of \$287,407 from General Fund Unrestricted Cash, for the Ray Walsh House relocation project; and*
- (ii) the Ray Walsh House Relocation Project team advise on expected further expenditure, if any, before the project is closed.*

SUMMARY

Actual and committed expenditure of building works and furniture on the Ray Walsh House (RWH) relocation project, is \$2,521,800; \$287,407 over and above the original budget approved by Council on 13 September 2022. The additional expenditure is predominately in relation to the works carried out in 474 Peel Street which is a Council owned building. The costs were unknown when the report on 13 September 2022 was presented.

COMMENTARY

Council, at its Meeting of 13 September 2022, endorsed the emergency expenditure incurred to relocate staff from RWH under section 55(3). The estimated amount at the time, which was endorsed stood at \$ 2,235,723 to fund the following:

• building works	\$1,339,620
• furniture	<u>\$896,103</u>
Total	\$2,235,723
Less: 2021/2022 expenditure	<u>(\$1,329)</u>
Annual Budget 2022/2023	\$2,234,294

The actual and committed expenditure compared to approved budget is as follows:

Job	Committed and Actual	Annual Budget	Budget Variance
RWH Remediation - IT Works	205,268	165,067	(40,201)
RWH Remediation - Removal/Relocation	18,844	50,758	31,914
RWH Remediation - Refurbish - Parry Building	543,741	507,243	(36,498)
RWH Remediation - Refurbish - 474 Peel Street	698,240	483,129	(215,111)
RWH Remediation - NDL (179 Marius) Building Works	1,016,278	988,849	(27,429)

RWH Remediation - Sports Dome Refurbishment	39,429	39,348	(82)
Total	2,521,800	2,234,394	(287,407)

The majority of the additional expenditure is in relation to 474 Peel Street. The design and costings were finalised in late October 2022. During the course of construction, the contractors also identified issues in the ceiling involving electrical wiring which was not in line with current standards, insufficient levels of insulation and the majority of ceiling tiles needed replacing. There was also a requirement to install new IT infrastructure for a Customer Facing centre. Accordingly, we will need to process a budget adjustment for \$287,407, to match actual and committed expenditure to date.

We have been advised by the project management team that some further expenditure is expected in relation to 474 Peel Street. It is anticipated to be in the region of \$60,000. Council can apply for a rebate in relation to a portion of this for lighting upgrades and the hope is that it will reduce the cost further. A final report will be provided once all those small works are completed.

(a) Policy Implications

Nil

(b) Financial Implications

Over budgeted amount is funded from the General Fund of unrestricted cash reserve.

(c) Legal Implications

Nil

(d) Community Consultation

Nil

(e) Delivery Program Objective/Strategy

Focus Area 9 – Open collaborative leadership
