CM13.2. AEC Redevelopment Detailed Design Contract No. 23/01136

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CONFIDENTIAL	No	**REASON**	
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Purpose of Report

To recommend to Council a preferred consultant for Contract No. 23/01136, *AEC Architectural Services Detailed Design* through a qualitative and quantitative assessment.

Background

The Albury Entertainment Centre (AEC) comprises a Convention Wing and Theatre Wing that can be configured to cater for a range of events and varying seating arrangements. Constructed in 1972, and last upgraded in 1993, the AEC Convention Wing requires upgrade works. A redeveloped AEC Convention Wing will create a leading regional conference facility, that is innovative, inspiring and iconic; capitalising on Albury's strategic location and transport connections between Sydney, Melbourne and Canberra, and drive growth of regional tourism and visitor economy. This redevelopment will transform the Convention Wing building of the AEC, enabling it to cater for large scale regional conferences and events, further contributing to the overall amenity of the Albury's Cultural Precinct, which includes the Theatre, QEII Square, the Murray Art Museum Albury and the Library Museum.

Currently, the Convention Wing can only accommodate 450 patrons in cabaret style, which is limited in contrast to the Theatre Wing, which can accommodate 818 patrons. As part of the redevelopment, the Convention Wing will undergo significant expansion to increase capacity to 818 patrons in cabaret seating, matching that of the Theatre Wing. An increased capacity will further enable the AEC to attract larger events, with between 400 to 800 patrons, by being able to accommodate both plenary and exhibition needs as well as banquet catering requirements across both wings. Further to this key requirement, the larger redeveloped space will importantly unlock opportunities outlined in the Needs Analysis, written by Alec Gilbert, former CEO of the Adelaide Convention Centre. These opportunities include the requirement to create a highly flexible format that can adapt to event organiser needs. This will not only allow the venue to host multiple events concurrently, but also allow it to accommodate the needs of modern business and industry events, thus, fulfilling its civic responsibility to the regional community now and into the future; and address current venue limitations and constraints.

The redevelopment of the AEC Convention Wing aligns with key economic strategic plans including the *Albury Wodonga Regional Economic Development Strategy 2030, Two Cities One Community Strategic Plan 2030, Albury Wodonga Destination Management Plan 2024-2028* and *Riverina Murray Destination Management Plan 2022-2030*. Like these strategies, the redevelopment of the AEC Convention Wing aims to drive sustainable, long-term economic growth by reinforcing competitive

advantage, creating jobs and capitalising on opportunities within the Meetings, Incentives, Conferences, and Exhibitions (MICE) industry.

A Preliminary Design was developed by Peddle Thorp Architects in partnership with Furlong & Kain (internationally acclaimed convention centre design specialists), enabling Development Consent to be granted. In summary, the redevelopment involves extending the existing lower-level space and building a medium sized space over the lower-level extension. Overall, the proposed development includes the refurbishment of approximately 1,500 sqm and a new build area of 2,800 sqm.

Based on the Preliminary Design, AlburyCity successfully secured joint funding from the NSW and Commonwealth government, contributing $15 million and $10 million respectively, as part of the Albury Wodonga Regional Projects initiative (formally referred to as the Albury Wodonga Regional Deal). The AEC redevelopment is the showcase deliverable for this funding initiative.

A detailed Cost Plan was prepared by independent quantity surveyors, Rider Levett Bucknall (RLB), who estimated an investment of $32.89M (including GST) as being required to complete the redevelopment. This detailed cost plan estimated a budget allocation of $3.63M (including GST) to complete the Detailed Design. The adopted *Four Year Delivery Program 2024-28* includes a total project allocation of $34.76M (including GST) to complete the design and project delivery.

Scope

The scope of works includes the engagement of a suitably qualified consultant, with an experienced sub-consultant team. This appointment will coordinate and complete all necessary design work and provide a fully coordinated set of design documentation for approval by AlburyCity and the Principal Certifying Authority, so that a Construction Certificate can be issued for the works.

The coordinated set of design documents are to reflect the project objectives, reference design, target budget, development consent conditions, relevant laws, regulations, codes, and standards, whilst being guided by the successful consultant to further enhance the intent of the preliminary design completed to date. The tendered scope also facilitates consultant supervision services during construction, enabling continuity of design consultant resources through to project completion.

Invitation to Tender

Tenders were invited by Council for Contract No.23/01136, and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on 27 March 2024.

Tender Close

At the close of tenders, submissions were received from the following companies:

- NBRS Partners Pty Ltd;
- Peddle Thorp Melbourne Pty Ltd; and
- Young Lehmann & Co Pty Ltd (trading as Y2 Architecture).

All tenders were received and evaluated in accordance with the local government legislation of NSW, Council's Social and Sustainable Procurement Policy and Guidelines.

The assessment panel for the tender comprised of Service Leader Business and Lifestyle – Ambrose Glass, Sourcing Coordinator – Anthony Jeffery, Team Leader Project Delivery - Isaac Greene, Senior Design Architect – Douglas Howard and Senior Project Engineer – Simon Pedler.

An additional qualitative evaluation component was included in the tender assessment in the form of a presentation and was documented in the RFT provided to all tenderers.

Conformity Check

A conformity assessment was undertaken to ensure all submissions received were in accordance with the contract documentation and specification.

Company	Schedules returned with supporting information	WHS & Insurance Documentation accepted	Conformity Status
NBRS Partners Pty Ltd	Yes	Yes	Conforming
Peddle Thorp Melbourne Pty Ltd	Yes	Yes	Conforming
Young Lehmann & Co Pty Ltd (trading as Y2 Architecture)	Yes	Yes	Conforming

As indicated above, all submissions were assessed as conforming tenders, and companies are either WHS registered with Council or able to achieve this outcome.

Qualitative Assessment

The qualitative assessment for this project was undertaken in two parts, including an assessment of the submission making up 80% of the qualitative assessment score, and a presentation for the shortlisted tenderers making up the remaining 20% of the qualitative assessment score.

A qualitative assessment considered a range of criterion including:

- **Experience** – Relevant experience in performing same or similar projects; developing experience including research and innovation.
- **Methodology / Program of Work** – Work methods, project/scope understanding, proposed product, program and timeline.
- **Capacity** – Availability of resources, current and future commitments and workload.
- **Capability** – Skills, specialisation, certification, business systems to deliver required goods/services/works, contract management capabilities; and
- **Benefit to the Region and Australian Manufacturing** – Local impact on social, economic and community outcomes to benefit the Albury/Wodonga region and Australian producers.

Company	Experience (25%)	Methodology/ Program (20%)	Capacity (15%)	Capability (10%)	Local Benefit (10%)	Total (80%)
Peddle Thorp Melbourne Pty Ltd	23	17	14	9	4	67
NBRS Partners Pty Ltd	18	13	12	7	5	55
Young Lehmann & Co Pty Ltd (trading as Y2 Architecture)	18	16	10	7	4	55

Peddle Thorp Melbourne Pty Ltd is a large multinational consultancy practice with offices in numerous cities across Australia. Peddle Thorp Melbourne Pty Ltd have proposed to lead the project from their Melbourne office in partnership with Hames Sharley.

Peddle Thorp Melbourne Pty Ltd scored highly on past performance having provided significant examples of previously completed projects of civic importance. This portfolio includes numerous convention centres and projects with civic elements across capital and major cities of Australia and internationally, with expenditure, scale and complexity far exceeding that tendered as part of the AEC. Further, their partnership with Hames Sharely also compliments their experience, providing direct convention centre/civic design expertise, through the addition of convention centre specialists to their team. Their submission highlighted that they would continue to partner with TCL who have undertaken the design work for Albury's Cultural Precinct Masterplan. If appointed, this partnership will facilitate the integration of the two iconic projects.

Referee information indicated that Peddle Thorp Melbourne Pty Ltd performed well on past contracts, stating that they were a pleasure to work with throughout the design and build process, and that they are passionate, and highly skilled. Peddle Thorp Melbourne Pty Ltd have experience working for AlburyCity, and completed the original Preliminary Design for the AEC for which a thorough engagement process was undertaken, and high-quality outcomes achieved. Further, they have continued their active involvement in civic design, completing concepts for a new convention centre in Hong Kong and community venue in Ryde, Sydney; developed a concept for the expansion of the National Wine Centre's event spaces, advising Dubai World Trade Centre on their exhibition centre expansion and working with the Beijing Convention Centre on their recent major expansion. This demonstrates a strong understanding of community facilities, and of crowd movement, amenity and facility planning.

Methodology and program also scored highly, noting a thorough knowledge of the project, issues to be addressed, as well as innovations and key project requirements. Throughout Peddle Thorp Melbourne Pty Ltd's submission was a high emphasis on civic building requirements and how these would be positively achieved through design. Their submitted program, was favourable, indicating 45 weeks for design completion, prior to construction.

Capacity and capability aspects also scored well, noting the experience of resources available and assigned to this project. Having initially been engaged to prepare the AEC Preliminary Design they are now well placed to continue the project through to completion having committed the same design team, including sub-consultants, for the remaining stages of the works. They have a comprehensive understanding of the design intent, its civic importance to Albury, and potential risks of the project.

Based on the set criteria the local benefit score was low with the organisation being situated outside of the Albury/Wodonga region, albeit engagement of local sub-consultants has been proposed to complete various elements of the work.

NBRS Partners Pty Ltd is a large consultancy practice with offices in Sydney, Melbourne and Brisbane and have expressed a passion for working in regional areas. NBRS Partners Pty Ltd as part of their offer are proposing a partnership with local architectural firm JWP Architects via a sub-consultant arrangement.

NBRS Partners Pty Ltd scored well on experience having delivered a diverse range of design projects from community facilities, performing arts and aquatics, as well as many other significant infrastructure projects; however, their submission did not demonstrate significant experience or expertise in the development of convention centres. Examples of projects that had some alignment to the AEC include The Pavilion Performing Arts Centre for Sutherland Shire Council, Bowral Memorial Hall Redevelopment for Wingecarribee Shire Council and Bay Pavilions Arts + Aquatic for Eurobodalla Shire Council. NBRS Partners Pty Ltd have previously collaborated with AlburyCity on the delivery of the Murray Arts Museum Albury (MAMA).

Referee information indicated that NBRS Partners Pty Ltd are a well-regarded architectural firm who perform well on past contracts. Further, it was stated that they were a pleasure to work with throughout the design and build process, and that they are passionate, and highly skilled.

NBRS Partners Pty Ltd methodology addressed the key requirements, and provided an understanding of project requirements, however, in instances contained high level statements, without the project specific detail to support them. Their submitted program indicated 68 weeks for design completion, prior to construction.

Capacity and capability aspects scored well, noting the experience and extensive resources a multinational design firm brings, along with their extension of proposed sub-consultants to be engaged for the works.

NBRS Partners Pty Ltd local benefit scored slightly higher than the other tenderers due to their partnership with local architectural firm JWP Architects, among engagement of other local sub-consultants.

Young Lehmann & Co Pty Ltd (trading as Y2 Architecture) has architectural practises based in Melbourne and Bendigo and provide professional architectural services throughout Victoria.

Young Lehmann & Co Pty Ltd scored well on experience having previously designed buildings aligned to education, theatre and performing arts as well as working with existing buildings to enhance

amenity and connection with community. Their previous experience outlined civic elements, however, did not clearly demonstrate extensive experience in the delivery of convention centres. Examples of projects completed with alignment to the AEC include, The Forum Theatre for Marriner Group, Her Majesty's Theatre Ballarat for Lovell Chen Architects and Berninneit (Cowes Community and Cultural Centre) for Bass Coast Shire.

Referee information indicated that Young Lehmann & Co Pty Ltd performed well on past contracts, stating that they have well established processes, work systematically, competent and take pride in the finished product.

Young Lehmann & Co Pty Ltd provided a well thought out and logical methodology with alignment to the tender requirements. This highlighting and providing confidence that they have a clear understanding of the key project requirements. Their submitted program indicated 67 weeks for design completion, prior to construction.

Reflected in their score for capacity and capability is the assembled team which have a wide range of skills and enthusiasm to enable delivery of a building that meets the project requirements. They have also proposed an extended team of sub-consultants to assist in the delivery of specialist elements of the work.

Based on the set criteria the local benefit score was low with the organisation being situated outside of the Albury/Wodonga region, albeit engagement of local sub-consultants have been proposed to complete various elements of the work.

Presentation

The presentation assessment required tenderers to prepare a response to four pre-provided questions to address the following key areas:

- Past Performance;
- Methodology;
- Program;
- Capacity;

Company	Presentation (20%)
Peddle Thorp Melbourne Pty Ltd	19
NBRS Partners Pty Ltd	15
Young Lehmann & Co Pty Ltd (trading as Y2 Architecture)	13

Peddle Thorp Melbourne Pty Ltd

Peddle Thorp Melbourne Pty Ltd's presentation was of an excellent standard and demonstrated their detailed knowledge of the key project requirements, its civic importance to Albury, and the potential risks and opportunities for the project. Peddle Thorp Melbourne Pty Ltd, again emphasised their experience in convention centre design and how this would be utilised within the design philosophy to positively achieve the key project requirements.

NBRS Partners Pty Ltd
NBRS Partners Pty Ltd's presentation was cohesive with their local sub-consultant, JWP Architects in attendance. NBRS demonstrated their previous projects with AlburyCity (MAMA), while subconsultant JWP Architects highlighted the City of Wodonga's Hyphen as a similar project. They demonstrated a good understanding of the project, and their philosophy and approach aligned closely with the project's objectives. They further demonstrated their relevant experience on recent large infrastructure projects, and on projects within the local region. Within their presentation they emphasised how their partnership with JWP Architects will provide local representation, and responsiveness.

Young Lehmann & Co Pty Ltd (trading as Y2 Architecture)
Young Lehmann & Co Pty Ltd's presentation was overall to a good standard. It demonstrated a suitable understanding of the project and highlighted their experience through previously completed work and how their design philosophy and approach align with the project's objectives. They also emphasised senior principal availability within the project team, and the criticality of the project for the city.

Combined Qualitative Score

The following table combines the scores from both the submission and presentation evaluations to provide a total qualitative score for each.

Company	Submission (80)	Presentation (20)	Total (100)
Peddle Thorp Melbourne Pty Ltd	67	19	86
NBRS Partners Pty Ltd	55	15	70
Young Lehmann & Co Pty Ltd (trading as Y2 Architecture)	55	13	68

As indicated above, all tenderers demonstrated a level of capability and capacity that would suggest their ability to successfully deliver a project of this type and scale. The submission from Peddle Thorp Melbourne Pty Ltd being the most favourable submission from a qualitative perspective due to their favourable design program of only 45 weeks, their extensive experience in the delivery of convention centres and projects of civic importance, and their demonstrated past performance, including completion of the Preliminary Design for the AEC.

Quantitative Assessment

The contract was issued seeking lump sum pricing to complete the project. The tendered prices and ratings relative to the lowest price are tabulated below.

Company	Contract Value (incl GST)	Rating (100)
Young Lehmann & Co Pty Ltd (trading as Y2 Architecture)	$2,422,301.00	100
NBRS Partners Pty Ltd	$2,519,937.00	96
Peddle Thorp Melbourne Pty Ltd	$2,697,410.10	90

The *Four Year Delivery Program draft "New Initiatives" document 2024-28* proposes a four year project budget allocation of $34.76M (including GST). This proposed appointment will form a sub-component of this budget allocation, with an estimated design cost of $3.63M (including GST) to complete. All submissions received were significantly under the estimated design cost.

As detailed above, the submission from Young Lehmann & Co Pty Ltd was the most favourable from a cost perspective, being $98K (4%) more favourable than NBRS Partners Pty Ltd and $275K (11%) more favourable than Peddle Thorp Melbourne Pty Ltd.

Risk

- **Business Risk –** Delays to project delivery could impact the delivery of the Four Year Delivery Plan, breach funding requirements, and negatively impact regional tourism and visitor economy growth prospects. To mitigate this risk, the preliminary concept design, which has undergone extensive stakeholder engagement has been complete. This newly proposed engagement seeks to appoint an appropriately qualified principal architect to facilitate the detailed design, coordination and construction phase services to mitigate delivery risk by having a well-resourced team.
- **Corporate Risk –** This project is iconic, within the heart of Albury's CBD and therefore has significant stakeholder interest, including that from all levels of government. As a result, the project has significant potential to impact AlburyCity's reputation and corporate image if not executed well. Selection of an experienced architectural firm specialising in convention centres with civic experience is important to minimise the risk of this eventuating, and to ensure AlburyCity delivers this key prominent project to the highest standard.
- **WHS and Public Risk –** WHS risks will be controlled in accordance with AlburyCity procedures. The contractor will be WHS registered by AlburyCity and will be required to implement relevant Safe Work Method Statements and safety inspections when working on Council sites.
- **Environmental Risk –** As part of the Development Consent process a Statement of Environmental Effect (SEE) has been completed, as well as comprehensive site investigations. It is, however, important that the final design is in keeping with the original concept so that it is sympathetic and complimentary to its surrounds and the larger cultural precinct for which it is a part of.
- **Delivery Program Risk –** Requirements for additional consultation or alterations through the detailed design process has the potential to delay the delivery program. This is largely mitigated through already having Development Consent, which is based on a concept design that has undergone comprehensive stakeholder engagement.

Community Engagement & Strategic Alignment

The project was included in the 2023/24 Delivery Program, which was endorsed by Council following extensive community consultation. Further, it has been included in the following endorsed management plans:

Riverina Murray Destination Management Plan 2022-2030

Local Destination Priority projects
The priority projects to grow the visitor economy in the local area have been identified as being:

- Implementation of Albury City Council masterplans including the Cultural Precinct Masterplan, Wonga Wetlands Masterplan, Murray River Experience Masterplan, and Albury Botanic Gardens Masterplan.
- Lake Hume – visitor experience development – and cruising and houseboats.
- Agritourism, working small farm, on-site dining.
- Albury night time economy activation.
- Redevelopment of major centres to attract more visitors to the region, including the Lauren Jackson Sports Centre and the Albury Entertainment Centre.

Albury Wodonga Destination Management Plan 2024-2028

Item 1.4: To complement the planned location of the Visitor Information Centre (VIC) in the new Albury Entertainment Centre, research visitors' information needs and preferred methods of sourcing information and emerging trends to determine an optimal visitor information delivery model moving forward.

Item 5.10: Optimise marketing initiatives during and after redevelopment of the Albury Entertainment Centre to promote Albury Wodonga as a flagship regional business event and conferencing destination.

The redevelopment of the Albury Entertainment Centre (AEC) Convention Wing also aligns with key economic strategic plans including the *Albury Wodonga Regional Economic Development Strategy 2030, Two Cities One Community Strategic Plan 2030* and *Riverina Murray Destination Management Plan 2022-2030*.

The planned project deliverables also seek to address the following strategic outcomes and actions identified within AlburyCity's *Community Strategic Plan – Towards Albury 2050* as follows:

Economic Impact:

- 1.1 Albury is a liveable city supporting sustainable population growth through the provision of high-quality infrastructure, industry-leading services and high levels of amenity.
- 1.3 Albury will offer diverse and innovative tourism experiences to attract new and repeat visitation.
  - 1.3.1 Communicate the story of Albury through our tourism offerings, providing an authentic and engaging visitor experience.
  - 1.3.3 Investigate partnerships to attract visitors to our region, and increase the diversity in attractions, events and facilities for our community and visitors.
- 1.4 Albury has a national reputation as a place to do business, supported by a resilient, future-focused and sustainable economy driving employment and supporting growth across all sectors.

Social Impact:

- 3.3 Our community values arts, culture, heritage and place. All residents share and celebrate our multiculturalism in a welcoming and open community.
  - 3.3.3 Our spaces will provide a safe, inclusive and welcoming environment for our community to enjoy.
- 3.6 Albury is a vibrant region that values the enrichment offered by arts and cultural activities and provides for diverse lifestyles and experiences.
  - 3.6.1 Albury will create vibrant and interesting public and cultural spaces and places that support and encourage the development of, participation in and celebration of arts and culture.
  - 3.6.2 Albury will value and support our creative industry and cultural economy.
  - 3.6.3 Albury will provide a diverse range of experiences – including entertainment, art and cultural experiences and sport and community driven events.

Summary

The scoring for the qualitative and quantitative assessment is summarised in the following table:

Company	**Qualitative (Non-price Score)**	**Quantitative (Price Score)**
Peddle Thorp Melbourne Pty Ltd	86	90
NBRS Partners Pty Ltd	70	96
Young Lehmann & Co Pty Ltd (trading as Y2 Architecture)	68	100

From the qualitative assessment, all companies demonstrated a level of experience, capability and capacity to undertake a project of this type. The submission from Peddle Thorp Melbourne Pty Ltd was considered as the most favourable from a qualitative perspective due to their favourable program duration, their extensive experience in the delivery of large-scale iconic convention centres, and their demonstrated past performance.

The shorter program duration of only 45 weeks for design, not only brings forward construction, but enables grant funding timelines to be appropriately managed. Their specialist convention centre and civic experience committed to the project provides a comprehensive understanding of crowd movement, amenity and facility planning. Furthermore, and following a successful engagement with Peddle Thorp Melbourne Pty Ltd on the Preliminary Design of the AEC, their submission reflected their thorough understanding of the project, including issues, opportunities and deliverables, thus, providing the assessment panel with confidence that a quality engagement would result.

From a quantitative perspective all submissions were significantly under the estimated design cost of $3.63M (including GST), therefore an underspend for this component of the project will be realised. The submission from NBRS Partners Pty Ltd was assessed as the most advantageous submission and was between $98k (4%) and $275k (11%) more favourable than the other submissions.

From a fee perspective, this engagement represents a small percentage of the overall planned expenditure for the AEC, however, this engagement is pivotal to the success and quality of outcomes, and thus, project importance, and the budget underspend must be duly considered. While it is noted

that Peddle Thorp Melbourne Pty Ltd's submission was not the most favourable from a quantitative perspective, it was considered by the assessment panel as the superior submission, and the submission that would provide Council with the best overall value to deliver this leading iconic regional venue.

Conclusion

Council invited tenders for Contract No. 23/01136, *AEC Architectural Services Detailed Design* and received three (3) submissions.

A redeveloped AEC Convention Wing will create a leading regional conference facility, that is innovative, inspiring and iconic; capitalising on Albury's strategic location and transport connections between Sydney, Melbourne and Canberra, and drive growth of regional tourism and visitor economy. This redevelopment will transform the Convention Wing building of the AEC, enabling it to cater for large-scale regional conferences and events, match the capacity of the existing Theatre Wing and accommodate the needs of modern business and industry events; fulfilling its civic responsibility to the regional community now and into the future.

The scope of works includes the engagement of a suitably qualified consultant, with experienced sub-consultant team to complete all necessary design work required to provide a fully coordinated set of construction documents. The final set of documentation will further detail and enhance the preliminary design already completed, while still maintaining project objectives, target budget and compliance with development consent conditions. The tendered scope also facilitates consultant construction phase services, enabling continuity of design consultant resources to project completion.

A quantitative and qualitative assessment indicated that Peddle Thorp Melbourne Pty Ltd was the most favourable submission and best positioned to deliver the design of this iconic regional venue to achieve outcomes to the highest standard. Their tendered price of $2,697,410.10 (including GST) is within the budget allocation for this phase of the project.

Recommendation

That Council pursuant to section 178 (1)(a) of the *Local Government (General) Regulation 2021* NSW, resolves to accept the tender from Peddle Thorp Melbourne Pty Ltd and awards Contract No. 23/01136, *AEC Architectural Services Detailed Design* for the tendered lump sum price of $2,697,410.10 (including GST).