



**Revised Proposal
Attachment 5.20.7
Colliers - Capital
expenditure
program paper
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AUSGRID

01 PROPERTY CAPITAL EXPENDITURE – 2020/2024

Executive Summary

Ausgrid currently have, under consideration and review, their Property and Accommodation Strategy and Capital Expenditure (capex) planning and budget for the 2020/2024 Period. An initial review by AER and EMCa has questioned the capacity of the current Ausgrid resource model to deliver the planned program of works.

This paper discusses the key issues to consider and the model of delivery for multiple sites, that will provide for consistency of delivery, economies of scale and ensure the timely delivery of the asset renewal, as well as providing Ausgrid with a replicable model throughout the assets.

The key to the Project Procurement of multiple sites is to put into place a single process that can replicate consistent outcomes across each site. This paper sets out a process that can be implemented that, in effect, treats the whole program as a single Project with multiple sites.

Implementing a single process will achieve economies of scale, consistent delivery systems and an identifiable “branding” of the Ausgrid Assets.

Proposed Capital Works

The program of works includes the following sites:

1. **HOME BUSH** - ██████████ – The proposed plan is to demolish the aged and dilapidated infrastructure and develop a compliant depot that meets the current and future needs of the staff and area it is designed to service and provide a higher and better service to customers into the future.
2. **OATLEY** – ██████████ – The intention at Oatley is to demolish the existing facility and rebuild a fit-for-purpose, modern depot in a location with a lesser impact on nearby residential development corridors, as well as creating a new facility that is designed to service and provide a higher and better service to customers into the future.
3. **HORNSBY** - ██████████ – The intention with Hornsby is to demolish the existing facility and remediate an identified contaminated site and recycle the assets. A new facility would be constructed at the nearby Ku-Ring-Gai site and is to be designed to provide a higher and better service to customers into the future.
4. **WALLSEND** - ██████████ Million depot and ██████████ Million Administration Building – The proposal for Wallsend is to develop a more fit-for-purpose depot on the existing depot site, dispose of the corporate site to the south and incorporate new administrative space into either the new Beresfield facility or co-locate on the existing site with a redeveloped Wallsend Depot. The objective is designed to service and provide a higher and better service to customers into the future.
5. **GENERAL DEPOT REFURBISHMENTS AND WORKPLACE IMPROVEMENT PROGRAM** – ██████████ – This program will be concentrated on sites not listed as the main priorities (set out above), and will involve relatively minor, but important works designed to address safety in the workplace issues for staff, including certain current compliance issues, as well as responding better to customer needs.

Key Issues and Objectives

A study has been undertaken across all sites and key issues have been identified that have informed the process to identify the priority sites and to inform the basis of the design principals for the future work environments for Ausgrid employees and customers.

1. **Building Age** - A key issue that has informed the process and identified the priority sites is the age of the facilities and therefore the legacy issues that come with aged buildings. Homebush is 65 years old, Oatley, 56 y/o, and Hornsby, 80 y/o.
2. **Site Contamination** – a recurrent theme across all sites in the presence of contamination.
3. **Compliance** – The buildings do not comply with current Building Code of Australia (BCA) a standard which is constantly under review and being updated frequently to deal with such critical issues a Fire and Life Safety, Egress and Disability access.
4. **Disability Access** (DDA)
5. **Security** – in our every changing world and given the critical infrastructure status of the Ausgrid assets this is the opportunity to implement “state-of-the-art” security to the depot sites.
6. **Productivity** – modern workplace design supports new ways of working, improving productivity, employee retention, collaboration, and ultimately better customer service and employment conditions.
7. **Technology** – IT Infrastructure in the workplace is now the key driver of the workplace of the future. A coordinated network design that is flexible, mobile and consistent across all sites will improve mobility, agility and flexibility in the workplace as well as supporting a better customer experience. IT is integral to the redevelopment of the assets. It should not be considered as an add-on, but rather as integral to the assets redevelopment.

Generally, the Property Portfolio comprises legacy depots and administration assets, with many different designs from the eras in which they were built, with material (some now considered contaminants), as well as workspaces designed from those eras. The focus is on building a portfolio with consistency and embracing the “new” ways of working, as well as eliminating the legacy issues, improving safety in the workplace and designing a sustainable working environment that will lead to best in class customer experiences.

One Program – Procurement Efficiency

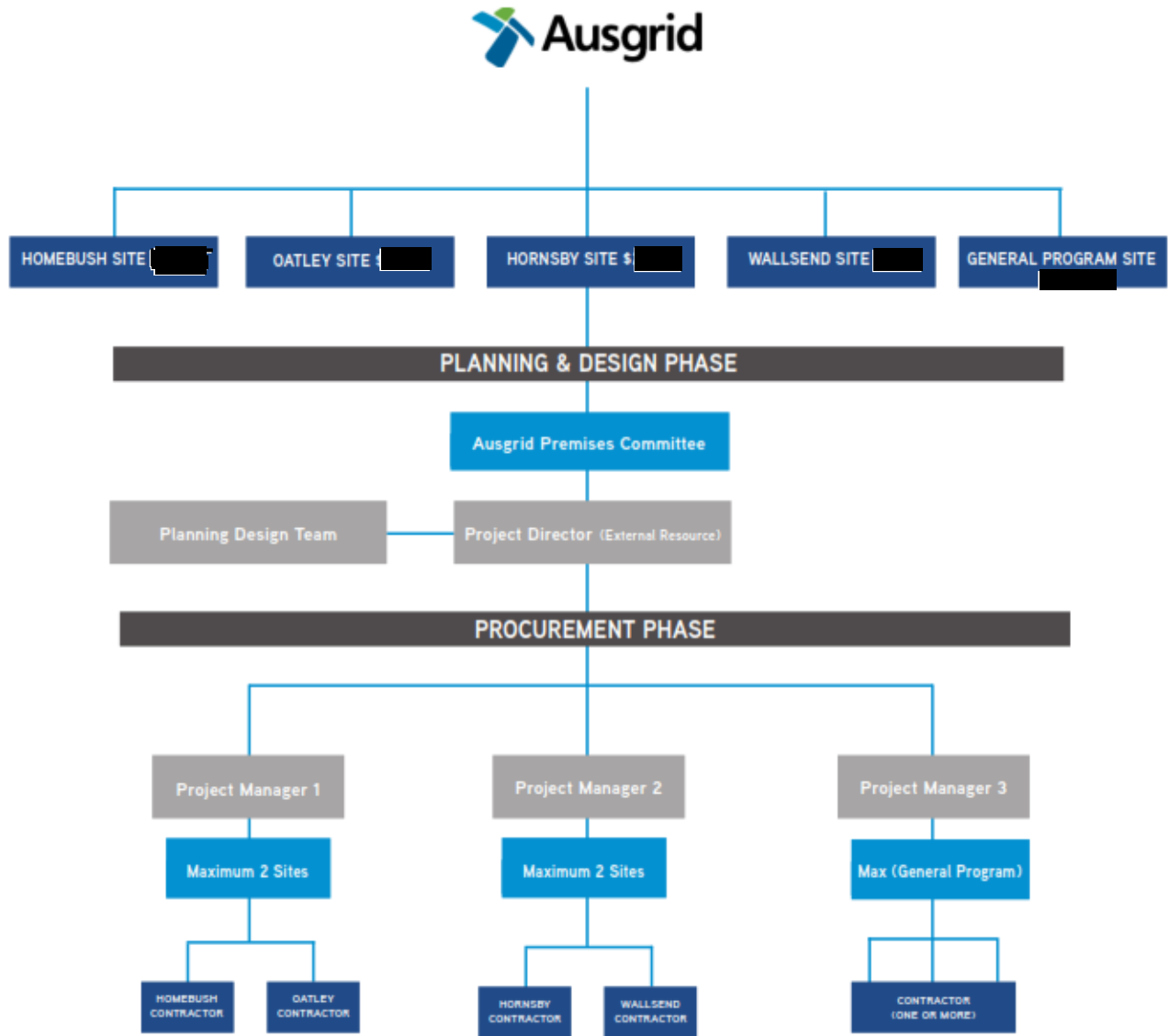
In order to deliver multiple sites that have a common objective, a ONE PROGRAM Project Plan should be developed, considering all sites as the ONE project, whilst recognising the different sites as different stakeholders in the Management Model.

The Management model can then be resourced to ensure each site and each stakeholder gets equal attention and appropriate priority. Communication is key, each stakeholder (site) being part of an overall Project Plan can be informed at every step of the process where the decisions and timelines for each piece of the overall program coordinate.

An added benefit of considering a One Program management model will be the consistency of the Architectural and Interior Design of the Assets across the portfolio, which will bring economies of scale in design and procurement benefits, as well as supporting the agile and flexible work environment objectives, ensuring Design objectives, Project Budgets are achievable, and the certainty of Delivery of Projects are predictable.

Implementing a single process will achieve economies of scale, consistent delivery systems and an identifiable “branding” of the Ausgrid Assets.

Management Model



02 PROJECT MANAGEMENT PROCESS

A well-defined process would be established and communicated at the outset of the Program.

Project Establishment

- Establishing a timeframe for the overall and individual projects;
- Establishing (confirm) the proposed budgets for the projects, including Project Team, services and fees;
- Managing the project brief;
- Managing the selection and appointment of the Project Team, with inclusions of additional consultants when necessary;
- Obtaining all necessary Client approvals;
- Managing the overall and individual Projects Budgets including Receiving and recommending consultant invoices, throughout the Planning and Design Phase

Phase 1 Concept & Design Development

- Reviewing Council legislations in relation to the respective redevelopments of the existing buildings;
- Providing construction advice, documentation and risk profile, and recommending an appropriate delivery strategy for each site;
- Managing consultant team to the completion of concept design and lodgment of the Development Application;
- Reviewing designs for consistency, feasibility, buildability and construction issues;
- Lodgment of the Development Applications, and management through to approval.

Phase 2 Design Development for Tender

- Managing consultant team to the completion of documentation for tender;
- Identifying any value management opportunities through simplification of design;
- Developing a design program including information requirements, design development, progressive review and stakeholder signoff to acquire construction certificates;
- Providing advice in the assembly of a suitable construction contracts and facilitating tender of contractor for construction

Phase 3 Construction and Completion

- Managing the selection and appointment of the Project Team including independent Project Management Teams and Contractors if necessary.
- Ensure each PM is Performing the role of Superintendent under each Building Contract;
- Carrying out all administrative procedures necessary for the effective management of all Head Contract Works;
- Reviewing and processing claims under the Building Contract;
- Preparing Monthly Reports communicating on progress and risk;
- Administering the construction contracts including quality assessment, programme and cost management;
- Undertaking periodic inspections for site safety and quality assurance;
- Undertaking inspections for defects and facilitating defects management process.

Phase 4: Post Completion and Defects Liability Period (DLP)

- Manage the Defect Rectification process with the PM'S, Consultants, Contractors and Contractors Consultants as required;
- Ensure all relevant Handover Documentation is reviewed and uploaded into Ausgrids preferred online Documentation Control System;
- Manage communication with the Stakeholders and Contractors regarding any new defects throughout the DLP; and
- Finalize the DLP process with a final defects inspection report, including sign off and confirmation to the Client that all defects are rectified, and the works have been completed in accordance with the Principal's Project Requirements.

03 PROJECT MANAGEMENT PLAN

A Project Management Plan for this specific Program of Works will provide a framework for delivery of a project from design stage through to the end of the defects liability period and will include Plans as set out in the outline below.

