

Simon Cracknell comments:

The letter lists the airport, the Solar farm, the Sub Cable and the Maroochy City Centre as being glowing examples of their success in delivery. How would we know as the financial details are shrouded in secrecy?

Ditto to the Brisbane Roads Carpark project. Abacus no doubt pulled out as they could not continue on their merry dance of getting everything they asked for. How did this situation ever get this far certainly - not because of Council excellence.

**2.1a)** This may be correct but how will we ever know as it is all Commercial in Confidence (C I C). If the current decision is the best one why enter into a MOU with JH in the first place? One could be suspicious and say that it was a side deal to the airport.

**2.1b)** I cannot agree with the claimed expertise of Project Urban. If you look at the CVs of their key personnel all they tout is their "Master Planning and Development Planning Achievements". There does not appear to be a skerrick of Construction expertise in the company. The field you would look at for a project such as this would include Thinc, Ranbury and Evans and Peck (now Advisian). The projects Project Urban have delivered all look to me to be significantly less complex than what our City Hall will no doubt be.

**2.1 c)** The Project Brief. I have said before that the financial success of the project will rest largely with the Brief. We can only hope that they know what they are actually asking for as it is amazing how often inexperienced parties contributing to a Brief don't actually understand what they are asking for. Later changes will be very expensive in terms of time and money.

**2.3 a)** Car parking. All Council building should be easily accessible by the general public that our Council serve. This means adequate car parking. To refer to "multimodal transport solutions" is laughable when at this stage the most they have done is identify corridors. Talk about chicken and egg.

**2.3 b)** Budget. This is an about face. The initial paper said that there was a commitment to developing a Target Budget as soon as practical. Our concern was how could you commit the ratepayers to a project without knowing a budget?

They are now saying they have a budget but they are keeping it secret. I don't believe them.

I have tendered many hundreds of projects over 45 years in the Industry. In many cases the Clients budget was well known, and in some cases openly provided. Not once have I ever been in a tender where we worked towards to Clients budget. The tender cost will be what it is, and if the Clients budget is inadequate you will propose potential savings that could occur by relaxing the specifications and / or brief

**2.4** Assumptions and Constraints. For once I agree with them in that D &C should represent a lower risk profile to the Client as long as the Brief is robust.

The development of a Design further than 30% Conceptual has the potential to railroad the project in a particular direction especially as the Contractor will be trying to mitigate design costs and time.

The idea of Council maintaining control over the design further into the project is dangerous indeed and would suggest they are not confident in their Brief documentation.

Our concern is exacerbated by the lack of hard-nosed construction expertise within Council or Project Urban.

**2.5** Third party Interfaces. What a joke. Our letter was clear in their previous commitments and they are walking away from them.

**3.1** Project Organisation Structure. Our initial concern was that part of the Project Management Plan and the various Tables was not consistent and fluctuated between D & C and Construct Only. It is good they are going down the D & C path. Novation of design teams is always a strong negative to a Contractor tendering as they are going to be saddled with a Design Team that they may not know and one that has been heavily influenced by the Client to date. The Contractor will always be concerned re the potential for ongoing loyalties (and direction) from the Client post novation and will price risk accordingly. The Contractual terms that the Design team have been appointed may also be unacceptable / unpalatable to the Contractor.

We did request the Risk Analysis that Council must have done to understand the risk associated with the various delivery models. There is no reason why this should be C I C.

**3.2** Roles and Responsibilities. SCC letter refers to the wealth of experience that Council staff gained in the private sector before joining Council. Without wanting to criticise some of the people that are no doubt dedicated to their work, if they were any good in the private sector they would still be there and earning 3 to 4 times what Council will pay them.

**4.1** Scope. Refer to 2.1 c) above

**4.2** WBS. In our letter we had identified what appeared to be (and remain so) inconsistencies in the WBS flowchart. This reinforced our concerns that the party that drafted the document did not have the requisite expertise and nor did the Councillors that blindly voted on it.

**5.2** Cost Planning. I agree that an external audit by a QS is required. Our problem will be that we will never see to outputs from this process.

**7.1** Risk Management. No comment

**9.1** Procurement Strategy. As per other parts of my comments our original concerns was highlighting the conflicts and contradictions within the Project Management Plan. The SCC letter has done little to address these concerns.

## Summary

- Council appear to be going down a D & C path which is good.
- The Brief is critical and I have no confidence in their expertise to prepare a robust one.
- Council want to control the design and novate the Consultants at some stage, which is not so good. It could also mean that they recognise they will need to fill shortfalls in their Brief.
- Council indicate that in 2.4 that they want to maintain some control over the design even post novation. This is very dangerous and a prudent contractor would make a meal of it.
- I am extremely concerned that they may not have a Budget. As commented in 2.3b, they initially said they did not have one. Now it is C I C. What is the truth?
- Just another SCRC letter of platitudes that don't really address the issues.