

(3099) The Palmerston Hospital, NT

October - December 2015 Status Report

Reporting Period: October - December 2015

Submission Status: Accepted

Current Project Stage: 3 - Design work completed, Development Application approvals obtained, etc

Submission Date: 19/11/2015 13:45

Accepted Date: 19/11/2015 14:24

Activity and Achievements

Key Activity Undertaken Since Previous Report: Negotiations are in progress for the variation to the Project Agreement that are to amend the milestone requirements and timings, which is the agreed corrective action for slippage associated with the change in delivery methodology from a PPP project to a MCC. It is noted however, that changing the delivery methodology from a PPP project will provide significant cost savings to the Government, and ensure delivery of a hospital that can be achieved within available funding limits, and ensure completion of construction by the required due date of May 2018. Refer attached status report

Significant Achievements In Next 3 months: Significant achievements for the next reporting period for the Project will encompass milestone 4, and includes excavation of site being completed, concrete pour to main building commenced. Refer attached status report for further details. In line with governing Agreement detailed financial reporting is not required. That said, the NTG has recorded our cost contingency is as agreed and on budget.





Key Dates

Facility Practical Completion Dates

	Original	Forecast	Actual
Palmerston Hospital	13/10/2017	31/05/2018	-

Progress Status

		Slippage Comments	Corrective Action Taken
Schedule	Green 	<i>Lend Lease was appointed as the managing contractor for construction of the hospital in July 2015. DCA received subdivision approval as planned on 12 October 2015. Work was carried out by Geotech and Surveying in late October in preparation of the fencing tender which was subsequently awarded to Totem Fencing. Site clearing commenced on 2 November 2015 and has been completed. Bulk civil works commenced on 9 November and the perimeter fencing road and fire break are complete. Construction of the temporary access road and fencing included screening to ensure staff and public OH&S and security of construction equipment. Detailed design documentation progressed on schedule and was presented for approval by user groups on 9 November 2015. Further details on the progress undertaken since the May 2015 report is outlined within the detailed report attached.</i>	<i>Now that Lend Lease has been appointed as the Managing Contractor, work is progressing on track for the required schedule. Further details are outlined in the attached report provided.</i>

Cost	Green		<i>The project is on budget and the DoI is closely monitoring cost needs to ensure the budget is maintained. Further details are outlined in the attached report.</i>	-
Compliance	Green		<i>DCA received subdivision approval as planned on 12 October 2015.</i>	-
Scope	Green		<i>The project scope has not changed and is within the remit of the Funding Agreement.</i>	-
Risk	Green		<i>On 4 November 2015, the DoI and Lend Lease structured risk workshops that representatives of the TEHS and DoH attended. All identified risks to the project have been mitigated and the residual risk posed has a low probability of occurrence, and/or is expected to have a low impact on the desired outcome.</i>	-

Financial

Note: All financial amounts are GST exclusive

Total Funding

	Amount
Total Program Project Funding	\$90,000,000.00
Total Co-Contributor Funding	\$40,000,000.00
Total Other Funding	\$20,000,000.00
Total Project Funding:	\$150,000,000.00
Forecast Final Cost:	\$150,000,000.00
Actual Total Cost at Completion:	\$0.00

Expenditure of Funds

	Budgeted to Date	Actual to Date	% of budgeted
Expenditure of Program Funds	\$0.00	\$0.00	100%
Expenditure of Co-Contributor Funds	\$0.00	\$0.00	0%

Co-contributions Received

Have all co-contributions (including in-kind contributions) been received? No

Are there any previously offered co-contributions (including in-kind contributions) that are no longer being provided? No

Milestones & Deliverables

Note: All financial amounts are GST exclusive

1 | Milestone One - Submission of the Project Plan 100% Complete

Current Agreed Milestone Completion Date: **30 April 2012.**

Actual Completion Date: **06/06/2012**.

The NT Government have submitted a project plan which is acceptable to the Commonwealth

Original Agreed Milestone Completion Date: **30/04/2012**

Forecast Milestone Completion Date: **06/06/2012**

2 | Milestone Two - \$20m paid Oct 2014 against additional SPP Palmerston funding 100% Complete

Current Agreed Milestone Completion Date: **31 July 2014**.

Actual Completion Date: **16/09/2014**.

Commence construction

DoV 1 - amended milestone description to 'Site services commence'

Variation Comments: *Negotiations are in progress for the variations to the Project Agreement which will amend the milestone requirements and timings. This is the agreed corrective action for slippages from the change of project delivery methodology (Public-Private Partnership (PPP) to a Managing Contractor Contract (MCC). The change in the delivery methodology has been made as it will provide significant cost savings to Government and ensure delivery the hospital within the available funding. The variations to the Project Agreement will not impact the overall completion date of the project - only the milestones achieved within the construction period.*

Forecast Milestone Payment Comments: *The PA Variation amended this M2 payment to be made using SPP funding through additional non-HHF funding. Refer to the election commitment project.*

Original Agreed Milestone Completion Date: **30/03/2013**

Forecast Milestone Completion Date: **31/07/2014**

3 | Milestone Three 100% Complete

Current Agreed Milestone Completion Date: **29 May 2015**.

Actual Completion Date: **08/09/2015**.

Ground floor building slab and site services completed

DoV 1 - Amended milestone description to 'Commence construction'

Variation Comments: *Negotiations are in progress for the variations to the Project Agreement which will amend the milestone requirements and timings. This is the agreed corrective action for slippages from the change of project delivery methodology (Public-Private Partnership (PPP) to a Managing Contractor Contract (MCC). The change in the delivery methodology has been made as it will provide significant cost savings to Government and ensure delivery the hospital within the available funding. The variations to the Project Agreement will not impact the overall completion date of the project - only the milestones achieved within the construction period.*

Forecast Milestone Payment Comments: *Payment will made in July 2015 after receiving the required milestone evidence.*

Original Agreed Milestone Completion Date: **30/11/2013**

Forecast Milestone Completion Date: **30/09/2015**

4 | Draft Proposed DOV2 - Milestone Four 45% Complete

Current Agreed Milestone Completion Date: **31 March 2016**.

Proposed Milestone Four under negotiation - Excavation complete, concrete pour to main building commenced

Variation Comments: *Negotiations underway to add this milestone and amend the cash flow to better reflect the construction schedule.*

Forecast Milestone Payment Comments: *Negotiations progressing.*

Original Agreed Milestone Completion Date: **31/03/2016**

Forecast Milestone Completion Date: **31/03/2016**

5 | Milestone Four - \$20m to be made as final pymt of SPP Palmerston additional funding 0% Complete

Current Agreed Milestone Completion Date: **29 April 2016**.

Completion of building to lock up allowing internal fit-out to commence

DoV 1 - Completion of base building

Variation Comments: *Negotiations are in progress for the variations to the Project Agreement which will amend the milestone requirements and timings. This is the agreed corrective action for slippages from the change of project delivery methodology (Public-Private Partnership (PPP) to a Managing Contractor Contract (MCC). The change in the delivery methodology has been made as it will provide significant cost savings to Government and ensure delivery the hospital within the available funding. The variations to the Project Agreement will not impact the overall completion date of the project - only the milestones achieved within the construction period.*

Forecast Milestone Payment Comments: *Variation negotiations progressing to amend the milestone description and timing to reflect the construction schedule. Note an additional milestone has been proposed in negotiations, if agreed it would make this milestone five.*

Original Agreed Milestone Completion Date: **29/04/2016**

Forecast Milestone Completion Date: **31/08/2016**

6 | Milestone Five 0% Complete

Current Agreed Milestone Completion Date: **25 November 2016**.

Completion of construction

DoV 1 - Internal fit-out commenced

Variation Comments: *Negotiations are in progress for the variations to the Project Agreement which will amend the milestone requirements and timings. This is the agreed corrective action for slippages from the change of project delivery methodology (Public-Private Partnership (PPP) to a Managing Contractor Contract (MCC). The change in the delivery methodology has been made as it will provide significant cost savings to Government and ensure delivery the hospital within the available funding. The variations to the Project Agreement will not impact the overall completion date of the project - only the milestones achieved within the construction period. Description: 52% completed, evidenced by Gantt tracking with photographic evidence and superintendant sign-off*

Forecast Milestone Payment Comments: *Variation negotiations progressing to amend the milestone*

description, payment and timing to reflect the construction schedule. Note an additional milestone has been proposed in negotiations, if agreed it would make this milestone six.

Original Agreed Milestone Completion Date: **27/05/2016**

Forecast Milestone Completion Date: **30/11/2016**

7 | Milestone Six 0% Complete

Current Agreed Milestone Completion Date: **30 March 2018.**

Practical completion of the project and acceptance by the Commonwealth of the final Project Report

DoV 1 - Completion of construction

Variation Comments: *Negotiations are in progress for the variations to the Project Agreement which will amend the milestone requirements and timings. This is the agreed corrective action for slippages from the change of project delivery methodology (Public-Private Partnership (PPP) to a Managing Contractor Contract (MCC). The change in the delivery methodology has been made as it will provide significant cost savings to Government and ensure delivery the hospital within the available funding. The variations to the Project Agreement will not impact the overall completion date of the project - only the milestones achieved within the construction period. Description: Completion of construction evidenced by obtainment of Certificate of Occupancy*

Original Agreed Milestone Completion Date: **30/03/2018**

Forecast Milestone Completion Date: **31/03/2018**

8 | Milestone Seven 0% Complete

Current Agreed Milestone Completion Date: **25 May 2018.**

Practical Completion of the project and a Final bi-annual Report

Variation Comments: *Practical completion of the project and a final bi-annual report*

Original Agreed Milestone Completion Date: **25/05/2018**

Forecast Milestone Completion Date: **25/05/2018**

Scope

Is the project scope still consistent with the agreed project scope?: **Yes**

Compliance

Legislative Compliance

Is the project compliant with all Commonwealth, State and Local Government Legislation including the Fair Work (Building Industry) Act 2012 and the National Code of Practice for the Construction Industry 2009?: **Yes**

Is the project compliant with all relevant building codes in your State or Territory?: **Yes**

Is the project compliant with all relevant Commonwealth building codes?: **Yes**

Does your Construction/Procurement include a requirement for the proponent to comply with any changes in Legislation which may be relevant to the Project?: **Yes**

Does your Project comply with all Commonwealth, State, Territory and/or Local Authority statutory planning and zoning restrictions?: **Yes**

Are all insurance policies required under the Agreement with the Commonwealth current?: **Yes**

Project Compliance

Has a contractor been appointed to the Project: **Yes**

Has appropriate signage acknowledging the Commonwealth's funding contribution for the project been erected: **Yes**

Possible Announceables for Next 3 Months

Description	Estimated Date
Milestone 4 - Excavation complete, concrete pour to main building commenced Progressing on track for March 2016.	31/03/2016

Attachments

File	Type	Size
prh nov 2015 (2).pdf	PDF	1.70 MB