

PALMERSTON REGIONAL HOSPITAL PROJECT

Status Report to the Commonwealth for the period: June – November 2015

KEY DATES

Achievements in the next three months for this project include the completion of excavation of the site, commencement of concrete pours to the footing and blinding slabs for the main building in March 2016.

In accordance with the contracted timelines and Milestones, the Northern Territory Government (NTG) is required to provide Lend Lease with a 50% design development sign off.

The structure of the approval process from The Department of Health (DOH) is programmed to run over a 10 day period. The Intent of this process is to enable project team representatives from both DOH and DOI to meet with departmental groups individually, review the specific areas and seek approval of the architectural plans (general layouts) of the building.

These groups will be limited to a minimal staff (2-3 per group) including senior managers holding a specific delegation for approval, the review will capture and document any items that require further attention of minor modification which will be tabled at a later stage via the project teams.

This program runs over 4 days and follows up with a review of the full design document set by the whole of Facility group. The next stage is for DOH and DOI project teams to work through findings of outstanding comments and omissions and table in a workable format for presentation to the DOH project sponsor (CE) for final approval.

The final set of signed drawings including comments and outstanding matters will be presented to the DOH sponsor for review and sign off. Following on from this key milestone relevant user groups will reconvene with Lend Lease and the Designers to facilitate a workshop, this will cover off areas that require additional detail or amendments to progress to 75% design detail.

This important step in the design will allow for Lend Lease to continue site works and service installations whilst continuing on with detailed design through 75, 90 and 100% stages.

Prior to the endorsement of plans and prior to the commencement of works (excluding site preparation), amended plans will be submitted and approved by the consent authority.

The project is progressing on track for the March 2016 milestone of 'Excavation complete, concrete pour to main building commenced'. By July 2016, 40% of the project will be completed, with 52% by October 2016 – and completion of construction on track by March 2018, and practical completion scheduled by the target date of May 2018.

PROGRESS STATUS

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.

Significant work has been undertaken on site during October and November to relocate cycads (*Cycas armstrongii*) from within the future build areas of the site. The cycads requiring relocation are medium-sized, up to 6m tall, with slender trunks of 6-12cm in diameter.

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. Clearance work on site was undertaken primarily by use of a D7 Bulldozer, and mulch piles were removed and reused as Sediment Control lines as part of this process.

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.

On 4 November 2015, the Department of Infrastructure (DoI) and Lend Lease structured risk workshops that representatives of the TEHS and DoH attended.

Detailed design documentation progressed on schedule and was presented for approval by user groups on 9 November 2015. Room data sheets are being reviewed to establish basic Furniture, Fixtures and Equipment (FFE) schedules; this is to confirm that nominated equipment is fit for purpose and fits the building design. To assist this process the DOH has engaged Redback Consultants to develop the detailed FFE schedules.

MILESTONES

Negotiations are in progress to vary milestones and timings contained within the Project Agreement, however these are in respect to future milestones only and do not impact the overall completion date of the project. The variations are the agreed corrective action for slippage/changes associated with the change in delivery methodology from a Public-Private Partnership (PPP) project to a Managing Contractor Contract (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 completion of construction by the agreed due date of May 2018.

Below is a summary of the negotiations to date:

Milestone #	Milestone	Date	Report Due
4	Excavation complete, concrete pour to main building commenced	Mar 16	Mar 16
5	42% completed, evidenced by Gantt with photographic evidence and superintendent sign off	Aug 16	Nov 16
6	52% completed, evidenced by Gantt tracking with photographic evidence and superintendent sign off	Nov 16	Nov 16
7	Completion of Construction – Evidenced by obtainment of Certificate of Occupancy	March 18	May 18
8	Practical completion of the project and a final biannual Report	May 18	May 18

Key milestone achieved since the last report in May 2015, was the award of the managing contractor in July 2015 to Lend Lease. The company has proved experience and capabilities as managing contractor in hospital construction, overseeing \$8 billion worth of health-related projects over the last five years in Australia.

As part of the successful management tender bid, Lend Lease will be required to use Northern Territory companies for 90 percent of its workforce and materials, and the tender requires 10 percent Indigenous employees on the project and associated services.

Works to install two water mains have been undertaken with the minor water main completed, and work on the major water main currently at 75% complete. Construction of the \$6.4 million Stuart Highway and Temple Terrace intersection is 90% complete. Some minor slippages were encountered due to cabling for the NBN which runs through the site of these works; however this will not impact on the end project completion date for construction of the hospital.

Practical completion by Lend Lease for construction of the hospital is currently 30 January 2018 – ahead of schedule. The Department of Health and the Department of Infrastructure are programming for a March 2018 completion of construction date, with May 2018 as the formal project completion due date.

FINANCIAL

NTG and Lend Lease cost planners have been working together to establish the agreed quantities, individual parties will work separately to issue target cost plans and agreed reimbursable trade components by the end of Planning phase.

The DoI is closely monitoring cost needs and these may be potentially reduced to ensure budget is maintained. This will be facilitated primarily through the review and removal of unnecessary design elements to reduce costs from the budget.

ATTACHMENTS













ACTION OFFICER: JODI NOBBS, DIRECTOR INFRASTRUCTURE AND SERVICE
DEPARTMENT OF HEALTH PH: 08 8999 2917

BRANCH HEAD: ADAM WALDING, SENIOR DIRECTOR INFRASTRUCTURE AND FACILITIES
DEPARTMENT OF HEALTH PH: 08 8999 2416

DIVISION HEAD: LISA WATSON, CHIEF OPERATING OFFICER CORPORATE SERVICES
DEPARTMENT OF HEALTH PH: 08 8999 2960