



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

North West Regional Hospital - Multi-Storey Car Park

*Presented to His Excellency the Governor pursuant to the provisions of the
Public Works Committee Act 1914.*

MEMBERS OF THE COMMITTEE

Legislative Council

Mr Harriss (Chairman)
Mr Hall

House of Assembly

Mr Booth
Mr Brooks
Ms White

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1. INTRODUCTION

To His Excellency the Honourable Peter Underwood, AM, Governor in and over the State of Tasmania and its Dependencies in the Commonwealth of Australia.

MAY IT PLEASE YOUR EXCELLENCY

The Committee has investigated the following proposal: -

North West Regional Hospital – Construction of New Multi-Storey Car Park

and now has the honour to present the Report to Your Excellency in accordance with the Public Works Committee Act 1914.

2. BACKGROUND

This reference recommended that the Committee approve the construction of a new multi-level car park at the North West Regional Hospital (NWRH) in order to meet the growing emergency medical needs of the local community and to accommodate the planned increase in services for the NWRH through the construction of the proposed new Cancer Care Centre, redevelopment and expansion of the Department of Emergency Medicine and the potential expansion of the Mental Health Spencer Clinic.

The new works will provide:-

- An increase in car parking of potentially 200 car parks or nearly a 60% increase over current DHHS parking capacity; and
- Realignment of the existing hospital link road to enable construction of the planned new Cancer Care Centre on a physically constrained site.

The full submission of the Department of Health and Human Services in support of the reference is published on the website of the Committee at:

<http://www.parliament.tas.gov.au/ctee/Joint/works.htm>

3. PROJECT FUNDING & COSTS

The cost of the programmed redevelopment was submitted to be:-

DESCRIPTION	SUM
Enabling works – existing car park extension	\$100,000
Stage 1 – Road Realignment	\$1,000,000
Stage 2 – Car Park construction	\$3,700,000
Subtotal of construction works	\$4,800,000
Art in Public Buildings	\$80,000
Professional and other fees	\$170,000
Loose furniture and fittings	\$0
Design Development Contingencies	\$50,000
Construction Contingencies	\$370,000
IT and Equipment	\$0
CPI and Cost escalation allowances	\$30,000
TOTAL	\$5,500,000

4. EVIDENCE

The Committee commenced its inquiry on Monday, 19 December last. The following witnesses appeared, made the Statutory Declaration and were examined by the Committee in public:-

- Gavin Austin, Acting CEO, North West Area Health Services
- Marty Viney, Acting Project Manager, North West Regional Hospital
- Greg Cooper, Acting Director, Asset management Services
- Deb Thompson, GHD
- Stephen Kelly, GHD

Overview

Mr Cooper provided the following overview of the project:

The project has a \$5.5 million budget. It is for the construction of a new road, or road realignment, in front of the existing hospital. That's primarily to enable the construction of the planned cancer care centre. The remainder of the project budget is for the construction of additional car park spots. We are looking at a shortfall in the immediate and the short term of about 150-200 car park spots.

In terms of the existing issues on the site, as to the car parking, we find that there is a lot of parking happening on residential roads and the shortfall of up to 100-150 car park spots. There are instances of dangerous parking on the campus. There was evidence of that shown in the submission, where we have cars parking on the road, on hills and no-parking areas as well. For the road, the main issues there for

realignment are to push out about 14 metres for the cancer care centre. It's a significant impost on the existing car parking. We lose, I think, about 50 existing car park spots, or slightly fewer, with that new road construction. That impacts on the need for the additional car parking. As part of some earlier works we have constructed 60 temporary car park spots, which have a three-year life while we construct both the new road and the car park over the next 12 months.

We have tenders that have closed for the road realignment and we will enter into some negotiation with them and then wait for Parliamentary Standing Committee approval before we engage a contractor. In terms of the overall program, we have pushed on with some of the expectations with the cancer care centre. We have pushed everything up as tightly as we possibly can. We are aiming that the road realignment could begin at the end of January or early February and it would be about a three- or four-month construction period. The car park that is out to the tender at the moment is a design-and-construct package.

... The road realignment was a bit more technically challenging upfront. There had to be a close interrelationship with the planned cancer care centre, so we wanted to make sure that we had everything lined up in terms of the car park options there. We can still explore cost-saving opportunities with the contractor once we have a contractor in place, but the traditional design tender methodology was going to work there.

With the car park, we went design-and-construct. We saw that car parks are a fairly simple design process, whereas we believe that there would be opportunities from the market, depending upon their constructability of different construction companies, to get options that mightn't necessarily be explored by a single design team by getting 10 designers - that is how many have taken up the documents. We hope to optimise the number of car park spots that we will achieve out of the funds we have available.

Climate change

The Committee questioned the witnesses as to how the Treasurer's Instruction regarding climate change considerations would impact upon the construction of a car park. Mr Cooper responded:-

... car parks operate 24/7 at a hospital, so it is about the lighting. We want to have a new facility that will not add to the recurrent cost of the hospital so if we can get some innovative solutions in terms of lighting and power -

... We have also allowed a provisional sum in the actual contract that has gone out for innovative renewable energy, or something like that, that we might be able to put into the project.

... The bit of research that I have done is that the lighting on the upper levels could be solar-powered lighting. I have seen installation of solar-powered lighting with little wind turbines on them, so it is very much an integrated solution on that front.

... We have put aside a provisional allowance for solar-powered lighting.

... We would need to see how cost effective the installation of solar-powered lights were. I am not sure of the exact time lines -

Ms Thompson added:-

At the moment solar has approximately a 15-year turnaround, and that really depends on circumstances. It is up to the contractors to provide us with a statement saying how they are being green or energy efficient. It could be that they have come up with a method that cuts in half the amount of concrete they need to build it, and that is equally an environmental consideration. So because of the designer-construct process, it is for those designers to come back and provide us with evidence of how they have been green, if they have been green, and as part of their valuation assessment, that will all have to be looked at. Whether it is LED lighting or whether it is some amazing new method of growing concrete, I don't know. The process enables that innovation but until we actually see the innovation -

Tendering

The Committee questioned the witnesses about the tendering process for the road works which, it was submitted, was due to be awarded in January 2012. Mr Cooper submitted that:

...The tender for the road works closed last week and only one tender was provided for that.

It is in the tender assessment stage and that is a confidential process.

The Committee questioned the witnesses as to what reasons might be suspected to have contributed to only one tender having been submitted and what was the approximate quantum of the tender. Mr Cooper responded:-

We suspect that because of the constrained environment - working on an existing hospital site in front of ambulance entries - there was probably a perceived level of risk by the contractors, which unfortunately left us with only one putting in a tender. I believe we had three or four contractors pick up the documents and they had a few inquiries during the tender period, but ultimately all we received was the one price.

(The tender) has come in (about 20 per cent) higher, so we're going to have to do some negotiations with the contractors.

The Committee questioned Mr Cooper as to whether any consideration had been given to re-tendering the works. Mr Cooper responded:-

I think we can achieve the budget savings through negotiation with the contractor. There are elements in the project where we know we can get some savings. For example, at the moment on site the east car park is not directly linked to the west car park and we have provided a link road in there and we have asked for it to be sealed and fully serviceable.

... The reality is that we only need it as a temporary solution whilst the car park is being constructed and the roadworks are happening, so we can go back to a temporary road construction and we know that will give us some significant savings.

... Ultimately construction estimation is not a pure science either.

... We know we have \$5.5 million and that is all we have for the budget. If that means that we do a little bit less in the roadworks and end up with 10 fewer car parking spots, 10 fewer car parking spots is not going to kill the car parking side of it. We have capacity there for what we see as at least another 10 years' growth on the site so losing a few more now is not going to affect us in terms of the site capability. That is how we feel that we can balance the budget issue with the initial tender.

Ms Thompson added:-

There are very few roads in this situation; the thing was measured and all of that was done. But it is the situation and condition, working in a hospital; there are very few situations in the State where that has ever happened before. So in terms of quantity surveying it is a very difficult thing to put a time on. It really depends on how busy the local civil people are at the time of tendering because of those conditions.

Art in public buildings

The Committee questioned the witnesses as to how the statutory requirement to expend funds on art in public buildings would be accommodated in the construction of a car park. Mr Cooper responded:-

That could be as simple as the external barriers, giving them both a practical and an artistic component. Ultimately it's up to the artists and the selection panel on how that is to be implemented.

Ms Thompson added:-

There are lots of opportunities that we can see where it could benefit the cancer centre to have art in certain places because we have minimised, as much as we possibly can to date, how the road is constructed et cetera. The road is constructed using very simple economic materials.

It could be (murals). It could be some sort of decorative screening.

Security

The Committee questioned the witnesses as to what security cameras were proposed to be installed. The following exchange ensued:

Mr AUSTIN - They will be new security cameras.

Mr HALL - They will be new ones, full stop?

Mr AUSTIN - Yes.

Mr HALL - Do we have a line item appropriated for those?

Mr AUSTIN - No.

Mr HALL - Were they part of the overall -

Mr AUSTIN - The overall concept design and construct that will come back from the contractors. Because it is a design and construct scenario, initially being very

flexible with what we want, we will tie that down when we get into detailed negotiations with the preferred contractor.

Mr BOOTH - For clarification, Greg, were you talking about the road?

Mr HALL - I was assuming that it was in the actual car park itself. But there are some security cameras there already in some of the existing car parks or only around the entrance, or none at all?

Mr COOPER - None, not in the car parks at all.

Mr HALL - So you don't have any at the hospital entrance either at this stage?

Mr COOPER - No.

Mr HALL - I am a bit surprised about that. Unfortunately hospitals have issues with people and/or patients who are out of control.

Mr AUSTIN - At the moment we have security guards.

Mr HALL - Internally?

Mr AUSTIN - Yes, at night.

Mr BOOTH - Is there an intention to put in a system that you can expand across all of the car parks?

Mr AUSTIN - Yes, there is. The main camera server for that is coming out of the Mersey project, so it will be across the whole North West Area Health Service, not only the Burnie site. Unfortunately, as you are aware, security is becoming more and more of an issue.

The Committee questioned the witnesses as to whether the CCTV equipment proposed to be procured would be capable of feeds to Tasmania Police and whether such an arrangement had been contemplated. Mr Cooper responded:-

I don't think the police have asked us for access, but I will take that on notice because we haven't considered that. In terms of the capability of any system, in my limited understanding of cameras and the technology we are using Internet protocol-based systems, which means that if somebody has the IP address they can tap that in and have a look at it. That would give that flexibility to Tasmania Police to enable that. Whether some arrangement has happened with the department's IT department and police, I could not answer that ...

Need

The Committee questioned the witnesses as to the need for the proposed works in the event that services at the North West Regional Hospital are subject to budget cuts. Mr Austin responded:-

The North West Regional Hospital is the centre for the North West Area Health Service. The cuts we are doing at the moment are very minor in terms of patient flow. Even though they are huge in terms of media coverage, in terms of staff reduction and patient flow they are quite insignificant, unless you happen to be one of the people waiting for surgery, but they do not reduce

great numbers. Slowing down operations for hips and knees, one operation can cost us \$25 000. It would be different if we were slowing down general surgery, that would have a much bigger impact, but slowing down hips and knees means that one patient is there for a whole week. With general surgery it is often a day procedure, so we still have a significant volume even with the reductions we have made. As we go forward into activity-based funding we are motivated to increase capacity. With activity-based funding you get paid for what you do, so you redesign your hospital to be the most efficient it can be at getting through elective surgery and decreasing your administration and overheads.

It's not modelled on activity-based funding. We do a lot of services now and you might question whether they need to be done at the hospital; could they be done at a community centre? That is the sort of change that you might make under activity-based funding. If you have theatres where you are going to produce money then that is how you structure your entire hospital - around the theatres and rehabilitation because rehabilitation is often paid for by the Commonwealth. It is the model that you would change.

...The hospital was built 15 years ago and we have done little extensions all over the site to the car parks and it is quite a considerable walk from some of those now to the front door. It is reaching the point that even with all those extensions we have absolutely crazy parking manoeuvres happening. If we don't do this extension on the eve of a cancer centre and another ward being added, we are going to have significant problems and, as I said, council is not supportive of our parking on the road.

Mr Cooper added:-

Our engineer's analysis has shown that we only have 370 car park spots there at the moment. Peak usage at the moment is already at about 500, so that is showing a 130 shortfall, which at the moment is people parking on residential streets, grassed areas and on the sides of roads where they shouldn't be. The new cancer centre is going to require in the region of 50 additional car park spots. We know there is a shortfall. Let us say there was a slight reduction due to some operational changes in the hospital, it is not of that order that we don't need to do something fairly significant on the site.

5. DOCUMENT TAKEN INTO EVIDENCE

The following document was taken into evidence and considered by the Committee:-

- Department of Health and Human Services - Submission to the Parliamentary Standing Committee on Public Works – North West Regional Hospital Multi-Storey Carpark and Road Realignment Program of Works

6. CONCLUSION

The need for the proposed works was clearly established. The current facilities are inadequate, inefficient and struggle to cope with the demand pressures of this growing community. The proposed works will significantly improve the parking amenity of the hospital for both current service demand and future expansions.

The tendering of works is not a process which falls within the purview of the Committee, however, during the hearing, evidence was given that the tendering process for the road works had been commenced and had resulted in only one tender being received which quoted a cost of 20% more than the budget. Notwithstanding that negotiations between the contractor and the Department on the price are yet to be finalised, the Committee is concerned that such a cost escalation will necessarily reduce the ability of the Department to produce the full scope of the planned works. The Committee notes the significant negative implications for the works were the tender process to be repeated and the risk that such a process may not have a different result in any event.

The Committee recommends the project in accordance with the plans and specifications submitted at an estimated cost of \$5.5 million.

**6 January 2012
Parliament House
Hobart**

**Hon. A. P. Harriss M.L.C.
Chairman**