



<b>Presented to</b>	Ordinary Meeting of Council April 2023
<b>Related to Item</b>	Notice of Motion - Mount Pleasant Bowling Club Asbestos Removal
<b>Submitted by</b>	Director Environment & Infrastructure
<b>Attachments</b>	

### ***Asbestos Removal at Mount Pleasant Bowling Club***

This Advice Note has been prepared in response from a Notice of Motion submitted by Cr Mair.

The matter of asbestos removal at Mount Pleasant Bowling Club has been comprehensively discussed previously and subject to a Council decision at the 4 April 2022 Special Meeting of Council:

**That the Council include in the 2022-2023 draft budget additional funding of \$63,084 required to allow for removal and make good of asbestos in areas of the Mount Pleasant Bowling Club facility affected by the refurbishment works. This will result in the total approved funding for the project to \$677,193 inclusive of all contingencies, professional fees and overheads.**

The City proceeded with the detailed design and tender for the construction works for the project on the basis of the above Council resolution regarding the scope of asbestos removal at the property.

The removal of the entirety of the asbestos in the building as sought in the Notice of Motion is therefore not part of the Council endorsed scope of work, project budget or the construction contract that has been signed and executed.

The additional cost to remove all asbestos at the facility (over and above the current scope) was estimated at \$252,630 in February 2022. Given cost escalation since that time, it is likely that the additional cost to remove all asbestos in the building would now be closer to \$300,000. The contract has already been let to Hickey Constructions at a value of \$814,077. The addition of full asbestos removal at this stage would amount to a variation to the contract of at least 36% of the existing construction contract value.

Negotiating the costs for this scope of work after the contract has been let would be highly problematic for the City, given the lack of commercial tension post-contract, and the fact that other contractors who bid for the works were not offered the chance to bid for this additional scope of work. In addition, a post award contract variation of this magnitude with the current contractor is not supportable and good governance practice would require the asbestos removal works to be specified in detail and subject to a competitive tender process.

Considering the current overheated construction market, the City could be exposing itself to excessive costs that may not represent value for money and could also jeopardise relationships with the other contractors, potentially limiting the number of bidders for future projects.

In regards the proposal to use the City's asbestos removal program to fund the additional costs for full asbestos removal at this facility, this is also problematic.

The City has allocated \$150,000 in the 2022-2023 budget and proposes an additional \$150,000 in the 2023-2024 financial year for the asbestos removal program. Diverting these funds to one building would prevent the City from being able to clear asbestos from approximately 20 other community buildings.

The diversion of funding is considered highly disproportionate and unequitable and may lead to concern and complaints by other community groups where asbestos removal has been planned and communicated.

The City's officers are working with the architect, builder and specialist asbestos removal contractor to finalise the plans for asbestos removal at the Mt Pleasant Bowling Club facility. It is the intention to remove all asbestos in the areas affected by the refurbishment works and make safe the asbestos in other areas of the building.

This City's approach in managing asbestos containing material (ACM) is consistent with the National Strategic Plan for Asbestos Awareness and Management (2019-2023) which states that:

*'the management of low to medium risk ACMs in-situ is permitted and removal is not mandated. Where practicable, removal should be planned during opportunities for remedial works, such as refurbishment or upgrade works'.*

The bulk of the ACM present in the facility is considered low to medium risk, with the only high risk ACM being the ceiling space contamination that will be addressed as part of the refurbishment works. In the areas not subject to the refurbishment works, the ceiling space ACM will be vacuumed and encapsulated in sealant to render it safe.