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CABINET DECISION

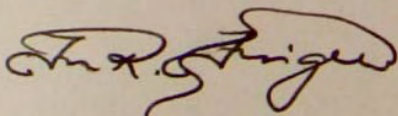
NO. 1477

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Submission No.: 1260

Title: DARWIN - PROVISION OF NEW HEADQUARTERS BUILDING -  
N.T. POLICE AND N.T. EMERGENCY SERVICES.

Cabinet agreed that the proposed new Police Headquarters building be included in the 1980/81 Design list at an estimated cost of \$11.5m and that it be subject to normal budgetary considerations.



(M.R. FINGER),  
Secretary to Cabinet.

16 December, 1980

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THE NORTHERN TERRITORY OF AUSTRALIA

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Copy No. 1

FOR CABINET

SUBMISSION No. 1260

|   |  |
|---|--|
| Title:  | Darwin - Provision of new Headquarters Building - N.T. Police and N.T. Emergency Services.   |
| Cabinet Member                                  | The Honourable P.A.E. EVERINGHAM, Chief Minister   |
| Purpose:  | To seek approval for immediate action to design and construct a Headquarters building complex at an amended upper limit of cost.   |
| Relation to existing policy:                    | Consistent with policy relating to provision of new buildings.   |
| Timing/ legislative priority:                   | Required urgent consideration to allow early commissioning of the building to alleviate existing accommodation problems and ensure the functional capacity to provide a suitable police service to Palmerston. |
| Announcement of decision, tabling, etc.:        | Decision to be announced by Ministerial Statement following Cabinet approval.  |
| Action required before announcement:            | Nil  |
| Staffing implications, numbers and costs, etc.: | Nil  |
| Total cost:                                     | \$11,500,000.  |

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Department/Authority .....DEPARTMENT OF THE TREASURY.....

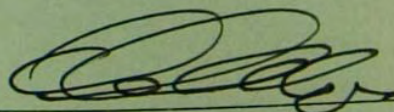
COMMENT ON CABINET SUBMISSION No.

TITLE: ...DARWIN - PROVISION OF NEW HEADQUARTERS BUILDING - NORTHERN  
...TERRITORY POLICE AND NORTHERN TERRITORY EMERGENCY SERVICES.

COMMENTS:

In view of the cost penalty associated with staging Treasury supports the item being admitted to the 1980/81 Design List as a preliminary to programming in 1981/82.

However, Cabinet should note that programming in 1981/82 of the full amount of \$11.5 million may mean, that once the full costs of the Design List are recovered, other projects will need to be deferred.



SIGNED: O. ALDER  
DESIGNATION: Acting Under Treasurer  
DATE: 12/12/80

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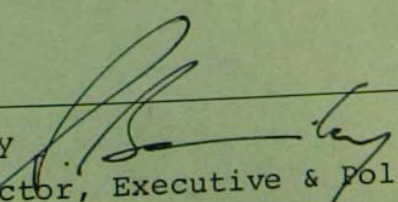
Department/Authority .....LAW.....

COMMENT ON CABINET SUBMISSION No.

TITLE: DARWIN - PROVISION OF NEW HEADQUARTERS BUILDING - N.T.  
POLICE AND N.T. EMERGENCY SERVICES.

COMMENTS:

There are no constitutional or legal barriers to the proposal.

SIGNED: S.R. Bailey   
DESIGNATION: A/Director, Executive & Policy Unit for Solicitor-General  
DATE: 9 December, 1980

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DEPARTMENT OF TRANSPORT & WORKS



MJM:JS:344

PO BOX 2520

DARWIN NT 5794

TELEPHONE

REFERENCE

Police Commissioner,  
Northern Territory Police,  
P.O. Box 63,  
DARWIN N.T. 5794

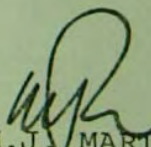
CABINET SUBMISSION - HEADQUARTERS BUILDING FOR  
NORTHERN TERRITORY POLICE AND NORTHERN TERRITORY  
EMERGENCY SERVICES

This Department supports Recommendation A.

The present estimate of \$11.5M is made up of the following:

|  |          |
|--|----------|
| Total cost at present prices   | \$8.95M  |
| Escalation of tender date at 15% per annum<br>to November 1981                       | \$1.30M  |
| Rise and Fall during construction at 10%<br>per annum from November 1981 to mid 1984 | \$1.25M  |
|  | <hr/>    |
|  | \$11.50M |

A Tender Target Date of November, 1981 and a completion date of 1984 is assumed in the above.

  
M.J. MARTIN  
Director, Secretariat

10 Dec 1980



3.

THE ISSUE

1. To seek approval for immediate action to design and construct a Headquarters building complex at an amended upper limit of cost of \$11,500,000.

BACKGROUND

2. Cabinet Decision 1097 in March 1980 (from submission 939), approved the construction of a combined N.T. Police and N.T. Emergency Services Headquarters and operational complex at Berrimah and directed that it be included in the 1979/80 Design List at a total cost of \$10,170,000 including a first stage at \$6,325,000.
3. Subsequently the Department of Transport and Works issued a revised estimate of cost for the project as their original estimate had not included adequate allowances for grossing factors (such as service and circulation areas, plant rooms, etc.) or rises in building costs (currently 18% p.a.).
4. This resulted in a supplementary submission to Cabinet (No. 1074) in July 1980 seeking approval for the increased funding in regard to which Cabinet Decision 1254 "noted the submission ..... to consider it in the (then) forthcoming Budget considerations".
5. The project was not included in the approved list of Capital Works resulting from the 1980 Budget Cabinet meeting.

CONSIDERATION OF THE ISSUES

6. The need to provide adequate accommodation in a strategic location for Police and N.T.E.S. administrative and operational personnel as a matter of priority has been well demonstrated by studies and approved by Cabinet Decision 1097.
7. The current realistic estimate of cost for the scope of work required (which has remained unchanged in nett space requirements), is \$11,500,000 if the complex is built in one stage and any staging of the project will bring substantial cost penalties.
8. Palmerston is planned to develop at a rate requiring a significant Police presence and service by no later than late 1983/early 1984.



9. No satisfactory Police service can be provided to Palmerston without satisfactory accommodation relatively nearby.

10. Palmerston can be adequately policed by operational staff operating out of the proposed Berrimah Police Centre.

11. If the Berrimah Police Centre is not to be operational by the target date for services to Palmerston then a major urban Police Station will be required in Palmerston at an estimated capital cost of \$2,000,000 with annual administrative costs (including salaries) in the order of \$900,000 to \$1,000,000.

12. This capital cost and the overwhelming bulk of these administrative costs can be avoided by early approval of the Berrimah Police Centre project utilising rented "shop front" accommodation in Palmerston for Police/Public interface, plus a minimum number of additional operations (patrol) staff and existing administrative staff operating from Berrimah.

13. The scope of work is the minimum required to adequately deal with the accommodation problems and further delays to commencement of the project will inevitably mean further increases in cost, thus the funding sought is the minimum necessary.

14. All units which can be left in existing accommodation (e.g. Woods Street Training Centre, Winnellie Traffic Centre) without impairing operational efficiency can remain in these locations for some years yet and, accordingly no provision has been made for them in the scope of work included in this proposal.

#### OPTIONS

15. There are, basically, four options available:-

16. First, the project can be commissioned as a one stage construction carrying an upper limit of cost of \$11,500,000, with a target completion date of July 1984. There are no particular problems inherent in this option and it is one of the two "preferred" options.



17. Second, the project can be "phased" by letting two sequential contracts (notionally the first for the shell of the building to "lock-up" stage and the second for the "fitting out") to spread the financial impact over a period and this would require an extension of the likely completion date to January 1985. This option is regarded as cumbersome in contract administration and would cost more.

18. Third, the project can be "staged" by letting two sequential contracts for autonomous buildings, again in an effort to spread the financial impact over a period, and would have a projected completion date of July 1984. This option would inevitably mean a significant reduction in operational efficiency by forcing separation of various work units, both administrative and operational support, which have significant functional relationships. It would also cost more than the first option and mean significant disruption to occupants of the first stage building during construction of the second stage.

19. Fourth, the project can be made subject of a "design and construct" competition (such as was the Museum). This option offers the chance of achieving cost savings and at the same time ensures that the best possible design is available. This is the other "preferred" option.

20. The second and third options stem from suggestions by other departments as a means of spreading the cost impact of the project across several years, however this is as readily achieved by normal "cash flow" as demonstrated in the comments under "Financial Considerations" - Paragraph 25. For this reason and because both these options will cost more (by \$1,100,000 and \$540,000 respectively) they are not preferred.

21. The first option is the conventional/traditional means of dealing with a project of this nature. It is not complicated, has a satisfactory target completion date and normal cash flow would see the cost impact spread over three years.

22. The fourth option is a more recent innovation in the N.T. as a means of dealing with government projects. It allows the chance to consider a range of design and cost options and, ultimately a "fixed price" contract with the opportunity for savings, these features not being part of the first option.



PUBLIC IMPACT OF THE RECOMMENDATION

23. The general public impact is basically unchanged from the original submission.

24. However, there has been recent publicity given to complaints from the Northern Territory Police Association about working conditions generally, including accommodation. It would, therefore, be timely to make a fresh announcement both in Parliament and to the media<sup>2</sup> giving details of the scope cost and timing of the project to lessen concern in the minds of the public over the working environment of Police.

FINANCIAL CONSIDERATIONS

25. This table provides an indication of the relative financial considerations in terms of total cost and annual cash flow:-

|             | <u>Total Cost</u> | <u>Cash 81/82</u> | <u>Cash 82/83</u> | <u>Cash 83/84</u> | <u>Cash 84/85</u> |
|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1st Option: | 11,500,000        | 700,000           | 5,000,000         | 5,000,000         | 800,000           |
| 2nd Option: | 12,600,000        | 1,200,000         | 4,700,000         | 5,380,000         | 1,320,000         |
| 3rd Option: | 12,040,000        | 500,000           | 4,670,000         | 6,400,000         | 470,000           |
| 4th Option: | 11,500,000        | (Not Known)       | .....             | .....             | .....             |

26. It can be seen that the first and fourth options carry the lowest total capital cost. The first option has an adequate spread of cash over four years. Although the spread of cost of the fourth option cannot be predicted until a design/cost package has been accepted, there is no reason to believe that the desired spread of cash cannot be satisfactorily achieved, with the added attraction of possible overall cost savings.

27. Any substantial delay in commencing the project will bring additional costs due to the current rate of 18% p.a. increase in building costs. This can be seen, in general terms, as at least \$160,000 per month on a contract for \$11,500,000.

CO-ORDINATION AND CONSULTATION

28. Full consultation has taken place with the Treasury, Department of Transport and Works and the Co-ordination Committee.



LEGISLATION

29. No requirement for new or amending legislation.

PUBLICITY

30. Draft statements are attached as Attachment "A" dealing with preferred option numbers 1 and 4.

TIMING

31. An early Cabinet decision is requested to avoid further delay in the commissioning of this project.

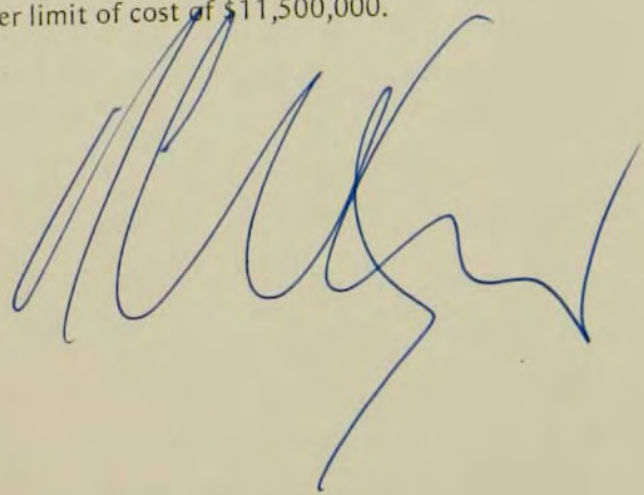
RECOMMENDATION

32. It is recommended that Cabinet approve:-

(a) The design and construction of the Berrimah Police Centre at an upper limit of cost of \$11,500,000 and allow the Department of Transport and Works to proceed immediately with full design and documentation with a view to completing construction by July 1984.

OR

(b) The implementation of a "design and construct" competition with a view to letting a fixed price contract for completion of the complex by July 1984, incorporating an upper limit of cost of \$11,500,000.





PRESS RELEASE

The Chief Minister, Mr. Paul Everingham announced today that Cabinet has approved the design and construction of the Berrimah Police Centre. The total cost of the new centre is expected to be \$11,500,000 and the Department of Transport and Works is to immediately commence full design and documentation with a view of completing construction by July 1984.

The new complex, which will be situated in McMillans Road, Berrimah, will be a combined N.T. Police and N.T. Emergency Services Headquarters. Cabinet previously gave approval in principal to the project in March 1980.

Construction of the new centre is being accelerated to ensure a satisfactory Police service can be provided in the developing areas of Palmerston and the rural regions, as well as enabling both organizations to quit unsatisfactory existing accommodation and consolidate their operations into one complex.



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ATTACHMENT "A"  
(Re Option No. 4).

PRESS RELEASE

The Chief Minister, Mr. Paul Everingham, announced today that Cabinet has approved the go ahead of the proposed Berrimah Police Centre at an estimated cost of \$11,500,000.

The design and construction of the new centre will be the subject of a design competition similar in concept to that which proceeded the Darwin Museum Project. Details of this will soon be announced.

The new complex, which will be situated in McMillans Road, Berrimah, will be a combined N.T. Police and N.T. Emergency Services Headquarters. Cabinet previously gave approval in principal to the project in March 1980.

Construction of the new centre is being accelerated to ensure a satisfactory Police service can be provided in the developing areas of Palmerston and the rural region, as well as enabling both organizations to quit unsatisfactory existing accommodation and consolidate their operations into one complex.

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