



MINUTES

SPECIAL MEETING

OF COUNCIL

3 DECEMBER 2019



TABLE OF CONTENTS
SPECIAL MEETING OF COUNCIL
HELD ON
3 DECEMBER 2019

	PAGE
1. <u>DECLARATION OF OPENING</u>	1
2. <u>RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE</u>	1
2.1 Attendance	1
2.2 Apologies	1
2.3 Leave of Absence	2
3. <u>DISCLOSURES OF INTEREST</u>	2
4. <u>PUBLIC QUESTION TIME</u>	2
4.1 Responses To Public Questions Previously Taken on Notice	2
4.2 Public Questions	2
5. <u>PETITIONS, DEPUTATIONS AND PRESENTATIONS</u>	2
5.1 Petitions	2
5.2 Deputations	2
5.3 Presentations	2
6. <u>APPLICATIONS FOR LEAVE OF ABSENCE</u>	2
7. <u>CONFIRMATION OF MINUTES</u>	3
8. <u>ANNOUNCEMENTS BY THE PRESIDING MEMBER</u>	3
9. <u>UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS</u>	3
10. <u>QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN</u>	3
11. <u>REPORTS</u>	4
11.1. <u>OFFICE OF THE CEO</u>	4
11.2. <u>CORPORATE AND COMMUNITY SERVICES</u>	4
11.3. <u>REGULATORY AND DEVELOPMENT SERVICES</u>	4
11.4. <u>OPERATIONS</u>	5
11.4.1 Request For Tender (Rft) 05/2019 - Orange Springs Road Upgrade Works Assessment	5
12. <u>MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</u>	11
13. <u>COUNCILLORS' OFFICIAL REPORTS</u>	11
14. <u>NEW BUSSINESS OF AN URGENT NATURE</u>	11
15. <u>MATTERS FOR WHICH MEETING IS TO BE CLOSED TO THE PUBLIC</u>	11
16. <u>CLOSURE</u>	11

SHIRE OF GINGIN

MINUTES OF THE SPECIAL MEETING OF THE SHIRE OF GINGIN HELD IN THE COUNCIL CHAMBER ON TUESDAY, 3 DECEMBER 2019, COMMENCING AT 3.09 PM

DISCLAIMER

Members of the Public are advised that decisions arising from this Council Meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

ORDER OF BUSINESS

1. DECLARATION OF OPENING

The Shire President declared the meeting open at 3.09pm and welcomed those in attendance.

2. RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

2.1 ATTENDANCE

Councillors – C W Fewster (Shire President), J K Rule (Deputy Shire President), J Court, F J Peczka and L Balcombe.

Staff – A Cook (Chief Executive Officer), Z Edwards (Acting Executive Manager Corporate and Community Services), A Butcher (Executive Manager Operations), B Kelly (Executive Manager Regulatory and Development Services), James Bayliss (Acting Manager Statutory Planning) and L Burt (Governance/Minute Officer).

Gallery – There were two members of the public present in the Gallery.

2.2 APOLOGIES

Councillor Court
Councillor Johnson
Councillor Lobb
Councillor Vis

2.3 LEAVE OF ABSENCE

Nil

3. DISCLOSURES OF INTEREST

Nil

4. PUBLIC QUESTION TIME

4.1 RESPONSES TO PUBLIC QUESTIONS PREVIOUSLY TAKEN ON NOTICE

Nil

4.2 PUBLIC QUESTIONS

Nil

5. PETITIONS, DEPUTATIONS AND PRESENTATIONS

5.1 PETITIONS

Nil

5.2 DEPUTATIONS

Nil

5.3 PRESENTATIONS

Nil

6. APPLICATIONS FOR LEAVE OF ABSENCE

OFFICER RESOLUTION/OFFICER RECOMMENDATION

MOVED: Councillor Morton SECONDED: Councillor Peczka

That Council grant Leave of Absence to Councillor Balcombe for the Ordinary Council Meeting on 17 December 2019.

CARRIED UNANIMOUSLY

7. **CONFIRMATION OF MINUTES**

Nil

8. **ANNOUNCEMENTS BY THE PRESIDING MEMBER**

Nil

9. **UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS**

Nil

10. **QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

11. REPORTS

11.1. OFFICE OF THE CEO

Nil

11.2. CORPORATE AND COMMUNITY SERVICES

Nil

11.3. REGULATORY AND DEVELOPMENT SERVICES

Nil

11.4. OPERATIONS

11.4.1 REQUEST FOR TENDER (RFT) 05/2019 - ORANGE SPRINGS ROAD UPGRADE WORKS ASSESSMENT

Location:	Orange Springs Road, Orange Springs
File:	COR/40-052019
Reporting Officer:	Allister Butcher – Executive Manager Operations
Report Date:	3 December 2019
Refer:	Nil
Appendices:	1. Tender Assessment Summary Sheets (<i>circulated separately under confidential cover</i>)

DISCLOSURES OF INTEREST

Nil

PURPOSE

To consider accepting the tender submission from Western Stabilisers at a price of \$7,347,953 to undertake construction works for the Orange Springs Road Upgrade (RFT 05/2019).

BACKGROUND

RFT 05/2019 Construction of Orange Springs Road Upgrade was advertised in the *West Australian* on 2 November 2019 in accordance with s. 3.57 of the *Local Government Act 1995*.

The submission period closed at 4pm on 25 November 2019, with six tender submissions being received from the following companies (listed in no particular order):

- Lendlease;
- WCP Civil;
- Western Stabilisers;
- Robbro Road Construction Pty Ltd;
- Tempo Construction & Maintenance Pty Ltd; and
- Menzies Quarries.

A mandatory site meeting was held on-site (Orange Springs Road) on Friday 8 November 2019. All submitting tenderers were represented at that meeting.

Delegation 2.9 empowers the Chief Executive Officer to accept or reject tenders with a value not exceeding \$250,000. Given that the tenders received all exceed this value limit, RFT 05/2019 cannot be dealt with under delegated authority and as such is therefore presented to Council for consideration.

The tender received from Menzies Quarries was deemed to be non-conforming as it did not contain the Qualitative Criteria (with the exception of Key Personnel and Tenderer's Offer) necessary for assessment and therefore it was not included in the assessment process.

All tenders were assessed independently by the three member Tender Evaluation Panel (consisting of the Executive Manager Operations, Coordinator Operations and Coordinator Assets/Projects). A weighted scoring method was used with the following weightings:

- Price 40%
- Relevant Experience 15%
- Key Personnel Skills & Experience 20%
- Tenderer's Resources 10%
- Demonstrated Understanding 15%

The price score was calculated using an average based scoring method as approved through the Western Australian Local Government Association's (WALGA) Procurement division. Each panel member scored the tenders separately. All other qualitative criteria from each tenderer was assessed against a rating scale, with 0 points as an inadequate offer with many deficiencies and 10 points as an outstanding offer which greatly exceeds criterion.

The individual tender evaluation assessments and the Summary have been distributed to Councillors under separate confidential cover as **Appendix 1**. The reason for confidentiality is that the tenders must be dealt with as commercial in confidence due to the financial nature of the tenders.

Once the individual assessments were completed, the qualitative scores were averaged and summarised. The summarised scores (out of 100) are:

Contractor	Score
Western Stabilisers	66.41
Tempo Construction & Maintenance Pty Ltd	50.37
Lendlease	50.23
WCP Civil	45.17
Robbro Road Construction Pty Ltd	44.65

Robbro Road Construction Pty Ltd is the only tenderer that resides within the Shire of Gingin. However the Shire does not have a regional price preference policy so this consideration could not be applied to the tender process.

Porter Consulting Engineers were engaged to complete the detailed design and assist in the completion of the tender documentation. Structerre Consulting Engineers provided the geotechnical survey and reporting to determine the existing depth and structure of the existing pavement. Stabilisation Technology were engaged to undertake a pavement design for the entire length of Orange Springs Road based on the geotechnical survey results.

The length of Orange Springs Road is 17.86km, with works proposed to start at the western (Cwalla Road) end because this has been determined (based on the geotechnical results) as the weakest section of pavement. The detailed design for Orange Springs Road has been subjected to several reviews and amendments to try and reduce the native vegetation clearing impact, which has increased the cost per kilometre to deliver the project.

The reasoning behind reducing the clearing footprint is to try and expedite the clearing application process. The total area to be cleared is just over two hectares for the entire 17.86km length of road.

A clearing permit has been granted by the State Government's Department of Water and Environmental Regulation (DWER), however as of 27 November 2019 an appeal has been lodged which must be determined by the Appeals Convener. The time taken for the appeal to be assessed has not been advised. Shire Officers have been advised by DWER that the appeal can only be appealed based on the process that DWER used to assess the clearing application, and Shire Officers are hopeful that the appeal will be resolved quickly.

The clearing application has been referred to the Department of Environment (Federal Government) as the area proposed for clearing falls within a Threatened Ecological Community (TEC), Banksia Woodland, with the clearing proposed to be significant. The public consultation period closed approximately two weeks ago, and the Shire is following up on an outcome. The pavement reconstruction works cannot be commenced in earnest until such time as both State and Federal Government clearing applications are granted.

In 2017/18 the State Government granted \$5.2m to the Shire of Gingin in untied grant funding based on the Draft Agricultural Lime Strategy to be spent in two years, 2018/19 to 2019/20. As the Shire was waiting on the assessment of the clearing of native vegetation and detailed design it was determined that the works would be delivered in the final year of the project, 2019/20. The Shire currently has \$4,257,832 of contract costs budgeted for the project. The contract cost associated for the Shire to deliver their portion of the works (traffic control, gravel cartage, bitumen works, site office hire, generator fuel, etc) is approximately \$72,300 (excluding GST) per kilometre.

COMMENT

The tenders supplied were generally of a good standard with sufficient information to make an informed assessment. The individual evaluators' comments are provided in **Appendix 1**.

The RFT called for tenderers to provide a cost to undertake the excavation and installation of works to a cement stabilised (limestone) sub-base levels as per the design. This included delivering the gravel base course to selected stockpile sites along Orange Springs Road so that the Shire can cart and install the gravel base course, then seal. The base course lay down areas are incorporated into the centre of the road train turn-arounds to reduce operating costs.

There is a large variance in price between the lowest and the highest priced tender. The lowest priced tenderer submitted information in their tender from an independent auditor's report which flagged that there were concerns with regards to the continuing viability of the business. This raised questions with the Tender Evaluation Panel as to the company's ability to deliver the project, and as such it was deemed to be of a high risk to the project.

After undertaking the individual assessments and averaging the evaluator's scores the preferred tenderer is Western Stabilisers utilising the weighted point scoring system. Each tenderer was scored on their methodology to complete the works, with each tenderer providing varying methodologies to complete the works.

At the mandatory site meeting all prospective tenderers were advised that, although the tender was to provide works for the entire length of Orange Springs Road, the Shire was working to a budget. It was unlikely that the tenders received would fall within the budget, and as such the scope (length) of the works would be negotiated with the preferred tenderer based on their tender submission.

The tender received from the preferred tenderer, Western Stabilisers, of \$7,347,953 for the entire length of the road equates to \$483,720 per kilometre (excluding GST). This rate would still need to be negotiated with the preferred tenderer, but considering the tenderer and Shire contract cost rates it is anticipated that the total works to be delivered could be in the vicinity of 8 to 12 kilometres, subject to negotiation.

Western Stabilisers provided a methodology to complete the works that the Shire had not anticipated and as such the Shire sought clarification to ensure that the works would meet the tender detailed design and specifications, and that no unfair advantage could be implied. The Evaluators are of the view that the proposed methodology is capable of delivering the works as per the specification and to the standard detailed in the RFT and associated documentation, whilst maximising the length of Orange Springs Road able to be reconstructed.

STATUTORY ENVIRONMENT

Local Government Act 1995

Part 3 – Functions of local governments

Division 3 – Executive functions of local governments

Section 3.57 – Tenders for providing goods or services

Local Government (Functions and General) Regulations 1996 – Part 4

POLICY IMPLICATIONS

Nil

BUDGET IMPLICATIONS

The works have been budgeted for in the 2019/20 Budget, but the extent of works will be required to be negotiated with the preferred contractor.

STRATEGIC IMPLICATIONS

Shire of Gingin Strategic Community Plan 2019-2029

Focus Area	<i>Infrastructure & development</i>
Objective	<i>3. To effectively manage growth and provide for community through the delivery of community infrastructure in a financially responsible manner</i>
Outcome	<i>3.3 The Shire's community infrastructure supports connectivity and accessibility</i>
Key Service Areas	<i>Nil</i>
Priorities	<i>3.3.2 Continue the focus on upgrading existing roads, verges, streetscapes and trails</i>

VOTING REQUIREMENTS – SIMPLE MAJORITY

COUNCIL RESOLUTION/OFFICER RECOMMENDATION

MOVED: Councillor Peczka **SECONDED:** Councillor Balcombe

That Council:

- 1. Award RFT 05/2019 Construction of Orange Springs Road Upgrade to Western Stabilisers as per their submitted tender of \$7,347,953;**
- 2. Authorise the Chief Executive Officer to negotiate with Western Stabilisers, based on the submitted tender, with respect to the extent of the works so as to remain within Council's budget allocation for the 2019/20 financial year; and**
- 3. Authorise the affixing of the Common Seal to any resulting contract document, if required to execute the contract agreement.**

CARRIED UNANIMOUSLY

CONFIDENTIAL

APPENDIX 1

12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

13. COUNCILLORS' OFFICIAL REPORTS

Nil

14. NEW BUSSINESS OF AN URGENT NATURE

Nil

15. MATTERS FOR WHICH MEETING IS TO BE CLOSED TO THE PUBLIC

Nil

16. CLOSURE

There being no further business, the Shire President declared the meeting closed at 3.19pm.

The next Ordinary Meeting of Council will be held in Council Chambers at the Shire of Gingin Administration Centre, 7 Brockman Street, Gingin on Tuesday, 17 December 2019 commencing at 3.00 pm.

These Minutes are confirmed as the official record of the Special Meeting of the Gingin Shire Council held on 3 December 2019.

Councillor C W Fewster
Shire President
17 December 2019