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true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE COUNCIL MEETING HELD ON 23 NOVEMBER 2016

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MINUTES

MINUTES OF A MEETING OF THE A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN MEETING ROOM ONE, COMMUNITY RESOURCE CENTRE, 21 CAMMILLERI STREET, BUSSELTON, ON 23 NOVEMBER 2016 AT 5.30PM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 5.31pm.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley Mayor

Members:

Cr Coralie Tarbotton
Cr Ross Paine
Cr Terry Best
Cr John McCallum
Cr Rob Bennett
Cr Paul Carter
Cr Robert Reekie
Cr Gordon Bleechmore

Officers:

Mr Mike Archer, Chief Executive Officer
Mr Oliver Darby, Director, Engineering and Works Services
Mr Paul Needham, Director, Planning and Development Services
Mrs Naomi Searle, Director, Community and Commercial Services
Mr Cliff Frewing, Director, Finance and Corporate Services
Mr Kim Dolzadeli, Manager Financial Services
Mr Hendrick Boshoff, Manager Information Services
Mr Jan Hopper, Major Projects Officer
Ms Leigh Sly, Executive Assistance to the CEO
Miss Hayley Barge, Administration Officer, Governance

Apologies

Nil

Approved Leave of Absence

Nil

Media:

1

Public:

2

3. PRAYER

The prayer was delivered by Pastor Nathan Seinemeier of Cornerstone Church.

4. PUBLIC QUESTION TIME**Response to Previous Questions Taken on Notice**

Nil

Public Question Time

Nil

5. ANNOUNCEMENTS WITHOUT DISCUSSION**Announcements by the Presiding Member**

The Mayor acknowledged receipt of the Tourism WA award stating that “The Busselton community is commended for successfully developing cruise shipping and for a memorable welcome for more than 10,000 passengers and crew aboard seven ships in 2015-16. Congratulations to everyone involved and special thanks to the *Meet and Greet Volunteers*”.

The Mayor also thanked on behalf of the Council, all volunteers involved.

Announcements by other Members at the invitation of the Presiding Member

Nil

6. APPLICATION FOR LEAVE OF ABSENCE

Nil

7. PETITIONS AND PRESENTATIONS**7.1 Petition**

The City is in receipt of two petitions addressed to the Joint Development Assessment Panel, opposing the proposed development of a service station in Dunsborough.

In accordance with standing orders the petitions are not required to be received by the City, however the City acknowledges the contents of the petitions and will forward them to the-

1. Joint Development Assessment Panel
2. Landowners
3. Puma Australia.

7.2 Presentations

Nil

8. DISCLOSURE OF INTERESTS

Nil

9. CONFIRMATION AND RECEIPT OF MINUTES**Previous Council Meetings**9.3 Minutes of the Council Meeting held 9 November 2016**Council Decision****C1611/134**

Moved Councillor G Bleechmore, seconded Councillor P Carter

That the Minutes of the Council Meeting held 9 November 2016 be confirmed as a true and correct record.

CARRIED 9/0**Committee Meetings**

9.2 Minutes of the Finance Committee Meeting held 3 November 2016

Council Decision**C1611/135**

Moved Councillor J McCallum, seconded Councillor C Tarbotton

- 1) That the minutes of the Finance Committee meeting held 3 November 2016 be received.
- 2) That the Council notes the outcomes from the Finance Committee meeting held 3 November 2016 being:
 - a) The Finance Committee Information Bulletin - September 2016 item is noted.
 - b) The List of Payments Made - September 2016 item is presented for Council consideration at item 10.1 of this agenda.
 - c) The Financial Activity Statements - Period Ending 30 September 2016 item is presented for Council consideration at item 10.2 of this agenda.

CARRIED 9/0

ITEMS BROUGHT FORWARD AND ADOPTION BY EXCEPTION RESOLUTION

At this juncture the Mayor advised the meeting that with the exception of the items identified to be withdrawn for discussion, that the remaining reports, including the Committee and Officer Recommendations, will be adopted en bloc.

Council Decision / Committee Recommendation and Officer Recommendation

C1611/136 Moved Councillor G Bleechmore, seconded Councillor J McCallum

That the Committee and Officer Recommendations in relation to the following agenda items be carried en bloc:

- 10.1 Finance Committee - 3/11/2016 - LIST OF PAYMENTS MADE - SEPTEMBER 2016
- 10.2 Finance Committee - 3/11/2016 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 SEPTEMBER 2016
- 15.2 COUNCILLORS' INFORMATION BULLETIN

CARRIED 9/0

EN BLOC

10. REPORTS OF COMMITTEE

10.1 Finance Committee - 3/11/2016 - LIST OF PAYMENTS MADE - SEPTEMBER 2016

| | |
|-----------------------------|-----------------------------------------------------------------------------------------------|
| SUBJECT INDEX: | Financial Operations |
| STRATEGIC OBJECTIVE: | An organisation that is managed effectively and achieves positive outcomes for the community. |
| BUSINESS UNIT: | Financial Services |
| ACTIVITY UNIT: | Finance |
| REPORTING OFFICER: | Strategic Financial Plan Accountant - Stuart Wells |
| AUTHORISING OFFICER: | Director, Finance and Corporate Services - Cliff Frewing |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A List of Payments - September 2016⇒ |

This item was considered by the Finance Committee at its meeting on 3 November 2016, the recommendations from which have been included in this report.

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of September 2016, for noting by the Council and recording in the Council Minutes.

BACKGROUND

The Local Government (Financial Management) Regulations require that when the Council has delegated authority to the Chief Executive Officer to make payments from the City's bank accounts, that a list of payments made is prepared each month for presentation to, and noting by, Council.

STATUTORY ENVIRONMENT

Section 6.10 of the Local Government Act and more specifically, Regulation 13 of the Local Government (Financial Management) Regulations; refer to the requirement for a listing of payments made each month to be presented to the Council.

RELEVANT PLANS AND POLICIES

NA.

FINANCIAL IMPLICATIONS

NA.

Long-term Financial Plan Implications

NA.

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – 'Open and Collaborative Leadership' and more specifically Community Objective 6.3 – 'An organisation that is managed effectively and achieves positive outcomes for the community'.

RISK ASSESSMENT

NA.

CONSULTATION

NA.

OFFICER COMMENT

NA.

CONCLUSION

NA.

OPTIONS

NA.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

Council Decision / Committee Recommendation and Officer Recommendation

C1611/137 Moved Councillor G Bleechmore, seconded Councillor J McCallum

That the Council notes payment of voucher numbers M113405 – M113520, EF048197 – EF048674, T007282 – T007287, and DD002860 – DD002893; together totaling \$31,918,231.09.

CARRIED 9/0

EN BLOC

10.2 Finance Committee - 3/11/2016 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 SEPTEMBER 2016

| | |
|-----------------------------|-----------------------------------------------------------------------------------------------|
| SUBJECT INDEX: | Budget Planning and Reporting |
| STRATEGIC OBJECTIVE: | An organisation that is managed effectively and achieves positive outcomes for the community. |
| BUSINESS UNIT: | Financial Services |
| ACTIVITY UNIT: | Financial Services |
| REPORTING OFFICER: | Strategic Financial Plan Accountant - Stuart Wells |
| AUTHORISING OFFICER: | Director, Finance and Corporate Services - Cliff Frewing |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A Financial Activity Statements - September 2016⇒ |

This item was considered by the Finance Committee at its meeting on 3 November 2016, the recommendations from which have been included in this report.

PRÉCIS

Pursuant to Section 6.4 of the Local Government Act ('the Act') and Regulation 34(4) of the Local Government (Financial Management) Regulations ('the Regulations'), a local government is to prepare, on a monthly basis, a statement of financial activity that reports on the City's financial performance in relation to its adopted/ amended budget.

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year to date basis for the period ending 30 September 2016.

BACKGROUND

The Regulations detail the form and manner in which financial activity statements are to be presented to the Council on a monthly basis; and are to include the following:

- Annual budget estimates
- Budget estimates to the end of the month in which the statement relates
- Actual amounts of revenue and expenditure to the end of the month in which the statement relates
- Material variances between budget estimates and actual revenue/ expenditure/ (including an explanation of any material variances)
- The net current assets at the end of the month to which the statement relates (including an explanation of the composition of the net current position)

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 21 July 2016, the Council adopted (C1607/160) the following material variance reporting threshold for the 2016/17 financial year:

That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2016/17 financial year to comprise variances equal to or greater than 10% of the year to date budget amount as detailed in the Income Statement by Nature and Type/ Statement of Financial Activity report, however variances due to timing differences and/ or seasonal adjustments are to be reported on a quarterly basis.

STATUTORY ENVIRONMENT

Section 6.4 of the Local Government Act and Regulation 34 of the Local Government (Financial Management) Regulations detail the form and manner in which a local government is to prepare financial activity statements.

RELEVANT PLANS AND POLICIES

Not applicable.

FINANCIAL IMPLICATIONS

Any financial implications are detailed within the context of this report.

Long-term Financial Plan Implications

As above.

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative Leadership’ and more specifically Community Objective 6.3 - ‘An organisation that is managed effectively and achieves positive outcomes for the community’. The achievement of the above is underpinned by the Council strategy to ‘ensure the long term financial sustainability of Council through effective financial management’.

RISK ASSESSMENT

Risk assessments have been previously completed in relation to a number of ‘higher level’ financial matters, including timely and accurate financial reporting to enable the Council to make fully informed financial decisions. The completion of the monthly Financial Activity Statement report is a control that assists in addressing this risk.

CONSULTATION

Not applicable

OFFICER COMMENT

In order to fulfil statutory reporting requirements, and to provide the Council with a synopsis of the City’s overall financial performance on a full year basis, the following financial reports are attached hereto:

- Statement of Financial Activity

This report provides details of the City’s operating revenues and expenditures on a full year basis, by nature and type (i.e. description). The report has been further extrapolated to include details of non-cash adjustments and capital revenues and expenditures, to identify the City’s net current position; which reconciles with that reflected in the associated Net Current Position report.

- Net Current Position

This report provides details of the composition of the net current asset position on a full year basis, and reconciles with the net current position as per the Statement of Financial Activity.

▪ Capital Acquisition Report

This report provides full year budget performance (by line item) in respect of the following capital expenditure activities:

- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Infrastructure

▪ Reserve Movements Report

This report provides summary details of transfers to and from reserve funds, and also associated interest earnings on reserve funds, on a full year basis.

Additional reports and/or charts are also provided as required to further supplement the information comprised within the statutory financial reports.

COMMENTS ON FINANCIAL ACTIVITY TO 30 SEPTEMBER 2016

Historically, significant variances are evident in most revenue and expenditure categories during the early part of each financial year. At this stage and as is noted throughout the remainder of this report, the variances are mostly timing related only.

Operating Activity

▪ Operating Revenue

As at 30 September 2016, there is a variance of -1.39% (-\$755K) in total operating revenue, with the following categories exceeding the 10% material variance threshold:

| Description | Variance % | Variance \$000's |
|--------------------------------------------------|------------|------------------|
| Other Revenue | +43% | +\$37 |
| Interest Earnings | +11% | +\$99 |
| Non-Operating Grants Subsidies and Contributions | -36% | -\$933 |
| Profit on Asset Disposals | +24,002% | +\$12 |

Other Revenue (+\$37K)

- Parking Control is ahead of year to date budget by +10k. Based on current trends it is likely collection of fines will be ahead of budget for the full year.
- Animal Control is favourable against budget by +\$8k. Based on current trends it is likely collection of fines will be ahead of budget for the full year.
- Busselton Transfer Station is favourable against budget by +\$7k. This is due to sales of scrap and recyclable materials currently trending ahead of budget.
- Receipt of unbudgeted long service leave (LSL) amount of +\$14k. The amount will be offset by a corresponding expenditure amount at the time the leave is taken, therefore no impact to the overall surplus/(deficit) position.
- Sale of Artworks +\$5k. These amounts result in a liability and expense being paid at a later date to the artist concerned.
- Emergency services levy commission -\$7k. This is a timing adjustment only.

Interest Earnings (+\$99K)

- Interest on municipal funds +\$2k.
- Interest on reserve funds -\$14k.
- Interest on restricted funds +\$125k.

- Late payment interest on rates -\$14k.

Non-Operating Grants, Subsidies and Contributions (-\$933K)

- There are a number of items that make up the current year to date variance. All variances are timing variances at this time.

Profit on Asset Disposals (+\$12K)

- The profit on asset disposal relates to the sale of the CEO's previous Toyota Prado. It was budgeted the vehicle would be sold at its book value but +\$12k more than budget was received.

▪ Operating Expenditure

As at 30 September 2016, there is a variance of +3% (+\$494K) in total operating expenditure, with the following categories exceeding the 10% material variance threshold:

| Description | Variance % | Variance \$000's |
|-------------------------|------------|------------------|
| Materials and Contracts | +31% | +\$1,092 |
| Utilities | +14% | +\$84 |
| Allocations | -67% | -\$404 |
| Loss on Asset Disposals | -100% | -\$44 |

Materials and Contracts (+\$1,092K)

- By directorate, materials and contracts is showing the following variances at 30 September 2016;
 - Engineering and Works Services +\$559k
 - Community and Commercial Services +\$255k
 - Finance and Corporate Services +\$198K
 - Planning and Development Services +\$53k
 - Executive Services +\$27K
- From a natural account perspective the variances are predominantly attributable to contractors and/or consultants.
- The variances at this time are considered to be timing related.

Utilities (+\$84K)

- The predominant variance for utilities relates to water +\$84k. This variance is a timing variance related to the irregular way in which water invoices are received.

Allocations (-\$404K)

- This activity incorporates numerous internal accounting allocations. The first component is Activity Based Costing (ABC) allocations where allocations are based on actual costs. The second component is the overhead allocations whereby the monthly charges are based on budget. The -\$404k variance is a timing variance that reflects an under allocation at 30 September. It is expected this will correct by end of the financial year.

Loss on Asset Disposals (-\$44K)

- The loss on asset disposals relates to numerous items of plant and equipment sold in the first three months of the financial year. The loss represents the difference between the book value of the assets and the amounts received in cash for those assets sold. The variance of -\$44k between actual and budget is considered to be timing related at this stage.

Capital Activity

▪ Capital Revenue

As at 30 September 2016, there is a variance of -54% (-\$9,858K) in total capital revenue, with the following categories exceeding the 10% material variance threshold:

| Description | Variance % | Variance \$000's |
|---------------------------------|-------------------|-------------------------|
| Transfer from Reserves | -23% | -\$2,500 |
| Transfer from Restricted Assets | -99% | -\$7,407 |
| Proceeds from Sale of Assets | +271% | +\$54 |
| Self-Supporting Loans | -24% | -\$5 |

Transfer from Reserves (-\$2,500K)

- Timing difference relating to use of the Civic and Administration Centre Construction Reserve. Offset by an equivalent amount under capital expenditure. No impact to net current position.

Transfer from Restricted Assets (-\$7,407K)

- Timing difference relating to use of airport and foreshore grants. Offset by an equivalent amount under capital expenditure. No impact to net current position.

Proceeds from Sale of Assets (+\$54K)

- Proceeds from sale of assets, includes timing differences of +\$35k and permanent differences of +\$19k. Of the permanent differences, +\$12k relates to additional funds received for sale of Toyota Prado with the remainder being a number of smaller items combined.

▪ Capital Expenditure

As at 30 September 2016, there is a variance of 51% (+\$16,371K) in total capital expenditure, with the following categories exceeding the 10% material variance threshold:

| Description | Variance % | Variance \$000's |
|--------------------------------|-------------------|-------------------------|
| Land and Buildings | +43% | +\$3,019 |
| Plant and Equipment | -101% | -\$120 |
| Furniture and Equipment | +66% | +\$149 |
| Infrastructure | +86% | +\$13,646 |
| Transfers to Restricted Assets | -158% | -\$491 |

The attachments to this report include detailed listings of the following capital expenditure (project) items, to assist in reviewing specific variances:

- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Infrastructure

All capital expenditure variances are considered to be a timing adjustment at this time, with no impact expected against the net current position.

CONCLUSION

Significant variances are not unusual in the very early part of each financial year, with this primarily due to budget timing differences, coupled with an increased tendency for higher variances to occur

based on 'lesser' year to date budget allocations. In reviewing the financial performance to the end of September, the variances other than those specifically noted are all primarily attributable to timing differences.

OPTIONS

The Council may determine not to receive the statutory financial activity statement reports.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Reports are received as at the date of the relevant Council meeting

Council Decision / Committee Recommendation and Officer Recommendation

C1611/138 Moved Councillor G Bleechmore, seconded Councillor J McCallum

That the Council receives the statutory financial activity statement reports for the period ending 30 September 2016, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 9/0

EN BLOC

11. PLANNING AND DEVELOPMENT SERVICES REPORT

Nil

12. ENGINEERING AND WORKS SERVICES REPORT

Nil

13. COMMUNITY AND COMMERCIAL SERVICES REPORT

Nil

14. FINANCE AND CORPORATE SERVICES REPORT

Nil

15. CHIEF EXECUTIVE OFFICER'S REPORT

15.2 COUNCILLORS' INFORMATION BULLETIN

| | |
|-----------------------------|---------------------------------------------------------------------------------------|
| SUBJECT INDEX: | Councillors' Information |
| STRATEGIC OBJECTIVE: | Governance systems that deliver responsible, ethical and accountable decision-making. |
| BUSINESS UNIT: | Executive Services |
| ACTIVITY UNIT: | Governance Services |
| REPORTING OFFICER: | Reporting Officers - Various |
| AUTHORISING OFFICER: | Chief Executive Officer - Mike Archer |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A Planning Applications Received 16 October - 31 October⇒ |
| | Attachment B Planning Applications Determined 16 October - 31 October⇒ |

PRÉCIS

This report provides an overview of a range of information that is considered appropriate to be formally presented to the Council for its receipt and noting. The information is provided in order to ensure that each Councillor, and the Council, is being kept fully informed, while also acknowledging that these are matters that will also be of interest to the community.

Any matter that is raised in this report as a result of incoming correspondence is to be dealt with as normal business correspondence, but is presented in this bulletin for the information of the Council and the community.

INFORMATION BULLETIN

15.2.1 Planning and Development Statistics

Attachment A is a report detailing all Planning Applications received by the City between 16 October, 2016 and 31 October 2016. 39 formal applications were received during this period.

Attachment B is a report detailing all Planning Applications determined by the City between 16 October, 2016 and 31 October, 2016. A total of 35 applications (including subdivision referrals) were determined by the City during this period with 35 approved / supported and 0 refused / not supported.

15.2.2 Current Active Tenders

2016 TENDERS

RFT11/16 AIRSIDE DESIGN AND CONSTRUCT

Following an Expressions of Interest (EOI 01/16) process for making a preliminary selection among prospective tenderers, the City of Busselton invited tenders for the Airside D & C Contractor (Design and Construction of Airside Infrastructure at Busselton Margaret River Regional Airport). Ten (10) respondents were considered to be capable of satisfactorily supplying the goods/services and were subsequently shortlisted as acceptable tenderers:

| Company | Location |
|-----------------------------------|-----------------|
| Downer EDI Works Pty Ltd | Perth |
| Densford Civil Pty Ltd | Perth |
| CPD Contractors Pty Ltd | Perth |
| Ertech Pty Ltd | Perth |
| Fulton Hogan Construction Pty Ltd | South Australia |
| Georgiou Group Pty Ltd | Perth |
| BCG Contracting Pty Ltd | Perth |
| BMD Constructions Pty Ltd | Perth |
| WBHO Infrastructure Pty Ltd | Perth |
| NRW Pty Ltd | Perth |

On 16 June 2016, under delegated authority, the CEO proceeded to invite the shortlisted tenderers to formally submit tenders. NRW Pty Ltd, Fulton Hogan Construction Pty Ltd and Densford Civil Pty Ltd have since advised that, for commercial reasons, they will not be submitting a tender. A tender briefing and site inspection was held at the Airport on 27 June 2016 which was attended by the remaining eight tenderers. The tender closed 4 August 2016. The value of the contract is expected to exceed the CEO's delegated authority under Delegation Ref 3L (refer to Council Resolution C1606/140). The evaluation has been completed and Council resolved at its 12 October 2016 meeting to:

- Endorse the outcomes of the evaluation panel's assessment resulting in the tender submitted by ERTECH PTY LTD being determined as the best value for money tender and the tender submitted by BMD CONSTRUCTION PTY LTD as the second best value for money tender;
- Endorse any variation made pursuant to Regulation 20 of the Local Government (Functions and General) Regulations involving strengthening aircraft pavements, providing additional taxiways, providing wider shoulders to aircraft pavements and increasing the size apron parking areas are, separately and together, minor variations having regard to the total goods and services that tenderers were invited to supply; and
- Delegate authority to the CEO to negotiate with ERTECH Pty Ltd the terms of the contract for a finalised lump sum price and to approve variations in accordance with Regulation 21A of the Local Government (Functions and General) Regulations limited so as not to exceed the overall project budget.

The City is currently finalising the contract with Ertech and is expected to formally award the contract during November 2016.

RFT16/16 LANDSIDE DESIGN – BUSSELTON/MARAGARET RIVER REGIONAL AIRPORT

The City of Busselton invited tenders for the landside design at Busselton Margaret River Regional Airport. The tender was advertised on 13 August 2016, with a closing date of 8 September 2016. The City has completed its evaluation and the CEO (with the agreement of the CEO of the South West Development Commission) in accordance with delegation 3L have endorsed the recommendation of the evaluation panel to award the contract to Arup Pty Limited. It is expected that the contract will be formally awarded during November 2016.

RFT17/16 CONSTRUCTION OF MILNE STREET PAVILION

The City of Busselton invited tenders for the construction of Milne Street Pavilion at the Barnard Park playing fields on the Busselton Foreshore. The tender was advertised on 13 August 2016, with a closing date of 13 September 2016. The tender closing date was extended to close on 15 September

2016 and 10 tenders were received. The evaluation has been completed and the contract resulting from RFT17/16 was awarded by Council to Innovest Construction Pty Ltd.

RFT 18/16 SUPPLY OF CLEANING CHEMICALS & PAPER CONSUMABLES

The City of Busselton invited tenders for the supply of general cleaning chemicals and paper consumables for all the City of Busselton owned and managed facilities. The tender was advertised on 3 September 2016, with a closing date of 27 September 2016. The tender closing date was extended to close on 29 September 2016 and 8 tenders were received. The value of the contract is not expected to exceed the CEO's delegated authority. It is anticipated the evaluation will be completed and a recommendation report presented to the CEO in November 2016.

RFT 19/16 DESIGN AND CONSTRUCTION OF THE BUSSELTON FORESHORE COASTAL DEFENCES CENTRAL CORE AREA

The City of Busselton invited tenders for the detailed design and construction of coastal defence structures along the central core of the Busselton Foreshore Development. The tender was advertised on 17 September 2016, with a closing date of 25 October 2016. The tender closing date was extended to 27 October 2016. The evaluation was completed and the contract resulting from this tender was awarded by Council to Ertech Pty Ltd on 9 November 2016.

RFT20/16 BUSSELTON FORESHORE – CONSTRUCTION OF YOUTH & COMMUNITY ACTIVITIES BUILDING

The City of Busselton invited tenders for the construction of the Youth & Community Activities Building at the Busselton Foreshore. The tender was advertised on 24 September 2016, with a closing date of 25 October 2016. The tender closing date was extended to 27 October 2016. The value of the contract is expected to exceed the CEO's delegated authority. The evaluation has been completed and a report to Council recommending award of the contract resulting from this tender is included in the agenda for this Council meeting.

RFT21/16 DESIGN SERVICES BUSSELTON ROAD NETWORK UPGRADES

The City of Busselton invited tenders for engaging a suitably qualified consultant for the supply of civil design services to progress existing concept designs to detailed designs for the following roads:

- Duplication of Causeway Road (Peel Terrace – Strelly Street includes a new dual lane roundabout at Rosemary Street);
- Peel Terrace (West Street – Brown Street); and
- Duplication of Strelly Street (Bussell Bypass to Barlee Street).

The City would also have the option to extend the contract to include the following roads:

- Eastern Link Road (Causeway Road to Peel Terrace – includes a bridge structure over the Vasse River);
- Victoria Square round-about;
- Peel Terrace (Brown Street – Ford Road);
- Duplication of Strelly Street (Barlee Street – West Street up to the Bussell Highway); and
- Duplication of Causeway Road (Strelly Street – Bussell Bypass).

The tender was advertised on 8 October 2016, with a closing date of 25 October 2016. The tender closing date was extended to 1 November 2016. The value of the contract is not expected to exceed the CEO's delegated authority. It is anticipated the evaluation will be completed and a recommendation report presented to the CEO in November 2016.

RFT22/16 CHURCHILL PARK – SUPPLY AND INSTALL PUMPS, SHED, TANK AND FILL LINE

The City of Busselton invited tenders for the supply and installation of pumps, shed, tank and fill line as part of the redevelopment of Churchill Park, Busselton. The tender was advertised on 15 October 2016, with a closing date of 2 November 2016. The value of the contract is not expected to exceed the CEO's delegated authority. It is anticipated the evaluation will be completed and a recommendation report presented to the CEO in November 2016.

RFT23/16 ASPHALT AND SPRAY SEALING SERVICES

The City of Busselton invited tenders for the supply, delivery and application of asphalt and bitumen products within the City of Busselton. The tender was advertised on 29 October 2016, with a closing date of 15 November 2016. The value of the contract is expected to exceed the CEO's delegated authority. It is anticipated the evaluation will be completed and a report presented to Council in December 2016.

15.2.3 Business South West – Annual Report 2015-2016

Business South West has provided a copy of their Annual Report 2015-16, located in the Council in tray, correspondence as follows:

'We are pleased to enclose the Annual Report for business South West (formerly Small Business Centre Bunbury-Wellington).

As you may be aware Business South West was successful in winning both the State and Federal funding for the South West region for Business Local and the Australian Small Business Advisory Services. We have been delivering business services, under these new contracts, to your business community in the City of Busselton.

Business South West is a not for profit organisation operating for over 21 years. Our commitment to local business remains as our core purpose.

Our team of qualified and experienced business advisors are available to visit clients at their premises, their homes or in our office, for free. We have established offices in Bunbury, Vasse and Manjimup with advisors available in all locations.

Our range of services cover risk analysis, business planning, business development and marketing, understanding finances, ensuring compliance and governance, human resources advice and any other matters relating to starting, growing or running a business.

These are FREE services available to everyone.

The services delivered throughout the Australian Small Business Advisory Services program allow us to deliver valuable workshops to enterprises building in key areas such as:

- Funding avenues and financial analysis*
- Building your business*
- Making the most of your talent and team*
- Management capabilities*
- Digital engagement implementation including social media training*

These workshops are designed to be low cost, accessible, succinct and relevant! Enabling the business owner to learn and apply the principles straight back into their respective business.

If there are opportunities in the future to work with the City of Busselton on a joint initiative delivering training to your local business owners or collaborating on a network event, we would welcome the opportunity.

From the board and staff of Business South West we thank you for your support throughout the year in various forms and look forward to working with you to grow the economic success of your local business community.'

15.2.4 Busselton Croquet Club Inc – Letter of Appreciation

Correspondence has been received from the Busselton Croquet Club Inc as follows:

'The Busselton Croquet Club wishes to thank you for your support of our annual Tournament to be held in November.

We appreciate your generous donation of \$500.00 which will go towards the prizes and will be acknowledged at the presentation.'

Council Decision and Officer Recommendation

C1611/139 Moved Councillor G Bleachmore, seconded Councillor J McCallum

That the items from the Councillors' Information Bulletin be noted:

- 15.2.1 Planning and Development Statistics
- 15.2.2 Current Active Tenders
- 15.2.3 Business South West – Annual Report 2015-2016
- 15.2.4 Busselton Croquet Club Inc – Letter of Appreciation

CARRIED 9/0

EN BLOC

ITEMS CONSIDERED BY SEPARATE RESOLUTION

At this juncture, in accordance with Clause 5.6 (3)(a) & (b) of the Standing Orders, those items requiring an Absolute Majority or in which Councillors had declared Financial, Proximity or Impartiality Interests were considered.

15.1 AWARD OF TENDER RFT 20/16 YOUTH AND COMMUNITY ACTIVITIES BUILDING CONSTRUCTION

| | |
|-----------------------------|-------------------------------------------------------------------------------------------------------------|
| SUBJECT INDEX: | Youth and Community Activities Building, Busselton Foreshore |
| STRATEGIC OBJECTIVE: | A City where the community has access to quality cultural, recreation, leisure facilities and services. |
| BUSINESS UNIT: | Major Projects |
| ACTIVITY UNIT: | Major Projects |
| REPORTING OFFICER: | Senior Consultant Major Projects - Jan Hopper |
| AUTHORISING OFFICER: | Chief Executive Officer - Mike Archer |
| VOTING REQUIREMENT: | Absolute Majority |
| ATTACHMENTS: | Attachment A Confidential Tender Evaluation & Recommendation - RFT20/16 Youth & Community Activity Building |

Attachment A is confidential under Section 5.23 - 2(c) of the Local Government Act 1995 in that it deals with "a contract entered into or which may be entered into, by the local government". Copies have been provided to Councillors, the Chief Executive Officer and Directors Only.

PRÉCIS

The Council is requested to consider the tenders received in response to Request for Tender RFT20/16 for Youth and Community Activities Building Construction. The tender has now closed and tender submissions have been received and evaluated. This report summarises the submissions received and recommends that Council awards RFT20/16 – Youth and Community Activities Building Construction Contract to Pro Living Pty Ltd – T/A Pro Construct, in accordance with the tender evaluation panel recommendation.

BACKGROUND

The City of Busselton's 2016/17 Capital Works Program includes provision for the construction of a multi-user building incorporating the Busselton Surf Life Saving Club (BSLSC) and Youth Activities facilities. The building is located on the Busselton Foreshore in between The Goose restaurant and new skate park (see attached plan A).

The purpose of the works is to provide a facility for the BSLSC accommodated in temporary facilities on the foreshore as well as youth groups that use ad-hoc facilities within the City. Facilities will include storage areas for surf life saving and user equipment, change rooms, public ablutions, function room, kitchens, meeting rooms, first aid facilities and direct beach access. The project is solely funded by a grant awarded through Lotteries West.

STATUTORY ENVIRONMENT

Section 3.57 of Local Government Act 1995 requires "A local government to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods and services".

Part 4 (Tenders) of the Local Government (Functions and General) Regulations 1996 require that tenders be publicly invited for such contracts where the estimated cost of providing the total service exceeds \$150,000.

Compliance with the Local Government Act 1995 section 3.57 is required in the issuing and tendering of contracts.

RELEVANT PLANS AND POLICIES

The City's purchasing, tender selection criteria, occupational health and safety and engineering technical standards and specifications, were all relevant to this tender and have been adhered to in the process of requesting and evaluating tenders.

FINANCIAL IMPLICATIONS

The total budget for the construction of the Youth and Community Activities Building within the Busselton Foreshore is \$2,881,000 (Cost Centre B9570) with construction component including contingency being \$2,585,000 which is greater than required for the preferred tender. The remainder of the budget is allocated to consultancy fees and fees and charges. Based on the tender received it is proposed the total project budget be remain at \$2,881,000 with contingency increased to incorporate the difference.

| Description | Account String | 2016 / 17 Adopted Budget | 2016 / 17 Adopted Budget (proposed) | Variance to Budget |
|-----------------------------------------|-----------------------|-------------------------------------|----------------------------------------------------|-------------------------------|
| Youth and Community Activities Building | 120-B9570-3280-0000 | \$2,881,000 | \$2,881,000 | \$0 |
| Lotteries West Grant | 120-B9570-1214-0000 | (\$2,881,000) | (\$2,881,000) | \$0 |
| Net Exp / (Rev) | | \$0 | \$0 | \$0 |

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

The construction of the Youth and Community Activities Building is consistent with following the City of Busselton's

Strategic Objectives:

2. Well planned, vibrant and active places;

2.1 A City where the community have access to a quality cultural, recreation, leisure facilities and services

2.3 Infrastructure assets are well maintained and responsibly managed to provide for future generations.

RISK ASSESSMENT

An assessment of the potential implications of implementing the Officer's recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls has been identified as medium or greater are included below.

| <i>Risk</i> | <i>Controls</i> | <i>Consequence</i> | <i>Likelihood</i> | <i>Risk Level</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|-------------------|
| Delay of materials from a third party and services supplied by a sub-contractor. The worst impact would be a delay in material delaying the completion of the project. | Early award to the contractor. Included in the contract scope and project timeline. Delay would be the contractors risk. Liquidated damages may be imposed for delays that cause loss to the City which may include breach of conditions through Grant funding. | Medium | Unlikely | Medium |
| The contractor fails to complete the installation by November 2017 as programmed. | Programme provided by tenderers meet this requirement with sufficient float to manage. Weekly project meetings to monitor progress with mechanisms for escalation if necessary. Additional contingency allocated to potentially assist with escalation. Liquidated Damages may be imposed for delays that cause loss to the City | Medium | Unlikely | Medium |
| The costs associated with the construction is over the Council endorsed budget and allocated funding through Lotteries West due to variations to the Contractors scope of work. | Tender Contract terms and conditions. Additional contingency allocated based on favourable tender outcome. Continual monitoring of variations and scope change to ensure any changes are captured and approved. | Medium | Likely | High |
| The contractor fails to construct the infrastructure in accordance with the design. | The contractor will be monitored to confirm that design being adhered to at appropriate hold points | Medium | Unlikely | Medium |
| Reputational issues associated with association / demarcation with public and adjoining tenancies | Tender specifications require full time supervision during construction works in order to ensure issues / risks are managed as they occur. | Medium | Likely | Medium |
| Allocation of funding based on scope does not align with Grant funding allocation | Scope has been agreed with Lotteries West with any scope change to be agreed. | Medium | Unlikely | Medium |

| | | | | |
|-----------------------------------------------|--|--|--|--|
| causing funding issues through Lotteries West | | | | |
|-----------------------------------------------|--|--|--|--|

CONSULTATION

RFT20/16 was advertised in the West Australian newspaper on 24th September 2016; the City of Busselton tenders website page on Saturday 24th September 2016 and Public Notice Boards on Monday 26th September 2016. The closing date for submissions was 27th October 2016 at 2.00pm.

The project has been sign posted on the Busselton Foreshore in the location of the new proposed facility which indicates timeline and scope.

OFFICER COMMENT

The City issued Request for Tender documents to thirty (30) potential Respondents and received a total of ten (10) submissions from: BGC Construction, Pro Construct, Civil Con, Chadwick Builders, Smith Constructions, Pindan, Perkins, Big Ben Builders, Metrocon and CLPM.

The tender assessment was carried out by a tender evaluation panel consisting of Mersina Robinson - Technical Officer, Jan Hopper - Senior Consultant Major Projects (panel chair), and Lisa McDonald - Contracts and Tendering Officer. A copy of all documentation was provided to each member of the tender review panel for assessment.

The tender documentation provided for the evaluation process to include, among other considerations, the following methodology:

Tenders were evaluated using the tendered prices, information provided by tenderers in response to the qualitative criteria specified in the tender documents and such other information the City considers necessary in order to evaluate the tenderers against the selection criteria. A scoring and weighting system was used as part of the assessment of the tendered prices and qualitative criteria, with the objective to allocate points and weightings in accordance with the relative degree of importance that the City places on price and each of the qualitative criteria. The extent to which a tender demonstrated greater satisfaction of each of these qualitative criteria resulted in a greater score. The tendered prices were then assessed together with the weighted qualitative criteria and the tenders scored and ranked to determine the most advantageous outcome to the City. The City has adopted a best value for money approach to this Request for Tender which means that, although price will be a consideration, the tender containing the lowest price will not necessarily be accepted, nor will the tender ranked the highest on the qualitative criteria.

The tender required applicants to address specific selection criteria and complete a pricing schedule for the contract. The following weightings applied to the qualitative criteria and price:

- Relevant Experience 10%
- Key Personnel Skills and Experience 10%
- Tenderer's Resources 10%
- Demonstrated Understanding 10%
- Price 60%

The tender evaluation was conducted in accordance with the requirements under the tender documents (including the above) and resulted in the tender from Pro Living Pty Ltd T/A Pro Construct Pursuant being ranked first overall and therefore considered to be the most advantageous to the City.

The attached confidential Tender Evaluation and Recommendation report (Attachment A) provides the detailed evaluation outcome.

CONCLUSION

The tender evaluation panel has completed their assessment in line with the City's tender process and Officers now recommend the Council award Youth and Community Activities Building to Pro Living Pty Ltd T/A Pro Construct.

OPTIONS

The Council may consider the following alternate options:

1. The Council chooses not to accept the Officers Recommendation and award the Tender to an alternative tenderer. In the view of the Officer's this could result in a Tender being awarded to a tenderer that is not most advantageous to the City.
2. The Council may choose not to accept the Officers Recommendation and not award the tender. This would mean going back out to tender, resulting in significant delays to the contract award and potential significant delays to the development of the Busselton Foreshore.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The award of the tender can be made immediately after the Council has endorsed the Officer's recommendation. Subject to finalisation of a number of administrative requirements, the successful tenderer will receive formal written notification within seven (7) days of the resolution. All unsuccessful tender applicants will also be notified at this time.

Council Decision and Officer Recommendation

C1611/140

Moved Councillor J McCallum, seconded Councillor P Carter

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council:

1. Endorses the outcomes of the tender evaluation panel's assessment in relation to Tender RFT20/16 for Youth and Community Activities Building Construction which has resulted in the tender submitted by Pro Living Pty Ltd T/A Pro Construct being ranked as the most advantageous to the City.
2. Delegate authority to the CEO to award the contract pursuant to Tender RFT20/16 to Pro Living Pty Ltd T/A Pro Construct, subject to negotiations over the final contract sum.
3. That the Council Endorses allocation of the difference between tendered sum and existing budget to project contingency, subject to the conditions of the grant funding agreement between the City and Lottery West.

CARRIED 9/0

BY ABSOLUTE MAJORITY

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Councillor Ross Paine has provided the following Notice of Motion:

Moved Councillor R Paine, seconded Councillor P Carter

That the council requests the CEO bring a report to council discussing how accessibility could be improved for documents that the City of Busselton publishes online.

The City's Standing Orders at clause 5.5 (4) (d) provides the opportunity for the CEO to make comment on a Notice of Motion.

The clause states:-

The CEO may provide relevant and material facts and circumstances pertaining to the notice of motion on such matters as policy, budget and law.

The CEO's comments are as follows:-

The City understands and appreciates the importance of making documents available in alternative formats where 'traditional' formats are not suitable to the reader. At the present time, the Council and Committee Agendas, on the front cover page state "ALL INFORMATION AVAILABLE IN VARIOUS FORMATS". This message has been included on the Council Agenda's since at least 2000.

As far as is known, there has been no demand from residents or ratepayers for documents to be provided in alternative formats over this long period of time and on this basis, whilst the City is prepared to provide such documents upon request, it is not thought useful or cost effective to provide documents in a range of formats on the off chance that a request will be made for a document in an alternative format. Given that there has been no known request over the past 16 years it is unlikely that the City will receive such a request in the near future. Notwithstanding this, if there is a demand for a document to be prepared in a particular format, every attempt will be made to accommodate the request and the practice can be reviewed if there is a regular demand for such alternative formats.

The City is not aware of any other Local Governments who regularly provide Agendas in other formats as a matter of routine.

However in recognition of a step towards continuous improvement, and as matter of practice, with effect from the date of this Council meeting, the administration will include the same message that appears on the Agendas on the Council Minutes.

In summary therefore given the above, it is not felt that that the City take any further action at this time and will keep the matter under review. Under the circumstances, it is not felt that a report would add much more than what is shown above.

Note: Councillor John McCallum proposed an Amendment to the Motion to include a 12 month timeframe.

Moved Councillor J McCallum, seconded Councillor R Bennett

That the council requests the CEO bring a report to council within 12 months discussing how accessibility could be improved for documents that the City of Busselton publishes online.

CARRIED 5/4

Voting:

For the motion: Councillor R Bennett, Councillor J McCallum, Councillor P Carter, Councillor R Reekie and Councillor R Paine.

Against the motion: Councillor T Best, Councillor G Bleechmore, Mayor G Henley and Councillor C Tarbotton.

Note: As the Amended Motion was accepted, the Council then voted on the Amended Motion.

Council Decision and Amended Motion**C1611/141** Moved Councillor J McCallum, seconded Councillor R Bennett

That the council requests the CEO bring a report to council within 12 months discussing how accessibility could be improved for documents that the City of Busseton publishes online.

CARRIED 5/4

Voting:

For the motion: Councillor R Bennett, Councillor J McCallum, Councillor P Carter, Councillor R Reekie and Councillor R Paine.

Against the motion: Councillor T Best, Councillor G Bleechmore, Mayor G Henley and Councillor C Tarbotton.

17. CONFIDENTIAL REPORTS

Nil

18. QUESTIONS FROM MEMBERS

Nil

19. PUBLIC QUESTION TIME

Nil

20. NEXT MEETING DATE

Wednesday, 14 December 2016

21. CLOSURE

The meeting closed at 6.04pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 27 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 14 DECEMBER 2016.

DATE: _____

PRESIDING MEMBER: _____