

## DISTRICT COUNCIL OF GRANT

### ORDINARY MEETING OF COUNCIL HELD – 19 MARCH 2018

REFER ITEM NUMBER      18046.1                      FILE      7.81.4/60

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#### 18046 – CONFIDENTIAL ITEMS

1. The Waterfront – Stage 1 - Tenders - [7.81.4/60] Item 16.1.1
  1. Moved Cr Bain that
    1. Pursuant to section 90(2) of the Local Government Act 1999 the Council orders that all members of the public, except TJ Smart (Chief Executive Officer), JF Fetherstonhaugh (Deputy Chief Executive Officer), LJ McEvoy (Director of Environmental Services), AA Schutz (Works Manager), SJ McIntosh (Asset Management Coordinator), JK Miller (Community Development Officer), DM Hutchesson (Executive Support Governance) and JA O’Hehir (Executive Support Officer), be excluded from attendance at the meeting for Agenda Item 16.1.1 – The Waterfront - Stage 1 - Tenders.
    2. The Council is satisfied that, pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.
    3. In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because such disclosure to the public may compromise tender negotiation processes and outcomes.
  - Seconded Cr Kuhl CARRIED
2. Moved Cr Kuhl that:
  1. The report be received and noted;
  2. Council enter into a contract with Gambier Earth Movers Pty Ltd for the works specified in their revised tender dated 6 March 2018, with the exception of items numbered 23 (T3 Timber Platform) \$85,450.89 and 33 (S2 Timber Screens – Toilet Exterior) \$11,179.95. The revised total of the tender being \$997,170.01 (GST exclusive);
  3. Acceptance of the Gambier Earth Movers Pty Ltd revised tender is subject to new design drawings being received by Oxigen;
  4. The Timber Platform and Timber Screens be included in the 2018-19 Annual Budget process for consideration.

Seconded Cr Reis

CARRIED

3. Moved Cr Collins that:

1. Having considered Agenda Item 16.1.1 – The Waterfront – Stage 1 Tenders in confidence under section 90(2) and (3)(d) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the documents and minutes relevant to Agenda Item 16.1.1 be retained in confidence until a tender is awarded and formally notified.
2. Council delegates to the Chief Executive Officer, pursuant to Section 91(9)(c) of the Local Government Act 1999, the power, at his discretion, to revoke the order made by Council under Section 91(7) and (9) of the Act at part (1) of this resolution at any time prior to the expiration of the period of the order specified therein.

Seconded Cr Bain

CARRIED

## 16. CONFIDENTIAL ITEMS

### 16.1 The Waterfront – Stage 1

#### **PURPOSE OF REPORT:**

To exclude the public from attendance at so much of a meeting as it is necessary to receive, discuss or consider in confidence any information or matter listed, as per Section 90 of the Local Government Act 1999.

1. Moved Cr \_\_\_\_\_ that:
  1. Pursuant to section 90(2) of the Local Government Act 1999 the Council orders that all members of the public, except TJ Smart (Chief Executive Officer), JF Fetherstonhaugh (Deputy Chief Executive Officer), LJ McEvoy (Director of Environmental Services), AA Schutz (Works Manager), SJ McIntosh (Asset Management Coordinator), JK Miller (Community Development Officer), DM Hutchesson (Executive Support Governance) and JA O’Hehir (Executive Support Officer), be excluded from attendance at the meeting for Agenda Item 16.1.1 – The Waterfront - Stage 1 - Tenders.
  2. The Council is satisfied that, pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.
  3. In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because such disclosure to the public may compromise tender negotiation processes and outcomes.

Seconded Cr \_\_\_\_\_

<b>16.1.1 The Waterfront – Stage 1 – Tenders</b>		
<b>MEETING DATE:</b>	19 March 2018	
<b>AUTHOR:</b>	Steph McIntosh, Asset Management Coordinator	
<b>RESPONSIBLE OFFICER:</b>	Adrian Schutz, Works Manager	
<b>PREVIOUS MEETING:</b>	19 February 2018	
<b>REFERENCES:</b>	18025.1	
<b>FILE NO:</b>	7.81.4/60	
<b>ATTACHMENTS:</b>	<ul style="list-style-type: none"> <li>• Council Resolution 18025 19 February 2018</li> <li>• Revised Tender Received from Gambier Earth Movers</li> </ul>	
<b>IN CONFIDENCE:</b>	Yes	
<b>POLICY REFERENCE:</b>	Procurement Policy (FINPOL 04)	
<b>LEGISLATIVE REFERENCE:</b>	There are no known legislative requirements related to this item.	
<b>STRATEGIC MANAGEMENT PLAN REFERENCE:</b>	Goal:	Physical Infrastructure is Improved and Developed
	Outcome:	Improved Public Spaces
	Strategy:	Implement the Port MacDonnell Master Plan
<b>FINANCIAL CONSIDERATIONS:</b>	Budget:	\$1,170,000 <small>(total budget)</small>
	Actual (YTD):	\$93,363
	Budget Variation Required:	No
<b>CONSULTATION UNDERTAKEN:</b>	The Waterfront Project Team	

**PURPOSE OF REPORT:**

To inform Members on the progress of The Waterfront tender process and seek approval to award a contract.

**BACKGROUND:**

In August 2017, Council endorsed the approach outlined to undertake The Waterfront Project. Final design drawings and specification were developed by Oxigen Pty Ltd and a select tender process commenced in January 2018.

Five tenders were subsequently received from four contractors, with three conforming tenders evaluated, two from Gambier Earth Movers (one being an alternative offer which proposed to substitute driven piles for prefabricated steel uprights resulting in some savings) and one from Outside Ideas.

All tenders were substantially above the available budget and at a full meeting of Council on 19 February 2018, it was resolved to enter into discussions with Gambier Earth Movers and Oxigen Pty Ltd to identify areas within the scope and specification where cost savings may be realised to enable the works to be completed within Councils budget and provide a further report to Council.

**COMMENT:**

The original conforming tender from Gambier Earth Movers was \$1,505,485.52 (GST exclusive), with the total budget allocated for this portion of works being \$1,027,000.

Council, Oxigen and Gambier Earth Movers met to discuss various options on Friday, 23<sup>rd</sup> February 2018. During these discussions various alternative construction options were considered which would result in substantial savings for Council, including the use of alternative materials. These alternatives would not affect the overall amenity of the completed project.

In addition to the above approach, it was also agreed that a number of items which staff believe could be sourced at a lower cost by Council were removed from the scope of the tender. These included:

- Item F1 - Picnic Settings (\$37,719)
- Item F2 - Long Benches (\$17,052.20)
- Item 34 - Top soil (\$10,858.58)
- Item 36 – Mulch (\$3,122.12)
- Item 37 - Tree Supply and Planting (\$27,499.94)
- Item 38 – Plant Supply and Planting (\$16,500.00)

\$27,000 from the budget has been allocated to procurement of the above items with the following options being investigated:

- Council staff have had discussions with Group 4 in relation to constructing the picnic settings and long benches from the jetty timber. Oxigen will provide drawings to allow Group 4 to provide a quote.
- Council has a substantial supply of mulch available in stock.
- Mimosa Farm Trees have been approached to provide a proposal for the supply of trees and plants. This is likely to include less established varieties to assist in climatisation, resulting in less risk of loss.
- Council will investigate the option of using volunteer groups for planting.

Having removed the above items, it was estimated that a budget of \$1,000,000 was available for the items remaining in the tender.

Gambier Earth Movers subsequently submitted a revised tender for \$1,093,800.85, a reduction of \$411,685.39. Note that the revised tender also included installation of watering conduit for the gardens beds upon request by staff.

Whilst mindful of the significant effort on the part of Gambier Earth Movers in reducing the tender, a deficit of \$93,800.85 is still evident.

To enable the project to be completed within budget, the following is proposed:

- Item 23 – Timber Platform (\$85,450.89)  
*This is the platform on the eastern side of the jetty onto the beach. It is proposed that this item be removed from the scope of works and a re-designed less expensive option be included in the 2018/19 Annual Budget for consideration.*
- Item 33 – Timber Screens (\$11,179.95)  
*These are the replacement screens at the entrance to the toilets. It is proposed that this item be removed from the scope of works and a re-designed less expensive option be included in the 2018/19 Annual Budget for consideration.*

The above exclusions represent a reduction of \$96,630.84 resulting in an overall tender amount of \$997,170.01.

A schedule of pricing is provided on the following page.

Item	Description	Original Conforming Tender	Revised Tender	Proposed Contract
1	Preliminaries	\$3,140.00	\$3,140.00	\$3,140.00
2	Site Temporary Fencing	\$19,750.00	\$19,750.00	\$19,750.00
3	Site Clearance & Demolition	\$40,621.00	\$40,621.00	\$40,621.00
4	Earthworks & Profiling	\$23,890.00	\$23,890.00	\$23,890.00
5	Kerbing Pram Ramps	\$11,817.30	\$11,817.30	\$11,817.30
6	Stormwater & Drainage	\$992.00	\$992.00	\$992.00
7	Pits & Covers	\$904.50	\$904.50	\$904.50
8	P1 - Insitu Concrete Exposed Aggregate Paving	\$85,829.94	\$85,831.90	\$85,831.90
9	P2A - Asphaltic Concrete Paving - AC7	\$45,431.10	\$42,747.18	\$42,747.18
10	P2B - Asphaltic Concrete Paving - AC10	\$37,642.80	\$31,612.50	\$31,612.50
11	P3 - Brick Paving	\$21,215.25	\$21,214.60	\$21,214.60
12	P4 - Compacted Granulitic Sand	\$70,568.23	\$60,195.18	\$60,195.18
13	E1 - Timber Edge	\$16,843.20	\$16,844.15	\$16,844.15
14	E2 - Flush Concrete Edging	\$38,806.38	\$37,531.84	\$37,531.84
14B	E3 - Flush Concrete Edging	\$57,637.20	\$57,564.60	\$57,564.60
15	E4 - Flush Steel Edge	\$25,418.80	\$20,284.55	\$20,284.55
16	E5 - Raised Steel Edge	\$63,632.52	\$17,093.54	\$17,093.54
16B	E6 - Spade Edge	\$687.60	\$687.50	\$687.50
16C	E7 - 500 Concrete Edge	\$42,832.70	\$41,301.40	\$41,301.40
17	W1 - Blockwork Walling	\$44,013.15	\$42,985.11	\$42,985.11
18	W2A + W2B - Stone Walling	\$28,126.30	\$26,147.01	\$26,147.01
19	W3 - Concrete Terraces	\$12,917.40	\$12,110.03	\$12,110.03
20	W4 - Blockwork Walling with Concrete Cap	\$33,762.54	\$0.00	\$0.00
21	T1 - Timber Decking	\$74,832.04	\$74,118.52	\$74,118.52
22	T2 - Timber Boardwalk	\$179,880.83	\$144,361.88	\$144,361.88
23	T3 - Timber Platform	\$108,333.72	\$85,450.89	\$0.00
24	F1 - Picnic Setting	\$37,719.00	\$0.00	\$0.00
25	F2 - Long Bench	\$17,052.20	\$0.00	\$0.00
25B	F3 - Platform Seat	\$9,611.80	\$9,611.80	\$9,611.80
26	F4 - Shower Column & Hydraulic Connection	\$5,240.50	\$5,240.50	\$5,240.50
27	F5 - Stone Shard Seat	\$4,972.00	\$4,972.00	\$4,972.00
28	F6 - Bin Enclosure	\$3,890.70	\$3,890.70	\$3,890.70
29	B1 - Bollard Type 01	\$23,502.77	\$21,083.66	\$21,083.66
30	B2 - Totem	\$4,721.76	\$4,551.74	\$4,551.74
31	WS - Wheel Stop	\$5,457.13	\$5,457.13	\$5,457.13
32	SH - Shelter Structure	\$97,256.50	\$82,422.78	\$82,422.78
33	S2 - Timber Screens - Toilet Exterior	\$13,365.00	\$11,179.95	\$0.00
34	Topsoil	\$10,858.58	\$0.00	\$0.00
36	Mulch	\$3,122.12	\$0.00	\$0.00
37	Tree Supply & Planting	\$27,499.94	\$0.00	\$0.00
38	Plant Supply & Planting	\$16,500.00	\$0.00	\$0.00
39	Seeded Turf	\$28,417.92	\$17,714.01	\$17,714.01
40	Placement of Site Won Rock Spalls	\$4,393.50	\$4,394.00	\$4,394.00
41	Other: Driven Piles	\$102,377.60	\$0.00	\$0.00
	Conduit for watering system	\$0.00	\$4,085.40	\$4,085.40
		<b>\$1,505,485.52</b>	<b>\$1,093,800.85</b>	<b>\$997,170.01</b>

**STAFF RECOMMENDATION:**

***That:-***

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- 2. Council enter into a contract with Gambier Earth Movers Pty Ltd for the works specified in their revised tender dated 6 March 2018, with the exception of items numbered 23 (T3 Timber Platform) \$85,450.89 and 33 (S2 Timber Screens – Toilet Exterior) \$11,179.95. The revised total of the tender being \$997,170.01 (GST exclusive);***
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1. *Having considered Agenda Item 16.1.1 – The Waterfront – Stage 1 - Tenders in confidence under section 90(2) and (3)(d) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the documents and minutes relevant to Agenda Item 16.1.1 be retained in confidence until a tender is awarded and formally notified.*
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Seconded Cr \_\_\_\_\_