

DISTRICT COUNCIL OF GRANT

ORDINARY MEETING OF COUNCIL HELD – 18 FEBRUARY 2019

REFER ITEM NUMBER 19024.2 FILE 7.81.4/64

19024 – CONFIDENTIAL ITEMS

2. Mount Gambier Regional Airport Redevelopment – [7.81.4/64] Item 16.1.1

1. Moved Cr Kuhl that:

1. Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except DJ Singe (Chief Executive Officer), LJ McEvoy (Director of Environmental Services), ME Tucker (Manager Organisational Development), IJ Fritsch (Airport Manager), GP Button (Team Leader – Finance & Customer Service), S McIntosh (Asset Management Coordinator), J Miller (Community Development Officer) and KM Gilmore (Governance Officer) be excluded from attendance at the meeting for Agenda Item 16.1.1 – Mount Gambier Airport Redevelopment – Runway Extension and Apron Construction Tender.
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 Clayfield

CARRIED

2. Moved Cr Bain that:

1. The report be received and noted.
2. Council enter into a contract with Heenan Earthmoving Pty Ltd for the Extension of Runway 18/36 and Construction of a Heavy Aircraft Apron (both with an asphalt surface) at Mount Gambier Regional Airport, for an amount of \$2,019,850 (excluding GST).

Seconded Cr Kuhl

CARRIED

3. Moved Cr Elliott that:

1. Having considered Agenda Item 16.1.1 – Mount Gambier Regional Airport Redevelopment – Runway Extension and Apron Construction Tender 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 Boston

CARRIED

16. CONFIDENTIAL ITEMS

16.1 Mount Gambier Regional Airport Redevelopment

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.

STAFF RECOMMENDATION:

- 1. Pursuant to section 90(2) of the Local Government Act 1999 the Council orders that all members of the public, except DJ Singe (Chief Executive Officer), LJ McEvoy (Director of Environmental Services), IJ Fritsch (Airport Manager) AA Schutz (Works Manager), SJ McIntosh (Asset Management Coordinator), JK Miller (Community Development Coordinator), KM Gilmore (Governance Officer) and JA O'Hehir (Executive Assistant), be excluded from attendance at the meeting for Agenda Item 16.1.1 – Mount Gambier Airport Redevelopment – Runway Extension and Apron Construction Tender.*
- 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.*

16.1.1 Mount Gambier Regional Airport Redevelopment – Runway Extension and Apron Construction Tender		
MEETING DATE:	18 February 2019	
AUTHOR:	Steph McIntosh, Asset Management Coordinator	
RESPONSIBLE OFFICER:	Ian Fritsch, Airport Manager	
PREVIOUS MEETING:	4 February 2018	
REFERENCES:	19014.2	
FILE NO:	7.81.4/64	
ATTACHMENTS:	<ul style="list-style-type: none"> • Tender received from Heenan Earthmoving • Council Report and Resolution 4/2/19 	
IN CONFIDENCE:	Yes	
POLICY REFERENCE:	Procurement Policy (FINPOL 04)	
LEGISLATIVE REFERENCE:	Section 49 of the <i>Local Government Act 1999</i>	
STRATEGIC MANAGEMENT PLAN REFERENCE:	Goal:	Physical Infrastructure is Improved and Developed
	Outcome:	Improved Airport infrastructure and services
	Strategy:	Develop, review, and implement the Mount Gambier Airport Masterplan & Asset Management Plan
FINANCIAL CONSIDERATIONS:	Budget:	\$9,200,000 <small>(total redevelopment budget)</small>
	Actual (YTD):	\$43,286
	Budget Variation Required:	No
CONSULTATION UNDERTAKEN:	Relevant Council Staff and Aerodrome Design Services	

PURPOSE OF REPORT:

To seek approval from Members to award a contract for the Extension of Runway 18/36 and Construction of a Heavy Aircraft Apron at Mount Gambier Regional Airport.

BACKGROUND:

At a meeting held on 4 February 2019, Council staff advised Members on the tender process which had been undertaken for the above works and sought endorsement of a proposed approach to undertake discussions with Heenan Earthmoving (as the preferred tenderer) and Gambier Earth Movers in relation to the supply and placement of the asphalt component of the tender.

COMMENT:

Council staff, together with Heenan Earthmoving and Gambier Earth Movers have developed an approach which enables Gambier Earth Movers to undertake the supply and placement of the asphalt for the project, by engaging a third party to undertake the supervision of placement and testing requirements.

The original tender received from Heenan Earthmoving was \$1,769,300 which included an asphalt surface on the runway and spray seal on the apron. The revised tender for the same works, with the difference being that the asphalt would be supplied and placed by Gambier Earth Movers (with a third party to undertake testing and supervision) is \$1,618,850. This represents a saving of \$150,450, whilst enabling a local contractor to undertake the works.

A price was also requested from Heenan Earthmoving to apply an asphalt surface to the apron as well as the runway. The total price tendered is \$2,019,850. Council and design staff are of the opinion the additional spend of \$401,000 to achieve an asphalt surface on the apron is very good value for money.

The original tender process invited tenderers to submit a price for asphalt surface to both areas. To provide a comparison for Members information, the lowest tender received for these works at the time was \$2,685,829 (using non local contractors for placement of asphalt).

STAFF RECOMMENDATION:

That:-

- 1. The report be received and noted;***
- 2. Council enter into a contract with Heenan Earthmoving Pty Ltd for the Extension of Runway 18/36 and Construction of a Heavy Aircraft Apron (both with an asphalt surface) at Mount Gambier Regional Airport, for an amount of \$2,019,850 (excluding GST).***

STAFF RECOMMENDATION:

1. *Having considered Agenda Item 16.1.1 – Mount Gambier Airport Redevelopment – Runway Extension and Apron Construction Tender 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.*