

Shire of Kalamunda

Special Council Meeting Agenda

Tuesday 27 April 2010





NOTICE OF MEETING SPECIAL MEETING OF COUNCIL

Councillors

Notice is hereby given that a Special Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on:

Tuesday 27 April 2010 commencing at 7:00pm.

For the benefit of members of the public, attention is drawn to the following requirements as adopted by Council.

Open Council Meetings – Procedures

1. All Council Meetings are open to the public, except for matters which are confidential.
2. Members of the public may ask a question at an Ordinary Council Meeting under Item 3.0 of the Agenda.
3. Members of the public who are unfamiliar with meeting procedures are invited to seek advice at the meeting. If unsure about proceedings, just raise your hand when the presiding person opens 'Question Time' under Item 3.0 of the Agenda.
4. All other arrangements are in accordance with Council's Standing Orders, Policies and decision of the Shire or Council.

James Trail
Chief Executive Officer
23 April 2010

AGENDA

1.0 OFFICIAL OPENING

2.0 APOLOGIES AND LEAVE OF ABSENCE

3.0 PUBLIC QUESTION TIME

A period of not less than 15 minutes is provided to allow questions from the gallery on matters relating to the functions of this Council. For the purposes of Minuting, these questions and answers are summarised.

4.0 PETITIONS

5.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

6.0 ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

7.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

8.0 DISCLOSURE OF INTERESTS

Disclosure of Financial and Proximity Interests

- (a) Members must disclose the nature of their interest in matters to be discussed at the meeting. (Sections 5.60B and 5.65 of the Local Government Act 1995).
- (b) Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the Local Government Act 1995)

Disclosure of Interest Affecting Impartiality

- (a) Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

9.0 REPORT TO COUNCIL

Declaration of financial/conflict of interests to be recorded prior to dealing with each item.

9.1 Tender – Building Contractor for the Construction of Kalamunda Community and Cultural Centre

Previous Items:

Service Area: Engineering Services

File Reference:

Applicant: N/A

Owner: N/A

PURPOSE

1. To consider awarding the Tender for the appointment of a Building Contractor for the Construction of the Kalamunda Community and Cultural Centre (KCCC).

BACKGROUND

2. In November 2009 Council approved the Schematic Design Report for the KCCC project. Woods Bagot, with assistance from engineering consultants, completed the design development, which is now with the Quantity Surveyor to prepare a 'Bill of Quantities'.
3. At its Special Council Meeting of 2nd March, Council considered Expressions of Interest, being Stage 1 of the tendering process, and resolved as follows:

'That the following respondents be invited to submit their Tenders in accordance with specifications contained in the Shire of Kalamunda's Request for Tender:

1. *Duwal Pty Ltd*
2. *Morago Nominees (Trading as Gavin Construction)*
3. *Northerly Construction*
4. *PB Perkins*
5. *Pindan*

DETAILS

4. Accordingly, the five short listed builders were invited to provide detailed submissions, based upon the detailed architectural and engineering drawings. A Bill of Quantities was also prepared and provided to the Tenderers to assist them in the preparation of their tender submissions.
5. A compulsory site meeting was held, to brief all Tenderers of the Principal's requirements and to answer any queries posed. The meeting was attended by all Tenderers. After this meeting, a total of 5 addenda were issued to clarify the Tenderer's queries.

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6. Tenders closed on Friday 16 April 2010. Tendered prices exclusive of GST are as follows:

PB Perkins	5,610,200.00
Pindan	5,404,289.22
Duwal Pty Ltd	5,019,896.00
Morago Nominees T/A Gavin Construction	4,769,568.00
Northerly Construction	4,687,228.82

7. All Tenders were assessed based upon the advertised selection criteria. The consolidated summary, of the weighted score for each of the respondents, appears at **(Attachment 1.)**
8. Northerly Construction scored highest, closely followed by Duwal. Northerly Construction was the lowest Tender price and Duwal were the third lowest submission received.
9. The lowest tendered price for the construction of the Community and Culture Centre is significantly higher than the estimates provided by the Quantity Surveyor of \$4,070,000.
10. The Quantity Surveyor was requested to review the two lowest Tenders. His report appears at **(Attachment 2.)**

STATUTORY AND LEGAL IMPLICATIONS

11. The Expression of Interest process has been followed in accordance with the Local Government Act and Regulations.
12. Dominic Carbone and Associates were appointed as the probity auditor for the tendering process.

POLICY IMPLICATIONS

13. Nil.

PUBLIC CONSULTATION/COMMUNICATION

14. N/A

FINANCIAL IMPLICATIONS

15. The total project costs provided in the funding agreement is \$5.244M, which included \$2.3M from Commonwealth Government, \$1.4M from the State Government, with the remainder to be funded by the Shire of Kalamunda.

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16. All lump sum prices have exceeded to budget allocation and as such, the Project Control Group identified a number of options to reduce the overall price.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

17. The Shire of Kalamunda's Strategic Plan (2009 – 2014)

Goal 1: Community Development – A strong sense of community. A place where people want to work, live and visit, meeting a diverse range of community needs.

Outcome 1.2 – A Vibrant Arts and Cultural Life Community. To enhance the cultural life of the community with a diverse range of cultural opportunities, experiences and events, which can be embraced by the Shire at community level.

Outcome 1.6 – Inclusive intergenerational health and wellbeing opportunities. Provision of appropriate services that support intergenerational health and wellbeing of residents in the community including a diverse cultural range, to ensure quality of life for all people living in the Shire.

18. **Goal 4:** Economic Development – A prosperous economy.
Encourage economic development by supporting and building partnerships with business and industry bodies, attracting business to the Shire and driving State level strategies, to support diverse urban and rural industries for a vibrant prosperous community.

Outcome 4.3 – Attract new tourism and encourage the development of opportunities through the promotion of existing iconic places such as the Bibbulmun Track and Lesmurdie Falls, unique natural features and relaxed atmosphere of the Shire.

OFFICER COMMENT

19. The tendering process was overseen by Probity Auditor Dominic Carbone of Dominic Carbone and Associates.
20. All the five Tenders are significantly higher than the median prices estimated by the Quantity Surveyor. A comparison of tendered prices for various cost elements appears at **(Attachment 3.)**
21. The Architects have identified several items where potential savings could be made. These have been prioritised based on their overall effect on the project.
22. All five Tenderers were then invited to submit their estimates for those savings. **(Attachment 4.)**
23. It is anticipated that the components either deleted or having a revised specification will not materially affect the design intent previously approved by Council, nor the functionality. This will be achieved by substituting commercial grade materials and details rather than high value design details and finishes.
24. Based on the tender assessment score and the potential cost saving submission by the Tenderers, Northerly Construction is the most advantageous and accordingly recommended as preferred Tenderer.

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25. Even though the estimate for potential savings is provided by the respective Tenderers, final figures need to be confirmed, after consultation between the Architect and the preferred Tenderer.

MEETING COMMENT

26.

OFFICER RECOMMENDATION

1. That Council appoints Northerly Construction as the preferred Tenderer for the construction of the Kalamunda Community and Cultural Centre Building.
2. That the Architect and the Project Manager be authorised to liaise with the preferred Tenderer to finalise the variations and respective costs.
3. That Council delegate authority to the Chief Executive Officer in consultation with the Shire President, Deputy Shire President, Chair of the General Services Committee and Director of Engineering Services to:
 - a. Negotiate and accept the identified pre-Contract variations; and
 - b. Finalise the Tender with Northerly Construction, to an amount not exceeding \$4,350,000 (ex GST).

Moved: Cr

Seconded: Cr

ABSOLUTE MAJORITY

10.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

11.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

**12.0 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY
DECISION**

13.0 MATTERS CLOSED TO THE PUBLIC
(Matters Behind Closed Doors)

14.0 CLOSURE