



Southern Grampians
SHIRE COUNCIL

Council Meeting Minutes

Unscheduled Meeting
25 March 2022

Held virtually via Teams,
at 12:00pm.

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This Meeting Opened at 12:00pm.

1. Present

Councillors

Cr Bruach Colliton, Mayor
Cr Mary-Ann Brown
Cr Helen Henry
Cr Greg McAdam
Cr Katrina Rainsford

Officers

Mr Tony Doyle, Chief Executive Officer
Ms Evelyn Arnold, Director Community and Corporate Services
Ms Marg Scanlon, Director Infrastructure
Mr Andrew Goodsell, Director Planning and Development

2. Welcome and Acknowledgement of Country

The Mayor, Cr Colliton read the acknowledgement of country:

"Our meeting is being held on the traditional lands of the Gunditjmarra, Tjap Wurrung and Bunganditj people.

I would like to pay my respects to their Elders, past and present, and the Elders from other communities who may be here today."

Please note: All Council meetings will be audio recorded, and may be livestreamed to Council's social media platform, with the exception of matters identified as confidential items in the Agenda.

By participating in open Council meetings, individuals consent to the use and disclosure of the information they share at the meeting (including any personal and/or sensitive information).

Other than an official Council recording, no video or audio recording of proceedings of Council Meetings will be allowed without the permission of Council.

3. Prayer

Cr Colliton lead the meeting in a prayer.

"Almighty god, we humbly beseech thee to vouchsafe thy blessing upon this council.

Direct and prosper its deliberations to the advancement of thy glory and the true welfare of the people of the Southern Grampians shire."

4. Apologies

Cr David Robertson, Deputy Mayor
Cr Albert Calvano

5. Declaration of Interest

None were Declared.

6. Management Reports

6.1 Contract 15-21: Cox Street Hamilton - Redevelopment

Directorate: Marg Scanlon, Director Infrastructure
Author: Marg Scanlon, Director Infrastructure
Attachments: None

Executive Summary

The Cox Street “Front Door” Precinct Project design was completed in March 2019 and the tender was advertised in June 2019. Five submissions were received and the submitted prices ranged between \$8.8M to \$14M, significantly over Councils’ overall project budget and hence the procurement process was cancelled.

At the February 2021 Council Meeting, Council resolved to proceed with option – 2 with a reduced project scope to remain deliverable within available resources. The amended option 2 scope includes only the eastern side of Cox Street including the median strip, new road pavement (east side only), new kerb and channel, 3m wide footpath, 3 pocket parks and 2 roundabouts including undergrounding of existing power lines and new Telstra lines (east side only).

Council continues to work directly with Powercor and Telstra to ensure the respective services are managed accordingly to enable the streetscape works to be undertaken without impact to the project timelines or scope.

The option 2 revised project tender was re-advertised with six submissions received. The evaluation panel has assessed all the tenders and at the July 2021 Council Meeting resolved to award Contract 15-21 to MACA Civil Pty Ltd to the value of \$3,182,744.77 (GST inclusive) pending agreement on the contract terms and conditions.

The contract terms and conditions have been resolved and it is now recommended:

That Council:

1. Note that at the Council Meeting July 2021 awarded Contract 15-21, Cox Street Redevelopment to Tenderer 3 (MACA Civil Pty Ltd) to the value of \$3,182,744.77 (GST inclusive) and
2. Delegate to the Chief Executive Officer the authority to execute Contract 15-21 and any other documents required by or to give effect to the terms of the contract on behalf of Council

Background

The Hamilton CBD Liveability and Economic Revitalisation Project – Cox Street Project is jointly funded by Council and Regional Development Victoria (RDV) with an overall budget of \$4.6M. The key objectives of the project are:

Objective 1: To facilitate economic development:

- Supporting diverse business development;
- Revitalising the entrance street to Hamilton CBD;

Objective 2: To improve regional access and interconnectedness:

- Improving amenity, access and connectivity between retail, local government services

- Delivering key smart city digital infrastructure

Objective 3: The project will seek to achieve the following project outcomes:

- The Project will create an additional 3,400m² of commercial space
- Leverage private sector investment
- Creation of jobs – during construction and then retail
- Increased gross regional product – during construction and then via retail investment/renewal post construction

A concept design was completed in 2015 by Michael Smith and Associates and Council engaged Meinhardt Engineering in November 2018 to complete the detailed design. Council advertised the tender in June 2019 and received five submissions, ranging from \$8.8M to \$14M. The received tenders were considerably higher than the Councils' budgeted amount.

Council at its October 2019 meeting resolved to continue re-zoning works on the east-side of Cox Street and seek further financial assistance to complete the overall project. No addition financial assistance was secured.

Council resolved at the February 2021 Ordinary Council Meeting to proceed with option 2, including the median strip, new road pavement for the east side of the pavement, new kerb and channel, 3m wide footpath, three pocket parks and two roundabouts including undergrounding of existing power lines and new Telstra lines.

In May 2021 a public tender process was conducted with six tenders received.

Discussion

Council officers continue to work directly with Powercor and Telstra on the relocation of services. The cost estimate for the services to be undergrounded and relocated is \$700,000. This cost estimate is managed within the overall project budget.

The Victorian State Government through Regional Development Victoria (RDV) under the Regional Infrastructure Fund, Productive and Liveable Cities and Centres program are contributing \$2,702,650 towards this project.

Agency	Funding		
Council	\$1,897,350		
RDV	\$2,702,650		
Total	\$4.6M (A)		
	Existing Tender Budget (Option – 2) (B)	Undergrounding/ Relocation of Services (C)	Other, Project Management Costs (D)
	\$3.3M B = [A – C – D – E]	\$700k (As per quotes received)	\$600k

The available budget for completing option – 2 is \$3.3M out of a total budget of \$4.6M.

A tender was advertised with option – 2 on 14 May 2021 and closed on 15 June 2021. Council received six submissions and a summary of the tender evaluation is presented as follows:

Tenderer	Quantitative Score	Qualitative Score	Total Score	Tender price
Tenderer – 1	28.16%	44.90%	73.06%	\$4,521,583.48
Tenderer – 2	37.99%	32.16%	70.15%	\$3,350,698.81
Tenderer – 3	40.00%	38.96%	78.96%	\$3,182,744.77
Tenderer – 4	30.63%	44.05%	74.68%	\$4,156,917.91
Tenderer – 5	22.92%	41.47%	64.39%	\$5,553,410.81
Tenderer – 6	29.38%	33.11%	62.49%	\$4,333,633.49

As reflected in the evaluation table above, Tenderer 3 is the preferred tenderer.

The project team has identified a key risk associated with this project, being completion of the services relocation before the contracted works commence. This is heavily reliant on the project team, including the awarded contractor and service authorities, working together to ensure the project progresses consistent with the project program. There are options within the project methodology if services relocation works is delayed however this is likely to result in additional project costs.

It is worth noting that Tenderer 3 submitted the lowest cost (\$3,182,744.77) compared to Tenderer 4 (\$4,156,917.91) who scored higher in the local supplier provision of Council's Procurement Policy. Council's adopted Procurement Policy (December 2019) states that the aim of the Policy is to "ensure that the proportion of Council's spend into the local economy is the maximum possible in line with achieving Best Value by giving preference to the procurement of goods, services and works from local businesses where price, quality, service standards and delivery is comparable to other suppliers".

In this case, the tender cost estimate difference of \$1M is significant and is reflected in the tender scores. In light of the identified project risk, it is recommended that this remain within the project budget to manage any necessary variations. It should be noted that further reports would be tabled with Council should these funds need to be accessed for the purposes of a project variation.

Recommend awarding the works to Tenderer – 3 for the value of \$3,182,744.77 (GST inclusive).

Financial and Resource Implications

Council has allocated overall project budget of \$4.6M and the project scope will be achieved within the budget based on the recommendation.

Council's project manager and the contractors project team will be located at 88 Cox Street, Hamilton for the duration of the project.

Legislation, Council Plan and Policy Impacts

This report assists Council in meeting its obligations under the Local Government Act 1989.

This report also relates to the:

- 2017-2021 Council Plan – 5.1.2 Ensure responsible, effective and efficient use of Council resources
- Southern Grampians Shire Council Procure Policy and Guidelines

Risk Management

The key identified risk within this project is possible time delays attributed to the service relocation requirement before construction works commence. An alternative construction approach could include the relocation of services as civil works are progressing. This option relies heavily on project co-ordination across works, service authorities, contractors and Council.

Environmental and Sustainability Considerations

Specific environmental and sustainability considerations pertinent to this project include noise and dust management, being centre of town and around residential and businesses.

Community Consultation and Communication

Council officers have established a project governance which includes a project control group which comprises representatives from Regional Development Victoria, Department of Transport and Council officers. A communications and engagement plan will be established for the project. It is proposed that a project hub will be established at 88 Cox Street, Hamilton.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this report affirm that no general or material interests need to be declared in relation to any matters in this report.

The evaluation panel affirm that no direct or indirect interests need to be declared in relation to any matters in this report.

RECOMMENDATION

That Council:

1. Note that at the Council Meeting July 2021 awarded Contract 15-21, Cox Street Redevelopment to Tenderer 3 (MACA Civil Pty Ltd) to the value of \$3,182,744.77 (GST inclusive) and
2. Delegate to the Chief Executive Officer the authority to execute Contract 15-21 and any other documents required by or to give effect to the terms of the contract on behalf of Council.

COUNCIL RESOLUTION

MOVED: Cr Brown
SECONDED: Cr McAdam

That Council:

- 1. Note that at the Council Meeting July 2021 awarded Contract 15-21, Cox Street Redevelopment to Tenderer 3 (MACA Civil Pty Ltd) to the value of \$3,182,744.77 (GST inclusive) and**
- 2. Delegate to the Chief Executive Officer the authority to execute Contract 15-21 and any other documents required by or to give effect to the terms of the contract on behalf of Council.**

CARRIED

7. Close of Meeting

This concludes the business of the meeting.

Meeting closed at 12:04pm

Confirmed by resolution 13 April 2022.

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Chairman