



City of Nedlands

Minutes

Special Council Meeting

2 April 2013

ATTENTION

These minutes are subject to confirmation.

Prior to acting on any resolution of the Council contained in these minutes, a check should be made of the Ordinary Council Meeting next following this meeting to ensure that there has not been a correction made to any resolution.

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City of Nedlands

Minutes of a special meeting of Council held in the Council chambers, Nedlands on Tuesday 2 April 2013 at 6.00 pm for the purpose of Reconsideration of Beecham Road Retaining Wall Report presented to Council on 26 March 2013.

Declaration of Opening

The Presiding Member declared the meeting open at 6.00 pm and drew attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

Present and Apologies and Leave Of Absence (Previously Approved)

Councillors	His Worship the Mayor, R M Hipkins	(Presiding Member)
	Councillor K E Collins	Coastal Districts Ward
	Councillor N B J Horley	Coastal Districts Ward
	Councillor L J McManus	Coastal Districts Ward
	Councillor I S Argyle	Dalkeith Ward
	Councillor W R Hassell	Dalkeith Ward
	Councillor R M Binks	Hollywood Ward
	Councillor B G Hodsdon (from 6.01 pm)	Hollywood Ward
	Councillor N Shaw	Melvista Ward
	Councillor M L Somerville-Brown	Melvista Ward

Staff	Mr G Trevaskis	Chief Executive Officer
	Mr M Cole	Director Corporate & Strategy
	Mr P Mickleson	Director Planning & Development
	Mr M Goodlet	Director Technical Services
	Ms D Blake	Director Community & Organisational Development
	Mrs N Ceric	Executive Assistant

Public There were no members of the public present.

Press The Post Newspaper representative.

Leave of Absence (Previously Approved) Nil.

Apologies	Councillor S J Porter	Dalkeith Ward
	Councillor T James	Melvista Ward

Absent Nil.

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1. Public Question Time

There were no public questions.

2. Addresses by Members of the Public

There were no addresses by members of the public.

3. Disclosures of Financial Interest

The Presiding Member reminded Councillors and Staff of the requirements of Section 5.65 of the *Local Government Act* to disclose any interest during the meeting when the matter is discussed.

There were no disclosures of financial interest.

4. Disclosures of Interests Affecting Impartiality

The Presiding Member reminded Councillors and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

There were no disclosures affecting impartiality.

5. Declarations by Members That They Have Not Given Due Consideration to Papers

Nil.

Councillor Hodsdon joined the meeting at 6.01 pm.

6. Beecham Road Retaining Wall

Council	2 April 2013
Applicant	City of Nedlands
Officer	Mark Goodlet - Director Technical Services
CEO	Greg Trevaskis – Chief Executive Officer
File Reference	CRS/011-09
Previous Item	Council Minutes, Item 12.3, 30 March 2010 Council Minutes, Item 14.5, 24 May 2013 Council Minutes, Item 12.3, 22 November 2011

Regulation 11(da) – Not applicable – Recommendation adopted.

Moved – Councillor McManus
Seconded – Councillor Collins

That the Recommendation to Council is adopted.

(Printed below for ease of reference)

**CARRIED 9/1
(Against: Cr. Horley)**

Council Resolution / Recommendation to Council

Council

- 1. agrees to award tender number 2012/13.07 to Italia Stone for the construction of Beecham Road Retaining wall and associated works in accordance with their submitted lump sum price;**
- 2. authorises the Chief Executive Officer to sign an acceptance of offer for this tender; and**
- 3. agrees to increase the budget for this project by \$445,620, with offset savings to be identified in the mid-year budget report to Council.**

Executive Summary

This report seeks Council approval to award a construction tender to Italia Stone for completion of the Beecham Road Retaining Wall and to adjust the budget to reflect the construction costs.

Strategic Plan

Transport – Renewal of Community Infrastructure

Background

At its meeting on 30 March 2010, Council resolved the following:

- a) Beecham Road retaining wall option one as per sketch No. 2 in the attached report by BG&E Structural Engineers, be adopted as the preferred option, subject to community consultation and that work be staged over a five year period with priority being stages one and two as per drawing BGE-BEECH-02-B as shown in attachment 1
- b) a local community meeting be held to outline Council's position, pertaining to the need to replace the existing retaining wall on Beecham Road and the program to remove and replace the existing trees over a nine year period with a report back to Council
- c) Administration pursue all legal avenues and opportunities to recover costs and report back to Council; and

- d) any budget requirements be referred for consideration in the budget process.

Funds were included in the 2010/11 annual budget for stage one with this funding being carried over to the 2011/12 with the addition of funding for stage two of the Beecham Road retaining wall project in Mt Claremont and WALGA Procurement Consultancy Services (WPCS) was engaged to provide unbiased, expert advice and opinion in the recommendation of a suitable candidate.

On the 24 May 2011, a report was presented to Council for the recommendation to award the Tender RFT 2010/11.07 for the rehabilitation of the Beecham Road retaining wall to the preferred Contractor. Council resolved to refer the item back to the Council Committee meeting held on 14th June 2011 for further clarification and discussion; and to conduct a workshop prior to this date.

Subsequently a workshop was conducted on the 9th June 2011 with Council seeking further clarifications on the BG&E preferred option as well as confirmation of the various design options by independent engineering consultants.

Council was advised of delays in receiving this information before the 14th June 2011 meeting which were due to the heavy workloads and prioritisation of the projects by the independent consultants, and therefore the information could not be presented at the 14th June Council meeting.

Administration received final clarification documentation on the 13th July 2011 and convened a further workshop which was held on the 14th July 2011.

At its meeting on 22 November 2011, Council resolved the following:

Council accepts the tender submitted by Italia Stone Group Pty Ltd for the construction of stage one and two of the Beecham Road retaining wall at a cost of \$710,976.00 (excluding GST).

Stages one and two of the Beecham Road retaining wall have now been built by Italia Stone, totally approximately 133m. This was completed in December 2012.

A section of wall approximately 71m long remains outstanding to complete the project.

Discussion

This item is being brought forward ahead of the mid-year budget review in order to allow a four week earlier start on the project than if it were left to deal with in the mid-year review, which is vital time prior to winter.

The Contractor, Italia Stone, successfully built the previous 133m long section of Beecham Road. The final section is about 71m long.

Italia Stone is accredited under the WALGA tendering panel for the construction of civil works including retaining walls and therefore the City was able to target this contractor specifically. This was motivated by a desire to ensure uniformity of construction approach and successful construction of the first section. This provides some assurance that the contractor will be able to take any lessons from the first contract and apply them to the next section of works, producing a lower risk profile to the City and ultimately a better product.

Consultation

Required by legislation: Yes No
Required by City of Nedlands policy: Yes No

Full consultation has been carried out for this project. Further notifications will be issued prior to commencement of works.

Legislation / Policy

The calling and assessment of tenders is outlined in Section 3.57 of the *Local Government Act 1995* and *Regulation 11 of the Local Government (Functions and General) Regulations 1996*.

Amendment of a budget is required to be approved in advance by Council under *Section 6.8 of the Local Government Act 1995*.

Budget/Financial Implications

Within current approved budget: Yes No
Requires further budget consideration: Yes No

Demonstrated Value

The submission by Italia Stone for stages 3 and 4 is compared to its stages 1 and 2 submission in the table below.

Stage	Length (m)	Contract Cost (\$) excl. GST	Cost/metre (\$/m) excl. GST
1&2	133	710,976	5,346
3&4	71	455,969	6,421

This represents a per liner metre 20% increase in cost by Italia Stone. Only \$4,700 of this can be attributed to scope change as the requirement for the dilapidation survey increased.

In the Stages 1 and 2 tender the received prices ranged from \$4,762 / m to \$7,105 / m, and Italia Stone was mid range in the price received. However based on the qualitative criteria, including experience, key personnel, resource and reputation they were considered the best overall value to the City.

Had Italia Stone applied the same rate for the new works as they applied in Stages 1 and 2, allowing only for the extra dilapidation survey and construction price movement (4%) then their price would have been about \$399,500. The premium they have applied therefore is approximately (\$455,969 - \$399,500) \$56,500 to stages 3 and 4. Note also that preliminaries on a smaller project will represent a higher proportion of the costs than on larger projects.

In considering the value to the City of continuity and reduced risk of a contractor with direct experience at the site the overall value to the City has increased and it is considered that Italia Stone still represent good value to the project.

Costs to Date

Construction expenditure to the end of February 2013 on the entire wall is:

2010/11 -	\$	4,858
2011/12 -	\$	637,850
2012/13 -	\$	393,770
		<u>\$1,036,477</u>

Attachment 1 provides a cost breakdown for expenditure to date. This includes the following:

Item	Amount (\$) Excl. GST
Italia Stone Stages 1&2	\$701,460
Advertising, fencing, traffic management, vegetation management and other	\$ 40,440
On Costs	\$294,577
Total costs to date	\$1036,477

Costs Yet to be Incurred

The cost to completion of the project, including stages 3&4, is now \$637,000, bringing the anticipated total project cost to approximately \$1,673,477.

Costs yet to be incurred include:

Item	Amount (\$) Excl. GST
Italia Stone Stages 3&4	\$455,969
Fencing, traffic management, vegetation management, final payment for Italia Stone stages 1&2, minor house repairs, road & footpath reinstatement, BCITF levy, approvals and other minor.	\$ 67,039
On Costs	\$113,992
Total costs to be incurred	\$637,000

Budget

Attachment 1 shows the previously budgeted amounts for the project.

Budget Summary

Year	Status	Adopted Amount	Actual Expenditure	Balance Available
2010/11	Adopted	377,000	4,858	
2011/12	Carry Fwd	272,000		
	New Funds	350,000		
		722,000	637,850	84,150
2012/13	New Funds	500,000		
	Carry Fwd	84,150		
		584,150	393,770	190,380 as at 28/2/2013

The current available budget is \$191,380. A budget variation is requested to take into account the \$637,000 yet to be incurred on the remaining works to complete stages 3&4.

A budget variation of \$637,000 - \$\$191,380 = \$445,620 is therefore requested.

This amount has already been taken into consideration in the mid-year budget review to produce a balanced budget by identifying savings elsewhere in the budget. Extracts from the mid-year report are provided as Attachment 2 in this report.

Risk Management

The tenderer has been required to confirm his risk profile through normal submission of risk management within his tender submission including:

TENDERER PROFILE

- 3.1.1 Provide the Respondent's Australian Business Number (ABN).
- 3.1.2 Provide the Respondent's Registered Entity Name.
- 3.1.3 Provide the Respondent's Registered Trading or Business Name.
- 3.1.4 Provide the Respondent's Unregistered Trading or Business Name.
- 3.1.5 Provide information if agent or a trust for another party.

CONTACT DETAILS

- 3.2.1 Provide the Respondent's contact name.
- 3.2.2 Provide the Contact's position within the organisation.
- 3.2.3 Provide the Contact's address (postal and street).
- 3.2.4 Provide the Contact's telephone number (landline and mobile).
- 3.2.5 Provide the Contact's email address.
- 3.2.6 I/We agree that I am/We are bound by, and will comply with this Request and its associated schedules and attachments contained in this Request signed and completed.

I/We agree that there will be no cost payable by the Principal towards the preparation or submission of this Request irrespective of its outcome.

By submitting this Response, I the person named as the authorised person (Respondent), confirm my understanding that by lodging a Tender, for this Request, I understand no physical signature is required on this Declaration; that by lodging this Tender I am automatically providing an electronic signature for this Declaration in accordance with the Electronic Transactions Act 1999 (Cth) and corresponding state and territory acts.

CORPORATION INFORMATION

3.3.1 Provide information if agent or a trust for another party.

3.3.2 Provide a minimum of two referees, including the name, position, telephone, Email address and type of service provided. Describe the nature of the relationship and relevance to this Request.

SUBCONTRACTORS

3.4.1 Detail the subcontractors to be utilised in conducting the Requirements of this Request inclusive of any relevant current registrations held, their intended role and any relevant experience or qualifications held. If this criterion does not apply, Tenderers are requested to comment 'Not Applicable'.

FINANCIAL POSITION

3.5.1 Confirm the ability to pay all debts in full as and when they fall due.

3.5.2 Provide information of any current litigation, claim or judgment as a result of which you may be liable for \$50,000 or more.

3.5.3 Provide confirmation that you will co-operate with an independent financial assessor during the conduct of financial assessments.

ALTERNATIVE TENDERS

3.6.1 Tenderers are to provide their proposed alternative Tender in this criterion in accordance with Part 2 of this Request. If an alternative Tender is not proposed then Tenderers are requested to comment 'Not Applicable'.

CRITICAL ASSUMPTIONS

3.7.1 Tenderers are to specify any assumptions they have made that are critical to the Tender, including assumptions relating to pricing and ability to provide the requirement in the manner specified in this RFT, and the Statement of Requirement. If no assumptions are made Tenderers are requested to comment 'Not Applicable'.

CONFLICT OF INTEREST

3.8.1 Will any actual or potential conflict of interest in the performance of your obligations under the Contract exist if you are awarded the Contract, or any such conflict of interest likely to arise during the Contract. Detail any conflicts of interest if selected to provide the services.

INSURANCE DETAILS

3.9.1 Please provide the following:

- Contract Works Insurer; Broker / Policy Number / Value (\$) / Expiry Date
- Public and Products Liability; Broker / Policy Number / Value (\$) / Expiry Date
- Plant and Equipment; Broker / Policy Number / Value (\$) / Expiry Date
- Workers Compensation; Broker / Policy Number / Value (\$) / Expiry Date

Conclusion

Italia Stone has provided a competitive complying tender for the final section of works. In order to minimize risk the use of the same contractor, who is familiar with the site and the conditions that need to be addressed, it is considered that Italia Stone is the best candidate for the final section of works. Awarding the tender now allows the contract to commence three weeks earlier than it would otherwise if it were to be delayed until the mid-year review report. The mid-year review has taken into account the extra funding required for this project and will present a balance budget to Council.

Attachments

1. Summary of Costs to Date
2. Mid-Year Capitals Costs Offset Summary

Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 6.18 pm.