

MISSION AND VALUES OF COUNCIL

"A Sustainable Community that is inclusive, attractive, healthy and pleasant to live in, that uses our land so as to preserve our history and environment, respects the rights and equality of our citizens and manages our future growth wisely."

MINUTES

FOR THE

SPECIAL MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS AT 4.00PM

30 NOVEMBER 2006

OUR MISSION

"To provide a quality range of affordable and sustainable services to our community with a strong commitment to customer focus so that our citizens and visitors enjoy a quality lifestyle."

CORE VALUES OF THE SHIRE

The core values that underpin the achievement of the mission will be based on a strong customer service focus and a positive attitude:

Communication

Respect

Integrity

Transparency

Courtesy

SHIRE OF BROOME
SPECIAL COUNCIL MEETING
30 NOVEMBER 2006

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NOTICE OF MEETING

Dear Council Member,

The next Special Meeting of the Shire of Broome will be held on Thursday 30 November 2006 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 4.00pm for the purpose of discussing:

- Outside Workers Wages Increase
- Annual Report 2005/06
- Broome Recreational and Aquatic Centre – Stage 2A Works
- Contract 06/22 BRAC Stage 2A Supply and Installation of Electrical Services and Floodlights
- Contract 06/23 BRAC Stage 2A – Construction of Automatic Effluent reticulation System with Freshwater Flushing Feature (Separable Portion A & B)

Regards



Jason Lyon
Acting Chief Executive Officer

28 November 2006

1. OFFICIAL OPENING

The Deputy Shire President welcomed members and opened the meeting at 4.05pm.

2. ATTENDANCE AND APOLOGIES

Attendance	Cr C R Mitchell Cr V L Wevers Cr M L B Albert Cr C M Maher Cr P D Matsumoto Cr E R M Foy	Deputy Shire President (from 4.20pm)
Apologies	Cr G T Campbell Cr A K Grosse Cr A C Griffiths Suzanne Lollback	Shire President Director Community Services
Officers	Ian Bodill Jason Lyon Allan Ralph Darryl Butcher Mark Turner Jo Durbridge Jillian McMahan	Chief Executive Officer Director Corporate Services Director Engineering Services Director Development Services Acting Director Community Services Media & Promotions Officer Council Secretary
Pubic Gallery	Dale Miller Claire Moody Alan Batt	Broome Advertiser Media Secretary Broome Cricket Association

3. DECLARATIONS OF FINANCIAL INTEREST

Councillor	Item No	Page	Item	Nature of Interest

4. PUBLIC QUESTION TIME

Nil

5. CONFIRMATION OF MINUTES

N/A

6. ANNOUNCEMENTS BY PRESIDENT WITHOUT DISCUSSION

Nil

7. PETITIONS

Nil

8. MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil

9.

REPORTS

OF

OFFICERS

9.1

LEADERSHIP / GOVERNANCE

AND

ORGANISATION



OUTCOME

*To provide open, transparent and good governance
to the community.*

9.1.1 OUTSIDE WORKFORCE WAGES INCREASE

LOCATION/ ADDRESS: N/A
APPLICANT: N/A
FILE: PEE 001
AUTHOR: Director Corporate Services
CONTRIBUTOR/S:
RESPONSIBLE OFFICER: Chief Executive Officer
DISCLOSURE OF ANY INTEREST: Nil
DATE OF REPORT: 27 November 2006

SUMMARY: Seeking Council endorsement to increase wages of "outside" employees by the budgeted amount of 4.2% but before the Australian Workplace Agreement is signed off.

BACKGROUNDPrevious Considerations

Nil

Employees falling under the Municipal Employee's Award (MEA) are currently negotiating an Australian Workplace Agreement following the expiry of the Enterprise Bargaining Agreement on 30 June 2006. Typically, employees falling under the MEA are the Shire's Parks, Works, Refuse Site and clean up employees or "outside workforce" as is often referred.

COMMENT

Negotiations are being prolonged due to a range of reasons, not the least the current economic climate and the increase in property values and rents. It seems that the conclusion of negotiations may be some time off.

As an interim measure, the CEO would like to offer the outside workforce an increase of CPI to assist with the increase in living costs. Such an increase will be taken into account once a final agreement is reached, but does not necessarily mean that the increase for the 2006/2007 year has to be CPI, it may be some alternative figure agreed by the employees and Council.

The 2006/2007 budget made provision for a CPI increase of 4.2%. This has not been paid to date.

CONSULTATION

N/A

STATUTORY ENVIRONMENT

Local Government Act s.5.2

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The wages increase is provided for in the budget.

STRATEGIC IMPLICATIONS

1. Social

Nil

2. Environmental

Nil

3. Economic

Efficient and effective management of the Shire's resources;
Encourage orderly economic and employment growth

VOTING REQUIREMENTS

Simple Majority

REPORT RECOMMENDATION

That Council:

- 1. *Authorises the Chief Executive Officer to apply an increase of 4.2% to the pay rates and Broome Allowance of employees falling under the Municipal Employees Award and that such an increase is to be taken into consideration as part of the current Australian Workplace Agreement negotiations with those employees, but does not preclude an alternative amount finally being agreed.*

COUNCIL RESOLUTION

Moved: Cr V L Wevers

Seconded: Cr C M Maher

That the Report Recommendation be adopted.

CARRIED UNANIMOUSLY

Further attachments were tabled at the meeting and will form part of these Minutes.

9.1.2 ANNUAL REPORT 2005/2006

LOCATION/ ADDRESS:	N/A
APPLICANT:	N/A
FILE:	ADM.42
AUTHOR:	Manager Administration Services
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	DIRECTOR CORPORATE SERVICES
DISCLOSURE OF ANY INTEREST:	N/A
DATE OF REPORT:	27 November 2006

SUMMARY: To seek Council's endorsement of the 2005/2006 Annual Report and to schedule a date for the Annual Meeting of Electors.

BACKGROUND

Previous Considerations

N/A

Section 5.53 and 5.54 of the Local Government Act 1995, require the Shire of Broome to prepare an Annual Report each financial year, including the following:

- A report from the Shire President;
- A report from the Chief Executive Officer;
- An overview of the plan for the future of the district made in accordance with section 5.5, including major initiatives that are proposed to commence or to continue in the next financial year;
- A financial report for the financial year
- Such information as may be prescribed in relation to the payments made to employees;
- The auditors report for the financial year;
- A matter on which a report must be made under Section 29(2) of the *Disability Services Act 1993*; and
- Such other information as may be prescribed.

In addition to this, in accordance with the State Records Act 2000, a Statement is required addressing the State Records Commission Standard 2, Principle 6.

The Annual Report should be accepted by Council no later than 31 December after that financial year or within two months of the audited financial statements being received. The audited statements for the Shire of Broome are dated 17 November 2006.

The Annual Electors Meeting is to be held within 56 days of the Annual Report being accepted by Council.

It is proposed to hold the Annual Electors Meeting on Thursday 21 December 2006 commencing at 7.30pm.

President: Date:

COMMENT

The draft Annual Report is attached

CONSULTATION

Not required

STATUTORY ENVIRONMENT

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

1. Social

Provide open, transparent and good governance to the community.

Improve communication between Community, Shire and Stakeholders.

2. Environmental

Nil

3. Economic

Nil

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION

- 1. That Council adopts the 2005/2006 Annual Report
- 2. That the Annual Meeting of Electors be held at 7.30pm on Thursday 21 December 2006.

COUNCIL RESOLUTION

Moved: Cr P D Matsumoto

Seconded: Cr C M Maher

That the Report Recommendation be adopted with the addition of the following points:

- 3. **That Council notes that the Auditors report has listed an exception with respect to the annual budget review being sent to the Dept of Local Government & Regional Development within 30 days and also notes the advice of the Director Corporate Services that the Department has received the annual budget review and internal processes have been adjusted to facilitate the sending of the annual budget review.**
- 4. **That Council requests that a recommendation from the Audit Committee be forwarded to Council for future Annual Reports presented to Council.**

FOR: 5
AGAINST: 1

CARRIED

[Attachment: 93 pages](#)

NOTE: Cr P D Matsumoto reported that the Audit Committee was satisfied with the information contained in the Annual Report.

The Director Corporate Services departed the Chambers at 4.30pm and returned at 4.37pm.

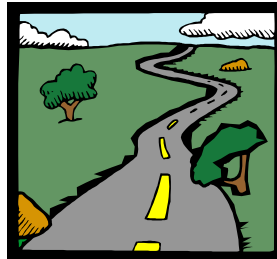
Cr E R M Foy departed the Chambers at 4.32pm and returned at 4.35pm.

The Media & Promotions Officer departed the Chambers at 4.38pm and returned at 4.42pm.

9.5

ENGINEERING

SERVICES



OUTCOME

The provision and maintenance of sustainable infrastructure to service the changing needs of the community.

9.5.1 BROOME RECREATIONAL AND AQUATIC CENTRE -STAGE 2A WORKS

LOCATION/ ADDRESS: BRAC Reserve, Cable Beach Rd East
APPLICANT: N/A
FILE: RS 42502
AUTHOR: Director Engineering Services
CONTRIBUTOR/S: DCS, MRS, MAD, MO
RESPONSIBLE OFFICER: Director Engineering Services
DISCLOSURE OF ANY INTEREST: Nil
DATE OF REPORT: 19 November 2006

SUMMARY: Consideration of a summary of the actual and estimated costs to date of the Stage 2A works, prior to the separate consideration of tenders received for two [2] large contracts, with a recommendation that the project scope be slightly amended, the lighting tender be accepted, but that no irrigation tenders be accepted and it be retendered due to the large increase in costs over the budgeted amounts.

BACKGROUND

The Stage 2A works have been progressing as planned with the completion of the earthworks, top-soiling and associated works at the reserve, plus the installation of the ring mains and all underground conduits and services to the playing field perimeters. This latter contract work is nearing completion and includes the installation of a new sewerage connection for the future toilets / change rooms as a separate contract.

There are four [4] main contracts proposed for the works, being:-

1. The installation of all underground conduits and service connections [as above Contract 06/10]
2. The supply and installation of the irrigation reticulation system to playing fields 2 and 3, including pumps and storage tanks. [Contract 06/23]
3. The supply and installation of the lighting system to playing field 2 [Contract 06/22].
4. The construction of the toilets and change rooms [Contract documents not yet complete]

In addition to the above contracts, separate quotes were being obtained for the construction of a small building to house the electrical switchgear and electrical controls, plus the installation of the power supply cables and transformer by Horizon Power, via existing conduits to the site.

The consultancy services to date include the design for the total BRAC site, not just the playing fields and works as proposed as part of this stage. This is essential to ensure that all works are in accord with the overall master plan and that sufficient capability is included in each contract to cater for the future layout and overall site requirements. While this will result in extra costs in the initial stages, it would be very unwise not to do so, and in the longer term will result in savings overall by not having to upgrade facilities or services at a considerable extra cost later on.

This special agenda item is required due to the tenders as received for Contracts [2] and [3] above, being well over the budgeted amounts for those components. It was always of some concern that due to the rapidly escalating costs in Broome and specifically for steel and copper, that the lighting and reticulation contracts could be well over the budget amounts. It was not possible to obtain accurate estimates for these works and it was only by going out to tender that accurate prices could be ascertained.

There have also been some cost increases with the earthworks to date, plus the airport OLS requirements are estimated to have added about \$300,000 to the lighting contract costs, as well as escalation delays due to the extra time taken to obtain approvals from BIA and CASA.

Prior to Council considering those two separate contracts, it was felt that Council needs to consider the matter of available funds versus costs, prior to accepting any of the tenders. The funding shortfall is considerable and far more than expected. [Refer Option 1 on the attached spread sheet or about \$1M over budget] Staff cannot assume that other Shire accounts will end up under budget and the shortfall perhaps being made up throughout the year. Further, staff do not recommend increasing the loan amount as this will create a burden on future years and there is some concern about the Shire's capacity to service the increased loan in the current economic climate.

As the project stands, it is considered that no tenders are able to be accepted for either contract as we have insufficient funds available. Alternatively, if other options are looked at to try and achieve a similar result, but within the grant and Shire funding conditions, Council will be able to proceed with the tender for the supply and installation of the lighting system to playing field 2, plus a reduced reticulation system by retendering.

The ramifications of the non-acceptance of any tender would be considerable, as follows:-

1. The whole BRAC project would be put at least one year behind schedule, and would mean no sports would be able to be relocated until at least 2008. This would mean that Male Oval would be still required until that time, and community and sporting association expectations will not be met.
2. The unspent portions of the DSR grant for the project would have to be foregone. It would be expected that the funds expended to date would be claimable, however that could be in doubt if the Department consider that the outcomes have not been achieved. This would need to be taken up with the Dept as soon as possible. Preliminary verbal advice indicates that the costs to date would be claimable.
3. The Water Corporation will have a reduced site area to get rid of effluent for 2007, as the temporary disposal system as currently used at the site is inferior to the proposed reticulation system. This would have serious ramifications for the next dry season peak loads which will probably require alternative disposal methods to be found by them.
4. The BRAC site will be susceptible to erosion and dust, unless the Water Corporation can utilise enough temporary cannons to water the constructed playing field areas in the interim.
5. There could be potential health problems with increased use of temporary cannons for an extended period.

President: Date:

6. Cost escalations will see further increases for the existing two contracts should they be re-tendered in the future.

Previous Considerations

At the 3 November 2005 Ordinary Council Meeting, Council resolved in part:

1. *That the development of BRAC Stage 2 be split into Stage 2A, given current funds available, and Stage 2B, still to be funded.*
2. *That Ministerial approval to adjust the existing CSRFF Grant conditions applicable to BRAC Stage 2 be sought.*
3. *That an additional \$250,000 be included in the Strategic Financial Plan (2006/07 Budget) to bring borrowings to a total of \$1,500,000 to complete the development of BRAC Stage 2A.*

Following advice from the Department of Sport and Recreation (DSR), at the 22 December 2005 Ordinary CM Council resolved:

1. *On advice from Officers of the Department of Sport and Recreation, that Council relinquish the \$1 million CSRFF grant allocated for BRAC Stage 2.*
2. *That a new submission for CSRFF funding for BRAC Stage 2A be submitted at the earliest opportunity as an Out Of Round submission for an amount of \$1.34 million.*
3. *That the Shire President writes to the Minister for Sport and Recreation and the Treasurer advocating on Council's behalf the issues of rising infrastructure costs and requesting support to continue the project.*

As a result the Minister approved additional funding for Stage 2A to a total of \$1,221,852. (Note that this was less than requested).

COMMENT

The attached spreadsheet shows the overall project costs and the attached summary sheet details several options available. The options reduce or negate the funding shortfall by reducing the contract works to a minimum acceptable standard yet still meeting the grant conditions. That is to say the minimum practical works would be the full reticulation and lighting to playing field 2 and the construction of at least the toilets component of the change rooms. This would also require the temporary reticulation of playing field 3.

Any reduction in the facilities above will probably mean a subsequent reduction in the grant, however staff are trying to confirm that with the Department as a priority. The attached option sheet assumes a predicted loss of grant components, yet to be confirmed.

Other cost cutting options that have been considered by staff include a reduced lighting level [250 lux instead of 500 lux], however this would mean a standard less than the accepted lighting level for night cricket and some other sports and has been discounted. The lighting contract included the provision for a category D cyclone rating on the lighting towers and this has already been assumed to be reduced back to category rating C,

which is the normal standard for Broome. This results in a saving of about \$40,000, which is factored into the attached costs already.

Options for installing the reticulation in-house were considered, but discounted as not being practicable or saving any substantial costs anyway. The reticulation design is state of the art, but considered to be all required for the overall BRAC site, once all five [5] playing fields are constructed in years to come. Staff have already removed the electrical building from the contracts and are sourcing that work as a separate quote to save about \$50K.

Most of the costs for the reticulation are in the pumps, electrical supply, controls, valves and supply tanks. The actual reticulation of each playing field is standard irrigation practice.

Significant cost reductions can be made by using the existing Water Corporation diesel pumpset [on-site], however this would have to be a temporary arrangement pending other funding being obtained in the medium to longer term for the full pumpsets. The diesel pumpset is small and will not be sustainable for any prolonged period.

The option of deleting the toilets and change rooms has been considered as an option, and at the very least, an application to extend the grant funding past June 2007 will be required due to the delays to date. The Department will need to be consulted in this regard, but preliminary advice indicates an extension of time will be given.

Another option to be considered is the possibility of additional funds to the project. This could be by way of extra Shire loan funds, extra grant funds or some other source of funds. While extra loan funds could be sourced quickly [if Council agreed], the subsequent increase in operating expenses for this project may not be sustainable in the longer term and is not being suggested by staff at this time. The latter two options would take some time to arrange and bearing in mind that decisions need to be made as soon as possible on the tenders received for the two contracts.

Staff are making urgent enquiries to the Water Corporation to see if some form of interest free deferred loan may be available, similar to the existing arrangements the Shire have with them, however, any such loans still have to be paid back and other options for a grant or other assistance from the Water Corporation are preferred.

The funding option that is considered the best possibility in the short to medium term is that we could be successful with a Federal Water Smart Grant application for any playing field construction and /or reticulation works. The next round of grants has not been called as yet, but is expected to close around June 2007. Preliminary enquiries have been made to the Federal Water Commission for more details in that regard and for an assessment of the projects eligibility.

Staff have also considered the cost to the tenderers of resubmitting their tenders if recalled, but feel that the works will proceed as some stage and they should be able to reuse most of the information provided, with a revision of cost updates required only, if it goes back out to tender.

Staff are currently following up several issues as above, such as to clarify the position of the Department of Sport & Recreation and the Water Corporation, with updates to be provided at the Special Council meeting.

Specific Options. [refer attached spread sheet]

President: Date:

Option [1]-Full lighting to Oval 2, reticulation to Ovals 2 and 3, full change rooms & miscellaneous shade shelters.

This option is as planned and tenders called for. Costs would be \$985,398 over budget, and cannot be recommended to Council as being financially achievable.

Option [2]- Full lighting to Oval 2, reticulation to Oval 2 only, full change rooms & miscellaneous. shade shelters.

This option is as planned and tenders called for as a separable portion tender for the reticulation. Costs would be \$854,799 over budget, and cannot be recommended to Council as being financially achievable.

Option [3]- Full lighting to Oval 2, reticulation to Ovals 2 and 3, reduced size change rooms & no shade shelters.

This option is as planned and tenders called for, except the change rooms / toilets would be the minimum to meet the grant conditions. Costs would be \$490,398 over budget, and cannot be recommended to Council as being financially achievable.

Option [4]- Full lighting to Oval 2, reticulation to Oval 2 only, reduced size change rooms & no shade shelters.

This option is as planned and tenders called for as a separable portion tender for the reticulation, except the change rooms / toilets would be the minimum to meet the grant conditions. Costs would be \$359,799 over budget, and cannot be recommended to Council as being financially achievable.

Option [5]- Full lighting to Oval 2, reticulation to Oval 2 only, [but using the diesel pumpset on-site, not full electrics or all tanks], reduced size change rooms & no shade shelters.

This option is as planned for the lighting contract, but would involve an amended reticulation contract. The change rooms / toilets would meet the grant conditions and no shade shelters. Costs would be within the budget and therefore well achievable, which is in affect the balancing component. Any cost over-runs or extra reticulation costs would be taken up by adjusting the nett cost of the change rooms / toilet component.

This option would maximise the sporting facilities grant, and minimise the water components, therefore leaving as much of the project as possible for a future Water Smart Grant in 07/08. In addition, Oval 3 would still be turfed, [but not fully reticulated], but by using the Water Corp cannons on-site, we should be able to still water the area and therefore establish the turf on that playing field. This will assist the Water Corporation to have an extra area to dispose of effluent water as well as set the oval up ready for any future full reticulation system. There would be a nominal reduction in the DSR grant by not fully reticulating Oval 3, but overall would achieve most of the aims of the stage 2A project.

The Reticulation Contract 06/23 will have to be re-tendered in the lesser format to achieve option 5, as the variation is too large to meet the Tender Regulation requirements.

Staff are also seeking advice in regard to the suitability of the diesel pump-set to be able to operate the reticulation system for oval 2 but current indications are that it would suffice.

Overall Conclusion: The adoption and approval by Council of Option 5 is considered by staff to be the best option overall and would achieve most of the aims of the Stage 2A works at BRAC, with a minimal loss of the DSR grant components. The costs would be within budget, allowing some latitude for any contract variations, or an increase in the scope of works or costs for the yet to be designed change rooms /toilets. Option 5 is therefore recommended to Council for adoption.

Staff also recommend that a Federal Water Smart grant application be prepared as soon as possible to allow a quick response when applications open in mid-June 2007, to allow the unbuilt portions of the reticulation system to be then added to allow full reticulation of both playing fields as originally planned.

The Shire has also been criticised in the past with respect to the lack of communication and involvement with oval users. As part of the recommendation it is suggested that a meeting of oval users be held to inform of the Shire's activities and assure the clubs of the projects completion.

CONSULTATION

Department of Sport and Recreation
Water Corporation
Federal Water Commission

STATUTORY ENVIRONMENT

N/A

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

As detailed in the report and options.

STRATEGIC IMPLICATIONS

1. Social

Functional Area 4: Social Wellbeing and Development

- Maximise the social, recreational and cultural opportunities for our community
- Ensure that the Shire of Broome is a safe and healthy place to live work and visit
- Encourage and facilitate family and community spirit, networks and cohesiveness within the community
- Provide local government services which recognise the diverse needs of the community
- Lobby and build partnerships for improved services/facilities
 - Implement recommendations of the Broome Sport and Recreation Strategic Plan, including BRAC Stages 2 and 3 and reformation of the Development Advisory Committee.

9.5.2 CONTRACT 06/22 BRAC STAGE 2A SUPPLY AND INSTALLATION OF ELECTRICAL SERVICES AND FLOODLIGHTS

LOCATION/ ADDRESS: Broome Recreation & Aquatic Centre, Cable Beach Road East Broome

APPLICANT: N/A

FILE: Contract 06/22

AUTHOR: Director of Engineering Services

CONTRIBUTOR/S: Manager of Asset & Design

RESPONSIBLE OFFICER: Director of Engineering Services

DISCLOSURE OF ANY INTEREST: Nil

DATE OF REPORT: 9 November 2006

SUMMARY: Summary of tenders received for the proposed supply and installation of electrical services and floodlights associated with the development of sporting oval 2 (Stage 2A) at the Broome Recreation and Aquatic Centre, with a recommendation to accept the lowest conforming tender from Cable West Pty Ltd and upon award the Director of Engineering Services to negotiate a deduction to the tendered contract sum to reduce the cyclone rating for all components to Category "C" from the specified Category "D".

BACKGROUND

This Contract is a lump sum price contract (including preliminaries) for the supply and installation of:

- Site main switchboard.
- Cable in existing conduits to proposed irrigation switchboard.
- Distribution switchboard for oval 2 floodlighting.
- All wiring in existing conduits to distribution switchboards located at all 8 of the floodlight poles.
- All equipment cubicles
- 8 floodlight poles including footings, head frames and flood light lamps.

The above works are the second of 3 contracts to be let that will allow the installation of turf on Ovals 2 & 3 by March 2007, the other 2 contracts and their status are:

- Contract 06/10 to supply and install a full effluent ring main, water main and electrical conduits/ pits. (Contract completion 30th November 2006)
- Contract 06/23 to supply and install a full irrigation system including sprinklers, pumps, tanks and associated electrical infrastructure (See separate agenda item).

All other works to construct Ovals 2 & 3 will be undertaken by the Shire of Broome Works and Parks and Gardens sections, with the majority of all earthworks & topsoiling basically complete, except the actual turfing of the two (2) playing fields.

The floodlighting to be provided on Oval 2 as part of the works will provide illumination levels of 250 lux for training and minor sports with 500 lux available for major sporting events such as WAFL or AFL football. The lighting is an integral part of the overall BRAC development ensuring facilities are used to their highest level.

President: Date:

In the design of the lighting, consideration had to be given to ensuring no light spill and glare occurred above the horizontal meeting CASA's standards for lighting adjacent to airports. In addition to this restriction all poles & headframes are not allowed to penetrate into the airport obstacle limitation surface, this has resulted in a non standard design of 8 poles with 3 different pole heights all lower than would be desirable and has substantially changed the original design that was used for estimating purposes in early 2005. It is difficult to compare the costs for the final design now being tendered on with a conventional oval lighting scheme, but the additional costs for poles, luminaries and altered electrical components would be approx. \$300,000. This is a considerable cost which has to be borne by the community because of the continued presence of the airport in it's current location. The process has also been delayed in obtaining CASA & BIA approvals and extra consultancy costs have been incurred due to redesign of the project.

Apart from the floodlights this contract will install all electrical services to the site for the proposed effluent reticulation pumping station.

COMMENT

Four (4) tenders were received from three (3) tenderers by the closing date specified of 2.00pm Wednesday the 25th October 2006 with one tender arriving a day late (PRA Contracting) and was not accepted or opened.

Tender Details:

1. MCM Industries Broome WA – This tender had the main "Form of Tender" section 7 not filled in, unsigned and unwitnessed. It is specified in several areas throughout the tender documentation that this form must be fully filled in and submitted at time of tender, the tender is therefore not valid and disqualified from taking any part of the evaluation process.
2. East To West Data & Electrical Broome WA – Provided an alternative tender using a lamp different than specified.
3. Cable West Pty Ltd Bunbury WA – Provided a conforming tender.
4. Cable West Pty Ltd Bunbury WA – Provided an alternative tender using a lamp different than specified.

The Shire of Broome's electrical consultant for this project "Anrob Consulting" carried out a rigorous tender evaluation for this project on behalf of the Shire, (please find attached report and evaluation spreadsheet Appendix A in commercial confidence to Councillors only). The relevant section relating to choosing a recommended tenderer is as follows:

"TENDER EVALUATION

The evaluation of the tenders has been carried out in accordance with the criteria detailed in section 1, clause 2 of the specification. Allocation of points to each tender is detailed in appendix A of this report.

It is clear from the results of the evaluation process that Cablewest Pty Ltd has provided to the Shire of Broome the two best tender submissions from both a monetary and technical perspective.

The tender from East to West Data & Electrical Services included a tender price and details of equipment to be used (provided by proposed sub-contractors) as well as technical details with respect to poles and floodlights. However, they did not offer any information on company personnel capabilities or past experience. Even if a more competitive price had been offered they would not have been awarded the contract in accordance with the tender evaluation process."

Cable West Pty Ltd provided the Shire with both a conforming tender using a Sylvania floodlight and alternative tender using a Pierlite floodlight offering a saving of \$11,823.98 in using the alternative lamp. The tender specification was written in such a way as to allow for the submission of alternatives to the items specified, it was however required that extra information was to be submitted to allow a fair evaluation to take place and failure to provide the extra information may render the alternative tender non conforming.

Cable West's alternative tender did not provide all the information required and could have been deemed to be nonconforming, it was however agreed to seek this extra information and then carry out a technical review of the two lamps and then make a decision based on that review.

Essentially "Anrob Consulting" recommend that the conforming tender using the Sylvania floodlight is chosen, it however states that "the floodlight offered by Pierlite and manufactured by Philips Lighting Industries is a high performing floodlight and can be considered equivalent with the specified Sylvania floodlight". There are however some technical differences and reasons for choosing the Sylvania lamps and staying with the specified design as follows: (See full technical evaluation in attached report)

Lamp Life – Although the Pierlite lamp is rated at 10,000 hours while the Sylvania lamp is rated at 6,000 hours, Anrob consider to maintain the light levels required that a full lamp change will be required after 5000 hours of operation of the oval. Based on an estimated usage this will be after approximately 8 years with the current replacement cost for a Sylvania lamp being at \$190 compared to \$360 for the Pierlite.

Control Gear – There are two types of control gear that provide the necessary electrical characteristics for the correct operation of the lights, "constant wattage control" and "reactor control". Anrob consultants specified constant wattage control gear for the Sylvania light as they consider it superior to the reactor type. The Pierlite lamp will work with both types of control gear but the one proposed by Cable West in its alternative tender is reactor type and is substantially less in cost (approx \$18,000) and could account for the difference between the two prices.

CASA Design Approval - The full design specified including the Sylvania lamp has already been submitted to CASA and Broome International Airport and has received their approval for installation.

It is therefore recommended that Cable West Pty Ltd be chosen as the preferred tenderer, they are providing the lowest price, they are well qualified with experience and resources available to carry out the project and are carrying out other lighting projects in the North West. In addition to this they have visited the pole manufacturers in Queensland and have looked at pole erection procedures as well as an alternative footing design resulting in less concrete being used.

Based on Anrobs report and technical expertise as the Shires Electrical Consultant for this project it is recommended not to accept the alternative tender provided by Cable West, but choose the conforming tender for the sum of \$1,291,568.99 Exc GST.

President: Date:

Generally the Shire of Broome specify all structures that will become it's assets be designed for the higher cyclone category "D" (Broome is Category "C"), a potential saving of approx. \$40,000 would be available by reducing to Category "C" and due to the cost overruns outlined in Financial Implications, it is recommended to pursue this change.

CONSULTATION

This tender was advertised in Local and State Papers. No other separate consultation process was required.

STATUTORY ENVIRONMENT

Local Government Act (Tender Regulations)

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

An amount of (\$3,417,121 Excl. GST) is the current budget for the total works associated with BRAC Stage 2A which includes construction of Change Rooms & Toilets #1. The estimate allowed for this contract as part of the budget was approximately \$1,200,335 for electrical services & floodlights on oval 2 and \$100,000 towards electrical services for future lights on oval 3. This \$1,200,335 estimate was also to include the supply of Horizon Power supply and associated infrastructure coming from the existing supply in Cable Beach Road East, the quotation received recently for this power was well in excess of what was expected at \$139,375.00.

In summary the budget status is therefore:

Proposed Budget	Sub Total	<u>\$1,200,335</u>
Tender amount assuming \$40,000 deduction for cyclone category reduction and including consultant's costs		\$1,270,869
Horizon Power Supply and Assoc Infrastructure		\$ 139,375
	Sub Total	<u>\$1,410,244</u>
	Budget Shortfall	\$ 209,909

In addition to this, shortfalls have also occurred on the other contract associated with BRAC Stage 2A; refer separate report for options.

A separate cost of \$46,000 for the construction of a switch / control room to house the electrical and pumping controls also needs to be allowed for. The control / switchroom was originally in tender 06/23 but estimates for a transportable type building supplied by the designer were around \$100,000 and it was decided to have it constructed locally at a greatly reduced price.

The total BRAC Stage 2 project is therefore well over budget and a full and detailed report relating to this overall cost increase including options for project reduction and extra

President: Date:

9.5.3 CONTRACT 06/23 BRAC STAGE 2A THE CONSTRUCTION OF AUTOMATIC EFFLUENT RETICULATION SYSTEM WITH FRESHWATER FLUSHING FEATURE (SEPARABLE PORTION A & B)

LOCATION/ ADDRESS: Broome Recreation & Aquatic Centre, Cable Beach Road East Broome
APPLICANT: N/A
FILE: Contract 06/23
AUTHOR: Director of Engineering Services
CONTRIBUTOR/S: Manager of Asset & Design
RESPONSIBLE OFFICER: Director of Engineering Services
DISCLOSURE OF ANY INTEREST: Nil
DATE OF REPORT: 20 November 2006

SUMMARY: Summary of tenders received for the construction of automatic effluent reticulation system with freshwater flushing feature associated with the development of sporting oval 2 & 3 (Stage 2A) at the Broome Recreation and Aquatic Centre, with a recommendation to not accept any of the tenders due to tendered prices being well in excess of the available budget. Further, that the contract be retendered with a variety of separable portions to allow the project to proceed to a reduced specification and within available budget funds.

BACKGROUND

To allow for the option of installing a full irrigation system to both ovals 2 & 3 or just to oval 2 the contract was setup as two separable portions as follow:

SEPARABLE PORTION A – Basically includes all the works as detailed for BRAC Stage 2A of the project and will include both an effluent reuse tank, a freshwater tank and full reticulation to both ovals 2 and 3.

SEPARABLE PORTION B – Basically includes all the works as detailed for BRAC Stage 2A of the project, minus the irrigation associated with Oval 3 and the Effluent Re use tank.

This Contract is a lump sum price contract (including preliminaries) for the supply and installation of:

- 400KI steel epoxy finish tanks (Separable Portion A) or tank (Separable Portion B).
- Effluent and freshwater pumping stations.
- All electrical wiring and controls installed in new control room (building by others).
- All irrigation system and components to ovals (Separable Portion A) or oval (Separable Portion B).
- All computer system controls
- Commissioning, testing, manuals and staff training.

The above works are the third of 3 contracts required to allow the installation of turf on Ovals 2 & 3 (Separable Portion A) or Oval 2 only (Separable Portion B) by March 2007, the other 2 contracts and their status are:

- Contract 06/10 to supply and install a full effluent ring main, water main and electrical conduits/ pits. (Contract completion 30th November 2006)
- Contract 06/22 to supply and install electrical services and floodlights to Oval 2 (See separate agenda item).

All other works to construct Ovals 2 & 3 will be undertaken by the Shire of Broome Works and Parks & Gardens sections, with the majority of all earthworks & topsoiling basically complete, except for the turfing.

The reticulation of the ovals is a further stage in an existing agreement between the Water Corporation and the Shire of Broome to provide facilities to dispose of treated wastewater from the Broome Waste Water Treatment Plant. High population growth in recent years has substantially increased the inflow of wastewater to be disposed of, and current sites at Haynes oval and the golf course do not meet the demand. In working with Water Corporation the BRAC site and the proposed 5 sporting fields were identified as a source of effluent disposal and in 2004 a temporary disposal scheme was installed to allow effluent to be dissipated by the use of diesel driven pumping equipment and large cannon type sprinklers. A licence to dispose of the effluent was received from the Health Department to allow for short term disposal by the cannon method but included details that the installation of a permanent underground effluent reticulation system was proposed within 2 years that would be installed to a high standard and be fully compliant with the Health department regulations.

One of the problems we are encountering at the moment is odour complaints due to the site not having a second storage tank to allow freshwater flushing of the system at the end of each cycle. The recommended option would include this second tank and freshwater flushing.

COMMENT

Two (2) tenders were received from two (2) tenderers by the closing date specified of 2.00pm Wednesday the 15th November 2006

Tender Details:

1. TYCO Flow Control Pacific Pty Ltd Trading as Water Dynamics.
2. Total Eden Watering Systems Pty Ltd

The Shire of Broome's Manager of Asset & Design, Manager of Operations and Parks and Gardens Supervisor have carried out the evaluation of the tenders received, please find attached evaluation spreadsheets (in commercial confidence to Councillors only).

Both companies that provided tenders are large reputable organisations and both could carry out the works satisfactorily. The decision to recommend Tyco Flow control trading as Water Dynamics was based on the following:

- Marginally lower in price.
- An overall better and more specific to the BRAC project tender submission.
- Documented proof of previous experience with effluent re-use reticulation systems.
- Have carried out previous works successfully for the Broome Shire and Water Corporation.
- Full retail and service outlet in Broome for ongoing service and maintenance.

President: Date:

CONSULTATION

This tender was advertised in Local and State Papers. No other separate consultation process was required.

STATUTORY ENVIRONMENT

Local Government Act (Tender Regulations)

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

An amount of (\$3,417,121 Excl. GST) is the current 2006/07 budget for the total works associated with BRAC Stage 2A which includes construction of Change rooms / Toilets #1. The overall estimate allowed for this section of the budget was \$979,113 of which \$454,000 was to provide full irrigation system and all associated items to both ovals 2 & 3. The lowest recommended tenderer has provided prices for both Separable portions A & B (see attached spreadsheets commercial in confidence to Councillors only).

In summary the budget status for the reticulation only is therefore well over budget.

In addition to this, shortfalls have also occurred on the contracts associated with BRAC Stage 2A:

- 06/22 BRAC Stage 2A Supply and Installation of Electrical Services and Floodlights and the installation of Horizon Power Supply is approximately well over budget.

A separate cost of \$46,000 for the construction of a switch / control room to house the electrical and pumping controls also needs to be allowed for. The control / switchroom was originally in this tender 06/23 but estimates for a transportable type building supplied by the designers were around \$100,000 and it was decided to have it constructed locally at greatly reduced price.

The total BRAC Stage 2 project is therefore well over budget and a full and detailed report relating to this overall cost increase including options for project reduction and extra funding is contained in a separate agenda item 9.5.1. This item needs to be considered prior to both agenda items 9.5.3 Contract 06/23 and 9.5.2 Contract 06/22. The report contained in agenda item 9.5.1 on additional costs could not be presented to council prior to now as we had to wait for actual tender prices to be received. The budget estimates are mainly based on grant details and are now 18months old.

Due to the requirements of the Tender Regulations it is not possible for Council to accept the lowest conforming tender, if significant variations (deductions) to the tendered price are to be negotiated. The variations required to match the budget would be hundreds of thousands of dollars and to be open and accountable, the Contract should be retendered, but with a larger range of separable portions to give lower cost options as outlined in Option 5 of the separate Agenda item.

10. MEETING CLOSURE

There being no further business the Deputy Chairperson declared the meeting closed at 5.30pm.