



# **LATE ITEMS ORDINARY MEETING**

## **AGENDA**

**23 OCTOBER 2018**

*Your attendance is required at an Ordinary meeting of Council to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 23 October 2018 commencing at 9.00am for transaction of the enclosed business.*

A handwritten signature in black ink, appearing to be "C. P.", written in a cursive style.

**CHIEF EXECUTIVE OFFICER**  
23 October 2018

Next Meeting Date: 13.11.18

**Please note:**

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

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## 11 OFFICERS' REPORTS

### 11.10 SOUTH ROCKHAMPTON FLOOD LEVEE

<b>File No:</b>	<b>1743</b>
<b>Attachments:</b>	<b>Nil</b>
<b>Authorising Officer:</b>	<b>Peter Kofod - General Manager Regional Services</b>
<b>Author:</b>	<b>Andrew Collins - Manager Program Delivery</b>

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#### SUMMARY

*This report requests the approval to appoint the commissioning of the Detailed Design and Construction Documentation and Approvals Processes for the construction of the South Rockhampton Flood Levee Project.*

#### OFFICER'S RECOMMENDATION

THAT Council engages the services of AECOM to complete the Detailed Design and Construction Documentation and Approvals Processes for the construction of the South Rockhampton Flood Levee Project.

#### COMMENTARY

The Rockhampton Regional Council (RRC) has previously commissioned the services of AECOM to perform the Hydraulic Modelling and Design for the South Rockhampton Levee Project under contract 10937. This commission was not fully completed due to the project being mothballed. The commission also excluded significant design elements and the approval process, that are now considered essential in confirming a design, reducing Council's risk profile and allowing the project to progress to obtain planning approvals and construction.

Council have recently engaged AECOM to carry out the design development and approvals process associated with early works packages for the project. This design work is now nearing completion.

Council has built a professional and strong working relationship with AECOM on this project so far. AECOM have intricate knowledge and considerable IT, capital and resource investment in the project. It is recommended that AECOM's commission now be extended and they be engaged to commence on the detailed design and construction documentation for the greater South Rockhampton Flood Levee Project.

A request for an exemption from the normal procurement process is made on the basis that there are exceptional circumstances which justify the continued engagement of AECOM.

- The scope for the balance of the design commission is an extension of previous design contracts and undertakings by AECOM;
- AECOM are empanelled under Council's Pre-Qual Suppliers Contract 12294 Consultancy Services – Engineering, Planning and Design;
- The complexity, risk and current design process efficiency for the project is well understood by AECOM;
- The possible introduction of another designer from the market by open tender will compromise the project for design continuity and integrity and
- The design offer is considered value for money at 1.7% of the projects probable cost.

## BACKGROUND

AECOM has been previously engaged following their successful tender submission for Tender No 10937- Hydraulic Modelling and Design for the South Rockhampton Levee Project.

The Rockhampton Regional Council has been satisfied with the quality and performance of AECOM given the topical nature of the project.

A fee proposal has been received from AECOM which is attached. This fee proposal details the scopes of the next part of the design commission and costs associated with the work to deliver the early work designs.

## BUDGET IMPLICATIONS

Council has adopted a total Capital Budget of \$64.7M over the next three years. Councils 2018/19 FY budget allocation is \$6,096,150. The cost for the design elements for the project will be allocated to the approved project cost element allowance of \$1,485,000.

The fee proposal from AECOM for \$1,104,070 is considered value for money at 1.7% of the projects probable cost.

## LEGISLATIVE CONTEXT

The Local Government Regulations 2012 states the following:

### 232 Exception for register of pre-qualified suppliers

- (1) This section applies to a medium-sized contractual arrangement or large-sized contractual arrangement for the supply of goods or services.
- (2) A local government may enter into the contract without first inviting written quotes or tenders if the contract is entered into with a supplier from a register of pre-qualified suppliers that is made in compliance with subsections (3) to (6).
- (3) A local government may establish a register of pre-qualified suppliers of particular goods or services only if—
  - (a) the preparation and evaluation of invitations every time the goods or services are needed would be costly; or
  - (b) the capability or financial capacity of the supplier of the goods or services is critical; or
  - (c) the supply of the goods or services involves significant security considerations; or
  - (d) a precondition of an offer to contract for the goods or services is compliance with particular standards or conditions set by the local government; or
  - (e) the ability of local business to supply the goods or services needs to be discovered or developed.
- (4) A local government must invite suppliers to tender to be on a register of pre-qualified suppliers.
- (5) The invitation must—
  - (a) be made by an advertisement published in a newspaper that circulates generally in the local government area; and
  - (b) allow tenders to be given to the local government for at least 21 days after the advertisement is published in the newspaper.
- (6) When selecting a supplier to be a pre-qualified supplier for the register, the local government must have regard to the sound contracting principles

## PREVIOUS DECISIONS

Council resolved in an Ordinary Meeting on the 24/04/2018 the following:

*THAT Council authorise the Chief Executive Officer (Property and Resumptions Officer) to commence negotiations to acquire properties that are required to initiate the construction of early works, the future main built infrastructure and for operational and maintenance purposes for the construction of the South Rockhampton Flood Levee Project.*

**RISK ASSESSMENT**

As with any major infrastructure project, there are a range of potential risks including technical and project delivery risks as well as community perceptions and opinions. These risks should be actively managed through effective and structured project management.

There will be significant risk to the project in time and lost intellectual capital if we were not to engage the services of AECOM, in completing the designs for this project.

**CONCLUSION**

This report seeks Council's endorsement to engage the services of AECOM, so the Designs can be completed, and approvals lodged to allow the project construction to commence.

## 15 CLOSED SESSION

In accordance with the provisions of section 275 of the *Local Government Regulation 2012*, a local government may resolve to close a meeting to the public to discuss confidential items, such that its Councillors or members consider it necessary to close the meeting.

### RECOMMENDATION

THAT the meeting be closed to the public to discuss the following items, which are considered confidential in accordance with section 275 of the *Local Government Regulation 2012*, for the reasons indicated.

#### 16.3 Contract Liability Matters

This report is considered confidential in accordance with section 275(1)(e), of the *Local Government Regulation 2012*, as it contains information relating to contracts proposed to be made by it.

## 16 CONFIDENTIAL REPORTS

### 16.3 CONTRACT LIABILITY MATTERS

**File No:** 1114

**Attachments:**

1. JM Kelly Voluntary Administration Notification
2. JM Kelly Contractual Arrangements
3. Contracts Outstanding Works and Payments

**Authorising Officer:** Ross Cheesman - Deputy Chief Executive Officer

**Author:** Drew Stevenson - Manager Corporate & Technology

This report is considered confidential in accordance with section 275(1)(e), of the *Local Government Regulation 2012*, as it contains information relating to contracts proposed to be made by it.

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#### SUMMARY

*This report details the Council contract liabilities and associated matters as they relate to the recent announcement regarding the JM Kelly Group being placed into voluntary administration.*