



SHIRE OF MENZIES

Supplementary Agenda

**FOR THE ORDINARY MEETING OF COUNCIL
TO BE HELD ON**

28 OCTOBER 2021

Commencing at 1.00 pm

**At the Council Chambers
124 Shenton Street, Menzies**

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Menzies for any act or omission or statement or intimation occurring during this meeting.

It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council's decision, which will be provided within fourteen (14) days of this meeting.

FINANCIAL INTEREST

A financial interest occurs where a Councillor, or person with whom the Councillor is closely associated, has direct or indirect financial interest in the matter. That is, the person stands to make a financial gain or loss from the decision, either now or at some time in the future.

An indirect financial interest includes a reference to a financial relationship between that person and another person who requires a Local Government decision in relation to the matter.

Councillors should declare an interest:

- a) In a written notice given to the Chief Executive Officer (CEO) before the meeting; or
- b) At the meeting, immediately before the matter is discussed.

A member who has declared an interest must not:

- Preside at the part of the meeting relating to the matter; or
- Participate in or be present during the discussion of decision-making procedure relating to the matter unless the member is allowed to do so under Section 5.68 or 5.69 of the *Local Government Act 1995*.

TABLE OF CONTENTS

15 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING.....	4
15.1 RFT 08/21 TJUNTJUNTJARA ACCESS ROAD IMPROVEMENTS AND REPAIRS	4
15.2 RFT 06/21 DESIGN AND CONSTRUCT STAFF ACCOMMODATION	7

15 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

15.1	RFT 08/21 Tjuntjuntjara Access Road improvements and repairs
LOCATION	Tjuntjuntjara
APPLICANT	Internal
DOCUMENT REF	NAM483
DATE OF REPORT	22 October 2021
AUTHOR	Chief Executive Officer, Brian Joiner
RESPONSIBLE OFFICER	Chief Executive Officer, Brian Joiner
DISCLOSURE OF INTEREST	Nil
ATTACHMENT	1. CONFIDENTIAL REDACTED - (Confidential) Previous Evaluation for RFT 02-21 Tjuntjuntjara Access Rd Improvements Tender Assessme [15.1.1 - 28 pages]

SUMMARY:

RFT 08/21 was issued for upgrades and repairs to the Tjuntjuntjara Access Road from Tjuntjuntjara (SLK 120) to SLK80 on the Tjuntjuntjara Access Road. This paper nominates a preferred tenderer for Council approval.

BACKGROUND:

Council budgets for FY 2021/22 included allocations for projects from R2R and RRG which were for upgrades and repairs to the Tjuntjuntjara Access Road.

Tenders were advertised on 06 October 2021 and closed on 21 October 2021 at 2.00pm. Advertisements were placed in The West Australian and Kalgoorlie Miner newspapers.

The tender box was opened by CEO Brian Joiner in the presence of Executive Officer Eve Reitmajer. One tender was received from Fraser Range Station.

COMMENT:

The tender was assessed internally by the CEO and Works Manager, and externally by consultant Katie Hall. As there was only one tender, and they are currently conducting works for the Shire, the panel was confident the company had the capability to deliver the work at the required standard.

An evaluation report had been provided by Greenfields regarding the capacity for Fraser Range to deliver an identical project (attached at 15.1.1). As there was only

one (1) tenderer and the work is similar in nature to the current contract, it was not deemed necessary to have another report produced. The evaluation report and assessment summary form a confidential attachment to this report.

The schedule of rates provided by Fraser Range provided a slight increase over the schedule of rates provided for the current work being conducted.

The panel evaluation determined that Fraser Range Station was suitable for award of the tender.

If any of the provisional items described within the tender are required, the value of the contract may need to be varied.

It is recommended that the Council delegate responsibility to the Shire's Chief Executive Officer to negotiate any provisional items included in the RFT Pricing Schedule to a value of 10% of the total contract value as required.

CONSULTATION:

Katie Hall, Consultant.
Garth Marland, Works Manager.

STATUTORY AUTHORITY:

Local Government (Functions and General) Regulations Reg. 11(2)(C) and Reg, 18(4) and Reg. 20(1).

Local Government Act 1995 s5.42 Delegation of powers and duties to the Chief Executive Officer.

POLICY IMPLICATIONS:

Nil.

FINANCIAL IMPLICATIONS:

Tenders are based on a schedule of rates so work can be adjusted to remain within the allocated budget of \$631,785.

It is noted that \$70,884 was allocated from funding pools to provide access to the water bore at Hidden Valley. This was considered essential to complete current works and the works to be awarded under this RFT.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
N/A		

STRATEGIC IMPLICATIONS:

3.1 A well maintained, attractive built environment servicing the needs of the community.

3.1.2 Maintain and enhance our roads, built infrastructure, parks and reserves.

VOTING REQUIREMENTS:

Absolute Majority

OFFICER RECOMMENDATION:

That Council:

1. Awards RFT 08/2021 for the Tjuntjuntjara Access Road Improvements and Repairs to Fraser Range Station as tendered;
2. Delegates the formation of the Contract to the Chief Executive Officer, subject to any variations (of a minor nature) prior to entry to Contract; and
3. Delegates authority to the Chief Executive Officer to negotiate any provisional items included in the RFT Pricing Schedule to a value of 10% of the total contract value as required.

COUNCIL DECISION:

Council Resolution Number	
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Moved		Seconded	
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Carried	
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15.2	RFT 06/21 Design and Construct Staff Accommodation
LOCATION	Shire of Menzies
APPLICANT	Internal
DOCUMENT REF	{custom-field-document-reference}
DATE OF REPORT	25 October 2021
AUTHOR	Chief Executive Officer, Brian Joiner
RESPONSIBLE OFFICER	Chief Executive Officer, Brian Joiner
DISCLOSURE OF INTEREST	Nil
ATTACHMENT	1. CONFIDENTIAL REDACTED - 920 Menzies Confidential Tender Assessment Report RFT 06-2021 Staff Accommodation DC (Ver 1) [15.2.1 - 18 pages]

SUMMARY:

This report provides a recommendation to Council for award of RFT 06/21 for the construction of new staff accommodation.

BACKGROUND:

In FY 2020/21 Council budgeted \$520,000 for the construction of two (2) staff houses with two (2) bedrooms and one (1) bathroom. This did not go to tender, and the project funding was rolled over.

In FY 2021/22 Council budgeted an additional \$238,900 and approved an increase in project scope to include an additional house of the same specification.

A tender was issued on 28 August 2021 with advertisements in both the West Australian and Kalgoorlie Miner. Two (2) responses were received when tenders closed on 28 September 2021.

Both responses were assessed as being compliant and they were submitted by:

- CLPM Pty Ltd.
- Zenacon Pty Ltd.

COMMENT:

Tenders were assessed by a tender assessment panel that comprised:

- Brian Joiner, CEO.
- Shane Hearn, BMO.
- Bruce Lorimer, Consultant.

Each tender was assessed in relation to the following:

- Compliance with the conditions of tendering (compliance criteria);
- Responses provided addressing the qualitative criteria set out in the request for tender (Qualitative Criteria) - 60%; and
- Price (Price Criteria) - 40%.

The Qualitative Criteria used for the tender was:

Qualitative Criteria	Weighting
Relevant Experience	20%
Proposed Offering	20%
Project Program & Practical Completion	20%

The Confidential Tender Assessment Report forms an attachment to this report. A summary of the assessment is provided below:

Tenderer	Assess Yes / No	Relevant Experience	Proposed Offering	Project Program & Practical Completion	Price	Total Score	Rank
		20%	20%	20%	40%	Out of 5	
CLPM Pty Ltd	Yes	0.77	0.60	0.80	0.00	2.17	2
Zenacon Pty Ltd	Yes	0.80	0.60	0.80	2.00	4.20	1

Based on the assessment the tender assessment panel resolved to recommend to Council that the tender be awarded to Zenacon Pty Ltd.

The tendered prices are over the current budget for the project. Within the original scope that included three (3) houses the shortfall in budget is \$246,508 (Ex GST).

The tender specification requested a price for an option of building four (4) houses. Although exceeding budget, this is a cost-effective method of increasing housing stock through economies of scale.

Officers have identified three (3) options that Council may wish to consider in awarding RFT 06/2021:

Option 1

That Council awards RFT 06/2021 for the Design and Construct of Staff Accommodation, for three (3) houses, to Zenacon Pty Ltd for \$1,005,408.29 (Ex GST) and approves a transfer of \$246,508.29 from the Building Reserve to Project BC010 New 2 x 1 Staff House – Building.

Option 2

That Council awards RFT 06/2021 for the Design and Construct of Staff Accommodation, for four (4) houses, to Zenacon Pty Ltd for \$1,291,442.91 (Ex GST) and approves a transfer of \$532,542.91 from the Building Reserve to Project BC010 New 2 x 1 Staff House – Building.

Option 3

That Council reject the tenders received for RFT 06/2021 Design and Construct of Staff Accommodation.

CONSULTATION:

Shane Hearn, BMO.
Bruce Lorimer, Consultant.

STATUTORY AUTHORITY:

Local Government Act 1995
Local Government (Functions and General) Regulations 1996 r.11

POLICY IMPLICATIONS:

Nil.

FINANCIAL IMPLICATIONS:

The total budget for the project is \$758,900.

The tendered amount of \$1,005,408 (Ex GST) for three (3) houses results in a shortfall of \$246,508.

The tendered amount of \$1,291,442 (Ex GST) for four (4) houses results in a shortfall of \$532,542.

The Building Reserve has a balance of \$1,994,976 budgeted for the end of FY 2021/22. A transfer from the building reserve would be required to cover the shortfall.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
Housing supplied may not meet the expectations of Council.	Medium.	Reactivation of the Housing Committee.
Project costs exceed allocated budget.	Medium.	Negotiation of all variables before execution of contracts.

STRATEGIC IMPLICATIONS:

2.1 An innovative, diverse and prosperous economy.

2.1.2 Continue to work with industry and stakeholders for the economic development of the district.

4.2 An efficient and effective organisation.

4.2.2 Provide appropriate services to the community in a professional and efficient manner.

VOTING REQUIREMENTS:

Absolute Majority

OFFICER RECOMMENDATION:

That Council:

- 1. Awards RFT 06/2021 for the Design and Construct of Staff Accommodation, for four (4) houses, to Zenacon Pty Ltd for \$1,291,442.91 (Ex GST); and
- 2. Approves a transfer of \$532,542.91 from the Building Reserve to Project BC010 New 2 x 1 Staff House – Building; and
- 3. Delegates the formation of the Contract to the Chief Executive Officer, subject to any variations (of a minor nature) prior to entry to Contract; and
- 4. Delegates authority to the Chief Executive Officer to negotiate any provisional items included in the RFT Pricing Schedule to a value of 10% of the total contract value as required.

COUNCIL DECISION:

Council Resolution Number

Moved	<input type="text"/>	Seconded	<input type="text"/>
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Carried