



Shire of  
Serpentine  
Jarrahdale

# Special Council Meeting Confirmed Minutes

5pm

**Monday, 6 December 2021**

**Purpose:** Consideration of the following reports:

- Award Request for Tender - RFT 08/21 - Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road – Pavement Construction
- Tender 09/21 - Nettleton Road and Keirnan Street Pavement Reconstruction
- Award Request for Tender – RFT 05/2021 - Road Stabilisation and Bituminous Sealing
- Award Request for Tender – RFT 06/2021 - Profiling and Asphalt Surfacing
- Award Request for Tender - RFT 07/2021 - Insitu Concrete footpaths and kerbs
- Rowley Road Rehabilitation
- Financial Implications - Tender Award RFT 05/2021, RFT 06/2021, RFT 07/2021, RFT 08/2021 and RFT 09/2021
- Keirnan Park Stakeholder Engagement Plan
- Local Government Act 1995 reform program

---

## Contact Us

### Enquiries

Call: (08) 9526 1111  
Fax: (08) 9525 5441  
Email: [info@sjshire.wa.gov.au](mailto:info@sjshire.wa.gov.au)

### In Person

Shire of Serpentine Jarrahdale  
6 Paterson Street, Mundijong WA 6123  
Open Monday to Friday 8.30am-5pm (closed public holidays)



[www.sjshire.wa.gov.au](http://www.sjshire.wa.gov.au)



## Table of Contents

1. Attendances and apologies (including leave of absence): .....	4
2. Public question time: .....	4
2.1 Public questions .....	4
3. Public statement time: .....	6
4. Petitions and deputations: .....	6
5. Declaration of Councillors and Officers interest: .....	6
6. Receipt of reports: .....	7
6.1 Reports .....	7
6.1.1 - Award Request for Tender – RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction (SJ3633).....	7
6.1.2 - Tender 09/2021 - Nettleton Road and Keirnan Street Pavement Reconstruction (SJ3634) .....	15
6.1.3 - Award Request for Tender – RFT 05/2021 – Road Stabilisation and Bituminous Sealing (SJ3613) .....	20
6.1.4 - Award Request for Tender – RFT 06/2021 – Profiling and Asphalt Surfacing (SJ3614) .....	27
6.1.5 - Award Request for Tender – RFT 07/2021 – Insitu Concrete Footpath and Kerbs (SJ3615) .....	34
6.1.6 – Rowley Road Rehabilitation (SJ3074) .....	40
6.1.7 – Financial Implications - Tender Award RFT 05/2021, RFT 06/2021, RFT 07/2021, RFT 08/2021 and RFT 09/2021 .....	48
6.1.8 – Keirnan Park Stakeholder Engagement Plan (SJ1364) .....	60
6.1.9 – <i>Local Government Act 1995</i> reform program (SJ3733) .....	70
7. Motions of which notice has been given: .....	83
8. Urgent business: .....	83
9. Closure: .....	83

The purpose of this Special Council Meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the *Local Government Act 1995* (Section 5.25(1)(e)) and *Council's Standing Orders Local Law 2002 (as amended)* – Part 14, Implementing Decisions. No person should rely on the resolutions made by Council until formal advice of the Council resolution is received by that person.

The Shire of Serpentine Jarrahdale expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.



### Councillor Attendance Register

In accordance with Ordinary Council Meeting, 16 December 2019, Resolution OCM293/12/19, clause 5 – “That Council requests the Chief Executive Officer maintain a Councillor Attendance Register recording Councillor Attendances at Ordinary Council Meetings, Special Council Meetings and Policy Concept Forums”.

#### Council October 2021 -

Date	Type	Cr Rich	Cr Atwell	Cr Byas	Cr Coales	Cr Dagostino	Cr Duggin	Cr Singh	Cr Strange	Cr Strautins
29/11/21	PCF	✓	✓	A	✓	✓	✓	✓	✓	✓
22/11/21	PCF	✓	✓	✓	✓	A	✓	✓	✓	✓
15/11/21	OCM	✓	✓	✓	✓	A	✓	✓	✓	✓
10/11/21	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
01/11/21	PCF	✓	✓	✓	✓	A	✓	✓	✓	✓
01/11/21	SCM	✓	✓	✓	✓	A	✓	✓	✓	✓
25/10/21	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
25/10/21	PCF	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/10/21	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓

A – Apology

LoA – Leave of Absence

NA – Non Attendance

EPNG – Electronic Participation Not Granted



Minutes of the Special Council Meeting of the Shire of Serpentine Jarrahdale held on Monday, 6 December 2021 in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong.

The Shire President, Councillor Rich declared the meeting open at 5pm and welcomed Councillors, Staff and members of the public and acknowledged that the meeting was being held on the traditional land of the Noongar People and paid her respects to the Traditional Owners, Elders Past, Present and Emerging.

## Minutes

### 1. Attendances and apologies (including leave of absence):

**Councillors:** M Rich.....Presiding Member  
D Atwell  
R Coales  
M Dagostino  
T Duggin  
G Singh  
L Strange

**Officers:** Mr P Martin.....Chief Executive Officer  
Ms H Sarcich.....Deputy CEO / Director Community and  
Organisational Development  
Mr F Sullivan .....Director Corporate Services  
Mr A Trosic .....Director Development Services  
Mr R Najafzadeh.....Director Infrastructure Services  
Dr K Parker .....Manager Governance and Strategy  
Ms M Gibson .....Governance Officer – Council and Committees  
(Minute Taker)

**Apologies:** Councillor M Byas  
Councillor D Strautins

**Observers:** Members of the Public – 1  
Staff members – 3

### 2. Public question time:

#### 2.1 Public questions

No public questions were submitted in writing prior to the meeting.

**Presiding Member, Councillor Rich asked if there were any public questions from the floor at 5:01pm.**

**Public question time commenced at 5:01pm.**



---

**Ms Lisa Brazier, PO Box 80, Mundijong 6123**

**Question 1**

Keirnan Park Recreation and Sporting Precinct is a 63 hectare site and as a Shire you have promoted it to be a district sporting space that can also perform a regional function for identified key sporting codes.

As this is a facility that all rate payers will contribute to in the future, why is the reference group membership weighted so heavily with Whitby and Mundijong residential groups only and not more representative to the entire Shire?

**Councillor Coales left the Chambers at 5:02pm and returned at 5:04pm.**

*Response (Deputy CEO / Director Community and Organisational Development)*

*The proposal from Officers is to have a meeting quite quickly, the process is normally to go to the full community for expressions of interest for membership as we have done with other working groups the Shire has. As we need to move quickly our recommended approach is to include representatives from the nearby residents associations to give a balance between community and the sporting groups which are well represented on the group. Through the creation of the site the ones most impacted by the site will be the residents in those suburbs. They will be most impacted by the traffic and most likely to use the space for walking and other activities due to the close proximity.*

**Question 2**

In reference to the Stake Holder Reference Group Terms of Reference it states the functions of the group will be to support, assist and advise the Shire with matters relating to the planning and design of the Keirnan Park Recreation Precinct and identify any issues throughout the planning and design phases of the Keirnan Park Recreation Precinct and their possible impacts on the project.

Again, and I appreciate that the reference group can only be a certain size, but why when we want to pitch this Precinct in the future as a regional sporting facility, why is the reference group membership so heavily weighted with only current sporting groups within the Shire associated with Stage 1A and does not contain any representation from other sports identified, like hockey, rugby mountain biking, etc., especially if one of its primary functions is to identify issues with planning and design?

*Response (Deputy CEO / Director Community and Organisational Development)*

*The master-planning for the facility has already been completed; this involved a broad range of stakeholders as documented in the report. This project is now focused on stage 1a and 1b design and construction, and the groups recommended for the Stakeholder Reference Group are the primary users of the facilities to be built through these stages. Into the future, as the project progresses, then the group can be expanded to include the relevant sporting groups. This will ensure the right groups are represented at the right time in the project.*

**Question 3**

In the engagement and communication plan the impact on the broader Shire community was rated as medium.



Did this rating take into consideration the impact of future increased in rates for residents, the number of residences that will be required to meet the maintenance costs and do we know the future costs to maintaining the site?

*The Shire President advised the question will be taken on notice. In accordance with Council Policy 1.1.3 – Public Question and Public Statement Time – Ordinary Council Meeting, a written response will be provided.*

**Councillor Coales left the Chambers at 5:08pm and returned at 5:09pm.**

**Public question time concluded at 5:09pm.**

### **3. Public statement time:**

No public statements were submitted in writing prior to the meeting.

### **4. Petitions and deputations:**

Nil.

### **5. Declaration of Councillors and Officers interest:**

Shire President, Councillor Rich has declared a Financial Interest in item 6.1.4 - Award Request for Tender – RFT 06/2021 – Profiling and Asphalt Surfacing, as the tenderer is a client of Councillor Rich's family business. Councillor Rich will leave the Chambers while this item is discussed.

Shire President, Councillor Rich has declared an Impartiality Interest in item 6.1.8 – Keirnan Park Stakeholder Engagement Plan, as Councillor Rich is a long term community supporter of Keirnan Park Sporting Precinct.

Councillor Dave Atwell has declared an Impartiality Interest in item 6.1.8 – Keirnan Park Stakeholder Engagement Plan, as Councillor Atwell is a life member of several groups involved and a long term supporter of the project.

Manager Governance and Strategy, Dr Kenneth Parker, has declared an Impartiality Interest in item 6.1.9 – *Local Government Act 1995* reform program, as Dr Parker worked on Local Government Act reforms in his previous role and is a former colleague of Officers working on the review within the Department.



## 6. Receipt of reports:

### 6.1 Reports

<b>6.1.1 - Award Request for Tender – RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction (SJ3633)</b>	
<b>Responsible Officer:</b>	Manager Project Development
<b>Senior Officer:</b>	Director Infrastructure Services
<b>Disclosure of Officers Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
-----------	---

### Report Purpose

The purpose of this report is to advise Council of submissions received in relation to Tender RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction and for Council to consider the options for contract award presented in this report.

### Relevant Previous Decisions of Council

There is no previous Council decision relating to this matter.

### Background

In accordance with legislation, on 2 October 2021 Statewide Public Notice was issued advertising RFT08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction.

RFT08/2021 consists of the following projects:

<b>Project Name</b>	<b>Funding Body</b>	<b>Adopted Budget</b>	<b>Grant Funded</b>	<b>Municipal Contribution</b>
Mundijong Road (SLK 7.32 – SLK 9.50)	Federal Black Spot	330,000	330,000	
Anketell Road (SLK 0.0 to SLK 2.67)	State Black Spot	445,000	296,667	148,333
Thomas Road and Anketell Road Intersection	State Black Spot	180,000	120,000	60,000
Kingsbury Drive Rehabilitation (SLK 22.95 – SLK 23.20)	Metropolitan Regional Road Group (MRRG)	145,070	96,713	48,357



Gossage Road Rehabilitation (SLK 4.14 – SLK 4.70)	Roads to Recovery	311,850	311,850	
		<b>1,411,920</b>	<b>1,155,230</b>	<b>256,690</b>

The tender was open for a period of 20 days which exceeds the minimum (14 days) provided for in legislation.

### Community / Stakeholder Consultation

Nil.

### Statutory Environment

Section 3.57 of the *Local Government Act 1995* provides that before entering into a contract of goods and services that exceed the value set in regulations (\$250,000) that a local government must advertise via state-wide public notice.

Regulation 11 of *Local Government (Functions and General) Regulations 1996* provides an exemption from the tender requirements if within the last six months the local government has publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications or satisfied the value for money assessment.

### Submissions

The Request for Tender RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction was advertised on Saturday 2 October 2021 and closed at 2.00pm on Friday 5 November 2021.

The Tender was advertised in the following papers:

- West Australian Newspaper
- Examiner (Serpentine Jarrahdale & Armadale)
- Pinjarra/Murray Times (Inc. Mandurah Coastal Times)
- Sound Telegraph (Rockingham & Kwinana)

One (1) submission was received, and this submission is summarised in **CONFIDENTIAL attachment 1**.

The tender submission complies with the request for tender guidelines and compliance criteria.

The Tender submission was received from the following company:

#	Company Name
1	WCP Civil Pty Ltd

### Evaluation Panel

An evaluation panel was convened and consisted of the following personnel:

- Project Manager
- Project Engineer
- Manager Design





All members of the evaluation panel have made a conflict of interest declaration in writing confirming that they have no relationships with any of the tenders / quoters. Each member of the panel assessed the submissions separately. A probity auditor was engaged to oversee the evaluation process. The probity auditor's report is attached in **CONFIDENTIAL attachment 2**.

### Evaluation Criteria

The following evaluation criteria and weightings were used by the tender evaluation panel to assess tender submission:

EVALUATION CRITERIA	WEIGHTING
Price with quantities	55%
Relevant experience with: <ul style="list-style-type: none"><li>Demonstrated relevant experience of the Company in providing the same or similar services to local government or the private sector over the past five years.</li></ul>	15%
Tenderers' Resources, Key Personnel, Skills and Experience with: <ul style="list-style-type: none"><li>Capacity to deliver the services including:</li><li>Key personnel / Professional skills;</li><li>Describe the key personnel who will be involved in the work, including past work of a similar nature.</li></ul>	15%
Demonstrated Understanding/Experience with: <ul style="list-style-type: none"><li>Project schedule;</li><li>Process for delivery of goods/services;</li><li>Project Management Plan;</li><li>Critical assumptions; and</li><li>Any additional information.</li></ul>	15%

### Comment

The tender submission was assessed against the evaluation criteria and the qualitative and quantitative results of this assessment and prices are documented in **CONFIDENTIAL attachment 1**.

WCP Civil Pty Ltd is the only company that made a submission. The submission demonstrated relevant experience delivering this type of projects. However, the tender value that they submitted is above the approved budget for these projects (refer **CONFIDENTIAL attachment 1**). Following the assessment of tenders against the criteria detailed in the tender specification, the evaluation panel recommended that, in line with the RFT documents that a contract not be entered into with WCP Civil Pty Ltd based on:

- The tender price submitted being over the budget;
- Being unable to assess "Value for Money" due to there only being one submission.

To address this recommendation, Officers propose the following options for Council's consideration:



---

### Option One – Award the contract to WCP Civil Pty Ltd

Although assessed as being over budget, it is important to note that the budget was based on estimates prepared in April 2019 and rates set by the funding body. The current market demand for construction services represents a risk to delivery of the Shire's capital program in the short and medium term. The receipt of only a single tender for this work demonstrates an unprecedented severe shortage of resources to undertake the current industry wide workload. Normally, significantly more submissions would have been received for this tender.

Awarding the contract to WCP reduces the following risks:

- Road safety – the treatments proposed in the projects are aimed at reducing the risk of crashes.
- Delivery – WCP's submitted schedule proposes a practical completion date of 20 May 2022 (based on an award date of 10 December 2021). This commitment significantly increases the Shire's ability to deliver these projects by 30 June 2022.
- Lack of resource availability to deliver the projects. WCP were the only contractor to respond to the RFT and has made a commitment to deliver these projects.
- Pressure on other contracts to deliver the capital project program. With WCP committed to delivering these projects, it reduces the load of the Shire's capital project program from other contracts.
- Risk of penalty from funding body. Under the MRRG Policies and Practices, the Shire is currently committed to delivering the Kingsbury Drive Rehabilitation Project. If notification of withdrawal is not advised by 31 December, the Shire risks a penalty for the following year's Road Rehabilitation Program.

From a quality perspective, WCP demonstrated relevant experience and capability to deliver this type of projects. The financial impact is addressed in a separate report. This option presents as lowest risk to the Shire.

### Option Two – Do not award the contract to WCP Civil Pty Ltd and seek to undertake these projects under RFT05/2021- Road Stabilisation and Bituminous Sealing and RFT06/2021- Profiling and Asphalt Surfacing respectively

RFT05/2021 and RFT06/2021 are due to be considered at the Special Council Meeting to be held on 6 December 2021. Subject to successful award of these contracts, the risks associated with this option are as follows:

- Greater coordination risks of delivering five projects under two contracts – depending on the treatment methodology, one contractor will be required to follow the other and this poses greater risk in scheduling for both contractors. In addition, this will require additional resources for the Shire to undertake this method of delivery (mitigating any potential savings);
- There is no certainty that the two contracts can undertake these projects as well as the Shire's capital road program. Further, prioritising these projects ahead of the reseal program will cause delays in the delivery of the reseal program. Therefore, this puts the Shire at risk of delivering the capital program in time;
- Contractor overloading;
- Risk of penalty from funding body for the following year's Road Rehabilitation list.



Should this option be preferred, there is a possible \$298k saving as follows:

Mundijong Road (SLK 7.32 – SLK 9.50)	(114,445)
Gossage Road	167,461
Anketell Road (SLK 0.0 to SLK 2.67)	168,973
Thomas Road and Anketell Road Intersection	8,243
Kingsbury Drive Rehabilitation (SLK 22.95 – SLK 23.20)	67,845

This possible saving represents 5% of the overall capital road program. Financial impact is addressed in a separate report. This option presents as medium risk to the Shire.

#### Option Three – Withdraw the projects from the respective funding agreements for FY21/22

Currently the construction sector is experiencing a significant pipeline of major projects, all of which are confounding pressures in respect of contractor availability and budget capacity. While the market cycle will invariably reach a point of equilibrium, there is currently a heightened sense of activity which creates uncertainty as to the delivery of project outcomes according to the acceptable scope, cost, and quality expectations that are set. Awaiting this point of equilibrium is an option for Council, however it is not recommended due to the 'High' risk rating of the black spot projects. Further, withdrawing the projects will incur a loss of \$1,155,230 of grant funding and the substandard road pavement will remain untreated.

#### Option Four – Reject tender and seek quotes from WALGA contractors

Rejecting the tender is an option for Council. Under Regulation 11(c) of *Local Government (Functions and General) 1996*, Council may request the Chief Executive Officer to seek quotes from contractors on the WALGA panel to deliver these projects. Should the quotes come under budget, authorise the Chief Executive Officer to award the contract (subject to the contractor meeting the minimum criteria as outlined in the tender). There is a delivery risk associated with this option as the Shire may not receive any responses consequently losing time.

### **Options and Implications**

The following options have been identified:

#### Option 1

That Council:

1. AWARDS Tender RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction to WCP Civil Pty Ltd to the value of \$1,488,124.50, excluding GST, as contained within **CONFIDENTIAL attachment 1**;
2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction.

#### Option 2

That Council:

1. DOES NOT AWARD the contract as recommended in **CONFIDENTIAL attachment 1** – RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction to WCP Civil Pty Ltd.



2. NOTES the projects within RFT08/2021 will be delivered under RFT05/2021 – Road Stabilisation and Bituminous Sealing and RFT06/2021 – Profiling and Asphalt Surfacing respectively, subject to successful award of these contracts.

#### Option 3

That Council:

1. DOES NOT AWARD the contract as recommended in **CONFIDENTIAL attachment 1** – RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction to WCP Civil Pty Ltd.
2. REQUESTS the Chief Executive Officer to withdraw the projects included in RFT 08/2021 and return/defer the funds to their respective funding bodies and reallocate any Shire contribution to other projects.

#### Option 4

That Council:

1. REJECT tender received for RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction.
2. REQUESTS the Chief Executive Officer conduct an invitation to quote process, to negotiate directly with contractors on the WALGA panel to deliver these projects.
3. AUTHORISES the Chief Executive Officer to award contract(s) from companies on the WALGA panel to deliver these projects within the allocated budget following the evaluation of quote submissions.

Option 1 is recommended.

### **Conclusion**

The projects within RFT08/2021 consist of Metropolitan Regional Road Group (MMRG), State and Federal Black Spot grant funded projects. Grant conditions require these projects to be completed by 30 June 2022. Therefore, it is recommended that the contract be awarded to **WCP Civil Pty Ltd**.

### **Attachments (available under separate cover)**

- **6.1.1 – CONFIDENTIAL attachment 1** – RFT 08/2021 - Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road – Pavement Construction - OCM - Confidential - Evaluation Report (E21/13349)
- **6.1.1 – CONFIDENTIAL attachment 2** – RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road – Pavement Construction - OCM – Confidential – Probity Auditor Report (IN21/28040)

### **Alignment with our Strategic Community Plan**

<b>Outcome 3.3</b>	An innovative, connected transport network
<b>Strategy 3.3.1</b>	Maintain, enhance and rationalise the Shire's transport network in accordance with affordable sound Asset Management Plans



## Financial Implications

Financial implications are detailed in a separate report. The below table reflects the financial impact on the Officer recommendation.

Project Name	Funding Body	Adopted Budget	Municipal Contribution	Revised Budget	Revised Municipal Contribution
Mundijong Road (SLK 7.32 – SLK 9.50)	Federal Black Spot	330,000		244,964	
Anketell Road (SLK 0.0 to SLK 2.67)	State Black Spot	445,000	148,333	721,214	424,547
Thomas Road and Anketell Road Intersection	State Black Spot	180,000	60,000	291,727	171,727
Kingsbury Drive Rehabilitation (SLK 22.95 – SLK 23.20)	Metropolitan Regional Road Group (MRRG)	145,070	48,357	252,697	155,984
Gossage Road Rehabilitation (SLK 4.14 – SLK 4.70)	Roads to Recovery	311,850		498,366	101,480
		<b>1,411,920</b>	<b>256,690</b>	<b>2,008,965</b>	<b>853,283</b>



## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	The additional cost is a burden to Shire finances.	Identify alternative funds to assist with the delivery.	Financial	Possible	Moderate	MODERATE	Return grant funds
2, 4	Delay to the delivery of the grant funded projects by 30 June 2022	Grant fund procedure in place to seek extension.	Financial	Possible	Moderate	MODERATE	Return grant funds
3	Withdrawing the projects until the market settles will delay the treatments proposed to reduce the risk of crashes.	This is not an acceptable option and should not be considered.	Physical or Psychological	Possible	Catastrophic	HIGH	

**Voting Requirements:** Simple Majority if Option 1, 3 and 4 are preferred  
Absolute Majority if Option 2 is preferred

**SCM080/12/21**

### COUNCIL RESOLUTION / Officer Recommendation

Moved Cr Coales, seconded Cr Strange

That Council:

- AWARDS Tender RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction to WCP Civil Pty Ltd to the value of \$1,488,124.50, excluding GST, as contained within CONFIDENTIAL attachment 1;**
- AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 08/2021 – Anketell Road, Kingsbury Drive, Mundijong Road and Gossage Road - Pavement Construction.**

**CARRIED 6/1**



<b>6.1.2 - Tender 09/2021 - Nettleton Road and Keirnan Street Pavement Reconstruction (SJ3634)</b>	
<b>Responsible Officer:</b>	Manager Project Development
<b>Senior Officer:</b>	Director Infrastructure Services
<b>Disclosure of Officers Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### **Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
-----------	---

### **Report Purpose**

The purpose of this report is for Council to consider the next steps associated with the delivery of Nettleton Road and Keirnan Street Pavement Reconstruction projects that are part of the adopted 2021-22 capital budget.

### **Relevant Previous Decisions of Council**

There is no previous Council decision relating to this matter.

### **Background**

In accordance with legislation, on 16 October 2021 State Wide Public Notice was issued advertising RFT09/2021 – Nettleton Road/Keirnan Street Pavement Reconstruction.

RFT09/2021 consists of the following projects:

Project Name	Funding Body	Adopted Budget	Grant Funding	Municipal Funding
Keirnan Street (SLK 0.5 – SLK 3.5)	State Black Spot	480,000	320,000	160,000
Nettleton Road (SLK 13.87 to SLK 16.65)	Federal Black Spot	540,000	540,000	
Reseal – Keirnan Street, Mundijong	Roads to Recovery	70,800	70,800	
Nettleton Road Rehabilitation (SLK15.4 – SLK16.97)	Metropolitan Regional Road Group (MRRG)	457,463	304,975	152,488
		<b>1,548,263</b>	<b>1,235,775</b>	<b>312,488</b>

The tender was open for a period of 20 days which exceeds the minimum 14 days required by legislation.

### **Community / Stakeholder Consultation**

Nil.





## Statutory Environment

Section 3.57 of the *Local Government Act 1995* provides that before entering into a contract of goods and services that exceed the value set in regulations (\$250,000) that a local government must advertise via state-wide public notice.

Regulation 11 of *Local Government (Functions and General) Regulations 1996* provides an exemption from the tender requirements if within the last six months the local government has publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications or satisfied the value for money assessment.

## Comment

No tenders bidding to conduct the work were received.

Officers have contacted the 15 companies that viewed the tender information on the sector's TenderLink website to assist in determining why no bids were received.

The general consensus from the companies is that market demand is outstripping the capacity of the industry to supply.

The current market demand for construction services represents a risk to delivery of the Shire's capital program in the short and medium term. The receipt of no tenders for this work is the most dramatic example of a trend that is observable across the sector and community more broadly.

To address the non-response to this tender, Officers propose the following options for Council's consideration:

### Option One – Seek quotes from WALGA contractors

Under Regulation 11(c) of *Local Government (Functions and General) 1996*, Council may request the Chief Executive Officer to seek quotes from contractors on the WALGA panel to deliver these projects. Should the quotes come under budget, authorise the Chief Executive Officer to award the contract (subject to the contractor meeting the minimum criteria as outlined in the tender). This option presents as lowest delivery risk to the Shire due to the projects being delivered under one contract.

### Option Two – Deliver the projects under RFT05/2021 and RFT06/2021

The projects can be delivered under RFT05/2021- Road Stabilisation and Bituminous Sealing and RFT06/2021- Profiling and Asphalt Surfacing respectively. Subject to successful award of these contracts<sup>1</sup>, this option presents a medium risk to the Shire due to the following:

- Greater coordination risk of delivering four projects under two contracts
- Availability of contractors to accommodate these projects in addition to the Shire's reseal program and other commitments

### Option Three – Do nothing, withdraw the projects

Under the MRRG Policies and Practices, if the Shire is not able to deliver a project, the project is to be withdrawn and MRRG notified in writing by the end of December 2021.

---

<sup>1</sup> RFT05/2021 and RFT06/2021 are due to be considered at the Special Council Meeting to be held on 6 December 2021.





Should Council withdraw the Nettleton Roads – Federal Black Spot (80314), Nettleton Road – MRRG Rehabilitation and Keirnan Street – State Black Spot projects from the Shire's 2021/22 Road Infrastructure Program, \$1,164,975 of grant funding (excluding Roads to Recovery funding) will be lost and the substandard road pavement will remain untreated. As the road repairs and improvements are crucial, leaving the roads in its current condition will compromise the safety of road users.

From a delivery risk and safety perspective, the Shire needs to consider the most efficient way to deliver these projects. Withdrawing the projects is not recommended due to the 'High' risk rating of the black spot projects.

**Attachments (available under separate cover)**

Nil.

**Options and Implications**

Option 1

That Council:

1. NOTES RFT09/2021 – Nettleton Road/Keirnan Street Pavement Reconstruction did not receive a response from the market.
2. In accordance with Regulation 11(c) of the *Local Government (Functions and General) Regulations 1996*, NOTES that tenders for this work do not need to be publicly advertised as within the last six months that a tender for RFT09/2021 Nettleton Road/Keirnan Street Pavement Reconstruction were publicly invited but that no tender was received.
3. REQUESTS the Chief Executive Officer conduct an invitation to quote process, to identify contractors on the WALGA panel to deliver these projects.
4. In accordance with section 5.43 of the Local Government Act 1995, AUTHORISES the Chief Executive Officer to award and sign contract(s) to companies on the WALGA panel to deliver the Nettleton Road/Keirnan Street Pavement Reconstruction works within the allocated budget following the evaluation of quote submissions received.

Option 2

That Council:

1. NOTES RFT09/2021 – Nettleton Road/Keirnan Street Pavement Reconstruction did not receive a response from the market.
2. REQUESTS the Chief Executive Officer deliver the projects within RFT09/2021 will be delivered under RFT05/2021 – Road Stabilisation and Bituminous Sealing and RFT06/2021 – Profiling and Asphalt Surfacing respectively, subject to successful award of these contracts.

Option 3

That Council REQUESTS the Chief Executive Officer to withdraw the projects included in RFT09/2021 and return/defer the funds to the respective funding bodies and reallocate any Shire contribution to other projects.

This option is not recommended as the road safety and condition of the road needs to be addressed.



Option 1 is recommended.

### Conclusion

The projects within RFT09/2021 consist of Metropolitan Regional Road Group (MMRG), State and Federal Black Spot grant funded projects. Grant conditions require these projects to be completed by 30 June 2022. Therefore, it is recommended that these projects be delivered under one contract or prioritised to be delivered under the Shire's annual supply contracts (RFT05/2021 and RFT06/2021), due to be considered at the Special Council Meeting to be held on 6 December 2021.

### Alignment with our Strategic Community Plan

<b>Outcome 3.3</b>	An innovative, connected transport network
<b>Strategy 3.3.1</b>	Maintain, enhance and rationalise the Shire's transport network in accordance with affordable sound Asset Management Plans

### Financial Implications

Addressed in a separate report.

### Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1, 2	Delay to the delivery of the grant funded projects by 30 June 2022 should RFT05/21 and RFT06/21 not be awarded.	Grant fund procedure in place to seek extension.	Reputation	Possible	Moderate	MODERATE	Return grant funds



---

**Voting Requirements:** Absolute Majority (5.43 of the *Local Government Act 1995*)

**SCM081/12/21**

**COUNCIL RESOLUTION / Officer Recommendation**

**Moved Cr Duggin, seconded Cr Strange**

**That Council:**

- 1. NOTES RFT09/2021 – Nettleton Road/Keirnan Street Pavement Reconstruction did not receive a response from the market.**
- 2. In accordance with Regulation 11(c) of the *Local Government (Functions and General) Regulations 1996*, NOTES that tenders for this work do not need to be publicly advertised as within the last six months that a tender for RFT09/2021 Nettleton Road/Keirnan Street Pavement Reconstruction were publicly invited but that no tender was received.**
- 3. REQUESTS the Chief Executive Officer conduct an invitation to quote process, to identify contractors on the WALGA panel to deliver these projects.**
- 4. In accordance with section 5.43 of the *Local Government Act 1995*, AUTHORISES the Chief Executive Officer to award and sign contract(s) to companies on the WALGA panel to deliver the Nettleton Road/Keirnan Street Pavement Reconstruction works within the allocated budget following the evaluation of quote submissions received.**

**CARRIED UNANIMOUSLY 7/0**



<b>6.1.3 - Award Request for Tender – RFT 05/2021 – Road Stabilisation and Bituminous Sealing (SJ3613)</b>	
<b>Responsible Officer:</b>	Manager Project Development
<b>Senior Officer:</b>	Director Infrastructure Services
<b>Disclosure of Officers Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### **Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
-----------	---

### **Report Purpose**

The purpose of this report is to advise Council of submissions received in relation to Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing and for Council to award the contract to the best value for money tenderer as proposed by the evaluation panel recommendation.

### **Relevant Previous Decisions of Council**

There is no previous Council decision relating to this matter.

### **Background**

The Request for Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing was advertised on Wednesday, 1 September 2021 on Tenderlink and closed at 2.00pm on Wednesday, 29 September 2021.

The RFT sought the services of a suitably qualified and experienced contractor to undertake Road Stabilisation and Bituminous Sealing.

Under the tender the Contractor would be required to provide all labour, plant, tools and equipment, materials, chemicals, transportation/cartage, administrative costs, travelling expenses etc. and anything else necessary for the completion of the proposed Contract.

The proposed Contract is for three (3) years from the date of award of the Contract with an option to extend the Contract period by an additional one (1) year period depending on performance.

This type of contract has the following benefits to the Shire:

- Achieve better value for money outcomes for the Shire by aggregating the potential spend over an extended contract term to improve the tendered price
- Further encourage open and fair competition between suppliers by offering potential suppliers certainty of term and indicative spend over the term of the contract
- Decrease the Shire's overall contract risk profile by having undertaken the one procurement process instead of embarking on several for the same (the Shire will have certainty of supplier delivery, known performance, systems in place for monitoring and payment don't need to be recreated)



- Decrease the Shire's operational costs – each time a procurement is undertaken there is significant cost and resource utilised by the Shire in terms of the procurement personnel undertaking the process, the finance personnel setting up accounts and systems for payment and invoice management and all others involved in the process (project personnel, works managers, admin staff etc). Reducing this requirement by 66% (which is equivalent to creating the same or similar contract for another 2 x single year terms as an example) assists the Shire in reducing operational expenditure.
- Increasing contract terms makes this contract more financially attractive to the potential tenderer. There is an equivalent degree of operational cost invested in responding to tender requests and suppliers don't always have the luxury of being able to submit a response if a procurement is undertaken annually vs. a longer contract term (for example 3 or more years).
- The contract has the flexibility of being structured in term-like periods to make extensions easy if an ongoing need is required and the supplier's performance is satisfactory. For example 3 years term, plus 1 year extension pending satisfactory performance.

The likely projects from FY21/22 capital works program that are suitable for this contract include:

Item	Description	Funding Body
1	Linton Street North (420m section from Walters to Stanley)	Roads to Recovery
2	Linton Street North (250m section from Stanley to Byford Country Club)	Roads to Recovery
3	Blair Road (120m Section between SLK 0.65 to SLK 0.77)	Roads to Recovery
4	Binshaw Ave (525m section from Briggs to Thatcher)	Roads to Recovery
5	Tonkin Street (675m section from Adams to Baskerville)	Roads to Recovery
6	Keirnan Street (550m section from Taylor Rd to SLK 3.22)	Roads to Recovery
7	Gladstone Drive (1540m section from Summerfield to Castle road)	Roads to Recovery
8	Nettleton Road Rehabilitation (SLK 15.4 – SLK 16.97)	MRRG
9	Nettleton Road (SLK 13.87 – SLK 16.65)	Federal Black Spot
10	Hopkinson Road Rehabilitation (SLK 0 – SLK 0.9)	MRRG

This contract will cover all road projects that require pavement stabilization and sealing as the method for pavement rehabilitation. This contract will not cover capital road projects that will require treatment methods and scope of works that are of different nature to stabilization and sealing. These capital road projects will be tendered and contracted separately on a



case by case basis due to the scope of works being outside the services covered by this contract.

### **Community / Stakeholder Consultation**

Prior to commencement of site works, notification shall be made to the public via the Shire's website and Facebook page. In addition, the adjacent properties will be notified via letter drop.

### **Submissions**

The Request for Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing was advertised on Wednesday 1 September 2021 on Tenderlink and closed at 2.00pm on Wednesday 29 September 2021.

The Tender was advertised in the following papers:

- West Australian Newspaper;
- Examiner (Serpentine Jarrahdale & Armadale);
- Pinjarra/Murray Times (Inc. Mandurah Coastal Times);
- Sound Telegraph (Rockingham & Kwinana).

Three (3) submissions were received, and the submissions are summarised in **CONFIDENTIAL attachment 1**.

All tender submissions comply with the request for tender guidelines and compliance criteria.

Tender submissions were received from the following companies:

#	Company Name
1	Downer EDI Works Pty Ltd
2	WA Stabilisation Pty Ltd
3	Stabilised Pavements of Australia Pty Ltd

### **Evaluation Panel**

An evaluation panel was convened and consisted of the following personnel:

- Manager Design;
- Manager Project Development;
- Project Manager.

All members of the evaluation panel have made a conflict of interest declaration in writing confirming that they have no relationships with any of the tenders. Each member of the panel assessed the submissions separately.



## Evaluation Criteria

The following evaluation criteria and weightings were used by the tender evaluation panel to assess tender submissions:

EVALUATION CRITERIA	WEIGHTING
Price with quantities	50%
Relevant experience with: <ul style="list-style-type: none"><li>Demonstrated relevant experience of the Company in providing the same or similar services to local government or the private sector over the past five years.</li></ul>	20%
Tenderers' Resources, Key Personnel, Skills and Experience with: <ul style="list-style-type: none"><li>Capacity to deliver the services including:</li><li>Key personnel / Professional skills;</li><li>Describe the key personnel who will be involved in the work, including past work of a similar nature.</li></ul>	15%
Demonstrated Understanding/Experience with: <ul style="list-style-type: none"><li>Project schedule;</li><li>Process for delivery of goods/services;</li><li>Project Management Plan;</li><li>Critical assumptions; and</li><li>Any additional information.</li></ul>	15%

## Comment

All tender submissions were assessed against the evaluation criteria and the qualitative and quantitative results of this assessment and prices are documented in **CONFIDENTIAL attachment 1, 2, 3 and 4**.

Following the assessment of all tender submissions, against the selection criteria, the tender submitted by Stabilised Pavements of Australia Pty Ltd was assessed as being the best value for money that meets the Shire's requirements.

The tender evaluation panel therefore recommends the tender submission made by Stabilised Pavements of Australia Pty Ltd be accepted.

The tendered prices have been applied to this year's capital works projects that fall under this contract. The revised cost estimates are significantly higher than the approved budget. This can be attributed to the overheated market. As a result, Shire Officers have re-assessed the condition of each of the assets and propose a reduced road reseal program that minimises impact on Shire funds. Even then, it is likely the approved budget for FY2021/22 will need to be increased for some of the projects. The financial impact is addressed in a separate report.

## Statutory Environment

Section 3.57 (1) of the *Local Government Act 1995* requires a local government to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply the goods or services.

Council Policy - *Procurement of Goods or Services through Public Tendering* (E19/5672):

Tendering

2. Tender Exemption





The regulations make provision for certain circumstances where tendering is not required. Regulation 11(2) of the *Local Government (Functions and General) Regulations 1996*:

- The purchase is obtained from a pre-qualified supplier under the WALGA Preferred Supply Program or State Government Common Use Arrangement;

### Options and Implications

The following options have been identified:

#### Option 1

That Council:

1. AWARDS Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing to Stabilised Pavements of Australia Pty Ltd as per **CONFIDENTIAL attachment 1** for a period of three (3) years with an option of a one (1) year extension; and
2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing.

#### Option 2

That Council NOT AWARD the contract and retender.

#### Option 3

That Council REASSESS and appoint an alternative tenderer.

Option 1 is recommended.

### Conclusion

Stabilised Pavements of Australia Pty Ltd has been assessed as being able to meet the requirements of the contract. The respondent met all of the requirements for Relevant Experience, Key Personnel, Skills and Resources and Demonstrated Understanding and was assessed as providing the best value for money.

Therefore, it is recommended that Council support Option 1 and the contract be awarded to Stabilised Pavements of Australia Pty Ltd.

### Attachments (available under separate cover)

- **6.1.3 – CONFIDENTIAL attachment 1** – RFT 05/2021 - Road Stabilisation and Bituminous Sealing - Evaluation Report (E21/11832)
- **6.1.3 - CONFIDENTIAL attachment 2** - RFT 05/2021 - Road Stabilisation and Bituminous Sealing – Pricing Schedule Combined (E21/12185)
- **6.1.3 - CONFIDENTIAL attachment 3** - RFT 05/2021 - Road Stabilisation and Bituminous Sealing – Pricing Schedule – Bituminous Sealing – All Respondents (E21/12186)
- **6.1.3 - CONFIDENTIAL attachment 4** - RFT 05/2021 - Road Stabilisation and Bituminous Sealing – Pricing Schedule – Road Stabilisation – All Respondents (E21/12187)





## Alignment with our Strategic Community Plan

<b>Outcome 1.3</b>	A safe place to live
<b>Strategy 1.3.3</b>	Enhance community safety
<b>Outcome 3.3</b>	An innovative, connected transport network

## Financial Implications

Addressed in report 6.1.7.

## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Recommended Contractor unable to provide works to an acceptable standard	Procurement and tender evaluation completed as per the Shire procurement policy. Contract Management	Reputation	Unlikely	Moderate	MODERATE	Recommended Contractor unable to provide works to an acceptable standard
2	Retender process will cause up to 3 months delay in project delivery	Nil	Reputation	Unlikely	Moderate	MODERATE	Retender process will cause up to 3 months delay in project delivery
3	Council selecting an applicant contrary to the evaluation report may affect the probity of the procurement process resulting in reputation damage.	Nil	Reputation	Possible	Moderate	MODERATE	Council selecting an applicant contrary to the evaluation report may affect the probity of the procurement process resulting in reputation damage.



---

**Voting Requirements:** Simple Majority

Officer Recommendation

That Council:

1. AWARDS Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing to Stabilised Pavements of Australia Pty Ltd as per CONFIDENTIAL attachment 1 for a period of three (3) years with an option of a one (1) year extension; and
2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing.

**SCM082/12/21**

**COUNCIL RESOLUTION**

**Moved Cr Coales, seconded Cr Duggin**

**That Council:**

1. **AWARDS Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing to Stabilised Pavements of Australia Pty Ltd as per CONFIDENTIAL attachment 1 for a period of three (3) years from Date of Award with an option of an additional 1 year at the Shire of Serpentine Jarrahdale Council's discretion with an option of a one (1) year extension; and**
2. **AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 05/2021 - Road Stabilisation and Bituminous Sealing.**

**CARRIED UNANIMOUSLY 7/0**

*Reason for difference to Officer Recommendation*

*To have the option exercised at Council's discretion.*



**Shire President, Councillor Rich declared a Financial Interest in item 6.1.4 and left the Chambers at 5:29pm prior to this item being discussed.**

**The Presiding Member, Councillor Rich vacated the Chair, and Deputy Shire President, Councillor Atwell assumed the Chair as Presiding Member at 5:29pm.**

<b>6.1.4 - Award Request for Tender – RFT 06/2021 – Profiling and Asphalt Surfacing (SJ3614)</b>	
<b>Responsible Officer:</b>	Manager Project Development
<b>Senior Officer:</b>	Director Infrastructure Services
<b>Disclosure of Officers Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### **Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
-----------	---

### **Report Purpose**

The purpose of this report is to advise Council of submissions received in relation to Tender RFT 06/2021 – Profiling and Asphalt Surfacing and for Council to award the contract to the best value for money tenderer as proposed by the evaluation panel recommendation.

### **Relevant Previous Decisions of Council**

There is no previous Council decision relating to this matter.

### **Background**

Tender RFT 06/2021 – Profiling and Asphalt Surfacing was advertised on Wednesday 1 September 2021 on Tenderlink and closed at 2.00pm on Wednesday 29 September 2021.

The RFT sought the services of a suitably qualified and experienced contractor to provide road profiling and asphalt surfacing to meet the Shire's needs. The services include but are not limited to road works, footpaths and car parks within the boundaries of the Shire.

The Contractor will be required to provide all labour, plant, tools and equipment, materials, chemicals, transportation/cartage, administrative costs, travelling expenses etc. and anything else necessary for the completion of the proposed Contract.

The proposed Contract shall be in force for a period of three (3) years from the date of award of the Contract with Principal instigated options to extend the Contract period by an additional one (1) year period.

This type of contract has the following benefits to the Shire:

- Achieve better value for money outcomes for the Shire by aggregating the potential spend over an extended contract term to improve the tendered price.
- Further encourage open and fair competition between suppliers by offering potential suppliers certainty of term and indicative spend over the term of the contract.



- Decrease the Shire's overall contract risk profile by having undertaken the one procurement process instead of embarking on several for the same (the Shire will have certainty of supplier delivery, known performance, systems in place for monitoring and payment don't need to be recreated).
- Decrease the Shire's operational costs – each time a procurement is undertaken there is significant cost and resource utilised by the Shire in terms of the procurement personnel undertaking the process, the finance personnel setting up accounts and systems for payment and invoice management and all others involved in the process (project personnel, works managers, admin staff etc). Reducing this requirement by 66% (which is equivalent to creating the same or similar contract for another 2 x single year terms as an example) assists the Shire in reducing operational expenditure.
- Increasing contract terms makes this contract more financially attractive to the potential tenderer. There is an equivalent degree of operational cost invested in responding to tender requests and suppliers don't always have the luxury of being able to submit a response if a procurement is undertaken annually vs. a longer contract term (for example 3 or more years).
- The contract has the flexibility of being structured in term-like periods to make extensions easy if an ongoing need is required and the supplier's performance is satisfactory. For example, 3 years term, plus 1-year extension pending satisfactory performance.

The likely projects from FY21/22 capital works program that are suitable for this contract include:

#	Description	Funding Body
1	Linton Street North (420m section from Walters to Stanley)	Roads to Recovery
2	Linton Street North (250m section from Stanley to Byford Country Club)	Roads to Recovery
3	Linton Street North (260m section from Byford Country Club to SLK 1.18)	Roads to Recovery
4	Binshaw Ave (525m section from Briggs to Thatcher)	Roads to Recovery
5	South Crescent (170m section from Park Road to Amy St)	Roads to Recovery
6	Blytheswood Road (120m section from North Cres to John Cres)	Roads to Recovery
7	Anstey Street (260m from Whitby to Richardson St)	Roads to Recovery
8	Chestnut Road (460m section from SLK 0.05 to SLK 0.51)	Roads to Recovery
9	King Road (380m section from SLK 2.75 to SLK 3.13)	Roads to Recovery
10	Millars Road (70m Section of between SLK 0.0 to SLK 0.07)	Roads to Recovery
11	Senior Court (SLK0.0 to SLK 0.15)	Roads to Recovery
12	Nettleton Road Rehabilitation (SLK 15.4 – SLK 16.97)	MRRG
13	Nettleton Road (SLK 13.87 – SLK 16.65)	Federal Black Spot
14	Hopkinson Road Rehabilitation (SLK 0 – SLK 0.9)	MRRG



This contract will cover all road projects that require pavement profiling and laying asphalt as the method for pavement rehabilitation and resurfacing. This contract will not cover capital road projects that will require treatment methods and scope of works that are of different nature to profiling and asphaltting. Capital road projects not covered under this contract will be tendered and contracted separately on a case by case basis due to the scope of works being outside the services covered by this contract.

### **Community / Stakeholder Consultation**

Prior to commencement of site works for each project, notification shall be made to the public via the Shire's website and Facebook page. In addition, the adjacent properties will be notified via letter drop.

### **Submissions**

Tender RFT 06/2021 – Profiling and Asphalt Surfacing was advertised on Wednesday 1 September 2021 on Tenderlink and closed at 2.00pm on Wednesday 29 September 2021.

The Tender was advertised in the following papers:

- West Australian Newspaper;
- Examiner (Serpentine Jarrahdale & Armadale);
- Pinjarra/Murray Times (Inc. Mandurah Coastal Times);
- Sound Telegraph (Rockingham & Kwinana).

Three (3) submissions were received, and the submissions are summarised in **CONFIDENTIAL attachment 1**.

All tender / quote submissions comply with the request for tender / request for quote guidelines and compliance criteria.

Tender / Quote submissions were received from the following companies:

#	Company Name
1	Fulton Hogan Industries Pty Ltd
2	Kee Surfacing Pty Ltd
3	RCA Civils Pty Ltd

### **Evaluation Panel**

An evaluation panel was convened and consisted of the following personnel:

- Manager Design;
- Manager Project Development;
- Project Manager.

All members of the evaluation panel have made a conflict of interest declaration in writing confirming that they have no relationships with any of the tenders. Each member of the panel assessed the submissions separately.



## Evaluation Criteria

The following evaluation criteria and weightings were used by the tender evaluation panel to assess tender submissions:

EVALUATION CRITERIA	WEIGHTING
Price with quantities	50%
Relevant experience with: <ul style="list-style-type: none"><li>Demonstrated relevant experience of the Company in providing the same or similar services to local government or the private sector over the past five years.</li></ul>	20%
Tenderers' Resources, Key Personnel, Skills and Experience with: <ul style="list-style-type: none"><li>Capacity to deliver the services including:</li><li>Key personnel / Professional skills;</li><li>Describe the key personnel who will be involved in the work, including past work of a similar nature.</li></ul>	15%
Demonstrated Understanding/Experience with: <ul style="list-style-type: none"><li>Project schedule;</li><li>Process for delivery of goods/services;</li><li>Project Management Plan;</li><li>Critical assumptions; and</li><li>Any additional information.</li></ul>	15%

## Comment

All tender submissions were assessed against the evaluation criteria and the qualitative and quantitative results of this assessment and prices are documented in **CONFIDENTIAL attachment 1, 2 and 3**.

Following the assessment of all tender submissions, against the selection criteria, the tender submitted by **Fulton Hogan Industries Pty Ltd** was assessed as being the best value for money that meets the Shire's requirements.

The tender evaluation panel therefore recommends the tender submission made by **Fulton Hogan Industries Pty Ltd** be accepted.

The tendered prices have been applied to this year's capital works projects that fall under this contract. The revised cost estimates are significantly higher than the approved budget. This can be attributed to the overheated market. As a result, Shire Officers have re-assessed the condition of each of the assets and propose a reduced road reseal program that minimises impact on Shire funds. Even then, it is likely the approved budget for FY2021/22 will need to be increased for some of the projects. The financial impact is addressed in a separate report.

## Statutory Environment

Section 3.57 (1) of the *Local Government Act 1995* requires a local government to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply the goods or services.

Council Policy - *Procurement of Goods or Services through Public Tendering* (E19/5672):

Tendering

2. Tender Exemption



The regulations make provision for certain circumstances where tendering is not required. Regulation 11(2) of the *Local Government (Functions and General) Regulations 1996*:

- The purchase is obtained from a pre-qualified supplier under the WALGA Preferred Supply Program or State Government Common Use Arrangement;

### Options and Implications

The following options have been identified:

#### Option 1

That Council:

1. AWARDS Tender RFT 06/2021 – Profiling and Asphalt Surfacing to Fulton Hogan Industries Pty Ltd as per **CONFIDENTIAL attachment 1** for a period of three (3) years with an option of a one (1) year extension; and
2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 06/2021 – Profiling and Asphalt Surfacing.

#### Option 2

That Council NOT AWARD the contract and retenders.

#### Option 3

That Council REASSESS and appoint an alternative tenderer.

Option 1 is recommended.

### Conclusion

**Fulton Hogan Industries Pty Ltd** has been assessed as being able to meet the requirements of the contract. The respondent met all of the requirements for Relevant Experience, Key Personnel, Skills and Resources and Demonstrated Understanding and was assessed as providing the best value for money.

Therefore, it is recommended that Council support Option 1 and the contract be awarded to **Fulton Hogan Industries Pty Ltd**

### Attachments (available under separate cover)

- **6.1.4 – CONFIDENTIAL attachment 1** – RFT 06/2021 – Profiling and Asphalt Surfacing – Evaluation Report (E21/11834)
- **6.1.4 - CONFIDENTIAL attachment 2** - RFT 06/2021 – Profiling and Asphalt Surfacing – Profiling - Pricing Schedule (E21/12209)
- **6.1.4 - CONFIDENTIAL attachment 3** - RFT 06/2021 – Profiling and Asphalt Surfacing – Asphalt Surfacing - Pricing Schedule (E21/12208)

### Alignment with our Strategic Community Plan

<b>Outcome 1.3</b>	A safe place to live
<b>Strategy 1.3.3</b>	Enhance community safety
<b>Outcome 3.3</b>	An innovative, connected transport network





## Financial Implications

Addressed in a separate report 6.1.7.

## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Recommended Contractor unable to provide works to an acceptable standard	Procurement and tender evaluation completed as per the Shire procurement policy. Contract Management	Reputation	Unlikely	Moderate	MODERATE	Nil
2	Retender process will cause up to 3 months delay in project delivery	Nil	Reputation	Unlikely	Moderate	MODERATE	Nil
3	Council selecting an applicant contrary to the evaluation report may affect the probity of the procurement process resulting in reputation damage.	Nil	Reputation	Possible	Moderate	MODERATE	Provide justification for selecting the alternative tenderer that is in line with the evaluation criteria

**Voting Requirements:** Simple Majority

### Officer Recommendation

That Council:

1. AWARDS Tender RFT 06/2021 – Profiling and Asphalt Surfacing to Fulton Hogan Industries Pty Ltd as per CONFIDENTIAL attachment 1 for a period of three (3) years with an option of a one (1) year extension; and
2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 06/2021 – Profiling and Asphalt Surfacing.





**SCM083/12/21**

**COUNCIL RESOLUTION**

**Moved Cr Singh, seconded Cr Strange**

**That Council:**

- 1. AWARDS Tender RFT 06/2021- Profiling and Asphalt Surfacing to Fulton Hogan Industries Pty Ltd as per CONFIDENTIAL attachment 1 for a period of three (3) years from Date of Award with an option of an additional 1 year at the Shire of Serpentine Jarrahdale Council's discretion; and**
- 2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 06/2021- Profiling and Asphalt Surfacing.**

**CARRIED UNANIMOUSLY 6/0**

*Reason for difference to Officer Recommendation*

*To have the option exercised at Council's discretion.*

**Councillor Rich returned to the Chambers at 5:31pm and resumed the Chair as Presiding Member.**

**Councillor Atwell advised the Shire President, Councillor Rich of the Council Resolution for item 6.1.4.**



<b>6.1.5 - Award Request for Tender – RFT 07/2021 – Insitu Concrete Footpath and Kerbs (SJ3615)</b>	
<b>Responsible Officer:</b>	Manager Project Development
<b>Senior Officer:</b>	Director Infrastructure Services
<b>Disclosure of Officers Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### **Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
-----------	---

### **Report Purpose**

The purpose of this report is to advise Council of submissions received in relation to Tender RFT 07/2021 – Insitu Concrete Footpath and Kerbs and for Council to award the contract to the best value for money tenderer as proposed by the evaluation panel recommendation.

### **Relevant Previous Decisions of Council**

There is no previous Council decision relating to this matter.

### **Background**

The Request for Tender RFT 07/2021 – Insitu Concrete Footpath and Kerbs on Wednesday, 1 September 2021 on Tenderlink and closed at 2.00pm on Wednesday 29 September 2021.

The RFT sought the services of a suitably qualified and experienced concreting contractor to provide in-situ footpath construction and kerbing installation to meet the Shire's needs.

The services include but are not limited to construction of footpaths, shared use paths, kerbs, driveways/crossovers, concrete pads/footings (for bus shelters, barbeques, shade shelters, sheds etc.) at various locations throughout the Shire.

The Works/Services required include:

- Set out of works from established benchmarks and boundaries;
- Site clearance of all vegetation and rubbish;
- Excavation and preparation of the sub grade and base;
- Forming, placing and finishing of the concrete;
- Backfilling, compacting and grading of the footpath or other reserve to match the new concrete structure;
- General site clean-up on completion of the works;
- Concrete path reconstruction, restoration and repairs and;
- In situ concrete kerbing.

This contract will be used for contract specific requirements as noted above and also for the purpose of meeting sub-contract requirements in relation to other projects.



The proposed Contract shall be in force for a period of three (3) years from the date of award of the Contract with Principal instigated options to extend the Contract period by an additional one (1) year period.

This type of contract has the following benefits to the Shire:

- Achieve better value for money outcomes for the Shire by aggregating the potential spend over an extended contract term to improve the tendered price
- Further encourage open and fair competition between suppliers by offering potential suppliers certainty of term and indicative spend over the term of the contract
- Decrease the Shire's overall contract risk profile by having undertaken the one procurement process instead of embarking on several for the same (the Shire will have certainty of supplier delivery, known performance, systems in place for monitoring and payment don't need to be recreated)
- Decrease the Shire's operational costs – each time a procurement is undertaken there is significant cost and resource utilised by the Shire in terms of the procurement personnel undertaking the process, the finance personnel setting up accounts and systems for payment and invoice management and all others involved in the process (project personnel, works managers, admin staff etc). Reducing this requirement by 66% (which is equivalent to creating the same or similar contract for another 2 x single year terms as an example) assists the Shire in reducing operational expenditure.
- Increasing contract terms makes this contract more financially attractive to the potential tenderer. There is an equivalent degree of operational cost invested in responding to tender requests and suppliers don't always have the luxury of being able to submit a response if a procurement is undertaken annually vs. a longer contract term (for example 3 or more years).

The type of projects that are suitable for this contract include the Shire's yearly footpath renewal works.

### **Community / Stakeholder Consultation**

Prior to commencement of site works, notification shall be made to the public via the Shire's website and Facebook page. In addition, the adjacent properties will be notified via letter drop.

### **Submissions**

The Request for Tender RFT 07/2021 – Insitu Concrete Footpath and Kerbs on Wednesday, 1 September 2021 on Tenderlink and closed at 2.00pm on Wednesday 29 September 2021.

The Tender was advertised in the following papers:

- West Australian Newspaper;
- Examiner (Serpentine Jarrahdale & Armadale);
- Pinjarra/Murray Times (Inc. Mandurah Coastal Times);
- Sound Telegraph (Rockingham & Kwinana).

The two (2) submissions were received, and the submissions are summarised in **CONFIDENTIAL attachment 1**.



All tender submissions comply with the request for tender guidelines and compliance criteria.

Tender submissions were received from the following companies:

#	Company Name
1	Dowsing Group Pty Ltd
2	Axiis Contracting (Pty) Ltd

### Evaluation Panel

An evaluation panel was convened and consisted of the following personnel:

- Manager Design;
- Manager Project Development;
- Casual Project Manager.

All members of the evaluation panel have made a conflict of interest declaration in writing confirming that they have no relationships with any of the tenders. Each member of the panel assessed the submissions separately.

### Evaluation Criteria

The following evaluation criteria and weightings were used by the tender evaluation panel to assess tender submissions:

EVALUATION CRITERIA	WEIGHTING
Price with quantities	50%
Relevant experience with: <ul style="list-style-type: none"><li>• Demonstrated relevant experience of the Company in providing the same or similar services to local government or the private sector over the past five years.</li></ul>	20%
Tenderers' Resources, Key Personnel, Skills and Experience with: <ul style="list-style-type: none"><li>• Capacity to deliver the services including:</li><li>• Key personnel / Professional skills;</li><li>• Describe the key personnel who will be involved in the work, including past work of a similar nature.</li></ul>	15%
Demonstrated Understanding/Experience with: <ul style="list-style-type: none"><li>• Project schedule;</li><li>• Process for delivery of goods/services;</li><li>• Project Management Plan;</li><li>• Critical assumptions; and</li><li>• Any additional information.</li></ul>	15%

### Comment

All tender submissions were assessed against the evaluation criteria and the qualitative and quantitative results of this assessment and prices are documented in **CONFIDENTIAL attachment 1, 2,3 and 4.**

Following the assessment of all tender submissions, against the selection criteria, the tender submitted by *Dowsing Group Pty Ltd* was assessed as being the best value for money that meets the Shire's requirements.



The tender evaluation panel therefore recommends the tender / quote submission made by *Dowsing Group Pty Ltd* be accepted.

### **Statutory Environment**

Section 3.57 (1) of the *Local Government Act 1995* requires a local government to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply the goods or services.

Council Policy - *Procurement of Goods or Services through Public Tendering* (E19/5672):

Tendering

#### **2. Tender Exemption**

The regulations make provision for certain circumstances where tendering is not required. Regulation 11(2) of the *Local Government (Functions and General) Regulations 1996*:

- The purchase is obtained from a pre-qualified supplier under the WALGA Preferred Supply Program or State Government Common Use Arrangement;

### **Options and Implications**

The following options have been identified:

#### Option 1

That Council:

1. AWARDS Tender RFT 07/2021 – Insitu Concrete Footpath and Kerbs to Dowsing Group Pty Ltd as per **CONFIDENTIAL attachment 1** for a period of three (3) years with an option of a one (1) year extension; and
2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 07/2021 – Insitu Concrete Footpath and Kerbs.

#### Option 2

That Council NOT AWARD the contract and retender.

#### Option 3

That Council REASSESS and appoint an alternative tenderer.

Option 1 is recommended.

### **Conclusion**

*Dowsing Group Pty Ltd* has been assessed as being able to meet the requirements of the contract. The respondent met all of the requirements for Relevant Experience, Key Personnel, Skills and Resources and Demonstrated Understanding and was assessed as providing the best value for money.

Therefore, it is recommended that Council support Option 1 and the contract be awarded to *Dowsing Group Pty Ltd*.



### Attachments (available under separate cover)

- **6.1.5 – CONFIDENTIAL attachment 1** – RFT 07/2021 – Insitu Concrete Footpath and Kerbs - Evaluation Report (E21/11838)
- **6.1.5 - CONFIDENTIAL attachment 2** - RFT 07/2021 – Insitu Concrete Footpath and Kerbs – Pricing Schedule - Combined (E21/12201)
- **6.1.5 - CONFIDENTIAL attachment 3**- RFT 07/2021 – Insitu Concrete Footpath and Kerbs –Pricing Schedule – Footpaths – All Respondents (E21/12203)
- **6.1.5 - CONFIDENTIAL attachment 4**- RFT 07/2021 – Insitu Concrete Footpath and Kerbs – Pricing Schedule – Kerbs – All Respondents (E21/12204)

### Alignment with our Strategic Community Plan)

<b>Outcome 1.3</b>	A safe place to live
<b>Strategy 1.3.3</b>	Enhance community safety
<b>Outcome 2.1</b>	A diverse, well planned built environment

### Financial Implications

Addressed in report 6.1.7.

### Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Recommended Contractor unable to provide works to an acceptable standard.	Procurement and tender evaluation completed as per the Shire procurement policy. Contract Management	Reputation	Unlikely	Moderate	MODERATE	Nil
2	Retender process will cause up to 3 months delay in project delivery.	Nil	Reputation	Unlikely	Moderate	MODERATE	Nil



3	Council selecting an applicant contrary to the evaluation report may affect the probity of the procurement process resulting in reputation damage.	Nil	Reputation	Possible	Moderate	MODERATE	Provide justification for selecting the alternative tenderer that is in line with the evaluation criteria
---	--	-----	------------	----------	----------	----------	---

**Voting Requirements:** Simple Majority

Officer Recommendation

That Council:

1. AWARDS Tender RFT 07/2021 – Insitu Concrete Footpath and Kerbs to Dowsing Group Pty Ltd as per CONFIDENTIAL attachment 1 for a period of three (3) years with an option of a one (1) year extension; and
2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 07/2021 – Insitu Concrete Footpath and Kerbs.

**SCM084/12/21**

#### **COUNCIL RESOLUTION**

**Moved Cr Singh, seconded Cr Coales**

**That Council:**

1. **AWARDS Tender RFT 07/2021- Insitu Concrete Footpath and Kerbs to Dowsing Group Pty Ltd as per CONFIDENTIAL attachment 1 for a period of three (3) years from Date of Award with an option of an additional 1 year at the Shire of Serpentine Jarrahdale Council's discretion; and**
2. **AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 07/2021- Insitu Concrete Footpath and Kerbs.**

**CARRIED UNANIMOUSLY 7/0**

*Reason for difference to Officer Recommendation*

*To have the option exercised at Council's discretion.*



<b>6.1.6 – Rowley Road Rehabilitation (SJ3074)</b>	
<b>Responsible Officer:</b>	Manager Project Development
<b>Senior Officer:</b>	Director Infrastructure Services
<b>Disclosure of Officers Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### **Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
-----------	---

### **Report Purpose**

The purpose of this report is to present an update on the status of the Memorandum of Understanding (MoU) between the Shire and the City of Armadale regarding ownership of Rowley Road, and seek Council endorsement on the proposed expenditure of Rowley Road Rehabilitation project jointly funded by the Metropolitan Regional Road Group Rehabilitation Program.

### **Relevant Previous Decisions of Council**

28 July 2021 – Special Council Meeting - SCM051/07/21 COUNCIL RESOLUTION 14  
*REQUESTS the Chief Executive Officer present a report to Council pertaining to the Rowley Road Rehabilitation capital project, including review of MoU between the Shire and the City of Armadale regarding responsibility for, and obligations with regard to Rowley Road, prior to any funds being expended.*

### **Background**

Rowley Road is classified as a Regional Distributor Road under the Main Roads WA (MRWA) Metropolitan Functional Road Hierarchy. It extends approximately 6.0 kilometres along the border of the Shire of Serpentine-Jarrahdale and the City of Armadale.

In accordance with the Boundary Road Management Agreement, executed in March 1999 (Refer **attachment 1**) between the Shire of Serpentine-Jarrahdale and the City of Armadale, the Shire is responsible for maintenance and management of Rowley Road from Nicholson Road to Hopkinson Road.

Review of MRWA SCATS data for 2020/21 indicates that Rowley Road carried an average weekday traffic flow of 4,585 vehicles per day, and more than 13% of the traffic using this road are classified as a heavy vehicle. Rowley Road operates under a sign posted speed limit of 80km/h.

An upgrade of Rowley Road is fundamentally needed to address safety and road condition issues. During the recent years the Shire has received many complaints from community members regarding the poor condition of the road where they have raised safety concerns requesting defective road to be repaired.

The Shire identified the section of Rowley Road from Kargotich Road (SLK 2.97) to 300m west of Tonkin Highway (SLK 3.39) as deteriorating with surface cracks and severe





pavement deformation indicating failure at subgrade level. In April 2020 the Rowley Road project was submitted for consideration to MRWA for the 2021/22 MRRG Road Rehabilitation Program.

The subject site of this report is the section of Rowley Road between Kargotich Road and Tonkin Highway, Oakford - Figure 1 shows the location of the study area.



**Figure 1. - Location Map**

Through a successful application to the 2021/22 Metropolitan Regional Road Group (MRRG) Road Rehabilitation, the Shire received a grant funding allocation for two thirds of the estimated \$496,004 capital expenditure to rehabilitate the Rowley Road pavement between Kargotich Road and Tonkin Highway. This project is now funded and included in the Shire's 2021-22 capital budget

At the Special Council Meeting on 28 July 2021, Council requested the review of Boundary Road Management Agreement (MoU Agreement) between the Shire and the City of Armadale regarding responsibility for, and obligations about Rowley Road, prior to any funds being expended.

MoU Agreement (Refer **attachment 1**) was considered at the Ordinary Council Meeting on 22 March 1999 and the following points were endorsed:

1. *The term 'management' in the agreement includes both maintenance and construction works of the particular section except as outlined in the agreement.*
2. *The agreement is to maintain and construct to like condition. Any duplication works would be subject to further discussion re-constructions to be made by either Council.*
3. *The deviation of Hopkinson Road and Hilbert Road would also be subject to further discussion, should these works be required following Tonkin Highway works.*
4. *Tonkin Highway works would be funded by Main Roads WA*

Following the adoption of Council resolution 14 at the Special Council Meeting dated 28 July 2021, Shire Officers met with technical Officers from the City of Armadale to seek clarification and discuss application of the MoU including the process and requirements for a review of the MoU. During that meeting, the City of Armadale Officers advised that this matter should be referred to their Executive team for consideration. Further to that meeting, the Shire President, Shire's CEO and Director Infrastructure Services attended a meeting with the Mayor, CEO, Director Infrastructure and Executive Manager Infrastructure Services of the City of Armadale to discuss the process for handing over Rowley Rd to the City of Armadale and also explore options for jointly funding the Rowley Rd rehabilitation project.



Whilst that meeting came to a close without reaching a conclusion, it became clear that further investigation and possibly legal advice was required to consolidate the Shire's position regarding negotiating a new MoU/boundary road maintenance agreement or handing over Rowley Road to the City of Armadale, as Rowley Rd reserve is located entirely within the municipal boundary of the City of Armadale. This process is expected to be quite lengthy, possibly taking one or two years to be concluded.

Rowley Road rehabilitation project, included in the Shire's 2021-22 annual budget, is jointly funded by the Shire (1/3) and MRWA administered Metropolitan Regional Road Grant (MRRG) program (2/3). As a condition of the MRRG grant funding program, this project will need to be completed by the end of June 2022, with the possibility for a 6-month time extension to the end of December 2022, subject to approval by MRRG. If the Shire is unable to complete the project within the agreed timeframe, the Shire will be at risk of being penalized by MRRG resulting in loss of substantial grant funding during the 2023-24 MRRG funding program. The loss in grant funding could be as high as \$200,000 or more. If Council decides not to proceed with this project until an agreement is reached with the City of Armadale, the Shire will need to advise the MRRG of that decision and withdraw the project before the end of December 2021 at the latest, to avoid penalty.

Even if an extension of time was granted for project completion, it is highly unlikely that an agreement can be reached with the City of Armadale before the end of December 2022, latest project completion date to avoid penalties. It is therefore important for the Council to decide to either withdraw the project and return the grant funds to MRRG or proceed with the project.

## **Community / Stakeholder Consultation**

### Policy Concept Forum

Nil.

## **Statutory Environment**

### *Performing functions outside the district*

3.20. (1) *Things done by a local government in performing its executive functions may be done outside its own district but before it can do anything on land outside its own district that is not local government property of that local government it is required to have obtained the consent of —*

*(a) the owner of the land;*

*(b) if the land is occupied, the occupier of the land; and*

*(c) if the land is under the control or management of any other person, that other person.*

*(2) This section does not apply to anything that a local government does in the district of another local government if it is done on behalf of the local government of that district.*

## **Comment**

The Shire has maintenance responsibilities for all Shire's roads including this one. Additionally, the Shire also has obligations to maintain this road as detailed in the MoU



Agreement executed in March 1999. This agreement is due to be reviewed and renegotiated. Officers anticipate this process will require a minimum of 12 months.

The review and renegotiation of the Agreement will impact the delivery of this project. Officers have identified three (3) impact mitigation options for Council's consideration.

Option 1 – Proceed with the delivery of Rowley Road Project

Proceed with the delivery of the Rowley Road Rehabilitation project under the FY2021/22 MRRG program as planned/agreed.

This option is recommended as the road is rehabilitated to a required level of service.

Option 2 - Withdraw the Rowley Road Project from the FY21/22 MRRG Program and do nothing

The MRRG is responsible for the control and management of the State Roads Funds to Local Government and sets out the Policies and Practices to manage and administer State allocated funding for Road Projects.

Under the Policies and Practices, if the Shire is not able to deliver a project, the project is to be withdrawn and MRRG notified in writing by the end of December 2021.

Should Council opt to withdraw the Rowley Road project from the Shire's 2021/22 Road Infrastructure Program, \$330,660 of grant funding will be lost and the defective road pavement will remain untreated. As the road repairs are crucial, leaving the road in its current condition will compromise the safety of road users.

This option is not recommended as the road safety and condition of the road needs to be addressed.

Option 3 – Withdraw the Rowley Road Project from the FY21/22 MRRG Program and make the road safe

Officers have considered a lower cost short term treatment as an alternative to full pavement rehabilitation which will make the road safe. This methodology is temporary in nature and can be effective for up to around three (3) years. This methodology allows for removal of deformations in the pavement and application of a thick lift asphalt overlay. The estimated cost of this temporary solution will be around \$190,000 (ex GST), which is \$24,665 higher than the Shire's 1/3 contribution of \$165,335 towards the ultimate MRRG approved project.

In order to proceed with this option, all cost need to be funded by Shire as the MRRG will not approve or fund a temporary solution. Moreover, the Shire will need to source an additional amount of \$24,665 to add to the already approved Shire contribution of \$165,335 for project completion.

This option is not recommended as it offers a temporary solution for three years at an additional cost of \$24,665 to the Shire.

**Options and Implications**

Option 1

That Council:

1. AUTHORISES the Chief Executive Officer to review and renegotiate a new Boundary Road Management Agreement with the City of Armadale or hand over Rowley Road to the City of Armadale.



2. REQUESTS the Chief Executive Officer to proceed with the Rowley Road rehabilitation as planned.

Option 2

That Council:

1. AUTHORISES the Chief Executive Officer to review and renegotiate the Boundary Road Management Agreement with the City of Armadale or hand over Rowley Road to the City of Armadale;
2. REQUESTS the Chief Executive Officer to withdraw the Rowley Road Rehabilitation Project from FY21/22 MRRG Program, return the \$330,660 MRRG funds back to MRWA and reallocate the Shire's 1/3 contribution (\$165,335) to other projects.

Option 3

That Council:

1. AUTHORISES the Chief Executive Officer to review and renegotiate the Boundary Road Management Agreement with the City of Armadale or hand over Rowley Road to the City of Armadale;
2. REQUESTS the Chief Executive Officer to withdraw the Rowley Road Rehabilitation Project from FY21/22 MRRG Program, return the \$330,660 MRRG funds back to MRWA and reallocate the Shire's 1/3 contribution (\$165,335) to provide a temporary solution as detailed in this report;
3. APPROVES additional \$24,664 funding for the temporary solution by reallocation of municipal funding for Culvert Renewal Projects for Walters Rd, Utley Rd, and Elliot Rd as detailed below.

Account Number	Project	Type	Debit	Credit
6300-80286-6600	Rowley Rd Rehabilitation	Increase Capital Expenditure	24,665	
6400-80290-6600	Culvert Renewal – Walters Rd	Decrease Capital Expenditure		10,000
6400-80291-6600	Culvert Renewal – Utley Rd	Decrease Capital Expenditure		10,000
6400-80293-6600	Culvert Renewal – Elliot Road	Decrease Capital Expenditure		4,665
Reason: Reallocate funding for drainage projects to be undertaken in 2022-23 financial year.				

Option 1 is recommended

**Conclusion**

The Shire needs to review and renegotiate the Boundary Road Management Agreement with the City of Armadale including potential hand over of Rowley Road to the City of Armadale. While this lengthy process is being undertaken, Officers have put forward three



options to mitigate the impact the review process will have on the Rowley Road Rehabilitation Project. Of the three options, Option 1 is recommended.

**Attachments (available under separate cover)**

- **6.1.6 - attachment 1** – Boundary Road Management Agreement, March 1999 (IN21/12746)

**Alignment with our Strategic Community Plan**

<b>Outcome 3.3</b>	An innovative, connected transport network
<b>Strategy 3.3.1</b>	Maintain, enhance and rationalise the Shire's transport network in accordance with affordable sound Asset Management Plans

**Financial Implications**

Impact on Budget

	Amount (ex GST)
Approved Project Budget:	\$ 496,004
Approved 1/3 Shire contribution	\$ 165,335
Value of temporary solution (Option 3)	\$ 190,000
Project Budget Balance: (Approved 1/3 Shire contribution Budget - Value of temporary solution)	\$ -24,665

Budget amendment if Option 3 is the preferred option

Account Number	Project	Type	Debit	Credit
6300-80286-6600	Rowley Rd Rehabilitation	Increase Capital Expenditure	24,665	
6400-80290-6600	Culvert Renewal – Walters Rd	Decrease Capital Expenditure		10,000
6400-80291-6600	Culvert Renewal – Utley Rd	Decrease Capital Expenditure		10,000
6400-80293-6600	Culvert Renewal – Elliot Road	Decrease Capital Expenditure		4,665
<b>Reason:</b> Reallocate funding for drainage projects to be undertaken in 2022-23 financial year.				





## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Not commencing with a procurement process and engage a contractor to deliver the Rowley Road project by December 2021 will cause the MRRG penalisation and loss of some 2023/24 fund.	Reporting to the Council on assessment of possible options to deliver project	Financial	Possible	Major	SIGNIFICANT	As per Officer recommendation
2	Loss of 2021/22 MRRG Rowley Rd fund because of not delivering project due to the cos increase	Reporting to the Council on assessment of possible options to deliver project	Financial	Possible	Major	SIGNIFICANT	As per Officer recommendation
3	Approve option to deliver project that is not providing a value for money, temporary option is only for the project life of 3 years, and will be fully funded by Shire	Reporting to the Council on assessment of possible options to deliver project	Financial	Possible	Major	SIGNIFICANT	As per Officer recommendation



---

**Voting Requirements:** Simple Majority if option 1 or 2 is adopted  
Absolute Majority for Option 3

**SCM085/12/21**

**COUNCIL RESOLUTION / Officer Recommendation**

**Moved Cr Dagostino, seconded Cr Strange**

**That Council:**

- 1. AUTHORISES the Chief Executive Officer to review and renegotiate a new Boundary Road Management Agreement with the City of Armadale or hand over Rowley Road to the City of Armadale.**
- 2. REQUESTS the Chief Executive Officer to proceed with the Rowley Road rehabilitation project in accordance with the Shire's adopted 2021-22 capital projects budget.**

**CARRIED UNANIMOUSLY 7/0**





<b>6.1.7 – Financial Implications - Tender Award RFT 05/2021, RFT 06/2021, RFT 07/2021, RFT 08/2021 and RFT 09/2021</b>	
<b>Responsible Officer:</b>	Manager Finance
<b>Senior Officer:</b>	Director Corporate Services
<b>Disclosure of Officers Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### **Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
-----------	---

### **Report Purpose**

The purpose of this report is to advise Council of the financial implications of the proposed tender awards detailed within this agenda. Subject to award of tenders additional funding is required to facilitate completion of capital works program.

### **Relevant Previous Decisions of Council**

The Council resolutions made for the previous items presented as part of this agenda are a relevant consideration in this item.

### **Background**

This agenda includes consideration of multiple tender awards which impact significantly on the Shire's 2021-2022 annual budget. To allow consideration of the financial implications holistically, all budget impacts have been presented within this report.

The implications detailed in this report are on the basis that Council moves forward with award as per Officer recommendation specific to RFT 05/2021, RFT 06/2021, RFT 07/2021, RFT 08/2021 and RFT 09/2021.

### **Community / Stakeholder Consultation**

Nil.

### **Statutory Environment**

Section 3.57 (1) of the *Local Government Act 1995* requires a local government to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply the goods or services.

Council Policy - *Procurement of Goods or Services through Public Tendering* (E19/5672):

Tendering

#### **2. Tender Exemption**

The regulations make provision for certain circumstances where tendering is not required. Regulation 11(2) of the *Local Government (Functions and General) Regulations 1996*:



- The purchase is obtained from a pre-qualified supplier under the WALGA Preferred Supply Program or State Government Common Use Arrangement;

Section 6.8 of the *Local Government Act 1995* states as follows:

**6.8. Expenditure from municipal fund not included in annual budget**

- (1) *A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —*
  - (a) *is incurred in a financial year before the adoption of the annual budget by the local government; or*
  - (b) *is authorised in advance by resolution\*; or*
  - (c) *is authorised in advance by the mayor or president in an emergency.*

**Comment**

The Shire adopted an ambitious capital program as part of the 2021-2022 annual budget. In undertaking the tender process for award of contracts to undertake these projects it has become apparent that the current market demand for these services is significant, and accordingly tender pricing has come in significantly above initial estimates, in comparison to when projects were initially scoped and costed for purpose of grant applications submitted 2 years prior.

This increased costing is reflective of broader market conditions in the first half of the 2021-2022 financial year, with construction of major infrastructure projects. WALGA's latest economic briefing indicated that capital expenditure in WA increased by 11.9% annually to June 2021, with that trend continuing in the first half of the new year.

This WALGA report also states that with capacity constraints driving inflation, there is expected upward pressure on prices of Materials and Contracts.

In order for the Shire to deliver on its capital works programs, the Capital Budget needs to be amended to reflect current costs to enable completion of infrastructure projects. Failure to proceed would result in the Shire effectively forgoing up to 4 million dollars in grant funding.

Again, it should be noted that applications for funding via Main Roads need to be submitted 2 years in advance, and so cost estimates are a forecast of future conditions, and the onset of COVID and resulting economic stimulus were not known at the time applications were made.

The Shire's municipal contribution to these projects subject to adoption of proposed variations is approximately 2 million dollars, of an approximate 6 million dollar program.

Completion of the Shire's road renewal program is critical from a road safety perspective, and in terms of maintaining and improving the Shire's financial health indicators. This program also addresses the primary concerns of community raised through the community perception survey.



## Options and Implications

### Option1

Pursuant to section 6.8 of the *Local Government Act 1995*, ADOPTS the schedule of variations to the 2021/22 Budget listed below:

Account Number	Type	Account Description	Debit \$	Credit \$
6400-80342-6600-0000	Capital Expenditure	Reseal - Linton Street North (420m section from Walters to Stanley)	92,868	
6400-80319-6600-0000	Capital Expenditure	Reseal - Linton Street North (250m section from Stanley to Byford Country Club)	65,744	
6400-80343-6600-0000	Capital Expenditure	Reseal - Linton Street North (260m section from Byford Country Club to SLK 1.18)	57,368	
6400-80320-6600-0000	Capital Expenditure	Reseal - Binshaw Ave (525m section from Briggs Road to Thatcher Road)	33,796	
6400-80321-6600-0000	Capital Expenditure	Reseal - South Crescent (170m section from Park Road to Amy Street)	36,936	
6400-80322-6600-0000	Capital Expenditure	Reseal - Blytheswood Road (120m section from North Cres to John Cres)	24,727	
6400-80315-6600-0000	Capital Expenditure	Reseal - Anstey Street (260m from Whitby Street to Richardson Street)	62,848	
6400-80316-6600-0000	Capital Expenditure	Reseal - Tonkin Street (675m section from Adams Street to Baskerville Road)	59,760	
6400-80336-6600-0000	Capital Expenditure	Reseal - Keirnan Street (550m section from Taylor Road to SLK 3.22)	25,237	
6400-80327-6600-0000	Capital Expenditure	Reseal - Gladstone Drive (1540m section from Summerfield Road to Castle Road)		11,379
6400-80329-6600-0000	Capital Expenditure	Reseal - Blair Road, 120m Section of between SLK 0.65 to SLK 0.77	82,062	
6400-80326-6600-0000	Capital Expenditure	Reseal - Chestnut Road (460m section from SLK 0.05 to SLK 0.51)		34,800



Account Number	Type	Account Description	Debit \$	Credit \$
6400-80323-6600-0000	Capital Expenditure	Reseal - King Road (380m section from SLK 2.75 to SLK 3.13)		18,000
6400-80341-6600-0000	Capital Expenditure	Reseal - Millars Road, 70m Section between SLK 0.0 to SLK 0.07		7,500
6400-80318-6600-0000	Capital Expenditure	Reseal - Senior Court (SLK 0.0 to SLK 0.15)		19,500
6400-80338-6600-0000	Capital Expenditure	Reseal - Richardson Street (520m section from SLK 0.0 to SLK 0.52)		195,000
6400-80324-6600-0000	Capital Expenditure	Reseal - Tuart Road, 700m section between SLK 0.00 to SLK 0.70		57,650
6400-80328-6600-0000	Capital Expenditure	Reseal - Holmes Road, 410m section between SLK 0.06 to SLK 0.47		29,000
6400-80317-6600-0000	Capital Expenditure	Reseal – Adonis Street (SLK 0.0 to SLK 0.21)		35,200
6400-80335-6600-0000	Capital Expenditure	Reseal - Butcher Street (SLK 0.51 to SLK 0.75)		52,500
6400-80334-6600-0000	Capital Expenditure	Reseal - College Court (SLK 0.0 to SLK 0.26)		23,000
6400-80337-6600-0000	Capital Expenditure	Reseal - Kentucky Drive West, Darling Downs		23,000
6400-80339-6600-0000	Capital Expenditure	Reseal - Baldwin Road, Serpentine		6,450
6400-80340-6600-0000	Capital Expenditure	Reseal - Wungong South Road, Darling Downs		15,000
6400-80314-6600-0000	Capital Expenditure	Nettleton Road (SLK 13.87- SLK 16.65)	105,496	
6400-80287-6600-0000	Capital Expenditure	Nettleton Road Rehabilitation (SLK 15.4- SLK 16.97)	89,372	



Account Number	Type	Account Description	Debit \$	Credit \$
6400-80310-6600-0000	Capital Expenditure	Keirnan Street (SLK 0.5- SLK 3.5)	114,079	
6400-80309-6600-0000	Capital Expenditure	Anketell Road (SLK0.0- SLK2.67)	276,214	
6400-80311-6600-0000	Capital Expenditure	Thomas Road & Anketell Road Intersection	111,727	
6400-80286-6600-0000	Capital Expenditure	Rowley Road Rehabilitation (SLK 2.97- SLK 3.39)	59,239	
6400-80288-6600-0000	Capital Expenditure	Kingsbury Drive Rehabilitation (SLK 22.95- SLK 23.20)	107,627	
6400-80212-6600-0000	Capital Expenditure	Gossage Rd Rehabilitation (SLK 4.14 - SLK 4.70)	186,516	
6400-80313-6600-0000	Capital Expenditure	Mundijong Road (SLK7.32- SLK9.50)		85,036
6400-80285-6600-0000	Capital Expenditure	Hopkinson Road Rehabilitation (SLK 0- SLK 0.9)	161,246	
6400-80313-4816-0000	Capital Income	Mundijong Road (SLK7.32- SLK9.50)	85,036	
6400-80212-4806-0000	Capital Income	Gossage Rd Rehabilitation (SLK 4.14 - SLK 4.70)		85,036
10-9999-9999-9999-9	Change in Net Current Assets	Unallocated Surplus		1,139,847
<b>Reason:</b> Reallocation of funding for Road Reseal program, and additional funding from surplus for other capital road projects based on revised cost estimates following tender process.				

### Option 2

Should Council resolve any resolution not in accordance with Officer Recommendations in the prior reports, a relevant budget variation will need to be presented to Council.



### Option 3

Pursuant to section 6.8 of the *Local Government Act 1995*, ADOPTS the schedule of variations to the 2021/22 Budget listed below:

Account Number	Type	Account Description	Debit \$	Credit \$
6400-80342-6600-0000	Capital Expenditure	Reseal - Linton Street North (420m section from Walters to Stanley)	92,868	
6400-80319-6600-0000	Capital Expenditure	Reseal - Linton Street North (250m section from Stanley to Byford Country Club)	65,744	
6400-80343-6600-0000	Capital Expenditure	Reseal - Linton Street North (260m section from Byford Country Club to SLK 1.18)	57,368	
6400-80320-6600-0000	Capital Expenditure	Reseal - Binshaw Ave (525m section from Briggs Road to Thatcher Road)	33,796	
6400-80321-6600-0000	Capital Expenditure	Reseal - South Crescent (170m section from Park Road to Amy Street)	36,936	
6400-80322-6600-0000	Capital Expenditure	Reseal - Blytheswood Road (120m section from North Cres to John Cres)	24,727	
6400-80315-6600-0000	Capital Expenditure	Reseal - Anstey Street (260m from Whitby Street to Richardson Street)	62,848	
6400-80316-6600-0000	Capital Expenditure	Reseal - Tonkin Street (675m section from Adams Street to Baskerville Road)	59,760	
6400-80336-6600-0000	Capital Expenditure	Reseal - Keirnan Street (550m section from Taylor Road to SLK 3.22)	25,237	
6400-80327-6600-0000	Capital Expenditure	Reseal - Gladstone Drive (1540m section from Summerfield Road to Castle Road)		11,379
6400-80329-6600-0000	Capital Expenditure	Reseal - Blair Road, 120m Section of between SLK 0.65 to SLK 0.77	82,062	
6400-80326-6600-0000	Capital Expenditure	Reseal - Chestnut Road (460m section from SLK 0.05 to SLK 0.51)		34,800



Account Number	Type	Account Description	Debit \$	Credit \$
6400-80323-6600-0000	Capital Expenditure	Reseal - King Road (380m section from SLK 2.75 to SLK 3.13)		18,000
6400-80341-6600-0000	Capital Expenditure	Reseal - Millars Road, 70m Section between SLK 0.0 to SLK 0.07		7,500
6400-80318-6600-0000	Capital Expenditure	Reseal - Senior Court (SLK 0.0 to SLK 0.15)		19,500
6400-80338-6600-0000	Capital Expenditure	Reseal - Richardson Street (520m section from SLK 0.0 to SLK 0.52)		195,000
6400-80324-6600-0000	Capital Expenditure	Reseal - Tuart Road, 700m section between SLK 0.00 to SLK 0.70		57,650
6400-80328-6600-0000	Capital Expenditure	Reseal - Holmes Road, 410m section between SLK 0.06 to SLK 0.47		29,000
6400-80317-6600-0000	Capital Expenditure	Reseal – Adonis Street (SLK 0.0 to SLK 0.21)		35,200
6400-80335-6600-0000	Capital Expenditure	Reseal - Butcher Street (SLK 0.51 to SLK 0.75)		52,500
6400-80334-6600-0000	Capital Expenditure	Reseal - College Court (SLK 0.0 to SLK 0.26)		23,000
6400-80337-6600-0000	Capital Expenditure	Reseal - Kentucky Drive West, Darling Downs		23,000
6400-80339-6600-0000	Capital Expenditure	Reseal - Baldwin Road, Serpentine		6,450
6400-80340-6600-0000	Capital Expenditure	Reseal - Wungong South Road, Darling Downs		15,000
6400-80314-6600-0000	Capital Expenditure	Nettleton Road (SLK 13.87- SLK 16.65)	105,496	
6400-80287-6600-0000	Capital Expenditure	Nettleton Road Rehabilitation (SLK 15.4- SLK 16.97)	89,372	





Account Number	Type	Account Description	Debit \$	Credit \$
6400-80310-6600-0000	Capital Expenditure	Keirnan Street (SLK 0.5- SLK 3.5)	114,079	
6400-80309-6600-0000	Capital Expenditure	Anketell Road (SLK0.0- SLK2.67)	107,241	
6400-80311-6600-0000	Capital Expenditure	Thomas Road & Anketell Road Intersection	103,484	
6400-80286-6600-0000	Capital Expenditure	Rowley Road Rehabilitation (SLK 2.97- SLK 3.39)	59,239	
6400-80288-6600-0000	Capital Expenditure	Kingsbury Drive Rehabilitation (SLK 22.95- SLK 23.20)	39,782	
6400-80212-6600-0000	Capital Expenditure	Gossage Rd Rehabilitation (SLK 4.14 - SLK 4.70)	19,055	
6400-80313-6600-0000	Capital Expenditure	Mundijong Road (SLK7.32- SLK9.50)	29,409	
6400-80285-6600-0000	Capital Expenditure	Hopkinson Road Rehabilitation (SLK 0- SLK 0.9)	161,246	
10-9999-9999-9999-9	Change in Net Current Assets	Unallocated Surplus		841,770
<b>Reason:</b> Reallocation of funding for Road Reseal program, and additional funding from surplus for other capital road projects based on revised cost estimates following tender process.				

Option 1 is recommended if Option 1 of Agenda 6.1.1 is resolved by Council.

Option 3 is recommended if Option 2 of Agenda 6.1.1 is resolved by Council.

## Conclusion

The award of tenders is critical to facilitate delivery of the Shire's budgeted capital program specific to Road upgrades and renewals. The current market and broader environmental conditions dictate that current costs to undertake civil capital works are subject to a premium, based on market demand and capacity to undertake and complete the work.

## Attachments

Nil.



## Alignment with our Strategic Community Plan

<b>Outcome 1.3</b>	A safe place to live
<b>Strategy 1.3.3</b>	Enhance community safety
<b>Outcome 3.3</b>	An innovative, connected transport network
<b>Strategy 3.3.1</b>	Maintain, enhance and rationalise the Shire's transport network in accordance with affordable sound Asset Management Plans

## Financial Implications

All financial implications are detailed within this report.

## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Council proceeds with budget amendment and subsequent tender award and projects run over revised budget.	Budget process, internal costing reviews and tender process.	Financial	Unlikely	Minor	LOW	Nil
2	Council does not proceed with budget amendment and tender award and capital projects are not delivered.	Nil	Organisational Performance	Almost Certain	Major	SIGNIFICANT	Adopt Officer Recommendation
3	Council proceeds with budget amendment and subsequent tender award and projects run over revised budget.	Budget process, internal costing reviews and tender process.	Financial	Unlikely	Minor	LOW	Nil



**Voting Requirements:** Absolute Majority

**SCM086/12/21**

**COUNCIL RESOLUTION / Officer Recommendation**

**Moved Cr Coales, seconded Cr Atwell**

**That Council, pursuant to section 6.8 of the *Local Government Act 1995*, ADOPTS the schedule of variations to the 2021/22 Budget listed below:**

Account Number	Type	Account Description	Debit \$	Credit \$
6400-80342-6600-0000	Capital Expenditure	Reseal - Linton Street North (420m section from Walters to Stanley)	92,868	
6400-80319-6600-0000	Capital Expenditure	Reseal - Linton Street North (250m section from Stanley to Byford Country Club)	65,744	
6400-80343-6600-0000	Capital Expenditure	Reseal - Linton Street North (260m section from Byford Country Club to SLK 1.18)	57,368	
6400-80320-6600-0000	Capital Expenditure	Reseal - Binshaw Ave (525m section from Briggs Road to Thatcher Road)	33,796	
6400-80321-6600-0000	Capital Expenditure	Reseal - South Crescent (170m section from Park Road to Amy Street)	36,936	
6400-80322-6600-0000	Capital Expenditure	Reseal - Blytheswood Road (120m section from North Cres to John Cres)	24,727	
6400-80315-6600-0000	Capital Expenditure	Reseal - Anstey Street (260m from Whitby Street to Richardson Street)	62,848	
6400-80316-6600-0000	Capital Expenditure	Reseal - Tonkin Street (675m section from Adams Street to Baskerville Road)	59,760	
6400-80336-6600-0000	Capital Expenditure	Reseal - Keirnan Street (550m section from Taylor Road to SLK 3.22)	25,237	
6400-80327-6600-0000	Capital Expenditure	Reseal - Gladstone Drive (1540m section from Summerfield Road to Castle Road)		11,379
6400-80329-6600-0000	Capital Expenditure	Reseal - Blair Road, 120m Section of between SLK 0.65 to SLK 0.77	82,062	



Account Number	Type	Account Description	Debit \$	Credit \$
6400-80326-6600-0000	Capital Expenditure	Reseal - Chestnut Road (460m section from SLK 0.05 to SLK 0.51)		34,800
6400-80323-6600-0000	Capital Expenditure	Reseal - King Road (380m section from SLK 2.75 to SLK 3.13)		18,000
6400-80341-6600-0000	Capital Expenditure	Reseal - Millars Road, 70m Section between SLK 0.0 to SLK 0.07		7,500
6400-80318-6600-0000	Capital Expenditure	Reseal - Senior Court (SLK 0.0 to SLK 0.15)		19,500
6400-80338-6600-0000	Capital Expenditure	Reseal - Richardson Street (520m section from SLK 0.0 to SLK 0.52)		195,000
6400-80324-6600-0000	Capital Expenditure	Reseal - Tuart Road, 700m section between SLK 0.00 to SLK 0.70		57,650
6400-80328-6600-0000	Capital Expenditure	Reseal - Holmes Road, 410m section between SLK 0.06 to SLK 0.47		29,000
6400-80317-6600-0000	Capital Expenditure	Reseal – Adonis Street (SLK 0.0 to SLK 0.21)		35,200
6400-80335-6600-0000	Capital Expenditure	Reseal - Butcher Street (SLK 0.51 to SLK 0.75)		52,500
6400-80334-6600-0000	Capital Expenditure	Reseal - College Court (SLK 0.0 to SLK 0.26)		23,000
6400-80337-6600-0000	Capital Expenditure	Reseal - Kentucky Drive West, Darling Downs		23,000
6400-80339-6600-0000	Capital Expenditure	Reseal - Baldwin Road, Serpentine		6,450
6400-80340-6600-0000	Capital Expenditure	Reseal - Wungong South Road, Darling Downs		15,000
6400-80314-6600-0000	Capital Expenditure	Nettleton Road (SLK 13.87- SLK 16.65)	105,496	



Account Number	Type	Account Description	Debit \$	Credit \$
6400-80287-6600-0000	Capital Expenditure	Nettleton Road Rehabilitation (SLK 15.4- SLK 16.97)	89,372	
6400-80310-6600-0000	Capital Expenditure	Keirnan Street (SLK 0.5- SLK 3.5)	114,079	
6400-80309-6600-0000	Capital Expenditure	Anketell Road (SLK0.0- SLK2.67)	276,214	
6400-80311-6600-0000	Capital Expenditure	Thomas Road & Anketell Road Intersection	111,727	
6400-80286-6600-0000	Capital Expenditure	Rowley Road Rehabilitation (SLK 2.97- SLK 3.39)	59,239	
6400-80288-6600-0000	Capital Expenditure	Kingsbury Drive Rehabilitation (SLK 22.95- SLK 23.20)	107,627	
6400-80212-6600-0000	Capital Expenditure	Gossage Rd Rehabilitation (SLK 4.14 - SLK 4.70)	186,516	
6400-80313-6600-0000	Capital Expenditure	Mundijong Road (SLK7.32- SLK9.50)		85,036
6400-80285-6600-0000	Capital Expenditure	Hopkinson Road Rehabilitation (SLK 0- SLK 0.9)	161,246	
6400-80313-4816-0000	Capital Income	Mundijong Road (SLK7.32- SLK9.50)	85,036	
6400-80212-4806-0000	Capital Income	Gossage Rd Rehabilitation (SLK 4.14 - SLK 4.70)		85,036
10-9999-9999-9999-9	Change in Net Current Assets	Unallocated Surplus		1,139,847
<b>Reason:</b> Reallocation of funding for Road Reseal program, and additional funding from surplus for other capital road projects based on revised cost estimates following tender process.				
<b>CARRIED UNANIMOUSLY 7/0</b>				



**Shire President, Councillor Rich declared an Impartiality Interest in item 6.1.8.**

**Councillor Dave Atwell declared an Impartiality Interest in item 6.1.8.**

<b>6.1.8 – Keirnan Park Stakeholder Engagement Plan (SJ1364)</b>	
<b>Responsible Officer:</b>	Manager Project Development
<b>Senior Officer:</b>	Deputy CEO/Director Community & Organisational Development, Director Infrastructure Services
<b>Disclosure of Officers Interest:</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

### **Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
-----------	---

### **Report Purpose**

The purpose of this report is to seek endorsement of the Keirnan Park Engagement and Communication Plan (the Plan) and Terms of Reference for the Stakeholder Reference Group and to seek Council's appointment of membership to the proposed Stakeholder Reference Group.

### **Relevant Previous Decisions of Council**

<i>Ordinary Council Meeting – 11 October 2021 – OCM283/10/21 - COUNCIL RESOLUTION / Officer Recommendation</i>				
<i>That Council:</i>				
<i>1. AWARDS Tender RFT 02/2021 – Keirnan Park – Design Services – Consultant to Bollig Design Group Pty Ltd to the value of \$2,099,241.25, excluding GST, for Stage 1A and 1B as contained within confidential attachment 1;</i>				
<i>2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 02/2021 – Keirnan Park – Design Services – Consultant;</i>				
<i>3. APPROVES funding of Keirnan Park Recreation Precinct planning by reallocation of municipal funding for Briggs Park Drainage, and the BMX Track Capital Expenditure from the Byford BMX Track Reserve</i>				
<i>Account</i>	<i>Description</i>	<i>Type</i>	<i>Debit</i>	<i>Credit</i>
<i>6600-80235-6600-0000</i>	<i>Keirnan Park Planning Capital Expenditure</i>	<i>Increase Expenditure</i>	<i>164,426</i>	
<i>6500-80298-6600-0000</i>	<i>Briggs Park Drainage Capital Expenditure</i>	<i>Decrease Expenditure</i>		<i>164,426</i>
<i>Reason: Additional funding required for Keirnan Park Planning Capital Expenditure to be funded by reallocation of municipal funding for Briggs Park Drainage</i>				



6600-80354-6600-0000	BMX Track Capital Expenditure	Increase Expenditure	478,296	
6600-80354-5003-0000	Transfer from Byford BMX Track Reserve	Decrease Reserve		159,432
6600-80354-5010-0000	Transfer from Community Infrastructure Reserve	Decrease Reserve		318,864
<i>Reason: Shire's contribution as part of the CIDCP towards the design costs for the BMX track and pump track.</i>				
4. <i>AUTHORISES the Chief Executive Officer to advise and negotiate the revised timeline of Milestone 3 to 30 June 2022 under the Financial Assistance Agreement.</i>				
5. <i>AUTHORISES the Chief Executive Officer to negotiate an early works agreement for \$3 million of the remaining \$18 million with the DLGSC (in accordance with the FAA) for the construction for early works portion of the project. The draft early works agreement is to be brought back to Council for endorsement.</i>				
6. <i>REQUESTS the Chief Executive Officer develop a Stakeholder Engagement Plan and Terms of Reference for the stakeholder reference group and submit to Council for endorsement.</i>				

## Background

The Shire of Serpentine Jarrahdale is committed to improving the way it engages with the community and stakeholders. Under Council Policy 5.3.4 Community Engagement, "The Shire will engage with community and stakeholders using a number of different methods appropriate to the level of engagement, and in accordance with the Shire's Community Engagement Strategy".

In early 2021, a concept master plan for the Keirnan Park Recreation Precinct was developed in consultation with key stakeholders consisting of local sporting groups, SJ Men's Shed, state sporting associations and State Government agencies (see Table 1 below).

Federal Member, State Government Agencies and Sporting Associations	Community
Member for Canning	Mundijong Football and Sporting Club
Department of Local Government, Sport and Cultural Industries	Mundijong Junior Football Club (Centrals)
Department of Infrastructure, Transport, Regional Development and Communications	Serpentine Jarrahdale Cricket Club (SJ Blues)
Department of Planning, Lands and Heritage	Mundijong Serpentine Little Athletics
Department of Water and Environmental Regulation	Serpentine Jarrahdale Netball Association
Department of Biodiversity, Conservation and Attractions	Byford Tennis Club
Department of Justice	Byford Bushrangers T-Ball Baseball Club
Main Roads WA	Karnup Kings & Queens Football Club





Federal Member, State Government Agencies and Sporting Associations	Community
Water Corporation	Byford Little Athletics
Western Power	Serpentine Jarrahdale Harriots Softball Club
Atco Gas	Serpentine Jarrahdale Serpents Junior Rugby League Club
Football West	Byford BMX Club Inc
Tennis West	Serpentine Jarrahdale Men's Shed
WACA	
Cycle West	
Netball WA	
Athletics WA	
Hockey WA	
NRL WA	
Basketball WA	
WA Football Commission (WAFC)	

**Table 1 – Masterplan Stakeholder List**

The detailed design contract (awarded to Bollig Design Group) has commenced in November 2021 with completion planned by May 2022. As part of the scope, Bollig will be conducting targeted engagement activities with various sporting groups and stakeholders to inform the detailed design of the facilities and engagement with Traditional Owners to ensure the cultural heritage of the site is respected and celebrated.

Bollig have already commenced engaging with the Mundijong Football and Sporting Club, Mundijong Junior Football Club (Centrals), Serpentine Jarrahdale Cricket Club (SJ Blues), Byford Bushrangers T-Ball Baseball Club, and Byford BMX Club Inc in November. According to their schedule, concept design is targeted to be finalised in January 2022, design development is targeted to be finalised in April 2022 with tender documentation to be finalised in May 2022.

To engage with adjacent residents, the wider community and other key stakeholders, an Engagement and Communication Plan (see **attachment 1**) has been developed in consultation with Aha! Consulting. This plan proposes a series of consultation and engagement activities during this detailed design phase.

The key elements that the community will be able to contribute to through the engagement are:

- **Look and Feel:** What style of building design, colours, public art and entry statements would best suit this precinct?
- **Impact Mitigation:** Has there been sufficient planning to address and or mitigate potential impacts (e.g. Aboriginal and European heritage, traffic, parking, light, noise, fire, safety, etc.)
- **Landscape:** What types of landscaping would best suit this precinct?



The Engagement and Communication Plan is a ‘Live’ document and will be updated as the project progresses through its lifecycle i.e. further consultation and engagement activities will be proposed during implementation.

## **Community / Stakeholder Consultation**

### Policy Concept Forum

<b>Meeting Date</b>	1 November 2021
<b>Councillors in Attendance</b>	Cr Rich, Cr Atwell, Cr Byas, Cr Coales, Cr Duggin, Cr Singh, Cr Strange, Cr Strautins

The draft Engagement and Communication Plan was presented to Council by Joel Levin from Aha! Consulting on 1 November 2021 to seek endorsement to begin Early Engagement activities as well as plan for two pop-up engagement activities.

## **Statutory Environment**

Nil.

## **Comment**

### Goals of the Engagement and Communication Plan

The goals of the Engagement and Communication Plan are to:

- Increase community awareness and support of the project;
- Inform the overall precinct look and feel, including elements such as:
  - Colour palette;
  - Entry statement;
  - Public art treatments;
  - Design style;
  - Landscape.
- Identify any missed mitigations of possible impacts on adjacent residents;
- Confirm proposed fire and emergency planning for the site.

### Opportunities for wider community consultation

Through development of the Plan, Officers and the Consultant have identified that whilst the key stakeholder groups listed above were consulted through the engagement of the Keirnan Park Masterplan, the Shire has not yet capitalised on opportunities for wider community engagement activities.

Officers are committed to improving communication between the Shire and the community and have identified a number of opportunities to engage with the community through this phase of the project and into the future.

The Plan recognises that engagement with community at this stage of the project is not without risk. Consultation with the community during the detailed design phase may come as a surprise to some community members who may not be aware that the project has advanced to this stage. Additionally, as the project is now in detailed design phase there is a tight timeline constraint that requires most of the broader community consultation to be



conducted prior to the end of the 2021, for some members of the community the consultation period may feel rushed. This may result in dissatisfaction amongst community members who have expectations for a more involved and timely level of consultation.

The tight timeline for broader engagement may cause community concern and perceptions of the lack of meaningful contribution to the process by the Stakeholder Reference Group (SRG). In order to address this risk, the Plan provides opportunities for the community to provide input and feedback on “look and feel”, “impact mitigation” and “landscape” aspects of the project.

The method of engagement proposed is through 1 drop-in information session, 2 pop-up engagement at existing events and online survey on the Shire’s engagement website.

The project team will continue to update the engagement website and engage with the community to refine the feedback to the design consultants.

Additionally, an information evening is proposed to be held in December (date to be determined) with an open invitation to any interested community members to attend, receive an update and enquire about any aspect of the project they be seek further information on.

#### Stakeholder Reference Group

In addition to the engagement activities proposed, the Plan also proposes the formation of a Stakeholder Reference Group (SRG).

The SRG will be formed comprising of fifteen members being 2 Councillors and thirteen community members. It is anticipated that the Stakeholder Reference Group will exist in some form throughout the delivery of the Keirnan Park Recreation Precinct providing input and guidance through the various stages of the project.

Membership of the Group has been informed by the Engagement and Communication Plan and is proposed as outlined in the Terms of Reference (attachment 2):

- 2 x Aboriginal Community representatives;
- 2 x Mundijong Residents Association representatives;
- 2 x Whitby Residents Association representatives;
- 1 x SJ Landcare representative;
- 1 x Mundijong Centrals Football and Sportman’s Club representative;
- 1 x Mundijong Centrals Junior Football Club representative;
- 1 x Serpentine Jarrahdale Cricket Club (SJ Blues) representative;
- 1 x Serpentine Jarrahdale Netball Association representative;
- 1 x Byford Bushrangers representative;
- 1 x Byford BMX Club representative.

The term of membership of the Group will be until the next Local Government Election. The Terms of Reference will be reviewed at this time to assess continuing relevance of the membership composition, dependent on the stage of project delivery.



### *Appointment of members to the group*

It is anticipated that the first meeting of the Group will be in December 2021 to ensure members are able to be engaged in the Detailed Design process for the Stage 1A. As this is a short timeframe it will not be possible to return a report to Council to formally appoint individuals to the Stakeholder Reference Group. Therefore, Council is requested to endorse the attached Terms of Reference including membership of the Group, recognising that Officers will extend an invitation to organisations / groups listed above and membership will be confirmed by each of those organisations/groups.

### *Appointment of Councillors to the group*

Council is requested to appoint two Councillors as Members of the Group and two Councillors as Deputy Members of the Group.

By convention, the process that Council uses to appoint members of committees and related groups is for a call for nominations. If there are more nominations than positions the following occurs:

- a draw is conducted for positions on a ballot paper;
- each Councillor nominee is given an opportunity to speak in favour of their appointment with the order of speakers determined by position on the ballot paper; and
- a secret ballot is undertaken on a first past the post basis.

Following the announcement of the results of the secret ballot Council must make a resolution to appoint members

## **Options and Implications**

### Option1

That Council:

1. ENDORSES the Keirnan Park Engagement and Communication Plan as contained in attachment 1;
2. ENDORSES the Terms of Reference for the Keirnan Park Stakeholder Reference Group as contained in attachment 2;
3. APPOINTS external members by invitation to those groups described in the Terms of Reference;
4. APPOINTS the following Councillors as members of the Keirnan Park Stakeholder Reference Group:
  - Cr \_\_\_\_\_
  - Cr \_\_\_\_\_
5. APPOINTS the following Councillors as deputy members of the Keirnan Park Stakeholder Reference Group who may perform the functions of the member when the member is unable to do so by reason of illness, absence or other cause:
  - Cr \_\_\_\_\_
  - Cr \_\_\_\_\_



## Option 2

That Council:

1. DOES NOT ENDORSE the Keirnan Park Engagement and Communication Plan as contained in **attachment 1** and REQUESTS the Chief Executive Officer undertake further work on the Plan and return it for consideration by Council at the February 2022 Ordinary Meeting of Council; and
2. DOES NOT ENDORSE the establishment of the Keirnan Park Stakeholder Reference Group.

Option 1 is recommended.

## **Conclusion**

The Keirnan Park Engagement and Communication Plan presented for consideration is part of the Shire's commitment to improving the way it engages with the community and stakeholders. The Plan proposes a series of engagement opportunities, including the formation of a Stakeholder Reference Group to Increase community awareness and support of the project, inform the overall precinct look and feel, identify any missed mitigations of possible impacts on adjacent residents and confirm proposed fire and emergency planning for the site.

## **Attachments (available under separate cover)**

- **6.1.8 - attachment 1** – Keirnan Park Engagement and Communication Plan (E21/13646)
- **6.1.8 - attachment 2** – Keirnan Park Stakeholder Reference Group Terms of Reference (E21/13729)

## **Alignment with our Strategic Community Plan**

<b>Outcome 1.1</b>	A healthy, active, connected and inclusive community
<b>Strategy 1.2.1</b>	Recognise local heritage
<b>Strategy 1.2.2</b>	Encourage and support public art in public areas
<b>Strategy 1.3.2</b>	Support local emergency services
<b>Outcome 2.1</b>	A diverse, well planned built environment
<b>Strategy 2.2.4</b>	Support community groups (both new and existing), who are preserving and enhancing the natural environment.
<b>Strategy 4.1.2</b>	Maximise the Shire's brand and reputation in the community

## **Financial Implications**

### Impact on Budget if Option 2 is preferred

There is a possible \$300 to \$400k impact on the contract sum (and the budget) should this option be preferred. There are currently no funds available to cover this cost.



## Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Dissatisfaction from community members stemming from late introduction of broad community consultation opportunities and rushed timeframes for consultation delivery	A detailed engagement and communications plan has been prepared by an external consultant to seek to ensure engagement opportunities.	Reputation	Possible	Moderate	MODERATE	Nil
2	Dissatisfaction from community with delay in delivery of the project	Officers recommendation.	Reputation	Possible	Minor	LOW	Nil

**Voting Requirements:** Simple Majority

### Officer Recommendation

That Council:

1. ENDORSES the Keirnan Park Engagement and Communication Plan as contained in attachment 1;
2. ENDORSES the Terms of Reference for the Keirnan Park Stakeholder Reference Group as contained in attachment 2;
3. APPOINTS external members by invitation to those groups described in the Terms of Reference;
4. APPOINTS the following Councillors as members of the Keirnan Park Stakeholder Reference Group:
  - Cr \_\_\_\_\_
  - Cr \_\_\_\_\_



5. APPOINTS the following Councillors as deputy members of the Keirnan Park Stakeholder Reference Group who may perform the functions of the member when the member is unable to do so by reason of illness, absence or other cause:

- Cr \_\_\_\_\_
- Cr \_\_\_\_\_

Written nominations received prior to the meeting from the following Councillors as members of the Keirnan Park Stakeholder Reference Group:

- Councillor Strange
- Councillor Atwell

The Presiding Member, Councillor Rich asked if there were any further nominations for members of the Keirnan Park Stakeholder Reference Group. No further nominations were received.

The Presiding Member, Councillor Rich asked if there were any nominations for deputy members of the Keirnan Park Stakeholder Reference Group.

Nominations received from the floor from the following Councillors as deputy members of the Keirnan Park Stakeholder Reference Group:

- Councillor Duggin
- Councillor Singh

The Presiding Member, Councillor Rich asked if there were any further nominations for deputy members of the Keirnan Park Stakeholder Reference Group. No further nominations were received.

#### **SCM087/12/21**

#### **COUNCIL RESOLUTION**

**Moved Cr Atwell, seconded Cr Strange**

**That Council:**

- 1. ENDORSES the Keirnan Park Engagement and Communication Plan as contained in attachment 1;**
- 2. ENDORSES the Terms of Reference for the Keirnan Park Stakeholder Reference Group as contained in attachment 2, with amendments as follows:**
  - **Remove 2 x Mundijong Residents Association representatives**
  - **Remove 2 x Whitby Residents Association representatives**
  - **Add 4 x Community representatives**
  - **Add 1 x Serpentine Jarrahdale Community Men's Shed representative**
- 3. REQUESTS the Chief Executive Officer undertake a period of Expressions of Interest from the community to fill the 4 x Community representative positions, with a report to be brought to Council at the February 2022 OCM for Council to consider appointment of persons those positions;**
- 4. APPOINTS external members by invitation to those groups described in the Terms of Reference (excluding 4 x Community representatives);**





5. **APPOINTS** the following Councillors as members of the Keirnan Park Stakeholder Reference Group:
  - Cr Strange
  - Cr Atwell
6. **APPOINTS** the following Councillors as deputy members of the Keirnan Park Stakeholder Reference Group who may perform the functions of the member when the member is unable to do so by reason of illness, absence or other cause:
  - Cr Duggin
  - Cr Singh
7. **REQUESTS** the Chief Executive Officer continue with the delivery of the project without delay, noting that the first meeting of the Keirnan Park Stakeholder Reference Group will occur in late February / early March 2022.

**CARRIED 6/1**

*Councillor Coales, in accordance with Section 5.21(4)(b), Local Government Act 1995 requested the votes be recorded.*

*Councillors Rich, Atwell, Dagostino, Duggin, Singh and Strange voted FOR the motion.*

*Councillor Coales voted AGAINST the motion.*

*Reason for difference to Officer Recommendation*

*To allow for broader community representation on the Stakeholder Group and allow the project to progress without incurring any delays and additional costs.*



**Manager Governance and Strategy, Dr Kenneth Parker declared an Impartiality Interest in item 6.1.9.**

<b>6.1.9 – Local Government Act 1995 reform program (SJ3733)</b>	
<b>Responsible Officer:</b>	Manager Governance and Strategy
<b>Senior Officer:</b>	Chief Executive Officer
<b>Disclosure of Officers Interest:</b>	Manager Governance and Strategy has declared an impartiality interest in this matter as the Officer worked on <i>Local Government Act</i> reforms in their previous role and is a former colleague of Officers working on the review within the Department.

### **Authority / Discretion**

Advocacy	When the Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.
----------	--

### **Report Purpose**

The purpose of this report is to enable Council to consider input to the Minister for Local Government's Local Government reform program.

### **Relevant Previous Decisions of Council**

Nil.

### **Background**

On 10 November 2021, the Minister for Local Government announced the latest tranche of Local Government reforms. The reforms build on previous Act reforms that introduced universal training for elected members, new processes for CEO recruitment, and the introduction of a model code of conduct for Councillors, committee members and candidates.

Unlike previous rounds of reforms which involved extensive consultation with local government and the community over several years, in making the announcement the Minister has been clear that the proposed reforms represent the State Government's intention and will form the basis of a future bill to Parliament.

Consultation is being undertaken over the Christmas and New Year period to inform the drafting of the legislation that will give effect to the Minister's vision.

### **Community / Stakeholder Consultation**

Councillors were advised of the Minister's reform timetable following the Minister's announcement. At the 22 November 2021 Policy Concept Forum, the timetable for the Minister's reform program, but not the content of the reforms was highlighted.

### **Statutory Environment**

Nil.

### **Comment**

The consultation period on the proposed reforms ends on 4 February 2022. The Minister has stated that no extension will be given. At the recent WALGA Peel Zone meeting,



WALGA requested that feedback be provided by 12 January 2022 to inform WALGA State Council's meeting on or around 2 February 2022.

The proposed reforms announced by the Minister are based on six themes:

- Earlier intervention, effective regulation and stronger penalties
- Reducing red tape, increasing consistency and simplicity
- Greater transparency and accountability
- Stronger local democracy and community engagement
- Clear roles and responsibilities
- Improved financial management and reporting.

Across the six themes there are 44 reforms proposed. Some of the most significant of the reforms include:

- the establishment of a Chief Inspector of Local Government within the Department of Local Government with broad powers to investigate and intervene
- a requirement for Band 1 and 2 local governments to live-stream and record Council meetings
- introduction of preferential voting
- direct popular election of Mayors and Presidents for tier 1 local governments
- reforms to provide greater separation of powers in respect to Council and administration role
- a mandatory Council communication agreement
- introduction of model financial statements and online registers covering financial matters
- a mandatory rates and revenue policy.

Officers have considered the reforms and provided comment in **attachment 1**. Overall, Officers are of the view that the majority of reforms are conceptually sound but that the drafting of the legislation will be critical to avoid unintended consequences. Officers also note that one of the major reforms involves the establishment of a Chief Inspector within the Department of Local Government. To be effective, Officers contend, the Chief Inspector position will need to receive considerable resources that do not appear to have been previously available to the Department of Local Government or related integrity agencies.

Other reforms would involve additional expenditure for local governments the costs of which would need to be offset by reductions in service delivery in other areas or additional revenue.

#### *WALGA's draft positions*

On 23 November 2021, WALGA provided its draft positions on the Minister's reform package to the sector. WALGA's draft response is provided in **attachment 2**.

In this case the viewpoint of Officers and WALGA on the proposed reforms is generally aligned. Overall, WALGA's starting position, like that of Officers, is that the reforms conceptually represent a positive to local government which will enable better decision-making and service delivery to the community but that the opportunity exists for unintended



consequences to occur in the drafting of the legislation, implementation and in the funding for initiatives such as the Chief Inspector.

*Process for Council's consideration of the matter*

In relation to how Council can consider the matter, to ensure an efficient and effective meeting, it is recommended that the overall Officer's Recommendation is moved and seconded and then that any amendments to the Officer's position on each of 44 reforms is separately considered as an amendment to the motion in sequence.

This process, which is consistent with Standing Orders and used effectively when Council considered the Local Planning Scheme, would enable Councillors to debate any points of difference in an organised and logical manner.

For example, after moving the Officer's recommendation, if a Councillor wished to alter the position on reform 1.1, that Councillor could move the following amendment:

*That Council RESOLVES the following positions regarding the proposed Local Government reforms announced by the Minister on 10 November 2021 EXCEPT with following amendment:*

1.1	Early Intervention Powers	NOT SUPPORTED
-----	---------------------------	---------------

Upon moving this amendment, Council would separately debate and vote on this amendment. If the amendment passes, the amendment would become part of the substantive motion. If the amendment motion is lost, Council may consider additional amendments before moving to considering the substantive motion.

In accordance with clause 10.13 of the Standing Orders, any Councillor may speak regarding an amendment but if the person who move the substantive motion chooses to speak regarding an amendment the right of reply on the substantive motion is forfeited.

In accordance with clauses 10.2 all and 10.21 all amendment motions require a seconder to for the motion to be consider and there is no right of reply during debate of an amendment motion.

*Next steps*

If Council was to result in the affirmative, it is proposed that the Chief Executive Officer write to the Department of Local Government, Sport and Cultural Industries and WALGA advising of Council's resolution.

Independently, the Department has advised Officers that opportunities to provide input in the preparation of the legislation will be afforded to local governments within the policy positions established by the Minister in their announcement.

**Options and Implications**

Option1

That Council:

1. RESOLVES the following positions regarding the proposed Local Government reforms announced by the Minister on 10 November 2021:



Reform number	Proposed reform	Shire of Serpentine Jarrahdale position
1.1	Early Intervention Powers	SUPPORTED
1.2	Local Government Monitors	SUPPORTED
1.3	Conduct Panel	SUPPORTED
1.4	Review of Penalties	SUPPORTED
1.5	Rapid Red Card Resolutions	NOT SUPPORTED
1.6	Vexatious Complaint Referrals	SUPPORTED
1.7	Minor Other Reforms	SUPPORTED
2.1	Resource Sharing	SUPPORTED
2.2	Standardisation of crossovers	SUPPORTED
2.3	Introduce Innovation Provisions	SUPPORTED
2.4	Streamline Local Laws	SUPPORTED
2.5	Simplifying Approvals for Small Business and Community Events	SUPPORTED
2.6	Standardised Meeting Procedures, Including Public Question Time	SUPPORTED
2.7	Regional Subsidiaries	SUPPORTED
3.1	Recordings and Live-Streaming of All Council Meetings	SUPPORTED
3.2	Recording All Votes in Council Minutes	SUPPORTED
3.3	Clearer Guidance for Meeting Items that may be Confidential	SUPPORTED
3.4	Additional Online Registers	SUPPORTED
3.5	Chief Executive Officer Key Performance Indicators (KPIs) be Published	SUPPORTED
4.1	Community and Stakeholder Engagement Charters	SUPPORTED
4.2	Ratepayer Satisfaction Surveys (Band 1 and 2 local governments only)	SUPPORTED
4.3	Introduction of Preferential Voting	NOT SUPPORTED
4.4	Public Vote to Elect the Mayor and President	NOT SUPPORTED
4.5	Tiered Limits on the Number of Councillors	SUPPORTED
4.6	No Wards for Small Councils (Band 3 and 4 Councils only)	NO POSITION



Reform number	Proposed reform	Shire of Serpentine Jarrahdale position
4.7	Electoral Reform – Clear Lease Requirements for Candidate and Voter Eligibility	SUPPORTED
4.8	Reform of Candidate Profiles	SUPPORTED
4.9	Minor Other Electoral Reforms	SUPPORTED
5.1	Introduce Principles in the Act	SUPPORTED
5.2	Greater Role Clarity	SUPPORTED
5.3	Council Communication Agreements	SUPPORTED
5.4	Local Governments May Pay Superannuation Contributions for Elected Members	NOT SUPPORTED
5.5	Local Governments May Establish Education Allowances	SUPPORTED
5.6	Standardised Election Caretaker period	SUPPORTED
5.7	Remove WALGA from the Act	SUPPORTED
5.8	CEO Recruitment	SUPPORTED
6.1	Model Financial Statements and Tiered Financial Reporting	SUPPORTED
6.2	Simplify Strategic and Financial Planning	NOT SUPPORTED
6.3	Rates and Revenue Policy	SUPPORTED
6.4	Monthly Reporting of Credit Card Statements	SUPPORTED
6.5	Amended Financial Ratios	SUPPORTED
6.6	Audit Committees	SUPPORTED
6.7	Building Upgrade Finance	NOT SUPPORTED
6.8	Cost of Waste Service to be Specified on Rates Notices	SUPPORTED

2. REQUESTS that the Chief Executive Officer write to the Department of Local Government, Sport and Cultural Industries and Western Australian Local Government Association to advise Council's resolution on this matter.

#### Option 2

That Council DOES NOT RESOLVE positions on the Minister for Local Government's Local Government reform program.

Option 1 is recommended.

#### **Conclusion**

The Shire has a limited opportunity to inform the Minister's latest tranche of local government reform. Pending Council's resolution on the matter, the Shire's position will be provided to the Department of Local Government and WALGA.



### Attachments (available under separate cover)

- **6.1.9 - attachment 1** – Serpentine Jarrahdale Officer positions for Council's consideration – *Local Government Act 1995* reforms November 2021 (E21/14174)
- **6.1.9 - attachment 2** – WALGA draft positions – *Local Government Act 1995* (E21/14176)

### Alignment with our Strategic Community Plan

<b>Outcome 4.2</b>	A strategically focused Council
<b>Strategy 4.2.3</b>	Provide clear strategic direction to the administration

### Financial Implications

There are no immediate financial implications associated with the matter before Council.

### Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	The Shire's position on some of the matters can not be representative of all of the community's diverse views and the Minister's timeframe does not permit Shire-led engagement.		Reputation	Rare	Insignificant	LOW	
2	The Shire failing to resolve a position on the matters may impact future efforts to advocate on the detail of the reforms or new reforms.		Strategic Stakeholder Relationships	Possible	Minor	LOW	





**Voting Requirements:** Simple Majority

Officer Recommendation

That Council:

1. RESOLVES the following positions regarding the proposed Local Government reforms announced by the Minister on 10 November 2021:

Reform number	Proposed reform	Shire of Serpentine Jarrahdale position
1.1	Early Intervention Powers	SUPPORTED
1.2	Local Government Monitors	SUPPORTED
1.3	Conduct Panel	SUPPORTED
1.4	Review of Penalties	SUPPORTED
1.5	Rapid Red Card Resolutions	NOT SUPPORTED
1.6	Vexatious Complaint Referrals	SUPPORTED
1.7	Minor Other Reforms	SUPPORTED
2.1	Resource Sharing	SUPPORTED
2.2	Standardisation of crossovers	SUPPORTED
2.3	Introduce Innovation Provisions	SUPPORTED
2.4	Streamline Local Laws	SUPPORTED
2.5	Simplifying Approvals for Small Business and Community Events	SUPPORTED
2.6	Standardised Meeting Procedures, Including Public Question Time	SUPPORTED
2.7	Regional Subsidiaries	SUPPORTED
3.1	Recordings and Live-Streaming of All Council Meetings	SUPPORTED
3.2	Recording All Votes in Council Minutes	SUPPORTED
3.3	Clearer Guidance for Meeting Items that may be Confidential	SUPPORTED
3.4	Additional Online Registers	SUPPORTED
3.5	Chief Executive Officer Key Performance Indicators (KPIs) be Published	SUPPORTED
4.1	Community and Stakeholder Engagement Charters	SUPPORTED
4.2	Ratepayer Satisfaction Surveys (Band 1 and 2 local governments only)	SUPPORTED
4.3	Introduction of Preferential Voting	NOT SUPPORTED



4.4	Public Vote to Elect the Mayor and President	NOT SUPPORTED
4.5	Tiered Limits on the Number of Councillors	SUPPORTED
4.6	No Wards for Small Councils (Band 3 and 4 Councils only)	NO POSITION
4.7	Electoral Reform – Clear Lease Requirements for Candidate and Voter Eligibility	SUPPORTED
4.8	Reform of Candidate Profiles	SUPPORTED
4.9	Minor Other Electoral Reforms	SUPPORTED
5.1	Introduce Principles in the Act	SUPPORTED
5.2	Greater Role Clarity	SUPPORTED
5.3	Council Communication Agreements	SUPPORTED
5.4	Local Governments May Pay Superannuation Contributions for Elected Members	NOT SUPPORTED
5.5	Local Governments May Establish Education Allowances	SUPPORTED
5.6	Standardised Election Caretaker period	SUPPORTED
5.7	Remove WALGA from the Act	SUPPORTED
5.8	CEO Recruitment	SUPPORTED
6.1	Model Financial Statements and Tiered Financial Reporting	SUPPORTED
6.2	Simplify Strategic and Financial Planning	NOT SUPPORTED
6.3	Rates and Revenue Policy	SUPPORTED
6.4	Monthly Reporting of Credit Card Statements	SUPPORTED
6.5	Amended Financial Ratios	SUPPORTED
6.6	Audit Committees	SUPPORTED
6.7	Building Upgrade Finance	NOT SUPPORTED
6.8	Cost of Waste Service to be Specified on Rates Notices	SUPPORTED

2. REQUESTS that the Chief Executive Officer write to the Department of Local Government, Sport and Cultural Industries and Western Australian Local Government Association to advise Council's resolution on this matter.



MOTION

Moved Cr Duggin, seconded Cr Singh

That Council:

1. RESOLVES the following positions regarding the proposed Local Government reforms announced by the Minister on 10 November 2021:

Reform number	Proposed reform	Shire of Serpentine Jarrahdale position
1.1	Early Intervention Powers	SUPPORTED
1.2	Local Government Monitors	SUPPORTED
1.3	Conduct Panel	SUPPORTED
1.4	Review of Penalties	SUPPORTED
1.5	Rapid Red Card Resolutions	NOT SUPPORTED
1.6	Vexatious Complaint Referrals	SUPPORTED
1.7	Minor Other Reforms	SUPPORTED
2.1	Resource Sharing	SUPPORTED
2.2	Standardisation of crossovers	SUPPORTED
2.3	Introduce Innovation Provisions	SUPPORTED
2.4	Streamline Local Laws	SUPPORTED
2.5	Simplifying Approvals for Small Business and Community Events	SUPPORTED
2.6	Standardised Meeting Procedures, Including Public Question Time	SUPPORTED
2.7	Regional Subsidiaries	SUPPORTED
3.1	Recordings and Live-Streaming of All Council Meetings	SUPPORTED
3.2	Recording All Votes in Council Minutes	SUPPORTED
3.3	Clearer Guidance for Meeting Items that may be Confidential	SUPPORTED
3.4	Additional Online Registers	SUPPORTED
3.5	Chief Executive Officer Key Performance Indicators (KPIs) be Published	SUPPORTED as currently published by the Shire of Serpentine Jarrahdale
4.1	Community and Stakeholder Engagement Charters	SUPPORTED
4.2	Ratepayer Satisfaction Surveys (Band 1 and 2 local governments only)	SUPPORTED



4.3	Introduction of Preferential Voting	NOT SUPPORTED
4.4	Public Vote to Elect the Mayor and President	NOT SUPPORTED
4.5	Tiered Limits on the Number of Councillors	SUPPORTED
4.6	No Wards for Small Councils (Band 3 and 4 Councils only)	NO POSITION
4.7	Electoral Reform – Clear Lease Requirements for Candidate and Voter Eligibility	SUPPORTED
4.8	Reform of Candidate Profiles	SUPPORTED
4.9	Minor Other Electoral Reforms	SUPPORTED
5.1	Introduce Principles in the Act	SUPPORTED
5.2	Greater Role Clarity	SUPPORTED
5.3	Council Communication Agreements	SUPPORTED
5.4	Local Governments May Pay Superannuation Contributions for Elected Members	NOT SUPPORTED
5.5	Local Governments May Establish Education Allowances	SUPPORTED
5.6	Standardised Election Caretaker period	SUPPORTED
5.7	Remove WALGA from the Act	SUPPORTED
5.8	CEO Recruitment	SUPPORTED
6.1	Model Financial Statements and Tiered Financial Reporting	SUPPORTED
6.2	Simplify Strategic and Financial Planning	NOT SUPPORTED
6.3	Rates and Revenue Policy	SUPPORTED
6.4	Monthly Reporting of Credit Card Statements	SUPPORTED
6.5	Amended Financial Ratios	SUPPORTED
6.6	Audit Committees	SUPPORTED
6.7	Building Upgrade Finance	NOT SUPPORTED
6.8	Cost of Waste Service to be Specified on Rates Notices	SUPPORTED
2. REQUESTS that the Chief Executive Officer write to the Department of Local Government, Sport and Cultural Industries and Western Australian Local Government Association to advise Council's resolution on this matter.		



## SCM088/12/21

### AMENDMENT

Moved Cr Rich, seconded Cr Atwell

That Council AMENDS the substantive motion as shown:

6.6	Audit Committees	NOT SUPPORTED
-----	------------------	---------------

CARRIED UNANIMOUSLY 7/0

### MOTION

Moved Cr Singh

That Council AMENDS the substantive motion as shown:

6.7	Building Upgrade Finance	SUPPORTED
-----	--------------------------	-----------

MOTION LAPSED for want of a seconder

## SCM089/12/21

### COUNCIL RESOLUTION

Moved Cr Duggin, seconded Cr Singh

That Council:

1. RESOLVES the following positions regarding the proposed Local Government reforms announced by the Minister on 10 November 2021:

Reform number	Proposed reform	Shire of Serpentine Jarrahdale position
1.1	Early Intervention Powers	SUPPORTED
1.2	Local Government Monitors	SUPPORTED
1.3	Conduct Panel	SUPPORTED
1.4	Review of Penalties	SUPPORTED
1.5	Rapid Red Card Resolutions	NOT SUPPORTED
1.6	Vexatious Complaint Referrals	SUPPORTED
1.7	Minor Other Reforms	SUPPORTED
2.1	Resource Sharing	SUPPORTED
2.2	Standardisation of crossovers	SUPPORTED
2.3	Introduce Innovation Provisions	SUPPORTED
2.4	Streamline Local Laws	SUPPORTED
2.5	Simplifying Approvals for Small Business and Community Events	SUPPORTED
2.6	Standardised Meeting Procedures, Including Public Question Time	SUPPORTED
2.7	Regional Subsidiaries	SUPPORTED



3.1	Recordings and Live-Streaming of All Council Meetings	SUPPORTED
3.2	Recording All Votes in Council Minutes	SUPPORTED
3.3	Clearer Guidance for Meeting Items that may be Confidential	SUPPORTED
3.4	Additional Online Registers	SUPPORTED
3.5	Chief Executive Officer Key Performance Indicators (KPIs) be Published	SUPPORTED as currently published by the Shire of Serpentine Jarrahdale
4.1	Community and Stakeholder Engagement Charters	SUPPORTED
4.2	Ratepayer Satisfaction Surveys (Band 1 and 2 local governments only)	SUPPORTED
4.3	Introduction of Preferential Voting	NOT SUPPORTED
4.4	Public Vote to Elect the Mayor and President	NOT SUPPORTED
4.5	Tiered Limits on the Number of Councillors	SUPPORTED
4.6	No Wards for Small Councils (Band 3 and 4 Councils only)	NO POSITION
4.7	Electoral Reform – Clear Lease Requirements for Candidate and Voter Eligibility	SUPPORTED
4.8	Reform of Candidate Profiles	SUPPORTED
4.9	Minor Other Electoral Reforms	SUPPORTED
5.1	Introduce Principles in the Act	SUPPORTED
5.2	Greater Role Clarity	SUPPORTED
5.3	Council Communication Agreements	SUPPORTED
5.4	Local Governments May Pay Superannuation Contributions for Elected Members	NOT SUPPORTED
5.5	Local Governments May Establish Education Allowances	SUPPORTED
5.6	Standardised Election Caretaker period	SUPPORTED
5.7	Remove WALGA from the Act	SUPPORTED
5.8	CEO Recruitment	SUPPORTED
6.1	Model Financial Statements and Tiered Financial Reporting	SUPPORTED
6.2	Simplify Strategic and Financial Planning	NOT SUPPORTED
6.3	Rates and Revenue Policy	SUPPORTED



---

6.4	Monthly Reporting of Credit Card Statements	SUPPORTED
6.5	Amended Financial Ratios	SUPPORTED
6.6	Audit Committees	NOT SUPPORTED
6.7	Building Upgrade Finance	NOT SUPPORTED
6.8	Cost of Waste Service to be Specified on Rates Notices	SUPPORTED

**2. REQUESTS that the Chief Executive Officer write to the Department of Local Government, Sport and Cultural Industries and Western Australian Local Government Association to advise Council's resolution on this matter.**

**CARRIED 6/1**

*Councillor Coales, in accordance with Section 5.21(4)(b), Local Government Act 1995  
requested the votes be recorded.*

*Councillors Rich, Atwell, Dagostino, Duggin, Singh and Strange voted FOR the motion.*

*Councillor Coales voted AGAINST the motion.*

*Difference for difference to Officer Recommendation*

*To reflect Council's individual position.*





---

**7. Motions of which notice has been given:**

Nil.

**8. Urgent business:**

Nil.

**9. Closure:**

There being no further business, the Presiding Member declared the meeting closed at 6:25pm.

I certify that these minutes were confirmed at the Ordinary Council Meeting held on 21 February 2022

Presiding Member – Councillor Rich

23/02/2022 Date