



ORDINARY MEETING LATE ITEMS AGENDA

Monday 15 January 2024
commencing at 9:30 AM

Quilpie Shire Council Boardroom
50 Brolga Street, Quilpie

Ordinary Meeting of Council

12 January 2024

The Mayor and Council Members
Quilpie Shire Council
QUILPIE QLD 4480

Dear Members

Reference is hereby made to the Ordinary Meeting of the Quilpie Shire Council scheduled to be held at the Council Chambers, on **Monday 15 January 2024**, commencing at **9:30 AM**.

An agenda for the Ordinary Meeting was forwarded to all Members on 8 January 2024. In addition to the agenda, please find attached a summary of "Late Items".

Yours faithfully

Justin Hancock
Chief Executive Officer





ORDINARY MEETING OF COUNCIL AGENDA

Monday 15 January 2024
Quilpie Shire Council Boardroom
50 Broлга Street, Quilpie

TABLE OF CONTENTS

16	LATE ITEMS.....	1
16.1	CONSIDERATION OF TENDER RFT 06 23-24 QUILPIE AIRPORT UPGRADE.	1
16.2	LOCAL ROADS AND COMMUNITY INFRASTRUCTURE PROGRAM - PHASE 3.....	5

16 LATE ITEMS**16.1 CONSIDERATION OF TENDER RFT 06 23-24 QUILPIE AIRPORT UPGRADE.****IX: 245745****Author: Peter See, Director Engineering Services****Attachments: Nil****KEY OUTCOME**

Key Outcome: 2. Flourishing Economy

Key Initiative: 2.3 Maintain safe and efficient transport networks

Key Outcome: 4. Strong Governance

Key Initiative: 4.5 Optimal asset management practices

EXECUTIVE SUMMARY

Council received a report at the General Meeting of Council held on 16 December 2020 regarding the condition of the sealed runway at the Quilpie Airport. The runway had reached the end of its theoretical structural life and as such needed to be reconstructed. This meant that larger aircraft cannot operate at the airport.

Consulting Engineers were appointed to design the upgrade works and develop tender documents.

Tenders were called for the appointment of pre-qualified Contractors to tender for the construction of the upgrade works. This was discussed at the General Meeting of Council held on 21 June 2022.

Tender RFT 06 23-24 to Upgrade the Runway was called on 13 November 2023 and closed on 22 December 2022.

This report provides discussion on the outcome.

RECOMMENDATION

1. That Council:
 - a) receive the report;
 - b) In accordance with S228(9) of the Local Government Regulation 2012, not accept any of the tenders received due to inadequate funding; and
 - c) Use the tenders received as the basis to seek further Australian and Queensland Government funding.

BACKGROUND

Tenders to carry out the Upgrade of the Airport Runway were called on 13 November 2023 and closed on 22 December 2022. The tenders were sent to three pre-selected Contractors. Other pre-selected Contractors chose not to tender. One of the three Contractors asked to tender (Civil Team Pty Ltd) subsequently chose not to tender.

PROCUREMENT PROCESS

In accordance with Council's Procurement Policy and Part 3 of the *Local Government Regulation 2012*, Council invited selected Tenders using Vendor Panel.

Description	Details
Advertising	Vendor Panel Portal
RFQ Open	13 November 2023
RFQ Close	22 December 2023.

At the close of the request process on 22 December 2023, Council received two (2) conforming submissions from the following suppliers:

- Joe Wagner Group
- Fulton Hogan Industries Pty Ltd.

The request was assessed in accordance with the evaluation criteria below:

Criteria	Weighting
Company Resourcing- Contractor support structures.	15 %
Technical Aspects, Construction Methodologies and Program	20%
Management Systems, Stakeholder Engagement and Customer Relations	10%
Local Content and Local Employment	15%
Value for Money	40%

Evaluation Process

An Evaluation Panel (3 Officers) were invited to evaluate responses via distribution of the tender documents and the use of an evaluation spreadsheet. The final assessment and evaluation scores of the three responses were collated, and summary of the evaluation can be seen in the table below

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Suppliers-		Joe Wagner Group	Fulton Hogan Industries Pty Ltd.	
Price Excluding GST		\$6,783,558.86	\$9,204,146.75	
Evaluation Criteria	Company Resourcing- Contractor support structures	15%	12.45	13.95
	Technical Aspects, Construction Methodologies and Program	20%	17.4	19.6
	Management Systems, Stakeholder Engagement and Customer Relations	10%	8.7	9.3
	Local Content and Local Employment	15%	13.05	13.95
	Value for Money	40%	37.6	36.4
	Overall Score -	100%	89.2	93.2

Council may decide not to accept any responses it receives. The response accepted must be the one deemed most advantageous to Council, it is noted that the lowest price response and/or the highest weighted response may not be the most advantageous.

In accordance with S104 (3) of the *Local Government Act 2009*, Council must also consider the following sound contracting principles:

- (a) value for money; and
- (b) open and effective competition; and
- (c) the development of competitive local business and industry; and
- (d) environmental protection; and
- (e) ethical behaviour and fair dealing.

254H Recording of reasons for particular decisions.

(1) This section applies if a decision made at a local government meeting is inconsistent with a recommendation or advice given to the local government by an advisor of the local government and either or both of the following apply to the decision—

(a) the decision is about entering into a contract the total value of which is more than the greater of the following—

(i) \$200,000 exclusive of GST.

(ii) 1% of the local government's net rate and utility charges as stated in the local government's audited financial statements included in the local government's most recently adopted annual report

OPTIONS**Option One**

That Council receive the report and

- a) not proceed with the current tenders due to inadequate funding.
- b) Use the tenders received as the basis to seek further Australian and Queensland government funding.

Option Two

That Council receive the report and

- a) Approve the Tender OF Fulton Hogan Industries Pty Ltd for a total value of \$9,204,146.75 excluding GST and,
- b) Allocate additional funding in the March 2024 Budget review.

If a decision is made that is inconsistent with the above recommendation, Council is requested to provide reason as per Part 2, Division 1A of the *Local Government Regulation 2012*:

CONSULTATION (Internal/External)

Peter Van Esseveld	Consulting Engineer
Peter See	Director Engineering Services
Brian Weeks	Works Coordinator
Kasey-Lee Davie	Procurement Officer

LEGAL IMPLICATIONS

Nil.

POLICY AND LEGISLATION

Local Government Act 2009
Local Government Regulations 2012
Procurement Policy

FINANCIAL AND RESOURCE IMPLICATIONS

Council has received a LRCIP 3 grant for the reconstruction of the runway. The total budget allocated is \$1,800,000.00. Total expenditure to date for project management and for design works is \$384,103.79. Remaining funds total \$1,415,896.21. As such, Council does not have sufficient funds allocated to accept the tenders received.

RISK MANAGEMENT IMPLICATIONS

Council is aware of the end of life structurally for the sealed runway at Quilpie Airport. The runway needs to be upgraded to enable the continuation of regular passenger transport aircraft and the Royal Flying Doctor Service. If the runway is not strengthened or renewed, these vital services may need to cease.

16.2 LOCAL ROADS AND COMMUNITY INFRASTRUCTURE PROGRAM - PHASE 3**IX:** 245767**Author:** Sharon Frank, Manager Finance & Administration**Attachments:** Nil**KEY OUTCOME****Key Outcome:** 4. Strong Governance**Key Initiative:** 4.3 Maintain good corporate governance**EXECUTIVE SUMMARY**

The purpose of this report is for Council to consider an alternative eligible project to be completed under the Local Roads and Community Infrastructure (LRCI) Program – Phase 3.

RECOMMENDATION

That Council:

1. Authorise the Chief Executive Officer, pursuant to section 257 of the *Local Government Act 2009*, to notify the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, and seek approval for the following variation to the Local Roads and Community Infrastructure (LRCI) Program – Phase 3 program:
 - (i) Removal of the Quilpie Aerodrome Pavement Reconstruction project; and
 - (ii) Nomination of a new project - Widening Eulo Road – Chainage 0.0 km – 10.819 km.
2. Include the change in the next budget review.

BACKGROUND

The LRCI Program commenced on 1 July 2020 and has delivered projects across Phase 1 and 2.

The Australian Government committed a total of \$1 billion in funding for the continuation of the LRCI Program in Phase 3. Phase 3 of the LRCI Program commenced on 21 October 2021 and ends on 31 December 2024. Project construction activity is required to be physically completed by 30 June 2024.

Council's has been allocated \$1,783,314 under Phase 3 and the current approved project is the Quilpie Aerodrome Pavement Reconstruction project. Should this project not be proceeding due to funding restraints, a variation must be submitted nominating a new project for approval by the Department.

The grant money can only be used on Eligible Projects - which are those that meet the requirements set out below and deliver benefits to the community:

Eligible Local Road Projects are projects that involve the construction or maintenance of roads managed by local governments. Local governments are encouraged to consider works that support improved road safety outcomes.

This could include projects involving any of the following associated with a road:

- traffic signs;
- traffic control equipment;
- street lighting equipment;
- a bridge or tunnel;
- a facility off the road used by heavy vehicles in connection with travel on the road (for example, a rest area or weigh station);
- facilities off the road that support the visitor economy; and
- road and sidewalk maintenance, where additional to normal capital works schedules.

Eligible Community Infrastructure Projects are projects that involve the construction, maintenance and/or improvements to council-owned assets (including natural assets) that are generally accessible to the public.

'Generally accessible to the public' means that the project, or the amenity provided by the project, is generally accessible to the public at large. Some areas are clearly publicly accessible as they are areas that are open to all members of the public such as parks, playgrounds, footpaths and roads. Projects will also be considered generally publicly accessible if they are in a location that is:

- generally publicly accessible to the wider public undertaking a specific activity (for example council operated sporting fields); or
- generally publicly accessible for a limited age group of the community as a whole i.e. a kindergarten building; or
- used for the provision of an essential service or community service, as determined by the Department, and the amenity of the asset is publicly accessible and benefits the community.

All projects whether carried out on council owned land, or another type of public land, must deliver benefits to the community, such as improved accessibility, visual amenity, and/or safety. Examples of eligible works include:

- Closed Circuit TV (CCTV);
- bicycle and walking paths;
- painting or improvements to community facilities;
- repairing and replacing fencing;
- improved accessibility of community facilities and areas;
- landscaping improvements, such as tree planting and beautification of roundabouts;
- picnic shelters or barbeque facilities at community parks;
- community/public art associated with an Eligible Project (Eligible Funding Recipients will need to provide a clear description of the conceptual basis of the artwork);
- playgrounds and skate parks (including all ability playgrounds);
- noise and vibration mitigation measures; and
- off-road car parks (such as those at sporting grounds or parks).

Other Public Land - Projects that involve the construction, maintenance and/or improvements to state/territory and Crown owned land/assets, and Commonwealth owned land/assets, can also be eligible projects where the Council can confirm that they have the authority of the land or asset owner

to undertake the project at the nominated site(s) and the site(s) are accessible to the public (including natural assets).

As an economic stimulus measure, the intent is that Eligible Funding Recipients undertake infrastructure projects which are additional to projects that they had planned to undertake using either their own funds or funds already available to the Eligible Funding Recipients by another opportunity. The funding is not intended to replace existing expenditure commitments but rather to enable further, additional expenditure as economic stimulus.

Co-contributions are not required under the LRCI Program, but are allowed to be used for projects. A project can be funded by a combination of LRCI Program funds, the Eligible Funding Recipient's funds, and other government program funds (including state government programs), as long as the combined funding for the project does not exceed the estimated cost of a project.

The Eulo Road Widening project (Chainage 0.00 km – 10.819 km) is an eligible project under the program guidelines which can be completed by 30 June 2024. Total project cost is \$2,095,000 – with funding through the LRCIP 3 program of \$1,783,314 and a co-contribution by Council of \$311,686

OPTIONS

Option 1 – Recommended

That Council

1. Authorise the Chief Executive Officer, pursuant to section 257 of the *Local Government Act 2009*, to notify the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, and seek approval for the following variation:

- (i) Removal of the Quilpie Aerodrome Pavement Reconstruction project; and
- (ii) Nominate a new project - Widening Eulo Road – 0.0 km – 10.819 km.

2. Include the change in the next budget review.

CONSULTATION (Internal/External)

Chief Executive Officer

Director Engineering Services

Manager Finance and Administration

LEGAL IMPLICATIONS

The submission of a variation request is in accordance with section 9.1.4 Variation of a Work Schedule under the Local Roads and Community Infrastructure (LRCI) Program Guidelines - Phase 3 (V3).

POLICY AND LEGISLATION

Nominated projects must fit with the funding guidelines.

FINANCIAL AND RESOURCE IMPLICATIONS

Total project cost for Eulo Road Widening Chainage 0.00 km – 10.819 km - \$2,095,000

- LRCIP 3 Funding - \$1,783,314
- Council contribution required - \$311,686

RISK MANAGEMENT IMPLICATIONS

Risk Name & Description <i>What could happen and why?</i>	Current Controls <i>Are there current controls for the risk</i>	Impacts <i>Impact if the risk eventuates</i>	Risk Assessment			Risk Treatment <i>Depending on risk rating - additional controls / mitigation strategy to be implemented (to reduce risk rating)</i>
			Likelihood	Consequence	Risk Rating	
			<i>Refer to risk calculator provided below for measures</i>			
<i>Insufficient funding</i>	<i>Seek funding through the LRCI Program</i>	<i>If the nominated project is not funded through the LRCI Program, Council will need to seek funding from alternative sources or utilise own source revenue to deliver the projects.</i>	<i>Possible</i>	<i>Major</i>	<i>High</i>	<i>Ensure funding approvals obtained at start of project.</i>
<i>Delays in delivering project</i>	<i>Seek funding through the LRCI Program</i>	<i>Delays in delivering this project could result in cost escalations. This is currently faced throughout Australia, with core inflation scheduled to continue to rise into 2025.</i>	<i>Possible</i>	<i>Major</i>	<i>High</i>	<i>Continue to advocate to seek funding for the renewal of Council assets.</i>
<i>Conflicts of Interest</i>	<i>Declarations of Conflicts of Interest</i>	<i>When assessing conflicts of interest there is 3 main types of conflict: Actual, Perceived and Potential. The inappropriate handling of conflicts of interest can cause reputational, financial, legal and loss of public trust.</i>	<i>Possible</i>	<i>Major</i>	<i>High</i>	<i>Any parties involved in the decision making or discussion leading into the decision making where a conflict exists should declare their interest. <i>If a conflict is discovered throughout the process, this needs to be declared and the appropriate action undertaken depending on the type of conflict.</i></i>