

# MINUTES

FOR THE  
GREATER SHEPPARTON CITY COUNCIL

## SPECIAL COUNCIL MEETING

HELD ON  
TUESDAY 31 JANUARY, 2017  
AT 4.20PM

IN THE COUNCIL BOARDROOM

**COUNCILLORS:**

Cr Dinny Adem (Mayor)  
Cr Kim O'Keeffe (Deputy Mayor)  
Cr Seema Abdullah  
Cr Bruce Giovanetti  
Cr Chris Hazelman  
Cr Les Oroszvary  
Cr Dennis Patterson  
Cr Fern Summer  
Cr Shelley Sutton

***VISION***

*A THRIVING ECONOMY IN THE FOODBOWL OF VICTORIA WITH  
EXCELLENT LIFESTYLES, INNOVATIVE AGRICULTURE  
A DIVERSE COMMUNITY AND  
ABUNDANT OPPORTUNITIES*

**M I N U T E S  
FOR THE  
SPECIAL COUNCIL MEETING  
HELD ON  
TUESDAY 31 JANUARY, 2017 AT 4.20PM**

**CHAIR  
CR DINNY ADEM**

**INDEX**

<b>1.</b>	<b>ACKNOWLEDGEMENT .....</b>	<b>1</b>
<b>2.</b>	<b>NOTICE TO GALLERY - LIVE STREAMING OF COUNCIL MEETING .....</b>	<b>1</b>
<b>3.</b>	<b>APOLOGIES .....</b>	<b>1</b>
<b>2.</b>	<b>DECLARATIONS OF CONFLICT OF INTEREST .....</b>	<b>1</b>
<b>5.</b>	<b>MANAGEMENT REPORTS FROM THE INFRASTRUCTURE DIRECTORATE .....</b>	<b>2</b>
5.1	Contract 1693 - Fraser Street Toilets Redevelopment - Awarding of Contract .....	2
5.2	Contract 1728 Verney Rd Stage 3 Goulburn Valley Water Main Reticulation .....	6
5.3	Contract 1729 Verney Road Upgrade - Stage 3 between Graham Street and Elm Terrace, Shepparton .....	11
5.4	Contract 1730 Welsford St Stages 1 & 2 Upgrade - Civil works .....	16
<b>6.</b>	<b>CONFIDENTIAL MANAGEMENT REPORTS .....</b>	<b>21</b>
6.1	Designation of Confidentiality of Information – Report Attachments .....	21

## RISK LEVEL MATRIX LEGEND

**Note:** A number of reports in this agenda include a section on “risk management implications”. The following table shows the legend to the codes used in the reports.

Likelihood	Consequences				
	Negligible (5)	Minor (4)	Moderate (3)	Major (2)	Catastrophic (1)
<b>Almost Certain (A)</b> Event expected to occur several times per year (i.e. Weekly)	Low	Moderate	High	Extreme	Extreme
<b>Likely (B)</b> Will probably occur at some stage based on evidence of previous incidents (i.e. Monthly)	Low	Moderate	Moderate	High	Extreme
<b>Possible (C)</b> Not generally expected to occur but may under specific circumstances (i.e. Yearly)	Low	Low	Moderate	High	High
<b>Unlikely (D)</b> Conceivable but not likely to occur under normal operations (i.e. 5-10 year period)	Insignificant	Low	Moderate	Moderate	High
<b>Rare (E)</b> Only ever occurs under exceptional circumstances (i.e. +10 years)	Insignificant	Insignificant	Low	Moderate	High

**Extreme** CEO’s attention immediately required. Possibly avoid undertaking the activity OR implement new controls

**High** Director’s attention required. Consider suspending or ending activity OR implement additional controls

**Moderate** Manager’s attention required. Ensure that controls are in place and operating and management responsibility is agreed

**Low** Operational, manage through usual procedures and accountabilities

**Insignificant** Operational, add treatments where appropriate

**PRESENT: Councillors Dinny Adem, Kim O’Keeffe, Seema Abdullah, Bruce Giovanetti, Chris Hazelman, Les Oroszvary, Dennis Patterson, Fern Summer and Shelley Sutton.**

**OFFICERS: Peter Harriott – Chief Executive Officer  
Steve Bowmaker – Director Infrastructure  
Johann Rajaratnam – Director Sustainable Development  
Chris Teitzel – Director Corporate Services  
Kaye Thomson – Director Community  
Maree Martin – Official Minute Taker  
Peta Bailey – Deputy Minute Taker**

### **1. ACKNOWLEDGEMENT**

“We the Greater Shepparton City Council, begin today’s meeting by acknowledging the traditional owners of the land which now comprises Greater Shepparton. We pay respect to their tribal elders, we celebrate their continuing culture, and we acknowledge the memory of their ancestors.”

### **2. NOTICE TO GALLERY - LIVE STREAMING OF COUNCIL MEETING**

Please note that this Council meeting is being streamed live and recorded in accordance with the Council’s Live Streaming and Recording of Council Meetings Policy.

All care is taken to maintain your privacy; however as a visitor in the public gallery, your presence may be recorded. By remaining in the public gallery it is assumed your consent is given in the event that your image is broadcast.

For more information the policy is available on the Greater Shepparton City Council's website.

### **3. APOLOGIES**

Nil

### **2. DECLARATIONS OF CONFLICT OF INTEREST**

In accordance with sections 77A, 77B, 78 and 79 of the *Local Government Act 1989* Councillors are required to disclose a “conflict of interest” in a decision if they would receive, or could reasonably be perceived as receiving a direct or indirect financial or non-financial benefit or detriment (other than as a voter, resident or ratepayer) from the decision.

## 5. INFRASTRUCTURE DIRECTORATE

### 5.1 Contract 1693 - Fraser Street Toilets Redevelopment - Awarding of Contract

#### **Disclosures of conflicts of interest in relation to advice provided in this report**

Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest..

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Council Officers involved in producing this report**

**Author: Project Manager**

**Proof reader(s): Manager Parks, Sport and Recreation**

**Approved by: Director Infrastructure**

#### **Executive Summary**

Council sought submissions from qualified and experienced contractors to undertake the redevelopment of the Fraser Street Toilets in Shepparton. The contract includes the demolition of the existing building and construction of the new building as per the design and specification.

The tender evaluation process for the Fraser Street Toilets Redevelopment has determined that Crow Constructions Pty Ltd are the preferred contractor to undertake the works. Officers are seeking Executive and Council approval to award Contract 1693 to Crow Constructions Pty Ltd. Officers will be undertaking a negotiation process with the preferred contractor to identify potential savings within the tendered price.

#### **RECOMMENDATION**

That the Council:

1. accept the tender submitted by Crow Constructions Pty Ltd of 3 McHarry Place, Shepparton for Contract No. 1693 Fraser - Street Toilets Redevelopment for the Lump Sum price of \$492,971.60 (including GST).
2. authorise the Chief Executive Officer to sign and seal the contract documents.

#### **Moved by Cr Hazelman**

**Seconded by Cr Summer**

That the Council defer consideration of this item until the February Ordinary Council Meeting.

**CARRIED.**

#### **Contract Details**

Council sought submissions from qualified and experienced contractors to undertake the redevelopment of the Fraser Street Toilets in Shepparton. The contract includes the demolition of the existing building and construction of the new building as per the design and specification.

## 5. INFRASTRUCTURE DIRECTORATE

### 5.1 Contract 1693 - Fraser Street Toilets Redevelopment - Awarding of Contract (continued)

#### Tenders

Tenders were received from:

Tenderers
Crow Constructions Pty Ltd
Moretto Building Pty Ltd

#### Tender Evaluation

Tenders were evaluated by:

Title	Branch
Manager Neighbourhoods	Neighbourhood Department
Manager Parks, Sport and Recreation	Recreation & Parks Department
Project Manager	Projects Department
Contracts & Procurement Advisor	Procurement Department

#### Evaluation Criteria

Tenders were evaluated on the following criteria:

Evaluation Criteria	Weighting
Price	35%
Capability and previous experience	15%
Program delivery time frame & work methodology	10%
Environment and sustainability	10%
Quality	10%
OH&S	10%
Benefit to local region	10%

#### Council Plan/Key Strategic Activity

The redevelopment of the Fraser Street Toilets facility is identified in the following strategic documents:

##### Council Plan 2013-2017

Goal 1: Active and Engaged Communities

- Objective: 4. Provide sustainable community services to our community
  - Strategy: Monitor and appropriately support the provision of quality services within the municipality.

#### Risk Management

The project will be managed by the Project Management Office, drawing on their expertise in managing risks associated with these types of projects. The Integrated Project Management (IPM) system will be used to manage this project. The contractor will be required to adhere to all OH&S requirements, and identify and mitigate risks as required.

## 5. INFRASTRUCTURE DIRECTORATE

### 5.1 Contract 1693 - Fraser Street Toilets Redevelopment - Awarding of Contract (continued)

Risks	Likelihood	Consequence	Rating	Mitigation Action
Contractor insolvency	D	1	High	Contract to include bank guarantees.
Significant utilities issue	C	2	High	Contractors are responsible to identify all utilities. A preliminary plan of 'Dial Before You Dig' information will be provided to the contractor. Approvals required from certain utilities providers are been obtained.
Time delays	C	3	Moderate	Contractors will be pushed to meet committed deadlines so as not to delay the project.
Cost increase	C	3	Moderate	The contractor has priced as per the construction drawings and specification. A contingency has been included in the contractor's price.
Poor quality workmanship	C	3	Moderate	Evaluation considered the contractors list of current/previous works and their quality systems.

#### Policy Considerations

This project does not conflict with any Council policies.

#### Financial Implications

	Approved Budget Estimate for this proposal <sup>1</sup> \$	This Proposal GST Exclusive \$	Variance to Approved Budget Estimate \$	This Proposal GST Inclusive <sup>2</sup> \$
Revenue	\$0*	\$		
Expense	\$366,448*	\$448,156 \$70,000	\$81,708 (contract expenses) \$70,000 (non-contract expenses)	\$492,971.60 \$77,000
Net Total	\$366,448	\$518,156	\$151,708	\$569,971.60

#### NOTE:

- Existing budget is \$366,448
  - o Year to date actuals: \$45,000 (design, salaries, preliminary works)
  - o Non-contract expenses (estimated for January – June): \$25,000 (i.e. temporary toilets, marketing, miscellaneous)
- Balance: \$296,448
- Contract amount: \$448,156
- Therefore an additional \$151,708 is requested in order to meet the contract amount.

## 5. INFRASTRUCTURE DIRECTORATE

### **5.1 Contract 1693 - Fraser Street Toilets Redevelopment - Awarding of Contract (continued)**

- *Post tender award discussions will be held with the successful bidder to determine cost efficiencies that can be delivered with the project that do not affect the overall functionality of the toilets. Officers and suppliers believe that approximately \$60,000 of savings will be able to be identified without having a material impact on the final product.*

**NOTE:**

- *\$110,000 in funding from the Department of Health and Human Services was received last financial year and is included within the \$366,448 budget.*

<sup>1</sup> *Budgets are GST exclusive*

<sup>2</sup> *For Contract Award reports the GST inclusive expense shall match the amount reported in the recommendation*

#### **Legal/Statutory Implications**

Tender process has been carried out according to the requirements of *Section 186* of the *Local Government Act 1989*.

#### **Environmental/Sustainability Impacts**

Environmental/sustainability considerations during the works include:

- The design has considered water and energy saving options
- Council will salvage some items as part of the demolition
- Contractors are expected to recycle materials removed as part of the demolition

#### **Strategic Links**

##### a) Greater Shepparton 2030 Strategy

Settlement and Housing: Growth

- Objective: To provide convenient access to a range of activity centres and employment opportunities that can serve the expanded municipality.
- Strategy: Identify, promote and manage a range of activity centres that are conveniently located and easily accessible to all residents

Community Life: Health and Social Services

- Objective: To provide an equitable and efficient distribution of community facilities and services.
- Strategy: Locate facilities and service centres where they can be accessed by public transport and/or walking/cycle paths.

Economic Development: Tourism

- Objective: To encourage tourism growth and in particular promote the tourism opportunities of the irrigated rural landscape and the food growing and processing industries.
- Strategy: Encourage the integration of tourism with heritage, recreation and activity centres.

##### b) Other strategic links

- Council Plan 2013-2017

#### **Conclusion**

The tender evaluation process for the Fraser Street Toilets Redevelopment has determined that Crow Constructions Pty Ltd are the preferred contractor to undertake the works. Officers are seeking Executive and Council approval to award Contract 1693 to Crow Constructions Pty Ltd. Officers will be undertaking a negotiation process with the preferred contractor to identify potential savings within the tendered price.

#### **Attachments**

Nil



## 5. INFRASTRUCTURE DIRECTORATE

### **5.2 Contract 1728 Verney Rd Stage 3 Goulburn Valley Water Main Reticulation**

#### **Disclosures of conflicts of interest in relation to advice provided in this report**

Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest..

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Council Officers involved in producing this report**

**Author: Project Engineer**

**Proof reader(s): Team Leader Project Management Office, Acting Manager Projects**

**Approved by: Director Infrastructure**

#### **Executive Summary**

Verney Road Shepparton, between Balaclava Road and Ford Road, requires significant rectification works due to the increased traffic loadings through the area. The increased traffic loadings are a result of the development of residential estates, a high school and increased heavy vehicles traffic.

The reconstruction of this section of Verney Road is occurring in three stages:

Stage 1 – Ford Road to Hawkins Street - completed in May 2015

Stage 2 – Hawkins Street to Graham Street – due for completion January 2017

Stage 3 – Graham Street to Elm Terrace

Due to the complex nature of the works required for the Stage 3 section Council officers have issued 2 separate tenders for these works.

The works under this contract, Contract 1728, relate to Stage 3, Graham Street to Clarke Court, Shepparton GVW water main reticulation works to remove conflict with the road infrastructure.

GVW will be making a contribution to the replacement of the water main due to the age of their existing infrastructure. Their estimated contribution will be approx. 60% of the total relocation costs

**Moved by Cr Giovanetti  
Seconded by Cr Patterson**

That the Council:

1. accept the tender submitted by N L Drainage P/L of Tatura for Contract No. 1728 Goulburn Valley Water main reticulation stage 3 – Verney Road, Shepparton for the Lump Sum price of \$583,803.00 (including GST).
2. authorise the Chief Executive Officer to sign and seal the contract documents.

**CARRIED.**

## 5. INFRASTRUCTURE DIRECTORATE

### 5.2 Contract 1728 Verney Rd Stage 3 Goulburn Valley Water Main Reticulation (continued)

#### Contract Details

GVW water main reticulation - Verney Road Stage 3, Graham Street and Clarke Court, Shepparton will be a lump sum contract for:

- (a) Site Establishment and traffic management systems
- (b) Abandoning of existing and aged Asbestos Cement (AC) / Ductile Iron Cement Lined (DACL) water main pipe and
- (c) Supply and installation of new mPVC and Ductile Iron Cement Lined (DACL) water main pipe on the west side of Verney Road including reconnection of the services.
- (d) All testing and commissioning
- (e) Tidy road reserve, nature strips and as built drawings

#### Tenders

Tenders were received from:

Tenderers
N L Drainage Pty Ltd, Tatura
Armstrong Constructions Pty Ltd, Essendon

#### Tender Evaluation

Tenders were evaluated by:

Title	Branch
Team Leader PMO	Projects
Contract & Procurement Analyst	Procurement
Design Engineer	Projects
Project Engineer	Projects

#### Evaluation Criteria

Tenders were evaluated on the following criteria:

Evaluation Criteria		Weighting
Mandatory (Pass/Fail)	Price	40
	Prices supplied for additional works	5
	OH&S System and implementation	5
Compulsory	Environmental Sustainability	10
	Previous relevant experience, corporate capability, relevant personnel and equipment.	15
	Project delivery methodology, Works Program	10
Optional	Integrated management system (i.e. Quality, Risk, HR, Environmental Mgmt. Systems) and financial capability	5
Social Procurement	Benefit to the local region.	10
	<b>TOTAL</b>	<b>100</b>

## 5. INFRASTRUCTURE DIRECTORATE

### 5.2 Contract 1728 Verney Rd Stage 3 Goulburn Valley Water Main Reticulation (continued)

#### **Council Plan/Key Strategic Activity**

Council Plan 2013-2017

Quality Infrastructure (Built)

We will provide and maintain urban and rural infrastructure to support the development and liveability of our communities.

2. Ensure that the community has access to appropriate transportation infrastructure.	Council, through the understanding that the need for appropriate transportation infrastructure is a key to the health and wellbeing of the community will continue to advocate for and strive to deliver the appropriate level of service across Greater Shepparton to serve the community.
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#### **Risk Management**

Risks	Likelihood	Consequence	Rating	Mitigation Action
Traffic, Pedestrian and Buses /Trucks management during construction	Likely	Moderate	Moderate	Traffic management and work methodology to provide for vehicle access
Damage to existing/proposed electric lines and electrocution	Likely	Major	High	Consult with Powercor to identify the proposed lines. Safety Management during construction – use of warning equipment / “spotters” for overhead lines
Damage to assets owned by other Authorities	Likely	Moderate	Moderate	Consult with relevant authority to identify the proposed lines. Relocate assets prior to works Safety Management during construction

#### **Policy Considerations**

There are no conflicts with Council Policy

## 5. INFRASTRUCTURE DIRECTORATE

### 5.2 Contract 1728 Verney Rd Stage 3 Goulburn Valley Water Main Reticulation (continued)

#### Financial Implications

	Approved Budget Estimate for this proposal <sup>1</sup> \$	This Proposal GST Exclusive \$	Variance to Approved Budget Estimate \$	Comment
Expenditure Budget	\$3,372,866			Revised budget - Ledger 61024 & 60715
Expense		\$1,502,971		Year to date actuals including commitments
Expense		\$221,997		Salaries, Oncosts, materials and operational costs
Income		(\$308,254)		Proposed GVW reimbursement from water main relocation works under CN1728
<b>Expense</b>		<b>\$530,730</b>		<b>CN1728 GVW main relocation - Proposed award amount</b>
Expense		\$125,547.00		Remainder for Stage 2 works.
Expense		\$1,549,853.74		Stage 3 Civil works – Proposed award amount
<b>Expenditure Result</b>	<b>\$3,372,866</b>	<b>\$3,772,845</b>	<b>(\$249,979)</b>	

<sup>1</sup> Budgets are GST exclusive

<sup>2</sup> For Contract Award reports the GST inclusive expense shall match the amount reported in the recommendation

The 2 contracts for drainage and civil works result in tendered amounts very close to the original estimates prepared for budget submission (around \$90k on a \$1.5million dollar project). There were changes to the road width to accommodate the future of North East Shepparton growth which has eliminated the original contingency of \$300,000.00

The decision to capitalise approximately \$221,997 of PMO salaries and wages into the project has resulted in a budget overspend of approx. \$250,000.

#### Legal/Statutory Implications

Tender process has been carried out according to the requirements of *Section 186* of the *Local Government Act 1989*.

#### Environmental/Sustainability Impacts

There are no environmental/sustainability impacts arising from this proposal.

## 5. INFRASTRUCTURE DIRECTORATE

### **5.2 Contract 1728 Verney Rd Stage 3 Goulburn Valley Water Main Reticulation (continued)**

#### **Strategic Links**

##### **a) Greater Shepparton 2030 Strategy**

Infrastructure – The provision and restructure of urban and rural infrastructure to enhance the performance of the municipality and facilitate growth.

##### **b) Other strategic links**

Asset Management Strategy 2007 (page 12)

#### ***Infrastructure***

Greater Shepparton will provide urban and rural infrastructure to enhance the performance of the municipality and facilitate growth.

- Maintain the Council's major asset categories, such as roads, footpaths, kerb and channel, drainage and buildings to meet specified levels of service

#### **Conclusion**

N L Drainage Pty Ltd has submitted a conforming tender and received highest overall score.

N L Drainage Pty Ltd is a local contractor who is an accredited GVW contractor and has completed many similar projects for Goulburn Valley Water including Verney Road Stage 1 & 2 GVW main reticulation works. The panel is satisfied that N L Drainage Pty Ltd has established a good performance history in the water industry and is considered to have the experience, capability and resources to complete this project within the time period stipulated.

Therefore, the tender submitted by N L Drainage Pty Ltd for a total lump sum price of \$583,803.00 (including GST) has been determined to provide the best value for Council.

#### **Attachments**

Nil

## 5. INFRASTRUCTURE DIRECTORATE

### **5.3 Contract 1729 Verney Road Upgrade - Stage 3 between Graham Street and Elm Terrace, Shepparton**

**Disclosures of conflicts of interest in relation to advice provided in this report**  
 Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest..

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Council Officers involved in producing this report**

**Author: Project Engineer**

**Proof reader(s): Team Leader Project Management Office, Manager Projects**

**Approved by: Director Infrastructure**

#### **Executive Summary**

Verney Road Shepparton, between Balaclava Road and Ford Road, requires significant rectification works due to the increased traffic loadings through the area. The increased traffic loadings are a result of the development of residential estates, a high school and increased heavy vehicles traffic.

The reconstruction of this section of Verney Road is occurring in three stages:

Stage 1 – Ford Road to Hawkins Street - completed in May 2015

Stage 2 – Hawkins Street to Graham Street – due for completion January 2017

Stage 3 – Graham Street to Elm Terrace

Due to the complex nature of the works required for the Stage 3 section Council officers have issued 2 separate tenders for these works.

The works under this contract, Contract 1729, Stage 3 Graham Street to Elm Terrace, Shepparton relates to road and drainage construction works.

Following testing of the pavement, a design has been prepared which will allow the reconstruction of the road to new road centreline levels, as well as an improved underground stormwater drainage system.

#### **Moved by Cr Summer Seconded by Cr Sutton**

That the Council:

1. accept the tender submitted by Jarvis Delahey Contractors Pty Ltd of Congupna for Contract No. 1729 Verney Road Stage 3 upgrade for the Lump Sum price of \$1,549,853.74 (excluding GST), i.e. \$1,704,839.11 (including GST).
2. authorise the Chief Executive Officer to sign and seal the contract documents.

**CARRIED.**

## 5. INFRASTRUCTURE DIRECTORATE

### 5.3 Contract 1729 Verney Road Upgrade - Stage 3 between Graham Street and Elm Terrace, Shepparton (continued)

#### Contract Details

Verney Road Upgrade Stage 3 Civil works between Graham Street and Elm Terrace, Shepparton will be a lump sum contract for:

- (a) Preliminaries
- (b) Supply and install drainage
- (c) Excavate the road pavement and dispose off-site
- (d) Supply and lay kerb & channel and concrete path.
- (e) Supply, lay and compact new pavement in layers
- (f) Supply, lay and compact spray seal / asphalt
- (g) Reinstatement of line-marking, furniture and driveways to private properties.
- (h) Tidy road reserve, nature strips and as built drawings

#### Tenders

The invitation to tender was publicly advertised in the Shepparton News, Tendersearch website and Council's website on Friday, 2 December 2016 Tender submissions closed at 4:00pm on Wednesday, 11 January 2017.

Tenders were received from:

Tenderers
Mawson Constructions Pty Ltd, Shepparton
Jarvis Delahey Contractors Pty Ltd

#### Tender Evaluation

Tenders were evaluated by:

Title	Branch
Team Leader Project Management Office	Projects
Contract & Procurement Analyst	Procurement
Coordinator	Transport & Road Reserve
Project Engineer	Projects

#### Evaluation Criteria

Tenders were evaluated on the following criteria:

Evaluation Criteria	Weighting
Price	40
Prices supplied for additional works	5
OH&S System and implementation	5
Environmental Sustainability	10
Previous relevant experience, corporate capability, relevant personnel and equipment.	15
Project delivery methodology, Works Program	10
Integrated management system (i.e. Quality, Risk, HR, Environmental Mgmt. Systems) and financial capability	5
Benefit to local region	10

## 5. INFRASTRUCTURE DIRECTORATE

### 5.3 Contract 1729 Verney Road Upgrade - Stage 3 between Graham Street and Elm Terrace, Shepparton (continued)

#### **Council Plan/Key Strategic Activity**

Council Plan 2013-2017

Quality Infrastructure (Built)

We will provide and maintain urban and rural infrastructure to support the development and liveability of our communities.

2. Ensure that the community has access to appropriate transportation infrastructure.	Council, through the understanding that the need for appropriate transportation infrastructure is a key to the health and wellbeing of the community will continue to advocate for and strive to deliver the appropriate level of service across Greater Shepparton to serve the community.
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#### **Risk Management**

Risks	Likelihood	Consequence	Rating	Mitigation Action
Traffic, Pedestrian and Buses /Trucks management during construction	Likely	Moderate	Moderate	Traffic management and work methodology to provide for vehicle access
Damage to existing/proposed electric lines and electrocution	Likely	Major	High	Consult with Powercor to identify the proposed lines. Safety Management during construction – use of warning equipment / “spotters” for overhead lines.
Damage to assets owned by other Authorities	Likely	Moderate	Moderate	Consult with relevant authority to identify the proposed lines. Relocate assets prior to works Safety Management during construction

#### **Policy Considerations**

There are no conflicts with Council Policy



## 5. INFRASTRUCTURE DIRECTORATE

### 5.3 Contract 1729 Verney Road Upgrade - Stage 3 between Graham Street and Elm Terrace, Shepparton (continued)

#### Financial Implications

	Approved Budget Estimate for this proposal <sup>1</sup> \$	This Proposal GST Exclusive \$	Variance to Approved Budget Estimate \$	Comment
Expenditure Budget	\$3,372,866			Revised budget - Ledger 61024 & 60715
Expense		\$1,502,971		Year to date actuals including commitments
Expense		\$221,997		Salaries, Oncosts, materials and operational costs
Income		(\$308,254)		Proposed GWV reimbursement from water main relocation works under CN1728
Expense		\$530,730		CN1728 GWV main relocation - Proposed award amount
Expense		\$125,547.00		Remainder for Stage 2 works.
<b>Expense</b>		<b>\$1,549,853.74</b>		<b>Stage 3 Civil works – Proposed award amount</b>
<b>Expenditure Result</b>	<b>\$3,372,866</b>	<b>\$3,772,845</b>	<b>(\$249,979)</b>	

<sup>1</sup> Budgets are GST exclusive

<sup>2</sup> For Contract Award reports the GST inclusive expense shall match the amount reported in the recommendation

The 2 contracts for drainage and civil works result in tendered amounts very close to the original estimates prepared for budget submission (around \$90k on a \$1.5million dollar project). There were changes to the road width to accommodate the future of North East Shepparton growth which has eliminated the original contingency of \$300,000.00

The decision to capitalise approximately \$221,997 of PMO salaries and wages into the project has resulted in a budget overspend of approx. \$250,000.

Council officers are factoring capitalisation of salary and plant into project estimates for the 2017-18 budget and beyond.

#### Legal/Statutory Implications

Tender process has been carried out according to the requirements of *Section 186* of the *Local Government Act 1989*.

#### Environmental/Sustainability Impacts

There are no environmental or sustainability impacts arising from this proposal.

## 5. INFRASTRUCTURE DIRECTORATE

### **5.3 Contract 1729 Verney Road Upgrade - Stage 3 between Graham Street and Elm Terrace, Shepparton (continued)**

#### **Strategic Links**

##### **a) Greater Shepparton 2030**

Infrastructure – The provision and restructure of urban and rural infrastructure to enhance the performance of the municipality and facilitate growth.

##### **b) Other Strategic Links**

Asset Management Strategy 2007 (page 12)

##### *Infrastructure*

Greater Shepparton will provide urban and rural infrastructure to enhance the performance of the municipality and facilitate growth.

- Maintain the Council's major asset categories, such as roads, footpaths, kerb and channel, drainage and buildings to meet specified levels of service

#### **Conclusion**

Jarvis Delahey Contractors Pty Ltd has submitted a conforming tender and received the highest overall score.

JDC Pty Ltd is a local contractor who has completed projects for Greater Shepparton City Council. These include Pine Lodge Cemetery car park, Aquamoves Car Park and Raftery Road construction.

The panel is satisfied that JDC Pty Ltd has the experience, capability and resources to complete this project within the time period stipulated.

Therefore, the tender submitted by JDC Pty Ltd for a total lump sum price of \$1,549,853.74 (excluding GST) and \$1,704,839.11 (including GST) has been determined to provide the best value for Council.

#### **Attachments**

Nil

## 5. INFRASTRUCTURE DIRECTORATE

### 5.4 Contract 1730 Welsford St Stages 1 & 2 Upgrade - Civil works

**Disclosures of conflicts of interest in relation to advice provided in this report**  
 Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest..

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Council Officers involved in producing this report**

**Author: Project Engineer**

**Proof reader(s): Team Leader Project Management Office, Manager Projects**

**Approved by: Director Infrastructure**

#### **Executive Summary**

The road pavement along Welsford St (Nixon St to Knight St) and Knight St (Wyndham St to Welsford St) is failing and Council has determined that full road pavement reconstruction is required. An accessible parking bay is required and will be incorporated along with a new pedestrian crossing point and refuge. Conduits will be installed along Welsford St to accommodate future underground relocation of overhead power lines. Additional drainage infrastructure along Welsford St will be provided.

Council has investigated and identified improvements for traffic flows and movements by altering the intersections of Welsford St/Nixon St and Welsford St/Knight St.

Council prepared a concept design layout and has engaged an engineering consultant to prepare detailed designs for proposed works, split into the following proposed construction stages:

- Stage 1 (This contract) - Reconstruct Welsford Street from Nixon St to Knight St.
- Stage 2 (This contract) - Change Welsford St/Nixon St intersection to a signalized intersection.
- Stage 3 - Reconstruct Knight Street from Welsford St to Wyndham St.
- Stage 4 - Welsford St/Knight St intersection.

**Moved by Cr Abdullah**

**Seconded by Cr Patterson**

That the Council:

1. accept the tender submitted by Mawson Constructions Shepparton Pty Ltd of Shepparton for Contract No. 1730 – Welsford Street Upgrade Stages 1 & 2 between Knight Street and Nixon Street, Shepparton for the Lump Sum price of \$2,610,573.031 (including GST).
2. authorise the Chief Executive Officer to sign and seal the contract documents.

**CARRIED.**

## 5. INFRASTRUCTURE DIRECTORATE

### 5.4 Contract 1730 Welsford St Stages 1 & 2 Upgrade - Civil works (continued)

#### Contract Details

Stage 1 & 2 – Nixon Street to Knight Street, Shepparton.

The works include: -

- (a) Preliminaries
- (b) Supply and install drainage
- (c) Excavate & install tree cells
- (d) Excavate the road pavement and dispose off-site
- (e) Supply and lay kerb & channel and concrete path.
- (f) Supply, lay and compact new pavement in layers
- (g) Supply and install traffic light signals at Nixon Street intersection
- (h) Supply, lay and compact spray seal / asphalt
- (i) Reinstatement of line-marking, furniture and driveways to private properties.
- (j) Tidy road reserve, nature strips and as built drawings

#### Tenders

Tenders were received from:

Tenderers
Mawson Construction Pty Ltd, Shepparton
Jarvis Delahey Contractors Pty Ltd, Congupna

#### Tender Evaluation

Tenders were evaluated by:

Title	Branch
Design Officer	Projects
Coordinator Drainage and Maintenance	Works
Project Engineer	Projects
Contracts and Procurement Advisor	Procurement

#### Evaluation Criteria

Tenders were evaluated on the following criteria:

Evaluation Criteria		Weighting
Mandatory	Price	40
	Prices supplied for additional works	5
	OH&S System and implementation	5
Compulsory	Environmental Sustainability	10
	Previous relevant experience, corporate and financial capability, relevant personnel and equipment.	20
	Project delivery methodology, Works Program	10
Social Procurement	Benefit to Local Region	10
	<b>TOTAL</b>	<b>100</b>

## 5. INFRASTRUCTURE DIRECTORATE

### 5.4 Contract 1730 Welsford St Stages 1 & 2 Upgrade - Civil works (continued)

#### Council Plan/Key Strategic Activity

Council Plan 2013-2017

Quality Infrastructure (Built)

We will provide and maintain urban and rural infrastructure to support the development and liveability of our communities.

2. Ensure that the community has access to appropriate transportation infrastructure.	Council, through the understanding that the need for appropriate transportation infrastructure is a key to the health and wellbeing of the community will continue to advocate for and strive to deliver the appropriate level of service across Greater Shepparton to serve the community.
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#### Risk Management

Risks	Likelihood	Consequence	Rating	Mitigation Action
Traffic, Pedestrian and Buses /Trucks management during construction	Likely	Moderate	Moderate	Traffic management and work methodology to provide for vehicle access
Damage to existing/proposed electric lines and electrocution	Likely	Major	High	Consult with Powercor to identify the proposed lines.  Safety Management during construction – use of warning equipment / “spotters” for overhead lines
Damage to assets owned by other Authorities	Likely	Moderate	Moderate	Consult with relevant authority to identify the proposed lines. Relocate assets prior to works Safety Management during construction

#### Policy Considerations

There are no conflicts with Council Policy

## 5. INFRASTRUCTURE DIRECTORATE

### 5.4 Contract 1730 Welsford St Stages 1 & 2 Upgrade - Civil works (continued)

#### Financial Implications

	Approved Budget Estimate for this proposal <sup>1</sup> \$	This Proposal GST Exclusive \$	Variance to Approved Budget Estimate \$	Comments
Expenditure Budget for complete Stage 1 & 2 works:	\$2,149,000			<b>100% R2R funding</b>
Income		(\$80,920)		Proposed GWV reimbursement from water main relocation works under CN1731
Expense		\$161,840		CN1731 GWV main relocation – awarding under delegation
<b>Expense</b>		<b>\$2,373,248.21</b>		<b>CN1730 – Proposed award amount includes \$340,000 of provisional items &amp; sums</b>
Expense		\$250,000		Allowance estimate – Powercor, Gas main and Telstra relocations
<b>Expenditure Result</b>	<b>\$2,149,000</b>	<b>\$2,704,168.21</b>	<b>(\$555,170)</b>	including \$340,000 in contingencies

<sup>1</sup> Budgets are GST exclusive

<sup>2</sup> For Contract Award reports the GST inclusive expense shall match the amount reported in the recommendation

The estimate and budget was based on a concept plan. Following investigation, detailed design and aligning with the most recent Council strategies, the costs have escalated by 25%. This was presented to the Council in a briefing on 18 October 2016 prior to tendering for works.

The items which have affected the budget are tabled below.

Description	Reason	Approx. \$
Additional street trees with appropriate tree cells to facilitate growth	Urban Forest strategy	\$180,500
Deep lift asphalt pavement option to avoid conflict with services and provide least disturbance to the road users / businesses	Detailed design and probable future Vicroads handover	\$230,000
Upgraded stormwater drainage	Rezoning from residential to commercial / business	\$60,000

## 5. INFRASTRUCTURE DIRECTORATE

### 5.4 Contract 1730 Welsford St Stages 1 & 2 Upgrade - Civil works (continued)

Description	Reason	Approx. \$
Centre concrete medians & additional line-marking	Traffic Study & detailed design	\$55,000
Additional required for relocation of services like power, Telstra and water main	Detailed design and design of services incorporating changes to service authorities requirements	\$30,000
<b>TOTAL</b>		<b>\$555,500</b>

Ideally the R2R funding should be used for construction works only and service locations (\$330,920) should be funded separately.

#### **Legal/Statutory Implications**

Tender process has been carried out according to the requirements of *Section 186* of the *Local Government Act 1989*.

#### **Environmental/Sustainability Impacts**

There are no environmental or sustainability impacts arising from this proposal.

#### **Strategic Links**

##### a) Greater Shepparton 2030 Strategy

Infrastructure – The provision and restructure of urban and rural infrastructure to enhance the performance of the municipality and facilitate growth.

##### b) Other strategic links

Council's CBD Strategy 2008 and the Greater Shepparton Freight and Land Use Study 2013

Asset Management Strategy 2007 (page 12)

#### **Infrastructure**

Greater Shepparton will provide urban and rural infrastructure to enhance the performance of the municipality and facilitate growth.

- Maintain the Council's major asset categories, such as roads, footpaths, kerb and channel, drainage and buildings to meet specified levels of service

#### **Conclusion**

Mawson Constructions Shepparton Pty Ltd has submitted a conforming tender and received the highest overall score.

Mawson Constructions Shepparton Pty Ltd is a local contractor who has completed projects for Greater Shepparton City Council. These include Verney Road Stage 1 & 2 upgrade, various stages of Balaclava Road Drainage, Archer Street Drainage, Archer Street Duplication, Knight Street Drainage and Vaughan Street redevelopment.

The panel is satisfied that Mawson Constructions Shepparton Pty Ltd has established a good performance history in the civil works industry and is considered to have the experience, capability and resources to complete this project within the time period stipulated.

Therefore, the tender submitted by Mawson Constructions Shepparton Pty Ltd for a total lump sum price of \$2,610,573.031 (including GST) has been determined to provide the best value for Council.

#### **Attachments**

Nil

## 6. CONFIDENTIAL MANAGEMENT REPORTS

### 6.1 Designation of Confidentiality of Information – Report Attachments

**Moved by Cr Summer**  
**Seconded by Cr Oroszvary**

In accordance with section 77(2)(b) of the *Local Government Act 1989* (the Act) the Council designates as confidential all documents used to prepare the following agenda Items:

1. Item 5.1: Contract 1693 - Fraser Street Toilets Redevelopment - Awarding of Contract
2. Item 5.2: Contract 1728 Verney Rd Stage 3 Goulburn Valley Water Main Reticulation
3. Item 5.3: Contract 1729 Verney Road Upgrade - Stage 3 between Graham Street and Elm Terrace, Shepparton
4. Item 5.4: Contract 1730 Welsford St Stages 1 & 2 Upgrade - Civil works

designated by the Chief Executive Officer in writing as confidential under section 77(2)(c) of the Act. These documents relate to contractual matters, which is a relevant ground applying under section 89(2)(d) of the Act.

**CARRIED.**

**THE MEETING CLOSED AT 4.33PM**