



AGENDA

Special Council Meeting

Wednesday, 10 August 2022

I hereby give notice that a Special Meeting of Council will be held on:

Date: Wednesday, 10 August 2022

Time: 9:00am

Location: Mapoon Aboriginal Shire Council Chambers

Tim Rose

Acting Chief Executive Officer

MEETING NOTICE



COUNCIL
MEETING NOTICE

You are respectfully advised that the Special Council Meeting Scheduled for 10 August 2022 is as follows:

Date: Wednesday 10 August 2022
Time: Beginning at 9.00am
Location: Mapoon Aboriginal Shire Council Meeting Chamber

The Meeting will be chaired by Cr Aileen Addo, Mayor.

Tim Rose
Acting Chief Executive Officer

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- 1 OPEN MEETING**
- 2 LEAVE OF ABSENCE**
- 3 CONFIDENTIAL REPORTS**

RECOMMENDATION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 275 of the Local Government Act 2012:

3.1 Appointment of CEO

This matter is considered to be confidential under Section 275 - a of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with the appointment, dismissal or discipline of employees.

4 OPERATIONAL REPORTS

4.1 AECOM TENDER EVALUATION FOR RESTORATION OF MAPOON'S PUBLIC ASSETS

Author: Tom Smith, Executive of Infrastructure & Works

Authoriser: Tim Rose, Acting CEO

Attachments: Nil

Introduction

We write to present our evaluation of **Tender MASC.0011.2021G.REC - Reconstruction of Mapoon's Essential Public Assets (REPA)**.

Following monsoonal activity in 2021, Mapoon Aboriginal Shire Council (MASC) received funding from the Queensland Reconstruction Authority (QRA) to repair damage sustained to their local assets. The repairs cover a majority of the local roads in the Local Government Area (LGA). The works include repairs to sealed road shoulders, formation grading and pothole repairs on sealed road.

The approved QRA funding based on a market rate assessment is \$305,028.43 (excluding GST).

Tender phase

A select tender process was initiated by Mapoon Aboriginal Shire Council (MASC) with tenders called through Vendor Panel on 28-June-2022 in accordance with Clause 4.2 of the Mapoon Aboriginal Shire Council Procurement Policy (Resolution Number CO34/22). The Tender phase complied with the Procurement policy (above \$200,000) in that:

- Council approval was sought.
- A detailed specification was prepared that details the requirements for Quality Assurance and Workplace Health and Safety requirements in accordance, with the Work Health & Safety Act 2011.
- Selection criteria was provided and used to assess the submissions.
- A form of contract was provided (AS2124-1992).
- Invitation for tender was presented via Local Buy panel arrangements.
- The tender advertisement/notice allowed at least 21 days (28-June-2022 to 20-July-2022).

The following companies were invited to tender via Local Buy panel arrangements:

- Carpentaria Contracting
- Cheshire Contractors
- Durack Civil
- Gulf Civil
- HEH Civil
- Koppen Construction
- Naylor Civil
- Robinson Civil Group.

Pursuant to Clause 33.0 of the Conditions of Tender a mandatory site inspection was held on 7-July-2022. Gulf Civil was the only Tenderer to attend the mandatory site inspection.

Tender phase correspondence

Two (2) notices to tenderers and addendum were issued throughout the tender period.

1. mandatory site inspection notification dated 29-June-2022
2. tender queries raised on 10-July-2022 dated 13-July-2022.

Tender response

Gulf Civil submitted a conforming tender by the due date (20-July-2022).

Late tenders

No late tenders were submitted.

Tender evaluation

Gulf Civil was the only company to submit a tender. Their Tender price was \$989,869.56 (excl. GST).

Post tender correspondence

Post tender correspondence was issued to Gulf Civil on 26-July-2022 to request clarification about how they will deliver the work under the contract in a timely fashion, to meet the milestone dates in their tender program. Gulf Civil had listed a number of Contracts that would be running concurrently with the MASC.0011.2021G.REC and AECOM is aware of a number of tenders that Gulf Civil has recently responded to. A response was requested by no later than COB 27-July-2022.

Gulf Civil responded on 27-July-2022 outlining how Gulf Civil intend on managing their current and forward workload. Sufficient information was provided by Gulf to allay concerns pertaining to delivery timeframes.

A copy of the post tender correspondence has been attached for information.

Tender evaluation

Tender evaluation criteria

The tender evaluation criteria and weighting included in the conditions of tender are summarised in Table 1.

Table 1 Summary of evaluation criteria

Evaluation criteria	Weighting
Relevant company experience	
Type of work	10%
Work in remote locations	7.5%
Indigenous community experience	10%
Experience of key staff/resources	10%
Capacity to carry out the work	
QA, EMS and WH&S	5%
Financial (past projects)	5%
Other	
Value for money	35%
Methodology and program	12.5%

Evaluation criteria	Weighting
Relevant company experience	
Local employment and training opportunities	5%

It was not necessary to score Gulf Civils' tender on account that it was the only respondent. Notwithstanding that, comments were provided against each of the criteria to determine whether Gulf Civil is suitable for the works.

Furthermore, Gulf Civils' tender was reviewed to ascertain key risks that may be realised should a contract be entered into between Council and Gulf Civil. These are outlined below:

- Program: Gulf Civil has a significant pipeline of work and therefore resource availability is a key risk.
- Methodology: There are specific elements that need to be considered when completing works of this nature in Mapoon. These include winning material from the borrow pit, consideration of distances between sites and water fill point locations.

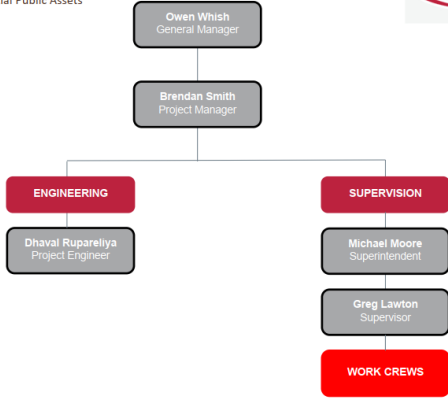
Completeness of tender

Gulf Civil submitted a conforming bid with no qualification, satisfying the conditions of tender. As such, the Gulf Civil tender was admitted for assessment.

Initial assessment

Table 2 Initial tender assessment

Criteria	Assessment comments
Type of work	<p>Gulf Civil have delivered a significant amount of similar projects throughout Cape York in recent times. Examples of projects include:</p> <ul style="list-style-type: none"> • Mapoon Airstrip Defects Rectifications (2022) – Mapoon Aboriginal Shire Council. • Mapoon NDRRA/DRFA REPA works (2020) – Mapoon Aboriginal Shire Council. • Miscellaneous Roads -P7 2020 (2021) - Burke Shire Council. • Mornington Island DRFA 2020 (2020) – Mornington Shire Council. • Reconstruction of Flood Damaged Assets (2019-2020) – Palm Island Aboriginal Shire Council. • 2018 NDRRA/TIDS Gregory-Lawn Hill Road (2019) – Burke Shire Council. <p>All of the above projects utilised the Queensland Reconstruction Treatment Guidelines and relate to the reconstruction of essential public assets.</p>
Work in remote locations	<p>Gulf Civil complete majority of their work in remote locations. They have delivered several projects in the Mapoon community including:</p> <ul style="list-style-type: none"> • Mapoon Airstrip Defects Rectifications (2022) – Mapoon Aboriginal Shire Council. • Mapoon Barge Landing (2021) – Mapoon Aboriginal Shire Council • Mapoon Water Infrastructure Upgrades (2021) – Mapoon Aboriginal Shire Council. • Mapoon NDRRA/DRFA REPA works (2020) – Mapoon Aboriginal Shire Council.

Criteria	Assessment comments
Indigenous community experience	Gulf Civil have completed a significant number of projects in indigenous communities throughout Queensland. Their experience includes Mapoon, Palm Island, Yarrabah and Mornington Island. Several projects can be seen above.
Experience of key staff/resources	<p>Gulf Civil has proposed to assign the following staff to the project team:</p> <p>Organisational Chart Mapoon Aboriginal Shire Council Reconstruction of Mapoons Essential Public Assets Contract MASC 0011.2021G.REC</p>  <p>CV's were provided for the key personnel as outlined above, which showed they have all fulfilled similar roles on previous civil construction project.</p> <p>Project Manager (Brendan Smith) – Brendan has NDRRA/DRFA exposure dating back to 2014. He has worked on several remote area projects including Cloncurry Shire Council and Diamantina Shire Council Local Government Areas.</p> <p>Supervisor (Gregory Lawton) – Gregory was a soil tester for 13 years and bring over 5 years of large-scale construction projects across Australia. His remote area experience is somewhat limited, however, he has recently delivered a pavement widening and upgrading in the Cloncurry Shire.</p>
QA, EMS and WH&S	<p>Gulf Civil provided sample Quality Management Plan (including Lot register and ITP's), sample Construction Methodologies, sample Safety Management Plan (including sample SWMS). It was noted that no sample Environmental Management Plan (EMP) was provided.</p> <p>Given there are limited earthworks required for the works the omission of the EMP is not deemed to be a high risk. No significant issues were flagged with Gulf Civils' ability to provide and implement a satisfactory QA/EMS and WH&S management system throughout the project duration.</p>
Financial (past projects)	<p>Gulf Civil provided sufficient financial information regarding the company turnover and capital. Gulf Civil have delivered a large number of projects the exceed the value of the proposed works (\$989,869.56). Examples for project delivery exceeding the above value are outlined below:</p> <ul style="list-style-type: none"> • Miscellaneous Roads – P7 2020 - \$1.3 million (Burke Shire Council). • Mornington Island DRFA 2020 - \$3.6 million (Mornington Shire Council). • 2019 DRFA Restoration and Betterment - \$3.0 million (Burke Shire Council).

Criteria	Assessment comments
	<ul style="list-style-type: none"> Mapoon Water Infrastructure Upgrades - \$3.0 million (Mapoon Aboriginal Shire Council).
Value for money	<p>Gulf Civil provided a tender price that was in the order of 3 times higher than the recommended value calculated by QRA. The recommended value derived by QRA is \$305,028.43, while the Gulf Civil tendered price is \$989,869.56.</p> <p>Given the tendered price was substantially higher than the derived recommended value, a review was undertaken of the rates that were utilised by LDI for the 2018/2019 NDRRA/DRFA works completed in 2020. It was found that the rates for work under the contract were very similar between the two tenders. Examples are outlined below:</p> <ul style="list-style-type: none"> Medium formation grading <ul style="list-style-type: none"> LDI \$38.40 Gulf Civil \$14.45 Heavy Shoulder Grading <ul style="list-style-type: none"> LDI \$34.07 Gulf Civil \$32.18 Resurface – Bitumen spray seal. 2 cost seal <ul style="list-style-type: none"> LDI \$980.00 Gulf Civil \$972.83 <p>There is minimal sealing work in the current tender. This results in higher than anticipated rates that pertain to bitumen works due to the build-up of the rate.</p>
Methodology and program	<p>Methodology:</p> <p>Gulf Civil provided a detailed methodology that provided construction methodologies for the winning and carting of gravel, heavy shoulder grading, medium formation grading, patch repairs and bitumen sealing. In addition to the physical construction works, Gulf Civil provided details regarding community and stakeholder management.</p> <p>Furthermore, Gulf Civil provided details of how they intend on protecting recently completed works. It is noted that assets furthest away from the borrow pit will be completed first with any new damage caused by construction traffic being rectified as they work towards the borrow pit. Gulf Civil further justified their understanding of the DRFA project arrangement through the provision of several case studies of acceptable and unacceptable standards of work.</p> <p>Program:</p> <p>Gulf Civil provided a program that met the durations outlined in the tender document. The required date for PC is 110 days from the letter of award.</p> <p>The anticipated date for Practical Completion (based on the contract being awarded on the 15-August-2022) is 16-November-2022 (94-day tender program).</p>
Local employment and training opportunities	<p>Gulf Civil submitted a conforming IEOP comprising of the following details:</p> <ul style="list-style-type: none"> Apprentices and Trainees (new entrants only): <ul style="list-style-type: none"> core requirement 196 hours

Criteria	Assessment comments
	<ul style="list-style-type: none"> - proposed 450 hours • Other workforce Employment/Training: <ul style="list-style-type: none"> - Core requirement 131 hours - Proposed 450 hours • Additional Requirement: <ul style="list-style-type: none"> - Requirement \$16,333.00 - Proposed \$334,125.00. <p>The proposed IEOP outcomes far exceed the core requirements for a project of this value.</p>

Final assessment

Following Gulf Civils' response to Post Tender Correspondence 01 the final Tender Evaluation was completed.

Table 3 Summary of final assessment scores

Tenderer	Tender evaluation score	Final tender price (GST excl)
Gulf Civil	NA	\$ 989,869.56

Gulf Civil were the only tenderer to respond to the tender and as such, they were selected as the preferred tenderer.

Despite being the only Tenderer to provide a valid tender, the following points are noted:

- **Tender price:** Rates supplied by Gulf Civil are comparable to the rates provided by LDI for the 2018/2019 program of works. This provides weight to the position that the Gulf Civil tendered price offers value for money.

In addition to the comparison between the previously completed NDRRA/DRFA package of works the following items are noted and add weight to the value for money position:

- cost of fuel is double the price compared to the previous NDRRA/DRFA program
- labour is in the order of 20% more expensive compared to the previous NDRRA/DRFA program
- plant Rates have increased 20% compared to the previous NDRRA/DRFA program
- cost of bitumen has increased 60% compared to the previous NDRRA/DRFA program
- flight costs have increased in recent times
- insurance premiums are an additional 70% from 2020.
- **Local, relevant experience:** Gulf Civil has a proven track record of project delivery in Mapoon, having now completed several contracts including 2018/2019 NDRRA, Mapoon Barge Landing and Mapoon Airstrip Defect Rectifications. Further project experience can be found in Table 2.
- **Financial:** Gulf Civil have indicated that they can successfully deliver a project of this size through their past performance. Refer to Table 2 for specific examples.
- **Construction methodology and understanding:** Gulf Civil appear to understand the type of work well which is justified through the provision of case studies in the construction methodology.

The tenderer provided methodologies for each damage type that details required plant to complete the task. There are no constrained sites that require mobilisation of specialist plant or equipment.

- **Program:** Gulf Civil have indicated that they are able to complete the works prior to the 2022/2023 wet season with an anticipated date for Practical Completion of 16-November-2022.

In order to alleviate Council's risk with poor time performance PTC#01 was issued. Gulf Civil advised that between October 2021 and April 2022, the Company has restructured its organisational chart and retained additional skilled and qualified personnel in readiness to ensure capacity to complete their tendered work. They advised that the construction program provided takes into account the sequencing of all current tendered projects.

A companywide organisation chart was provided as part of the post tender correspondence response, which provides further justification of their capacity to deliver these works.

- **IEOP:** Gulf Civil provided an IEOP that far exceeded the core requirements for a contract this size.

Summary and conclusions

Project risks

In endorsing the decision to award the MASC.0011.2021G.REC Contract to Gulf Civil, it is recommended that Council considers the following risks associated with delivery of the construction scope:

- It is understood that Gulf Civil has an extremely busy pipeline of work and questions have been raised regarding their ability to deliver the work to the tender program provided. Gulf Civils' response to Post Tender Correspondence 01 detailed how their revised company structure will allow them to resource and program the work, along with early completion of current work commitments provided confidence that their program is achievable.

It is also noted that the funding for this work does not expire until the end of the 22/23 financial year. As such, program slippage not caused by the Superintendent or Council will have no financial implications for Council.

- As with all QRA REPA style contracts there is a risk that works completed by the Contractor are either in the incorrect location or of an incorrect length as a result of the Contractors failure to accurately determine the work areas. This results in additional costs that are not payable by QRA, which may need to be funded by Council. It is recommended that a full-time site representative be implemented for the duration of the Contract to ensure the following:
 - contractors are working in the correct location
 - photographs are being taken pre and post construction to be used for funding acquittals.
- Insufficient water available at Council's water points for the construction works. Council to confirm whether the bore and pipeline arrangement can be re-established as a contingency plan to the water points running dry.
- Insufficient accommodation available at the contractor's accommodation or Paanja Lodge resulting in delays to Practical Completion. It is noted that remains the risk of the Contractor, as such, there is minimal risk to Council should accommodation be unavailable.

- Insufficient funding is currently available. It is recommended that Council seek approval from QRA prior to contract award to ensure confidence that Council will not be exposed to unfunded works.

RECOMMENDATION

Based on our tender assessment, no reasons were identified why Council should not endorse a recommendation to award tender MASC.0011.2021G.REC to Gulf Civil.

Gulf Civils' tender suggested that they:

1. Are reasonably experienced in local road construction in remote Indigenous communities.
2. Are well resourced to deliver the project, having assigned people to the key roles of project manager, project engineer and supervisor.
3. Propose to complete the works by the funding due date.
4. Will provide 900 hours of training/employment and \$334,125 of local business investment over the course of the Contract.

Therefore, it is recommended that Council should:

1. Satisfy itself that the process documented by this tender assessment complies with their procurement policy;
2. Award **Contract MASC.0011.2021G.REC** to Gulf Civil Pty Ltd for a lump sum tender amount of \$989,869.56 excluding GST) contingent on the fact that QRA agree in writing to fund the budget shortfall.
3. Apply a contingency of \$98,986.96 to the project to address the risks listed previously in this report.
4. Issue a letter of award to Gulf Civil Pty Ltd by 15-August-2022 to ensure that the PC Dates do not change (subject to QRA agreeing to additional funding); and
5. Delegate authority to the Chief Executive Officer in accordance with the Local Government Act 2009 to negotiate, finalise and execute any and all matters associated with entering into contracts under this arrangement.

4.2 INSURANCE PAYMENT

Author: Tim Rose, Acting CEO

Authoriser: Tim Rose, Acting CEO

Attachments: Nil

PURPOSE OF REPORT

The purpose of this report is to advise council of the current cost of council's insurance and to seek approval to forward the payment to LGM Assets.

BACKGROUND

This bill as attached is to cover council for infrastructure and building insurance. The amount may vary slightly depending on the asset review. However, this amount as attached is currently outside of purchasing limits.

DISCUSSION

As council is aware LGM Assets is the vehicle that was set up by the LGAQ to manage councils risk exposure by collectively offering insurance placement and claims management. The purpose of this arrangement is to reduce costs and being able to effectively manage claims.

RECOMMENDATION

That council move that under section 234 of the Local Government Act an exemption for the purchase of goods and services can be made under an LGA arrangement and the amount that is due and payable be authorised by council for payment to LGM assets for \$236,935.87 (ex gst)

5 CORRESPONDENCE**6 NEXT MEETING DATE**

Proposed date for next meeting: 23 August 2022

7 CLOSE MEETING