



## **SPECIAL COUNCIL MEETING**

# **MINUTES**

**NOTICE IS HEREBY GIVEN that a  
Special Meeting of Council was held  
in the Council Chambers, Welcome Road, Karratha,  
on Tuesday, 30 August 2016 at 5.00pm  
to consider the following items:**

- **Nickol West Park Expansion Call for Tenders**
- **Karratha Arts & Community Precinct Tender for Construction; and**
- **Confidential – Appointment of Director Community Services**

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**CHRIS ADAMS  
CHIEF EXECUTIVE OFFICER**



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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a license, any statement or intimation of approval made by any member or Officer of the City of Karratha during the course of any meeting is not intended to be and is not taken as notice of approval from the City of Karratha.

The City of Karratha warns that anyone who has any application lodged with the City of Karratha must obtain and should only rely on

**WRITTEN CONFIRMATION**

of the outcome of the application, and any conditions attaching to the decision made by the City of Karratha in respect of the application.

Signed:  \_\_\_\_\_  
**Chris Adams - Chief Executive Officer**

## DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE) (updated 13 March 2000)

A member who has a **Financial Interest** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:

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

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

### NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interest** in a matter. I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
  - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*; or
  - 6.2 Where the Minister allows the Councillor to participate under s5.69 (3) of the *Local Government Act*, with or without conditions.

### INTERESTS AFFECTING IMPARTIALITY

**DEFINITION:** *An interest that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected, but does not include an interest as referred to in Section 5.60 of the 'Act'.*

A member who has an **Interest Affecting Impartiality** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest;

- (a) in a written notice given to the Chief Executive Officer before the Meeting; or
- (b) at the Meeting, immediately before the matter is discussed.

### IMPACT OF AN IMPARTIALITY CLOSURE

There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote.

With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.



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# MINUTES

## 1 OFFICIAL OPENING

The Special Meeting of Council held in the Council Chambers, Welcome Road, Karratha on Tuesday, 30 August 2016 was declared open at 5.05 pm. Cr Long acknowledged the traditions of the Ngarluma people, on whose land we are gathered here today.

## 2 PUBLIC QUESTION TIME

Nil

## 3 RECORD OF ATTENDANCE / APOLOGIES

<b>Councillors:</b>	Cr Peter Long [Mayor] Cr John Lally [Deputy Mayor] Cr Garry Bailey Cr Margaret Bertling Cr Grant Cucel Cr Geoff Harris Cr Daniel Scott Cr Evette Smeathers Cr Robin Vandenberg Cr Fiona White-Hartig	
<b>Staff:</b>	Chris Adams Phillip Trestrail Andrew Ward Simon Kot  Tishka Hanlon	Chief Executive Officer Director Corporate Services Director Community Services Director Strategic Projects & Infrastructure Minute Secretary
<b>Apologies:</b>	Cr Bart Parsons David Pentz	Director Development Services
<b>Absent:</b>	Nil	
<b>Members of Public:</b>	Chris Millward Jordan Farrell Grant Slater	Cooper & Oxley GBEC Pindan
<b>Members of Media:</b>	Nil	

## **4 DECLARATIONS OF INTEREST**

Cr White-Hartig declared an interest in the following Item:

- Indirect financial interest in Item 6.1 Award of Tender – Karratha Arts & Community Precinct Tender for Construction as Rio Tinto has contributed to the Arts & Community Precinct and Cr White-Hartig's husband works for Rio Tinto.



## **5 COMMUNITY SERVICES**

Cr White-Hartig entered the meeting at 5.07pm

### **5.1 NICKOL WEST PARK EXPANSION CALL FOR TENDERS**

<b>File No:</b>	<b>CP.891</b>
<b>Responsible Executive Officer:</b>	<b>Director Community Services</b>
<b>Reporting Author:</b>	<b>Leisure Planner</b>
<b>Date of Report:</b>	<b>22 August 2016</b>
<b>Applicant/Proponent:</b>	<b>Nil</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>1. Nickol West Park Expansion Detailed Design (full design detail available upon request)</b> <b>2. Confidential Cost Plan</b>

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#### **PURPOSE**

For Council to receive the detailed design of the Nickol West Park Expansion, and consider scope, selection criteria and weightings for proposed tender documents.

#### **BACKGROUND**

In January 2016, approval was granted by the Minister for Planning to expend a cash-in-lieu contribution from Pindan of \$441,000.00 (derived from the Jingarri Estate subdivision), on development of the Nickol West Park Expansion. A funding agreement between the City and Pindan was subsequently executed for the City to deliver the project.

At the 15 February 2016 Ordinary Council Meeting, Council resolved (as per Resolution 153375) to;

1. UTILISE Pindan funding to develop the first stage of the Nickol West Park expansion in accordance with the City's latest concept plan, with delivery of works shown on the latest Pindan concept plan as a minimum.
  2. DETERMINE the full extent of additional first stage works once detailed design costings are available and decisions can be made about works required within a reasonable 2016/17 budget allocation;
  3. AGREE to spend \$200,000 on detailed design in the 2015/16 financial year and request a budget allocation for this work be included in the March 2015/16 budget review;
  4. UNDERTAKE detailed design for the latest concept plan for the purposes of establishing more accurate costings; and
  5. REQUEST first stage development of the Nickol West Park expansion area (as recommended as necessary and reasonable) be presented as a new initiative for Council consideration as part of preparing the 2016/17 budget.
-

Since the February Council meeting, Officers have engaged local engineers GHD to refine the concept and complete design drawings for the Nickol West Park Expansion project. These designs were completed at a cost of \$108,000.00 and are attached for Council's consideration.

Given the relative lack of active open space in close vicinity to Nickol West Park and the very high use of the nearby Tambrey Oval, the proposed use of the open space development is primarily for organised junior sport – training and competition, as well as being used as a passive open space for residents of the Nickol West estate.

While ideally the site would be used as an additional sports competition space, the land does have some design constraints. In particular, the space available provides limited separation between sports field boundaries and existing infrastructure such as footpaths, drains and roads. To circumvent this design constraint, it is not proposed to operate senior sport from this facility as the space available cannot accommodate senior sports fields. While operating solely as a junior sports facility does address some of the space constraints, operating the facility as a junior competition space will still require the construction of a 3m high safety fence on the northern end of the boundary to prevent balls from regularly going onto the road. While this solution works from a design perspective, it is somewhat unusual for this type of finish in a largely residential setting and has the potential to be considered as unsightly by residents.

Two options are available to Council in relation to the delivery of this project:

**Option 1: Develop as Junior Sports Training and Competition Facility.**

This option allows for training and competition to occur on the redeveloped open space. This option is consistent with the original intent of the Nickol West Park and is consistent with Council's Sport, recreation and leisure strategic plan for sports field development. It would include the following scope of works.

Stage One

- 28-space bituminised car park
- Pre-fabricated, accessible public toilet with baby change table
- Bicycle racks and motorbike parking
- 2x shaded picnic areas and BBQs
- Match standard junior/senior soccer field
- Training standard junior/senior rugby league field
- Stolon turf sports field
- Soccer/Rugby hybrid goal posts
- 6-pole, 21m sports lighting
- A landscaped natural walkway area
- Public Art
- An edible native garden for community use;
- Water, sewer and electrical capacity upgrades for future change room construction
- Safety fence – 3m high by 20m long, northern parameter of reserve.

Potential Stage Two

- Construction of a change room facility

In this scope the sports field sizing complies with match standards for (multiple) junior soccer games and senior soccer games, and training standard for junior and senior rugby league. It should be noted that it is likely that the field will not be allocated as a home ground for any sports clubs in the near future. Under this option, it is proposed to treat the change room

component of the project as a potential inclusion and tendered as a separable portion to allow the market to determine whether the full scope of works for this facility can be accommodated within the budget available.

While no objection has been received from neighbouring residents to this design concept, there is potential for conflict to occur in the future with neighbours as residential properties are close to the open space. Potential issues include car parking availability during games, noise and light spill. Officers consider that these can be mitigated through ongoing communication and sound management practices.

**Option 2: Develop as Junior Sports Training Facility.**

This option 'downscales' the development by making the space a training only facility. This would involve modifying the scope for the project by:

- Shortening the sports fields to a size that is not consistent with 'match play' guidelines.
- Eliminating the need for the 3m high x 20m safety fence.
- Reducing the sports lighting requirements.
- Eliminating the need for future change room facilities.

This option would reduce the potential for future conflict between sports field users and neighbouring residents but would significantly limit the utility of the space and would mean that existing oval spaces would remain heavily used and under pressure. The nett saving from the reduced option is approx. \$80,000, when compared to stage 1 of the full scope. The saving is relatively negligible as the same amount of grass and lighting towers would be required under either scope. The major savings would come in the elimination of the safety fence.

While the reduced scope is a realistic option, it is not supported by officers as:

- There is a need for more additional rectangular playing spaces in the Western end of Karratha.
- There were no objections to residents to the proposed 'full' design.
- Officers believe that potential future conflicts can be mitigated through good management practices and communication.

The project timeframe (under either option) is estimated as follows;

<b>Deliverable</b>	<b>Milestone Date</b>
Council approval/Call for Tender	30 August 2016
Tender released	September 2016
Tender close	September/October 2016
Council - Contractor appointment & scope of works finalised	October Ordinary Council Meeting
Works commence	November 2016
50% complete	February 2017
Turf installation	March 2017
Practical Completion	April 2017
Field functional	Winter 2018

Officers recommend tenders be called for construction with the following selection criteria and weightings in line with Council Policy CE-13;

<b>Selection Criteria</b>	<b>Weighting</b>
Relevant Experience	15%
Key Personnel and Resources	10%
Demonstrated Understanding	15%
Price	60%

#### **LEVEL OF SIGNIFICANCE**

In accordance with Council Policy CG-8 Significant Decision Making Policy, this matter is considered to be of moderate significance in terms of the health and wellbeing of the residents of Nickol West, capacity of local soccer and rugby league sporting groups and the effect on the City's annual budget.

#### **COUNCILLOR/OFFICER CONSULTATION**

A Project Reference Group comprising of Officers from the City's Technical Services, Recreation Facilities, Parks and Gardens, Strategic Projects and Community Projects departments has guided the design of the project. The Public Art Steering Committee has also provided feedback during the design phase.

#### **COMMUNITY CONSULTATION**

Community consultation was undertaken through the 'Put a Spark in your Park' initiative. As part of the initiative feedback flyers were delivered to each letterbox in Nickol West, as well as being available at the City Administration Office Front Counter, the Karratha Library and the Dampier Community Hub opening event. An online survey was conducted to allow all Karratha residents the opportunity to provide feedback on the Public Art, and any other feedback, which was promoted through the flyer and Facebook.

In addition to the above, a workshop took place on 23 July 2016 as part of the initiative at Nickol West Park, in which Officers from the Partnerships and Engagement Team were present to test Councillor feedback with the community. The consultation workshop was poorly attended and the online survey received very little responses however a recurring request was the inclusion of a small basketball court within the design.

In the current configuration, a basketball court cannot be afforded though should budget savings be made through the construction process, developing a court area will be investigated.

#### **STATUTORY IMPLICATIONS**

Tenders for the works are proposed to be called in accordance with Section 3.57 of the *Local Government Act 1995*.

#### **POLICY IMPLICATIONS**

Council Policy CE-13 – Tender Evaluation is applicable.

Council Policy CG-11 – Regional Price Preference is also applicable to this matter.

**FINANCIAL IMPLICATIONS**

Council previously expended \$108,000.00 on the detailed design of the project in the last financial year, and has a set allocation of \$2.34million for the construction of the project within the 2016/2017 budget.

Cost estimates for the construction of stage one only have been prepared by a Quantity Surveyor and have been included as a confidential attachment to this report. The construction of a change room facility (stage two) is an additional cost outlined within the cost plan.

**STRATEGIC IMPLICATIONS**

This item is relevant to the Council’s approved Strategic Community Plan 2012-2022 and Corporate Business Plan 2012-2016. In particular the Operational Plan 2015-2016 provided for this activity:

- |               |           |  |
|---------------|-----------|--|
| Our Program:  | 1.a.2.6   | Operate Community Facilities   |
| Our Services: | 1.a.2.6.6 | Plan new facilities and upgrade new facilities   |
| Our Program:  | 1.a.3.1   | Provide open space which cater for the community’s needs.                                    |
| Our Services: | 1.a.3.1.3 | Maintain and renew City’s parks, gardens, streetscapes and facilities, bushland and reserves |

**RISK MANAGEMENT CONSIDERATIONS**

The level of risk is considered to be Moderate to the City in terms of financial outlay for the project.

**IMPACT ON CAPACITY**

There are staff resourcing implications pertaining to this project should Council resolve to call for tenders. Officers in the Community Projects Team, with support from the Strategic Projects team, have factored procurement and project management of the park expansion into work plans, with additional support from the Infrastructure team.

**RELEVANT PRECEDENTS**

Council has previously constructed the expansion of the Bulgarra Sporting Precinct facility.

**VOTING REQUIREMENTS**

Simple Majority.

**OPTIONS:**

Option 1

As per Officer’s recommendation.

Option 2

That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to:

1. RECEIVE the detailed design of the Nickol West Park Expansion project
2. AGREE to the following scope of works for the Nickol West Park Expansion:
  - A. ....
  - B. ....
  - C. ....
  - D. ....
  - E. ....

3. AGREE to call for tenders for construction of the Nickol West Park Expansion with the following selection criteria and weightings;

<b>Selection Criteria</b>	<b>Weighting</b>
Relevant Experience	___%
Key Personnel and Resources	___%
Demonstrated Understanding	___%
Price	___%

Option 3

That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to:

1. REJECT the proposed scope and detailed design of the Nickol West Park Expansion project
2. NOT PROCEED with construction of the project

**CONCLUSION**

The detailed design of the Nickol West Park expansion has been developed to tender documentation and the consultant has submitted a pre-tender construction estimate. The budget set for this project is \$2.34million. In order to proceed, Council is requested to consider the design and call for tenders.

**OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION**

Res No : 153547  
 MOVED : Cr Lally  
 SECONDED : Cr Vandenberg

That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to:

1. RECEIVE the detailed design for the Nickol West Park Expansion;
2. AGREE to the following scope of works for the Nickol West Park Expansion;
  - 28-space bituminised car park
  - Pre-fabricated, accessible public toilet with baby change table
  - Bicycle racks and motorbike parking
  - 2x shaded picnic areas and BBQs
  - Match standard junior/senior soccer field
  - Training standard junior/senior rugby league field
  - Stolon turf sports field
  - Soccer/Rugby hybrid goal posts
  - 6-pole, 21m sports lighting
  - A landscaped natural walkway area
  - Public Art
  - An edible native garden for community use;
  - Water, sewer and electrical capacity upgrades for future change room construction
  - Safety fence – 3m high by 20m long, northern parameter of reserve.
  - Include separable portion for stage two works (change rooms), to provide the City with a greater understanding of potential costs and budget impact.
3. AGREE to call tenders for construction of the Nickol West Park Expansion with the following weighted selection criteria:

Selection Criteria	Weighting
Relevant Experience	15%
Key Personnel and Resources	10%
Demonstrated Understanding	15%
Price	60%

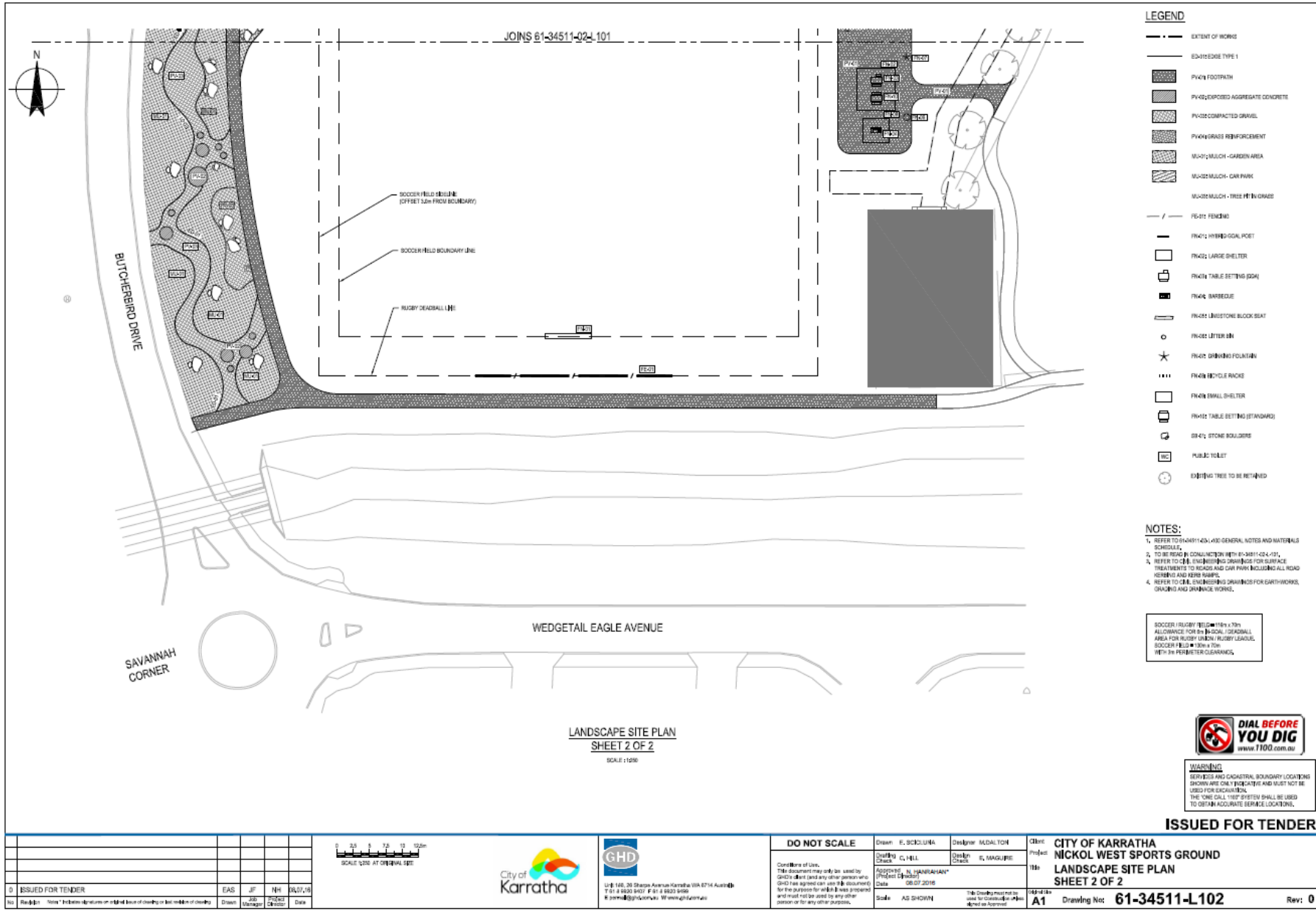
**CARRIED**

FOR : Cr Long, Cr Lally, Cr Bailey, Cr Bertling, Cr Cucel, Cr Harris, Cr Scott,  
 Cr Smeathers, Cr Vandenberg, Cr White-Hartig  
 AGAINST : Nil









## 6 STRATEGIC PROJECTS & INFRASTRUCTURE

Cr White-Hartig declared an indirect financial interest in the following item as Rio Tinto has contributed to the Arts & Community Precinct and Cr White-Hartig's husband works for Rio Tinto.

At 5.12pm Cr White-Hartig left the Chambers.

### 6.1 KARRATHA ARTS & COMMUNITY PRECINCT TENDER FOR CONSTRUCTION

<b>File No:</b>	<b>CM.237</b>
<b>Responsible Executive Officer:</b>	<b>Director Strategic Projects &amp; Infrastructure</b>
<b>Reporting Author:</b>	<b>Director Strategic Projects &amp; Infrastructure</b>
<b>Date of Report:</b>	<b>19 August 2016</b>
<b>Applicant/Proponent:</b>	<b>Nil</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>1. Confidential - Tender Evaluation Report 2. Confidential - Project Budget</b>

#### PURPOSE

For Council to consider the successful tenderer for RFT 24-15/16 Karratha Arts & Community Precinct (KACP) construction project.

#### BACKGROUND

At its March 2016 Ordinary Meeting, Council resolved to:

- a) ENDORSE the Detailed Design as recommended by the Project Advisory Group for the Karratha Arts and Community Precinct Project and as depicted in the attachment to this report;
- b) NOTE the current forecast project budget as prepared by Donald Cant Watts Corke based on the Detailed Design is \$54.869M as detailed in Confidential Attachment 2;
- c) AGREE to incorporate the transformer relocation in to the project scope and progress these works outside of the major build works.
- d) AGREE to call tenders for the Major Build Works for the Karratha Arts and Community Precinct Project in accordance with the Detailed Design scope of works and adopt the following selection criteria:

Relevant Experience	10%
Capacity to Deliver	10%
Demonstrated Understanding	20%
Price	60%
- e) NOTE that at the completion of the Tender assessment a further report will be tabled for Council to consider the progression of the project to construction including the associated financial implications;

- f) AGREE to call tenders for the Specialist Theatre Fit-out in accordance with the scope of works outlined in this report and adopt the following selection criteria:

Relevant Experience	25%
Capacity to Deliver	20%
Demonstrated Understanding	15%
Price	40%

- g) NOTE that the current status of anticipated Project funding for the project is as follows:

Organisation	Requested Amount	Notification expected
State Government – PDC via R4R	\$14M	March / April 2016
Federal Government	\$10M	Confirmed
Industry and Lotterywest	Up to \$10M	Woodside / North West Shelf and Lotterywest confirmed contributions. Total \$5.2M RTIO outcome expected March / April 2016.

- h) NOTE that the current anticipated operational cost to manage the Karratha Arts and Community Precinct is forecast to be \$3.2M based on the assumptions detailed in Attachment 3, representing an additional cost to Council of \$1.63M +/- 15%.

At its May Meeting Council considered the tenders for the Theatre Specialist Fit Out and awarded a contract to HME Services Pty Ltd. The intention is that HME Services will be novated to the successful construction tenderer on award.

Tenders for the construction of the Karratha Arts and Community Precinct were advertised on 11 June 2016 and closed 5 August 2016.

Three (3) tenders were received by the closing date from:

- Pindan Contracting P/L
- Cooper & Oxley Builders
- Doric Contractors

The tenders were evaluated by a five person panel comprising of:

- Chief Executive Officer
- Director Strategic Projects & Infrastructure
- Manager Community Services
- Architect – Peter Hunt Architects
- Cost Manager – Donald Cant Watts Corke

The tenders were first assessed for compliance with the tender documents. The tenders were then assessed against the qualitative criteria that were weighted.

As approved by Council, the criteria and associated weightings were:

<b>Criteria</b>	<b>Weighting</b>
Relevant Experience	10%
Capacity to Deliver	10%
Demonstrated Understanding	20%
Price	60%

The Regional Price Preference Policy was applied to one local tenderer.

A copy of the Evaluation Report is contained within the confidential section of the agenda.

### **LEVEL OF SIGNIFICANCE**

In accordance with Council Policy CE-8 Significant Decision Making Policy, this matter is considered to be of high significance in terms of future social wellbeing, development of the arts in the region and general wellbeing of the residents of the City of Karratha. It is also significant in regards to the financial investment required to establish, progress and complete this project.

### **COUNCILLOR/OFFICER CONSULTATION**

Council resolved to establish an Arts and Community Precinct Advisory Group at its meeting held in October 2013, with a purpose to discuss and inform the strategic direction for the Arts and Community Precinct project throughout its development. This Advisory Group has six nominated Councillors as representatives. Councillors have been updated regularly throughout the project.

Consultation has also taken place between panel members in evaluating and analysing the content of each tender submission.

### **COMMUNITY CONSULTATION**

The KACP Advisory Group includes seven Community representatives. The Advisory Group meet throughout the various stages of the project, with a recent meeting held on 16 August 2016 to provide an update on the construction tender, public art, general design, project program, financial status and communication plan. A concept fly through was also provided to the general public through social media.

### **STATUTORY IMPLICATIONS**

Tenders were called in accordance with Section 3.57 of the *Local Government Act 1995* and Part 4, Division 2 – Tenders for providing goods or services of the *Local Government (Functions and General) Regulations 1996*.

### **POLICY IMPLICATIONS**

Policy CE13 - Tender Evaluation Criteria is applicable.

### **FINANCIAL IMPLICATIONS**

Council has allocated \$56M in its Long Term Financial Plan to the KACP construction project across 4 financial years.

The 2016/17 Budget includes \$19,010M to progress the construction of the facility.

At its March 2016 meeting, Council noted the current forecast project budget based on the Detailed Design was \$54.869M. This estimate excluded the transformer relocation and potential pedestrian bridge to connect to the adjacent St Pauls Church.

For the purpose of funding applications, the City used a sum of \$56M as the Project Budget. The City has now secured \$31.2M in external funding to the project, as outlined in the table below, leaving the City's contribution at approximately \$24.8M.

Organisation	Funding Secured
State Government – PDC via R4R	\$14M
Federal Government - NSRF	\$10M
Lotterywest	\$2M
Woodside	\$3.2M
Rio Tinto	\$2M

With tenders now received and a recommendation to appoint a contractor proposed in this report, Council should note that there is an opportunity to revise the KACP project budget. Based on the preferred tenderer offer, the Council may consider to reduce the project budget or consider additional works to include within the KACP project. As mentioned above, several items were previously not factored. The detail is contained in Attachment 2 of the Confidential Project Budget.

It is also noted, the preferred tenderer has proposed various cost saving options to elements of the design that will require further detailed investigation. As the preferred tender is less than the pre tender estimate, it is recommended that Council progress to award the construction tender and these items be considered as potential positive variations post award. Should this be supported, Officers will prepare a further report to outline project budget options including potential savings, additional scope considerations and any associated funding implications.

### **STRATEGIC IMPLICATIONS**

This item is relevant to the Council's approved Strategic Community Plan 2012-2022 and Corporate Business Plan 2012-2016. In particular the Operational Plan 2015-2016 provided for this activity:

Our Program:	1.a.2.6	Operate Community Facilities
Our Services:	1.a.2.6.6	Plan new facilities and upgrade new facilities
Our Program:	1.a.2.7	Deliver projects of strategic importance to the City
Our Services:	1.a.2.7.2	Provide project management resources

### **RISK MANAGEMENT CONSIDERATIONS**

The KACP has a detailed project risk management plan prepared that is reviewed on a regular basis.

The Construction Risk Management Strategy has been detailed by the Consultant Design Team which includes contractual information, trade specification, schedules, and details architectural and engineering drawings. Also included due to the complexity of the building design, is a 3D working model of the building for the use and reference by the Contractor.

The Construction Contract documents contain specific information which relate to reducing risk to the quality of the physical/material outcome, program, financial control and safety. Contractual Information includes:

1. Construction program and completion dates (including penalties for not finishing on the agreed date).
2. Ensuring the Contractors identifies a highly competent and experienced team, and if there is a change in personnel, similar or better credentials are expected with their replacement.

3. Safety in and around site is detailed in the documents, for both sub-contractors, visitors, adjacent properties and vehicular movement.
4. Quality of materials and components are specified to Australian Standards, and any alternatives suggested by the contractor are to be of equal or better in specification.
5. 'Stop points' are indicated for independent checking, prior to commencing the next stage (e.g: shop drawings to be reviewed prior to fabrication).
6. Reducing the number of subcontractors not under the responsibility of the Contractor. Currently we have simple elements such as the office and library loose furniture fit-out, and artwork as separate work to be integrated with the main works.
7. Built in contingencies for unforeseen circumstances such as inclement weather has been included in the overall time frame.
8. The Contractor is requested to provide at the completion of the project, final certifications for each discipline stating that the building complies with all the contract document requirements.
9. Extended defects period (24 months) provide an additional time element for the rectification by the Contractor of any item deemed to be a defect.

Risk during construction and the defects period is also mitigated through the ongoing Consultant Service during these stages of the project.

Some of the key areas are:

1. Progress payments and variations are assessed by both the Architect and Quantity Surveyor to prevent overpayment of the works.
2. Retaining an independent time planner monitors the progress on site at a detail level to raise any issues early regarding maintaining program and achieving the completion date.
3. Regular formal site meetings (monthly and fortnightly towards the end of the contract) by the whole design team, ensures regular inspection of the works for compliance and quality control across all disciplines.

Operationally Councils LTFP provides for a whole of life costing at 7.5% of the project value meaning that once Council completes the project, the estimated annual operating costs is \$4.05M per annum in addition to Council's current operating budget.

As previously noted Officers have prepared a draft management plan for the operation of the Precinct. Officers anticipate the operational cost to Council in the first year will be \$3.2M. Currently the City operates Library Services as well as an Arts and Culture (Events) unit at a cost to Council of some \$1.6M annually. It is proposed to relocate these service units into the new Arts and Community Precinct in 2018. As these two service units will relocate to the new Precinct and manage the facility, the additional cost to Council to operate the precinct is estimated to be \$1.63M (\$3.2M minus \$1.6M). The anticipated cost is noted with a +/- 15% allowance, resulting in an upper estimate of \$1.9M additional cost to Council per year to manage and operate the new precinct.

#### **IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

The project will be overseen by the Director Strategic Projects and Infrastructure. The Director Community Services is responsible for preparing the management and operating strategy for the facility. An internal Project Technical Group has been established to provide input and review at all stages of the project and the Advisory Group will be involved throughout the project timeline.

Project Management responsibilities will be absorbed internally by the Strategic Projects department, specifically through the allocation of a dedicated Project Manager and Administration Officer.

### **RELEVANT PRECEDENTS**

In recent years, Council has appointed contractors to construct a number of major infrastructure projects including the Pam Buchanan Family Centre, Karratha Leisureplex, Karratha Airport and Dampier Community Hub.

Council has previously appointed contractors on an established tender assessment criteria to evaluate cost affordability, qualitative ranking and risk of each tender, to determine the most advantageous tender for the City.

### **VOTING REQUIREMENTS**

Simple Majority.

### **OPTIONS**

#### Option 1

As per Officer's recommendation.

#### Option 2

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to NOT SUPPORT the Officer's recommendation and PROPOSE a substitute Tenderer.

#### Option 3

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to NOT SUPPORT the Officer's recommendation and NOT PROPOSE a substitute Tenderer.

### **CONCLUSION**

At its meeting held on 21 March 2016, Council approved the scope of works, selection criteria and budget implications for construction of the KACP. Tenders have subsequently been invited in accordance with this approval and Council is now requested to consider the recommended tenderer assessed by the Evaluation Panel whom the Panel believes will provide a successful outcome to this project.



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**OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION**

Res No : 153548  
 MOVED : Cr Vandenberg  
 SECONDED : Cr Smeathers

That Council by SIMPLE Majority pursuant to Section 3.57 and Section 3.18 of the *Local Government Act 1995* RESOLVES to:

- NOTE the following external funding has been secured to the Karratha Arts and Community Precinct Project

Organisation	Funding Secured
State Government – PDC via R4R	\$14M
Federal Government - NSRF	\$10M
Lotterywest	\$2M
Woodside	\$3.2M
Rio Tinto	\$2M

- NOTE that based on tenders received it is anticipated that the Karratha Arts and Community Precinct project can be delivered within budget allocations included within Councils Long Term Financial Plan
- APPOINT Doric Contractors Pty Ltd ABN 99 080 922 498 based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered under RFT 24-15/16 - Karratha Arts & Community Precinct construction project; and
- NOTE that a further report will be prepared for Council to consider a revised project budget including associated funding implications.

**CARRIED 8-1**

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FOR : Cr Long, Cr Lally, Cr Bertling, Cr Cucel, Cr Harris, Cr Scott, Cr Smeathers,  
 Cr Vandenberg  
 AGAINST : Cr Bailey

At 5.16pm Cr White-Hartig re-entered the Chambers



## **7 MATTERS BEHIND DOORS**

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### **OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION**

**Res No** : **153549**  
**MOVED** : **Cr Vandenberg**  
**SECONDED** : **Cr Cucel**

In accordance with Section 5.23 (2) (e) (iii) of the *Local Government Act 1995*, that Council move in camera to discuss item:

#### **7.1 CONFIDENTIAL – APPOINTMENT OF DIRECTOR COMMUNITY SERVICES**

Also included is the following:

**CONFIDENTIAL ATTACHMENT TO ITEM 5.1 NICKOL WEST PARK EXPANSION CALL FOR TENDERS**

**CONFIDENTIAL ATTACHMENTS TO ITEM 6.1 KARRATHA ARTS & COMMUNITY PRECINCT TENDER FOR CONSTRUCTION**

**These matters if disclosed would reveal information about the business, professional, commercial or financial affairs of a person.**

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**CARRIED**

**FOR** : Cr Long, Cr Lally, Cr Bailey, Cr Bertling, Cr Cucel, Cr Harris, Cr Scott, Cr Smeathers, Cr Vandenberg, Cr White-Hartig  
**AGAINST** : Nil

Council moved in camera at 5.16pm.



**7.1 CONFIDENTIAL – APPOINTMENT OF DIRECTOR COMMUNITY SERVICES**

**File No:** PE.1  
**Responsible Executive Officer:** Director Corporate Services  
**Reporting Author:** Manager Human Resources  
**Date of Report:** 25 August 2016  
**Applicant/Proponent:** Nil  
**Disclosure of Interest:** Nil  
**Attachment(s):** Advertisement

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**OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION**

**Res No** : 153550  
**MOVED** : Cr Lally  
**SECONDED** : Cr Smeathers

**That Council SUPPORT the Officer's recommendation as contained in the confidential report.**

**CARRIED 9-1**

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**FOR** : Cr Long, Cr Lally, Cr Bailey, Cr Bertling, Cr Cucel, Cr Harris, Cr Scott,  
Cr Smeathers, Cr Vandenberg,  
**AGAINST** : Cr White-Hartig

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**COUNCIL RESOLUTION**

**Res No** : 153551  
**MOVED** : Cr Scott  
**SECONDED** : Cr Vandenberg

**That Council move out of camera.**

**CARRIED**

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**FOR** : Cr Long, Cr Lally, Cr Bailey, Cr Bertling, Cr Cucel, Cr Harris, Cr Scott,  
Cr Smeathers, Cr Vandenberg, Cr White-Hartig  
**AGAINST** : Nil

Council moved out of camera at 5.19 pm.



## **8 CLOSURE & DATE OF NEXT MEETING**

The meeting closed at 5.19pm.

The next meeting is to be held on Monday, 19 September 2016 at 6:30pm at Council Chambers - Welcome Road, Karratha.

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I, Cr Peter Long, Mayor of the City of Karratha, hereby declare on behalf of the Councillors of the City of Karratha that the enclosed Minutes are a true and accurate record of the Special Council Meeting held on Tuesday, 30 August 2016.

..... Date \_\_\_\_/\_\_\_\_/\_\_\_\_  
Signed