CITY OF COCKBURN

SUMMARY OF MINUTES OF SPECIAL COUNCIL MEETING HELD ON TUESDAY, 23 JUNE 2015 AT 6:30 PM

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MINUTES OF SPECIAL COUNCIL MEETING HELD ON TUESDAY, 23 JUNE 2015 AT 6:30 PM

PRESENT:

ELECTED MEMBERS

Mr L Howlett	-	Mayor (Presiding Member)
Mrs C Reeve-Fowkes	-	Deputy Mayor
Mr K Allen	-	Councillor
Mr S Portelli	-	Councillor
Mr S Pratt	-	Councillor
Mr P Eva	-	Councillor
Mr B Houwen	-	Councillor

IN ATTENDANCE

Mr S. Cain	-	Chief Executive Officer
Mr D. Green	-	Director, Governance & Community Services
Mr S. Downing	-	Director, Finance & Corporate Services
Mr C. Sullivan	-	Director, Engineering & Works
Mr D. Arndt	-	Director, Planning & Development
Mr R. Avard	-	Manager, Community Services
Ms V. Viljoen	-	PA to the CEO
Ms L. Boyanich	-	Media Liaison Officer

1. DECLARATION OF MEETING

Presiding Member declared the meeting open at 6.31pm.

2. APPOINTMENT OF PRESIDING MEMBER (If required)

Not applicable.

3. DISCLAIMER (To be read aloud by Presiding Member)

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

4 (SCM 23/06/2015) - ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATIONS OF FINANCIAL INTERESTS AND CONFLICT OF INTEREST (BY PRESIDING MEMBER)

The Presiding Member advised the meeting that he had received advice from Clr Kevin Allen that he had an Impartiality Interest in relation to Items 9.2 and 9.3, which would be read at the appropriate time.

5 (SCM 23/06/2015) - APOLOGIES & LEAVE OF ABSENCE

- Clr Lyndsey Wetton - Apology
- Clr Yaz Mubarakai - Apology
- Clr Lee-Anne Smith - Apology

6. PUBLIC QUESTION TIME

Nil

7. DECLARATION BY COUNCILLORS WHO HAVE NOT GIVEN DUE CONSIDERATION TO MATTERS CONTAINED IN THE BUSINESS

Nil

8 (SCM 23/06/2015) - PURPOSE OF MEETING

The purpose of the meeting is to consider:

(a) adoption of the Ground Lease between the City of Cockburn and the West Australian Land Authority trading as LandCorp which will allow the City to undertake the Regional Physical Activity & Education Centre ("RPAEC") development whilst the land is under the ownership of LandCorp;

(b) endorsement of the preferred tenderer for the RPAEC Aquatic Pools and Filtration System;

(c) endorsement of the preferred tenderer for the RPAEC Geothermal Bores; and

(d) endorsement of the Third Bin Trial.

9. COUNCIL MATTERS

9.1 (MINUTE NO 5528) (SCM 23/06/2015) - COCKBURN CENTRAL WEST - LEASE FROM LANDCORP TO CITY OF COCKBURN (5517531 & 6006139) (D ARNDT) (ATTACH)

RECOMMENDATION

That Council, subject to the land being transferred in Freehold Title from the Western Australian Planning Commission (WAPC) to the Western Australian Land Authority (LandCorp), enter into a Lease Agreement for the land contained in a portion of Lot 54 and a portion of Lot 9504 Beeliar Drive, Cockburn Central (as identified in Attachment 2) on the following terms and conditions:

(1) **Commencement Date** – The date on which LandCorp becomes the registered proprietor of the land;

(2) **Term of Lease** – The earlier date of:

1. a period of 50 years; or
2. the date on which in one or more parcels is vested as Crown Land.

(3) **Rental Amount** - $1.00 per annum (if demanded by LandCorp)

and otherwise in accordance with the Draft Agreement shown in Attachment 1, subject to any minor amendments required being included to the satisfaction of the Chief Executive Officer.

COUNCIL DECISION

MOVED Clr S Pratt SECONDED Clr P Eva that Council adopt the recommendation subject to deleting the word “in” at Clause (2) 2.

CARRIED 7/0

Reason for Decision

This will correct a typographical error.

Background

The Western Australian Planning Commission (WAPC) is the current owner of the land, bounded by North Lake Road, Midgegooroo Avenue, Beeliar Drive and Poletti Road Cockburn Central and have reached an arrangement whereby the ownership of the land will be transferred to LandCorp on 22 June 2015.

LandCorp has obtained conditional subdivision approval from WAPC to amalgamate the various landholdings and re-subdivide the land in accordance with the approved local structure plan. The subdivision includes the creation of the area of the land required for the City's Regional Physical Activity Centre (RPAEC) (portion of Lot 9504 Beeliar Drive) and the associated car parking areas (portion of Lot 54).

Although the bulk subdivisional earthworks have been completed the subdivision is not expected to be completed until early 2016. It is only on completion of the subdivision that the separate titles for the portion of Lot 9504 and portion of Lot 54 will be created. These landholdings would then be transferred back to the Department of Land Services, who has agreed to issue the City with management orders over the land, which would enable the development and ongoing operation of the RPAEC by the City and its development partner the Fremantle Football Club (FFC).

The City and the FFC however require early access to the subject land to commence the construction of the RPAEC and oval concurrent with the subdivision civil works being undertaken by LandCorp.

As both the City of Cockburn and the FFC will be making a considerable financial investment into this project, it is necessary for both the City of Cockburn and the FFC to have long term security of tenure of the land in place from commencement of the development. A fifty (50) year lease provides this security.

LandCorp has agreed to grant this lease conditional upon the lease and any subleases being surrendered when the subject reserves are created and replacement Crown leases entered into. The replacement Crown leases are expected to commence in March 2016.

Submission

N/A

Report

The purpose of this report is for Council to consider and endorse the attached lease agreement (refer Attachment 1) which has been negotiated between the parties with assistance from both parties' solicitors.

The relevant land parcels, portions of Lot 9504 and Lot 54 the subject of the proposed lease are shown on the subdivision plan to be transferred to the Crown as reserves for the purpose of community purpose and public purpose infrastructure (refer Attachment 2).

Lot 54 and Lot 9504 Beeliar Drive, Cockburn Central are currently owned by the Western Australian Planning Commission (WAPC) (Land). It is anticipated that the Land will be transferred to LandCorp on the 22 June 2015. The execution of the Lease is subject to the transfer and the Council resolution to enter into this lease.

The lease would then enable the City to progress the development of the RPAEC through the various agreements as follows:

- **Sub-Lease to FFC until Land is Vested**

  The sub lease to the FFC is required to give long term security of tenure to the FFC in the unlikely event that the land is not vested as a Crown reserve with a management order to the City.

- **Building Contract**

  The building contract is for the construction of the facility.

- **Development Agreement to Construct & Fit-Out**

  The development agreement between the City and the FFC is required to enable the joint construction of the facility and oval.

- **Crown Lease and Oval License to FFC**

  Once the land is vested with the City, the City will become the head lessor. The sub-lease will be surrendered and a lease between the City and the FFC for the facility will be entered into. A separate license for the oval will also be required at this stage.

All future agreements listed above will be the subject of further reports to Council.

Strategic Plan/Policy Implications

Infrastructure

- Community infrastructure that is well planned, managed, safe, functional, sustainable and aesthetically pleasing.
- Partnerships that help provide community infrastructure.

Community & Lifestyle

- People of all ages and abilities to have equal access to our facilities and services in our communities.

Budget/Financial Implications

Funds required for the preparation and execution of the lease can be drawn from current budget allocations.

Legal Implications

N/A

Community Consultation

N/A

Attachment(s)

1. Draft Lease
2. Sketch of the primary lease area & RPAEC details

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil

AT THIS POINT, CLR KEVIN ALLEN LEFT THE MEETING, THE TIME BEING 6.36PM.

DECLARATION OF INTEREST – CLR KEVIN ALLEN

Impartiality Interest in Item 9.2 “Tender Nos. RFT23/2014 and 24/2014 – Construction Services (Pools) and Pool Filtration and Hydraulic Systems – Cockburn Regional Physical Activity and Education Centre, Cockburn Central West”; and Item 9.3 “Tender No. RFT02/2015 – Geothermal Bore Construction Services – Regional Physical Activity and Education Centre at Cockburn Central West, pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulations 2007.

The nature of his interest is that his company, Veda Advantage, the company of which he is the State Manager, undertook credit checks of the recommended tenderers on behalf of Council.

9.2 (MINUTE NO 5529) (SCM 23/06/2015) - TENDER NOS. RFT23/2014 AND 24/2014 - CONSTRUCTION SERVICES (POOLS) AND POOL FILTRATION AND HYDRAULIC SYSTEMS- COCKBURN REGIONAL PHYSICAL ACTIVITY AND EDUCATION CENTRE, COCKBURN CENTRAL WEST (C100213) (D ARNDT) (ATTACH)

RECOMMENDATION
That Council:

(1) endorse Commercial Aquatics Australia Pty Ltd as the nominated Preferred Tenderer for both Tender No. RFT 23/2014 – Construction Services (Pools) and Tender No. RFT 24/2014 - Pool Filtration and Hydraulic Systems, Cockburn Regional Physical Activity Centre, Cockburn Central West, for the combined guaranteed maximum lump sum price of $12,482,868.20 GST Inclusive ($11,348,062.00 GST Exclusive) and

(2) advise the preferred Main Building Contractor of the Cockburn Regional Physical Activity Centre (Brookfield Multiplex Constructions Pty Ltd) of Council's endorsement of Commercial Aquatics Australia Pty Ltd as nominated preferred tenderer for the Pool Construction and Pool Filtration/Hydraulics Systems.

COUNCIL DECISION
MOVED Clr S Portelli SECONDED Clr S Pratt that Council adopt the recommendation subject to including the words "and Education" after the word "Activity" in both sub-recommendations.

CARRIED 6/0

Background

The City of Cockburn (The Principal), in conjunction with project partners, the Fremantle Football Club (FFC); required the services of a qualified and experienced Pool Construction Contractor for the construction of eight (8) pools and a qualified and experienced Pool Filtration and Hydraulic Systems Contractor at the Principal's Cockburn Regional Physical Activity and Educational Centre (RPAEC). This

proposed new sporting complex will be located within the Cockburn Central West (CCW) Precinct and will be bounded by Beeliar Drive, Midgegooroo Avenue, Poletti Road and North Lake Road, Cockburn Central, Western Australia.

The facility will be a fully integrated, state of the art sporting complex that will cater for a full range of aquatic, indoor and outdoor sports which will be provided to the Cockburn Community and the wider population. The facility will also provide an elite training facility and administrative accommodation to the FFC that meets or exceeds the benchmark of rival Australian Rules Football clubs and may provide an educational training facility for Curtin University's students and teachers.

Contracts for Pool Construction and Pool Filtration/Hydraulics Systems (collectively the Pool Works) were separately tendered by the Principal. Once a preferred Tenderer for the Main Building Contract was identified, Brookfield Multiplex Constructions Pty Ltd participated in the review of tenders received for the Pool Works; and selection of the preferred tenderer(s) for the Pool Works. Following award of the Main Building Contract Brookfield Multiplex Constructions Pty Ltd will enter into a subcontract with the preferred Pool Works tenderer(s) (as subcontractor(s) to the Main Building Contractor).

The main building contract works will be procured using a modified traditional tendering process leading to a Guaranteed Maximum Price (GMP).

The scope of the Pool Construction Works include but are not limited to the structures, finishes and accessories including co-ordination with associated services for the following pools:

1. Outdoor 52m by 22.5m (9 lane) heated Community swimming pool, with an integrated 2m wide moveable boom to allow varying locations to provide two 25m pools or 30m long water polo field plus goals;
2. Indoor 25m by 18m (8 lane) heated leisure/lap swimming pool;
3. Indoor 15m by 10m heated 'learn to swim' pool;
4. Indoor zero depth entry to 600mm depth leisure pool, splash pad and water play;
5. Indoor 15m by 13m warm water (hydrotherapy) pool with an additional entry ramp;
6. Indoor 10m by 10m heated spa pool;
7. Indoor 10m by 6.3m heated exercise pool; and
8. Indoor 14m by 6.5m chilled exercise and recovery pool.

The scope of the Pool Filtration and Hydraulics Systems Works includes, but is not limited to:

Pumps, filtration and sanitation systems for the above pools; and filtration for water slides (water slides to be provided by others).

A two-stage tendering process was undertaken for the Pool Construction Services only:

Stage 1 - Expression of Interest (EOI)

Stage 1 is the EOI Stage and was publically open to all capable legal entities in Australia and from around the world that have accepted the principles of the Conditions of Responding.

Following the close of the EOI, Respondents were evaluated and a shortlist of "Acceptable Tenderers" determined. The Principal then proceeded to the issuing of a restricted/private Request for Tender (RFT) which will allow the respondents deemed Acceptable Tenderers to lodge a priced submission for the Pool Construction works.

Stage 2 – Request for Tender (RFT)

Stage 2 is the RFT Stage and was issued only to those Respondents who submitted Responses, were selected by the Evaluation Panel at the completion of Stage 1 and deemed "Acceptable Tenderers".

Expression of Interest number EOI 12/2014 – Construction Services (Pools), Cockburn Regional Physical Activity and Education Centre, was advertised on Saturday 12 July 2014 in the Local Government Tenders section of "The West Australian" newspaper. It was also displayed on the City's E-Tendering website between the Saturday 12 July 2014 and Thursday 14 August 2014 throughout Australia and New Zealand.

A mandatory briefing was held on Monday 28 July 2014 from 10am to 12noon at NS Projects' office, Suite 4, Level 1, 437 Roberts Road, Subiaco, Western Australia. The mandatory briefing saw the attendance of nine interested parties. All three respondents attended the mandatory briefing.

Responses closed at 2:00pm (AWST) Thursday 14 August 2014 and three (3) submissions were received from:

	Company Name
1	Mercav Constructions Pty Ltd
2	Commercial Aquatics Australia Pty Ltd
3	Neptune Swimming Pools Pty Ltd

The evaluation process resulted in the following respondents being deemed “Acceptable Tenderers”:

- Mercav Constructions Pty Ltd,
- Commercial Aquatics Australia Pty Ltd, and
- Neptune Swimming Pools Pty Ltd

These respondents were invited to tender for the Pool Construction Services of the new Regional Physical Activity and Education Centre (RPAEC), Cockburn Central West under a restricted/private request for tender process.

The private Request for Tender number RFT 23/2014 – Construction Services (Pool Works), Cockburn Regional Physical Activity and Education Centre, was issued to the acceptable tenderers via the City’s E-Tendering website on Thursday 27 November 2014.

Submission

RFT 23/2014 (Pool Construction Works)

Tenders closed at 2:00 p.m. (AWST) on Tuesday 20 January 2015 and three (3) tender submissions were received from:

1. Commercial Aquatics Australia Pty Ltd
2. Mercav Constructions Pty Ltd
3. Neptune Swimming Pools Pty Ltd

Tender number RFT 24/2014 – Pool Filtration and Hydraulic Systems (Supply and Installation – Eight Pools), Cockburn Regional Physical Activity and Education Centre, was advertised on Saturday 6 December 2014 in the Local Government Tenders section of “The West Australian” newspaper. It was also displayed on the City’s E-Tendering website between the Saturday 6 December 2014 and Tuesday 20 January 2015 throughout Australia and New Zealand.

RFT 24/2014 (Pool Filtration and Hydraulics Systems Works)

Tenders closed at 2:00 p.m. (AWST) on Tuesday 20 January 2015 and three (3) tender submissions were received from:

1. Swimplex Aquatics Pty Ltd
2. Commercial Aquatics Australia Pty Ltd
3. Walter J Pratt Pty Ltd

Report

Compliance Criteria – RFT 23/2014 and RFT 24/2014

	COMPLIANCE CRITERIA
(a)	Compliance with the Conditions of Tendering (**Part 1**) of this Request
(b)	Compliance with the Specification (**Part 2)** contained in the Request.
(c)	Compliance with Sub-Contractors Requirements and completion of **Section 3.3.3.**
(d)	Compliance with Qualitative Criteria requirements and completion of **Section 3.4.2**.
(e)	Compliance with Fixed Price and completion of **Section 3.5.2.**
(f)	Compliance with and completion of the Price Schedule (including Breakdown of Lump Sum) in the format provided in **Part 4**.
(g)	Compliance with ACCC Requirements and completion of **Appendix A.**
(h)	Compliance with Building Code 2013 Requirements and completion of **Appendix B**
(i)	Acknowledgement of any Addenda issued.

Compliant Tenderers

RFT 23/2014 (Pool Construction Works):

Commercial Aquatics Australia and Neptune Swimming Pools deemed compliant and evaluated.

Mercav Constructions failed to provide the Tenderer's Offer form, a response to the Qualitative Criteria and Part 4 – Price Schedule as part of their submission and were deemed non-compliant and not evaluated.

RFT 24/2014 (Pool Filtration and Hydraulics Systems Works):

All three (3) Tenderers were deemed compliant and evaluated.

Evaluation Criteria

	Criteria – RFT 23/2014	Weighting
A	Tenderer's Key Personnel	**20%**
B	Methodology	**10%**
	Tendered Price	**70%**
	Total Weighting:	**100%**

	Criteria – RFT 24/2014	Weighting
A	Relevant Experience of Company & Personnel	**25%**
B	Company Profile	**10%**
C	Tenderer's Resources	**15%**
D	Methodology	**5%**
E	Occupational Safety and Health	**5%**
	Tendered Price	**40%**
	Total Weighting:	**100%**

Tender Intent/ Requirements

The City of Cockburn (The Principal), in conjunction with project partner the Fremantle Football Club (FFC); requires a qualified and experienced Pool Construction Contractor and a qualified and experienced Pool Filtration and Hydraulic Systems Contractor for the construction of the Cockburn Regional Physical Activity and Educational Centre (RPAEC). This proposed new sporting complex will be located within the Cockburn Central West (CCW) Precinct and will be bounded by Beeliar Drive, Midgegooroo Avenue, Poletti Road and North Lake Road, Cockburn Central, Western Australia.

The facility will be a fully integrated state of the art sporting complex that will cater for a full range of aquatic, indoor and outdoor sports which will be provided to the Cockburn Community and the wider population. The facility will also provide an elite training facility and administrative accommodation to the FFC that meets or exceeds the benchmark of rival Australian Rules Football clubs and may provide an educational training facility for Curtin University's students and teachers.

Evaluation Panel

The tender submissions for RFT 23/2014 and RFT 24/2014 were evaluated by:

	Name	Title	Representing
1	Daniel Arndt	Director , Planning & Development	City of Cockburn
2	Adrian Lacquiere**	Recreation Services	City of Cockburn
3	Brad Paatsch	General Manager Strategic Projects	Fremantle Football Club
4	David Trotter	Senior Cost Planner	Brookfield Multiplex
5	Steve McDonald	Senior Project Manager	NS Projects P/L
6	Mike McGrath	Senior Associate	DWP|Suters
7	Marcus Lightfoot	Principal Engineer	Calibre Consulting
8	Scott Parrott	Director	WT Partnership
	Advisory Role		
1	David Ockenden	Regional Director, Construction & Development	Brookfield Multiplex
	Probity/Complianc		
1	Gary Ridgway	Contracts Specialist	City of Cockburn

**** Chairperson**

Scoring Table - Combined Totals

RFT 23/2014 (Pool Construction Works)			
Tenderer's Name	**Percentage Score**		
	Cost Evaluation	**Non-Cost Evaluation**	**Total**
	70%	30%	100%
Commercial Aquatics Australia Pty Ltd **	70.00%	24.13%	94.13%
Neptune Swimming Pools Pty Ltd	50.76%	23.06%	73.82%

** **Recommended Submission**

RFT 24/2014 (Pool Filtration and Hydraulics Systems Works)			
Tenderer's Name	**Percentage Score**		
	Cost Evaluation	**Non-Cost Evaluation**	**Total**
	40%	**60%**	**100%**
Commercial Aquatics Australia Pty Ltd **	38.68%	47.54%	86.21%
Swimplex Aquatics Pty Ltd	40.00%	44.70%	84.70%
Walter J Pratt Pty Ltd	29.79%	42.44%	72.23%

** **Recommended Submission**

Evaluation Criteria Assessment

The tender assessment period involved the evaluation panel completing a detailed review of all compliant Tenders

The Design Team assessed the proposed alternative design solutions to determine whether these changes could be integrated into the facility. The endorsed design alternatives were then shortlisted with the associated cost discounted from the associated Tenderer's initial tendered price to arrive at a preferred Tenderer.

RFT 23/2014 (Pool Construction Works)

Tenderer's Key Personal

Commercial Aquatics scored slightly higher given the recent experience of their project management team and key personnel however both tenderers demonstrated that their key personnel had the experience and skills to undertake and complete the project.

Methodology

Commercial Aquatics scored higher than Neptune Swimming under the methodology as they outlined a more detailed approach for the construction of the pools. Whilst both demonstrated a good understanding of the construction methodology required, Commercial Aquatics demonstrated this slightly better in their submission.

RFT 24/2014 (Pool Filtration and Hydraulics Systems Works)

Relevant Experience of Company and Personnel

All tenders demonstrated they had the experience to complete the works however Commercial Aquatics scored better than Swimplex Aquatics and Walter J Pratt due to their recent experience in delivering similar projects.

Company Profile

All tenders demonstrated sufficient detail in outlining their company's ability to deliver these works and scored similar.

Tenderer's Resources

Commercial Aquatics overall received the highest score under the company profile with stronger scores being given particularly under their key personnel identified and their ability to better demonstrate their contingency measures. Swimplex Aquatics and Walter J Pratt

scored very similar with Walter J Pratt marked slighter better with the key personnel identified given their experience.

Methodology

Commercial Aquatics and Swimplex Aquatics better demonstrated their understanding of the critical issues that may arise and provided appropriate resolutions and contingencies to deal with these issues. Commercial Aquatics and Swimplex Aquatics also outlined a better understanding of the programming and duration of works compared to Walter J Pratt.

Occupational Safety and Health

All tenderers adequately demonstrated their process around Occupational Safety and Health.

Summation

Commercial Aquatics Australia Pty Ltd was selected as the Preferred Tenderer for this project and advised accordingly on Wednesday 18 March 2015 so as to finalise the design of the Cockburn Regional Physical Activity and Education Centre and to achieve an agreed guaranteed maximum price (GMP) for the main building and pools construction works; and agreement on the terms and conditions with the main building works preferred tenderer, Brookfield Multiplex Construct ions Pty Ltd.

Commercial Aquatics Australia Pty Ltd included a number of alternatives within their tender some of which were accepted and accounted for in the final tender sums. These adjustments include alternative filtration systems, an alternative boom and plant room redesign. Additionally, as a result of the redesign exercise, further adjustments were agreed to confirm that the final tender sum reflects the final design scheme for the building. All of the adjustments have been agreed by the Project Team and represent good value for the City of Cockburn.

The evaluation panel recommends that Council endorses the selection of Commercial Aquatics Australia Pty Ltd as the preferred tenderer for tender numbers RFT 23/2014 and RFT 24/2014 as being the most advantageous and value for money submissions to the City of Cockburn. The recommendation is based on the recommended tenderer assessed as having the capability, appropriate plant and equipment, experience, key personnel, subcontractors and proposed methodology that will meet the City of Cockburn requirements as articulated in the specification.

Strategic Plan/Policy Implications

Infrastructure

- Community facilities that meet the diverse needs of the community now and into the future.

- Community infrastructure that is well planned, managed, safe, functional, sustainable and aesthetically pleasing.

Community & Lifestyle

- People of all ages and abilities to have equal access to our facilities and services in our communities.

A Prosperous City

- Sustainable development that ensures Cockburn Central becomes a Strategic Regional Centre.

- Creation and promotion of opportunities for destination based leisure and tourism facilities.

Budget/Financial Implications

The Pools Construction and Pools Hydraulics and Filtration tendered prices fit within the overall project budget for the construction works. The price of $11,348,062.00 GST Exclusive will be identified in the Main Builders Contact under the GMP and will be drawn from CW 4449.

Legal Implications

Section 3.57 of the Local Government Act 1995 and Part 4 of the Local Government (Functions and General) Regulations 1996 refers.

Community Consultation

N/A

Attachment(s)

The following Confidential Attachments are provided under a separate cover:

1. Compliance Assessments;
2. Consolidated Evaluation Scores; and
3. Tendered Prices

Advice to Proponent(s)/Submissioners

Those who lodged a tender submission have been advised that this matter is to be considered at the 23 June 2015 Special Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

9.3 (MINUTE NO 5530) (SCM 23/06/2015) - TENDER NO. RFT02/2015 - GEOTHERMAL BORE CONSTRUCTION SERVICES - REGIONAL PHYSICAL ACTIVITY AND EDUCATION CENTRE AT COCKBURN CENTRAL WEST (A LACQUIERE) (ATTACH)

RECOMMENDATION
That Council:

(1) endorse Alpine Nominees Pty Ltd, trading as Drilling Contractors Australia, as the nominated Preferred Tenderer for Tender No. RFT 02/2015 – Geothermal Production and Injection Bores (Drilling, Construction and Testing), Cockburn Regional Physical Activity and Education (RPAEC), Cockburn Central West, for the tendered lump sum of $3,516,867.20 GST Inclusive ($3,197,152.00 GST Exclusive); and

(2) advise the preferred Main Building contractor of the RPAEC (Brookfield Multiplex Constructions Pty Ltd) of Council's endorsement of Drilling Construction Australia as nominated preferred tenderer for the Geothermal Bore Construction Services.

COUNCIL DECISION
MOVED Mayor L Howlett SECONDED Clr S Pratt that Council accept the tender submitted by Alpine Nominees Pty Ltd, trading as Drilling Contractors Australia, for Tender No. RFT02/2015 – Geothermal Production and Injection Bores (Drilling, Construction and Testing), Cockburn Regional Physical Activity and Education Centre (RPAEC), Cockburn Central West, for the tendered lump sum of $3,516,867.20 GST inclusive ($3,197,152.00 GST exclusive), subject to the acceptance by Council of Tender No. RFT16/2014 for the Main Building Construction Works.

CARRIED 6/0

Reason for Decision

As Council is the Principal for these works, the tender is required to be accepted by Council, subject to the further acceptance by Council of the Main Building Contract (RFT16/2014).

Background

The development of the Regional Physical Activity and Education Centre (RPAEC) at Cockburn Central allowed for the provision for a geothermal production and injection bores as the major environmental sustainability initiative.

As part of the design process, a number of heating systems for the pools were assessed by the design team which included:

- Conventional Gas Boilers,
- Geothermal,
- Co-generation,
- Air Source Heat Pumps (ASHP) and
- Ground Source Heat Pumps (GSHP).

The outcome of this analysis was that Geothermal was the preferred option that provided the best overall value to the City. The following criteria formed the basis of this assessment:

- System Capital Costs
- Energy Implications
- Carbon Impact
- Operational Impacts
- End of Life Requirements
- Net Financial Value

The geothermal bore and heat exchange system will provide a significant benefit in reducing the operational costs of heating the pool spaces in the facility. It is proposed that a geothermal bore be constructed at a depth of 900m to 1,100m into the Yarragadee aquifer which is reinjected after the heat is extracted through a heat exchanger. This is a closed circuit loop system, meaning no water is extracted from the ground at any time.

The geothermal system is estimated to produce an annual saving of $435K per year compared to traditional boilers and also provide a 72% reduction in greenhouse gases or a saving of 492 Tonnes of CO2 per annum.

The efficiency of geothermal heating is now being explored and already implemented by a number of other Local Government aquatic managed facilities. These include:

- Beatty Park Leisure Centre ($3.2M)
- Fremantle Leisure Centre ($1M)
- Craigie Leisure Centre ($1M)
- Cannington Leisure Centre ($3.8M)
- Riverton Leisure Centre (under construction $3.2M)
- Mandurah Regional Aquatic Centre (under construction)

Tender Number RFT 02/2015 Geothermal Production and Injection Bores (Drilling, Construction and Testing) for RPAEC at CCW was advertised on Saturday 14 February 2015 in the Local Government Tenders section of "The West Australian" newspaper and closed at 2:00pm (AWST) on Tuesday 17 March 2015. The tender was also displayed on the City's e-tendering website.

Submission

Tenders were called for the Geothermal Production and Injection Bores (Drilling, Construction and Testing) for RPAEC at CCW and advertised on Saturday 14 February in the Local Government Tenders section of "The West Australian" newspaper and closed at 2:00pm (AWST) on Tuesday 17 March 2015. The following four submissions were received:

Tenderer's Name	Date and Time Tender Received
Adams Drillers Registered Business Name: KH Adams & Sons Pty Ltd	17/03/2015 – 10:25am
JSW Australia Pty Ltd	17/03/2015 – 12:33pm
Drilling Contractors of Australia Registered Business Name: Allpine Nominees Pty Ltd	17/03/2015 – 12:44pm
Connector Drilling Pty Ltd	17/03/2015 – 12:44pm

Report

a. <u>Compliance Criteria</u>

Criteria Ref.	Description
A	Compliance with the Conditions of Tendering (**Part 1**).
B	Compliance with the Class 3 WA Water Well Drillers Licence (**Clause 1.10.12**) contained in this Request.
C	Compliance with the Specification (**Part 2**) contained in this request

Criteria Ref.	Description
D	Compliance with Sub-Contractors requirements and completion of **Section 3.3.3**.
E	Compliance with Financial Position requirements and completion of **Section 3.3.5**.
F	Compliance with Insurance Requirements and completion of **Section 3.3.6.**
G	Compliance with Qualitative Criteria and completion of **Section 3.4.2.**
H	Completion of **Section 3.4.2-C (vi)** – Statement of Personnel
I	Completion of **Section 3.4.2-C (vii)** - Plant and Equipment Details
J	Compliance with Fixed Price and completion of **Section 3.5.2**.
K	Compliance with and completion of the Price Schedule (including Breakdown of Lump Sum) in the format provided in **Part 4**.
L	Compliance with Occupational Safety and Health Requirements & completion of **Appendix A**.
M	Compliance with ACCC Requirements and completion of **Appendix B**.
N	Compliance with Building Code 2013 Requirements and completion of **Appendix C**.
O	**Addendum No.1**

b. Compliant Tenders

The most critical section of compliance related to the Tenders outlining their Plant and Equipment proposed to undertake the works in accordance with the specification. Only one tenderer (Drilling Contractors of Australia) were acknowledged as having the appropriate plant and equipment that met the minimum standards of the specifications. Under Section 3.4.2-C (vii) (Item C1.15) the minimum pull-back capacity specified is 70 tonnes which provides a 35% contingency on the maximum string weight. Drilling Contractors of Australia offered either an ADS 1500 or a Midway Skytop to undertake the works with both rigs accommodating pull back capacities of 100 tonnes with a contingency of 48% each. Both these are deemed acceptable in accordance with the specification. Connector Drilling offered a T130 rig with a pull-back capacity of 59 tonnes, providing about 15% contingency however is non-compliant with the specification. Adams Drillers offered an Atlas Copco RD 20 rig with a pull-back capacity of 54 tonnes which has a contingency of just 4% which is non-compliant with the specification. JSW outlined claims to have a pull-back capacity of 70 tonnes for its nominated Atlas Copco RD 20XC rig. The manufacture's specification shows a pull-back capacity of 54 tonnes (as for the Adams Drillers rig), which would only allow a contingency of 4%.

Further to the drilling rigs, tenderers we also required to specify mud cleaning systems in section 3.4.2-C (vii) (Item C5.3). JSW were the only non-compliant tenderer as they nominated an AMC SCU mud cleaning system capable of 0 to 150 L/min (equates to a minimum of 2.5 L/s) which does not comply with the minimum flow-rate of 35 L/s required in the tender.

c. Evaluation Criteria

Tenderers were assessed against the following criteria:

Evaluation Criteria	Weighing Percentage
(A) Relevant Experience of Company and Personnel	30%
(B) Company Profile	5%
(C) Tenderer's Resources	5%
(D) Methodology	10%
(E) Occupational Safety and Health	5%
(F) Sustainability Experience	5%
Tendered Price	40%
Total Weightings	100%

d. Tender Intent / Requirements

The City of Cockburn (The Principal), in conjunction with project partners, the Fremantle Football Club (FFC) is seeking the services of a qualified, experienced and Class 3 certified Water Well Drilling Contractor to drill, construct and test geothermal production and injection bores as part of the construction of a new state of the art Regional Physical Activity and Education Centre (RPAEC) at Cockburn Central West (CCW). A water supply of circa 40 L/s at 48°C is required for heating the swimming pools and water slides at the RPAEC.

This proposed new sporting complex will be located within the CCW precinct and will be bounded by Beeliar Drive, Midgegooroo Avenue, Poletti Road and North Lake Road, Cockburn Central, Western Australia.

Construction of the RPAEC is expected to commence in July 2015, with completion in March 2017. The drilling, construction and testing of the bores will be concurrent with commencement of the main building works and Tenderers are advised that the geothermal bores site will be separated from but wholly within the Main Building Works Contractor's site.

Rockwater Pty Ltd has been engaged as the Geothermal Bores Consultant through WSP Group who is the RPAEC Project's Mechanical Engineer. The RPAEC Project Manager is NS Projects

Pty Ltd and they will be the Superintendent for the proposed Geothermal Bores Contract and Rockwater will be the Superintendent's Representative for the drilling, construction and testing programme.

e. Evaluation Panel

The tender submissions were evaluated by the following people:

Name	Position & Organisation
Mr Daniel Arndt	Director, Planning & Development City of Cockburn
Mr Adrian Lacquiere	Coordinator, Recreation Services City of Cockburn
Mr Steve McDonald	Senior Project Manager NS Projects
Mr Scott Parrot	Director WT Partnership
Mr Steven McGuigan	Senior Mechanical Engineer WSP
Mr Grant Bolton	Principal Director Rockwater
Mr Mike McGrath	Principal Architect Sandover Pinder/Suters Architects
Mrs Caron Peasant (Compliance)	Contracts Officer City of Cockburn

f. Scoring Table

The below table represents the scoring of the four tender submissions from a Qualitative Criteria and Cost perspective. The assessment panel evaluated the Qualitative Criteria for each tender's submission in the absence of any tender values and then consolidated.

Tender's Name	Percentage Scores		
	Qualitative Criteria Evaluation	Cost Evaluation	Total
	60%	40%	100%
Drilling Contractors of Australia Registered Business Name: Allpine Nominees Pty Ltd	25.73%	40.00%	65.73%

Drilling Contractors of Australia were the lowest priced tenderer and therefore the panel having reviewed their submission have concluded that Drilling Contractors Australia offers the best value for money, have

the experience and capacity to complete the works in accordance with the specification.

Strategic Plan/Policy Implications

Infrastructure
- Community infrastructure that is well planned, managed, safe, functional, sustainable and aesthetically pleasing.
- Facilities that promote the identity of Cockburn and its communities.

A Prosperous City
- Sustainable development that ensures Cockburn Central becomes a Strategic Regional Centre.
- Investment in the local economy to achieve a broad base of services and activities.
- Creation and promotion of opportunities for destination based leisure and tourism facilities.

Budget/Financial Implications

The project budget allocation for the Geothermal Bore installation was $3.2M. The recommendation to appoint Drilling Contractors of Australia is in line with the budget set for these works.

From an operational cost perspective the geothermal heating system will save $434,720 in gas usage when compared to the traditional gas fired boilers as outlined below.

Heating Option	Estimated Annual Units	Estimated Annual Cost
Gas (Boilers)	13,820 GJ	$525,160
Gas (Geothermal)	2,380 GJ	$90,440

The payback period based on these figures is approximately seven years. Although the geothermal heating has the highest capital cost, the large energy saving and estimated payback period of 7 years means the geothermal option provides the most economical benefit

Legal Implications

Section 3.57 of the Local Government Act 1995 and Part 4 of the Local Government (Functions and General) Regulations 1996 refers

Community Consultation

N/A

Attachment(s)

The following Confidential Attachments are provided under separate cover:
1. Compliance Criteria Assessment;
2. Consolidated Evaluation Sheet; and
3. Tendered Prices

Advice to Proponent(s)/Submissioners

The Proponent(s) and those who lodged a submission on the proposal have been advised that this matter is to be considered at the Special Council Meeting held on t23 June 2015.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

AT THIS POINT IN THE MEETING, CLR KEVIN ALLEN RETURNED TO THE MEETING, THE TIME BEING 6.41PM.

THE PRESIDING MEMBER ADVISED CLR ALLEN OF THE DECISIONS OF COUNCIL IN RELATION TO ITEMS 9.2 AND 9.3, THAT WERE MADE IN HIS ABSENCE.

9.4 (MINUTE NO 5531) (SCM 23/06/2015) - IMPLEMENTATION OF THIRD BIN (GREEN WASTE) TRIAL (167/002 & 167/003) (C SULLIVAN) (ATTACH)

RECOMMENDATION
That Council approve the implementation of the Third Bin (Green Waste) Trial in 2015/16 in accordance with the Implementation Plan attached to the Agenda.

COUNCIL DECISION
MOVED Clr K Allen SECONDED Deputy Mayor C Reeve-Fowkes that Council defer this matter to a future Council meeting and until legal advice has been obtained and provided to Elected Members on the implications of potentially diverting a waste stream away from the SMRC when Council is a current signatory to the SMRC Project Participants Agreement.

MOTION LOST 3/4

MOVED Clr S Portelli SECONDED Clr B Houwen that Council adopt the Officer's recommendation with the following additional sub-recommendations (2) and (3), as follows:

(1) approve the implementation of the Third Bin (Green Waste) Trial in 2015/16 in accordance with the Implementation Plan attached to the Agenda;

(2) brief the Chairman of the Waste Authority on the trial and other waste initiatives that the City has undertaken; and

(3) seek potential funding from the Waste Authority for this trial, or the expansion of the service if the trial is successful.

CARRIED 7/0

Reason for Decision

Implementation of the three bin trial is very appropriate and it will help recycling and help make for a more sustainable City. This is just the first step in future negotiations with the SMRC.

Background

The City of Cockburn currently operates a two bin system for residential properties, each of 240 litre capacity. The green top or MSW (Municipal Solid Waste) bin is serviced weekly and the contents of this bin are delivered to the South Metropolitan Regional Council's (SMRC) Waste Composting Facility (WCF).

The organic (27.6%) and green waste (31.2%) components are removed (58%) and processed into compost. The residue (42%) is landfilled. The 2015/16 gate price for MSW at the SMRC is proposed to be $232.80/tonne.

Currently all 240 litre bin users deposit their lawn clippings and garden waste in the MSW bin. Whilst green waste is a suitable material for the WCF, it is an expensive option ($232/tonne) when the compost produced by the WCF has no commercial value as a consequence of the contaminants (glass) within the mixed waste from which it is extracted.

The yellow top bin or the Recycle Bin is also serviced weekly. This bin is delivered to the SMRC's Materials Recovery Facility (MRF) where the co-mingled recycles are separated (85%) and the contaminating residual (15%) is landfilled. The 2015/16 gate fee is proposed to be $65/tonne.

The City's Waste Management Strategy and the WA Waste Authority targets have a clear focus to improve environmental outcomes by the reduction of waste to landfill. The proposed Third Bin (Green Waste) Trial is a method to help achieve this outcome. To that end, an area in Hamilton Hill has been selected as being of a suitable size and demographic composition to give a reasonable indication of the results of the trial, as well as being of a size that can be managed from a practical implementation aspect. A map of the selected area is included as part of Attachment 1.

Submission

N/A

Report

A number of Councils in metropolitan Perth have implemented a green waste bin (refer to Attachment 2) with results indicating improved waste management by reduction of waste to landfill and also reduction in contamination levels of waste received.

It has long been known that the preferred model in waste management is separation at source to improve recycling capture and recovery, and minimise contamination. This method relies on the bin user having the responsibility and knowledge to correctly separate their waste.

The proposed trial seeks to introduce a third or green waste (GW) bin to provide source separation for green waste (lime green top), co-mingled recyclables (yellow top) and general rubbish (red top). In this arrangement, the kitchen organics or putrescibles would still be placed in the red top bin (MSW) and consequently that bin must still be serviced weekly. The recycling bin will still be collected weekly and the green waste bin is proposed to be a fortnightly service.

As the lime green top GW bin is 240 litre collected fortnightly, the trial will incorporate a 140 litre red top MSW bin. This reduced MSW bin size is possible as the current MSW average bin weight is 17.2Kgs based on recent audit results.

The trial is also a valuable opportunity for public education on source separation in the home. The "In Your Kitchen Recycling" Trial was carried out in the City between March and October 2014. The program raised awareness of better separation of waste and improved recycling capture as evidenced by the results of the resident surveys.

The proposed trial builds on this past program by introducing a recycling tub, compost caddy and compostable bags for the residents in the trial area to use in their homes. The role of the Education Officers is critical to gaining the cooperation of the home owners and the details of the educational campaign are described in Attachment 1.

The results of the trial will give an indication of the uptake and improved recycling outcomes of this initiative so the effectiveness can be assessed for the future operations.

A number of parameters are proposed to be measured during the proposed trial and reported to Council following completion so decisions can be made on City-wide implementation in the future. A resident survey will be conducted post completion to gain insight into the perceptions of the residents on the success of the implementation and benefits gained.

The trial also offers an opportunity to provide a more tailored service to seniors, pensioners, persons with mobility impairment or the single person households who do not produce the volume of recycling that others do. This trial includes the option of a 140 litre yellow top recycling bin.

Strategic Plan/Policy Implications

City of Cockburn Waste Management Strategy.

Growing City

- To grow our City in a sustainable way by: using land efficiently, protecting the natural environment and conserving biodiversity.

Leading & Listening

- Effective and constructive dialogue with all City stakeholders.
- Effective advocacy that builds and manages relationships with all stakeholders.
- Quality customer service that promotes business process improvement and innovation that delivers our strategic goals.

Environment & Sustainability

- A community that uses resources in a sustainable manner.
- Community and businesses that are supported to reduce resource consumption recycle and manage waste.

Budget/Financial Implications

At the Ordinary Council Meeting of 11 June 2015, Council adopted the Budget for 2015/16. Part of the operational budget (Waste Services) was an allocation of $200,000 for the Third Bin (Green Waste) Trial from the Waste Collection Reserve.

The estimate of the total cost of the trial has now progressed based on the selected area and scope of works – refer to Attachment 3. Allowing for contingency and revised educational and bin supply costs the total could be approximately $324,000.

The trial will not be commencing until October 2015 so by the time of the mid financial year review a budget variation can be presented to Council by which time a more accurate total cost will be known.

Legal Implications

The existing SMRC Project Participants Agreements require all green waste and recycling material to be delivered to the SMRC.

Community Consultation

Extensive public consultation will be carried out prior to the bin trial being implemented – refer to Attachment 1 for details of the proposed education, notification and auditing plans.

Attachment(s)

1. Implementation Plan
2. Data from Other Councils
3. Cost and Delivery Program

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil

10. (MINUTE NO 5532) (SCM 23/06/2015) - RESOLUTION OF COMPLIANCE (SECTION 3.18(3), LOCAL GOVERNMENT ACT 1995)

RECOMMENDATION
That Council is satisfied that resolutions carried at this Meeting and applicable to items concerning Council provided services and facilities, are:-

(1) integrated and co-ordinated, so far as practicable, with any provided by the Commonwealth, the State or any public body;

(2) not duplicated, to an extent Council considers inappropriate, services or facilities as provided by the Commonwealth, the State or any other body or person, whether public or private; and

(3) managed efficiently and effectively.

COUNCIL DECISION
MOVED Clr S Portelli SECONDED Clr B Houwen that the recommendation be adopted.

CARRIED 7/0

11 (SCM 23/06/2015) - CLOSURE OF MEETING

MEETING CLOSED AT 6.57PM

CONFIRMATION OF MINUTES

I, …….. (Presiding Member) declare that these minutes have been confirmed as a true and accurate record of the meeting.

Signed: …… Date: ……../……../……..