

CITY OF COCKBURN

SUMMARY OF MINUTES OF SPECIAL COUNCIL MEETING HELD ON THURSDAY, 19 SEPTEMBER 2013 AT 7:30 PM

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CITY OF COCKBURN

MINUTES OF SPECIAL COUNCIL MEETING HELD ON THURSDAY, 19 SEPTEMBER 2013 AT 7:30 PM

PRESENT:

ELECTED MEMBERS

Mr L Howlett	-	Mayor (Presiding Member)
Mr K Allen	-	Deputy Mayor
Mr Y Mubarakai	-	Councillor
Ms L Smith	-	Councillor
Mrs C Reeve-Fowkes	-	Councillor
Mr T Romano	-	Councillor
Mr S Pratt	-	Councillor
Mrs V Oliver	-	Councillor
Mr B Houwen	-	Councillor

IN ATTENDANCE

Mr S. Cain	-	Chief Executive Officer
Mrs G Bowman	-	A/Director, Governance & Community Services
Mr S. Downing	-	Director, Finance & Corporate Services
Mr M. Littleton	-	Director, Engineering & Works
Mr D. Arndt	-	Director, Planning & Development
Mr R. Avard	-	Manager, Community Services
Ms L. Boyanich	-	Media Liaison Officer
Ms V. Viljoen	-	PA to Chief Executive Officer

1. DECLARATION OF MEETING

Presiding Member declared the meeting open at 7.00pm and acknowledge the presence of Mayor Caroline Adam and Mr Errol Lawrence of the City of Kwinana.

2. APPOINTMENT OF PRESIDING MEMBER (If required)

N/A



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. ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATIONS OF FINANCIAL INTERESTS AND CONFLICT OF INTEREST (by Presiding Member)

Nil

5 (SCM 19/9/2013) - 5 APOLOGIES & LEAVE OF ABSENCE

❖ Clr Steve Portelli - 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 19/9/2013) - PURPOSE OF MEETING

The purpose of the meeting is to consider:

1. Tenders for the appointment of an Architect for the Cockburn Regional Aquatic and Community Recreation Facility at Cockburn Central West.
2. Tenders for the appointment of a "step-in" builder to complete the construction of the Cockburn Integrated Health Facility (including Success Library and Cockburn GP Super Clinic) and Fit-out of the Cockburn GP Super Clinic; and
3. Submission to Local Government Advisory Board on amalgamation of the City of Cockburn and the City of Kwinana.



9. COUNCIL MATTERS

9.1 **(MINUTE NO 5132) (SCM 19/9/2013) - TENDER NO. RFT13/2013 - ARCHITECTURAL (DESIGN AND LEAD CONSULTANT) SERVICES - REGIONAL PHYSICAL ACTIVITY AND EDUCATION CENTRE AT COCKBURN CENTRAL WEST (A LACQUIERE) (154/006) (ATTACH)**

RECOMMENDATION

That Council accept Tender No.RFT13/2013 – Architectural (Design and Lead Consultant) Services – Regional Physical Activity and Education Centre at Cockburn Central West from Sandover Pinder Pty Ltd; in accordance with the price submitted in the confidential attachments.

COUNCIL DECISION

MOVED Clr T Romano SECONDED Clr C Reeve-Fowkes that the recommendation be adopted.

CARRIED 8/1

Background

The Regional Physical Activity and Education Centre at Cockburn Central West (RPAEC) is now progressing towards the commencement of the detailed design phase of the project. The tender for architectural services has been prepared such that two scenarios have been envisaged:

1. A regional aquatic and recreation facility to replace the South Lake Leisure Centre
2. A regional aquatic and recreation facility combined with the training and administration facilities for the Fremantle Dockers Football Club (FFC). Other components such as education and other commercial spaces of the facility are still being finalised.

The City has recently welcomed the announcement of a \$10M grant from the Federal Government and is now awaiting a financial



commitment from the State Government for the combined facility to include the FFC and the other venture partners.

Council in May 2013 appointed a Project Manager (NS Projects) and an independent Quantity Surveyor (WT Partnership) to manage the project administration and independently review, manage and provide advice to the parties on the project costs. This decision was subject to the Business Plan being accepted by the Council, which occurred at Council's meeting held on the 11 July 2013.

NS Projects have provided advice to the City on the most appropriate procurement strategy for all aspects of the project which included a number of specialist consultants to be appointed by Council. The procurement method was accepted by the Cockburn Central West Council Reference Group at its meeting held on 18 July 2013.

For the project to proceed to the next phase of design, the City and the FFC are required to engage a Lead Architect who can progress the new concept designs to the level of detail that is required for construction tender and oversee the construction phase from a design perspective. Following the appointment of the Lead Architect the City will advertise tenders for the following sub-consultants that will form the design team for the project;

- Structural Engineer
- Electrical Engineer
- Hydraulic Engineer
- Mechanical Engineer
- BCA Consultant
- ESD Consultant
- Pool Engineer

Tender Number RFT 13/2013 Architect (Design and Lead Consultant) for RPAEC at CCW was advertised on Saturday 20 July 2013 in the Local Government Tenders section of "The West Australian" newspaper and closed at 2:00pm (AWST) on Thursday 8 August 2013. The tender was also displayed on the City's e-tendering website.

Tenderers were also advised that consideration may be given to both scenarios for the facility and therefore it was a requirement for the tenderers to provide for two (2) tendered prices.

Submission

Tenders were called on the 20 July under RFT 13/2013 for the Architect (Design and Lead Consultant) for RPAEC at CCW and closed on the 8 August at 2.00pm. The following nine submissions were received:



Tenderer's Name:	Date and Time Tender Received:
Christou Design Group Pty Ltd	13/08/2013 – 12:15pm
Ashton Raggatt McDougal Pty Ltd Trading As: Arm Architecture and Donovan Payne Sports & Aquatic	13/08/2013 – 12:25pm
Bollig Design Group Pty Ltd ATF The BDG Trust Trading As: Bollig Design Group	13/08/2013 – 12:59pm
Peter Hunt Pty Ltd and Daryl Jackson Pty Ltd Trading As: Peter Hunt Daryl Jackson Architects	13/08/2013 – 1:07pm
Fratelle Group Pty Ltd	13/08/2013 – 1:14pm
Cameron Chisholm & Nicol (WA) Pty Ltd and Peddle Thorp & Walker Pty Ltd Trading As: Cameron Chisholm Nicol & PTW Architects	13/08/2013 – 1:30pm
Woodhead Pty Ltd Trading As: Woodhead	13/08/2013 – 1:32pm
Sandover Pinder Pty Ltd Trading As: Sandover Pinder Architects	13/08/2013 – 1:43pm
Cox Howlett & Bailey Woodland	13/08/2013 – 1:46pm

Report

a. Compliance Criteria

Criteria Ref.	Description
A	Attendance at the Mandatory Tender Briefing
B	Compliance with the Conditions of Tendering
C	Compliance with the Specification contained in the Request
D	Completion of Form of Tender
E	Compliance with Insurance Requirements
E1	Public Liability Insurance \$40,000,000.00 AUD
E2	Professional Indemnity Insurance \$20,000,000.00 AUD
E3	Workers Compensation or Personal Accident



F	Completion of Qualitative Criteria
G	Compliance with Architects Registration (WA) Requirement
H	Compliance with Fixed Price & Completion of Section 3.7.2
I	Compliance with Sub-Contractors Requirements & Completion of Section 3.8
J	Compliance with & completion of separate Price Schedule in format provided
J1	MS Excel Spreadsheet
J2	PDF
K	Compliance with OSH Requirements
L	Compliance with ACCC Requirements
M	Acknowledgement of any Addenda issued
Section 3.4	Registration Number - Architects (WA)
Section 3.5	Availability
Section 3.6	Tenderer's Contact Person
Section 3.8	Sub Contractors - Proposed
Appendix A	OSH Declaration
Appendix B	ACCC Warranty
Addenda	Addendum No.1 issued 5 August 2013

b. Compliant Tenders

All nine (9) Tender submissions were deemed compliant

c. Evaluation Criteria

Tenderers were assessed against the following criteria:

Evaluation Criteria	Weighing Percentage
(A) Relevant Experience of Company and Personnel	30%
(B) Sustainability Experience	10%
(C) Company Profile	15%
(D) Tenderer's Resources	30%
(E) Methodology	5%
Tendered Price	10%



d. Tender Intent / Requirements

The City of Cockburn (the Principal) in conjunction with the Fremantle Football Club (FFC) is seeking an appropriately qualified, skilled, experienced, and registered (WA) Architect to undertake the design, documentation and lead consultant role for the construction of the new Cockburn Integrated Regional Physical Activity and Education Centre at Cockburn Central West, Western Australia.

The proposed Contract is for the identification and assessment of concept design options in respect to the new Integrated Centre to develop a schematic design, followed by the development of the detailed design and technical specifications through to documentation, and provision of Architectural and Lead Consultant services through the construction to the conclusion of the Defects Liability Period.

The Principal is planning to build a major aquatic and recreation facility, with a regional and local focus, for providing health, fitness, wellness and recreational opportunities for all sectors of the Cockburn community as well as provide an elite training facility for the Fremantle Football Club and a Tertiary Education Institution.

The Project at this stage is expected to deliver an integrated community facility that includes the Principal's community aquatic and recreation and the FFC's elite training and administration facilities. The current estimated cost of the integrated Centre (including construction, associated works and fit-out costs, contingencies and other costs associated with the development but excluding consultants' fees, and furniture fittings and equipment) is between \$90 million and \$100 million GST Exclusive; and is dependent on final stakeholder involvement and scope.

Tenderers are advised that consideration may be given to scaling back the Centre to only include the Principal's community aquatic and recreation facilities and therefore the Price Schedule (Part 4) includes a requirement for two (2) tendered prices. The estimated cost for the scaled back Centre (including construction, associated works and fit-out costs, contingencies and other costs associated with the development but excluding consultants' fees and furniture fittings and equipment) is between \$55 million and \$60 million GST Exclusive.



e. Evaluation Panel

The tender submissions were evaluated by the following people:

Name	Position & Organisation
Mr Stuart Downing	Director, Finance & Corporate Services City of Cockburn
Mr Rob Avard	Manager, Community Services City of Cockburn
Mr Adrian Lacquiere	Coordinator, Recreation Services City of Cockburn
Mr Brad Paatsch	General Manager, Strategic Projects Fremantle Dockers Football Club
Mr Steve McDonald	Project Manager NS Projects

f. Scoring Table

The below table represents the scoring of the 9 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
	90%	10%	100%
Sandover Pinder Pty Ltd	62.81%	9.82%	72.63%
Bollig Design Group Pty Ltd	62.00%	10.00%	72.00%
Cox Howlett & Bailey Woodland	62.30%	8.81%	71.11%
Peter Hunt Pty Ltd and Daryl Jackson Pty Ltd	61.47%	8.88%	70.35%
Ashton Raggatt McDougal Pty Ltd	58.37%	7.85%	66.22%
Woodhead Pty Ltd,	57.39%	8.41%	65.80%
Cameron Chisholm & Nicol (WA) Pty Ltd and Peddle Thorp & Walker Pty Ltd	56.44%	9.13%	65.57%
Christou Design Group Pty Ltd	57.74%	6.93%	64.67%
Fratelle Group Pty Ltd	50.16%	5.36%	55.51%



A number of Tenderers partnered with other architectural firms in their submission to jointly deliver the lead design and architectural services for the project.

On the completion of the combined qualitative and quantitative scoring the flowing tenderers were ranked as the top 3 to be shortlisted and proceed to the interview phase.

1. Sandover Pinder Pty Ltd
2. Bollig Design Group Pty Ltd
3. Cox Howlett & Bailey Woodland

g. Summary of Interviews

On the 27 August 2013 the shortlisted tenderers were invited to attend an interview to respond to a common list of questions as part of the review process. The interview covered the following areas:

1. Project Team locations and level of involvement in the project through each phase
2. Key Personnel covering the design in each of the main building areas (Aquatics, Indoor Courts, Elite Training etc)
3. Details of the their nominated sub consultants
4. Further details on related projects and ESD experience and lessons learnt from previous projects

All 3 Architects attended the interviews with the Panel (Daniel Arndt – Director, Planning and Development and Michael Littleton – Director, Engineers and Works as ex-Officio) on 27th August 2013 with those presenting matching the individuals identified within their Tender submission. Each Architect addressed the questions issued in advance along with consistent questions asked by the Panel members to allow a direct comparison. On conclusion of the interviews the Panel reviewed the Architect's response to the questions in order to arrive at a final recommendation. The conclusion of the assessment process recommended Sandover Pinder Pty Ltd should be appointed *for Architectural (Design and Lead Consultant) Services* on behalf of the City of Cockburn and the Fremantle Football Club. This decision was based on the experience Sandover Pinder Pty Ltd and their partner DWP|Suters showed in delivering a number of recent aquatic and high performance facilities as a joint venture. Sandover Pinder Pty Ltd and DWP|Suters demonstrated the best understanding of the emerging trends and challenges in designing good aquatic and recreation facilities that was a critical focus for the City of Cockburn. Following this reference checks were completed by NS Projects with positive feedback received from other clients.

This recommendation of Sandover Pinder Pty Ltd as the preferred tender was presented to the PCG for endorsement at the meeting held on the 29 August 2013. The PCG approved this endorsement subject



to approval by the FFC board and financial checks on Sandover Pinder Pty Ltd and their joint venture partner DWP|Suters. The FFC board officially endorsed this recommendation to appoint Sandover Pinder Pty Ltd at their board meeting held on the 3 September 2013. An independent financial assessment has been completed on both Sandover Pinder Pty Ltd and their joint venture partner DWP|Suters with both rating strongly on the rating agencies Corporate Scorecards. The contract for the services would be between the City of Cockburn and Sandover Pinder Pty Ltd.

Final approval is now required by the City of Cockburn Council to appoint Sandover Pinder Pty Ltd as the preferred tenderer to provide Architectural Services including Lead Design Consultant for the RPAEC.

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.
- Partnerships that help provide community infrastructure.
- Facilities that promote the identity of Cockburn and its communities.

Leading & Listening

- A responsive, accountable and sustainable organisation.

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 three (3) year contract would be funded from the CCW project fund and cash flowed accordingly in accordance with the project budgeting requirements.

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 the 19 September 2013.

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

Nil

9.2 (MINUTE NO 5133) (SCM 19/9/2013) - TENDER NO. RFT15/2013 - BUILDING CONSTRUCTION SERVICES (COMPLETION OF) COCKBURN INTEGRATED HEALTH AND COMMUNITY FACILITY (S DOWNING) (016/024) (ATTACH)

RECOMMENDATION

That Council:

- (1) accept Tender No.RFT15/2013 – Building Construction Services (Completion of) Cockburn Integrated Health and Community Facility and fit-out of the Cockburn Super Clinic from Jaxon Pty Ltd for \$22,230,205, in accordance with the Price B submitted in the confidential attachments, for a guaranteed maximum price contract less exclusions and less provisional sums;
- (2) amend the 2013/14 Municipal Budget by transferring the following funds to the Municipal Account - Capital Works Project - Cockburn Integrated Health and Community Facility from:
 - Community Infrastructure Reserve - \$1.54m
 - Land Development Reserve \$4.49m
 - GP Super Clinic Reserve \$2.1m
- (3) make application to the Federal Government for \$3.358m and Lotteries West for \$1.0m.

TO BE ADOPTED BY AN ABSOLUTE MAJORITY

COUNCIL DECISION

MOVED Clr C Reeve-Fowkes SECONDED Clr V Oliver that the recommendation be adopted.

CARRIED BY ABSOLUTE MAJORITY OF COUNCIL 9/0

Background

The original contract for the construction of the Cockburn Integrated Health and Community Facility (CIHCF) at Success was awarded to Gavin Constructions (Marago Nominees Pty Ltd trading as) on 13 September 2011 for \$32.9m. The contract was to build 7,856 square meters of space consisting of:

- Success Library (1,486 Sq M)
- Cockburn GP Super Clinic (2,488 sq m)
- Integrated Health Facility (3,582 sq m)
- Meeting rooms (300 sq m)
- Parking facilities (211 undercover) and 80 bays at grade

Gavin Construction took possession of the site on 10 October 2011. On the 26 June 2013, Gavin Construction's owner Sean Gavin advised Council that he had received advice to the effect that he should place the company (Marago Nominees) into Official Administration of the Supreme Court of WA with WA Insolvency Solutions Pty Ltd being appointed the Administrators of the company Marago Nominees Pty Ltd. The reason behind the appointment was that to continue trading, the directors may breach the "trading whilst insolvent" provisions of the Corporations Act. This came about as of a result of the company having a client fail to pay the final \$2m instalment of a construction contract in Karratha. This in turn triggered a Supreme Court Statutory Demand from a creditor owed money in relation to the Karratha contract.

Once Council became aware of the Administrator being appointed, the Council through its legal adviser, Jackson McDonald seized control of the construction site from Gavin Constructions, seized all materials present including building materials and placed the site under its own security. The Council has allowed firms back onto the site for removal of personal tools and equipment after confirming with the Administrator.



Gavin Constructions had twelve active contracts with approximately \$20m owed to various creditors. The Company, Marago Nominees Pty Ltd has now been placed in liquidation.

Upon seizing control of the construction site, Council made arrangements for the fencing, dongas and security to be placed into the management of the Council. At the same time, the Council commissioned the Architects, Bollig Design Group (BDG) to undertake a review of the construction to date in conjunction with a range of professional service firms. BDG being the projects architects were also appropriately qualified to undertake the review having done a similar job when the builder walked off the Raine Square Building in the City of Perth (multi-storey building valued at \$400m)

The purpose of the review was to document every aspect of the construction at the date of seizing control of the construction site so as to determine what had been finished and the state of the finish, what remains to be finished, any damage suffered by the building with the builder walking off the site and finally what needed immediate rectification so as to make the construction as safe place. The review was both written and video.

At the end of May 2013, the Council's independent firm of Quantity Surveyors, Davis Langdon, certified that 66% of the building had been completed. It is estimated at the date the builder walked off the job, 70% of the building had been completed.

The Council immediately advertised an Expressions of Interest (EOI) on 3/7/2013 for an appropriately qualified step in builder to complete the Job, being 30% of the building remaining to be completed. The EOI closed on 17/7/2013 with seven builders submitting their qualifications as Step-In Builders.

Of the seven builders, four were invited to submit prices for a RFT 15/2013, they were:

1. Pindan Contracting (builder of the surf club) – (the actual tender was submitted by Pindan Pty Ltd as trustee for the Chamois Unit Trust.
2. Cockram Esslemont (builder of the Council Administration Extension).
3. PS Structures (builder of FESA head office at Cockburn Central).
4. Jaxon Pty Ltd.

Of the other builders, two did not have relevant building experience in Perth (they were infrastructure builders in the North West) and one was deemed too small. Two builders have since withdrawn citing recently won contracts as the reason.



The tenderers have been asked to provide two prices:

- Price A - to finish the outstanding work including rectification works plus assume warranting work to date; and
- Price B - to finish outstanding work including rectification works but not assuming the warranties for the work to date.

In addition, the Council has requested a price to fit-out the Integrated GP Super Clinic being 2,488 square meters of space. This was always intended to be completed as part of the building project but time constraints made it appropriate for the Step-In Builder to complete the fit-out. The Library Fit-Out has always been part of the initial construction contract and will be completed as part of the new building contract. Only the provision of moveable furniture in the library was deemed to be a separate contract and a separate tender is being prepared for this contract.

The Council has made all appropriate payments to the former builder in accordance with the contract and based on legal advice will receive no claim of any preference payments from the Administrator.

The Council has received a number of claims from sub-contractors with these being referred firstly to the liquidator of Marago Nominees Pty Ltd or to Council's solicitors, Jackson McDonald. Each of these has been referred back to the Administrator of Marago Nominees.

In summary, Council has made the following certified payments:

Approved Building Contract	\$32.29m
Variations Budget	\$1.62m
Total Building Contract	\$33.90m
Value of work Completed and paid at 31/5/13	\$22.69m
Balance of Building Contract	\$11.214m
Fit-out of GP Super Clinic	\$2.10m
Total Cost to Complete	\$13.314m
Budget remaining	\$11.214m
Bank Guarantees	\$1.50m
GP Super Clinic Fit-Out	\$2.10m
Total	\$14.814m

The Council has secured a number of tenants for the overall facility including:

- GP Super Clinic (2,488 Sq m) – 95% leased
- Integrated Health Facility (3,582 Sq m) – 80% leased
- Meeting rooms (300sq m) will receive casual income



Part of the criteria for selecting a builder is for early access for Centrelink, GP Super Clinic and Library to provide for fit out. Centrelink require their office to be open to the public on 1 July 2014.

Submission

Tenders were called on the 9 August 2013 under RFT 15/2013 for Building Construction Services (Completion of) Cockburn Integrated Health and Community Facility d on the 6 September 2013 but later extended to 13 September 2013 at the request of the tendering parties two submissions were received:

Tenderer's Name:	Date and Time Tender Received:
Pindan Pty Ltd as trustee for the Chamois Unit Trust	13/09/2013 – 1:24pm
Jaxon Pty Ltd	13/09/2013 – 1:43pm

Report

a. Compliance Criteria

Criteria Ref.	Description
A	Attendance at the Mandatory Tender Briefing
B	Compliance with the Conditions of Tendering
C	Compliance with the Specification contained in the Request
D	Completion of Form of Tender
E	Compliance with Insurance Requirements
E1	Public & Product Liability Insurance \$A20,000,000
E2	Professional Indemnity Insurance \$A10,000,000
E3	Workers Compensation
E4	Plant & Equipment Insurance
E5	Motor Vehicle (Comprehensive) & 3 rd Party Liability
F	Completion of Qualitative Criteria
G	Compliance with Building Services (WA) Requirement
H	Compliance with Fixed Price and Completion of Section 3.8.2
I	Compliance with Sub-Contractors Requirements & Completion of Section 3.10
J	Compliance with & completion of separate Price Schedule in format provided
J1	MS Excel Spreadsheet
J2	PDF



K	Compliance with OSH Requirements
L	Compliance with ACCC Requirements
M	Acknowledgement of any Addenda issued
Section 3.4	Registration Number - Builders
Section 3.5	Availability
Section 3.6	Tenderer's Contact Person
Section 3.8	Sub Contractors - Proposed
Appendix A	OSH Declaration
Appendix B	ACCC Warranty
Addenda	Addendum No.1 issued 23 August 2013
	Addendum No.2 issued 29 August 2013
	Addendum No.3 issued 11 September 2013

b. Compliant Tenders

All two (2) Tender submissions were deemed compliant

c. Evaluation Criteria

Tenderers were assessed against the following criteria:

Evaluation Criteria	Weighing Percentage
(A) Relevant Experience of Company and Personnel	50%
(B) Methodology	10%
Tendered Price	40%

d. Tender Intent / Requirements

The Principal requires the services of a suitably qualified, registered and experienced Commercial Building Construction Contractors to undertake the completion of construction and the (partial) fit-out of the Cockburn Integrated Health and Community Facility on the corner of Beelias Drive and Wentworth Parade, Success Western Australia.

The integrated Health and Community Facility is a mixed use two storey high building with a partially underground undercroft car park with 211 car bays and includes a GP super clinic, allied health services, Department of Human Services offices (Centrelink), pharmacy, café, library and medically related office areas. Within the building, these services are linked via a central internal street gallery that continues through one of the two main entries out onto a landscaped forecourt, from which the alfresco area of the café can be accessed.



The facility has an estimated 7,856 m² of office space and the total site construction area is approximately 15,000 m² and construction is approximately 70% completed.

The Principal, for this project, has appointed Bollig Design Group as the Architect and Superintendent; and AECOM Group - Davis Langdon Australia as the Quantity Surveyor.

Gavin Construction had partially completed the works at the time the Principal issued the notice referred to above. The constructed component of the works is referred to as the "Prior Works".

No representations are made in respect of the stage of completeness of the Prior Works or the extent of any defects in the Prior Works.

As part of the scope of works to be completed by the Contractor, the Contractor must carry out the works described in the Specification – Part 2. The Contractor will be liable for these works in accordance with the terms and conditions of the Contract.

The following wording only applies to Tender Price A (Contractor assuming all risk in the Prior Works).

The Contractor is required to carry out all necessary due diligence, Site and other investigations to determine the extent of completeness of the Prior Works and the extent of defects therein. The Contractor will be liable for the completion of the works, the Prior Works and any defects in the works or the Prior Works. Without limiting the above obligations, the Contractor must include in the scope of works to carry out under this Contract the works described in the document titled "Remedial Works" which will form part of the Contract Documents.

The following wording only applies to Tender Price B (Contractor not assuming the risk in the Prior Works).

The Contractor is required to carry out all necessary due diligence, Site and other investigations to determine the extent of completeness of the Prior Works. The Contractor will be liable for the completion of the works described in the Contract Documents taking into account the extent of the Prior Works. Regardless of whether the Contractor is required to assume the risk in and liability for the Prior Works, the Contractor must include in the scope of works to carry out under the Contract, the works described in the document titled "Remedial Works" which will form part of the Contract Documents.

It would be the Council's intention to adopt Price B given the gap between Price A and B. The risk is deemed acceptable given Council has indemnities from the Architect and Design Engineers.



e. Evaluation Panel

The tender submissions were evaluated by the following people:

Name	Position & Organisation
Mr Stuart Downing	Director, Finance & Corporate Services City of Cockburn
Mr Rob Avard	Manager, Community Services City of Cockburn
Mr Michael Littleton	Director, Engineering Services City of Cockburn
Mr Edwin Bollig	Principal Architect, Bollig Design Group Included was Mr Ray Crocker, Project Superintendent (non-voting)
Mr Steve Millar	Quantity Surveyor Davis Langdon

f. Scoring Table

The below table represents the scoring of the 9 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%
Pindan Pty Ltd as trustee for the Chamois Unit Trust	45.13%	37.87%	83.01%
Jaxon Pty Ltd	42.87%	40%	82.87%

g. Financial Assessment of Tenderers

As per Council policy for purchasing, an independent financial assessment was undertaken on both Tenderers as the tender value was over \$1m. A copy is provided as part of the confidential information attached. Both were deemed suitable and had sufficient financial resources to undertake the work subject of this tender.



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.
- Partnerships that help provide community infrastructure.
- Facilities that promote the identity of Cockburn and its communities.

Leading & Listening

- A responsive, accountable and sustainable organisation.

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.

Budget/Financial Implications

The contract would be funded from the following Reserves of Council as per the Budget:

Community Infrastructure Reserve	\$1.54m
Land Development & Investment Fund Reserve	\$14.99m
GP Super Clinic Reserve	\$4.20m
Bank guarantees	\$1.50m
Total Budget	\$22.23m

An application will be made to the Federal Government for additional contribution totalling \$3.358m and to Lotteries West for \$1.0m for the community meeting facilities. The success of either application is unknown. When discussing the matter with the Federal Government, the initial response was positive however with the change from the ALP to the Liberal Party at the recent election, the City's positive view is tempered with the understanding that the GP Super Clinic concept is not favoured.

A detailed financial analysis is provided in the confidential attachment.

Funds remain in the Community Infrastructure Reserve for key community projects as per the Long Term Financial Plan including the new recreation centre at Cockburn Central West and the Skatepark.



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:

4. Consolidated Evaluation Sheet and Tendered Prices
5. Individual Evaluation Assessments – Jaxon Pty Ltd and Pindan Pty Ltd
6. Analysis on Tenderers
7. Analysis on Tendered Prices
8. Independent Financial Analysis on Tenderer – Jaxon Pty Ltd
9. Independent Financial Analysis on Tenderer – Pindan Pty Ltd

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 the 19 September 2013.

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

Nil

9.3 (MINUTE NO 5134) (SCM 19/9/2013) - SUBMISSION ON AMALGAMATION OF THE CITIES OF COCKBURN AND KWINANA TO THE LOCAL GOVERNMENT ADVISORY BOARD (1054) (S CAIN) (ATTACH)

RECOMMENDATION

That Council:

- (1) adopts the attached joint proposal on amalgamation of the Cities of Cockburn and Kwinana;
- (2) agrees that the City of Cockburn being an affected local government within the meaning of Schedule 2.1 of the Local Government Act 1995 (LGA), resolves to submit a proposal to the Local Government Advisory Board pursuant to clause 2.1 of the LGA which would amalgamate the districts of the City of Cockburn and the City of Kwinana



- (3) endorses the formation of a Local Implementation Committee to oversee the amalgamation process, with the committee to have equal representation from each City;
- (4) appoints the City's representatives on the Local Implementation Committee to be the:
 - a. Mayor
 - b. Two Councillors
 - c. Chief Executive Officer; and
- (5) initiates further community communication to keep residents and ratepayers abreast of information on this project.

COUNCIL DECISION

MOVED Deputy Mayor K Allen SECONDED Cllr L Smith that :

- (1) recommend that the City of Cockburn advise the Premier, the Minister for Local Government and the Department of Local Government that Council has given careful consideration to the proposed amalgamation between the City of Cockburn and the City of Kwinana and after said consideration has decided that it no longer wishes to proceed with the proposed amalgamation between the City of Cockburn, the City of Kwinana and/or any other cities adjoining our boundaries, unless a poll is taken of our ratepayers and the majority of our ratepayers indicate that they wish us to proceed with the proposed amalgamation;
- (2) Council's Chief Executive Officer immediately compiles and issues a press release to all media outlets, i.e, The West Australian, the local papers, all radio stations and local TV stations advising them of Council's position and the reasons for its decision; and
- (3) a copy of the media release and the letter to the Premier, the Minister for Local Government and the Department of Local Government, be provided to all Elected Members by no later than close of business on Friday 20 September 2013.

CARRIED 5/4



Reason for Decision

Despite the Premier stating publicly that there will be no forced amalgamations, clearly they are forcing us to amalgamate with Kwinana. There are really not two willing partners - Kwinana have not come to the table willingly and feel they have a gun pointed at them. Our ratepayers have rights and we must endeavour to stand up for them. They have a democratic right to be polled over issues such as amalgamations and we as a democratically elected body should be fighting to retain that right for them. In fact, the most recent polling of our ratepayers concerning amalgamations, taken a number of years ago, clearly indicated our ratepayers did not want a bar of it.

For a long time now this Council and its officers have put considerable effort into long term strategic and financial planning. Part of this planning has included ongoing/considerable rate increases to our ratepayers, so that we may provide them with the services they require/desire. These increases unfortunately cannot sometimes be avoided in a growth city and I strongly believe we are now reaching a point where we can ease back a little on future rate increases.

There is no legal authority for the State Government to demand a submission at all, or by any date, and that is very important for us to recognise and to understand. What we are being asked to do is putting the cart before the horse based on what has occurred this week.

Background

On 30 July 2013 the Minister for Local Government and Communities, Hon Tony Simpson MLA, announced the State Government's response to the Metropolitan Local Government Review. The Review Panel, chaired by Professor Alan Robson, issued its final report in October 2012 recommending a restructure of metropolitan Local Governments consolidating them from 30 Local Government Authorities (LGAs) down to 12.

Minister Simpson advised that, after reviewing the Panel's findings, the State Government had opted for a slightly less radical change, proposing to consolidate the number of LGAs to 14.

The Government's proposal would leave three of the current LGAs intact, with eleven Local Governments being impacted through boundary change, amalgamation or combination. One of these new Local Governments would be formed from a merger of the City of Cockburn with the City of Kwinana.

The Government would use the existing provisions of Section 2 of the Local Government Act (the Act), which deals with amalgamations, to implement its proposals. A key element of this is a requirement for



merging LGAs to make a submission to the Local Government Advisory Board (LGAB) to commence the amalgamation process.

Submission

N/A

Report

The Local Government Reform process was initiated by the Government in February 2009. It has had a number of iterations in that time and seven reports have been presented to Council on this topic since.

The most significant outcome of the review process was the appointment of the Metropolitan Local Government Review panel in August 2011. The Panel issued an interim report in April 2012 and following further industry consultation, their Final Report was released in October 2012.

The State Government acknowledged the Final Report, but did not make any immediate response to its findings. It opted to allow a further period of consultation until April 2013, just after the March State election.

The announcement on 30 July 2013 provided direction as to what structure the Government wanted for local government in the metropolitan area. It also outlined how it wanted this to be achieved; essentially through a process of 'voluntary' restructuring. However, it was also made clear what actions the Government would take if its preferred model of reform was not progressed. Local Governments have been asked to cooperate with the State Government, but where this does not occur, the State intends to initiate unilateral action to effect reform.

Prior to the Government's announcement, the Cities of Cockburn and Kwinana had been in active dialogue regarding an amalgamation. For both Cities there was a preference that, if change had to occur, it would be more beneficial for the two to merge together as opposed to being merged with other LGAs. An essential element of this was a desire to merge on the existing boundaries of each City. This is exactly the outcome the Government announced for both Cities on 30 July.

LGAB Submission. The Government has set a cut-off date of 4 October 2013 for LGAs to put forward their submissions to the LGAB. Under the Act a proposal to the LGAB can be for:

- creation or abolition of a local government,
- an amalgamation of existing local governments, or
- boundary changes to a local government.



Each of these options has its advantages and disadvantages. Without arguing the merits of these at this time, the option pursued to date has been the preferred Government process which is a voluntary amalgamation of the Cities of Cockburn and Kwinana. Following an informal resolution at a joint meeting of the City's Elected Members on 3 September 2013 to this effect, the attached submission to the LGAB has been prepared.

The key elements of the proposal are:

1. **Consistent.** The draft proposal is consistent with the Government's proposal for the Cockburn-Kwinana area. It is premised on amalgamation using the current boundaries of the two LGAs.
2. **Rationale.** There is sound logic to the proposal, with synergies across many areas underpinning the strength of the new LGA. The amalgamation creates a new City that will be home to 8% of the projected population for metropolitan Perth. It will also be the home of some of the State's most significant industrial areas.
3. **Name.** The new City will have an interim name of 'Greater City of Cockburn-Kwinana'; however, there is a strong preference among Elected Members to look for a new name prior to formal amalgamation. To achieve this, a naming and branding strategy will be pursued prior to the Government formalising the name, which would occur on issue of Governors Orders in August 2014.
4. **Representation.** The proposed representative model is based on a geographically based four ward model; with west, central, east and south wards. Each ward will have three Councillors, with an additional two Councillors allocated to the south (Kwinana) ward for a transition period. The community will directly elect the Mayor, ie a popularly elected mayor as per Cockburn's current system. The transitional arrangements will see a Council of 15 Elected Members; ie a Mayor and 14 Councillors, elected in October 2015. Half of those elected would be for two year term to 2017, the other half for a four year term to 2019. Thereafter, there will be a reduction of one Councillor from the south ward at the 2017 elections and another at the 2019 elections. As at 2019 all wards will have equal representation; ie 3 Councillors.
5. **Boundaries.** The proposal seeks to retain the existing boundaries of Cockburn- Kwinana. However, recognising there is a requirement to look at any minor anomalies, the following areas have been identified in this category:



- a. *North-West.* The current alignment between Cockburn and Fremantle around North Coogee is not a direct route. The development of this estate, the majority of it in Cockburn, included a pocket of 50 homes in Fremantle. An alternative alignment would be to square this off, with a boundary around the old Fremantle Landfill site.
 - b. *North-East.* The current alignment has part of Leeming within Cockburn. As there are 741 properties in this section, there is no proposal to seek a boundary change. Previous reports to Council have highlighted the use these residents make of services provided by the City, so an alternative would be to place the boundary at Farrington Road.
 - c. *South-West.* While the boundary is straight, there are a number of lots in the Rockingham Industrial Zone that are split between Kwinana and Rockingham. An alternative would be to run the boundary around 'whole' lots, with several different permutations possible. There are also a number of minor changes around Mandurah and Millar Roads and the railway line that could lead to a better defined border. A commitment has been received from the City of Rockingham to address these matters (Attachment 2).
 - d. *South-East.* There are around 25 rural living lots in Oakford that are sandwiched by the Modong Nature Reserve. It may be easier to service these from Kwinana rather than Serpentine-Jarrahdale. There is also a fire easement in the Wandi area that would be more effectively managed if it were in Serpentine-Jarrahdale.
6. **Funding.** The City has estimated the cost of amalgamation at around \$7.5M. This is significant and while efficiencies should come from an amalgamation, the cost of the transition should not be borne by the community. The proposal seeks funding support from the Government over the next two financial years.

Managing Transition. The Government also announced that it would prefer the existing Elected Members of each merging LGA, if they were actively cooperating on an amalgamation, to manage the transition process. This would allow local input on the transition process, with the opportunity to guide this, up until the appointment of Commissioners, who will govern the new City from 1 July 2015 until Council elections are held in October 2015. However, where there was no 'active' cooperation the Government flagged its intent to bring forward the appointment of Commissioners to manage the transition process.

The proposed local governance arrangement requires establishment of a Local Implementation Committee (LIC). The LIC would comprise equal representation from each of the merging LGAs, with a



representative of the Department of Local Government and Communities (DLG&C) joining as an observer. A Metropolitan Implementation Committee (MetRIC) would be formed as a steering committee to oversee the sector wide transition, with the Chair of each LIC being a representative to that steering committee.

Through the discussions with the City of Kwinana it has been recommended that the LIC comprise the following representatives from each City:

- Mayor
- Two Councillors
- Chief Executive Officer

The LIC can commence meeting anytime after the LGAB proposal has been submitted. Meetings of the LIC are likely to be on a monthly basis and will continue until all transition issues are resolved. To assist the LIC in its tasks WALGA, the Local Government Managers Association and the DLG&C are putting together a comprehensive 'Toolkit'. This document will provide detailed guidance on the myriad of strategic and operational matters that need to be resolved prior to 1 July 2015. As the Toolkit won't be finalised until 1 December 2013, the initial meetings of the LIC will be focussed on developing the communications plan and giving the committee members a broader overview of the outcomes they must achieve.

The City's LIC representatives can be formally appointed by a Council resolution, or informally appointed through a voluntary arrangement between Elected Members, at this time. Should the former option be selected, any Elected Member appointed to the LIC, but also subject to re-election to Council in October 2013, would need to be replaced through another resolution of Council if they are not re-elected.

Community Engagement. The City has provided a stream of media to the community on this topic over many months. Articles have appeared in the *Cockburn Soundings*, the City's website, in media releases and in the local newspapers. However, experience in other States where Local Government reform occurred has shown the level of understanding on this topic remains relatively low, often right up to the amalgamation date.

Through the LGAB process there is a requirement for any proposal to be subject to community consultation. The LGAB will initiate public hearings and invite submissions on each of the proposals put to it. This would be the best time to hold any community forum(s) as it would be actively promoted and focussed on specific issues. It is important that the City not dilute the potential interest in this process, hence the recommendation to only hold community forums when the LGAB assessment is underway.



However, in the interim a Communications Plan is required to make residents more aware of the issues and how the City is dealing with these. The City is preparing a draft document, but as this matter is common for both Cities, it could be addressed by the LIC.

Conclusion. The submission of an LGAB proposal will - commence the process that potentially leads to an amalgamation of the Cities of Cockburn and Kwinana. Once submitted a proposal cannot be withdrawn.

The proposed submission is in accordance with the Government's strategic objectives for the Reform of Local Government in our region. In supporting this proposal the City of Cockburn will be entering a partnership with its preferred solution; ie the amalgamation of the Cities of Cockburn and Kwinana on their existing boundaries.

Negotiations between the Elected Members of each City have been proactive and positive. This has led to finalisation of the joint submission to the LGAB. While change of this magnitude will bring its challenges, there has been a willingness to see a bigger picture and the bigger opportunity that it presents our residents and ratepayers.

Strategic Plan/Policy Implications

Leading & Listening

- Effective and constructive dialogue with all City stakeholders.
- Effective advocacy that builds and manages relationships with all stakeholders.

Budget/Financial Implications

The Government has provided an initial allocation of \$200,000 to support Local Governments that put a submission into the LGAB. The Government has also promised additional financial assistance, but not quantified this as yet.

The City has estimated the cost of an amalgamation at around \$7.5M. The LGAB submission seeks for the Government to fully fund this expenditure.

Legal Implications

N/A



Community Consultation

The LGAB will initiate a public consultation phase as part of its deliberations. As this won't commence until early 2014, it has been recommended that the City provides regular communication to residents and ratepayers on this important issue.

Attachment(s)

1. Joint submission to the Local Government Advisory Board to create the Greater City of Cockburn-Kwinana.
2. Letter from City of Rockingham dated 12 September 2013.

Advice to Proponent(s)/Submissioners

N/A

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

N/A

10. (MINUTE NO 5135) (SCM 19/9/2013) - 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 C Reeve-Fowkes SECONDED Clr S Pratt that the recommendation be adopted.

CARRIED 9/0



11 (SCM 19/9/2013) - CLOSURE OF MEETING

MEETING CLOSED AT 8.06PM

CONFIRMATION OF MINUTES

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

Signed: Date:/...../.....

