

7 CONFIDENTIAL ITEMS

7.1 STAGES 2 & 3 TENDER UPDATE PRESENTATION

RECOMMENDATION

That:

1. Pursuant to Section 90(2) & (3) of the Local Government Act 1999 the Committee orders that the public be excluded from attendance at the meeting held on Thursday 4 August 2022 for Agenda Item 7.1 Stages 2 & 3 Tender Update Presentation;
2. The Committee is satisfied that pursuant to section 90 (3) (k) of the Local Government Act 1999, the information to be received, discussed or considered in relation to the Agenda Item 7.1 Stages 2 & 3 Tender Update Presentation is:

tenders for the supply of goods, the provision of services or the carrying out of works.
3. The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to discuss this Agenda Item 7.1 in confidence.

COMMITTEE RESOLUTION

Moved: Cr Mick Sparnon
Seconded: Cr Andrew Grieger

That:

1. Pursuant to Section 90(2) & (3) of the Local Government Act 1999 the Committee orders that the public be excluded from attendance at the meeting held on Tuesday 2 August 2022 for Agenda Item 7.1 Stages 2 & 3 Tender Update Presentation;
2. The Committee is satisfied that pursuant to section 90 (3) (k) of the Local Government Act 1999, the information to be received, discussed or considered in relation to the Agenda Item 7.1 Stages 2 & 3 Tender Update Presentation is:

tenders for the supply of goods, the provision of services or the carrying out of works.
3. The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to discuss this Agenda Item 7.1 in confidence.

CARRIED

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Responsible officer: Samuel Wellington, Manager Major Project Delivery

Attachments: Nil

Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in Section 90(2) & (3) of the <i>Local Government Act 1999</i> .
Sub-clause and Reason:	(k) - tenders for the supply of goods, the provision of services or the carrying out of works.

Executive summary

Sam Wellington, Manager Major Projects Delivery, led the Stages 2 & 3 Tender Update Presentation for the Lameroo Town Centre Project. The committee noted and discussed the following:

- An overview of the scope for the project under the Drought Communities Programme Extension (DCPE) Funding Grant and the Building Better Regions Funding (BBRF) Grant was provided. Within the BBRF Grant the key deliverables include the plaza space, access road and parking for caravans and RV's, footpath, crossing points, new toilets and splash pad. Additional seating, shelters and trees are also required.
- The achievements delivered in Stage 1 were acknowledged as the new recreational spaces are being highly utilised and have made a significant difference to the main street.
- The tender was open for 6 weeks and 1 tender response was received. After tender evaluation this contractor became the preferred tenderer. It was acknowledged that it was disappointing to only receive 1 response, but reflective of the current market where there is a lot of demand for landscaping work and therefore low incentive for contractors to seek work in regional areas.
- The tender received was significantly above the remaining budget for the Lameroo Town Centre Stages 2 & 3 works of approximately \$1.1 million. This was a similar outcome for the Pinnaroo Village Green Stage 2 & 3 works.
- The project team has been working closely with the preferred tenderer and Birdseye to undertake value management for the project and to prioritise the scope of works. These negotiations are ongoing but the scope changes were presented:
 - Removal of all works and tree plantings to the road way and the northern side of Railway Terrace. Removal of these works is considered appropriate due to the PLEC Powerline Undergrounding Project that has been approved. The PLEC project will include substantial construction works in this area which would impact any works or plantings undertaken by this project. One exception is the inclusion of the crossing point across from the supermarket to the new community building, which is used frequently. Once the powerlines are undergrounded, plantings would make

- a huge aesthetic impact to the northern side of the street, however, it was clarified that a new budget source would be required if this was progressed in the future.
- Whilst the splash pad was highly supported in the community consultation, the ongoing maintenance, regular testing and service upgrade requirements have raised some concerns and subsequently this has been removed. Substantial investment is currently occurring in the Lameroo pool and whilst removal of the splash pad is disappointing, recognising this investment may help alleviate some community concerns.
 - The access road and caravan/RV parking was originally shown in the design as a two-way asphalt road, this will be changed to a one-way rubble road. This will reduce the cost by more than half and create a similar level of service as achieved in the Stage 1 works in Pinnaroo which is being highly utilised.
 - Behind the Council office the paving, tree plantings and carpark will be removed as well as the paving around the railway station.
 - The entrance path from the highway to the existing amenities building will stay but the works and timber screening around the building will be removed. The timber screening around the CFS utilities will also be removed, but the addition of some plantings will be considered in this area and the trees that outline the village green area will remain.
 - All scope to the east end of the CFS building, after the access road entry, will be removed and as no work will be occurring the trees will not be removed.
- It was acknowledged that these changes are significant, large areas of scope are being removed from the design, unfortunately this is the reality of delivering the in today's market. The grant application was submitted back in 2019 with an ambitious scope and since that time many factors have contributed to budget pressures such as inflation and significant increases in material expenses, labour costs and cartage.
 - The difference in what will be delivered compared with the community expectations of what was designed was acknowledged. Communication around the reduction in scope will be further considered.
 - When prioritising spend it was acknowledged that the community building and recreational spaces are the priority areas and the remaining works will complete the area with the addition of street tree plantings and other landscaping and plantings, the pavement, fencing, seating, an additional shelter and substantial paving around the community building. These works will ensure the resulting area will be a great space for the community once completed.
 - The tender excluded the pavilion and new public amenities as these are closely tied to the community building. The design for this building is still underway, the crossover between the projects does create significant challenges. Money from the BBRF funding will be set aside to build the pavilion.
 - Council has budgeted \$100,000 into public conveniences across the Southern Mallee District and an assessment of what works is required across the board before Council

makes a decision on the priorities for this spend. Currently none of this has been specifically allocated to the existing main street amenities.

- The designers are considering some options for the area that the splash pad was originally located which include turfing the area, adjusting the shelter location and the possible addition of a suitable piece of play equipment. One idea from a committee member was a jumping pillow, this suggestion can be taken back to the designers for consideration.
- The old railway yard is owned by the Department of Transport but leased to OneRail, Sam Wellington, Manager Major Project Delivery, has contacted OneRail who have indicated they are supportive of the yard being removed, however, an agreement has yet to be determined as to if they are willing to pay for the cost for removal.
- The timeframes for the project are under significant pressure. The proposed program by the preferred contractor shows the works going into 2023. The reduction in scope will allow the timeframe to be condensed and the negotiations have been including looking at ways to continue to shorten this, for example the possibility of having two work crews.
- The designs of the areas that have been removed from scope are Councils and will be kept on file. This means the design work is done and if a funding opportunity presents itself the work could be undertaken in the future. Being able to deliver the Pinnaroo East End Entrance a good example of where Council could achieve the desired outcome for the community as the design work was complete when the LRCI funding became available. At the completion of the Stages 2 & 3 works there is also the opportunity to reflect on the works to date and plan the priorities of any possible future stage to the project. There is also the continued opportunity to apply for grants if and when they become available.

RECOMMENDATION

That the Lameroo Town Centre Plan Project Steering Committee acknowledges the value management being pursued by the Project Team in relation to the Lameroo Town Centre Project Stages 2 & 3 works.

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Moved: Cr Mick Sparnon
Seconded:

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RECOMMENDATION

That having considered agenda item 7.1 in confidence under section 90 (2) and (3) (k) of the Local Government Act 1999, the Committee pursuant to section 91 (7) of the act orders that the documents considered by the Committee, including the officer's report and all minutes be retained in confidence. This order is to be reviewed at or before the ordinary Council meeting to be held in January 2023, as to if this order is to continue in operation.

COMMITTEE RESOLUTION

Moved: Michael Stout

Seconded: Janet Flohr

That having considered agenda item 7.1 in confidence under section 90 (2) and (3) (k) of the Local Government Act 1999, the Committee pursuant to section 91 (7) of the act orders that the documents considered by the Committee, including the officer's report and all minutes be retained in confidence. This order is to be reviewed at or before the ordinary Council meeting to be held in January 2023, as to if this order is to continue in operation.

CARRIED