



## FINANCE AND CORPORATE GOVERNANCE COMMITTEE



# A G E N D A

**27 June 2017**

**Commencing at 9.00am**

**Held at the Council Chambers - Civic Centre,  
101 Goondoon Street, Gladstone**

**Please note:** These minutes are to be read in conjunction with the preceding General Meeting Minutes.

## Terms of Reference

Committee is primarily responsible for overseeing policy and performance in the following areas for Council operation:

- Long Term Financial Plan/ Strategy
- Budget/ Management Reporting
- Rates and Revenue
- Corporate Performance and Reporting
- Contracts and Procurement
- Property Management
- Information Services (ICT, Records, GIS)
- Customer Service
- Risk Management
- People and Performance (Human Resources, Industrial Relations, OHS, Learning and Development)
- Governance

Committee members are all Councillors.

By virtue of section 12(3)(g) of the *Local Government Act 2009*, the Mayor is a (ex-officio) member of the committee.

A quorum is a simple majority of members.

Cr Hansen is the Chair of the Committee

The committee meet in the first instance on the fourth Tuesday of each month at 9.00 am in the Council Chambers and the committee be authorised to determine its future meeting time and frequency.

Committee Administrator is the Chief Financial Officer.

## Appointment of Committees

Section 264 of the *Local Government Regulation 2012* as follows:-

(1) A local government may -

- (a) appoint, from its councillors, standing committees or special committees;
- and
- (b) appoint advisory committees.

(2) Two or more local governments may appoint, from their councillors, a joint standing committee.

## Closed Meetings

Section 275 of the *Local Government Regulation 2012* as follows:-

- (1) A local government or committee may resolve that a meeting be closed to the public if its councillors or members consider it necessary to close the meeting to discuss -
- (a) the appointment, dismissal or discipline of employees; or
  - (b) industrial matters affecting employees; or
  - (c) the local government's budget; or
  - (d) rating concessions; or
  - (e) contracts proposed to be made by it; or
  - (f) starting or defending legal proceedings involving the local government; or
  - (g) any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act; or
  - (h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

## Committee Members

**Cr Hansen - Chair**

**Cr Burnett**

**Cr Bush**

**Cr Churchill**

**Cr Goodluck**

**Cr Masters**

**Cr O'Grady**

**Cr Sobhanian**

**Cr Trevor**

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## **FCGC/1. OPENING AND APOLOGIES**

## **FCGC/2. DISCLOSURE OF INTEREST**

Nil

## **FCGC/3. CONFIRMATION OF MINUTES**

### **FCGC/3.1. CONFIRMATION OF FINANCE AND CORPORATE GOVERNANCE MINUTES FOR 23 MAY 2017**

**Responsible Officer:** Chief Financial Officer

**Committee Meeting Date:** 27 June 2017

**File Ref:** CM7.2

**Purpose:**

Confirmation of the minutes of the Finance and Corporate Governance Committee held on 23 May 2017.

**Officer's Recommendation:**

That the minutes of the Finance and Corporate Governance Committee of Council held on 23 May 2017 be confirmed.

**Attachments:**

1. Minutes of the Finance and Corporate Governance Committee of Council held on 23 May 2017.

**Tabled Items:**

Nil.

**Report Prepared by:** PA Director Corporate and Community Services

## **FCGC/4. DEPUTATIONS**

Nil

## **FCGC/5. OFFICERS' REPORTS**

### **FCGC/5.1. REVIEW OF STANDING COMMITTEES**

**Responsible Officer:** Chief Executive Officer

**Committee Meeting Date:** 27 June 2017

**File Ref:** CM7.2

**Purpose:**

Acting Chief Executive Officer reporting on proposal to discontinue Standing Committees.

**Officers Recommendation:**

That Council discontinue Standing Committees, effective from 30 June 2017.

**Background:**

On 19 April 2016, Council resolved to establish five Standing Committees, with the details of each committee outlined in the attached minutes. Council further resolved on 16 August 2016 to amend Standing Committees, with key changes relating to memberships, timing and delegated authority.

**Consideration:**

As the network of Standing Committees have been in operation for more than 12 months, it was considered timely to review the effectiveness and efficiency of the current structure. The establishment of Standing Committees occurred early in the current term of Council and the introduction of changes in August 2016 signaled that the intent of the committees was perhaps not being achieved as originally proposed.

It could be considered that the benefits of sharing the workload amongst Councillors through the establishment of committees have been lost since the amendment to appoint all Councillors as members of each committee and to remove the limited delegation that had been conferred. Delays in confirmation of planning decisions resulting from the removal of committee delegation has also been problematic at times for both the applicants and council officers.

There is no doubt that committee chairs have filled an important role in both chairing meetings and coordinating issues related to the charter of each committee. It is suggested that this knowledge and experience can continue to be shared through existing Advisory Committee representation and ongoing community engagement activities.

Overall, it is considered that the discontinuation of committees will achieve greater efficiencies in decision making however alternative options are listed below for consideration.

**Option 1**

Maintain Standing Committees as currently constituted. No action is required to maintain the status quo as this would be achieved by not resolving the officer's recommendation.



## **Option 2**

Amend Standing Committees to alter membership, delegations, timing or other aspects of operation. If this option is preferred, it is suggested that a report be prepared for a future meeting to fully explore alternatives.

### **Communication and Consultation (Internal/ External):**

Councillors and the Executive Team have been consulted on the future of committees.

### **Legal Environmental and Policy Implications:**

Standing committees are contemplated by s. 264 of the *Local Government Regulation 2012*. Committees can be introduced, changed or discontinued at any time by resolution of Council.

### **Financial and Resource Implications:**

The proposed reduction in the number of decision-making bodies will reduce the number of administrative staff involved with agenda coordination and minute taking.

### **Commentary:**

Nil

### **Summary:**

The introduction of Standing Committees was intended to enhance the decision-making process and better balance the workloads of Councillors and officers alike. In their current form, committees have not realised the benefits first envisaged, particularly in relation to workload balance. It is considered that the discontinuation of committees will achieve greater efficiencies in decision making.

### **Attachments:**

1. Extract of General Meeting Minutes 19 April 2016 – Establishment of Standing Committees;
2. Extract of General Meeting Minutes 16 August 2016 – Standing Committees

### **Tabled Items:**

Nil.

**Report Prepared by:** Acting Chief Executive Officer

## **FCGC/5.2. REVIEW OF OCCUPATIONAL HEALTH AND SAFETY POLICIES**

**Responsible Officer: Chief Executive Officer**

**Committee Meeting Date: 27 June 2017**

**File Ref: CM28.2**

### **Purpose:**

This report presents revised Occupational Health and Safety Policies for Council's consideration.

### **Officer's Recommendation:**

That Council:-

1. Repeal the following existing Council Policies:
  - a. P-2014-29 Fitness for Work Policy
  - b. P-2015-24 Rehabilitation and Return to Work Policy
  - c. P-2015-23 Occupational Health and Safety Policy
  - d. P-2015-22 Fire Safety Policy
  - e. P-2015-21 Electrical Safety Policy
  - f. P2014-17 Drug and Alcohol Policy
2. Adopt the following revised Council Policies:
  - a. P-2017-28 Fitness for Work Policy
  - b. P-2017-29 Rehabilitation and Return to Work Policy
  - c. P-2017-30 Occupational Health and Safety Policy
  - d. P-2017-31 Fire Safety Policy
  - e. P-2017-32 Electrical Safety Policy
  - f. P-2017-33 Drug and Alcohol Policy.

### **Background:**

As Members would be aware, Council has a number of Occupational Health and Safety (OHS) Policies that set the strategic direction of OHS within Gladstone Regional Council. Some of these are due for their 3 yearly review and accordingly, the suite have been review together to achieve consistency.

Council's OHS Coordinator has reviewed the Policies in consultation with the stakeholders listed below and as a result some minor wording amendments are proposed to the policies to improve readability and user understanding (ie. addition of some new definitions). The basic principles of the policies however, remain unchanged.

### **Consideration:**

Not applicable

### **Communication and Consultation (Internal/External):**

OHS Team

Directors

Managers

Joint Consultative Committee (includes both Employee and Union representatives)

Elected Members

**Legal Environmental and Policy Implications:**

Best practice requires a periodic review of Council policies to ensure that they comply with legislation and other organisational requirements. Council's periodic review cycle is currently 3 years.

**Financial and Resource Implications:**

Not applicable

**Commentary:**

Not applicable

**Summary:**

Not applicable

**Attachments:**

**Proposed Policies:**

1. P-2017-28 Fitness for Work Policy
2. P-2017-29 Rehabilitation and Return to Work Policy
3. P-2017-30 Occupational Health and Safety Policy
4. P-2017-31 Fire Safety Policy
5. P-2017-32 Electrical Safety Policy
6. P-2017-33 Drug and Alcohol Policy.

**Existing Policies:**

1. P-2014-29 Fitness for Work Policy
2. P-2015-24 Rehabilitation and Return to Work Policy
3. P-2015-23 Occupational Health and Safety Policy
4. P-2015-22 Fire Safety Policy
5. P-2015-21 Electrical Safety Policy
6. P2014-17 Drug and Alcohol Policy

**Tabled Items:**

Nil.

**Report Prepared by:** Governance Advisor, People and Performance

### **FCGC/5.3. REVIEW OF STATUTORY POLICIES - ADVERTISING AND ENTERTAINMENT AND HOSPITALITY**

**Responsible Officer:** Chief Executive Officer

**Committee Meeting Date:** 27 June 2017

**File Ref:** CM28.2

#### **Purpose:**

This report presents revised statutory policies dealing with Advertising and Entertainment and Hospitality for Council's consideration.

#### **Officer's Recommendation:**

That Council:

1. Repeal the following existing Policies:
  - a. P-2013-10 Advertising Spending Policy
  - b. P-2013-11 Entertainment and Hospitality Expenditure Policy
2. Adopt the following revised Policies:
  - a. P-2017-22 Advertising Spending Policy
  - b. P2017-21 Entertainment and Hospitality Expenditure Policy.

#### **Background:**

The *Local Government Regulation 2012* requires that Council develop and maintain a number of policies which contribute to open and accountable local government.

Two of these statutory policies are set by the provisions of Section 196 and 197 of the *Local Government Regulation 2012* dealing with Entertainment and Hospitality and Advertising Expenditure.

It is generally accepted best practice that policies be periodically reviewed, or reviewed when legislative change occurs. Council's current review cycle is 3 yearly. Both the Advertising Spending Policy and the Entertainment and Hospitality Policy are due for their 3 yearly periodic review.

Council's Governance Advisor has lead the review process on these policies and sought stakeholder input into the review with those parties listed below.

The revised policies presented are more prescriptive than those currently in place. The reason for including more detailed information on the types of expenditure permitted under the policies is to ensure that staff have adequate guidance and the public can clearly understand the types of expenditure Council will consider under the respective policies.

#### **Consideration:**

Not applicable

**Communication and Consultation (Internal/External):**

Elected Members  
Directors  
Managers

**Legal Environmental and Policy Implications:**

Section 196 and 197 of the *Local Government Regulation 2012* requires that Council develop an Entertainment and Hospitality and an Advertising Spending Policy.

**Financial and Resource Implications:**

Spending in accordance with the policies is subject to Council's annual budgetary process.

**Commentary:**

Not applicable

**Summary:**

Not applicable

**Attachments:**

**Revised Policies:**

1. P-2017-22 Advertising Spending Policy
2. P-2017-21 Entertainment and Hospitality Policy

**Existing Policies:**

1. P-2013-10 Advertising Spending Policy
2. P-2013-11 Entertainment and Hospitality Policy

**Tabled Items:**

Nil.

**Report Prepared by:** Governance Advisor, People and Performance Unit

## **FCGC/5.4. COUNCILLOR EXPENSES REIMBURSEMENT & PROVISION OF FACILITIES POLICY**

**Responsible Officer:** Chief Financial Officer

**Committee Meeting Date:** 27 June 2017

**File Ref:** CM 28.2

### **Purpose:**

An amendment is required to the Councillor Expenses Reimbursement and Provision of Facilities Policy recently adopted by Council. The change is to incorporate the costs incurred when Council is hosting dignitaries, and representatives of business, industry or other levels of government.

### **Officer's Recommendation:**

That Council:

1. adopt P-2017-27 Councillor Expenses Reimbursement and Provision of Facilities Policy attached to the report; and
2. repeal the existing Council Policy P-2016-18 Councillor Expenses Reimbursement and Provision of Facilities Policy

### **Background:**

It has been necessary for Councillors to travel outside of the region representing Council in an official capacity, or host local government representatives and other stakeholders. This has brought about a proposed change to the Councillor Expenses Reimbursement and Provision of Facilities Policy. The recently updated policy was considered at Council's Finance and Corporate Governance Committee Meeting of 09 August 2016 and adopted at the General Meeting of 16 August 2016.

The current policy remains silent in relation to costs incurred while hosting of government or industry dignitaries or their representatives. The minor change to the policy is to incorporate not only travel but also the hosting of dignitaries or representatives that is often necessary as part of a Councillor's official duties. The change to policy will allow these types of costs incurred to be brought into alignment with all existing procurement activity policies.

In particular, procurements made by the use of corporate credit cards have been highlighted by external audit as not complying with current procurement policies.

### **Consideration:**

Nil.

### **Communication and Consultation (Internal/External):**

Nil.

**Legal Environmental and Policy Implications:**

The current arrangement is administratively onerous and as a result has not been fully complied with in the past.

**Financial and Resource Implications:**

There is an allocation in Council's Elected Members budget to cover Councillor's travel costs.

**Commentary:**

Councillors may wish to give some thought to any constraints that should be placed on the type of the costs to be reimbursed or facilitated on Corporate Credit Cards such as they appear appropriate and reasonable and can withstand the "public defensibility test". For example, Council as a standard setting body has embraced our nil alcohol stance across all procurement, travel, and conference policies, and in accordance to audit, to date have had low level of instances where there has been a deviation of policy.

**Summary:**

Nil.

**Attachments:**

1. P-2017-27 Councillor Expenses Reimbursement and Provision of Facilities Policy

**Tabled Items:**

Nil.

**Report Prepared by:** Statutory Accountant

## **FCGC/5.5. PROCUREMENT POLICY**

**Responsible Officer:** Chief Financial Officer

**Committee Meeting Date:** 27 June 2017

**File Ref:** CM 28.2

### **Purpose:**

This report recommends the adoption of the following revised Procurement Policy.

### **Officer's Recommendation:**

That Council:

1. adopt P-2017-25 Procurement Policy attached to this report; and
2. repeal the existing Council Policy P-2016-14 Procurement Policy.

### **Background:**

In accordance with the provisions of section 198(1) of the *Local Government Regulation 2012*, Council must prepare and adopt a policy about procurement including details of the principles that Council will apply in the financial year for purchasing goods and services. This policy must be reviewed annually.

Frequently throughout the year, representatives from Council's Finance and Procurement teams undertake rolling reviews of the existing procurement policies and procedures currently in practice, together with an ongoing review of the use of Corporate Credit Cards in the everyday running of the organisation.

Officers have also reviewed the policy from the perspective of ensuring that it continues to remain a high level strategic document and with much of the operational content remaining within the corporate standard.

The revised policy is attached for Members consideration.

The supporting corporate standard, which is to be approved administratively by the Chief Executive Officer, has been included for Members' information.

### **Consideration:**

Nil.

### **Communication and Consultation (Internal/External):**

- Finance And Risk Unit;
- Procurement and Contracts.



### **Legal Environmental and Policy Implications:**

The proposed policy will set the strategic direction for all procurement of goods and services within the organisation.

The Procurement Policy is required to be reviewed annually, in accordance with section 198 of the *Local Government Regulation 2012*.

### **Financial and Resource Implications:**

All procurement is required to be carried out within predetermined budgetary constraints.

### **Commentary:**

Council is to operate under the **Default Contracting Procedures** in accordance with Part 3, Chapter 6 of the *Local Government Regulation 2012*, which sets out prescribed requirements for Medium Sized Contractual Arrangements, Large Sized Contractual Arrangements and Valuable Non-current Asset Contracts.

In undertaking procurement activities all of Council is required to comply with Sound Contracting Principles as identified in section 106 of the *Local Government Act 2009*:

1. Value for money;
2. Open and Effective Competition;
3. Development of competitive Local Business and Industry;
4. Environmental Protection; and
5. Ethical behaviour and fair dealing.

Council adoption of neither a centralised nor a decentralised purchasing model for the procurement of goods and services, but rather a hybrid of the two, and has thereby provided the key advantages of both.

It is envisioned that by adopting this purchasing model:

- Purchasing Officers will be empowered to conduct their own procurement activities subject to the approved framework, spend authority, and budgetary limits;
- centrally developed internal controls will be employed to ensure greater compliance;
- adopted processes will ensure they are simple and easy to understand across all of Council;
- the management of risk is undertaken where appropriate - i.e. that substantial resources are not directed to monitoring low-risk transactions.

Delegations of authority limits previously adopted for all Purchasing Officers and all other officers across Council for Officers to comply with remain at their current levels as set out in the Procurement Corporate Standard.

Under s.231 - 235 of the Local Government Regulation 2012, all contracting arrangements up to \$200,000 may be sort without first inviting a written quotation or tender by accessing:

- an Approved Contractor;
- a Register of Pre-Qualified Suppliers;
- a Preferred Supplier Arrangement (PSA); or
- a Local Government Association arrangement.

Council acknowledges that there will be situations where obtaining a quote for the supply of a particular service may prove to be unrealistic. This would generally occur for the provision of services where there is no "competition" and only one obvious supplier, for example, conference or meeting attendance and registration.

In these instances, where there is only one obvious supplier, and the purchase does not exceed \$15,000, the purchase must be approved by the Manager or Director **prior** to attendance or receipt of goods or services, and in accordance with the Procurement Corporate Standard.

The varying levels of procurement, as per below, are administered through our the Procurement Corporate Standard:

Level of Procurement	Type of Procurement	Value of Procurement
<b>Category 1</b>	Petty Cash & Corporate Credit Cards	\$50
<b>Category 2</b>	Sole Supplier Procurements	\$15,000
<b>Category 3</b>	Goods & Services	\$1,000
<b>Category 4</b>	Goods & Services	\$1,001 – \$5,000
<b>Category 5</b>	Goods & Services	\$5,001 - \$15,000
<b>Category 6</b>	Medium-sized Contractual Arrangements Level 1	\$15,001 - \$100,000
<b>Category 7</b>	Medium-sized Contractual Arrangements Level 2	\$100,001 - \$200,000
<b>Category 8</b>	Large-sized Contractual Arrangements	\$200,001 and over
<b>Category 9</b>	Disposal of Goods &/or Materials not classed as Valuable Non-Current Assets	
<b>Category 10</b>	Disposal of Valuable Non-Current Assets	

Corporate Credit Cards still remain a secondary resource for the procurement of goods and services by an Authorised Officer. Corporate Credit Cards are to be used in the event where the normal purchasing process cannot be followed, or under emergency Conditions.

Council has determined limits for Valuable Non-Current Assets in accordance with section 237(7)(b) of the *Local Government Regulation 2012* by adoption of the following Council policies:

- Non-Current Asset Threshold Policy; and
- Asset Disposal Policy.

The leasing, licencing and rental of Council land and buildings are to be in accordance with current policies:

- Corporate Property Policy (P-2013/26); and
- Leasing of Land for Sport & Recreation Purposes (P-2.00.04).

All Council Valuable Non-Current Assets and Non-Current Assets are to be disposed in accordance with our *Asset Disposal Policy*.

### Summary:

Nil.

**Attachments:**

1. Proposed new policy P-2017-25 Procurement Policy;
2. Proposed new corporate standard – CS-15-2017 Procurement Corporate Standard;  
and
3. Proposed new policy P-2017-26 Local Preference Policy.

**Tabled Items:**

Nil.

**Report Prepared by:** Statutory Accountant

## FCGC/5.6. LOCAL PREFERENCE POLICY

**Responsible Officer:** Chief Financial Officer

**Committee Meeting Date:** 27 June 2017

**File Ref:** CM28.2

### **Purpose:**

This report recommends the adoption of a Local Preference Policy.

### **Officer's Recommendation:**

That Council:

1. adopt P-2017-26 Local Preference Policy attached to this report; and
2. repeal the existing policy P-2016-17 Local Preference Policy.

### **Background:**

Council is required to apply sound contracting principles, in accordance with section 104 (3) of the *Local Government Act 2009*, as part of continuing to demonstrate that Council is operating in a financially sustainable manner. One of the five key contracting principles is to encourage the development of competitive local business and industry, and of course this principle needs to be balanced with the other four contracting principles of:

- value for money;
- open and effective competition;
- environmental protection; and
- ethical behaviour and fair dealing.

Council has had the ability to apply local preference in accordance with Council's adopted *P- 2016-14 Procurement Policy*, to all levels of procurement for Council, and the *P-2016-17 Local Preference Policy* has been an underlying consideration in all purchasing decisions over this past 12 months.

"Local Supply" has taken on the definition of a supply of goods manufactured or stocked at the business' premises located within the Council region for supply to the general public OR a supply of services by personnel engaged (or to be engaged) for delivery of services having their principle place of residence within the Council region Industry.

Whilst a "Local Supplier" has taken on the definition of a business or industry that operates predominantly in the Council region OR a business that has a significant presence in the Council region (i.e. a workshop or office and permanent employees resident in the Council region) and the majority of the work to be entered into through a contractual arrangement with Council will be undertaken by employees residing in the Council area and/or other Local Businesses and Industry.

Whilst Council's budget is significant, as a component of the local economy the year to date local spend of Council, including wages, totals \$94.2 million, which equates to 58% of our overall spend.

Due to recent decisions in relation to recent tender submissions, it has been requested by Councillors to revisit our *P-2016-17 Local Preference Policy*.

All suppliers submitting tenders regardless of being local or not, need to be assured of the integrity of our tendering system. The policy needs to provide specific guidance for officers in preparing recommendations to ensure the evaluations of submissions are not compromised or become bias towards local tenderers.

**Consideration:**

Our current policy is comparable with that offered by other major regional areas, such as Central Highlands and Mackay, which are experiencing declining economic activity as a result of the downturn in the resources sector. Other Councils have adopted policies which give weightings or pricing ranges to local suppliers.

Central Highlands and Rockhampton Councils' apply a minimum weighting of 20% and 12% (respectively) to all offers that are able to demonstrate that the supplier is a "Local Supplier". Mackay Regional Council applies a sliding dollar (\$) scale for "Local Suppliers" that submit tenders above the best tender price.

As part of our existing evaluation process there is a requirement for Officers' to adequately assess the "local" nature of the supply, and for tenders, the requirement is they are to ensure that appropriate information with respect to the Local Procurement Plan has been provided to ensure that Council can make an assessment of "local" based on all available information provided by the tenderer. The assessment of local preference is done, exclusive, of all other criteria.

It would be recommended that if there was a desire to amend the current policy, that this is done by inclusion of a whole of life pricing tolerance into the policy, with this tolerance is to be applied after the assessment of all other factors.

**Communication and Consultation (Internal/External):**

- Councillors
- Directors
- Contracts and Procurement Co-ordinators.

**Legal Environmental and Policy Implications:**

There is no legislative impediment, either for or against a local government expressing its desire to support local business through the application of a local preference policy, or similar.

**Financial and Resource Implications:**

The adoption of a Local Preference Policy, adds marginal cost to Council, but the magnitude of the cost will be dependent on the types of works being performed and what mitigation measures, if any, are put in place to minimise the impact of increased input costs to Council.

**Commentary:**

Nil.

**Summary:**

Whilst other Councils have adopted policies which give weightings or pricing ranges to local suppliers, this proposed policy gives more flexibility to ensure business remains local. When evaluating both local and non-local suppliers of Council, as demonstrated within our Procurement Corporate Standard (Attachment 2), procurement plans detailing the extent of local spending will be highly encouraged with all submissions.

Our policy may only have a minimal impact to the local economy given that local Council spending only makes approximately 3% of regional Gross Regional Product, however, it demonstrates to local businesses and industry that Council, is willing to support local businesses at a marginal cost to the ratepayer.

**Attachments:**

1. P-2017-26 Local Preference Policy
2. Extract from CS-05-2016 Procurement Corporate Standard - Evaluation Guidelines

**Tabled Items:**

Nil.

**Report Prepared by:** Statutory Accountant

## **FCGC/5.7. IMPLEMENTATION OF THE 2016.17 GLADSTONE REGIONAL COUNCIL OPERATIONAL PLAN MAY 2017**

**Responsible Officer:** Chief Financial Officer

**Committee Meeting Date:** 27 June 2017

**File Ref:** CM14.2

### **Purpose:**

Presenting the monthly progress towards the implementation of Gladstone Regional Council's 2016.17 Operational Plan for the period ending 31 May 2017.

### **Officer's Recommendation:**

That:

1. the information contained within the Assessment of the Implementation of the 2016.17 Operational Plan as at 31 May 2017 attached to the officer's report be noted; and
2. the report be received.

### **Background:**

In accordance with s.174(c) of the *Local Government Regulation 2012*, the report for the period of May 2017 is presented for Council's information.

s. 174(c) states that:

The Chief Executive Officer must present a written assessment of the local government's progress towards implementing the annual operational plan at meetings of the local government held at regular intervals of not more than 3 months.

The attached report provides an assessment of the organisation's progress towards implementation of the actions, projects, initiatives and measures as identified in the 2016.17 Operational Plan.

### **Consideration:**

Each month Council reports against a selection of items within the Operational Plan that will benefit from monthly monitoring. Quarterly, Council reports against the entire suite of Operational Plan items.

### **Communication and Consultation (Internal/External):**

All relevant levels of management have provided input into the attached report contents.

### **Legal Environmental and Policy Implications:**

s. 174(c) *Local Government Regulation 2012*.

**Financial and Resource Implications:**

Nil.

**Commentary:**

For the month of May 2017, 32 per cent of operational plan items were progressing as expected. Twenty-one per cent of items were completed within set targets, 11 per cent completed outside of set targets and 26 per cent achieved better than the set target. Details of this are in the full report attached.

**Summary:**

Nil.

**Attachments:**

1. Assessment of the Implementation of the 2016.17 Operational Plan as at 31 May 2017

**Tabled Items:**

Nil.

**Report Prepared by:** Corporate Performance and Reporting Officer



## **FCGC/5.8. REQUEST TO LEASE OF PART OF LOT 1 SP160769 (ROUND HILL FORESHORE ADJACENT SEVENTEEN SEVENTY MARINA) TO 1770 SAILING INC.**

**Responsible Officer:** Director Corporate and Community Services

**Committee Meeting Date:** 27 June 2017

**File Ref:** CP8.2, SR1.1

### **Purpose:**

For Council to consider a request from the 1770 Sailing Inc. (also known as 1770 Dragon Boat Club) to lease part of the Round Hill foreshore, Seventeen Seventy. The lease of land is for the purpose of establishing a secure storage facilities and a recognised home ground to develop dragon boat racing in the Gladstone Region.

### **Officer's Recommendation:**

THAT Council:

1. enter into a five (5) year Trustee Lease with 1770 Sailing Inc. for part of Lot 1 SP160769, Round Hill foreshore, Seventeen Seventy, subject to the following conditions:
  - a. Prior approval being granted by the Crown/Department of Natural Resources and Mines,
  - b. There being no undue interference to public access to the waterfront in the vicinity of the lease area.
  - c. Perimeter fencing not being erected on the lease boundary or as any part of subsequent development on the lease area.
  - d. Any subsequent development on the site being subject to normal development assessment and regulatory processes.
  - e. The club meeting Council's reasonable costs of the lease administration.
2. delegate authority to the Chief Executive Officer (CEO) to finalise negotiations of the lease.

### **Background:**

In 2014, the 1770 Sailing club (the club) wrote to Council seeking a lease over part of the Round Hill foreshore, adjacent to the Volunteer Marine Rescue (VMR) facility for the purpose of establishing a secure compound to store their 'dragon boat' outrigger canoes and equipment.

Secure storage at the SES grounds was offered as an alternative site however, it was deemed unfeasible by the club, principally due to the frequency of club training, the size of the outriggers and the distance from a facility to launch their outriggers.

In 2015, Council resolved to lease a portion of the land subject to conditions. The land is a State Reserve to which Council is the Trustee. The primary use of the land is for recreational purposes, which is consistent with both the current gazetted purpose of the Reserve and the *Gladstone Regional Council Planning Scheme*. In order to lease this land, approval from the

Department of Natural Resources and Mines (DNRM) is required along with an approved Land Management Plan (LMP).

A DNRM approved draft LMP for public consultation has taken longer than anticipated due to the sensitive nature of the natural environment and zoning at this location. Council commence public consultation in late March 2017 with submissions closing 14 April 2017. Council received 141 responses to the draft LMP and proposed leases (attached).

**Consideration:**

Review of Public Submissions

All submissions received through the public consultation process have been reviewed. As such, Officers have noted and/or made amendments to the draft LMP in response to the community's reasonable concerns.

The lease area proposed for 1770 Sailing Inc raised the most discontent. Leasing the proposed land was perceived to be eliminating public access to an auxiliary (and unofficial) boat ramp that is regularly used by the local community to launch small vessels.

Additionally, the public raised concerns over the alleged fencing of the proposed area further restricting access to the foreshore.

Noting the public's concerns over the matter, amendments have been made to the proposed parcel boundary to exclude the informal boat ramp from the proposed lease area. It is also intended that the lease agreement will include the condition that perimeter fencing is not permitted. These measures will ensure that there is no restriction to accessing the waterfront. The remainder of the reserve will remain freely accessible to the general public at all times.

The revised parcel has reviewed and endorsed by 1770 Sailing (Attachment 2).

Consideration of the Natural Environment

Officers believe that both the interests of the club and respecting the natural environment can be achieved at this location. Any final decision to lease the land in this area will be conditional on final approval from DNRM however; on the basis that the club already use the area, approval is likely.

Consideration of Future Local Development

Council's Technical Services has been consulted on the proposed lease to ensure vehicular access and egress from the proposed lease area aligns with any future development of public access tracks and/or boardwalk identified in the Agnes Water and Seventeen Seventy Structure Plan.

**Communication and Consultation (Internal/External):**

**Internal**

- Manager Fleet and Property
- Manager Community Wellbeing
- Senior Land Management Advisor
- Property Services Coordinator
- Sport and Recreation Coordinator
- Engineers, Technical Services

**External**

- Department of Natural Resources and Mines
- 1770 Sailing Inc
- Round Hill Volunteer Marine Rescue (VMR)

**Legal Environmental and Policy Implications:**

The Land (Lot 1 SP160769) is reserve land for which Council is Trustee. A lease (whether part or whole) would be subject to DNRM approval.

On confirmation of approvals necessary, a Peppercorn Lease Agreement will be offered where by 1770 Sailing Inc must pay Council the rent of One Dollar (\$1.00) for each Rental Year, if demanded.

**Financial and Resource Implications:**

Any new buildings and/or structures proposed for construction on VMR's revised leased land will trigger a Code Assessable town planning and building applications. 1770 Sailing Inc. may be eligible to recoup the cost of lodgment fees, by written application under Cat 5 – *Regulatory Fee Reimbursement* of Council's Donations to Community Organisations Policy.

**Commentary:**

For those unfamiliar with the sport, dragon boating simply put, is a boat of 20 paddlers, a drummer and a steers person paddling to cross the finish faster than their competition. It's a team sport in its purest form that encompasses the elements of power, speed, synchronization and endurance.

The appeal to dragon boating is mainly contributed to the sport's ability to accommodate a wide spectrum of skill levels ranging from novice to competitive. At the novice and recreational level, teams often form as a means of social outlet, team building and an alternative means of exercise.

The 1770 dragon Boat Club have hosted local and regional regattas as well as compete in the Greater Wide Bay Series and attended States and National Regattas.

**Summary:**

Nil.

**Attachments:**

1. Letter from 1770 Sailing Inc – Requesting lease of land.
2. Proposed Lease Area.
3. Summary of Public Consultation Response

**Tabled Items:**

Nil.

**Report Prepared by:** Property Services Coordinator (Acting)

## **FCGC/5.9. REQUEST TO LEASE ADDITIONAL LAND TO ROUND HILL VOLUNTEER MARINE RESCUE (VMR) ON PART OF LOT 1 SP160769**

**Responsible Officer:** Director Corporate and Community Services

**Committee Meeting Date:** 27 June 2017

**File Ref:** CP8.2

### **Purpose:**

For Council to consider a request from Round Hill Volunteer Marine Rescue (VMR) to lease additional land on the Round Hill foreshore, Seventeen Seventy. The additional land is for the purpose of establishing a secure storage compound for the Water Police rescue vessel and associated equipment.

### **Officer's Recommendation:**

THAT Council:

1. Subject to Department of Natural Resources and Mines approval, enter into a new Trustee Lease Agreement for a term of ten (10) years with a additional 10 year option, inclusive of the additional part of Lot 1 SP160769, Round Hill foreshore, Seventeen Seventy; and
2. Delegate authority to the Chief Executive Officer (CEO) to finalise negotiations of the lease.

### **Background:**

Round Hill VMR has a current lease over Lot 2 (VMR building) and Lot 5 (boat ramp) on SP160769 for the purpose of Volunteer Marine Squad activities and local emergency functions. The lease will expire 31 January 2024.

In October 2015, Round Hill (VMR), in response to Council's resolution to lease land to the 1770 Sailing Inc, wrote to Council seeking a lease of additional land at the same location. The land would be principally used for constructing a storage compound to store smaller rescue vessels and equipment used by VMR and the Agnes Water Police (Refer to attachment 1).

A public gantry and pontoon area is within close proximity of VMR's current facilities however; these assets are owned and maintained by Council and not proposed for inclusion in VMR's request.

The land sought is a State Reserve to which Council is the Trustee. In order to lease this land, approval from the Department of Natural Resources and Mines (DNRM) is required along with an approved Land Management Plan (LMP).

In light of the dual request to lease land on the Round Hill foreshore, Officers developed and received approval to undertake public consultation on a LMP inclusive of both leases considered for 1770 Sailing Inc. and Round Hill VMR.

A draft LMP, approved for public consultation has taken longer than anticipated due to the sensitive nature of the natural environment and zoning at this location. Council commenced public consultation in late March 2017 and submissions closed 14 April 2017. Council received 141 submissions, of which three (3) directly related to the propose lease of additional land to VRM.

### **Consideration:**

#### Review of Public Submissions

The three (3) submissions received regarding VMR have been reviewed. Two (2) are supportive of granting the additional land as VMR provides the community with essential services. The single objection specifically focused on issues with Council's Planning Scheme. The public consultation undertaken was about the proposed use of Reserve land, not Council zoning and therefore was not considered. Officers have noted the submissions and made minor amendments to the draft LMP in response.

The lease boundary, inclusive of the additional land has reviewed and endorsed by the VMR(Attachment 2).

#### Consideration of the Natural Environment

Officers believe that both the interests of the VMR and respecting the natural environment can be achieved at this location. Any final decision to lease the land will be conditional on final approval from DNRM however; on the basis that VMR already use the area, approval is likely.

#### Consideration of Future Local Development

Council's Technical Services has been consulted on the proposed lease to ensure vehicular access and egress from the proposed lease area aligns with any future development of public access tracks and/or boardwalk identified in the Agnes Water and Seventeen Seventy Structure Plan.

### **Communication and Consultation (Internal/External):**

#### **Internal**

- Manager Fleet and Property
- Manager Community Wellbeing
- Senior Land Management Advisor
- Property Services Coordinator
- Sport and Recreation Coordinator
- Engineers, Technical Services

#### **External**

- Department of Natural Resources and Mines
- 1770 Sailing Inc.
- Round Hill Volunteer Marine Rescue (VMR)

**Legal Environmental and Policy Implications:**

The Land (Lot 1 SP160769) is reserve land for which Council is Trustee. A lease (whether part or whole) would be subject to DNRM approval.

As Round Hill VMR provides the Agnes Water and Seventeen Seventy community with essential emergency services and function, pending confirmation of approvals necessary, a new Trustee Lease Agreement for the term of ten (10) years with an additional ten year option will be offered.

Under the new lease agreement, Round Hill VMR must pay Council a yearly rental of Fifty Two Dollars (\$52.00) per annum, in keeping with the rental outlined in the current lease agreement.

**Financial and Resource Implications:**

Any new buildings and/or structures proposed for construction on VMR's revised leased land will trigger a Code Assessable town planning and building applications. VMR may be eligible to recoup the cost of lodgment fees, by written application under Cat 5 – *Regulatory Fee Reimbursement* of Council's Donations to Community Organisations Policy.

**Commentary:**

Nil.

**Summary:**

Nil.

**Attachments:**

1. Letter from Round Hill VMR – Requesting lease of additional land.
2. Proposed Lease Area.
3. Summary of Public Consultation Response

**Tabled Items:**

Nil.

**Report Prepared by:** Property Services Coordinator (Acting)

## **FCGC/5.10. RENTAL OF OCEAN BREEZE GALLERY - 27 OCEAN STREET, TANNUM SANDS**

**Responsible Officer:** Director Corporate and Community Services

**Committee Meeting Date:** 27 June 2017

**File Ref:** P46827, CP8.2

### **Purpose:**

This report seeks Council's views in relation to the future arrangements for the use of the old Information Centre at 27 Ocean Street, Tannum Sands.

### **Officer's Recommendation:**

THAT in accordance with s. 236(1)(b)(ii) and s. 236(1)(c)(iii) of the *Local Government Regulation 2012*:

1. Council renews the existing rental agreement with Boyne Tannum Arts Business and Community Inc. for property at 27 Ocean Street, Tannum Sands for further 12 months at an annual rental of \$2,500.
2. The casual rental agreement remain at Council's pleasure with:
  - a. Annual rent reviews to be undertaken based on actual costs and the association's capacity to pay for the space.
  - b. Acknowledgement that the agreement can be terminated by either party with reasonable (<3 months notice).

### **Background:**

27 Ocean Street, Tannum Sands is State owned Land for which Council is the Trustee. The site is the location of Ocean Breeze Gallery and was formerly a Library and a Visitor Information Centre.



Council currently has a Commercial Tenancy Agreement with the Boyne Tannum Arts Business and Community Inc (BTABC) to operate the *Ocean Breeze Gallery* and workshop center for significantly below Commercial rental.

The tenancy agreement with BTABC was renewed in 2016 for a period of 12 months with an annual rent of \$2,000 per annum. However the most recent agreement noted that subsequent renewals of tenancy will see increases in rent of \$1,000 per annum until such time that the rental rate returns to the original amount of \$5,000 established in 2014. The rental reduction in 2015 was intended to assist the group cover a short term shortfall in income.

Property Services currently pays the Council service and water consumption charges (Rate notice is attached) as well as all building maintenance and repairs to the gallery, including regular lawn and garden maintenance. For the current financial year, Council expenses directly related to this building are \$2,507. This amount does not include insurance, pest control and mowing which are part of corporate contracts and are not directly charged to this building.

The current 12 month tenancy agreement is set to expire 31 July 2017. BTABC have advised Officers that they are not in a financial position to meet the agreed \$1,000 increase to the annual rent and have sought Council's concession to have the rent remain at \$2,000 per annum for the next tenancy period.

**Consideration:**

This matter has been brought to Council attention, principally to seek views and direction on future intent for the Land. The reserve type remains categorized as for Library purposes. The current tenancy could be deemed as not meeting the recognized purpose of the reserve.

Should Council wish to change the reserve's purpose for this land to broaden the opportunities for its use, Council would need to seek Ministerial approval under the Land Act 1994 in consultation with the Department of Natural Resources and Mines (DNRM).

Working with Council's Senior Land Management Advisor, a Land Management Plan (LMP) will be required, detailing the future strategic purpose for the site along with a community consultation plan to demonstrate engagement with the community.

On the Department's approval of the LMPs, Council will be required to undertake community consultation on the proposal and submit the outcome of that consultation to DNRM for consideration. It is only when DNRM has received the results of the community consultation that the State Government will make a final determination on granting a change to the reserve purpose.

It needs to be noted that should Council be successful in having the purpose of the reserve changed and Council leases the property to the current tenant on a peppercorn rent, then they would be responsible for all costs, which would clearly be higher than the current \$2,000 a year rental.



There are three obvious ways forward, although they may be other options:

1. Seek to convert the current purpose of the reserve to one that supports a gallery and lease the property to BTABC on a peppercorn rent;
2. Continue to rent the property to BTABC in accordance with the arrangements outlined to the Association last year; or
3. Continue to rent the property to BTABC at a more subsidised rate.

If the current tenant is struggling to pay \$2,000 per year, which will barely cover the rates bill in 2017/18, officers are unsure that the significant workload involved to seek a change to the purpose of the Reserve is a good use of resources. The current arrangement certainly ensures that Council maintains the building in a habitable condition and the tenant can budget for a fixed amount of rent with no unexpected additional costs.

The identifiable cost to Council of maintaining this building during the last year was over \$2,500. This excludes the other costs which are not directly charged to this building. It would seem reasonable that this \$2,500 should be the minimum rental for the building. The true cost of maintaining that building is significantly more than \$2,500, however if Councillors recognise that the BTABC has a limited capacity to pay and that the gallery is a community asset, then it is a reasonable compromise between the actual cost and some minimal cost.

It also needs to be remembered that this is a 30 year old building. In the future the building will probably need a new roof or other larger ticket items. Under the currently rental agreement, when those capital costs arise, then it will be Council that will be responsible for those costs rather than the BTABC.

#### **Communication and Consultation (Internal/External):**

This has been an ongoing issue which officers have discussed with the tenant over the last few years.

#### **Legal Environmental and Policy Implications:**

The current rental agreement complies with the Local Government Act.

#### **Financial and Resource Implications:**

Similar rental income to the current financial year.

#### **Commentary:**

Nil.

#### **Summary:**

Nil.

**Attachments:**

1. 27 Ocean Street Rate Notice

**Tabled Items:**

Nil.

**Report Prepared by:** Manager Fleet & Property Services

## **FCGC/5.11. SEEKING TO FREEHOLD LOT 109 ON CP818087 (43984 BRUCE HIGHWAY, MIRIAM VALE)**

**Responsible Officer:** Director Corporate and Community Services

**Committee Meeting Date:** 27 June 2017

**File Ref:** P61991, GR5.2

### **Purpose:**

This report seeks Council's view in relation to a request for comment regarding a possible application for the conversion of a Term Lease to freehold over Lot 109 CP 818087.

### **Officer's Recommendation:**

That Council advise Ms B Thomasson that it offers no objection to an application for conversion of the current term lease to freehold over Lot 109 CP 818087, located just south of Miriam Vale.

### **Background:**

Attached is a letter from the current lessee of Lot 109 CP818087 seeking Council's views in relation to a possible application to the Crown to freehold the land, which is currently a Camping & Water Reserve. Also attached is an aerial map/photo of the land which is located on the highway just south of Miriam vale.

The property is accessed via the Bruce Highway and is currently being used for grazing purposes.

The property to the south of Lot 109 is accessed via Dahl's Road despite the track that is identifiable on the aerial map.

### **Consideration:**

This parcel is currently being used for grazing and it is unlikely that there is another use for this land. Council has no need for this camping and water reserve and hence the recommendation is to offer no objection to an application to freehold this land.

### **Communication and Consultation (Internal/External):**

Council departments have been consulted in relation to this letter. .

### **Legal Environmental and Policy Implications:**

Nil.

### **Financial and Resource Implications:**

Nil.

**Commentary:**

Nil.

**Summary:**

Nil.

**Attachments:**

1. Letter from Ms B Thomasson
2. Aerial map/photo of Lot 109 CP 818087

**Tabled Items:**

Nil.

**Report Prepared by:** Manager Fleet & Property Services

## FCGC/5.12. TENDER 186-17 SUPPLY AND DELIVER ONE (1) 5T APPROX. EXCAVATOR & TRAILER AND ONE (1) 12T APPROX EXCAVATOR

**Responsible Officer:** Director Corporate and Community Services

**Committee Meeting Date:** 27 June 2017

**File Ref:** PE1.1

### Purpose:

This report seeks Council's approval to enter into a contract for the supply and delivery of two (2) excavators, one (1) 5 ton excavator with trailer to suit and one (1) 12 ton excavator.

### Officer's Recommendation:

That Council enter into a contract under Local Buy Contract NPN 2.15, in accordance with the tender specifications and their tender submission with **Komatsu Australia Pty Ltd** for the supply and delivery of one (1) **5T Excavator and trailer to suit** and one (1) **12T Excavator** for a total cost of **\$374,000** (ex GST).

### Background:

These excavators are replacements for unit number 000201 and 022701, both of which have been in the council fleet since 2010, which due to age and for maintenance reasons are in need of replacement.

Tender 186-17 for the supply and delivery of one (1) 5T Excavator & trailer to suit, and one (1) 12T Excavator, was released utilising Local Buy Contract NPN 2.15 with a closing date of 23 March 2017.

Ten (10) tenders were received by the closing date from the following companies:

No	Tenderer	Brand	Service Address
1	BT Equipment Pty Ltd	Yanmar & Sumitomo	Brisbane, QLD
2	CJD Equipment Pty Ltd	Volvo	Brisbane, QLD
3	Clark Equipment Sales Pty Ltd	Bobcat & Doosan	Rockhampton, QLD
4	Hastings Deering (Aust) Ltd	Caterpillar	Rockhampton, QLD
5	Hitachi Construction Machinery (Australia) Pty Ltd	Hitachi	Emerald, QLD
6	JCB Construction Equipment Australia	JCB	Rockhampton, QLD
7	Kobelco Construction Machinery Australia Pty Ltd	Kobelco	Rockhampton, QLD
8	Komatsu Australia Pty Ltd	Komatsu	Gladstone, QLD
9	Kubota Tractor Australia Pty Ltd (KTA)	Kubota	Brisbane, QLD
10	New Holland And Case Ag & Construction	New Holland	Rockhampton, QLD

The above ten (10) suppliers offered a total of nineteen (19) machines in response to the tender for both requested machines. This was a total of twelve (12) different brands of machines for consideration across both size machines.

Each tender was reviewed in comparison to the tender specifications for conformance i.e. engine sizing, rated operating load, training packages offered, completion of paperwork and conformance with the Local Buy Terms and Conditions.

Tender documents specified suppliers to provide a machine for a full and practical operational evaluation. All ten (10) suppliers were invited to provide a machine for practical demonstrations. One (1) supplier did not demonstrate their machine, while one (1) was only able to do a partial demonstration. All other eight (8) suppliers provided a machine for a full demonstration.

The table below provides the detail of the prices tendered for the 5T Excavators & Trailer to suit (ex GST).

No.	Tenderer	Make	Price
1	CJD Equipment Pty Ltd	Volvo	\$119,200.00
2	Clark Equipment Sales Pty Ltd	Bobcat	\$147,440.00
3	Hastings Deering (Aust) Ltd	Caterpillar	\$177,042.12
4	Hitachi Construction Machinery (Australia) Pty Ltd	Hitachi	\$148,005.56
5	JCB Construction Equipment Australia	JCB	\$144,500.00
6	Kobelco Construction Machinery Australia Pty Ltd	Kobelco	\$128,270.00
7	Komatsu Australia Pty Ltd	Komatsu	\$149,000.00
8	Kubota Tractor Australia Pty Ltd (KTA)	Kubota	\$143,097.00

The table below provides the detail of the prices tendered for the 12.5T Excavators (ex GST).

No.	Tenderer	Make	Price
1	CJD Equipment Pty Ltd	Volvo	\$230,200.00
2	Clark Equipment Sales Pty Ltd	Doosan	\$219,540.00
3	Hastings Deering (Aust) Ltd	Caterpillar	\$254,713.00
4	JCB Construction Equipment Australia	JCB	\$180,650.00
5	Kobelco Construction Machinery Australia Pty Ltd	Kobelco	\$224,100.00
6	Komatsu Australia Pty Ltd	Komatsu	\$225,000.00

Note: the above pricing of the Komatsu machines have been adjusted for a \$1,000 per machine discount if Council purchased both machines. The other companies also offered similar discounts, however after the evaluation process was completed, the Komatsu was the only make that was under consideration for both sized machines.

#### Consideration:

An assessment group was formed to perform evaluations based on operation and maintenance aspects of each machine. The group consisted of one (1) Workplace Health and Safety Advisor, two (2) of Councils current excavator operators, and one (1) Maintenance representative, being the Workshop Supervisor from Miriam Vale. This group also included the Fleet Plant Hire Officer.

The remaining 9 (9) brands, i.e. Volvo, Bobcat, Doosan, Caterpillar, Hitachi, JCB, Kobelco, Komatsu and Kubota were evaluated under Council's current evaluation matrix for Plant Evaluation:

- Past Performance (both brand and agent)
- Risk (WH&S)
- Maintenance Factors
- Operator Evaluation
- Whole of Life Costing (including, total pricing, spares & servicing)

#### 5T Machine

The Volvo machine received the highest ranking from a Whole of Life perspective due to its lower purchase price, with the Kobelco receiving the second highest rating. The Komatsu submission which included free servicing for three years and a full 5 year warranty received a higher ranking than similar priced machines due to zero service costs for the first three years.

The Kobelco received the highest rating from a WH&S perspective, however all scores were relatively close.

The operator and the Maintenance members both rated the Komatsu substantially higher than the other machines.

Based on the above assessments the final rankings for the 5T Machine:

<b>Tenderer</b>	<b>Make</b>	<b>Score</b>	<b>Ranking</b>
<b>Komatsu Australia Pty Ltd</b>	Komatsu	84.99	<b>1</b>
<b>CJD Equipment Pty Ltd</b>	Volvo	84.56	<b>2</b>
<b>Kobelco Construction Machinery Australia Pty Ltd</b>	Kobelco	80.96	<b>3</b>
<b>JCB Construction Equipment Australia</b>	JCB	78.88	<b>4</b>
<b>Kubota Tractor Australia Pty Ltd (KTA)</b>	Kubota	78.69	<b>5</b>
<b>Clark Equipment Sales Pty Ltd</b>	Bobcat	77.06	<b>6</b>
<b>Hitachi Construction Machinery (Australia) Pty Ltd</b>	Hitachi	75.61	<b>7</b>
<b>Hastings Deering (Aust) Ltd</b>	Caterpillar	73.49	<b>8</b>

The closeness of the scores reflects the competing forces of the lowest priced Volvo and the strong preference of the operators and the workshop staff for the Komatsu.

#### 12T Machine

The JCB machine was clearly the cheapest machine and accordingly received the highest ranking from a Whole of Life perspective. The Komatsu submission included free servicing for three years and a full 5 year warranty which received the second highest ranking.

The Kobelco received the highest rating from a WH&S perspective, however all scores were relatively close.

The operator and the Maintenance members both rated the Komatsu substantially higher than the other machines.

Based on the above assessments the final rankings for the 12T Machine:

<b>Tenderer</b>	<b>Make</b>	<b>Score</b>	<b>Ranking</b>
<b>Komatsu Australia Pty Ltd</b>	Komatsu	94.17	<b>1</b>
<b>JCB Construction Equipment Australia</b>	JCB	93.65	<b>2</b>
<b>CJD Equipment Pty Ltd</b>	Volvo	84.54	<b>3</b>
<b>Clark Equipment Sales Pty Ltd</b>	Doosan	83.97	<b>4</b>
<b>Kobelco Construction Machinery Australia Pty Ltd</b>	Kobelco	83.76	<b>5</b>
<b>Hastings Deering (Aust) Ltd</b>	Caterpillar	78.47	<b>6</b>

Like the 5T machine the final scores of the top two machines were very close reflecting the competing forces of the lowest priced JCB and the strong preference of the operators and the workshop staff for the Komatsu.

The operators preferred the Komatsu in both sizes because of the cabin space, comfort & ergonomics of the controls positioning and the adjustability of the seat. The digging power of the Komatsu was considered by the operators to be the best of the machines tested along with the responsiveness of the controls.

The Maintenance representative preferred the Komatsu for the following reasons:

- Free servicing for the first 3 years,
- Full warranty for 5 years,
- Local Service and parts branch which should ensure a faster response time,
- Not requiring a laptop to check system faults, and
- Free access to their telematics system with real time monitoring.

The evaluation committee noted the fact that while all suppliers stated that parts and servicing was available, Komatsu has an office and workshop in Gladstone and therefore there is a confidence that response times will be quicker under the Komatsu service centre. Therefore the evaluation committee was unanimous in recommending the Komatsu for both machines.

#### **Communication and Consultation (Internal/External):**

Consultation was conducted with user departments, operators, workplace health & safety and maintenance to produce the specification required for this tender. Operators, OH&S advisors and maintenance collaborated with the evaluation.

#### **Legal Environmental and Policy Implications:**

The Tender complies with LGA and Council's Contracting and Procurement Policy.

#### **Financial and Resource Implications:**

Funds to cover the replacement of these rollers are included in this year's budget.

#### **Commentary:**

Nil.

#### **Summary:**

Nil.



**Attachments:**

Nil

**Tabled Items:**

Nil.

**Report Prepared by:** Plant Hire Officer

## **FCGC/5.13. DISPOSAL OF GLADSTONE ENTERTAINMENT CONVENTION CENTRE PIANO TO TANNUM SANDS STATE SCHOOL**

**Responsible Officer:** Director Corporate and Community Services

**Committee Meeting Date:** 27 June 2017

**File Ref:** CC10.2, FM3.2

### **Purpose:**

The purpose of this report is to seek Council's consent to gift a surplus asset (baby grand piano) to Tannum Sands State School.

### **Officer's Recommendation:**

THAT

1. Council note the declaration of the Gladstone Entertainment Convention Centre 1938 Challen Baby Grand Piano (Asset E03002) as surplus to requirements and the earlier attempts made to dispose of the asset to local groups in 2014.
2. Council gift the piano to Tannum Sands State School on the following conditions:
  - a. The school assuming complete ownership and maintenance responsibility.
  - b. The school collecting the piano from GECC and transporting it away.

### **Background:**

GECC purchased a second hand 1938 Challen Baby Grand Piano when the Centre first opened over 30 years ago. Following the recent upgrade to GECC and purchase of a new piano, the Challen is now surplus to requirements.

Expressions of interest were invited from all local schools, churches and music/dance schools in August 2014 with no interest shown at the time.

Recently, Cr Bush has procured interest in the piano from Tannum Sands State School.

### **Consideration:**

The Challen piano is surplus to GECC's requirements and attempts have already been made to dispose of the item on cost-effective terms without success.

### **Communication and Consultation (Internal/External):**

Expressions of Interest were first invited on 18 August 2014 with no response or interest.

No internal use has been found for the item.

### **Legal Environmental and Policy Implications:**

Finance confirms Asset E03002 was disposed of from the Asset Register in June 2016 as per GRC Policy P-2016-15 Asset Disposal. Item 6.6 of this policy states:

#### **6.6 Assets below Limit set by Council under section 224(6)(b) of the Regulation**

*Assets that are not valuable non-current assets (i.e. are less than the limit set by Council in clause 6.4 of this policy) and Surplus Materials (except where they are disposed of in such quantity where their combined value may constitute a valuable non-current asset - \$10,000 or more) are not required to be disposed of by a public auction or tender process, however, in order to be accountable and transparent, it is recommended that all reasonable methods of disposal be assessed to ensure the method of disposal approved complies with the objectives of this policy<sup>2</sup>.*

Currently, clause 6.4 states the limit for plant or equipment is \$5,000.

### **Financial and Resource Implications:**

The GECC professional Piano Tuner who has been tuning this piano for the past 15 years and values the piano at around \$2,000, mainly due to the value in the parts (ivory keys) than in the items as whole.

Officers have undertaken research to dispose of the item to an Auction House or similar agent. It is anticipated the asset might fetch up to a maximum of \$2,000, less costs.

### **Commentary:**

Tannum Sands State School is offering to assume ownership of the piano, relocate it, have it tuned and accept ongoing ownership responsibility.

### **Summary:**

Acceding to the request means that local residents and students are able to get value from this community asset for many years to come, without it being a burden on the ratepayer.

### **Attachments:**

1. Letter to local schools and churches -18 August 2014
2. List of local schools and churches that letter was sent to
3. GRC Policy P-2016-15 Asset Disposal Policy

### **Tabled Items:**

Nil.

**Report Prepared by:** PA to Director Corporate and Community Services

**FCGC/5.14. PSA 221-17 LABORATORY TESTING SERVICES****Responsible Officer: Chief Financial Officer****Committee Meeting Date: 27 June 2017****File Ref: PE8.3****Purpose:**

This report seeks approval to enter into a contract for laboratory testing services under a Preferred Supplier Arrangement (PSA 221-17).

**Officer's Recommendation:**

That Council enter into a PSA with AUSTRALIAN LABORATORY SERVICES for the provision of laboratory testing services, in accordance with the tender specification and their submission for an initial period of twelve (12) months with Council having at its discretion, the option of extending the contract for a further period of twelve (12) months.

**Background:**

Gladstone Regional Council is a Water Service Provider under the *Water Supply (Safety and Reliability) Act 2008*. In addition Council holds an Environmental Authority from the Department of Environment and Heritage Protection to operate wastewater treatment plants. Council's obligations, under both the water and environmental legislation, include monitoring water and treated wastewater quality.

Council operates limited analytical laboratories. Due to site limitations, not all the required analysis can be performed in house. In addition Council is required to quality check their sampling techniques and seeks verification from an independent NATA (National Association of Testing Authorities) Accredited Laboratory.

Given the on-going need and to ensure compliance with Council's Procurement Policy, PSA 221-17 Laboratory Testing Services was prepared, advertised and published in The Observer, on Council's Tenders webpage and uploaded to the LG Tender Box on Thursday, 13 April 2017 with a closing date of Thursday, 04 May 2017.

Two (2) Notices to Tenderers were issued during the tender process:

- NTT #1 – issued on 27 April 2017, and
- NTT #2 – issued on 28 April 2017 both of which provided responses to questions raised by the Tenderers.

Six (6) submission were received by the closing date:

No.	Tenderer	Location
1	Australian Laboratory Services Pty Ltd	Gladstone, QLD
2	Eurofins MGT	Murarie, QLD
3	National Measurement Institute	North Ryde, NSW
4	SGS Australia Ltd	Gladstone, QLS
5	Symbio Laboratories Pty Ltd	Eight Mile Plains, QLD
6	Bureau Veritas Minerals Pty Ltd	Gladstone, QLD

**Consideration:**

Evaluation of the tenders was conducted by representatives from Water Services and a representative from the Contracts Unit, utilising Council's standard evaluation weighting matrix for preferred supplier arrangements against the following criteria:

<b>Criteria</b>	<b>Weighted Percentage</b>
Capability / Resources	<b>30%</b>
Past Performance / Relevant Experience / Track Record	<b>15%</b>
Quality	<b>20%</b>
Price	<b>35%</b>

Due to a large discrepancy in the total estimated value of the submissions, clarifications were sought from all Tenderers – final estimated annual amounts were as follows:

<b>No.</b>	<b>Tenderer</b>	<b>Amount</b>
<b>1</b>	Australian Laboratory Services Pty Ltd	\$ 184,400
<b>2</b>	Eurofins MGT	\$ 153,200
<b>3</b>	National Measurement Institute	\$ 498,000
<b>4</b>	SGS Australia Ltd	\$ 193,800
<b>5</b>	Symbio Laboratories Pty Ltd	\$ 352,700
<b>6</b>	Bureau Veritas Minerals Pty Ltd	\$ 700,000

The following submissions were not evaluated further:

1. National Measurement Institute
2. Symbio Laboratories Pty Ltd
3. Bureau Veritas Minerals Pty Ltd

Further review of the proposed prices and additional information provided, plus anticipated freight, packing and handling costs, the final estimate annual amounts were revised as follows:

<b>No.</b>	<b>Tenderer</b>	<b>Amount</b>
<b>1</b>	Australian Laboratory Services Pty Ltd	\$ 177,000
<b>2</b>	Eurofins MGT	\$ 180,400
<b>3</b>	SGS Australia Ltd	\$ 188,000

Taking all evaluation criteria into consideration and in addition, a sensitivity analysis was conducted to determine which tender aligned most accurately with the projected laboratory analysis changes, the final scores and ranking of the submission are as follows:

<b>Tenderer</b>	<b>Score</b>	<b>Ranking</b>
Australian Laboratory Services Pty Ltd	447	<b>1</b>
Eurofins MGT	374	<b>2</b>
SGS Australia Ltd	367.5	<b>3</b>

**Communication and Consultation (Internal/External):**

The preparation of the specification was undertaken by Water Services in consultation with Council's Contracts Unit.

**Legal Environmental and Policy Implications:**

In accordance with the *Local Government Act*, Finance Standards and Council's Procurement Policy, Council must invite Tenders before entering into a preferred supplier arrangement.

**Financial and Resource Implications:**

Funds have been budgeted for in Water Services' budget for the new financial year and the contract will be in effect from 1 July 2017.

**Commentary:**

Nil.

**Summary:**

Nil.

**Attachments:**

1. PSA 221-17 Evaluation Spreadsheet;
2. PSA 221-17 Evaluation Matrix

**Tabled Items:**

Nil.

**Report Prepared by:** Contracts Coordinator

## **FCGC/5.15. OUTSTANDING ITEMS ACTIONED AS AT 13 JUNE 2017**

**Responsible Officer:** Chief Executive Officer

**Committee Meeting Date:** 27 June 2017

**File Ref:** CM19.1

### **Purpose:**

Reporting on outstanding action items to 13 June 2017. Summaries of Outstanding Items Actioned from the General an Committee Meeting are presented on a monthly basis to Councillors for their information.

### **Officer's Recommendation:**

That:-

1. The reports of the Summaries of Outstanding Items Actioned from General and Committee Meetings from 6 October 2015 to 13 June 2017 be noted; and
2. The reports be received.

### **Background:**

The Summaries of Outstanding Items Actioned from General and Committee Meeting reports are an ongoing status report of the list of outstanding action items that have been adopted by Council. The attached reports provide the item resolved by Council and the department actioning the Council resolution. There are two summary reports as Council has recently moved to a more streamlined agenda and minutes assembly system, with the new system able to generate a report on items outstanding rather than the older manual report that continues to be maintained until all action items have been completed.

Council meetings are the principal decision making forum and the most visible activity of the work of local government. The Summaries are a list of the action that reflect the proceedings of Council's meetings with officers responsible for the implementation and operation of the decisions resolved by Council.

### **Consideration:**

Nil.

### **Communication and Consultation (Internal/External):**

Action items are distributed to PAs of directorates once the minutes of each of the General and Committee Meetings have been approved. The overall outstanding action item reports have been sent to Directors and PAs for follow up.

### **Legal Environmental and Policy Implications:**

Nil.

**Financial and Resource Implications:**

Nil.

**Commentary:**

Nil.

**Summary:**

Nil.

**Attachments:**

1. Summary of Outstanding Items Actioned from General Meetings from 6 October 2015 to 1 December 2015.
2. Summary of Outstanding Items Actioned from General and Committee Meetings 12 July 2016 to 13 June 2017.

**Tabled Items:**

Nil.

**Report Prepared by:** Executive Assistant



## **FCGC/6. URGENT BUSINESS**

Nil

## **FCGC/7. NOTICE OF MOTION**

Nil

## **FCGC/8. CONFIDENTIAL ITEMS**

Nil

## **FCGC/9. MEETING CLOSE**

## **ATTACHMENTS**