

WANGARATTA RURAL CITY COUNCIL



BUSINESS PAPER FOR THE SPECIAL MEETING  
OF THE WANGARATTA RURAL CITY COUNCIL, TO BE HELD  
IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES,  
62-68 OVENS STREET, WANGARATTA  
ON **TUESDAY, 22 FEBRUARY 2011** COMMENCING AT 5.30PM

Doug Sharp  
**CHIEF EXECUTIVE OFFICER**



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1. **ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**
2. **OPENING PRAYER**
3. **PRESENT**
4. **ABSENT**
5. **ACCEPTANCE OF APOLOGIES & GRANTING OF LEAVE OF ABSENCE**

### **ORDER OF BUSINESS**

6. **CONFLICT OF INTEREST DISCLOSURE**
7. **BUSINESS**

#### 7.1 **REVISED BUDGET COMPARISON REPORTS**

Council Budget 2010/2011

File No. 51.060.018

#### **Executive Summary:**

Revised budget comparison reports for the period ended 31 January 2011 indicate a decrease in Council's rates surplus of \$13,403 from \$190,000 to \$176,597. This re-forecast is after taking into account the following major items:

	\$'000
Flood event September 2010 net expenditure	(110)
Flood event December 2010 net expenditure	(93)
Jazz Festival support	(124)
Local Road Re-sheeting	250
Local Road Shoulder renewal	50

Natural disaster net expenditure has been offset by reductions in local road re-sheeting and shoulder renewal programs of \$300,000.

#### **Detailed report:**

The attached reports, compiled as at 31 January 2011 (*refer attachment*) show the following columns:

- YTD Actuals
- Revised Budget for 2010/2011 financial year
- Reforecast Annual Budget – this is the forecast of the likely year-end outcome.
- Revised Budget to Reforecast Annual Budget Variance – this is the difference between the budget and predicted year-end outcome.

Explanations are provided where the predicted year-end outcome varies from the Revised Budget by more than \$20,000.

<u>Summary</u>	<u>Jan '11</u>
Revised Net Rate Budget Surplus for 2010/11	\$190,000
Reforecast Net Rate Budget Surplus for 2010/11	<u>\$ 176,597</u>
<b>Total decrease in rates surplus</b>	<b>\$13,403</b>

The decreased surplus is comprised of the following items:

1. Decreased Operating Budget Surplus

2010/11 revised budget net operating surplus	\$6,474,392
2010/11 reforecast annual net operating surplus	\$6,152,542
<b>Total decrease in operating surplus</b>	<b>(\$ 321,850)</b>

The decrease in operating surplus is largely due to the following items:

	<u>\$'000</u>
Flood event September 2010 net expenditure	(110)
Flood event December 2010 net expenditure	(93)
Jazz Festival support	(124)
Community Grants major category	25
Building maintenance planned works savings	36
Livestock Exchange additional income	28
Supplementary rates additional income	41
Increased postage, printing and stationery costs	(18)
Global Skills Victoria Phase I removed from budget	(63)
Emergency Planning HACC project added to budget	(17)
L to P Plate Program income received in 2009/10	(30)

**Total operating variance explained** **(\$ 325)**

Flood events have impacted the budget due to Department of Treasury Natural Disaster Financial Assistance guidelines prohibiting claims for ordinary hours worked by Council employees.

2. Decreased Capital Expenditure

2010/2011 revised budget capital expenditure	\$19,903,612
2010/2011 reforecast annual capital expenditure	\$19,537,416

**Total decrease in capital expenditure** **\$ 366,196**

The decrease in capital expenditure is largely due to the following items:

	<u>\$'000</u>
Recreation Planning Minor Category	180
Local road re-sheeting program re-scoped	250
Shoulder renewal program re-scoped	50
Showgrounds lighting	(65)
Carboor and Tarrawingee halls upgrade	(36)

**Capital expenditure variance explained** **\$ 379**

The local road re-sheeting and shoulder renewal programs have been re-scoped in response to the extensive flood restoration works to be undertaken and taking into account the capacity of Councils resources to complete all proposed works.

Tenders received for the Wangaratta Showgrounds lighting and the Tarrawingee and Carboor halls upgrades have exceeded budget provisions. These tendered amounts have been accommodated in this re-forecast 2010/2011 budget and form the basis of other reports for consideration at this meeting.

In response to the Wangaratta Showgrounds Redevelopment Project, an amount of \$350,000 will be required to achieve full funding. It is proposed to include the amount in the 2011/12 borrowing program.

3. Decreased Capital Income

2010/2011 revised budget capital income	\$7,084,333
2010/2011 reforecast annual capital income	\$6,932,833

**Total decrease in capital income** **(\$ 151,500)**

	<u>\$'000</u>
Recreation Planning Minor Category	(150)

**Increase in capital income explained** **(150)**

The Recreation Planning Minor Category project income and expenditure has now been allocated to the Wangaratta Clay Target Club – 4 permanent traps project included at project 00905.

4. Conclusion

Re-forecasts for the 2010/2011 financial year confirm that Council's rates surplus is decreased by \$13,403 to \$176,597. This revision has accommodated the impacts of the Jazz Festival support, the flood events of September and December 2010 and tenders received for the Wangaratta

Showgrounds lighting and community hall upgrade projects. The full financial impact of the flood emergency is currently being assessed. Estimates have been provided and will be adjusted as further information becomes available.

### **Recommendation**

***That Council note the report and the proposed adjustments to the operation and capital allocations.***

## **7.2 [PLANNING PERMIT APPLICATION NO. 10-068A AMENDMENT TO PERMIT FOR TWO LOT SUBDIVISION AT 260 MOLONEYS ROAD, GRETA WEST](#)**

Planning Permit Application

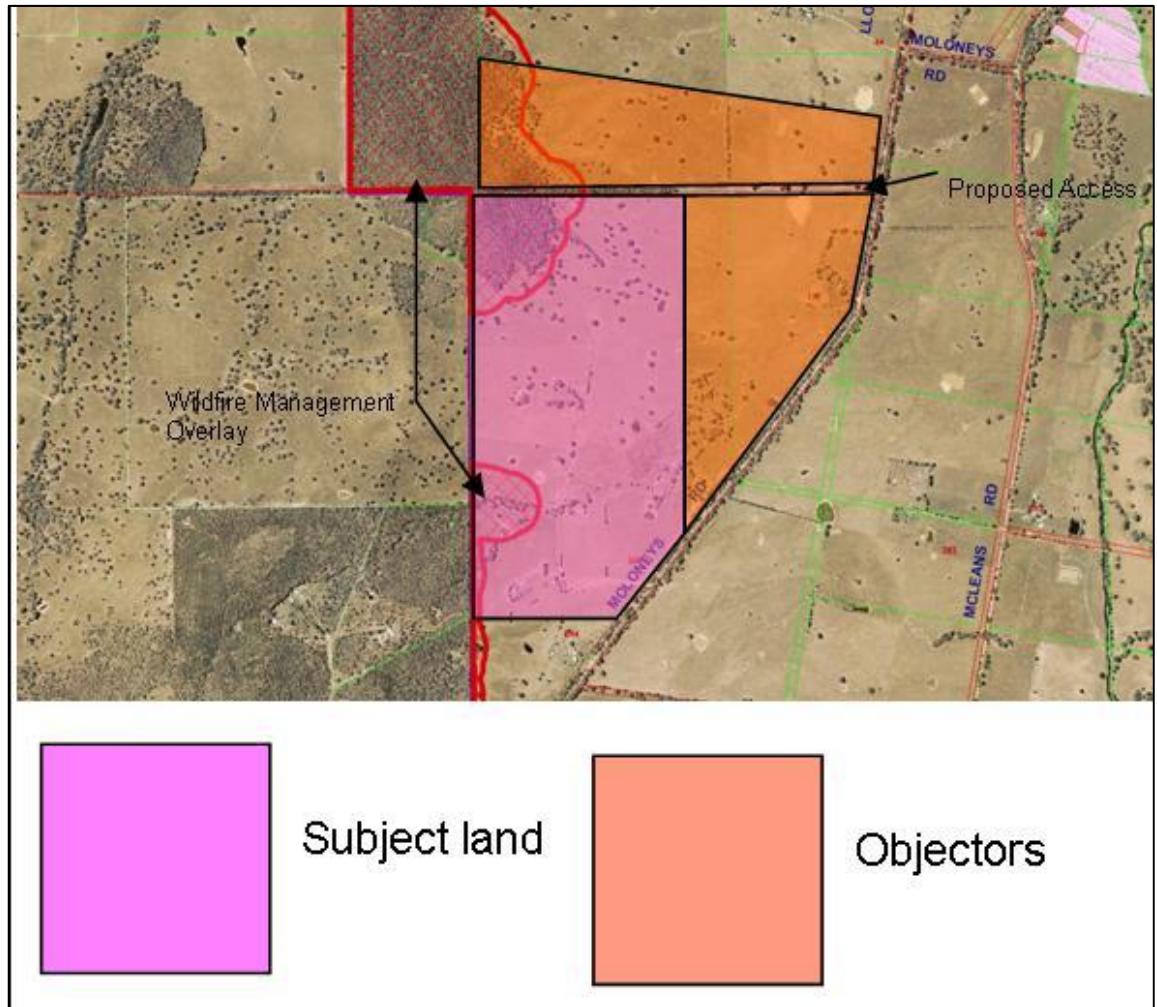
File No. 10-068A

### **Introduction**

This report deals with an application to amend a planning permit for a two lot subdivision in a Farming Zone on a 113 hectare lot. A recommendation is made to approve the application. A discussion of the reasons for the recommendation to grant a permit follows in this report.

### **Background**

Applicant: Oxley & Company  
Owner: S & K Naismith  
Address: 260 Moloneys Road, Greta West  
Zoning: Farming Zone  
Overlays: partial Wildfire Management Overlay, frontage road covered by Vegetation Protection Overlay  
Permit Trigger: Clause 35.07-3 Subdivision.  
Agricultural Versatility: High to Moderate



### **Existing Permit**

A planning permit to approve a 2 lot subdivision was issued under delegation on the 16 September, 2010. That permit provided for:

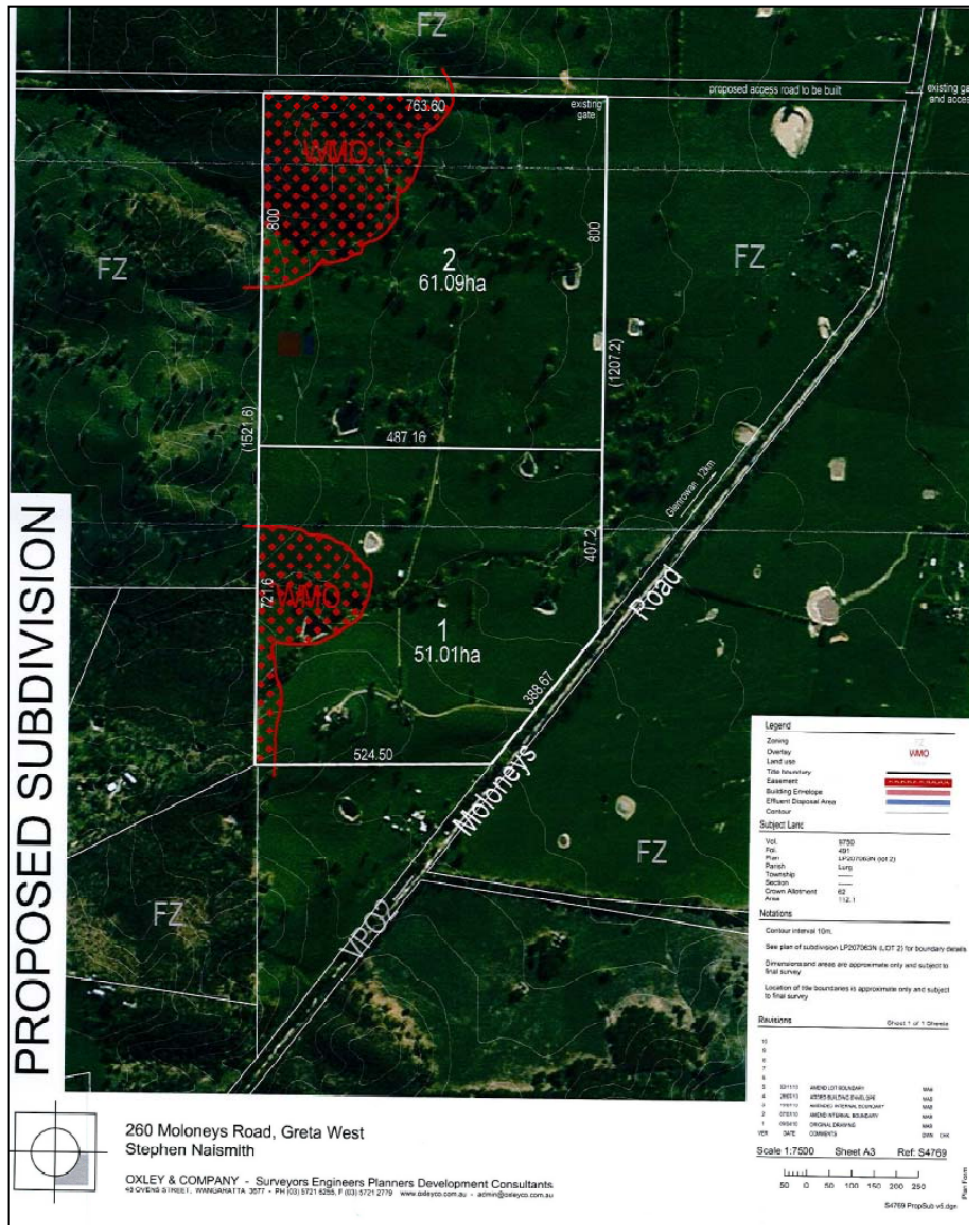
- Lot 1            53 hectares, irregular shaped lot with frontage to Moloneys Road and containing the existing dwelling.
- Lot 2            59 hectares, irregular shaped lot with 20 metre frontage to Moloneys Road and providing a building and effluent envelope close to the south-west boundary.

Two objections were received to the original application but after amendment the lot layout and building envelope the objections were withdrawn. The application did not go to Council's Conciliation process; private negotiations occurred to reach a compromise.

AS the objections were withdrawn and both lots were greater than 40 hectares in size and neither lot was to be totally encumbered by the Wildfire Management Overlay, the permit was issued under delegation.



**Proposal**



The proposal is to amend the permit to alter the lot layout and relocate the building envelope on Lot 2 as follows:

- Lot 1            51 hectares, regular shaped lot except splayed frontage to Moloneys Road and containing the existing dwelling.
- Lot 2            61 hectares, regular shaped lot, seeking to use unused road along northern boundary as access and frontage to the lot and to site the building and effluent envelope close to the western boundary but outside the area covered by the WMO.

The supporting reasons for the amendments include:

- Possible purchaser's for Lot 2 wish to farm beef cattle. Proposed lot layout separates effectively the dams and troughs into 2 separate

systems to allow each lot to have secure water supply without the need to create new dams, troughs or pipelines to feed troughs.

- Unused road exists and is unlicensed. The applicants consider this provides better access to Lot 2 as there is less need to cross waterways and drainage lines ( 2 crossings would be required) which are quite deep and would require permission from North East Catchment Management Authority. The waterways are within the Proclaimed Water Supply Catchment for Fifteen Mile Creek which supplies water to Glenrowan.
- Access arrangements minimise need to remove native vegetation on Moloneys Road, which is protected by a Vegetation Protection Overlay.
- Site for dwelling and effluent envelope provides an outlook over property, good views to the east and close to large dam for water supply to dwelling.

The lot layout as proposed seeks to make a 2 ha difference in what was approved.

An associated application has been lodged for native vegetation removal on Moloneys Road and for lopping of limbs on the unused road. This application is still being processed. The fact that this application is still being processed does not preclude Council from determining the amendment application before it.

### **Site and Surrounds**

The subject site known as 260 Moloneys Road is a 112 ha parcel of farmland approximately 3km from the township of Greta West and 12km from Glenrowan. The site is currently used for agricultural purposes with a small pocket of remnant vegetation to the north-west corner. A number of dams are scattered throughout the site. A waterway flows across the site separating the northern portion as well as a number of drainage lines.

The site is situated wholly in a Farming Zone with two pockets of Wildfire Management Overlay in the north-west corner and along parts of the western boundary. An existing single storey dwelling and associated outbuildings and garden occupies the south west corner of the site with driveway access onto Moloneys Road. A small track through the centre of the site crossing the waterway exists to gain current access to the northern portion of the land.

The site has 388.67m of direct access onto Moloneys Road although high quality vegetation along this stretch limits access in some parts, which is covered by a Vegetation Protection Overlay.

The unused road is gated at its intersection with Moloneys Road, is partly fenced, open to the south with a large dam on the adjoining land close to the boundary with scattered trees and a new wattle plantation (approx. 2-3 years old) planted within part of the road reserve. For access, approximately 1400 metres of the road reserve will be required.

The land rises from Moloneys Road to the west and continues to rise beyond the boundary of the site.

Moloneys Road is an all-weather gravel road that has a deep drainage line in front of this site.

Land to the north and east of the subject site is being farmed, land to the south (within Rural City of Benalla) is largely being used for rural living purposes with lots of approximately 20 hectares and land to the west is steep and covered in native vegetation.

### **Planning considerations**

The subject land is located within the Farming Zone. The land is partially covered by a Wildfire Management overlay.

Under the Farming Zone, a planning permit is required for subdivision. Clause 35.07-3 sets a minimum lot size for subdivision of 40 ha.

The following summarises the Planning Scheme requirements and decision guidelines applying to this proposal:

#### **35.07 Farming Zone**

##### **Purpose:**

- *To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *To provide for the use of land for agriculture.*
- *To encourage the retention of productive agricultural land.*
- *To ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture.*
- *To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.*
- *To protect and enhance natural resources and the biodiversity of the area.*

The relevant **Decision Guidelines** of the Zone include:

##### **General issues**

- *The capability of the land to accommodate the proposed use or development, including the disposal of effluent.*
- *How the use or development relates to sustainable land management.*
- *Whether the site is suitable for the use or development and whether the proposal is compatible with adjoining and nearby land uses.*

##### **Agricultural issues**

- *Whether the use or development will support and enhance agricultural production.*
- *Whether the use or development will permanently remove land from agricultural production.*
- *The potential for the use or development to limit the operation and expansion of adjoining and nearby agricultural uses.*

- *The agricultural qualities of the land, such as soil quality, access to water and access to rural infrastructure.*

#### **Environmental issues**

- *The location of on-site effluent disposal areas to minimise the impact of nutrient loads on waterways and native vegetation.*

#### **Design and siting issues**

- *The need to locate buildings in one area to avoid any adverse impacts on surrounding agricultural uses and to minimise the loss of productive agricultural land.*
- *The impact of the siting, design, height, bulk, colours and materials to be used, on the natural environment, major roads, vistas and water features and the measures to be undertaken to minimise any adverse impacts.*

#### **State Planning Policy Framework (SPPF)**

The following Clauses are relevant to this application:

##### **11.05-3 Rural productivity**

###### **Objectives:**

- *To manage land use change and development in rural areas to promote agriculture and rural production.*

##### **11.05-4 Distinct and Diverse Regional Settlements**

- *Ensuring that the potential of land that may be required for future urban expansion is not compromised.*

##### **14.01-1 Protection of agricultural land**

###### **Objectives:**

- *To protect productive farmland which is of strategic significance in the local or regional context.*

##### **14.01-2 Sustainable agricultural land use**

###### **Objectives:**

- *To encourage sustainable agricultural land use.*

#### **Local Planning Policy Framework (LPPF) and Municipal Strategic Statement (MSS)**

##### **21.05 Rural Land Use and Agriculture**

###### **Context:**

*“Agriculture is a major economic industry and employment generator in the municipality. In addition to the traditional animal grazing industries of cattle and sheep, other agricultural industries have increased in the municipality, such as viticulture in the Milawa, Oxley and King Valley areas and stone fruits in the Warby Ranges. Lifestyle farming is also prevalent in some areas.*

*Rural land uses other than agriculture are also major economic industries and employment generators. Other uses of rural land include*

*tourism industries such as wineries and fine foods, rural industries and outdoor education.*

*The agricultural sector is essential to the economic and social performance of the municipality and the region. It is an imperative that the productivity and versatility of agricultural land is maintained, particularly for higher agricultural versatility areas.”*

**Issues:**

- *“...Subdivision and housing in rural areas can lead to difficulty in funding, provision and maintenance of services such as roads, electricity and water supply. Infrastructure may be required or be supplemented through contributions for rural subdivision and housing. Any rural subdivision and housing proposals must assess and provide infrastructure as required, including practical and legal access for service providers if needed.*

**Strategic directions:**

- *“...Ensure that rural subdivision and housing is provided with a level of infrastructure that is required for that use or development*

**22.01-2 Subdivision in Rural Areas**

**Objectives:**

- *“Ensure that land subdivision does not diminish the productive agricultural capacity of the land or general area, particularly in ‘high’ or ‘very high’ agricultural versatility areas.*
- *Ensure that any subdivision of land is for the rural or agricultural use and development of land, rather than for rural lifestyle lots or development.*
- *Ensure an adequate standard of infrastructure for rural land subdivision.”*

**Consultation**

Upon advertisement of the proposed amendment to the planning permit Council received two (2) written objections prior to the advertising period closing. A conciliation meeting was held.

No compromise was reached at the Conciliation meeting or in the interim between the applicant and the objector.

The objection received cited the following issues;

- Lack of information to support the amendment.
- Amendment has no regard to the agreed position reached to allow the permit to be issued.
- Access issues associated with the unused road including the standard of construction, native vegetation removal, stormwater management, fencing, and water retention.
- Location of building envelope closer to WMO and will detract on visual amenity and may impact on native vegetation.
- Affects of farming objectors land which crosses unused road and may create animal management issues.

Lack of information to support the amendment.

Application form and plan does not justify why the amendment is required.

Objection Supported – however further detailed information has been provided to Council and then to all objectors.

It is considered that this information now provides adequate information to allow Council to make a decision on this application.

Amendment has no regard to the agreed position reached to allow the permit to be issued.

Application for amendment does not have regard to the previous negotiated outcome and common ground established and will impact on ability to operate farm.

- Moloneys Road provides good all weather access and good emergency vehicle access.
- Building envelope was located away from drainage lines and respected objectives of the WMO and avoided unnecessary opportunity for increase in danger to human life as a result of fire.
- Minimised impact of earthworks and the need for crossings over waterways and drainage lines.
- Minimised the ability to farm adjoining land.

Objection not supported – The Act provides an opportunity for an applicant to seek an amendment to a permit. Council must consider the application before it.

Access issues associated with the unused road including the standard of construction, native vegetation removal, stormwater management, fencing, and water retention.

- Amendment requires the use of an unused road that is to be constructed between land farmed by objector – road reserve would need to be fully fenced with gates at various locations- costs to be borne by applicant.
- Increase in weeds due to lack of grazing of unused road reserve and therefore increase in fire risk.
- Any bank or culvert associated with road construction could lead to water accumulating in their paddocks and water logging of pasture to occur.
- Cost of constructing access way to CFA standards for 1.4 kms.
- Lack of detail as to the standard of the road reserve, native vegetation removal required and stormwater management.
- Will the unused road become a Rural Access Road – on going costs to ratepayers when there is a suitable alternative.
- CFA requirements for road construction may require geotechnical investigation for pavement depth to handle 15 tonne capacity in all weather conditions.

- Proposed road will increase rate of runoff for stormwater by increasing the impervious areas and with a higher velocity therefore leading to increased opportunity for erosion, poor environmental outcome.

Objection not supported –. The application has been assessed by Council's Technical Services Department who do not object to the use of the unused road and construction and drainage standards have been set and can be included as additional conditions in any approval.

Location of building envelope closer to WMO and will detract on visual amenity and may impact on native vegetation.

- Location of building envelope is proposed to be closer to WMO than existing building envelope – this is not addressed in application – what are CFA requirements?
- Location of building envelope and road works will detract from visual amenity.
- Location of building envelope may potentially have impacts on rare and threatened species.

Objection not supported – A dwelling on this lot is “as of right” as the lot has an area greater than 40 hectares so little weight should be given to this ground of objection.

The location of the building envelope is not impacted on by the WMO. The mapping of the WMO provided within it a buffer around stands of existing vegetation.

The dwelling will be located on a rise but not a ridgeline. The land is not covered by a Significant Landscape Overlay.

Affects of farming objectors land which crosses unused road and may create animal management issues.

- Dividing the objectors property by using unused road will cause major animal management problems.
- Will have a very real and detrimental impact on right to farm.

Objection not supported – the unused road, though currently having a gate at the intersection with Moloneys Road is currently available for use by the public. It has not been so, but other than part of the road being unfenced, there currently would be animal management issues moving stock either side of the unused road.

There will need to be a change to the current practices but it is considered that the benefit of use over many years, in itself is not reason enough to deny the proposed use and upgrade of this road.

The objectors will need to fence their land along the boundary of the unused road.

### **Referrals**

The application was referred to Council's Engineering department and they did not object to the proposal subject to standard conditions regarding access requiring design of the access and associated drainage to provide for the minimum infrastructure design standard of a Rural Access Road.

CFA referral – no objection subject to conditions regarding access. These conditions were not included on original permit by error and this amendment process should ensure that these conditions are placed on the permit.

### **Unused Road**

Advice has been sought regarding the status of the unused road and the obligations of Council to allowing use of an unused road and the standard of construction required.

The unused road is not licensed by an adjoining land owner nor has it been formally closed and handed over to DSE for management. The management of the road therefore still rests with Council.

Legal advice has confirmed that a separate process to open the road is required pursuant to Section 204(2) of the Local Government Act that requires a Council declaration that a previously unused road is required for public use to be open to public traffic. In order for Council to consider such a determination a formal written request to open the road must be received and under Section 223 of the Act public notice of the application must be given, allowing a 28 day period for submissions. With regard to submissions, Council must give a submitter a chance to be heard prior to determining the matter.

If Council determines the road is required for public use and to be open to public traffic then the road, once constructed to Council's standard must be included in the Road Register and maintained by Council.

Further to this, legal advice also has confirmed that Council is not precluded from making a decision on the planning permit amendment application prior to the resolution of the availability of legal access to Lot 2 via the unused road. It is only relevant to considering the planning merits of providing access at this location and whether or not the prospects of establishing lawful access via the unused road were so hopeless as to render the application futile.

If a decision to approve the amendment application is made then it should be subject to a condition stating:

*“Prior to the certification of the plan of subdivision, lawful vehicle access must be available to Lot 2 via the currently unused road reserve along its northern boundary to the satisfaction of the Responsible Authority”.*



## **CONSIDERATION**

Under the provisions of the Planning and Environment Act 1987 Council is only considering the amendments to the permit, it cannot consider the broader issues of whether or not the subdivision as approved is appropriate as this decision has already been made.

Council should limit its assessment to the two issues being amended:

1. Is the lot layout as amended a better outcome including the proposed access arrangements to each lot?
2. Is the amended building envelope location satisfactory?

The proposed subdivision provides 2 lots both with an area in excess of 40 ha.

It is considered that the lot layout as proposed, other than using the unused road for frontage and access to Lot 2 is a minor amendment. The layout provides a better agricultural outcome as both lots are more regular in shape. Also the existing dams and water infrastructure to service each of the lots provides a better agricultural outcome as it reduces the need to construct any further dams and provides each lot with water security for stock.

The unused road is not licensed and therefore available to be considered for access. The objectors, by default, have had benefit of the use of this road reserve exclusively but have not sought to licence this right. The road is now required for access, for which it was originally set aside. However, two processes independent of this application but ultimately closely tied to the determination of this application are required, firstly the planning permit application for native vegetation removal and secondly the request to open the unused road under the provisions of the Local Government Act 1989.

Issuing a notice of decision to grant a permit at this stage would involve the permit having conditions that cannot be acted on without the associated approvals. This is not considered to be a satisfactory outcome.

In addition, in the event that either of the approvals are not obtained, the permit would be incapable of being acted upon and would either lapse or be required to be amended.

Options available to Council are:

- Determine the application before it, either to approve or refuse the amendment request.
- Defer consideration to allow consideration together of all associated approvals.

If Council does not determine the application at this point in time, if is possible to appeal the matter to VCAT against failure to make a decision within the statutory time frame. This appeal does not preclude a decision being after an appeal is lodged. Any determination made after an appeal is lodged cannot be acted on but rather parties to the matter would be advised of a Council resolution in relation to these matters.

To provide certainty it is considered that it would be inappropriate to consider this application until decisions are made in relation to the applications for opening the unused road and the native vegetation removal application.

### **Implications:**

#### **Council Plan Outcomes**

The Council Plan has the objectives to 'plan for and provide infrastructure appropriate to the community's needs' and to 'Ensure the amenity of public and built environments is attractive, safe and practice.'

### **Conclusion**

On balance, having regard to the need for associated approvals it is recommended that Council defer consideration of this application until it is in a position to determine the planning permit application for native vegetation removal and any formal request to open the unused road.

### **Recommendation:**

***Council defer consideration of Planning Permit Amendment Application P10-068A for a two lot subdivision at 260 Moloneys Road, Greta West until it is in a position to determine the planning permit application for native vegetation removal and any formal request to open the unused road.***

### **Communication**

That the applicant and objector/s be advised of Council's decision.

## **7.3 [CONTRACT NO C1011/020 – BUILDING CONSTRUCTION SERVICES FOR THE UPGRADE OF TARRAWINGEE & CARBOOR HALLS](#)**

[C1011/020 Building Construction Services for the upgrade of Tarrawingee and Carboor Halls](#)

File No. 30.082.020

### **Contract Details**

This report summarises the process followed for the appointment of a suitable Contractor for building construction services for the upgrade of Tarrawingee and Carboor Halls. The decision was taken by the Rural City of Wangaratta to tender the works as a fixed lump sum contract.

This report covers all aspects of the tender process including:

- Tender Scope of Works
- Tender Process and Salient Dates
- Project Budget

- Pre-tender Estimate
- Tender Sum Analysis
- Tender Evaluation
- Contractor Assessment
- The Way Forward
- Tender Recommendation

### Tender Scope of Works

#### Tarrawingee Hall

In summary, the Scope of Works relating to this tender incorporates the removal of the stage and proscenium, new floor to stage area, upgrade of storage, installation of disabled toilet and additional disabled access.

In addition:

- Installation of evaporative cooling to the Hall
- Some Internal painting
- New floor coverings

The scope of works is fully described in the Tender Drawings, Specifications and Schedules.

#### Carboor Hall

In summary, the Scope of Works relating to this tender incorporates the construction of a covered outdoor paved area between the two buildings, removal of asbestos from the supper room and recladding with colorbond.

In addition:

- Installation of evaporative cooling to the Hall
- Some internal painting
- Electrical upgrade to site
- Refurbishment of main hall floor
- Upgrade of lighting to main hall
- Construction of front fence
- Removal of existing (old) toilet facility

The scope of works is fully described in the Tender Drawings, Specifications and Schedules.

The Tendered Contract is a Lump Sum Contract.

### **Advertised Contract Dates**

Tender Dates:

- |                                  |                              |
|----------------------------------|------------------------------|
| ▪ Tenders Advertised:            | 8 & 9 + 15 & 16 October 2010 |
| ▪ Tenders Closed:                | 4 November 2010              |
| ▪ Post Tender Evaluation         | November 2010                |
| ▪ Negotiations – Lowest Tenderer | December 2010                |
| ▪ Tender Resubmission            | January 2011                 |
| ▪ Tender Recommendation Report   | February 2011                |

### Contractors Invited to Tender

Council invited contractors to submit detailed tenders for building construction services for the upgrade of the Tarrawingee and Carboor Halls. Two (2) tenders were received from:

- Crosher Constructions Pty Ltd (Local)
- Contract Control Services Pty Ltd (Melbourne)

### Project Budget

The total project amount is \$307,000. This project is partially funded from the Small Towns Development Fund (STDF) to the value of \$202,000 with the remaining amount of \$105,000 funded by Council and in-kind.

### Funding Breakdown

Facility	Small Towns Development Funds (STDF)	Council	In Kind	Total \$ (excl GST)
Tarrawingee Hall	\$86,000	\$27,000	\$15,000	\$128,000
Carboor Hall	\$100,000	\$55,000 (RCLIP Funding)		\$155,000
Glenrowan Hall <b>(Not included within this tender)</b>	\$16,000	\$5,000	\$3,000	\$24,000
<b>Total</b>	<b>\$202,000</b>	<b>\$87,000</b>	<b>\$18,000</b>	<b>\$307,000</b>

Council has completed \$79,000 of works (new toilet block and power upgrade prior to issuing of this tender) at the Carboor Hall; therefore there is a remaining budget of \$76,000.

The \$15,000 'In Kind' contribution by the community for the Tarrawingee Hall is for works outside the scope of this tender and is not included in the budget available for this contract.

The works at the Glenrowan Hall are not included in this contract. Therefore the budget available for this contract is \$189,000 (excl GST).

### Tender Evaluation Panel

The tender evaluation panel comprised the following members:

Paul Somerville, Manager - Projects & Contracts  
 Ken Parker, Manager – Facilities & Open Spaces  
 Allan Thrum, Buildings Maintenance Officer

## Tender Evaluation

A full tender evaluation was carried out on the two (2) conforming tenders received. This evaluation was carried out independently by the Evaluation Panel.

The tender was evaluated in accordance with evaluation criteria set out in the Conditions of Tendering. The evaluation criteria is based upon a Weighted Attribution Method as follows:

<b>Criteria</b>	<b>Description</b>	<b>Weighting</b>
Economic	<b>Tender Price</b>	45%
	Lump Sum	
	Timeframe & Material mark up %	
Social	<b>Service Delivery</b>	35%
	Experience & performance in similar works	
	Local employment growth or retention	
Environmental	Commitment to OHS	20%
	<b>Sustainability</b>	
	Commitment to environmental management	
	Standard and appropriateness of plant & equipment	
<b>Total</b>		100%

Panel members assigned a score (maximum 100) to each criteria (as shown below) and then weighted the average score to produce a final Weighted Attribution Method Score.

<b>P</b>	<b>Evaluation Result</b>	<b>Criteria</b>
100	Exceptional	Demonstrated capacity exceeds all required standards and innovations proposed.
90	Excellent	Demonstrated capacity exceeds all required standards.
70	Good	Complies with all required standards and capacity demonstrated.
50	Satisfactory	Complies with relevant standards without qualifications.
30	Marginal	Complies with relevant standards with qualifications.
0	Unsatisfactory	Fails to satisfy required standards.

Summary of the Weighted Attribution Method Score is as follows:

The breakdown budget for this project is Tarrawingee Hall \$113,000 (excl GST) and Carboor Hall \$76,000 (excl GST).

The Evaluation Panel awarded the following final scores to the tenderers:

<b>Crosher Construction Pty Ltd</b>	<b>70.62</b>
<b>Contract Control Pty Ltd</b>	<b>62.84</b>

The highest value reflects the most favourable tender assessment.

Both original tender prices received were well above the allocated budget for the contract.

The main differences between the original tender prices and the estimated budget were due to an increase in all trades services costs. This is more than likely due to current market forces with the shortage of contractors due to the Federal Government School Programs.

A Post Tender meeting was arranged with the preferred tenderer (Crosher Constructions) to discuss reduction of the scope of works at both Tarrawingee and Carboor Hall as well as a review of alternative construction measures.

Council met with Crosher Constructions in December 2010 and requested that Crosher Constructions review and revise their tender submission and resubmit to Council in January 2011 with a complete list of inclusions/exclusions of items for each Facility as discussed at the Post tender meeting.

The proposed exclusions are cosmetic and can be retrofitted at any time in the future, and do not reduce the floor area of the original plans. The scope was reduced as far as possible to remain compliant with the (STDF) funding requirements but was unable to be reduced within the allocated budget for the works.

The additional budget required of \$36,000 is able to be sourced from savings made in the budget review elsewhere in this agenda.

Discussions have been held with the respective hall committees regarding the exclusions from the scope of works and letters acknowledging this and their continuing support are attached for Council's information (**refer attachment**).

### **Conclusion**

The following is a summary of the steps to be taken following the approval of the Tender Recommendation:

- Confirm with Crosher Constructions of the site possession date for Tarrawingee and Carboor Hall with the completion date of 31 July 2011
- Issue Letter of Intent to successful Contractor
- Issue Letter of Unsuccessful Tender to all other Contractors
- Request and review detailed version of construction program and site establishment planning with operation staff
- Collate full set of documentation for Contract to be signed by both parties
- Advise Hall Committee of tender outcome and proposed works program

- Advise STDF of the tender outcome
- Finalise and issue Building Permit with Contractor details, and
- Hold Construction Start-up Meeting with Contractor project team.

### **Recommendation**

- 1. That on the basis of the Tender Analysis (Economic, Social and Environmental) outcome and the submission of the adjusted tendered sum, Crosher Construction Pty Ltd be awarded Contract C1011/020 Building Construction Services for the Upgrade of Tarrawingee and Carboor Hall Projects for a Contract Sum of \$229,933 (incl GST).**
- 2. That the remaining budget of \$15,970 (excl GST) be used as contingency for the project and any surplus funds upon the completion of the project be used to replace items excluded from the original tender.**
- 3. That the contract documents be signed and sealed when available.**
- 4. That further matters excluded from the scope of the project and not able to be funded from Contract Contingency be considered as part of Council's 2010/2011 budget.**

7.4 [WANGARATTA SHOWGROUNDS DEVELOPMENT; CONTRACT NO C1011/025 – CONSTRUCTION OF THE WANGARATTA SHOWGROUNDS MULTIPURPOSE CENTRE and CONTRACT NO C1011/029 – WANGARATTA SHOWGROUNDS LIGHT TOWERS](#)

Construction of the Wangaratta Showgrounds Multipurpose Centre and the Installation of the  
Wangaratta Showgrounds Light Towers. 30.072.025  
30.072.029

### **Background**

The Wangaratta Showground redevelopment project comprises four components:

1. Construction of a Multipurpose Centre,
2. Installation of light towers and associated works,
3. A power supply upgrade to the site, and
4. Civil works to seal access roads around the showground area.

The total project budget is \$2,961,000.

To date, items 3 and 4 have commenced or are almost complete. This report is to provide the necessary information for Council to allow the approval of

contracts for the construction of the Wangaratta Showgrounds Multipurpose Centre and the Installation of the light towers and associated works.

Funds available for items 1 and 2 is \$2,565,000.

### **Tender Scope of Works**

#### **Wangaratta Showgrounds Multipurpose Centre**

The Scope of Works relating to this tender incorporates the necessary demolition and clearing of the Past Players Stand, Bar Facility and the relocation of the overhead Transformer and High/Low voltage power lines and the construction of the proposed Wangaratta Showgrounds Multipurpose Centre. The proposed building will include the following key functional areas:

- Multi functional changeroom space with supporting infrastructure
- Energy efficient features designed into the facility (low emission lighting, grey water reuse and provision for rainwater retention)
- Multipurpose room with storage area and kitchenette
- Administration offices with reception
- External public toilets with disabled facilities
- Multi-level viewing deck with disabled access.

The scope of works is fully described in the Tender Drawings, Specifications and Schedules. The project pre-tender estimate was completed by Baade Harbour Australia Pty Ltd (BHA) on the 7 July 2010 based on BHA's concept submission.

The Pre-tender estimate for the scope defined in the Tender documents was \$1,900,000 excl GST. This included architect and consultant fees and other costs.

The stimulus package and particularly the school building program, released by the federal government in 2010 generated significant work for the building industry. Price escalations of 20% to 30% have been typical for projects being costed and / or constructed throughout this period.

#### **Wangaratta Showgrounds Light Towers**

The Wangaratta Showgrounds light towers contract provides for the installation and commissioning of 4 light towers and associated works. This includes:

- Upgrade of existing main switch board and mains to the ground
- Installation of 4 light towers to AFL standards
- Removal of existing lighting and poles from the ground.



**Tender Details****Wangaratta Showgrounds Multipurpose centre**

Tenders for the construction of the Wangaratta Showgrounds Multipurpose Centre were invited through advertisements as follows:

<u>Newspaper</u>	<u>Date</u>
Chronicle	12 November & 19 November 2010
The Border Mail	13 November & 20 November 2010

Also electronically

Tenderlink 12 November 2010

Tender closed at 2.00pm on Tuesday 7 December 2010.

No pre-tender meeting was held for this tender.

The following two Addendums were published through Tenderlink:

Addendum 1	Clarification and further information on construction details	23 November 2010
Addendum 2	Clarification and further details on electrical services	1 December 2010

**Wangaratta Showgrounds Light Towers**

Tenders for the Wangaratta Showgrounds light towers were invited through advertisements as follows:

<u>Newspaper</u>	<u>Date</u>
Chronicle	7 December & 14 December 2010
The Border Mail	8 December & 15 December 2010
Also electronically	
Tenderlink	7 December 2010

Tender closed at 2.00pm on Tuesday 8 February 2011.

There was a no pre tender meeting for this contract.

**Tenders Received****Wangaratta Showgrounds Multipurpose centre**

Eight tenders were received for the construction of the Wangaratta Showgrounds Multipurpose centre as follows:

<b>Tenderer</b>
Blairgrange Pty Ltd ( Browns Wangaratta)
Q1 Constructions
W Parnall Constructions Pty Ltd
Magi-Build Building Contractors
Contract Control Services Pty Ltd
Southern Cross Developers
GBC Constructions
4Dimensions Building Contractors

All eight tenders were deemed by the evaluation panel to be conforming in accordance with the Conditions of Tendering.

### **Wangaratta Showgrounds Light Towers**

Six tenders from five tenderers were received for the Wangaratta Showgrounds Light Towers as follows:

<b>Tenderer</b>
Webster Electrical + Lighting
Floyd Industries Pty Ltd (Alternative Tender)
Commlec Services
Floyd Industries Pty Ltd
PSE Communication And Electrical Contracting
PSG Elecraft Pty Ltd

All six tenders were deemed by the evaluation panel to be conforming in accordance with the Conditions of Tendering.

Floyd Industries submitted an alternative which has been evaluated as a separate tender.

### **TENDER EVALUATION**

#### **Wangaratta Showgrounds Multipurpose centre**

This tender was evaluated in accordance with evaluation criteria set out in the Conditions of Tendering. The evaluation criteria are based upon a Weighted Attribution Method as follows:

<b>Criteria</b>	<b>Description</b>	<b>Weighting</b>	<b>Sub Weighting</b>
Economic	<b>Tender Price</b>	60%	
	Lump Sum		80%
	Labour Rates		20%

Criteria	Description	Weighting	Sub Weighting
Social	<b>Service Delivery</b>	30%	
	Ability to resource the project and complete within the timeframe		30%
	Local employment growth or retention		20%
	Commitment to OH&S		10%
	Experience and performance in similar works		40%
Environmental	<b>Sustainability</b>	10%	
	Commitment to environmental management		50%
	Standard and appropriateness of plant and equipment		50%
Total	Total	100%	

Panel members assigned a score (maximum 100) to each criteria (as shown below) and then weighted the average score to produce a final Weighted Attribution Method Score.

P	Evaluation Result	Criteria
100	Exceptional	Demonstrated capacity exceeds all required standards and innovations proposed.
90	Excellent	Demonstrated capacity exceeds all required standards.
70	Good	Complies with all required standards and capacity demonstrated.
50	Satisfactory	Complies with relevant standards without qualifications.
30	Marginal	Complies with relevant standards with qualifications.
0	Unsatisfactory	Fails to satisfy required standards.

### Evaluation Scores

The summary of the scores obtained by this method are as follows:

Tenderer	Score
Blairgrange Pty Ltd ( Browns Wangaratta)	67
Q1 Constructions	60
W Parnall Constructions Pty Ltd	59
Magi-Build Building Contractors	54
Contract Control Services Pty Ltd	54
Southern Cross Developers	53
GBC Constructions	51
4Dimensions Building Contractors	40

The higher value reflects the more favourable assessment. From this method of assessment Blairgrange Pty Ltd (Browns Wangaratta) was deemed to be the preferred tenderer.

### Wangaratta Showgrounds Light Towers

The tender was evaluated in accordance with evaluation criteria set out in the Conditions of Tendering. The evaluation criteria is based upon a Weighted Attribution Method as follows:

Criteria	Description	Weighting
Tender Price	Total price of the work	60%
Previous performance of the tenderer and capacity to carry out contract works	Contractors capacity to perform contract works and experience and past performance in previous similar works	15%
Experience of nominated sub-contractors	Experience and past performance from nominated sub-contractors in similar works	15%
OHS and Quality	Contractor's commitment to OHS and quality	10%
	Total	100%

Panel members assigned a score (maximum 100) to each criteria (as shown below) and then weighted the average score to produce a final Weighted Attribution Method Score.

P	Evaluation Result	Criteria
100	Exceptional	Demonstrated capacity exceeds all required standards and innovations proposed.
90	Excellent	Demonstrated capacity exceeds all required standards.
70	Good	Complies with all required standards and capacity demonstrated.
50	Satisfactory	Complies with relevant standards without qualifications.
30	Marginal	Complies with relevant standards with qualifications.
0	Unsatisfactory	Fails to satisfy required standards.

### Evaluation Scores

The summary of the scores obtained by this method are as follows:

Tenderer	Score
Webster Electrical + Lighting	72
Floyd Industries Pty Ltd	59
PSE Communication And Electrical Contracting	32
Commlec Services	59
PSG Elecraft Pty Ltd	19
Floyd Industries Pty Ltd (Alternative)	60

The higher value reflects the more favourable assessment. From this method of assessment, Webster Electrical & Lighting was deemed to be the preferred tenderer.

### **Post Tender**

#### **Wangaratta Showgrounds Multipurpose centre**

BHA worked with the best ranked tenderer (Browns Wangaratta) in order to quantify and clarify the qualifications as noted in their tenders and to identify any price potential cost savings.

#### **Wangaratta Showgrounds Light Towers**

BRT worked with the best ranked tenderer (Websters Electrical & Lighting) in order to quantify and clarify the qualifications as noted in their tenders and to identify any price potential cost savings. A summary of the identified cost savings is outlined below:

### **RECOMMENDATION**

- 1. That Contract C1011/025 for the Construction of the Wangaratta Showgrounds Multipurpose Centre be awarded Blairgrange Pty Ltd (Browns Wangaratta) for the adjusted contract sum of \$2,334,285 (incl GST).***
- 2. That Contract C1011/029 for the Wangaratta Showgrounds Light Towers be awarded Webster's Electrical & Lighting Pty Ltd for the adjusted contract sum of \$702,167 (incl GST).***
- 3. That Contract C1011/025 for the Construction of the Wangaratta Showgrounds Multipurpose Centre be signed and sealed when available.***
- 4. That Contract C1011/029 for the Wangaratta Showgrounds Light Towers be signed and sealed when available.***

## **8. CLOSURE OF MEETING**