

ORDINARY MEETING	9
5 JUNE 2024	

**PROJECT LAUNCH APPROVAL – DISASTER RECOVERY FUNDING
ARRANGEMENTS WORKS - NORTHERN AND CENTRAL QUEENSLAND
MONSOON AND FLOODING, 20 DECEMBER 2022 – 30 APRIL 2023**

50/5/96-01 | #7421600

RECOMMENDATION:

That Council:

- 1 Approves the Project Launch Approval for project PT24231 Chatham Terrace Embankment Stabilisation with a Project Launch Budget (PLB) of \$594,000 and an Approved End Date (AED) of 30 June 2025; and
- 2 Approves the Project Launch Approval for project PT24232 Dalton Road Embankment Stabilisation with a Project Launch Budget (PLB) of \$2,650,000 and an Approved End Date (AED) of 30 June 2025; and
- 3 Approves the Project Launch Approval for project PT24233 Cottone Road Embankment Stabilisation with a Project Launch Budget (PLB) of \$2,255,000 and an Approved End Date (AED) of 30 June 2025; and
- 4 Approves the Project Launch Approval for project PT24234 Ross Road Embankment Stabilisation with a Project Launch Budget (PLB) of \$1,853,000 and an Approved End Date (AED) of 30 June 2025; and
- 5 Approves the Project Launch Approval for project PT24235 Repairs to Various Drainage Assets with a Project Launch Budget (PLB) of \$2,787,000 and an Approved End Date (AED) of 30 June 2025; and
- 6 Resolves to adopt the Tender Consideration Plans for specialist ground stabilisation suppliers/contractors, and pipe jacking/tunnel boring/pipe sealing/relining contractors; and
- 7 Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, finalise and negotiate any and all matters relating to these projects subject to normal procurement practices and policies.

INTERESTED PARTIES:

GEO Design Pty Ltd
ARO Industries Pty Ltd
Rees Drilling Pty Ltd
Saxon Drilling Pty Ltd

Australian Ground Engineering Pty Ltd
 GEO Construct Pty Ltd
 Avopiling Australia Pty Ltd
 Wagstaff Piling Pty Ltd
 DSI Pty Ltd
 A V Lazzaroni & C L Lazzaroni & D J Lazzaroni & M B Lazzaroni
 X Lin & A Wong
 G C McMahon & S L Young
 D S Crampton
 R S Lehmann
 C J Watling & N P Watling

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

EXECUTIVE SUMMARY:

The Australian Government Disaster Recovery Funding Arrangements (DRFA) is a joint Commonwealth and State government funding stream, providing financial assistance to help communities recover from eligible disasters.

Cairns Regional Council was activated for the DRFA event Northern and Central Queensland Monsoon and Flooding, 20 December 2022 – 30 April 2023 on 11 March 2023.

Cairns Regional Council has recently been awarded \$10.139M for the Restoration of Essential Public Assets (REPA) under this event.

This report seeks Project Launch Approvals for the funded restoration works to be undertaken. Proposed works include repair or like for like replacement of drainage structures and landslip remediation works at various locations.

BACKGROUND:

The Australian Government Disaster Recovery Funding Arrangements (DRFA) is a joint Commonwealth and State government funding stream, providing financial assistance to help communities recover from eligible disasters. The DRFA is administered by the Queensland Government via the Queensland Reconstruction Authority (QRA).

Activation of the DRFA for an event may occur when:

- the local government area/s has been impacted by an eligible disaster (e.g., flood), and
- the event has required a coordinated multi-agency response, and
- local governments and/or state agencies require financial assistance to respond to and recover from the event, and
- the combined estimated total expenditure in responding to the event exceeds \$240,000.

Council was activated for the DRFA event Northern and Central Queensland Monsoon and Flooding, 20 December 2022 – 30 April 2023 on 11 March 2023.

Council approved a DRFA REPA grant application for \$13.7M at the Ordinary Meeting of 13 September 2023. Following a rigorous assessment process by QRA, Council was recently awarded \$10.139M in funding for the REPA works.

COMMENT:

The funded REPA works include repair or like for like replacement of drainage structures at various locations, and landslip remediation works at four sites:

- Chatham Terrace, Smithfield
- Dalton Road, Aloomba
- Cottone Road, East Russell
- Ross Rd, Deeral

The landslip remediation works will require the engagement of specialist ground stabilisation suppliers/contractors, and the value of these engagements will exceed \$200,000.

The repairs to drainage assets may require the engagement of specialist pipe jacking/tunnel boring/pipe sealing/relining contractors, and the value of these engagements may also exceed \$200,000.

Council's market research has confirmed that there are limited contractors available for these specialist works, and they are not accustomed to responding to invitations for tenders advertised by Councils or Government departments.

Council's experience is that the best response will be achieved by directly inviting quotations from selected contractors that have the required expertise, equipment, and availability to perform the works.

The *Local Government Regulation 2012* obligates Council to utilise a public tender process for all procurement over the expected value of \$200,000 unless an approved exemption is utilised. Section 230 of the *Local Government Regulation 2012* allows for such an exception – that if Council prepares and adopts a Tender Consideration Plan (TCP) it is not required to conduct a public tender.

Adopting the TCP will ensure the engagement of the ground stabilisation suppliers/contractors is in accordance with the *Local Government Regulation 2012*.

OPTIONS:

Option 1

It is recommended that Council:

- 1 Approves the Project Launch Approval for project PT24231 Chatham Terrace Embankment Stabilisation with a Project Launch Budget (PLB) of \$594,000 and an Approved End Date (AED) of 30 June 2025; and

- 2 Approves the Project Launch Approval for project PT24232 Dalton Road Embankment Stabilisation with a Project Launch Budget (PLB) of \$2,650,000 and an Approved End Date (AED) of 30 June 2025; and
- 3 Approves the Project Launch Approval for project PT24233 Cottone Road Embankment Stabilisation with a Project Launch Budget (PLB) of \$2,255,000 and an Approved End Date (AED) of 30 June 2025; and
- 4 Approves the Project Launch Approval for project PT24234 Ross Road Embankment Stabilisation with a Project Launch Budget (PLB) of \$1,853,000 and an Approved End Date (AED) of 30 June 2025; and
- 5 Approves the Project Launch Approval for project PT24235 Repairs to Various Drainage Assets with a Project Launch Budget (PLB) of \$2,787,000 and an Approved End Date (AED) of 30 June 2025; and
- 6 Resolves to adopt the Tender Consideration Plans for specialist ground stabilisation suppliers/contractors, and pipe jacking/tunnel boring/pipe sealing/relining contractors; and
- 7 Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, finalise and negotiate any and all matters relating to these projects subject to normal procurement practices and policies.

Option 2

That Council does not progress with the works.

CONSIDERATIONS:

Risk Management:

Description of Risk	Impact of Risk	Proposed Solution
Delays due to wet weather, design consultant, contractor, or materials availability	Loss of grant funding	Apply for extension
Flooding while works are being undertaken	Loss or damage to works	Undertake works in dry season
Latent conditions	Additional time and cost	Contingency included in budget
Disruption to public	Complaints	Undertake public consultation
Additional costs not covered by DRFA funding	Additional time and cost	Additional Council contribution

Council Finance and the Local Economy:

Proposed REPA funding arrangements are as follows:

Grant ID	Site	Grant Value
CRC.0025.2223G.REC	Chatham Terrace	\$594,000
CRC.0026.2223G.REC	Dalton Road	\$2,650,000
CRC.0027.2223G.REC	Cottone Road	\$2,255,000
CRC.0028.2223G.REC	Ross Road	\$1,853,000
CRC.0029.2223G.REC	Various	\$2,787,000
Total		\$10,139,000

The REPA works follow prior disaster response and recovery works under the Immediate Reconstruction Works phase. Grants applied for and funded under this phase include:

Grant ID	Site	Grant Value
CRC.0022.2223G.IRW	Red Arrow Ambulance Access	\$23,690
CRC.0023.2223G.IRW	Immediate Reconstruction Works – Various Sites	\$260,266
CRC.0024.2223G.IRW	Immediate Reconstruction Works – Various Sites	\$476,668

It should be noted that the above values are approximate only. Final costs will be governed by many factors including the final designs.

Whilst no allowance has been made for these works in Council's capex budget, they are entirely grant funded on a reimbursement of actual cost basis.

The project will benefit the local economy by providing employment for local subcontractors and suppliers.

Community and Cultural Heritage:

The works will benefit the local community by providing improved transport infrastructure, enabling safer active travel opportunities.

Natural Environment:

The works will have minimal impact on the natural environment as they are predominantly contained within the existing road corridor.

Corporate and Operational Plans:

The proposal aligns with Focus 3 of the Corporate Plan.

Statutory:

Pre-lodgement advice will be sought from Department of State Development, Manufacturing, Infrastructure and Planning - State Assessment and Referral Agency to confirm if development applications are required for the landslip remediation works at Ross Road and Cottone Road.

CONSULTATION:

Standard public consultation procedures shall apply.

ATTACHMENTS:

Attachment 1 – Tender Consideration Plan for specialist ground stabilisation suppliers/contractors.

Attachment 2 – Tender Consideration Plan for specialist pipe jacking/tunnel boring/pipe sealing/relining contractors



Martin Perkowicz
Executive Manager Works



Mark Wuth
Director Cairns Infrastructure & Assets

ATTACHMENT 1:

TENDER CONSIDERATION PLAN
In accordance with s230 of the *Local Government Regulation 2012*

SPECIALIST GROUND STABILISATION SUPPLIERS/CONTRACTORS

Background

Landslips occurred at a significant number of locations following intense rainfall during the Monsoon of 20 December 2022 – 30 April 2023, and Tropical Cyclone Jasper 13 – 28 December 2023. Remediation works are likely to require a significant amount of ground stabilisation works. There are limited specialist suppliers/contractors available for the required works and advertising an invitation for tenders is unlikely to attract any more companies than those that Council intends to pursue for quotations. There is a risk that a formal tender process may in fact deter some companies from responding.

Objectives

To invite quotations from selected specialist ground stabilisation suppliers/contractors identified from market research and professional experience, and to ensure a timely delivery of the remediation works. Due to the specialised nature and timing of the works, normal procurement practices cannot be followed.

To ensure that regard is had to the sound contracting principles contained within Section 104(3) of the *Local Government Act 2009*.

- (a) value for money; and
- (b) open and effective competition; and
- (c) the development of competitive local business and industry; and
- (d) environmental protection; and
- (e) ethical behaviour and fair dealing.

Achievement of the Objectives

The objectives shall be achieved by the procurement of the specialist ground stabilisation suppliers/contractors within the stipulated timeframes as identified by Council's required construction program, whilst having regard for the sound contracting principles contained within the *Local Government Act 2009*.

Measurement of Achievement

Measurement shall be based on pricing, quality of service and timeliness of supply. All quotations will be evaluated against predetermined selective criteria that will ensure that the response most advantageous to Council is recommended.

Alternative ways of achieving the objectives and why they were not adopted

An alternate way of achieving the objective of obtaining specialist ground stabilisation suppliers/contractors would be by publicly advertising an invitation for tenders. This method is not recommended for the following reasons:

- Council's market research has confirmed that there are limited specialist ground stabilisation suppliers/contractors available for these specialist works and the public tender process would require additional time and administration cost with potentially no improved outcome.
- Specialist ground stabilisation suppliers/contractors generally subcontract to major civil contractors which typically call quotations for subcontracts by direct invitation only. The specialist ground stabilisation suppliers/contractors are therefore not accustomed to responding to invitations for tenders advertised by Councils or Government departments. This is evidenced by:
 - o Poor response to Council's recent tender for ROPS 2789B - Trade Services and Supplies (REFRESH)
 - o The specialist ground stabilisation suppliers/contractors are not prequalified for road and bridge construction works with the Queensland Department of Transport and Main Roads, or its NSW equivalent Roads and Maritime Services, and are therefore ineligible to tender directly to those departments.
- For the public tender to succeed Council would still need to individually invite the known specialist ground stabilisation suppliers/contractors to respond. This would defeat the purpose of the public invitation and it may create the perception of favouritism which a competitive tender process is intended to avoid.

Another alternative would be to procure the specialist ground stabilisation suppliers/contractors through one of the concreting subcontractors approved under Council's existing preferred supplier arrangements. This method is not recommended as this would only add further on-cost and contractual complexity/risk.

Proposed Terms of the Contract for Goods and Services

AS4000 General Conditions of Contract will form the basis of the request for quotation document.

Risk Analysis

Risks identified with this plan are as follows:

- (1) Pricing – at least three suppliers/contractors will be invited to provide quotations and this will ensure pricing is competitive.
- (2) Quality – will be managed in accordance with the request for quotation document, the technical specifications and AS4000 General Conditions of Contract.
- (3) Timeliness – will be managed in accordance with the request for quotation document, the technical specifications and AS4000 General Conditions of Contract.
- (4) Contractor Availability – will be considered as part of the quotation selection criteria in order to meet the required timeframes.

- (5) Material supply – early ordering of principal supplied materials will mitigate the risk of delay.

Recommendation

It recommended that Council adopts this Tender Consideration Plan and directly invites quotations from selected specialist ground stabilisation suppliers/contractors that have the required expertise, equipment and availability to perform the ground stabilisation works.

Local Government Regulation 2012

230 Exception if quote or tender consideration plan prepared

- (1) A local government may enter into a medium-sized contractual arrangement or large-sized contractual arrangement without first inviting written quotes or tenders if the local government—
- (a) decides, by resolution, to prepare a quote or tender consideration plan; and
 - (b) prepares and adopts the plan.
- (2) A ***quote or tender consideration plan*** is a document stating—
- (a) the objectives of the plan; and
 - (b) how the objectives are to be achieved; and
 - (c) how the achievement of the objectives will be measured; and
 - (d) any alternative ways of achieving the objectives, and why the alternative ways were not adopted; and
 - (e) the proposed terms of the contract for the goods or services; and
 - (f) a risk analysis of the market from which the goods or services are to be obtained.

ATTACHMENT 2:

TENDER CONSIDERATION PLAN
In accordance with s230 of the *Local Government Regulation 2012*

**SPECIALIST PIPE JACKING/TUNNEL BORING/PIPE SEALING/RELINING
 CONTRACTORS**

Background

Damage occurred to drainage infrastructure at number of locations as a result of intense rainfall during the Monsoon of 20 December 2022 – 30 April 2023, and Tropical Cyclone Jasper 13 – 28 December 2023. Remediation works at some sites are likely to require the use of techniques such as pipe jacking, tunnel boring, pipe sealing or pipe relining. There are limited specialist suppliers/contractors available for the required works and advertising an invitation for tenders is unlikely to attract any more companies than those that Council intends to pursue for quotations. There is a risk that a formal tender process may in fact deter some companies from responding.

Objectives

To invite quotations from selected specialist pipe jacking/tunnel boring/pipe sealing/relining contractors identified from market research and professional experience, and to ensure a timely delivery of the remediation works. Due to the specialised nature and timing of the works, normal procurement practices cannot be followed.

To ensure that regard is had to the sound contracting principles contained within Section 104(3) of the *Local Government Act 2009*.

- (a) value for money; and
- (b) open and effective competition; and
- (c) the development of competitive local business and industry; and
- (d) environmental protection; and
- (e) ethical behaviour and fair dealing.

Achievement of the Objectives

The objectives shall be achieved by the procurement of the specialist pipe jacking/tunnel boring/pipe sealing/relining contractors within the stipulated timeframes as identified by Council's required construction program, whilst having regard for the sound contracting principles contained within the *Local Government Act 2009*.

Measurement of Achievement

Measurement shall be based on pricing, quality of service and timeliness of supply. All quotations will be evaluated against predetermined selective criteria that will ensure that the response most advantageous to Council is recommended.

Alternative ways of achieving the objectives and why they were not adopted

An alternate way of achieving the objective of obtaining specialist pipe jacking/tunnel boring/pipe sealing/relining contractors would be by publicly advertising an invitation for tenders. This method is not recommended for the following reasons:

- Council's market research has confirmed that there are limited specialist pipe jacking/tunnel boring/pipe sealing/relining contractors available for these specialist works and the public tender process would require additional time and administration cost with potentially no improved outcome.
- Specialist pipe jacking/tunnel boring/pipe sealing/relining contractors generally subcontract to major civil contractors which typically call quotations for subcontracts by direct invitation only. The specialist pipe jacking/tunnel boring/pipe sealing/relining contractors are therefore not accustomed to responding to invitations for tenders advertised by Councils or Government departments. This is evidenced by:
 - o Poor response to Council's recent tender for ROPS 2789B - Trade Services and Supplies (REFRESH)
 - o The specialist pipe jacking/tunnel boring/pipe sealing/relining contractors are not prequalified for road and bridge construction works with the Queensland Department of Transport and Main Roads, or its NSW equivalent Roads and Maritime Services, and are therefore ineligible to tender directly to those departments.
- For the public tender to succeed Council would still need to individually invite the known specialist pipe jacking/tunnel boring/pipe sealing/relining contractors to respond. This would defeat the purpose of the public invitation and it may create the perception of favouritism which a competitive tender process is intended to avoid.

Another alternative would be to procure the specialist pipe jacking/tunnel boring/pipe sealing/relining contractors through one of the concreting subcontractors approved under Council's existing preferred supplier arrangements. This method is not recommended as this would only add further on-cost and contractual complexity/risk.

Proposed Terms of the Contract for Goods and Services

AS4000 General Conditions of Contract will form the basis of the request for quotation document.

Risk Analysis

Risks identified with this plan are as follows:

- (1) Pricing – at least three suppliers/contractors will be invited to provide quotations and this will ensure pricing is competitive.
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- (4) Contractor Availability – will be considered as part of the quotation selection criteria in order to meet the required timeframes.
- (5) Material supply – early ordering of principal supplied materials will mitigate the risk of delay.

Recommendation

It recommended that Council adopts this Tender Consideration Plan and directly invites quotations from selected specialist pipe jacking/tunnel boring/pipe sealing/relining contractors that have the required expertise, equipment and availability to perform the works.

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