

Media Release

9 July 2014



Proud to be Mayor

I am thoroughly enjoying my time as Mayor of Lithgow City Council and am proud to be Mayor of the Lithgow Local Government area. I have recently been humbled by the support that I have received following false allegations.

Following the discovery of an incorrect disclosure in the text of the Stage 2 Farmers Creek Flood Mitigation tender report, I directed Senior Officers to investigate this error as a matter of urgency. As a result, it was determined that the incorrect inclusion of a subcontractor as a joint tenderer was simply an error and had no bearing in the consideration and outcome of the tenders.

Council's Group Manager of Operations, Iain Stewart, advised that one of the tenderers listed included the name of a subcontractor which should not have been included on the list of tenderers, this was reported in error. However, it should be noted that the outcome of the tender report was not affected by this inclusion.

The Mayor stated that "I need to emphasize that rumours circulating about my standing down as Mayor are totally false and are being circulated by persons jealous of my achievement to date. It is encouraging for me to see how much

support I have received from the community despite the negative comments by some.

During my time as Mayor there have been incredible achievements made in Lithgow including the recent \$3M announcement of funding from the State Government for the upgrade of the Lithgow Aquatic Centre, the construction of a new bridge at Wallerawang to replace the old Black Bridge, the \$10M funding of the construction of a new Sewerage treatment Plant at Portland, and the success of LithGlo and Halloween Events to name just a few.

I just hope that members of the community concentrate on my achievements and not the petty comments being made on social media in an attempt to discredit my reputation.

I will continue to work hard as your Mayor and thank those that continue to support my efforts"

END

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A CENTRE OF REGIONAL EXCELLENCE

AGENDA

EXTRAORDINARY MEETING OF COUNCIL

TO BE HELD AT

THE ADMINISTRATION CENTRE, LITHGOW

ON

24 JUNE 2014

AT 6.00pm

AGENDA

ACKNOWLEDGEMENT OF COUNTRY

APOLOGIES

PRESENT

DECLARATION OF INTEREST

PUBLIC FORUM

PRESENTATIONS - NIL

MAYORAL MINUTES - NIL

STAFF REPORTS

Operation Reports

COUNCIL COMMITTEE MINUTES - NIL

DELEGATES REPORTS - NIL

NOTICES OF MOTION - NIL

QUESTIONS WITH NOTICE - NIL

NOTICE OF RECISSIONS - NIL

BUSINESS OF GREAT URGENCY

as identified by Clause 241 of the Local Government (General) Regulations 2005

TABLE OF CONTENTS

<u>ITEM</u>	<u>TITLE</u>	<u>PAGE</u>
<u>OPERATION REPORTS</u>		<u>1</u>
<u>ITEM-1</u>	<u>OPER - 24/06/14 - TENDERS FOR STAGE 2 FARMERS CREEK FLOOD MITIGATION PROJECT</u>	<u>1</u>
<u>BUSINESS OF GREAT URGENCY</u>		<u>6</u>

OPERATION REPORTS

ITEM-1 OPER - 24/06/14 - TENDERS FOR STAGE 2 FARMERS CREEK FLOOD MITIGATION PROJECT

REPORT BY: M BAILEY – PROJECT ENGINEER

REFERENCE

Min No 14-164: Ordinary meeting of Council held on 14th April 2014

SUMMARY

This report seeks a determination from Council to award a tender for the Construction of Stage 2 of the Farmers Creek Flood Mitigation Scheme.

COMMENTARY

Following the completion of stages 1A and 1B of the Farmers Creek Flood Mitigation Scheme in 2011, Council engaged Geolyse Pty Ltd to prepare detailed design documentation for Stage 2 of the Farmers Creek Flood Mitigation Scheme.

Stage 2 of the Farmers Creek Lithgow Flood Mitigation Scheme involves the widening of the existing channel from the termination of Stage 1 works at Tony Luchetti Sportsground to approximately 100 meters east of the Albert Street Bridge. This work will entail the full redevelopment of the existing Farmers Creek Channel on both the northern and southern sides for a total length of 376 metres, including the widening of the channel, construction of new retaining walls, new channel floor, and the relocation of services.

Following the design phase, which was conducted in consultation with Office Environment & Heritage, Council called for tenders for the construction of Stage 2 via the Open Tendering process, pursuant to the provisions of Section 55 of the Local Government Act 1993 and Part 7 of the Local Government (General) Regulation 2005.

A compulsory pre-tender site meeting was held on Friday 23rd April 2014, with representatives from all companies submitting tenders in attendance.

Tenders for this project closed on Thursday 15th May 2014. Tenderers were asked to provide a Conforming price and indicative timeline schedule for the project. Contrary to the Conforming submissions, there were also a number of Non-Conforming submissions received for Council consideration. A summary of both Conforming & Non-Conforming tenders received and prices is outlined below.

Council was successful in obtaining a \$4,276,670.00 grant from the NSW Government Office of Environment & Heritage (OEH) for Stage 2 of the Farmers Creek Flood Mitigation Scheme on a 2:1 funding ratio, with Council to contribute a further \$2,138,335.00. This brings the total budget allocation for this project to \$6,415,005.00.

OEH has requested that Council urgently award a tender for the construction of Stage 2 of the Farmers Creek Flood Mitigation Scheme, in order for a lump sum grant payment of two million dollars (\$2,000,000.00) to be processed prior to 27 June 2014. OEH have requested that a contract for this project is awarded prior to close of business on 25 June 2014.

Tenders

Six (6) conforming tenders were received by the closing time/date of 4:00pm on 15 May 2014.

Conforming Tenderer Submissions	Price (ex GST)	Price (incl GST)
Dukes Civil Pty Ltd	\$4,180,729.00	\$4,598,801.90
Graceys Earthmoving and Craven, Elliston & Hayes (CEH)	\$3,262,677.70	\$3,588,945.47
Peters Earthmoving	\$2,164,916.20	\$2,381,407.82
Central West Civil	\$3,769,839.17	\$4,146,823.09
Josa Group Pty Ltd	\$3,643,968.00	\$4,008,364.80
Earthtec Pty Ltd	\$4,188,511.95	\$4,607,363.15

In addition to the confirming tenders, a further 4 non-conforming tenders were received:

Non Conforming Tender Submissions	Departures from Specifications	Price (ex GST)	Price (incl GST)
Graceys Earthmoving and Craven, Elliston & Hayes (CEH)	Reduced Spec	\$3,192,909.39	\$3,512,200.33
Earthtec Pty Ltd	Gabi Block	\$3,909,663.00	\$4,300,629.30
Earthtec Pty Ltd	Gabion	\$3,501,708.00	\$3,851,878.80
Earthtec Pty Ltd	Gabion & Reno	\$3,502,923.00	\$3,853,215.30

Evaluation Panel

In accordance with Council's Tendering Policy 1.4, a tender evaluation panel was formed to evaluate the tenders, consisting of:

- Iain Stewart, Group Manager Operations
- David Mitchell, Urban Overseer
- Maddison Bailey, Project Engineer

Selection Criteria

Each tender was evaluated according to the following criteria, in order of priority and weighting:

	Criteria	Weighting
1	Price	40%
2	Demonstrated Understanding	30%
3	Relevant Experience	10%
4	Key Personnel skills/experience	10%
5	Tenderer's resources	10%

Scoring System

Each company was given a score from 0 – 10 for each selection criteria item using the following scoring system:

Score	Definitive Answers	Value Judgement
0	Unsatisfactory	Fails to meet the requirement.
		Unimaginative/No apparent economic benefit.
2	Poor	Minimal Compliance.
		Moderately creative/benefits difficult to assess
4	Satisfactory	Moderately satisfies the requirement.
		Worthwhile concept/may realise benefits.
6	Good	Partially satisfies the requirement.
		Creative/enduring benefits over time.
8	Very Good	Satisfies the majority of the requirement.
		Highly creative/enduring high benefits.
10	Excellent	Fully satisfies the requirement.
		Exceptional/immediate & enduring high benefits.

Evaluation Summary – Qualitative Criteria

Each tenderer was assessed based on Qualitative Criteria, being Demonstrated Understanding (30%), Relevant Experience (10%), Key Personnel Skills/Experience (10%), and tenderers resources (10%), to give a total Qualitative Score of 60%.

Dukes Civil Pty Ltd - Dukes Civil have extensive resources to complete the project, their staff are qualified and experienced, and the company has earthworks experience, particularly in mining related projects. The tender submitted by Dukes Civil did not demonstrate a comprehensive understanding of the project requirements. SCORE = 5.56/10

WEIGHTED SCORE = 3.33/6

Graceys Earthmoving and Craven, Elliston & Hayes (CEH) - Graceys Earthmoving submitted a tender in conjunction with Craven, Ellison and Hayes (CEH), with CEH to provide project management and surveying services. Graceys tender demonstrated thorough research and an impressive understanding of the key project requirements and potential challenges. The comprehensive submission reflected Gracey Earthmoving's experience in projects of similar magnitude. The company has access to adequate plant and human resources.

SCORE = 8.44/10

WEIGHTED SCORE = 5.07/6

Peters Earthmoving - Peters Earthmoving employs qualified staff experienced in large scale earthworks, and have access to extensive plant resources. Peters Earthmoving tender did not demonstrate a thorough understanding of project requirements, with only a basic work breakdown structure submitted. The tender also failed to demonstrate experience in projects of a similar nature.

SCORE = 5.33/10

WEIGHTED SCORE = 3.2/6

Central West Civil (CWC) - Central West Civil have experience in projects of a similar nature, employ a range of experienced and qualified staff, and have extensive resources. A detailed Work Breakdown Structure was provided with the tender.

SCORE = 7.33/10

WEIGHTED SCORE = 4.4/6

Josa Group Pty Ltd - Josa Group provided a comprehensive understanding of project requirements, and employ experienced and qualified staff. They have some experience in projects of a similar nature, and adequate resources for the project.

SCORE = 7.44/10

WEIGHTED SCORE = 4.47/6

Earthtec Pty Ltd - Earthtec were the most experienced of all tenderers, with an impressive background delivering a number of geotechnical construction projects. Earthtec indicated that plant hire would be subcontracted.

SCORE = 6.72/10

WEIGHTED SCORE = 4.03/6

Non-Conforming Tenders

The tender evaluation panel reviewed the four (4) non-conforming tenders and recommended that none be considered in the evaluation for the following reasons:

- None of the non-conforming tenders demonstrated added value over the conforming submissions
- The alternative style of retaining wall offered by Earthtec's non-conforming submissions, Rock Gabions, is more susceptible to vandalism than the specified MassBloc system.
- The Rocla MassBloc retaining wall system was utilised successfully in Stage 1 of the Scheme, and it is preferential to continue with the same material throughout Stage 2 for aesthetic value.

Evaluation Summary – Price Component

Price was given a score out of 10 based on the below formula:

$$\text{Price score} = \frac{\text{Lowest Tender Price}}{\text{Tendered Price}} \times 10$$

Tenderer	Peters	Gracey	Dukes
Price (\$)	\$2,164,916.20	\$3,262,677.70	\$4,180,729.00
Price Score /10	10.00	6.64	5.18
Weighted Price Score /4	4.00	2.65	2.07

Tenderer	CWC	Josa	Earthtec
Price (\$)	\$3,769,839.17	\$3,643,968.00	\$4,188,512.00
Price Score /10	5.74	5.94	5.17
Weighted Price Score /4	2.30	2.38	2.07

Final Scores

The scores for qualitative and price criteria were added to give a final total score.

	Peters	Gracey	Dukes	CWC	Josa	Earthtec
Qualitative Score /6	3.20	5.07	3.33	4.40	4.47	4.03
Price Score /4	4.00	2.65	2.07	2.30	2.38	2.07
Total Score /10	7.20	7.72	5.40	6.70	6.84	6.10

Recommendation of Tender Evaluation Panel

The tender evaluation panel recommend that the tender for the construction of Farmers Creek Flood Mitigation works Stage 2 is awarded to Graceys Earthmoving Pty Ltd and Craven, Elliston & Hayes for the tendered price of Three Million, Two Hundred and Sixty Two Thousand, Six Hundred and Seventy Seven Dollars, Seventy Cents GST exclusive (\$3,262,677.70 ex GST). Gracey's tender achieved the highest overall score of 7.72 out of a possible 10.

Although this tender was not the cheapest, it is the opinion of the tender evaluation panel that this tender is the most advantageous to Council in terms of value for money, and it is evident through their tender submission that Graceys Earthmoving and Craven, Elliston & Hayes have the skills and experience required to complete this project successfully. The tender submission demonstrated thorough research and a comprehensive understanding of the project requirements.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Council will receive prior to 30th June 2014 grant funding of \$4,276,670 to be allocated to Stage 2 of the Farmers Creek Lithgow Flood Mitigation Scheme. The funding ratio is 2:1, with Council required to contribute 1/3 of the total cost of the scheme, being \$2,138,335. Provision has been made in the draft budget for this contribution to be made over the next two financial years.

LEGAL IMPLICATIONS

NIL

RECOMMENDATION

THAT Council:

1. Accept the tender submission from Graceys Earthmoving Pty Ltd and Craven, Elliston & Hayes for Three Million, Five Hundred and Eighty Eight Thousand, Nine Hundred and Forty Five Dollars, Forty Seven Cents GST inclusive (\$3,588,945.47 incl GST).for construction Stage 2 of the Farmers Creek Flood Mitigation Scheme.
2. Authorise the affixing of the Council seal to any necessary documentation in relation to this tender

BUSINESS OF GREAT URGENCY

In accordance with Clause 241 of the Local Government (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only of:

- a) A motion is passed to have the business transacted at the meeting: and*
- b) The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.*



A CENTRE OF REGIONAL EXCELLENCE

MINUTES

EXTRAORDINARY MEETING OF COUNCIL

HELD ON

24 JUNE 2014

AT 7.00pm

**MINUTES OF THE CITY OF LITHGOW COUNCIL MEETING
HELD AT THE CIVIC CENTRE, LITHGOW ON 24 JUNE 2014**

Meeting Commenced 6.00pm

ACKNOWLEDGEMENT OF COUNTRY

Public: 6

PRESENT

Her Worship the Mayor
Councillor M Statham
Councillor R Thompson
Councillor R Higlett
Councillor C Hunter
Councillor F Inzitari
Councillor J J McGinnes
Councillor P Pilbeam
Councillor M F Ticehurst

APOLOGIES

14-256 RESOLVED

An apology was received from Councillor W McAndrew who is out of the City on business.

MOVED: Councillor F Inzitari

SECONDED: Councillor P Pilbeam

Also in attendance

Mr Roger Bailey, General Manager
Mr Andrew Muir, Group Manager Environment and Development
Mrs Christopher Brice, Finance Manager
Mr Iain Stewart, Group Manager Operations

DECLARATION OF INTEREST

Her Worship the Mayor called for Declarations of Interest on any matter before the Meeting.

Councillor C Hunter declared a less than significant non pecuniary interest in item 1, due to Adam Peter, the principal of Peters Earthmoving being his cousin. He will not vacate the Chambers and will take part in the debate and deliberation.

QUESTIONS FROM THE PUBLIC

At 6.01pm Members of public gallery were invited to participate in the Public Forum Session.

NIL

TABLE OF CONTENTS

<u>ITEM</u>	<u>TITLE</u>	<u>PAGE</u>
	<u>OPERATION REPORTS</u>	<u>1</u>
<u>ITEM-1</u>	<u>OPER - 24/06/14 - TENDERS FOR STAGE 2 FARMERS CREEK FLOOD MITIGATION PROJECT</u>	<u>1</u>
	<u>BUSINESS OF GREAT URGENCY</u>	<u>2</u>
<u>ITEM-2</u>	<u>CLOSED COUNCIL - LATE REPORT - CORP - 24/06/14 - LEGAL PROCEEDINGS PERTAINING TO CDO INVESTMENTS</u>	<u>3</u>

**ITEM-1 OPER - 24/06/14 - TENDERS FOR STAGE 2 FARMERS CREEK
FLOOD MITIGATION PROJECT**

14-257 RESOLVED

THAT Council:

1. Accept the tender submission from Peters Earthmoving for Two Million, Three Hundred and Eighty One Thousand, Four Hundred and Seven Dollars, Eighty Two Cents GST inclusive (\$2,381,407.82 incl GST) for construction Stage 2 of the Farmers Creek Flood Mitigation Scheme.
2. Authorise the affixing of the Council seal to any necessary documentation in relation to this tender
3. Seek approval from the Office of Environment and Heritage to extend the existing funding for a further stage of the food mitigation program.

MOVED: Councillor M F Ticehurst

SECONDED: Councillor J J McGinnes.

A **DIVISION** was called by Councillors M F Ticehurst and J J McGinnes.

Division (Unanimous) -

FOR

Councillor R Higlett
Councillor C Hunter
Councillor F Inzitari
Councillor J J McGinnes
Councillor P Pilbeam
Councillor M Statham
Councillor R Thompson
Councillor M F Ticehurst

BUSINESS OF GREAT URGENCY

In accordance with Clause 241 of the Local Government (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only of:

- a) *A motion is passed to have the business transacted at the meeting: and*
- b) *The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.*

The General Manager advised of a late item.

ITEM-2 CLOSED COUNCIL - LATE REPORT - CORP - 24/06/14 - LEGAL PROCEEDINGS PERTAINING TO CDO INVESTMENTS

14-258 RESOLVED

THAT Council declare that the item be business of great urgency and consider the Legal Proceedings pertaining to CDO Investments in Closed Council pursuant to Section 10A2(g) of the Local Government Act 1993.

MOVED: Councillor P Pilbeam

SECONDED: Councillor F Inzitari

The Mayor declared the matter to be of great urgency in accordance with clause 241 of the Local Government (General) Regulations.

The General Manager asked if there were any objections from the Public with regards to the confidential reports being in closed Council.

There were NIL objections.

14-259 RESOLVED

THAT the Council move into Closed Council.

MOVED: Councillor M Ticehurst

SECONDED: Councillor F Inzitari

Closed Council commenced at 6.16pm

Councillor Ticehurst and McGinnes vacated the chambers at 6.21pm.

14-260 RESOLVED

THAT Council:

1. Notes the information relating to the court action being brought against the Commonwealth Bank in the Federal Court
2. Authorises the General Manager to enter into arrangements with Piper Alderman to join the class action against the Commonwealth Bank for losses suffered by Lithgow City Council from an investment in collateralised debt obligations (CDO).
3. Authorise the affixing of the Council Seal to any legal documents necessary in regards to the class action being brought against the Commonwealth Bank.

MOVED: Councillor R Thompson

SECONDED: Councillor P Pilbeam

14-261 RESOLVED

THAT the Council return to open Council.

MOVED: Councillor R Thompson

SECONDED: Councillor R Higlett

Council returned to Open Council at 6.23pm.

The General Manager announced the resolution of the Closed Council.

There being no further business the meeting concluded at 6.25pm.