

6.8. CEO DELEGATION FOR TC JASPER RECOVERY PROJECT CONTRACTS

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DEPARTMENT Infrastructure

RECOMMENDATION

That Council:

- 1. Delegates authority to the Chief Executive Officer (CEO) to award contracts valued at more than \$200,000 associated with Tropical Cyclone Jasper recovery works.**
- 2. Delegates authority under s 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters related to the awarding of those contracts.**
- 3. Notes that, in accordance with Council's Procurement Policy, Council will retrospectively consider all contracts valued at more than \$200,000 awarded by the Chief Executive Officer (CEO) associated with funded projects related to Tropical Cyclone Jasper.**

EXECUTIVE SUMMARY

Following the exceptional weather event from Tropical Cyclone Jasper, Douglas Shire Council have been activated under the Queensland Reconstruction Authority (QRA) for Disaster Recovery Funding Arrangements (DRFA). The following State Government relief measures have now been made available to Council:

- Counter Disaster Operations (CDO)
- Emergency Works (EW)
- Immediate Reconstructions Works (IRW)
- Reconstruction of Essential Public Assets (REPA)

To ensure effective procurement process to deliver contracts under the above arrangements without delays, Council proposes to delegate authority to the CEO to award contracts in a timely fashion.

BACKGROUND

Douglas Shire Council has been devastated by Tropical Cyclone Jasper, causing significant damage to a wide range of Civil Infrastructure assets across the Douglas shire region. Council has been working closely with the the State Government, through the QRA on the large program of recovery and resilience works to its Essential Public Assets. Thus far, all eligible completed works have been reimbursed through the QRA's Counter Disaster Operations (CDO), Emergent Works (EW) or Immediate Restoration Works (IRW) schemes.

Moving forward, Council will rely on funding from the Reconstruction of Essential Public Assets (REPA) program for the next phase of works. During the delivery phase of these projects, it is imperative for Council to efficiently and quickly execute contracts to minimise delays. The main objective of this strategy is to prioritise repairs and streamline the process of contract award to gain efficiencies.

Under Council's current procurement process, outlined in the Procurement Policy, all contracts above \$200,000 must be approved at an Ordinary Council Meeting. This step can add up to six weeks to the contract awarding process. Recognising the scarcity of regional resources and the need to utilise dry season conditions to undertake significant construction activity, allowing the CEO to award contracts with retrospective approval by Council through an Ordinary Council Meeting will ensure Council can promptly engage necessary resources.

COMMENT

This report seeks to delegate authority to the CEO to award all contracts valued at more than \$200,000 associated with funded projects related to Tropical Cyclone Jasper. It is intended that the procurement principles of Council will remain intact, emphasising local participation and maximising local content.

All other council contracts valued at more than \$200,000 will follow the current Procurement Policy procedure for awarding contracts.

Council will conduct an industry briefing to inform suppliers of the upcoming works, procurement timelines, project specifications, and any other relevant details to facilitate their participation and ensure a smooth procurement process.

PROPOSAL

It is proposed that Council:

1. Delegates authority to the CEO to award contracts valued at more than \$200,000 associated with Tropical Cyclone Jasper recovery works.
2. Delegates authority under s 257 of the *Local Government Act 2009* to the CEO to negotiate, finalise and execute any and all matters related to the awarding of those contracts.
3. Notes that, in accordance with Council's Procurement Policy, Council will retrospectively consider all contracts valued at more than \$200,000 awarded by the CEO associated with funded projects related to Tropical Cyclone Jasper.

FINANCIAL/RESOURCE IMPLICATIONS

The proposed delegated authority to the Chief Executive Officer to award all contracts relating to Cyclone Jasper will only apply to projects that are funded.

RISK MANAGEMENT IMPLICATIONS

Risks associated with endorsing the recommendation:

- Council enters into contractual obligations.

Risks associated with not endorsing the recommendation:

- Delays to the completion program for recovery projects.

- Community unrest and reputational damage at the lack of efficient progress.
- Unable to secure contractors in a regional location

SUSTAINABILITY IMPLICATIONS

- Economic:** Local suppliers, cafes and at times hotel accommodation will be used during construction.
- Environmental:** Projects are located within Daintree, Cape Tribulation, Degarra, Bloomfield Road and Mossman The Environmental components will be reviewed managed by the Principal Contractor awarded the works. Direct engagement has also sourced input from authoritative Environment
- Social:** The upgrade will improve infrastructure assets to enhance stormwater flow for future wet seasons to Warner, Owen and Mowbray Street, Port Douglas.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector.

Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - We will build appropriate infrastructure and deliver services that connect and support businesses.

Theme 3 - Leading Environmental Stewardship

Our visitors and residents deeply value the unparalleled environment in which we live. We recognise our responsibility in protecting and preserving our natural world for generations to come. We understand the strong link between the environment and the economy: they are interdependent.

Douglas Shire will be at the forefront of environmental protection by developing strategies, setting policies, and working with all stakeholders to become the envy of and to inspire locations across Australia and the World.

Goal 1 - We will protect our sensitive environment and plan for the impact of climate change.

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

COUNCIL'S ROLE

Council can play several different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Builder/Owner Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.

CONSULTATION

Internal: Relevant Council officers.

External: Queensland Reconstruction Authority.

ATTACHMENTS

Nil