



DOUGLAS SHIRE COUNCIL

SPECIAL COUNCIL MEETING

AGENDA

Tuesday, 3 August 2021

ENSURING EXCELLENCE IN GOVERNANCE
ACCOUNTABLE AND TRANSPARENT DECISION-MAKING
ENGAGING, PLANNING, PARTNERING
CELEBRATING OUR COMMUNITIES

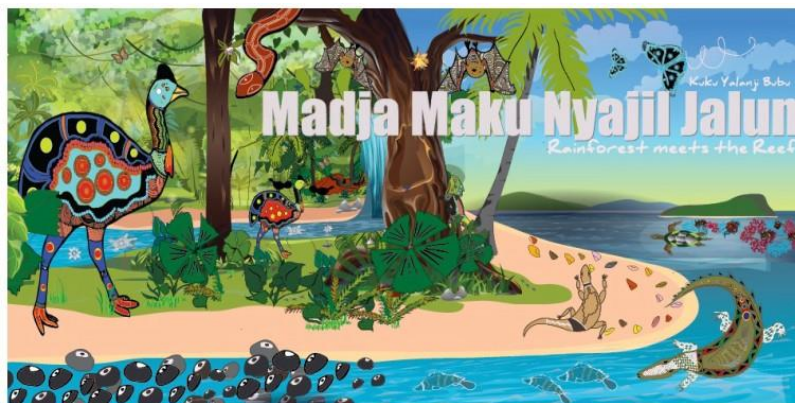
DOUGLAS
SHIRE COUNCIL

PLEASE NOTE:

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Council meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

A copy of the confirmed minutes with the meeting resolutions will be available on Council's website www.douglas.qld.gov.au



Douglas Shire Council would like to show its appreciation by acknowledging local indigenous artists Lenice Schonenberger, Loretta Pierce (Lenoy) and Ronald Bamboo for providing the cover artwork entitled "**Daintree Ferry**"



A **Special Meeting** of the Douglas Shire Council will be held on **Tuesday, 3 August 2021** at **9:00a.m.** at the Council Chambers, 64-66 Front Street, Mossman, and the attendance of each Councillor is requested.

AGENDA

'ACKNOWLEDGEMENT OF COUNTRY'

'I would like to acknowledge the Kuku Yalanji people who are the Traditional Custodians of the Land on which we meet today. I would also like to pay respect to their Elders both past, present and emerging and extend that respect to other Indigenous Australians who may be listening or watching our meeting this morning'.

1. *Attendance and Apologies*
2. *Conflict of Interest*
3. *Agenda Items as Listed*

A handwritten signature in black ink, appearing to be "M. St.", written over a horizontal line.

CHIEF EXECUTIVE OFFICER

**DOUGLAS SHIRE COUNCIL
SPECIAL MEETING
TUESDAY, 3 AUGUST 2021
9:00AM
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3.1. CONTRACT WO5040-02 DONOVAN RANGE PAVEMENT UPGRADE - CHANGE
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3.1. CONTRACT WO5040-02 DONOVAN RANGE PAVEMENT UPGRADE - CHANGE TO CONTRACT

REPORT AUTHOR Scott Hahne, Manager Project Office
MANAGER Mark Stoermer, Chief Executive Officer
DEPARTMENT Project Office

RECOMMENDATION

That Council:

1. Resolves to:

Award a variation for the change in concrete supply to MC Group (QLD) for contract WO5040 – Donovan’s Range Pavement Upgrade as reasonably assessed by Council Officers up to the value of \$480,124.99 (ex GST)

OR

Remove scope from contract WO5040 – Donovan’s Range Pavement as reasonably assessed by Council Officers up to the value of \$1,414,630.16 (ex GST).

OR

Delegates authority under section 257 of the Local Government Act 2009 to the Chief Executive Officer to enter a deed of agreement to mutually end the contract agreement.

OR

Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to end the contract in accordance with the termination for convenience clause of the contract

EXECUTIVE SUMMARY

At the Ordinary Council Meeting of 23 February 2021, MC Group (QLD) Pty Ltd was awarded contract WO5040- Donovans Range Pavement Upgrade. Due to issues with concrete supply a change to the contract is required and Council has four options in how to proceed:

- Option 1 – Award a variation to the contract
- Option 2 - Remove scope from the contract
- Option 3 – Mutually agree to end the contract
- Option 4 – Terminate the contract for convenience

Due to the sensitive commercial nature of the various options, the body of the closed report outlines the details of each option.

BACKGROUND

Council resolved at its 23 February 2021 Ordinary Council Meeting to award the Donovan's Range Pavement Upgrade project to MC Group (QLD) Pty Ltd under an amended resolution. The primary reason for not adopting the officers' recommendation was an overarching view that due to Covid, a local company should be supported. A contributing factor in this decision was also that MC Group's tendered price was the lowest.

MC Group's tender for the project was based on the production of concrete via a mobile batching plant located approximately 15 kilometres from the site at Cape Tribulation.

The proposed batching site was assessed as a High Impact Industry requiring planning approvals. Legal advice made it clear that the proposed batching site would not be possible. Consequently, an alternative to the concrete supply is now required. The only practicable solution now with the time remaining is to obtain concrete supply from either the Mossman or Port Douglas permanent concrete batch plants.

The cost to provide concrete from Mossman or Port Douglas is more expensive; hence, a variation claim has been made by MC Group to an amount of \$328,369.60 (ex GST).

Other variations concerning changes to the contract have been included within this report as they are reasonably significant claims, are current and may have a material effect on the decision made. These changes relate to improvements to the subgrade (or surface on which the concrete pavement will rest on) and the cement content within the concrete to now be supplied. These variations total \$151,755.39

COMMENT

There are four options for Council to consider:

Option 1 – Award a variation to the contract

Option 2- Remove scope from the contract

Option 3 – Mutually agree to end the contract

Option 4 – Terminate the contract for convenience

Details of each option are provided in the closed report

PROPOSAL

That Council:

1. Resolves to:

Award a variation for the change in concrete supply to MC Group (QLD) for contract WO5040 – Donovan's Range Pavement Upgrade as reasonably assessed by Council Officers up to the value of \$480,124.99 (ex GST)

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FINANCIAL/RESOURCE IMPLICATIONS

The finance/resource management implications for each option have been provided to Councillors.

RISK MANAGEMENT IMPLICATIONS

The risk management implications for each option have been provided to Councillors.

SUSTAINABILITY IMPLICATIONS

Economic: Nil

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

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 a number of 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: Internal relevant departments

External: Legal advice

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

Nil