

ORDINARY COUNCIL MEETING**26 AUGUST 2014****5.7****FUNDING FOR DISASTER RESILIENCE CAPITAL WORKS**

Paul Hoyer – General Manager Operations: #427170

RECOMMENDATION:**That Council:-**

1. **Notes that the Government funding for the Degarra Causeways Access Flood Immunity Upgrade Project is 70% of the total project cost of \$858,130;**
2. **Allocates \$257,565 from General Revenue for the funding of Council's contribution towards the delivery of the Degarra Causeways Access Flood Immunity Upgrade; and**
3. **Enters into a Sub-Agreement with the Department of Local Government, Community Recovery and Resilience to deliver the project; and**
4. **Delegates authority to the Mayor and Chief Executive Officer in accordance with the *Local Government Act 2009* to negotiate, finalise and execute any and all matters associated with the project.**

EXECUTIVE SUMMARY:

The Commonwealth and the State Government have established the Natural Disaster Resilience Program (the Program) to assist organisations in the implementation of natural disaster mitigation projects aimed at improving community resilience by reducing communities' exposure to the risk, damage, and losses from natural disasters. Council applied for funding under the Natural Disaster Resilience Program for a project titled Degarra Causeways Access Flood Immunity Upgrade and has been successful in obtaining funding for 70% (\$600,565) of the total project cost of \$858,130.

The project involves raising the level of two causeways across the Woobadda River that provide public access to the Degarra community. Raising the existing causeway crossings will improve the flood immunity of the sole access to Degarra and assist in providing recovery assistance, continuity of essential services, and connectivity between the communities in the Bloomfield Valley. The project is required to be delivered before the end of the 2014/2015 financial year. During the development of the Council's 2014/2015 capital works program no allowance was made for the required \$257,565 funding contribution from Council.

BACKGROUND:

Council was advised on 26 March 2014 that the Department of Local Government, Community Recovery and Resilience ("the Department") was inviting applications for suitable projects under the 2014-15 Natural Disaster Resilience Program. Council officers submitted an application for the upgrading of the causeways at Degarra on the basis that the new causeways, in conjunction with the recently completed Bloomfield bridge would increase the resilience of the Degarra community to the impacts of flooding. The application process specified that funding was available on the basis that applicants provided **60%** of the total

project costs. Due to the high costs of the project Council submitted an application on the basis that Council would provide **30%** of the total project costs.

During the development of the 2014/2015 capital works program a budget was not provided for the project. This decision was undertaken on the basis that the project had not been approved and due to the high level of Government funding that was requested outside the guidelines, that the likelihood of approval was low.

On 4 August 2014 a Sub-Agreement was received from the Department (see attachment) for Council to enter into an agreement to deliver the project on the basis that Council contributes 30% of the funds being \$257,565. Council now needs to allocate the necessary funds if it wishes to proceed with the project or alternatively Council may decide not to proceed with the project and not accept the \$600,565 in funding.

PROPOSAL:

The project has merit in providing resilience to flooding in the Degarra area and has been approved for significant government funding. It is proposed that Council proceed with the project and allocate \$257,565 from general revenue for Council's 30% contribution towards the project costs.

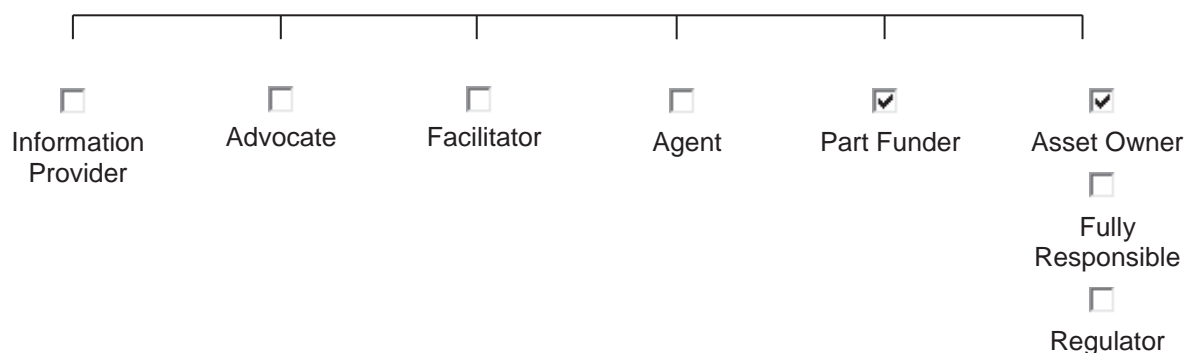
CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE:

Theme 4: Goal 3 To ensure effective disaster management planning to support the Douglas communities

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:



Part Funder:	Sharing the cost of a program or activity with other organisations.
Asset Owner:	Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.

FINANCIAL/RESOURCE IMPLICATIONS:

The required Council contribution has not been budgeted for in the current 2014/2015 year and would be additional to the existing capital works budget. The majority of works including project management would be outsourced for this project.

RISK MANAGEMENT IMPLICATIONS:

A project plan has been developed and preliminary meetings held. The biggest risk is delivery of the project within the time frame due to wet weather. This risk has been identified in the proposal.

SUSTAINABILITY IMPLICATIONS:

ECONOMIC: Proceeding with the project will provide greater employment opportunities for members of the local community and Council will use its best endeavours to ensure that competitive local firms are given a full, fair and reasonable opportunity to supply the project.

ENVIRONMENTAL: No environmental concerns are envisaged with the project and all construction will be in accordance with the Road Maintenance Code of Practice for the Wet Tropics.

SOCIAL: Proceeding with the project will mean that the road assets for access to Degarra will be improved as will the flood immunity of the sole access to Degarra. This improvement will assist in disaster recovery, emergency vehicles access, continuity of essential services and the connectivity between the remote communities.

INTERNAL/EXTERNAL CONSULTATION:

The Finance Manager has been consulted in the preparation of this report.

ATTACHMENTS:

Copy of the proposed sub-agreement for the project under the 2014/2015 Natural Disaster Resilience Program.



SUB-AGREEMENT

for

**2014-15 Natural Disaster Resilience
Program**

Douglas Shire Council

SUB-AGREEMENT:

Douglas Shire Council – 2014-15 Natural Disaster Resilience Program – Degarra Causeways Access Flood Immunity Upgrade

PARTIES

The State of Queensland acting through the Department of Local Government, Community Recovery and Resilience ('the Department') of Level 17 Mineral House, 41 George Street, BRISBANE QLD 4000	Douglas Shire Council ('the Organisation') of 64-66 Front Street, MOSSMAN QLD 4873
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BACKGROUND

- A. The Commonwealth and the Department have established the Natural Disaster Resilience Program (the Program) to assist organisations in the implementation of natural disaster mitigation projects aimed at improving community resilience by reducing communities' exposure to the risk, damage and losses from natural disasters.
- B. The Commonwealth and the State have entered into a National Partnership Agreement (Partnership Agreement) for Natural Disaster Resilience which underpins the provision of Program funds from the Commonwealth to the State and matching contribution of the State for the implementation of approved eligible natural disaster resilience projects by eligible organisations.
- C. The Organisation has been successful in its application for Approved Funding under the insert 'year of funding approval' Natural Disaster Resilience Program for insert 'Project Title'.
- D. The Parties entered into a Head Funding Deed of Agreement ('Head Agreement') on 1 July 2014. The Head Agreement provides the standard terms and conditions on which this offer of Approved Funding is made.
- E. This Sub-agreement records the details of the Approved Project and Approved Funding together with the requirements and Special Conditions under which the Approved Funding is offered by the Department to the Organisation.

AGREEMENT

1. RELATIONSHIP BETWEEN HEAD AGREEMENT AND SUB-AGREEMENT

This Sub-agreement is subordinate to the Head Agreement and in all respects, the Head Agreement should be read in conjunction with this Sub-agreement.

Where the Head Agreement expires during the term of this Sub-agreement and is replaced by another Head Agreement (the 'New Head Agreement') on substantially the same terms as the expired Head Agreement, the New Head Agreement will apply to this Sub-agreement from the date the New Head Agreement commences, except where the Parties agree in writing that it will not.

For the purposes of this Sub-agreement, references to the term "Head Agreement" will then be taken to refer to the New Head Agreement.

2. DEFINED TERMS

All capitalised terms not defined in this Sub-agreement have the meaning given to those terms in the Head Agreement.

3. PROJECT DETAILS

Application Number: DoSC NDRP14/15 0004		
Project Approval Date: 25 June 2014		Project Completion Date: 30 June 2015
Project Commencement Date: 1 July 2014		
Approved Project: Degarra Causeways Access Flood Immunity Upgrade		
Purpose of Funding: Funding has been approved to raise two existing causeway crossings to increase flood immunity and allow disaster recovery and emergency vehicle access after disaster events to the Degarra community which is located on the southern side of the Bloomfield River opposite Wujal Wujal		
Project Site: Degarra		
Total Project Cost (<i>at application</i>): \$858,130		
The Organisation's Funding Contribution: \$257,565		
Maximum amount of State Government Approved Funding: \$472,008	Maximum amount of Commonwealth Government Approved Funding \$128,557	Approved Government Funding Percentage: 70%

4. PAYMENT SCHEDULE

Maximum amount of Approved Funding	Payment Schedule Milestone	
\$600,565	First Payment 30%	Will be made within 10 working days of the Department executing this Sub-agreement if the Organisation first fulfills Element 1 and Element 2 of the negotiated special conditions.
	Second and Subsequent Payments 60%	Progress claims can be made to the Department once the previous payment has been expended and acquittal for this payment received by the Department if the Organisation first fulfills Element 3 of the negotiated special conditions.
	Final Payment 10%	Will be made after receipt of final acquittal documentation as outlined in Clause 5.4 and Clause 8 of this Sub-agreement.

5. COMPULSORY SPECIAL CONDITIONS

5.1 Project Management

- 5.1.1. The Organisation agrees to engage or nominate from within the Organisation, a suitably qualified Project Manager with the relevant skills and experience and professional indemnity and public liability insurances appropriate to the value and the total project cost to undertake management of the Approved Project.

- 5.1.2. If the Department reasonably forms the opinion that the person that has been selected as Project Manager does not have the skill, qualifications or experience to undertake the Approved Project, the Department may require the Organisation to appoint a Project Manager suitable to the Department.
- 5.1.3. The Organisation will allow the Department and its agents or a Commonwealth representative:
 - i. access to the Project Site prior to, during and/or after completion of the Approved Project; and
 - ii. access to the contracted or nominated Project Manager on three (3) business days notice, and render all reasonable and necessary assistance to enable those persons to:
 - a) undertake project monitoring; and
 - b) oversee the progress of construction and development on a regular basis.

5.2 Tendering and Quotations

- 5.2.1 In the procurement of the Approved Project the Organisation agrees to comply with any obligations under the *Local Government Act 2009* and other relevant laws.
- 5.2.2 The Organisation agrees to supply, upon request, a copy of the successful quotation and associated contract documentation for the Approved Project to the Department. Where the cost (either estimated or based on the value of agreements) of the Approved Project exceeds that estimated by the Organisation in its application, the Organisation agrees to absorb these additional costs.

5.3 Construction and Contracting

- 5.3.1 The Organisation agrees to not commence construction of the Approved Project until all development, building and other associated approvals have been obtained.
- 5.3.2 The Organisation agrees to provide a project plan in an appropriate format identifying key milestones such as design stages, tender stage, construction stage and defects liability period, the key dates of which will form part of this Sub-agreement.
- 5.3.3 The Organisation must comply with all relevant Commonwealth, State and Local Government laws, including laws relating to the standards and inspection of the Approved Project.
- 5.3.4 The Organisation ensures that where applicable, the Building Code 2013 is complied with.
- 5.3.5 The Organisation must act in accordance with the *Fair Work (Building Industry) Act 2012*, by ensuring only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme are contracted to undertake any building project or projects as defined under the Fair Work (Building Industry – Accreditation scheme) Regulations 2005.

- 5.3.6 The Organisation agrees to certify that the completed project complies with the principles of Crime Prevention through Environmental Design (CPTED).
- 5.3.7 Where any alteration, addition, refurbishment or demolition of a building containing asbestos materials is proposed, the Organisation agrees to comply with the *Work Health and Safety Regulation 2011* which requires owners of buildings built on or before 31 December 2003 to keep an asbestos register at each workplace where asbestos materials have been identified.
- 5.3.8 The Organisation agrees to ensure that the Project Manager is made responsible for ensuring that the asbestos register is reviewed by the contractor to determine the exact location of any asbestos materials prior to commencement of any work on the building. The Organisation and the Project Manager agree to ensure that:
 - i. an appropriate clause is included to alert the contractor of the need to access and assess the asbestos register;
 - ii. appropriate clauses are included to cover disclosure of any further asbestos materials; and
 - iii. the contract provides for the cost of removal of asbestos materials.

5.4 Financial Acquittal

- 5.4.1 Subject to the terms of this Sub-agreement, the Department agrees to pay the Organisation an amount up to the Approved Funding for expenditure incurred by the Organisation for the completion of the Approved Project between the Project Commencement Date and the Project Completion Date.
- 5.4.2 The Approved Funding amount will not exceed the Approved Funding Percentage detailed in Clause 3 of this Sub-agreement.
- 5.4.3 The final claim for payment and relevant completion documentation are to be provided to the Department within one month of the Project Completion Date.
- 5.4.4 Payments will be paid by electronic transfer. Payment by way of electronic transfer is subject to the Organisation completing the Payment by Electronic Funds Transfer form provided by the Department.
- 5.4.5 Payment of the Approved Funding is subject to the State receiving sufficient funds from the Commonwealth under the National Partnership Agreement for Natural Disaster Resilience.
- 5.4.6 Payment of the Approved Funding is further subject to the Department being satisfied with:
 - i. the progress of the Approved Project as reported by the Organisation, Departmental officers or specialist reports and certification as required;
 - ii. the Organisation meeting Special Conditions within the negotiated timeframes as detailed in Clause 6 of this Sub-agreement;
 - iii. the general performance and accountability of the Organisation in relation to any other grants and subsidies provided by the Department to the Organisation;

- iv. the Organisation meeting any increase in project cost over and above the subsidised amount;
- v. the scope of the Approved Project remaining consistent with the project plan provided as Element 2 of the negotiated special conditions;
- vi. the Organisation maintaining accurate cashflow forecasts aligned with the agreed project plan. Any changes to cashflows must be identified in the progress report/s and Departmental officers advised within five (5) working days prior to the original agreed date.

6 Negotiated Special Conditions (to be negotiated with the Organisation - delete as applicable to the project)

ELEMENT	OBLIGATION
1. Sub-agreement	The Organisation agrees to return a signed copy of this Sub-agreement to the Department within four (4) weeks of the date shown in the accompanying Funding Agreement letter.
2. Project Plan	The Organisation agrees to complete a project plan and provide it to the Department within four (4) weeks of the date shown in the Funding Agreement letter.
3. Project Progress Reports	The Organisation agrees to complete and submit project progress reports including funding forecasts to the Department by the 15th day of each month, and using the template provided in Attachment 1, and in accordance with the project scope as specified in the project plan provided in Element 2.
4. Project Final Report	The Organisation agrees to complete the project final report and provide it to the Department within one (1) month of the Project Completion Date.
5. Funding Contribution	The Organisation agrees to provide a written statement of funding required to cover project costs over and above the Approved Funding amount to complete the Approved Project.

7 ACKNOWLEDGEMENT

- 7.1.1 The Organisation agrees to, at the Organisation's cost, recognise the contribution of the Commonwealth Government and Department as major sponsors as set out in the acknowledgement requirements on the Department's website at www.dlgcr.qld.gov.au.
- 7.1.2 The Organisation agrees to maintain all signage to a reasonable standard for the life of the facility at no expense to the Department. This will include the removal of graffiti and general repair or replacement if necessary.
- 7.1.3 The Organisation agrees to ensure the construction and installation of acknowledgement signage complies with all relevant legislative codes, regulations and standards including the *Building Act 1975* and the Building Code of Australia.

8 PROJECT ACQUITTAL

- 8.1.1 The Organisation acknowledges that the Commonwealth Government and the Department are funding the Approved Project for the public benefit, which includes allowing members of the public reasonable access to and rights of use of the Approved Project. The Organisation will manage the Approved Project in such a way as to ensure this occurs and to achieve the purposes set out in this Sub-agreement.
- 8.1.2 The Organisation agrees to ensure that the completed Approved Project complies with all relevant legislation affecting the purpose, use and benefit of the Approved Project to the community.
- 8.1.3 The Organisation agrees to provide to the Department within one month after the Project Completion Date, as part of its final acquittal documentation:
 - i. a letter signed by the Organisation's Accountable Officer certifying the completed project complies with the Approved Project as described in Clause 3 and the project plan and that the completed project fulfills its stated purpose and objectives;
 - ii. verification of the project completion (including certification from other relevant government entities) as required for the project; and
 - iii. the project final report providing:
 - a. project title and brief description;
 - b. date of completion;
 - c. the approved funding;
 - d. the project's objectives and the extent to which these have been met, as provided in the Organisation's application and project plan;
 - e. the benefits accruing to the community from the project and impediments to achieving objectives or undertaking the project;
 - f. a comparison of estimated and final costs of the project, with an explanation of any cost over-runs;
 - g. at least three (3) colour photographs of the completed works certified by the Organisation's Accountable Officer;
 - h. a photograph of the plaque or sign acknowledging the contribution of the Commonwealth Government and the Department; and
 - i. copies of all relevant approvals and certifications as required by any Acts, Laws or Regulations, where applicable.

BUY LOCAL

- 9.1.1 The Organisation acknowledges that the Commonwealth Government and the Department are funding the Approved Project for the public benefit, which includes supporting greater employment opportunities for members of the local community.
- 9.1.2 When conducting procurement processes, the Organisation agrees to use its best endeavours to ensure that competitive local firms (that comply with relevant legislation) are given a full, fair and reasonable opportunity to supply the Approved Project. For larger, more complex purchases 'local' may be interpreted as the whole of Queensland.

Executed as an Agreement:

SIGNED for and on behalf of the **STATE OF QUEENSLAND**
acting through the Department of Local Government,
Community Recovery and Resilience

by

 (name)

the

 (position)

being duly authorised in this behalf,

this _____ day of _____ 20__ in the presence

of

 (signature of witness)

 (name of witness)

 (Signature)

SIGNED for and on behalf

of **Douglas Shire Council**

by

 (name)

the

 (position)

being duly authorised in this behalf,

this _____ day of _____ 20__ in the presence

of

 (signature of witness)

 (name of witness)

 (Signature)