



**Special Council Minutes
Wednesday 16 May 2012 at 3.00 pm**

Council Members >>

The Mayor, Councillor Jenny Hill
Councillor Suzanne Blom
Councillor Colleen Doyle
Councillor Gary Eddiehausen
Councillor Ray Gartrell
Councillor Jenny Lane
Councillor Pat Ernst
Councillor Tony Parsons
Councillor Trevor Roberts
Councillor Vern Veitch
Councillor Les Walker

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MINUTES >> SPECIAL COUNCIL MEETING
DATE >> Wednesday 16 May 2012 at 3.00 pm
ITEMS >> 1 TO 4
PRESENT >> Councillor S Blom
Councillor C Doyle
Councillor G Eddiehausen
Councillor R Gartrell
Councillor J Lane
Councillor P Ernst
Councillor A Parsons
Councillor V Veitch
Councillor L Walker
The Mayor, Councillor J Hill



Opening of Meeting >>

The Chair, Mayor Jenny Hill opened the meeting at 3.00 pm.

Apologies and Leave of Absence >>

It was MOVED by Councillor G Eddiehausen, SECONDED by Councillor P Ernst:

"that the apologies received from Councillor T Roberts be received and that for the purposes of section 162(1)(e) of the *Local Government Act 2009*, Councillor T Roberts be granted leave of absence from this meeting."

CARRIED

Disclosure of Interests >>

There were no conflicts of interest or material personal interests declared.

Deputations >>

There were no deputations.

It was MOVED by Councillor P Ernst, SECONDED by Councillor V Veitch:

"that council RESOLVE to close the meeting in accordance with Section 72(1)(e) of the *Local Government (Operations) Regulation 2010* which permits the meeting to be closed to the public for business relating to the following:

- (e) contracts proposed to be made by it." (Item 1)

CARRIED

Council discussed the item/s.

It was **MOVED** by Councillor P Ernst, **SECONDED** by Councillor V Veitch:

"that council RESOLVE to open the meeting".

CARRIED

OFFICERS REPORTS >>

CONFIDENTIAL ITEMS >>

1 T6174 - JEZZINE REDEVELOPMENT

REPORT TO COUNCIL

Authorised by	Director Infrastructure Services
Prepared by	Project Manager - Major Projects
Department	Construction and Maintenance
Date	17 April 2012

Executive Summary >>

Council invited tenders from three approved short-listed Expression of Interest respondents for T6174 - Construction of the Jezzine Barracks Redevelopment contract on 1 March 2012. The tender period closed on 4 April 2012 and with tenders received from all three short-listed respondents.

The Evaluation Panel prepared the Recommendation Report which is attached to the agenda item for council's consideration.

Officer's Recommendation >>

1. That the report/attachment be deemed a confidential document and be treated as such in accordance with sections 171 and 200 (9) of the *Local Government Act 2009* and that the document remain confidential unless council decides otherwise by resolution.
2. That council appoint Abigroup Contractors Pty Ltd as the preferred tenderer, with BMD Constructions Pty Ltd as the second preferred tenderer.
3. That council, in accordance with section 187 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, authorise the Chief Executive Officer to:
 - (a) approve the formation of a lump sum contract arising out of negotiations with the preferred tenderer, or in the event of negotiation breakdown with the second preferred tenderer, to the maximum contract value being not greater than \$34 million; and
 - (b) approve variations as required and necessary to that contract for values exceeding \$150,000 (GST inclusive) within the limits of the approved construction budget and subject to funds availability.

Council Resolution >>

It was **MOVED** by Councillor V Veitch, **SECONDED** by Councillor G Eddiehausen:

"That the Officers Recommendation be adopted."

CARRIED

2 T6183 - REFURBISHMENT OF APLINS WEIR - CONSTRUCTION PHASE**REPORT TO COUNCIL**

Authorised by Director Commercial Businesses
Prepared by Acting Manager Programs and Technical Support
Department Programs and Technical Support
Date 01 May 2012

Executive Summary >>

A number of reports over the past 10 years have identified the need to upgrade the three Ross River weirs. The most recent report is the Aplin's, Gleeson's and Black Weir Risk Assessment, AECOM, 16 November 2009, which identified an unacceptable engineering factor of safety for Gleeson's and Aplin's Weirs, and recommended that the two weirs be rehabilitated. Black Weir required minor repair works, and this was undertaken with the Gleeson Weir Rehabilitation Project in 2010.

The latest design for Aplin's Weir was undertaken and completed by GHD in 2010 and was shelved awaiting funding. Once the project was given approval to proceed, GHD undertook a minor review of the design documentation, which was finalised in early 2012. The proposed works will bring the last of the three weirs in line with current industry standards and is expected to extend this the asset's remain life for in excess of 100 years.

Of the six tenderers, the preferred tenderer has the lowest price, which is within budget, and has provided adequate details of its conforming and alternative methodologies to provide Townsville City Council with comfort of its ability to perform the works.

Officer's Recommendation >>

1. That the report/attachment be deemed a confidential document and be treated as such in accordance with sections 171 and 200 (9) of the *Local Government Act 2009* and that the document remain confidential unless Council decides otherwise by resolution.
2. That CivilPlus Constructions be awarded Contract T6183 – Refurbishment of Aplin's Weir for the price of \$3,190,965 (including GST) for their alternative tender (Option A) which includes minor additional fish disentrainment works;
3. That Townsville Water discusses with Department of Agriculture, Fisheries and Forestry (DAFF) the extent of additional works they have requested to a maximum additional costs of \$151,898 (including GST);
4. That Townsville Water also investigates state, federal and other agencies funding opportunities for the fish distentrainment and potential fish passage works.

Council Resolution >>

It was MOVED by Councillor V Veitch, SECONDED by Councillor A Parsons:

"That the Officers Recommendation be adopted."

CARRIED

3 T6436 - REPAIRS TO AND APPLICATION OF PROTECTIVE COATINGS TO DN375 MT SPEC PIPELINE, BOTTOM CITY AND MT LOUISA RESERVOIR

REPORT TO COUNCIL

Authorised by Director Commercial Businesses
Prepared by Acting Manager Programs & Technical Support
Department Townsville Water - Planning Delivery and Quality
Date 02 May 2012

Executive Summary >>

This contract involves the execution of repair works and application of protective coatings to three key assets within Townsville City Council's water supply network, these being:

- Part A – DN375 Mt Spec Pipeline,
- Part B – Bottom City Reservoir,
- Part C – Internal relining of Mt Louisa Reservoir.

The contract is a lump sum contract not subject to rise and fall. The general condition of contract adopted by council for the purposes of this contract is AS4000. Tenders were advertised in the Townsville Bulletin and closed on 28 March 2012. Six tenders were received in total.

Officer's Recommendation >>

1. That the report/attachment be deemed a confidential document and be treated as such in accordance with sections 171 and 200 (9) of the *Local Government Act 2009* and that the document remain confidential unless Council decides otherwise by resolution.
2. That council award contract T6436 to Queensland Painters and Maintenance Services Pty Ltd (QPAMS) including the works outlined by QPAMS under their Tender Option A (i.e. removal of top coat only on pipeline); the appointment of Garth Jankovic for the works in connection with the mural reinstatement and the appointment of independent coating inspector for all pre and post inspection works. The tender sum is broken down as follows:

Part A Mt Spec Pipeline Section A (680 m)	\$47,600
Part A Mt Spec Pipeline Section B (546m)	\$38,220
Part A Mt Spec Pipeline Section C (460m)	\$32,200
Part B Bottom City Reservoir Repainting of Reservoir	\$192,000
Part C Mt Louisa Reservoir	\$353,700
Appoint Independent Coating Inspector	\$17,200
<u>Contract Sum excluding GST</u>	\$680,920
<u>GST</u>	\$68,092
<u>Total including GST</u>	\$749,012

Council Resolution >>

It was **MOVED** by Councillor P Ernst, **SECONDED** by Councillor R Gartrell:

That the Officers Recommendation be adopted.

CARRIED

4 CONDITIONS OF FUNDING AGREEMENT WASTEWATER UPGRADE PROJECT**REPORT TO COUNCIL**

Authorised by Director Commercial Businesses
Prepared by Director Commercial Businesses
Department Commercial Businesses
Date 08 May 2012

Executive Summary >>

Council had entered into funding agreements with both the Federal and State Governments which were conditional upon implementing consumption based pricing consistent with Best Practice pricing Principles, which require two-part water tariffs (provided they are cost effective).

In accordance with these agreements, council implemented compulsory two-part water tariffs in the 2010/11 financial year. Due to the resulting community concern, the Premier of Queensland released council from its funding obligations to implement two-part tariffs and council subsequently reverted to its former pricing systems in the 2011/12 year, allowing water customers to choose between a two-part tariff; or a standard allocation.

Whilst the Federal government funding agreement required two-part tariffs to be introduced as a condition of its funding towards the Wastewater Upgrade Project, council sought to negotiate with them to relax this requirement. These negotiations resulted in a variation of the funding agreement subject to council satisfying the following conditions by 7 June 2012:

1. Undertaking a cost effectiveness test on the introduction of two-part tariffs;
2. Considering and making a resolution in relation to the cost effectiveness of two-part tariffs; and
3. Adopting and submitting a revised Best Practice Pricing Implementation Plan.

Officer's Recommendation >>

That council resolve:

- (a) that in accordance with section 12 of the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010*, to conduct an assessment of two-part tariffs by considering the Price Waterhouse Coopers' Two-part Tariff Study on Residential Water Charges;
- (b) that this report and the Price Waterhouse Coopers' Two-part Tariff Study on Residential Water Charges be accepted as the assessment report for the purposes of Section 12 (2) of the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010*;
- (c) that this report and its attachments be made available to the public;
- (d) that in accordance with section 15 (2) (b) of *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010*, note the recommendation to implement two-part tariffs for residential water users;
- (e) that in accordance with section 15 (2) (b) of *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010*, to note the recommendation to develop an implementation timeline and procedure after considering community feedback;
- (f) that Public Notice of council's decision be given in accordance with section 17 of *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010*; and
- (g) that council consider this matter further, after receiving community feedback, at a special meeting to be held on 5 or 6 June 2012.

Council Resolution >>

It was MOVED by Councillor S Blom, SECONDED by Councillor P Ernst:

That the Officers Recommendation be adopted.

The motion was CARRIED unanimously.

Close of Meeting >>

The Chair declared the meeting closed at 3.55pm.

CONFIRMED this

day of

2012

MAYOR

CHIEF EXECUTIVE OFFICER