

SUPPLEMENTARY AGENDA

General Meeting - 527

31 March 2021

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for consideration within the respective section of the General Meeting

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11. OFFICERS' REPORTS TO COUNCIL (conducted in Sessions) cont'd

(as referred by the Chief Executive Officer)

Consideration of officers' reports as referred by the Chief Executive Officer, to be conducted in Sessions.

The appointed Portfolio Councillor will facilitate the conduct of the respective session under the control of the Mayor as the Presiding Officer.

| Session | Portfolio Councillor | Deputy Portfolio Councillor |
|--|-----------------------|------------------------------|
| 1 Governance & Engagement | Cr P Flannery (Mayor) | Cr D Sims (Deputy Mayor) |
| 2 Infrastructure Planning | Cr A Hain | C T Latter |
| 3 Engineering, Construction & Maintenance | Cr B Savige | Cr C Tonks |
| 4 Planning | Cr D Grimwade | Cr K Winchester / Cr M Booth |
| 5 Community & Environmental Services | Cr M Gillam | Cr S Ruck |
| 6 Finance & Corporate Services | Cr M Constance | Cr J Shipway |

3 ENGINEERING, CONSTRUCTION & MAINTENANCE SESSION

(Cr B Savage)

ITEM 3.8

TENDER - DELANEYS CREEK - DELANEYS CREEK COMMUNITY HALL - BUILDING UPGRADE

Meeting / Session: 3 ENGINEERING, CONSTRUCTION & MAINTENANCE
Reference: 61734248 : 11 March 2021 Refer **Confidential** Supporting Information
61705045
Responsible Officer: CB, Project Engineer (ECM Project Management)

Executive Summary

Tenders were called for the 'Delaneys Creek - Delaneys Creek Community Hall - Building Upgrade (MBRC010693)' project. Tenders closed on the 2 March 2021 with a total of one tender received, which was conforming.

It is recommended that the tender for the 'Delaneys Creek - Delaneys Creek Community Hall - Building Upgrade (MBRC010693)' project be awarded to Fitout and Refurbishment Australia Pty Ltd, for the sum of \$326,800.00 (excluding GST) as this tender represents the best overall value to Council.

The project has secured \$170,000 in funding from the State Government's Working for Queensland (W4Q) COVID-19 funding program.

OFFICER'S RECOMMENDATION

1. That the tender for the "Delaneys Creek - Delaneys Creek Community Hall - Building Upgrade (MBRC010693)" project be awarded to Fitout and Refurbishment Australia Pty Ltd, for the sum of \$326,800 (excluding GST).
2. That the Council enters into an agreement with Fitout and Refurbishment Australia Pty Ltd, as described in this report.
3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Fitout and Refurbishment Australia Pty Ltd for the "Delaneys Creek - Delaneys Creek Community Hall - Building Upgrade (MBRC010693)" project and any required variations of the agreement on Council's behalf.
4. That it be noted this project has been awarded in accordance with Council's Procurement Policy under the Competitive Local Business and Industry (local preference) initiative.
5. To allow this project to continue, Council commits to the provision of an additional \$165,000 in the 20-21 FY quarter three financial review process.

ITEM 3.8 TENDER - DELANEYS CREEK - DELANEYS CREEK COMMUNITY HALL - BUILDING UPGRADE - 61734248 (Cont.)

REPORT DETAIL

1. Background

The project is located at the Delaneys Creek Community Hall, 219 Mt Mee Road, Delaneys Creek. The project scope includes the upgrade of the hall, specifically, the works include:

- Improved pathway access to entry;
- A Disability Accessible Parking Bay (DAPB);
- Upgrading handrails on ramp to current standards;
- Improving access to the hall stage;
- Upgrading main entry door and signage to current standards; and
- Strengthening roof truss system including replacing the roof sheeting on the eastern and western planes (to allow solar panel installation as part of a future project).

The objective of the project is to improve the function and safety of the hall while maintaining the heritage value of the facility.

The original hall is 115 years old, servicing Delaneys Creek and surrounds. The existing deficiencies include non-compliant access and a roof structure not capable of solar panel installation. The expected outcome of the project is to provide a safe and accessible hall for the local community.

Construction will commence in April 2021 and take 12 weeks to complete which includes an allowance for wet weather and is currently programmed to be completed by 30 June 2021.

The project has secured \$170,000 in funding from the State Government's Working for Queensland (W4Q) COVID-19 funding program.



Figure 1 - Delaneys Creek Hall Locality Plan

ITEM 3.8 TENDER - DELANEYS CREEK - DELANEYS CREEK COMMUNITY HALL - BUILDING UPGRADE - 61734248 (Cont.)



Figure 2 - Side Perspective

2. Explanation of Item

Tenders for the “*Delaneys Creek - Delaneys Creek Community Hall - Building Upgrade (MBRC010693)*” project closed on the 2 March 2021 with a total of one tender received, which was conforming. The tenders were assessed by the assessment panel in accordance with Council’s Purchasing Policy and the selection criteria as set out in the tender documents.

All tenderers and their evaluation scores are tabled below (ranked from highest to lowest).

| RANK | TENDERER | EVALUATION SCORE (PRE LP) | EVALUATION SCORE (POST LP) |
|------|--|---------------------------|----------------------------|
| 1 | Fitout and Refurbishment Australia Pty Ltd | 100 | 103.75 |

Fitout and Refurbishment Australia Pty Ltd (‘FARA’) - submitted a comprehensive and well-presented tender demonstrating relevant similar project experience. A tender clarification meeting was held on 10 March 2021, at which FARA demonstrated their relevant experience, methodology, understanding of the project and capability in delivering the project. FARA provided examples of relevant project experience including Redlands College E Block infill at Redlands (valued at \$550k); and UQ Biosciences Forecourt at St Lucia (valued at \$1.2m); and 7 Austral Avenue at Graceville (valued at \$750k), all for private entities.

FARA’s submission was determined to provide value for money to Council when compared to general rates for construction taken from Rawlinsons *Australian Construction Handbook* estimating refurbishment of smaller buildings in Brisbane at \$710-860/m². The Delaneys Creek Community Hall upgrade has a gross floor area of 423m² with the inclusion of the car park. The tendered construction price is \$326,800 therefore the rate per m² is \$773/m².

There are significant works involved in this hall upgrade including works to the roof structure, roof sheeting, structural columns, staircases, car park, balustrading and doorways.

It is noted that rural location of the building may have been a deterrent to tenderers in addition to current market conditions. This may have contributed to the submission of only one tender for this project.

3. Strategic Implications

3.1 Legislative / Legal Implications

Due to the value of the work expected to be greater than \$200,000, Council called a public tender for the work through the LG Tender system in accordance with the *Local Government Act 2009*.

ITEM 3.8 TENDER - DELANEYS CREEK - DELANEYS CREEK COMMUNITY HALL - BUILDING UPGRADE - 61734248 (Cont.)

3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Valuing Lifestyle: Quality recreation and cultural opportunities - celebrating local arts, culture and community.

3.3 Policy Implications

This project/contract/initiative has been procured/sourced in accordance with the provisions of the following documents:

- Council's Procurement Policy 2150-006
- *Local Government Act 2009*
- Local Government Regulation 2012 Chapter 6.

3.4 Risk Management Implications

A detailed risk management plan has been prepared. The project risk has been assessed and the following issues identified. The manner in which the possible impact of these risks are minimised is detailed below.

A third party review of financial status has been carried out and the successful tenderer was rated 'sound'.

- a. The recommended tenderer will provide a program of works, staging plans, traffic management plans, safety management plan, environmental management plan, and quality management documentation as part of the contract to detail how they will plan, establish and manage project construction risks which will be reviewed and audited by Project Management.
- b. The recommended tenderer has indicated their understanding of the project site and the proximity of the natural environment and surrounding properties to ensure the safety and well-being of all during the works.
- c. The recommended tenderer has indicated that their program of works takes into consideration the provision of appropriate resources to be able to complete the project works effectively and on time. The procurement risks relating to this project are considered low as there is adequate lead time for the recommended tenderer to procure the relevant project construction materials. At the tender clarification meeting, the recommended tenderer did not raise any COVID-19 related impacts which would affect material supply chains and overall time delivery of the project works.
- d. The project is not impacted by any Development Approvals.
- e. Dilapidation inspections will be conducted prior to works commencing on building and surrounding areas to record the existing condition of assets and again after construction to record any change.

3.5 Delegated Authority Implications

Under delegation Council-163, the CEO has the power to enter into contracts up to and including the amount of one percent (1%) of Council's net rate and utility charges as stated in Council's audited financial statements included in Council's most recently adopted annual report - estimated \$3.2M, providing the expenditure has been provided for in Council's annual budget.

The cost of this project requires an amendment to the budget allocation and is therefore reported to Council for consideration.

3.6 Financial Implications

Council has allocated a total of \$220,000 in the 20-21 FY Capital Works Program, with \$170,000 provided from the Works for Queensland (W4Q) towards the project.

| | | |
|-----------------------------|-----------|-----------------|
| Design 20/21 | \$ | 22,215.00 |
| Tender Price (Construction) | \$ | 326,800.00 |
| Contingency (10%) | \$ | 32,680.00 |
| <u>QLeave (0.575%)</u> | <u>\$</u> | <u>1,879.10</u> |

Moreton Bay Regional Council

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31 March 2021

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Supplementary Agenda

ITEM 3.8 TENDER - DELANEYS CREEK - DELANEYS CREEK COMMUNITY HALL - BUILDING UPGRADE - 61734248 (Cont.)

| | | |
|------------------------------------|-----------|--------------------------|
| <u>Total Project Cost</u> | \$ | <u>383,574.10</u> |
| Works for Queensland (W4Q) funding | \$ | 170,000.00 |
| Net Project cost to Council | \$ | 213,574.10 |

Estimated ongoing operational/maintenance costs \$4,120 per F/Y.

The budget amount for this project is insufficient. To allow this project to continue, Council commits to the provision of an additional \$165,000 in the 20/21 FY quarter three financial review process.

3.7 Economic Benefit Implications

The upgrade will increase the ability of the hall to be hired and improve its functionality. Funds generated by increased use will assist the hall committee with management and operational expenses.

3.8 Environmental Implications ☒ Nil identified

3.9 Social Implications

The community hall is a hub for local activity and provides a positive space for members of the community to meet, socialise and connect with one another. The upgrade proposed to the hall will improve functionality and accessibility for the local community and visitors to Delaneys Creek.

3.10 Human Rights Implications ☒ Nil identified

3.11 Consultation / Communication

A detailed communication plan has been prepared for this project. Communication strategies include project notices sent out to affected residents 2 weeks prior to construction and project signs displayed on site two weeks prior to construction. Weekly email updates will be provided to the Divisional Councillor and weekly updates with photographs will be provided about the project's progress on Council's website. The local councillor has been consulted and is supportive of the project.

SUPPORTING INFORMATION

Ref: 61705045

The following list of supporting information is provided for:

ITEM 3.8

TENDER - DELANEYS CREEK - DELANEYS CREEK COMMUNITY HALL - BUILDING UPGRADE

Confidential #1 Tender Evaluation

5 COMMUNITY & ENVIRONMENTAL SERVICES SESSION

(Cr M Gillam)

ITEM 5.2

PROPOSED LEASE FOR TELECOMMUNICATIONS FACILITY

Meeting / Session: 5 COMMUNITY & ENVIRONMENTAL SERVICES
Reference: 61660504 : 19 February 2021 - **Refer Supporting Information 61660507**
Responsible Officer: AS, Manager Property Services (CES Property & Commercial Services)

Executive Summary

This report seeks Council's approval for the provision of a lease to Optus Mobile Pty Limited ACN 054 365 696 (**Optus**), for the purpose of a telecommunications facility on the terms outlined in this report.

This matter is reported to Council as section 236(2) of the *Local Government Regulation 2012* requires Council resolution to apply the exception under section 236(1)(c)(vi) to dispose of a valuable non-current asset if the grant of a lease is for the purpose of a lease for a telecommunication tower.

OFFICER'S RECOMMENDATION

1. That the exception contained in section 236(1)(c)(vi) of the *Local Government Regulation 2012* (Qld) applies to the Council regarding the disposal of the property referred to in this report.
2. That Optus be granted a lease over Lease O in Lot 5 on RP147522 on SP321023 on the terms outlined in this report.
3. That the Chief Executive Officer be authorised to take all action necessary including, but not limited to, negotiating, making, amending, signing and discharging the lease and any required variations of the lease on the Council's behalf, as described in this report.

ITEM 5.2 PROPOSED LEASE FOR TELECOMMUNICATIONS FACILITY - 61660504 (Cont.)

REPORT DETAIL

1. Background

2-4 Timms Road, Everton Hills [Lot 5 on RP147522] (Land) - Division 10 - is freehold land owned by Council. An overview of the Land can be seen at *Supporting Information #1*.

Council previously entered into consecutive registered lease numbers 705166692, 705166693, 705166696 and 705166698 with Hutchinson 3G Australia Pty Ltd for part of the Land identified as Lease A on SP146275 (Former Lease Area) for the installation of a telecommunications facility (Original Leases). The Original Leases were transferred to Optus on 31 January 2003.

Given the effluxion of time since the Original Leases were first registered, Optus has arranged a new survey of the Former Lease Area, resulting in the new lease area being described as Lease O on SP321023 (New Lease Area). The New Lease Area has the same dimensions (55m²) as the Former Lease Area. A survey plan showing the New Lease Area may be found at *Supporting Information #2*, together with an aerial indication of the location of the New Lease Area shown at *Supporting Information #3*.

The Original Leases are due to expire on 31 October 2021 with no options available for the extension of the lease term.

Optus has now requested a new lease over the New Lease Area, with the lease terms to be based on Council's registered standard freehold telecommunications lease and the commercial terms as outlined below:

| Core Term | Description |
|-----------------------|--|
| Term | Ten years |
| Commencement Date | 1 November 2021 |
| Expiry Date | 31 October 2031 |
| Option | Nil |
| Rent | \$22,000 plus GST for the first year of the Term |
| Rent Review Mechanism | 3% fixed increase on the anniversary of the Commencement Date |
| Permitted Use | For the maintenance and operations of a telecommunications tower and associated infrastructure |

The proposed lease terms have been negotiated and agreed by Council and Optus.

2. Explanation of Item

A Council resolution is required to grant the new lease to Optus, which is to be based on Council's registered standard freehold telecommunications lease terms (as negotiated) and on the core commercial terms as outlined above.

Council must comply with the *Local Government Act 2009* (Qld) and the *Local Government Regulation 2012* (Qld) (Regulation) when it disposes of valuable non-current assets, which includes leases of land. Section 236(1)(c)(vi) of the Regulation allows Council to dispose of a valuable non-current asset if the grant of a lease is for the purpose of a lease for a telecommunications tower. Council may only rely on that exception if, before granting a lease, it resolves that the exception applies.

3. Strategic Implications

3.1 Legislative / Legal Implications

Section 236(1)(c)(vi) of the Regulation allows Council to dispose of a valuable non-current asset if the grant of a lease is for the purpose of a lease for a telecommunication tower. Council may only rely on that exception if, before granting a lease, it resolves that the exception applies.

3.2 Corporate Plan / Operational Plan

Creating Opportunities: Digital literacy and commerce - a digital region.

ITEM 5.2 PROPOSED LEASE FOR TELECOMMUNICATIONS FACILITY - 61660504 (Cont.)

3.3 Policy Implications ☒ Nil identified

3.4 Risk Management Implications ☒ Nil identified

3.5 Delegated Authority Implications
In accordance with Recommendation 3 of this report, it is proposed that the Chief Executive Officer be authorised to take all action necessary to execute the new lease.

3.6 Financial Implications
Council will receive an initial annual rental in the amount of \$22,000 plus GST, which will increase annually by 3% for the term of the lease.

3.7 Economic Benefit Implications ☒ Nil identified

3.8 Environmental Implications ☒ Nil identified

3.9 Social Implications ☒ Nil identified

3.10 Human Rights Implications
Under the *Human Rights Act 2019* (Qld), Council must not make a decision which is incompatible with a person's human rights. Council must also give proper consideration to any human rights relevant to its decision. Officers consider that Council's decision in this circumstance (if it reflects the officer's recommendation) is compatible with (and does not limit) a person's property rights because this is an arms-length commercial negotiation between 2 parties.

3.11 Consultation / Communication
As the telecommunications facility has been established at the site for a substantial number of years, it has not been considered necessary to undertake any new consultation.

SUPPORTING INFORMATION

Ref: [61660507](#)

The following list of supporting information is provided for:

ITEM 5.2

PROPOSED LEASE FOR TELECOMMUNICATIONS FACILITY

#1 Overview of Land

#2 New Lease Area