

Tablelands Regional Council

AGENDA

Special Meeting

Coordination Centre, 15 Vernon Street, Atherton

Thursday, 02 May 2024

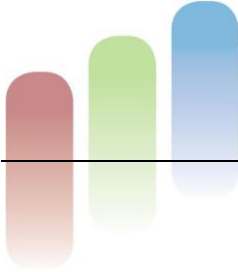
Commencing at 9:00 AM

THE SPECIAL MEETING OF THE TABLELANDS REGIONAL COUNCIL WILL BE HELD AT TRC COMMUNITY EDUCATION AND DISASTER COORDINATION CENTRE, ON THURSDAY, 02 MAY 2024 AND THE ATTENDANCE OF EACH COUNCILLOR IS REQUESTED.

Council Meeting will be will be streamed live, recorded and published on Council's website for viewing by the public.

GARY RINEHART
CHIEF EXECUTIVE OFFICER





Council Members:

Mayor, Councillor Rod Marti
Deputy Mayor, Councillor Dave Bilney
Division 1 - Councillor Kevin Cardew
Division 2 - Councillor Annette Haydon
Division 3 - Councillor Dave Bilney
Division 4 - Councillor Maree Baade
Division 5 - Councillor Con Spanos
Division 6 - Councillor Kylie Lang

At this meeting contributions made by members of the public may be recorded by way of audio recording which will be used for the purpose of developing the minutes of the meeting and decision making of Council.

The Council Meeting will be streamed live, recorded and published on Council's website for future viewing.

By attending a public meeting of the Council, you acknowledge that your image and voice may be recorded and published.

Tablelands Regional Council is bound by the Information Privacy Act 2009 to protect the privacy of personal information.

Principles for Local Government

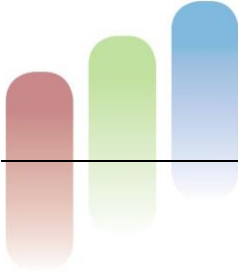
The **local government principles** stated in the Local Government Act 2009 are:

- (a) transparent and effective processes, and decision-making in the public interest;
- (b) sustainable development and management of assets and infrastructure, and delivery of effective services;
- (c) democratic representation, social inclusion and meaningful community engagement;
- (d) good governance of, and by, local government;
- (e) ethical and legal behaviour of councillors and local government employees.

Key Priorities and Strategic Goals from the TRC Corporate Plan

Strategic Themes





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6. INFRASTRUCTURE & PLANNING SERVICES

6.1. CN-22821 CULVERT REPAIR WORKS AT 32C KENNEDY HIGHWAY (INNOT HOT SPRINGS)

REPORT DETAIL

Report Author: General Manager Infrastructure and Environment

Department: Infrastructure and Environment

EXECUTIVE SUMMARY

A significant subsidence of a culvert and associated sinkholes were identified late January 2024 at the Kennedy Highway near Innot Hot Springs. The Department of Transport and Main Roads (TMR) requested Tablelands Regional Council (TRC) to submit a tender for the rectification of this subsidence.

TRC requested quotes from three local contractors to perform these works and subsequently submitted a tender to TMR.

This report makes recommendations in relation to the award of the works to the contractor which quoted the lowest price for the works and in relation to the entering into a contract with TMR for the delivery of the works.

OFFICER'S RECOMMENDATION

"That Council:

1. Enter contract CN-22821 with the Department of Transport and Main Roads for the Culvert Repair Works at 32C Kennedy Highway (Innot Hot Springs) at the estimated value of \$341,000 including GST.
2. Award a contract to Watto's Earthmoving & Machinery Hire for the price of \$154,550 Including GST.
3. Delegate authority to the Chief Executive Officer in accordance with *the Local Government Act 2009* to negotiate, finalise and execute any and all matters associated with these arrangements including variations to the contracts within the constraints of Council's endorsed TMR contract value."

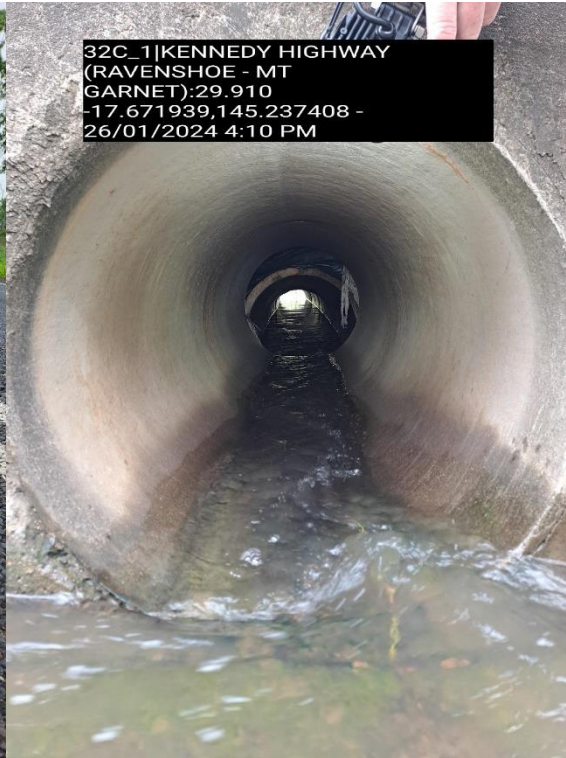
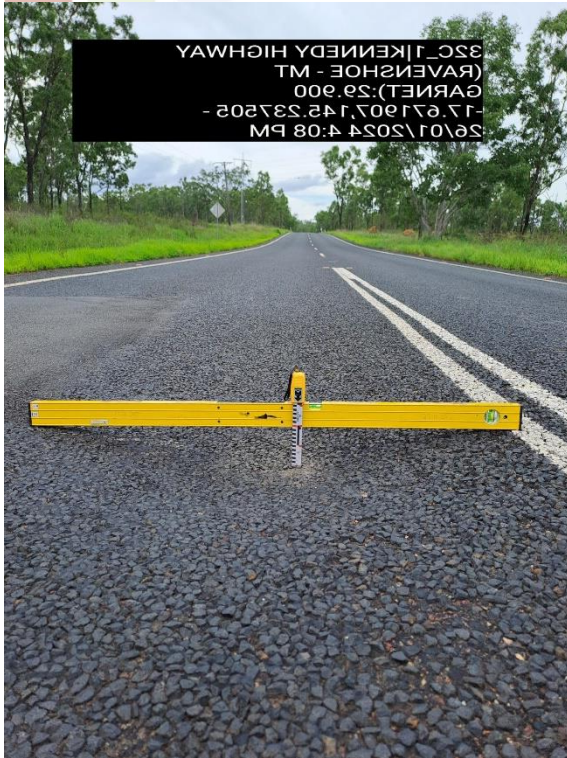
BACKGROUND

On 26 January 2024 Tablelands Regional Council staff reported a sinkhole at chainage 29.89 km along the Kennedy Highway just outside Innot Hot Springs.

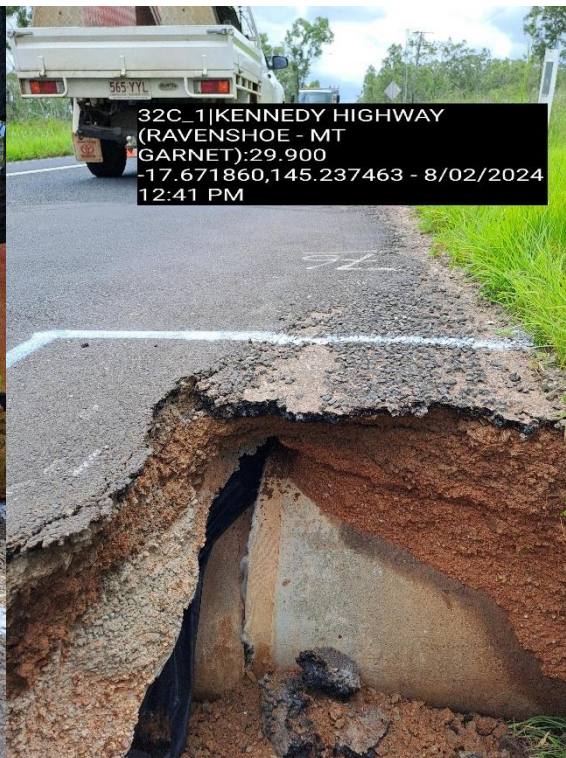
This sinkhole was a result of settlement of culvert pipes located under the highway due to heavy rain earlier that month and was evident by a depression in the road near the centreline.

Photos 1 and 2 show the depression in the road and the misaligned pipes as identified on 26 January 2024.

Photos 3, 4, 5 and 6 show the progression of the sinkholes at various points in the road by 8 February 2024.



Photos 1 and 2. Depression in road and misaligned pipes.



Photos 3 and 4. Sinkhole on the side of the road



Photos 5 and 6. Sink hole near centreline

Following the identification of the sinkholes TRC staff arranged for appropriate traffic management to be in place with the road reduced to one lane and temporarily filled the holes with stabilised sand and cold mix to prevent further water ingress (refer photo 7).

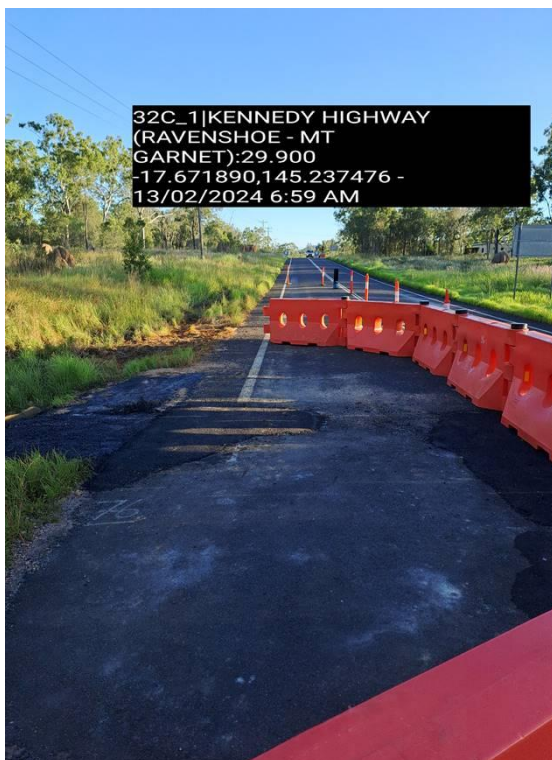


Photo 7. Temporary repair and traffic management

On request by the Department of Main Roads TRC provided a preliminary cost estimate on 23 February 2024 to the value of \$320,000 for the repair of the subsidence based on a cost-plus basis. This cost estimate was based on quotations sought from 3 contractors based on a high-level scope of works provided by TMR.

On 20 March 2024 TRC received an email from TMR reminding TRC that the tender deadline for Contract CN-22821 for the Culvert Repair Works at 32C Kennedy Highway (Innot Hot Springs) issued on 4 March 2024 closed at 2 pm that day.

TRC officers were not aware that they had been requested to submit a formal tender for these works as the request for tender had been issued to TRC in a Zip file which was quarantined for cybersecurity purposes and not released to the relevant officers. TRC officers had been expecting TMR to release an order for the works as a variation to the Road Maintenance Performance Contract.

TMR reissued the tender, which was again quarantined and finally released to relevant TRC officers on 2 April 2024. The new tender submission deadline was 11 April 2024 and due to the delayed release to officers an extension was granted until 17 April 2024.

TRC officers submitted the tender on 17 April 2024 for the estimated price of \$310,000 excluding GST.

On 24 April 2024 TRC officers received Conditional Agreement form C7013.C for contract CN-22821 for the Culvert Repair Works at Innot Hot Springs on 32C Kennedy Highway at the value of \$341,000 Including GST for authorisation by the TRC Chief Executive Officer. As this value exceeds the \$200,000 excluding GST delegation to the Chief Executive Officer to enter contracts it is recommended that Council resolve to enter the contract with TMR and delegate authority to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with these arrangements including variations to the contracts within the constraints of Council's endorsed TMR contract value.

As indicated above, TRC requested quotes from three local contractors on 16 February 2024 based on below brief scope of works provided by TMR:

Location Innot Springs / Kennedy highway.

- Excavate to 1100mm (it can be changed with site conditions)
- Dewatering of site
- Check whether the subgrade is suitable, if not dig 100/200mm deep
- DCP testing
- Fill with gravel to subgrade level if subgrade treatment is required
- Fill 100mm with foundation bedding sand
- Lay the pipes (600 dia) (Principal supplied, council need to arrange the delivery of the pipes)
- Backfill with sand up to 160mm
- Backfill with Class A1 material or Stab Sand to 300 mm above the pipes (wrapped in geofabric). Discussion around preferred treatment and supply options to occur to determine best option.

- Backfill with type 2.1 gravel to 300 mm (Cement needs to be added percentage TBC)
- Emulsion D/D Seal with 14mm & 7mm
- Construction of the headwalls will be Insitu, and design will be provided later, please provide a best price.

All reconstruction works were to be completed under the requirements of Standard Drawing (SD) 1359 and Main Roads Technical Specification (MRTS) 03 and 04.

On 18 February 2024 a follow up email was sent to the three contractors providing additional information to support their quotes.

- The required work is to remove 6 x misaligned pipes underneath a sealed pavement along a b-double route. This pavement surface is 2 lanes wide and can only be done 1 carriageway at a time to allow flow of traffic, as no detours are available for this section of road.
- Currently there are water barriers along the centreline of the road to isolate the exposed sinkhole and automatic traffic lights in place, shuttling the traffic.
- Please consider the additional need for disposal of waste in your quote.

Quotations were due by 20 February 2024 and TRC received three quotations as included in table 1.

Table 1. Quotations received

Contractor	Tender Price including GST
Contractor 1	\$275,000
Contractor 2	\$154,550
Contractor 3	\$285,439

As the request for Quotations was limited in scope and did not require submission of information required to assess non-price criteria the quotations were assessed on price only.

Contractor 2 Watto's Earthmoving & Machinery Hire quoted the price of \$154,550 Including GST and has since confirmed that they are maintaining their price offer and can deliver the scope of work within by the date of practical completion, which 60 days after letter of offer by TMR to TRC.

The value tendered by TRC incorporates a significant contingency allowance to reflect the risk of variations to the scope due to the limited scope provided by TMR and the unknown site conditions, which have led to the subsidence of the culvert pipes.

It is proposed that delegations are provided to the Chief Executive Officer to assess and approve required variations to the contract with Watto's Earthmoving & Machinery Hire up to the TMR contract value to enable to works to be completed without delay.

It is further noted that the TMR contract is based on a cost-plus margin arrangement and that the \$310,000 excluding GST tendered by TRC is an estimate only.

PROJECT OBJECTIVE AND SCOPE

As per scope provided in the background section of this report.



LINK TO CORPORATE PLAN

Our Organisation

- Model leadership and good governance
- Collaborate and build partnerships to plan and deliver quality services

Our Infrastructure

- Maintain and improve road network

Our Economy

- Promote the region and local businesses

LINK TO STRATEGIES, POLICIES AND PLANS

N/A

CONSULTATION

Internal

Manager Roads and Projects – Tender preparation

Coordinator Maintenance – Providing quotes received by TRC

Foreperson Road Maintenance Performance Contract – initial notification and temporary repairs of subsidence, request for quotation

External

Department of Transport and Main Roads – initial notification and temporary repairs of subsidence, provision of cost estimate, tender submission

Contractors – request for quotation

LEGAL IMPLICATIONS

If Council endorses the officer's recommendation it will be entering contractual arrangements with TMR and Watto's Earthmoving and Machinery Hire.

POLICY IMPLICATIONS

The recommendation to award a contract to Watto's Earthmoving & Machinery Hire is conducted in accordance with Council's procurement policy.

FINANCIAL & RESOURCE IMPLICATIONS

Capital

N/A, The Kennedy Highway is not a TRC asset.

Operating

Endorsing the officer's recommendation will result in an increase to Council's 2023/24 operational revenue and expenditure budgets, with the revenue offsetting any expenditure and providing a margin to Council.

Is the expenditure included in the current annual budget?

No

COST BENEFIT ANALYSIS

As the TMR contract will be based on a cost-plus arrangement, Council is expected to make a profit on this project.

RISK / SUSTAINABILITY ASSESSMENT

Risk of endorsing the officer's recommendation

- As the scope of works provided by TMR are limited and because the exact cause of the subsidence of the culvert can not be established until the works have commenced there is a risk of scope creep due to latent conditions resulting in the contract with Watto's Earthmoving & Machinery Hire exceeding the \$200,000 excluding GST tender threshold included in Council's procurement policy and the Local Government Regulation 2012 (s226). For this risk to eventuate variations will need to exceed \$59,500 excluding GST or more than 40% of the quoted price, which is considered unlikely. TRC officers will monitor scope and cost throughout the delivery of the works to ensure the risk does not eventuate. If this does eventuate TRC can look to apply s235 (a) or (c) of the regulations. TRC has further mitigated this risk by ensuring sufficient contingency in its tender to TMR.
- Continued wet weather and scope creep can result in delay delivery of the works beyond the TMR contract practical completion date. This risk will be mitigated by monitoring throughout the delivery of the works and requesting extension of the practical completion date if required.

Risk of not endorsing the officer's recommendation

- Further delay of contractor engagement by TMR to rectify the defect in the Kennedy Highway resulting in increased cost associated with traffic management, further inconvenience to traffic due to the reduction of the highway to one lane, risk of continuation of the subsidence impacting on the road and traffic, reputational damage to TMR and TRC impacting their relationship.

IMPLEMENTATION/COMMUNICATION

Council's resolution will be communicated to the contractors who submitted quotes and TMR.

All contracts and tenders are to be notified to Council's Procurement Officer in accordance with the Tenders and Contracts Guidelines.

CHANGE MANAGEMENT

N/A

ATTACHMENTS

1. N/A

Date Prepared: 29 April 2024

7. NEXT MEETING OF COUNCIL

The next meeting of Council will be held in Atherton
Ordinary Council Meeting 9.00am on 23 May 2024