



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

**TO BE HELD AT THE COUNCIL CHAMBERS – CIVIC CENTRE
101 GOONDOON STREET, GLADSTONE**

On Tuesday 19 September 2023

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 5 SEPTEMBER 2023

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 19 September 2023

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 5 September 2023.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 5 September 2023 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 5 September 2023.

G/3. DEPUTATIONS

G/3.1. ZONE PLANNING (ON BEHALF OF AGNES WATER DEVELOPMENT INDUSTRY)

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 19 September 2023

File Ref: CM7.6

Purpose:

To present the current issues and impacts facing development of Agnes Water within the Flood Hazard Investigation Area.

Officer's Recommendation:

That the deputation from Zone Planning, on behalf of the Agnes Water Development Industry, be received.

Background:

Deputation details are as follows:

Time of Presentation	9:10am
Duration of Presentation plus question time	30 mins
Speakers to present	Sarah Hunt, Zone Planning Group Fred Feather, Buildon Certification Brad Comley, Biome Water and Environmental Consulting
Is the matter currently or has previously been subject to legal proceedings?	No
Matter for information only	Yes

Attachments:

1. Zone Planning (Agnes Water Development Industry) Presentation

G/4. OFFICERS' REPORTS

G/4.1. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 AUGUST 2023

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Management Accounting Specialist

Council Meeting Date: 19 September 2023

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the year 2023-24 to date, for the period ended 31 August 2023.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2023-24 year to date, for the period ended 31 August 2023 as required under Section 204 Local Government Regulation 2012.

Summary:

N/A

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.

Background:

The 2023-24 budget was adopted on 20 June 2023, with a projected operating surplus of \$5.9m.

Comparatives in both the Statement of Income & Expenditure and Statement of Financial Position are reflecting 30 June 2022. These figures will be updated to reflect 30 June 2023 upon completion of the end of year audit and sign-off of the annual Financial Statements in October 2023.

To allow for greater transparency and scrutiny of Councils operating position throughout the year, annual rating revenue and service charges have been applied across the year rather than in the period of the rates generation.

The percentage of year passed (pro-rata rate) as at 31 August 2023 is 16.71%

Major movements and variances from budget, as well as points of interest are as follows:

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2023-24	Actual as %
Actual	\$32.9m	
Budget	\$272.2m	12.07%
Forecast	\$272.2m	12.07%

Of note:

Net rates and utility charges	2023-24	Actual as %
Actual	\$21.2m	
Budget	\$181.4m	14.97%
Forecast	\$181.4m	14.97%

Council's primary source of recurrent revenue is the generation of annual rates, along with access charges for water, sewerage and waste. This generation was completed in July, with notices issued to ratepayers in August. These charges have been split across the course of the year, to align with the delivery of these services.

Discounts of \$15.9m have been budgeted 2023-24 for payments received by the due date.

Water consumption revenue will be raised upon completion of the water meter reading cycles during the year (July-December 2023 and January-June 2024).

Total interest revenue	2023-24	Actual as %
Actual	\$0.9m	
Budget	\$4.8m	18.80%
Forecast	\$4.8m	18.80%

Interest revenue at a rate of 5.02% has been received from Queensland Treasury Corporation for the month of August and current term deposit rates are yielding up to a 5.17% return to Council.

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Sales revenue	2023-24	Actual as %
Actual	\$1.4m	
Budget	\$3.3m	43.55%
Forecast	\$3.3m	43.55%

The July progress claim of \$1.2m has been recognised for Dawson Highway Drynan Drive Intersection recoverable works. At the time of budget, it was expected that the majority of this project would be complete by 30 June. The Q1 forecast will be adjusted to reflect this rollover in both revenue and expenses.

Income tax equivalents	2023-24	Actual as %
Actual	-	
Budget	\$14.1m	-
Forecast	\$14.1m	-

The budget for 2023-24 includes \$13.8m from the Gladstone Area Water Board (GAWB), based on a significantly improved position reported by GAWB. This income is generally confirmed and paid in the final quarter of the year.

The remaining forecast relates to income tax equivalents from the Gladstone Airport Corporation (GAC), which are received and recognised after the end of each quarter.

General purpose grant	2023-24	Actual as %
Actual	-	
Budget	\$9.0m	-
Forecast	\$9.0m	-

Council has received confirmation of the Financial Assistance Grant allocations for the 2023-24 year. An advance payment of \$9.5m was received in June 23, representing 100% of the Financial Assistance Grant allocations for the 2023-24 year.

The budget for 2023-24 was based on the assumption that 75% of the 2024-25 allocation will be received as a prepayment.

Grants, subsidies, contributions and donations (excluding the general-purpose grant)	2023-24	Actual as %
Actual	\$0.03m	
Budget	\$36.7m	0.08%
Forecast	\$36.7m	0.08%

Of the \$36.7m grants and subsidies revenue, \$33.7m is State Government Reconstruction of Essential Public Assets (REPA) grants. Approval has been granted for \$36.9m of REPA funding, as detailed in the table below.

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REPA projects in progress are detailed below (capital and operating):

Submission	Approved Funding amount	YTD Expenditure	YTD Claims Received	YTD work yet to be claimed	Percent complete
South	\$14.3m	\$0.2m	-	\$0.2m	1.4%
Central	\$1.6m	-	-	-	-
Western	\$12.7m	\$0.04m	-	\$0.04m	0.3%
Sealed Roads	\$1.6m	-	-	-	-
Granite Creek	\$6.7m	-	-	-	-
TOTAL	\$36.9m	\$0.23m	-	\$0.23m	

Capital Revenue

Capital revenue	2023-24	Actual as %
Actual	\$0.06m	
Budget	\$19.6m	0.28%
Forecast	\$19.6m	0.28%

Capital grants revenue is recognised as project milestones are met. Therefore, the revenue recognised on the Statement of Income and Expenditure does not necessarily reflect the funding received during the year. Where milestones are still to be achieved, revenue is recognised as a contract liability on the Statement of Financial Position.

Minimal capital revenue has been recognised for the year to date, with \$0.06m being water connection contributions

Capital grants revenue budgeted, forecast and recognised for significant projects is detailed below.

Project	Budget	Forecast	Actual
State Government Grants & Subsidies			
TBG - Bonsai House Utility Services	\$1.8m	\$1.8m	-
Tom Jeffrey Memoria Park Bridger Renewal	\$1.0m	\$1.0m	-
Agnes Street New Carpark	\$0.3m	\$0.3m	-
Gladstone Sewer Manhole Replacement	\$0.4m	\$0.4m	-
AWWTP Back Up Generator Supply	\$1.0m	\$1.0m	-
Other State Government Funding	\$4.8m	\$4.8m	-

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Project	Budget	Forecast	Actual
Federal Government Grants & Subsidies			
Miriam Vale Community Centre Upgrade	\$1.7m	\$1.7m	-
Apex Park Retaining Wall Renewal	\$0.4m	\$0.4m	-
Red Rover Road Bridge Renewal	\$0.5m	\$0.5m	-
Round Hill Road Pavement Renewal	\$1.5m	\$1.5m	-
Glenlyon/Tank/ Derby Streets Traffic Calming Scheme	\$0.7m	\$0.7m	-
Lowmead Road Safety and Sealing Upgrade	\$4.1m	\$4.1m	-
Other Federal Government Funding	\$0.3m	\$0.3m	-

Expenditure

Recurrent expenditure

Total recurrent expenditure	2023-24	Actual as %
Actual	\$36.3m	
Budget	\$266.3m	13.62%
Forecast	\$266.3m	13.62%

Of note:

Employee benefits	2023-24	Actual as %
Actual	\$12.1m	
Budget	\$72.2m	16.81%
Forecast	\$72.2m	16.81%

Employee benefits are the largest component of Councils recurrent expenditure. A vacancy rate of 8.5% has been factored into the 2023-24 budget. The average vacancy rate year to date is 7.6%.

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Contractors	2023-24	Actual as %
Actual	\$3.5m	
Budget	\$57.6m	6.04%
Forecast	\$57.6m	6.04%

Contractor spend has been low year to date, however this is consistent with previous years. Expenditure should increase as REPA project activities progress.

Activities with significant contractor budgets include:

- REPA projects - \$33.7m
- Water & sewerage - \$6.5m
- Waste - \$6.5m
- Parks & cemeteries - \$2.9m
- Roads - \$2.6m

Donations and sponsorships	2022-23	Actual as %
Actual	\$0.9m	
Budget	\$3.3m	27.57%
Forecast	\$3.3m	27.57%

Sporting body concessions for water and sewerage access charges of \$0.6m and Royal Fire Brigade LAFB donations of \$0.2m have been granted in July.

Other donations and sponsorships have been minimal for the year to date.

Finance Costs	2022-23	Actual as %
Actual	\$0.4m	
Budget	\$1.6m	27.59%
Forecast	\$1.6m	27.59%

The Gladstone Airport Corporation makes quarterly contributions to cover the interest on the runway loan held by Council. These payments are received at the end of each quarter and will reduce the actual cost to be in line with pro-rata.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$2.8b	\$2.8b	1.83%	\$2.8b	1.83%
Year-to-date Liabilities	\$340.1m	\$179.7m	89.27%	\$179.7m	89.27%
Year-to-date Liabilities (excl. unearned rates revenue)	\$192.9m	\$179.7m	7.37%	\$179.7m	7.37%

Liabilities have been presented both including and excluding unearned rates revenue. The two will converge and be the same by June 2024, as all rates revenue is recognised on the profit and loss.

The budget for assets and liabilities reflects the expected positions at 30 June 2024.

Significant balance sheet movement is still expected to occur throughout the year:

- Cash to decrease as expenses are incurred and loan repayments are made
- Receivables to decrease as rates are paid
- Property, plant and equipment balances to move based on capital expenditure, depreciation and revaluations
- Unearned rates revenue to decrease as recognised on the profit and loss each month
- Borrowings to decrease as loan repayments are made

Capital Expenditure

Regular forecasting is undertaken by the project delivery team. The current estimate of capital expenditure for the 2023-24 year is \$76.8.

It is not uncommon for this estimate to spike at the beginning of the financial year, due to the identification of rollover projects from the previous year. Past trends indicate that this estimate will reduce throughout the year as timelines are refined for projects planned at the end of the financial year. An updated forecast will be provided throughout the tables and graphs below when the Q1 forecast is endorsed in November.

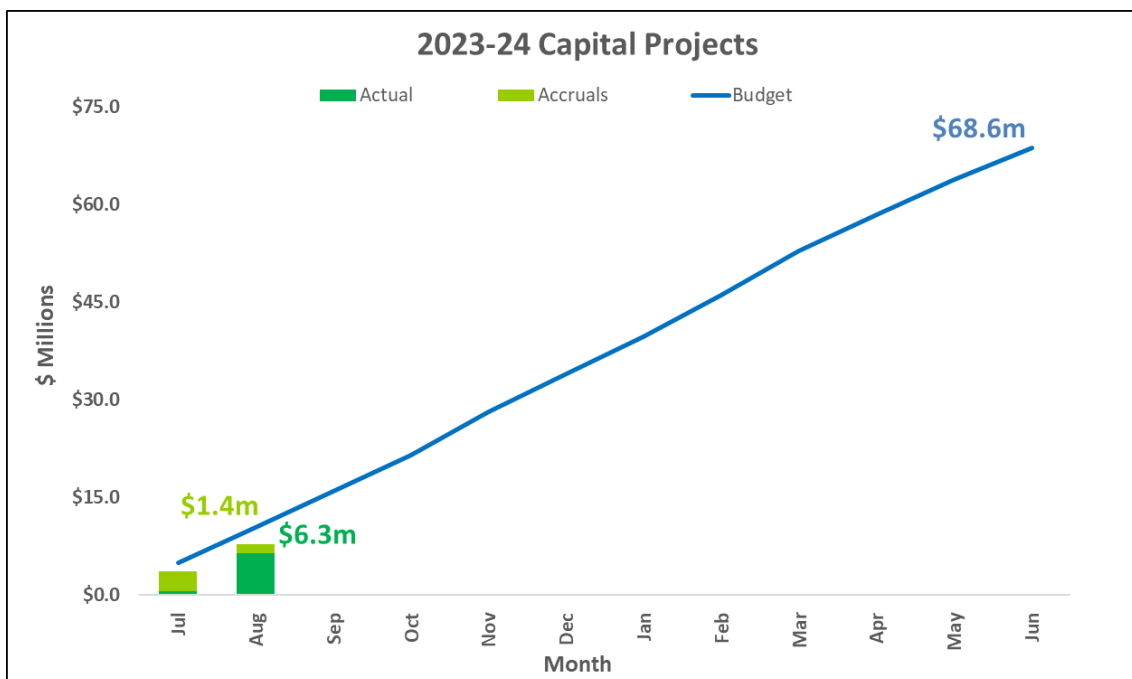
	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$7.8m	\$68.6m	11.31%	\$68.6m	11.31%

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Capital expenditure against groups with significant capital expenditure budgets are shown in the table below:

Group	YTD Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Roads	\$3.6m	\$22.9m	16%	\$22.9m	16%
Sewerage	\$1.3m	\$12.4m	10%	\$12.4m	10%
Delivery Support and Performance	\$0.1m	\$6.0m	1%	\$6.0m	1%
Property Assets	\$1.1m	\$4.4m	25%	\$4.4m	25%
Asset Governance	\$0.0m	\$2.1m	0%	\$2.1m	0%
Waste	\$0.0m	\$1.0m	0%	\$1.0m	0%
Parks	\$0.9m	\$3.5m	25%	\$3.5m	25%
Property Services	\$0.1m	\$0.4m	18%	\$0.4m	18%
Events & Entertainment	\$0.0m	\$0.9m	2%	\$0.9m	2%
Water	\$0.3m	\$5.7m	5%	\$5.7m	5%
Strategic Projects	\$0.4m	\$6.0m	6%	\$6.0m	6%
Other	\$0.1m	\$3.2m	4%	\$3.2m	4%
Total	\$7.8m	\$68.6m	11.31%	\$68.6m	11.31%

Accrual estimates of \$1.4m have been included in the actuals, to account for major claims relating to August work.



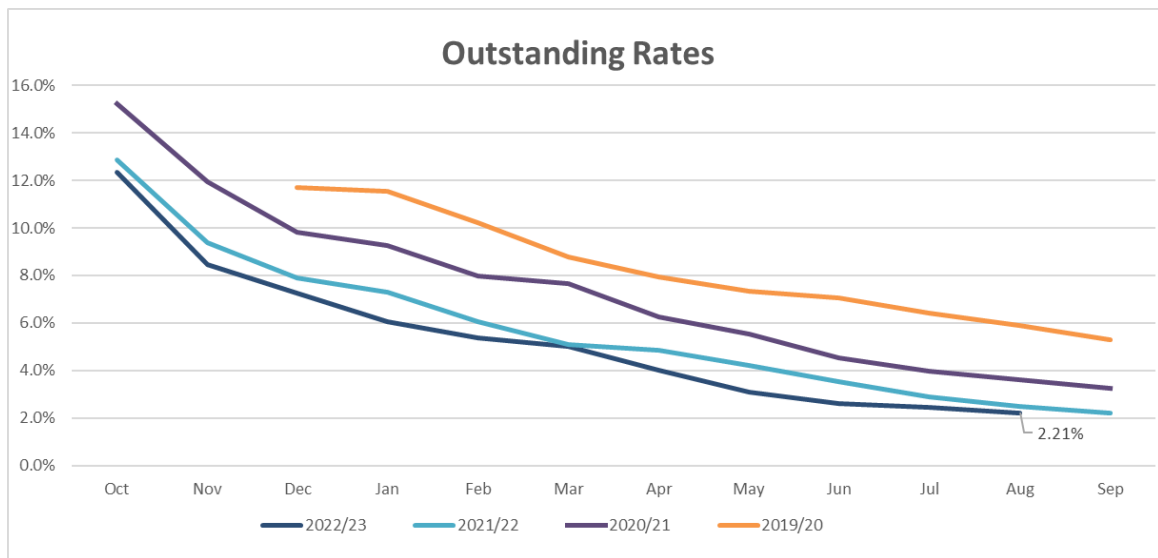
Outstanding Rates

Outstanding rates, as a percentage of gross rates levied 2022-23, and collectible, is at 2.21% at the end of August 2023, compared to 2.50% for the same period last year 2021-22.

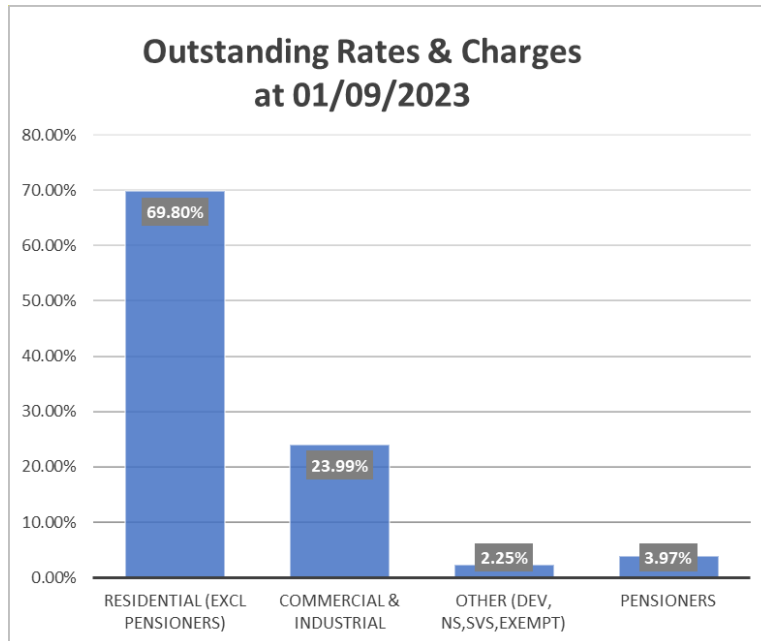
Of the \$4.33m of outstanding rates 23.99% relates to commercial/ industrial assessments and 76.01% represents residential assessments.

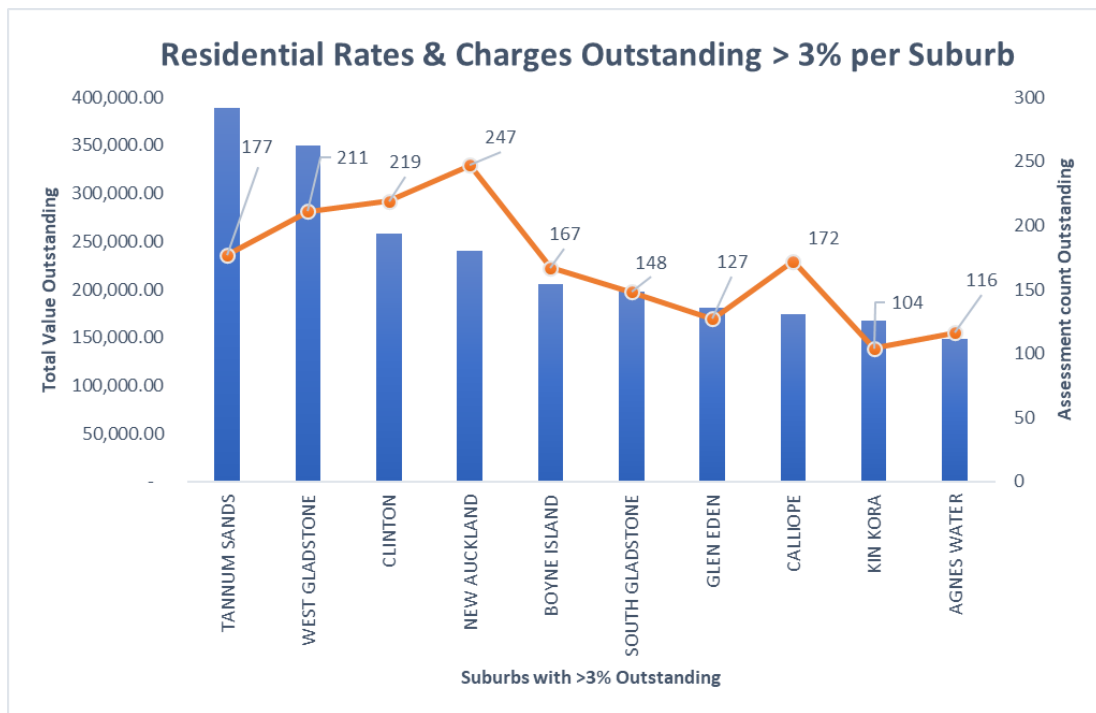
These figures include \$4.17m of rates that are currently being repaid under an authorised payment plan, for which there were 22 commercial/industrial assessments and 771 residential assessments. A total of 793 assessments, which is an increase from 530 assessments in July 2023 (this movement is a result of new arrangements entered into since rates notices were issued).

There were 2,034 ratepayers who had paid their rates in advance, totalling \$2.1m.



*2019-20 discount date extended by 60 days





Sustainability Ratios

Financial ratios provide a useful snapshot of Council’s financial status and emerging trends. Individual ratios do not provide enough information to form a comprehensive opinion of Council's financial position and performance, but when the right mix of ratios are considered together, they become a valuable tool in analysing Council's overall financial performance.

In recognition of the diversity of local governments throughout Queensland a new Financial Management (Sustainability) Guideline 2023 has been released. This guideline will take effect from the 2023-24 annual statutory financial reporting period.

Key updates from the 2013 monitoring and reporting framework are:

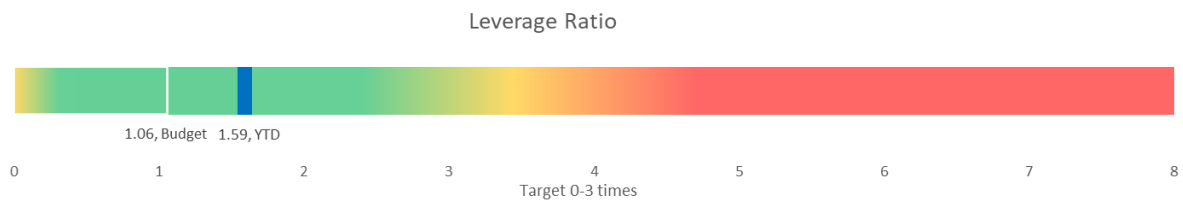
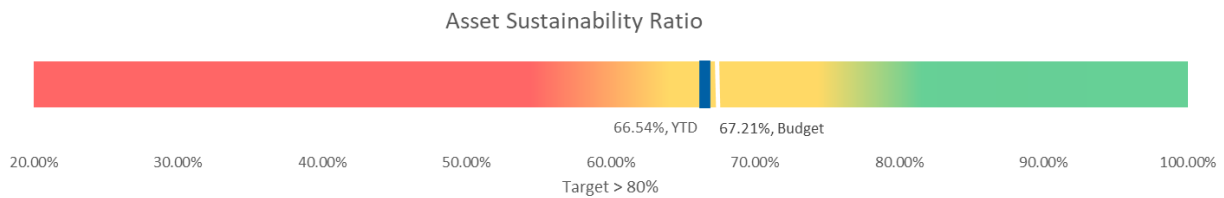
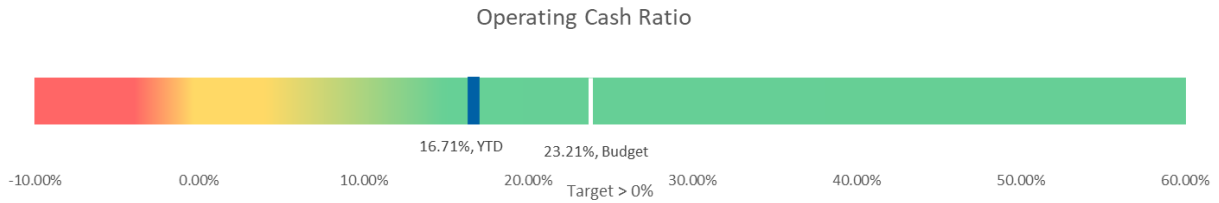
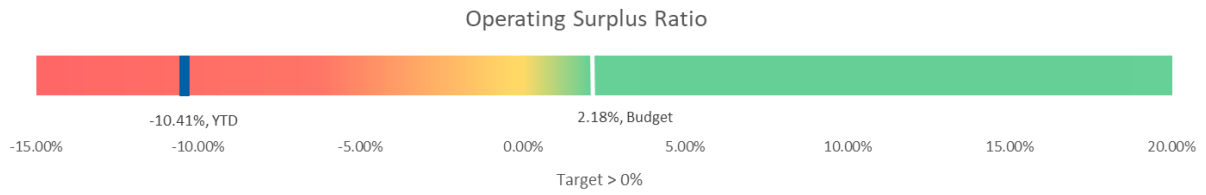
- Grouping of similar Councils for sustainability monitoring and reporting to better reflect the varied drivers and circumstances of the sector
- Expanding of the number of financial sustainability measures from three to nine
- Revision of targets for each measure based on councils allocated grouping
- A small number of contextual measures with no targets have been included
- To normalise the impacts of one-off events, all ratios, apart from two, are reported on a rolling 5-year average basis as well as single year result.

The August monthly report includes five of the nine ratio measures, with further measures to be introduced throughout the year.

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Ratio Explanation	Target	2023-24 Budget	Current YTD		5 Year Average		Commentary
Financial Capacity							
<p>Council Controlled Revenue Ratio: Council controlled revenue is an indicator of councils financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.</p> <p>A higher council-controlled ratio indicates a stronger ability to generate revenue without relying on external sources. Councils with a high ratio generally have a healthy rate base and are better able to respond to unexpected financial obligations such as natural disaster recovery. A lower council-controlled revenue ratio indicates that a council has limited capacity to influence its operating revenue and that it is more reliant on external (and usually less reliable) sources of income such as grant finding, sales and recoverable works contracts and rental income.</p> <p>This ratio is contextual only therefore has no target measure</p>		73.42%	91.41%		85.92%		<p>Although there is no target for this ratio, the high 5 year average indicates Council's strong position to generate revenue without heavy reliance on other external sources.</p> <p>The results are expected to trend closer to the average as the year progresses, and other sources of revenue are recognised (i.e. grants)</p>
Operating Performance							
<p>Operating Surplus Ratio: The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.</p> <p>An operating surplus ratio below 0% is an indication that a councils operating expenses exceed its revenue. An operation deficit in any one year is not a cause for concern if, over the long term, a council achieves a balanced operating result or small surplus.</p> <p>Target measured over a five-year average</p>	> 0%	2.18%	-10.41%	●	-7.93%	●	<p>The negative 5 year average is primarily due to the QTC loan restructure and recognition of a deferred liability for bulk water purchases in 2020-21.</p> <p>The current year result is affected by minimal dividend and grant income recognised to date, however the operating surplus is forecast to be positive in 2023-24.</p>
<p>Operating Cash Ratio: The operating cash ratio is a measure of a councils ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation and finance costs.</p> <p>A positive operating surplus indicates that a council is generating surplus cash from its core operations, which suggests that council has the ability to self-fund expenditure requirements. A negative operating cash ratio is a significant indicator of financial sustainability challenges and potential future liquidity issues as, all other things being equal, a negative result means that a councils cash position is declining and revenue are not offsetting the cost of core operational requirements</p> <p>Target measured over a five-year average</p>	> 0%	23.21%	16.71%	●	21.77%	●	<p>Both the YTD and 5 year average result of this ratio reflects the continuing strong cash position of Council proportional to operating costs.</p>
Asset Management							
<p>Asset Sustainability Ratio: The asset sustainability ratio approximates the extent to which the infrastructure assets managed by council are being replaced as they reach the end of their useful lives</p> <p>An asset sustainability ratio close to 100% suggests that a council is spending enough on the renewal of its assets to compensate for the deterioration in its asset base as loosely proxied by its reported depreciation, which outcomes too far below this level being potentially indicative of underspending against capital replacement requirements</p> <p>Target measured over a five-year average</p>	> 80%	67.21%	66.54%	●	75.43%	●	<p>Infrastructure renewals have accounted for 78.7% of capital expenditure YTD with the balance on new and upgrade projects. Renewal projects are not the major focus of the 2023-24 capital program, as indicated by the budgeted ratio result.</p>
Debt Servicing Capacity							
<p>Leverage Ratio: The leverage ratio is an indicator of a councils ability to repay its existing debt. It measures the relative size of the councils debt to its operating performance.</p> <p>A higher leverage ratio indicates an increasingly limited capacity to support additional borrowings due to already high debt levels and/or decreasing operational performance, while a lower ratio indicates the opposite.</p> <p>Target measured over a five-year average</p>	0-3 times	1.06	1.59	●	1.83	●	<p>Both the YTD and 5 year average result of this ratio reflect Councils ongoing ability to manage its debt. This position is reinforced with each year that no new borrowings are undertaken.</p>

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Stakeholder Engagement:

This report seeks specialist input from relevant internal sources.

Legal and Regulatory Implications:

Council is required to receive an update at least monthly relative to its financial position, Section 204 Local Government Regulation 2012.

Anticipated Resolution Completion Date:

N/A

Attachments:

1. Monthly Financial Statements for the period ending 31 August 2023
2. Operating Statements for the month end 31 August 2023

G/4.2. SOLE SUPPLIER - INTERVENTIONS PLUS

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement

Council Meeting Date: 19 September 2023

File Ref: FM21.1

Purpose:

This report seeks resolution from Council to make use of the provisions in s235 of the Local Government Regulation 2012, that allows for exceptions to the requirement for written quotes or tenders. The use of this provision is sought in relation to Interventions Plus Training.

Officer's Recommendation:

That Council resolves, in accordance with Section 235(a) of the Local Government Regulation 2012, that it is satisfied that Nathan Enterprises and Services Pty Ltd trading as Interventions Plus is the only supplier reasonably available to Council to deliver facilitator training in Interventions Plus Courses to Youth Workers in the Gladstone Region under funding Council has received for Localised Mental Health Initiatives.

Summary:

Gladstone Regional Council received \$74,600 in funding under the Localised Mental Health Initiatives Grant and wishes to appoint Interventions Plus to deliver facilitator training sessions to Youth Workers across the Gladstone Region. This bespoke training is currently used in the region's high schools and more facilitators require training to meet the current demands seen in the community, with the cost of training being the largest barrier. Interventions Plus are the only supplier reasonably able to deliver the service as it was developed by the founder of Interventions Plus, Kenneth Nathan.

Link to Corporate Plan:

Connecting Communities - We work with you and for you, supporting the success of our communities.

Background:

Gladstone Regional Council's Community Development Team met with Roseberry Qld to discuss the best approach to helping our region's youth deal with identified issues of anger, violence and anti-social behaviors that affect their mental wellbeing. Through delivering initiatives under the Localised Mental Health Initiatives Grant, the Community Development Team discovered that planned workshops were not being well attended by youth and an innovative approach was needed. Roseberry Qld visit the regions high schools and deliver Interventions Plus sessions direct to youth and they are very well received, particularly RAGE (Re-navigating Anger and Guilty Emotions) and Feeling Fantastic (managing emotions such as anxiety and expressing them in healthy ways). Roseberry have identified a strong need for more facilitators in these bespoke training sessions to meet the demands seen in the community, the cost of having facilitators trained is the barrier.

It is proposed that an exception be applied in this instance as these award-winning courses have been written by the founder of Interventions Plus (Kenneth Nathan) and are already embedded in high schools across the region. There are no other providers of this service in Australia. The most recent amendment to the funding states that the courses delivered are Interventions Plus training Sessions. Community

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Development Officer previously sought exception for \$13,760 and following this, the 20 positions on offer in each session were filled within a few days from guidance officers, school-based nurses, and community workers across the region. The Neighborhood Centre have come on board to extend the participant numbers to the maximum course size of 30, covering the additional registration fees, allowing more of our region's youth workers and guidance officers to receive this valuable training.

Risk Management Summary:

Council has a low appetite for Health, Safety and Wellbeing and Reputational risk, and a moderate appetite for Regulatory and Legal risk. The proposed training to be delivered by Interventions Plus will assist Council to address youth mental wellbeing within the Gladstone Region. A resolution under s235(a) of the Local Government Act will allow Council to meet its regulatory requirements.

Options and Opportunity Analysis:

Option 1 – Adopt the Officer's Recommendation

The opportunities associated with this option are that Council can support regional Youth Workers to become facilitators in the Interventions Plus Training Courses RAGE and Feeling Fantastic. This training allows more skilled workers in our region to work with youth to help break the cycle of anger, violence, and antisocial behaviors. Roseberry Qld have advised that these sessions are in high demand, particularly across our region's high schools, and there are not enough trained facilitators to meet the current needs. Through making this training available for free to participants, Council is creating opportunity for further education which will have a flow on effect to our region's youth from 11 – 17 years of age.

Option 2 – Not adopting the recommendation

Officers can see no tangible opportunities in this option. With Interventions Plus sessions already providing great outcomes for our region's youth, it would be unfavorable to restart the model with a different training style.

Stakeholder Engagement:

Nil

Legal and Regulatory Implications:

It is a requirement of s225 of the Local Government Regulation 2012, to invite written quotation or tenders where the supply of goods or services costs greater than \$15,000 ex GST. Section 235 of the regulation provides several exceptions to the requirement and relevant to this request is s2259(a) which states:

The local government resolves it is satisfied that there is only 1 supplier who is reasonably available.

Financial and Resource Implications:

The estimated cost of the immediate engagement of Interventions Plus is \$20,260 ex GST and will be funded from funds received by Council under the Localised Mental Health Initiatives Grant.

Anticipated Resolution Completion Date:

Interventions Plus will be added to the long-term contracts register in September 2023.

Attachments:

Nil.

G/4.3. TENDER 140-23 PSA TYRES AND ASSOCIATED SERVICES

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement

Council Meeting Date: 19 September 2023

File Ref: FM21.1

Purpose:

This report seeks resolution from Council to enter into a Preferred Supplier Arrangement for the provision of tyres and associated services.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation to appoint Bridgestone Australia Ltd to Preferred Supplier Arrangement 140-23 Tyres and Associated Services; and
2. Authorise the Chief Executive Officer to enter into a contract for an initial term of one year with the option to extend for four (4) further periods of one year, to a maximum of five years in total with Bridgestone Australia Ltd.

Summary:

An open market tender was conducted in accordance with s232 of the Local Government Regulation 2012, and the Officer's recommendation is to appoint Bridgestone Australia Ltd to Preferred Supplier Arrangement ('PSA') 140-23 Tyres and Associated Services.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.

Background:

Council seeks to appoint a suitably qualified and experienced service provider on a Preferred Supplier Arrangement (PSA) to provide timely replacement and repair of tyres, to minimise downtime within Council's fleet.

Risk Management Summary:

With the current contract for Tyres and Associated Services expiring on 30 September 2023, there is a risk that fleet availability would be negatively impacted if access to tyres and associated services was not available through a replacement contract.

Options and Opportunity Analysis:

To reduce the risk of discontinuity of tyres and associated services when the current contract expires, an invitation to Tender (ITT) was released via VendorPanel on 1 July 2023. The tender closed on the 25 July 2023 with one (1) conforming offer from Bridgestone Australia Ltd (Bridgestone).

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The offer was evaluated by a panel of subject matter experts, based on the criteria disclosed in the ITT which included:

Objective Evaluation Criteria	Weighting
Offer demonstrates understanding of the scope and GRC's requirements and includes a Capability Statement which addresses all aspects of the scope and GRC's requirements.	50%
Nominated past projects performed meet GRC's experience requirements	50%

The submission from Bridgestone was assessed by the evaluation panel as sufficiently meeting Council's requirements of the tender.

The tender evaluation panel recommends the submission from Bridgestone as it presents the best overall offer to Council.

Appointment to a PSA gives no guarantee or representation as to the volume or value of orders to be issued by Council and term extensions are the sole discretion of Council.

Stakeholder Engagement:

A range of personnel from Council's Fleet and Workshop teams were involved in the preparation of the tender requirements and evaluation of the offers received.

Legal and Regulatory Implications:

Council sought offers via VendorPanel in accordance with the Local Government Act 2009, Local Government Regulation 2012, and Council's Procurement Policy P-2021-01.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation. If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to officers for re-evaluation. In the interests of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to the amended criteria prior to reevaluation.

Financial and Resource Implications:

The approximate expenditure under this contract is anticipated to be \$250,000 ex GST per year or \$1,250,000 ex GST over the potential 5-year term.

Anticipated Resolution Completion Date:

The contract will be awarded in September 2023.

Attachments:

1. CONFIDENTIAL PSA 140-23 Offer Evaluation Report

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS