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2019

MID-WESTERN REGIONAL COUNCIL
COUNCIL BUSINESS PAPERS

EXTRAORDINARY MEETING
MONDAY 6 MAY 2019



*A prosperous and progressive community
we proudly call home*



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29 April 2019

Dear Councillor

MEETING NOTICE
Extraordinary Meeting
6 MAY 2019
Open Day at

Council Meeting commencing at conclusion of Open day

Notice is hereby given that the above meeting of Mid-Western Regional Council will be held in the Council Chambers, 86 Market Street, Mudgee at the time and date indicated above to deal with the business as listed on the Meeting Agenda.

Members of the public may address the Committee Meeting at Open Day. Speakers are given five minutes to outline any issue of relevance to the Council. If you wish to speak at Open Day please contact the Mayor's Office on 1300 765 002 or 02 6378 2850 by 3.00 pm on the day of the meeting. Alternatively, please make yourself known to the General Manager prior to the commencement of the meeting.

Yours faithfully

A handwritten signature in black ink, appearing to be "BRAD CAM", written over a horizontal line.

BRAD CAM
GENERAL MANAGER

AGENDA

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Item 1: Apologies

Item 2: Disclosure of Interest

In accordance with Section 451 of the Local Government Act 1993, Councillors should declare an interest in any item on this Agenda. If an interest is declared, Councillors should leave the Chambers prior to the commencement of discussion of the item.

Item 3: Confirmation of Minutes

3.1 Minutes of Ordinary Meeting held on 17 April 2019

Council Decision:

That the Minutes of the Ordinary Meeting held on 17 April 2019 be taken as read and confirmed.

The Minutes of the Ordinary Meeting are separately attached.

Item 4: Finance

4.1 Revised Delivery Program 2017/21 and Draft Operational Plan 2019/20

REPORT BY THE CHIEF FINANCIAL OFFICER
TO 06 MAY 2019 EXTRAORDINARY MEETING
GOV400067, FIN300201

RECOMMENDATION

That Council:

1. **receive the report by the Chief Financial Officer on the Revised Delivery Program 2017/21 and Draft Operational Plan 2019/20;**
2. **endorse the Revised Delivery Program 2017/21 and Draft Operational Plan 2019/20 to go on public exhibition for a period of 28 days commencing Friday 10 May 2019;**
3. **endorse the included amendment to the Delivery Program 2017/21 Strategy 1.1.4 heading, in order to link the strategy more closely to the actions arising from it:**
 - 3.1 **from “Work with key partners and the community to reduce crime, anti social behaviour and improve community safety”;**
 - 3.2 **to “Work with key partners and the community to reduce crime, anti social behaviour and improve community health and safety”; and**
4. **request a further report be presented following the exhibition period including a review of any submissions made on the Revised Delivery Program 2017/21 and Draft Operational Plan 2019/20.**

Executive summary

Following extensive community consultation and in line with Councils Integrated Planning and Reporting requirements, the draft Delivery Program 2017/21 (the Delivery Program) and draft Operational Plan 2019/20 (the Operational Plan) are presented to Council and the community.

At the Ordinary Council Meeting held on 17 April 2019, Council resolved to endorse the inclusion of rate model 1 using the new land values, and applying the full IPART capped increase of 2.7% evenly distributed across all rating categories in the draft Operational Plan 2019/20; and requested a further report be brought back to Council with the amended Revenue Policy, revised Delivery Program 2017/21 and draft Operational Plan 2019/20.

This report seeks Council resolution to place the Delivery Program/Operational Plan on exhibition, with a subsequent report to be presented to Council in June considering any submissions made and recommending adoption of the final 2019/20 Operational Plan and 2017/21 Delivery Program.

Disclosure of Interest

Nil.

Detailed report

Under the Local Government Act (1993), Council must have an annual Operational Plan, adopted before the beginning of each financial year, outlining the activities to be undertaken in that year, as part of the Delivery Program.

The Delivery Program details all of the principal activities Council will undertake to achieve the goals established in Council's Community Plan, Towards 2030. The draft Operational Plan for 2019/20 has been integrated into the Delivery Program and sets out the annual projects and activities to which Council are committed and includes detailed budgets for the projects and services identified under each theme, together with appropriate measures and timeframes for completion. The document includes budgets for the four years from 2019/20 to 2022/23.

If endorsed by Council, the draft documents will be published on Council's website from Friday 10 May 2019 for a period of 28 days.

Draft Operational Plan 2019/20

Residents were encouraged to make Community Plan Proposals to be considered in the Draft Operational Plan 2019/20 from 14 December 2018 to 31 January 2019. The draft Operational Plan has been prepared following a series of budget workshops with budget managers, executive, and Elected Members over the past 3 months. The draft Operational Plan sets out Council's proposed budget for next financial year, and the three years thereafter. The budgets are presented in the form of consolidated statements and schedules, together with a more detailed breakdown at a functional level.

Operating revenue is forecast at \$62.2 million for 2019/20, plus an estimated \$21.1 million in Capital Grants & Contributions, taking total anticipated income to a budget of \$83.3 million.

The draft Operational Plan includes additional borrowings of:

1. \$700,000 in 2019/20 to complete Saleyards Lane subdivision
2. \$681,000 in 2019/20 to refinance the Mudgee Showground loan
3. \$2,000,000 in 2020/21 to support the Rylstone/Kandos Sewer Augmentation
4. \$2,000,000 in 2020/21 to support Mudgee Tip Construction
5. \$1,200,000 in 2021/22 to support Rylstone/Kandos Water Augmentation
6. \$2,000,000 in 2022/23 to support Rylstone/Kandos Water Augmentation
7. \$3,500,000 in 2022/23 to support Mudgee Water Headworks

Operating expenditure is budgeted at \$63.6 million for 2019/20, with annual increases constrained to estimated CPI of 2.25%.

Based on proposed budget figures, Council will not achieve Fit for the Future benchmarks in the first year for all key financial performance indicators, in particular Operating Performance Ratio and Own Source Revenue Ratio. However, the benchmarks are forecast to be achieved in the following three years. Results are considered satisfactory for all key financial performance indicators and will meet benchmarks for the Unrestricted Current Ratio, Buildings and Infrastructure Asset Renewal Ratio, and Debt Service Ratio.

Revenue Policy

The Rates Model proposed as part of the Operational Plan includes an increase to all rating categories of the IPART capped rate of 2.7%, distributed evenly. Land rating categories are:

- Farmland;
- Residential;
- Business; and
- Mining

In April 2019, Council received from the NSW Valuer General updated land valuations with a base date of 1 July 2018 for all preproperties within the Mid-Western Local Government Area. Rate assessments are based upon property valuations (ad valorem) as at 1 July 2018, with minimum amounts applied where appropriate. No base amounts apply to the proposed 2019/20 rate structure.

Community Plan implications

Theme	Good Governance
Goal	Strong civic leadership
Strategy	Provide clear strategic direction through the Community Plan, Delivery Program and Operational Plans

Strategic implications

Council Strategies

Relevant Integrated Planning and Reporting Strategies are taken into account during the process of developing the revised Delivery Program 2017/21 and draft Operational Plan 2019/20, including the Community Strategic Plan, and Resourcing Strategies.

Council Policies

Relevant Integrated Planning and Reporting Policies may impact the way the Delivery program and Operational Plan are developed, for example the Asset Management Policy.

Legislation

Due dates/ frequency	Plan/strategy	Legislative reference
From 2012, adopt by 30 June in year following election. Exhibit for at least 28 days.	Delivery Program	s404(1)– (5) (Act)
Adopt prior to beginning of financial year. Exhibit for at least 28 days. Post copy on website within 28 days of council endorsement.	Operational Plan	s405(1)– (6) s532 s610B – s610F s706(2) (Act) cl201(1)

Financial implications

The draft Operational Plan 2019/20 as attached to this report recommends to Council the proposed budget for the next four years.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2019/20	✘	✘	✓
Future Years	✓	✓	✓

Associated Risks

Not applicable.

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

26 April 2019

Attachments: 1. Revised Delivery Program 2017/21 and Draft Operational Plan 2019/20.
(separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER

Item 5: Operations

5.1 RFT 2018/35 Lawson Creek Pedestrian Bridge

REPORT BY THE TENDERING AND CONTRACTS OFFICER
TO 06 MAY 2019 EXTRAORDINARY MEETING
GOV400067, COR400208

RECOMMENDATION

That Council:

1. **receive the report by the Tendering and Contracts Officer on the RFT 2018/35 Lawson Creek Pedestrian Bridge;**
2. **decline to accept any of the tenders with respect to RFT 2018/35 Lawson Creek Pedestrian Bridge, in accordance with Clause 178(1)(b) of Local Government (General) Regulations 2005;**
3. **authorised the General Manager to enter into negotiations with Timber Restorations Systems Pty Ltd in accordance with Clause 178(3)(e) of Local Government (General) Regulations 2005;**
4. **decline to call fresh tenders as a satisfactory outcome can be negotiated, and the reason Council enter into negotiations is to clarify the design compliance, in accordance with Clause 178(4)(a) and (b) of Local Government (General) Regulations 2005;**
5. **delegate authority to the General Manager to finalise a contract in the amount of \$XXX, and approve variations to the contract up to a cumulative total of 10% of the original contract sum, should the above negotiations be successful; and**
6. **notify unsuccessful tenderers of the outcome.**

Executive summary

Council sought tenders from organisations that can offer excellent design, engineering and construction resources in the delivery of a clear 2.6m wide shared-path (pedestrian and cycleway) footbridge over Lawson Creek.

The tendering process was initiated and a Procurement Plan and Tender Evaluation Plan were developed. A Tender Assessment Panel was formed, comprising representative from the most relevant departments within Council. Members of the Tender Assessment Panel used the Evaluation Plan and methodology to determine which tenderers offered the best value for money in the design and construction of Lawson Creek Pedestrian Bridge.

Disclosure of Interest

All panel members signed a declaration prior to the tender review indicating no disclosures of interest.

Detailed report

Advertised

Open to Market: 18 March 2019

Closed: 8 April 2019

21 days in total.

The above tender was advertised in the:

- Mudgee Guardian on Friday 15 March 2019;
- Council's e-Tendering portal – VendorPanel – on 14 March 2019;
- Sydney Morning Herald on Tuesday 19 March 2019; and
- Information regarding this tender was published on Council's Website 14 March 2019.

Tenders Received

Two companies submitted tenders:

1. Bedrule Pty Ltd (*Trading as* TOBCO); and
2. Timber Restoration Systems Pty Ltd

Late Tenders

No late submissions were received.

Conforming Tenders

All tenders were deemed non-conforming on the basis of their design submissions. Tenders were assessed with the information available.

Evaluation Findings

The technology proposed by the two companies was not comparable based on omissions in documentation. With this in mind the evaluation panel recommend negotiating with Timber Restoration Systems Pty Ltd as their tender value was budget compliant, design was aesthetically suitable and with design amendments would be fit for purpose.

Community Plan implications

Theme	Connecting Our Region
Goal	An active travel network within the region
Strategy	Develop and enhance walking and cycling networks accross the region

Strategic implications

Council Strategies

Nil

Council Policies

Procurement Policy

Financial implications

The design and construction of Lawson Creek Pedestrian Bridge has a budget allocation of \$400,000. The anticipated cost of construction has been assessed, and Timber Restoration Systems Pty Ltd are currently within this allocation, however further negotiations will be required and may impact the original tendered price.

If Council opted to enter into negotiations with the alternate tenderer, completion of the works within budget would not be achievable due to their original tendered price being significantly higher than the adopted budget.

It is therefore recommended that negotiations be limited to Timber Restoration Systems Pty Ltd, in order to enter into a contract that achieves the objectives of the tender and provides value for money for the community.

No budget variations are proposed in this report.

ALISON CAMERON
TENDERING AND CONTRACTS OFFICER

GARRY HEMSWORTH
DIRECTOR OPERATIONS

16 April 2019

Attachments:

1. Timber Restoration Systems Pty Ltd - Tendered Amount. (Confidential)
2. Bedrule Pty Ltd - Tendered Amount. (Confidential)
3. Timber Restoration Systems - Proposed Design. (Confidential)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER