

SPM(4) – 9 APRIL 2024

Special Council Meeting

Agenda

Notice is hereby given that the next **Special Council Meeting** of the **Alpine Shire Council** will be held in the Council Chambers, Great Alpine Road, Bright on **9 April 2024** commencing at **5:00pm**.

Agenda

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1. Recording and livestreaming of Council meetings

The CEO will read the following statement:

All council meetings are filmed with both video and audio being recorded.

The reasoning behind recording council meetings is to hold us more accountable and improve transparency of Council's decision-making to our community.

The full meeting is being streamed live on Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

2. Acknowledgement of traditional custodians, and recognition of all people

The Mayor will read the following statement:

Alpine Shire Council acknowledges the Taungurung peoples as the Traditional Custodians of the lands on which we are meeting today. Council also acknowledges all of the Traditional Custodians of the wider lands of the area known as the Alpine Shire.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

3. Apologies

4. Declarations by Councillors of conflict of interest

5. Presentation of reports by officers

5.1 DIRECTOR ASSETS - ALAN REES

5.1.1 Porepunkah Transfer Station Cap Construction

File Number: CT22039

INTRODUCTION

This report relates to a contract variation for the Porepunkah Landfill Rehabilitation Cap Construction Stage 2 from an unbudgeted spend to enable the works to be completed.

RECOMMENDATIONS

That Council;

- 1. Approve a variation to Contract No.22039 Porepunkah Landfill Rehabilitation Cap Construction Stage 2 to Extons Pty Ltd to the value of \$169,299.*
- 2. Approve unbudgeted expenditure of \$30,653 to enable Porepunkah Landfill Rehabilitation Cap Construction Stage 2 to be completed funded from the Waste Reserve.*
- 3. Delegates authority to the Chief Executive Officer to sign the contract variation at the appropriate time.*

BACKGROUND

To finalise the Porepunkah Landfill cap construction to the requirements and standards of the Environment Protection Agency (EPA) Council requires the original contract with Extons Pty Ltd (Extons) to be varied by \$169,299 above the original award amount of \$1,283,272 (13%). This is due to unforeseen variations to the scope and latent condition encountered during construction.

ISSUES

Contract Variation

As part of the adopted 2023/24 Budget, Council allocated \$1,560,000 for the provision for Porepunkah Landfill Cap Construction Stage 2 works. The scope included design fees, project management, required testing and cap construction costs.

Council awarded the contract to Extons for the CT22039 Porepunkah Landfill Cap Construction Stage 2 for \$1,283,272 at the Ordinary Council Meeting held on 4 October 2022. Due to unforeseen additional scope and latent conditions encountered during excavation, a further \$169,299 is required to complete the Cap Construction.

To date there have been other additional costs outside cap construction incurred for monitoring, auditing, testing and design awarded under a separate contract (SMEC) totalling \$138,082.

Unbudgeted Expenditure

This means that there is a shortfall in the total adopted budget of \$30,653 to fund the variation to the contract with Extons to finalise the Porepunkah Landfill Cap Construction Stage 2.

The cap must be constructed to the standards and design set out and approved by the EPA. The additional scope and latent conditions are required to be completed to achieve this approval. These are outlined as follows:

1. Geosynthetic Clay Liner testing
2. Survey to confirm Benchmarks on site
3. Additional Subgrade from quarry for Area 9 (subgrade shortage on site)
4. Removal of stockpiled vegetation from Area 9
5. Relocate vegetation stockpile for EPA inspection
6. Tests and geologists report importing clean fill confining layer material to the site.
7. Removal of chemical bins and bumped green waste from Area 9
8. Relocation of Waste during anchor trench excavations.

POLICY IMPLICATIONS

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.5 Assets for our current and future needs

FINANCIAL AND RESOURCE IMPLICATIONS

A summary of the financial implications are provided in the table below.

Item	Item Amount
Total Adopted Budget Porepunkah Landfill Capping 23/24FY	\$1,560,000
Total Original Contract Award for Porepunkah Capping Works (Extons)	\$1,283,272
Total other costs associated with Porepunkah Capping Works (monitoring, auditing, testing and design (awarded under separate contract to SMEC)	\$138,082
Total Variation to Porepunkah Capping Works Award (Extons)	\$169,299
Total Value of Works Required	\$1,590,653
Total Unbudgeted Expenditure Required (shortfall)	- \$30,653

The unbudgeted expenditure can be funded from the Waste Reserve.

RISK MANAGEMENT

The key risks of the project are as follows:

Risk	Likelihood	Impact	Mitigation
Reputational Risk of not meeting EPA requirements	Possible	Minor	<ul style="list-style-type: none"> Complete the works in accordance with the EPA requirements
Safety/Environmental Risks of pollution entering groundwater if the design is not constructed in accordance with the EPA Approved Design	Possible	Moderate	<ul style="list-style-type: none"> Construct in accordance with the EPA Approved Design.

CONSULTATION

All aspects of the project have been communicated with the following:

- Director Assets
- Manager Engineering and Assets
- Environmental Protection Agency

CONCLUSION

The scope variation of \$169,299 to finalise the Porepunkah Landfill cap construction creates an additional budget requirement of \$30,653 above adopted Council 23/24 budget of \$1,560,000.

In line with the requirement set out in Council's Procurement Policy, all variations that require additional budget need a new approval by Council based on the total value of the contract.

DECLARATION OF CONFLICT OF INTEREST

In accordance with Section 130 of the *Local Government Act 2020* and Chapter 7, section A6 of the Council's Governance Rules, the following officers declare that they have no interest to disclose in providing this report.

- Director Assets
- Manager Engineering and Assets
- Project Manager

ATTACHMENT(S)

Nil

5.1.2 Contract CT23028 Transfer Station Upgrade - Retaining Wall and Concrete Slab (Porepunkah Loading Dock)

File Number: CT23028

INTRODUCTION

This report relates to approval of a variation and an unbudgeted spend to enable the completion of the Porepunkah Transfer Station Upgrade - Retaining Wall and Concrete Slab (Porepunkah Loading Dock).

RECOMMENDATIONS

That Council:

- 1. Approve a variation to Contract No. CT23028 Porepunkah Transfer Station Upgrade - Retaining Wall and Concrete Slab to Naubro Kerb Pty Ltd for the value of \$109,975*
- 2. Approve unbudgeted expenditure of \$50,457 to enable Porepunkah Transfer Station Upgrade -Retaining Wall and Concrete Slab to be completed and will be funded from the Waste Reserve.*
- 3. Delegates authority to the Chief Executive Officer to sign the contract variation at an appropriate time.*

BACKGROUND

Council is to complete transfer station upgrades as part of a commitment to Department of Energy, Environment and Climate Action (DECCA) for disposal drop-off points for Food Organics Garden Organics (FOGO) and glass (in the long term) at all three of the Council Transfer Station facilities in Myrtleford, Mount Beauty, and Porepunkah.

Works in Mount Beauty and Myrtleford have been completed. Construction works for the retaining wall and slabs for Porepunkah Transfer Station is currently underway.

Council awarded the tender to Naubro Kerb Pty Ltd (Naubro) for the retaining wall and concrete slab at its Ordinary Council Meeting in September 2023.

During the construction of the retaining wall and concrete slab, variations to the scope of works have occurred due to the following latent conditions:

1. Waste encountered during the construction of the piers requiring alterations to the construction method.
2. The requirement to manufacturer and install new handrails meet the building code and safety requirements.

This work necessitates a contract variation. The variation value is \$109,975 (49%).

ISSUES

Contract Variation

The transfer station upgrade works at Council's three transfer stations was not a budgeted item at the time that the 23/24 FY budget was adopted by Council.

This was due to Council being in the process of finalising the project scope with DEECA and the final amount of grant funding from the Transfer Station Upgrade Fund was not confirmed. DEECA confirmed they would fully fund the project and provide a grant totalling \$335,630 to fund upgrade works at all three transfer stations.

Council completed the transfer station upgrade works at Myrtleford and Mount Beauty Transfer Stations, early in the 23/24 FY under separate contracts, to the total value of \$52,344. The remaining budget post these works was a total of \$283,286.

At the September 2023 OCM Council awarded Naubro Kerb Pty Ltd a contract for the CT23028 Transfer Station Upgrade - Construction of Slab and Retaining Wall for \$223,768. After construction began in February 2024 the contractor encountered latent conditions that required an additional expenditure of \$109,975.

Unbudgeted Expenditure

The result of the required contract variation leaves a shortfall in grant funding totalling \$50,457 that must be met from Council funds. This amount can be funded from the Waste Reserve.

POLICY IMPLICATIONS

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.5 Assets for our current and future needs

FINANCIAL AND RESOURCE IMPLICATIONS

A summary of the financial implications are provided in the table below.

Item	Item Amount
Total Funding for the Transfer Station Upgrades (Myrtleford, Mount Beauty, Porepunkah).	\$335,630
Total Spent on Mount Beauty and Myrtleford Transfer Station Upgrade Works	\$52,344
Total Original Contract Approved for Porepunkah Retaining Wall and Slab Works	\$223,768
Total Variation to the Contract for Porepunkah Retaining Wall and Slab Works	\$109,975
Total Value of Works Required	\$386,087
Total Unbudgeted Expenditure Required (shortfall)	-\$50,457

The unbudgeted expenditure can be funded from Council's Waste Reserve.

RISK MANAGEMENT

The key risks of the project are as follows:

Risk	Likelihood	Impact	Mitigation
Reputational risk of having transfer station facility closed for protracted period	Possible	Minor	<ul style="list-style-type: none"> Complete, the already delayed works, as swiftly as possible.
Safety risk of not providing safe work place for members of publics	Possible	Moderate	<ul style="list-style-type: none"> Install a compliance handrail and ensure appropriate use to prevent falls into the skip 3m below the loading level.

CONSULTATION

All aspects of the project have been communicated with the following:

- Director Assets
- Manager Engineering and Assets
- DEECA Landowner
- DEECA Transfer Station Upgrade Funding Officers

CONCLUSION

The scope variations required to finalise the retaining wall and concrete slab at the Porepunkah Transfer Station require a contract variation of \$109,975. The impact of this variation is that \$50,457 is unbudgeted expenditure.

In line with the requirement set out in Council's Procurement Policy, all variations that require additional budget need a new approval by Council based on the total value of the contract.

DECLARATION OF CONFLICT OF INTEREST

In accordance with Section 130 of the *Local Government Act 2020* and Chapter 7, section A6 of the Council's Governance Rules, the following officers declare that they have no interest to disclose in providing this report.

- Director Assets
- Manager Engineering and Assets
- Project Manager

ATTACHMENT(S)

Nil

There being no further business the Chairperson declared the meeting closed at _____p.m.

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Chairperson