

19.5 REQUEST FOR DELEGATED AUTHORITY TO CHIEF EXECUTIVE OFFICER FOR THE WILLIAM STREET BREAKWATER PROJECT

Objective Reference:

Authorising Officer: Peter Best, General Manager Infrastructure & Operations

Responsible Officer: Bradley Salton, Group Manager City Infrastructure

Report Author: Rodney Powell, Senior Engineer Marine & Water Assets

Attachments: 1. William Street Breakwater Deed of Agreement

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

(e) contracts proposed to be made by it.

PURPOSE

The purpose of this report is to seek Redland City Council (Council) resolution to:

- Delegate authority to the Chief Executive Officer (CEO) to negotiate, make, vary and discharge a contract associated with the William Street Breakwater Project, which may total more than [REDACTED] (including GST).
- Delegate authority to the CEO to negotiate, make, vary and discharge the Deed of Agreement (DOA) between Council and the Department of Transport & Main Roads (DTMR) for the William Street Breakwater Project.

BACKGROUND

Renewal of the William Street Breakwater (the Breakwater) was identified as a project in FY 2014/2015.

Further, extension of the Breakwater is required to protect the adjacent marine infrastructure from wind and wave action and improve all weather safety of these marine assets – boat ramp and pontoons.

All design activity for this project has been completed and required permits are being finalised with the Queensland State Government (the State).

Procurement for this project is being undertaken in accordance with section 226 Large-sized contractual arrangement tenders needed first of the *Local Government Regulation 2012*, and Council's Corporate Policy POL-3043 Corporate Procurement.

Council is required to sign a DOA for this project with DTMR, to enable a 50/50, Council/State, funding arrangement to be implemented for this project.

ISSUES

Approving the requested delegations prior to the completion of a Council tender evaluation will assist Council by reducing Project Delivery Group (PDG) procurement timeframes. Award of any resultant contract recommendation would be expedited to the CEO, once internal stakeholders have reviewed and endorsed the relevant tender evaluation documentation.

Other potential issues that may arise by not delegating authority to the CEO are:

- Council will not be able to enter into the DOA with DTMR to administer the joint funding arrangement for the William Street Breakwater;

- inadequate protection for safe launching and retrieval of boats and other watercraft during all weather conditions;
- the William Street boat ramp and pontoons are vulnerable to damage from wind and wave action;
- siltation in the manoeuvring basin and channel;
- bank erosion, which may result in failure and slippage; and
- the Breakwater does not facilitate service level expectations of key stakeholders, including the Volunteer Marine Rescue (VMR) and recreational boat users. Issues include safety, amenity and accessibility.

STRATEGIC IMPLICATIONS

Legislative Requirements

Procurement for this project will be undertaken in accordance with section 228 Tender process of the *Local Government Regulation 2012*, and Council's Corporate Policy POL-3043 Corporate Procurement which establishes clear standards for financial management and the changes outlined in this report do not put Council at risk of non-compliance.

Risk Management

Should Council not enter into the DOA, any unspent funds that have been provided by the State via a previous DOA for this project, would be required to be returned to the State.

Should the project not proceed, the environmental, social and user safety issues will not be addressed and ongoing damage to adjacent marine infrastructure will reduce asset life and increase maintenance costs.

Financial

The total project budget is [REDACTED] currently programmed over two financial years (FY 2018/2019 and FY 2019/2020). Through the DOA the project is co-funded between Council and the State with budget apportioned 50/50, Council - [REDACTED]; State - [REDACTED]

The budget approved in Council's Capital Works (CAPEX) program in FY 2018/2019 is [REDACTED]

The budget proposed in FY 2019/2020 is [REDACTED] This budget requirement has been submitted as part of the FY 2019/2020 CAPEX prioritisation process.

As this project is planned over two financial years, any unspent project budget from FY 2018/2019 will be carried over to FY 2019/2020.

People

Workload is reduced for the PDG procurement officer if the recommendations of this report are adopted.

Environmental

This project will:

- prevent wind and wave action eroding adjacent shorelines; and
- diminish siltation of the manoeuvring basin and channel adjacent to William Street marine infrastructure.

Social

This project will:

- improve safety, amenity and accessibility for the community; and
- enhance the level of service of the William Street marine infrastructure.

Alignment with Council's Policy and Plans

- The William Street Breakwater is a project identified in the Council CAPEX program and the Marine Infrastructure Asset and Service Management Plan.
- This project ensures the most popular boat ramp in Redlands and South East Queensland meets the Community Plan Vision of:
 - **Embracing the bay** by encouraging the community's access to, and widespread enjoyment of the bay and facilitating water-based activities.
 - **Strong and connected communities** by providing easily accessible infrastructure.
 - **Health Natural Environment** by encouraging recreational activities which bring people close to nature and preventing further erosion to the natural environment.
 - **Wise planning and design** which reduces maintenance costs.

CONSULTATION

Position Title	Consultation Date	Comments/Actions
Manager (Boating Infrastructure) - DTMR	Continuous consultation has occurred.	This project will be jointly funded by Council and DTMR on a 50/50 contribution arrangement.
QYAC	03 May 2018	Clearance from a cultural heritage perspective.
Redland Boat Club	November 2016	Fully Supportive of proposed works.
VMR - Cleveland	October 2018	Fully Supportive of proposed works.
Division 2 Councillor	26 October 2018	Fully Supportive of proposed works.
Dept. Environmental, Agriculture & Fisheries	July 2017	Pre-lodgement advice obtained at the concept stage of this project.
External Funding Manager	Continuous consultation has occurred	The initial DOA grant from DTMR was received in 2014-15, and has been renewed and updated. Has reviewed the current DOA and this report.
Service Manager – Business Partnering – Financial Services Group	Continuous consultation has occurred	Has reviewed the current DOA on 21/01/2019.
General Council - General Council Group	Continuous consultation has occurred	Has reviewed the DOA on 23/01/2019 and this report on 20/02/2019.
Group Manager – City Infrastructure Group	Continuous consultation has occurred	The initial DOA grant from DTMR was received in 2014-15, and has been renewed and updated. The priority for this job has been changed over the years.
Construction Projects Service Manager – Project Delivery Group	Continuous consultation has occurred	Pavement testing and preliminary works have been undertaken and deliverability confirmed.

OPTIONS

Option One

That Council resolves to:

1. delegate authority to the Chief Executive Officer, under section 257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary, and discharge a contract over [REDACTED] in accordance with the approved budget associated with the William Street Breakwater Project;
2. delegate authority to the Chief Executive Officer, to negotiate, make, vary and discharge the Deed of Agreement between Council and the Department of Transport and Main Roads for the William Street Breakwater Project; and
3. maintain this report and attachment as confidential until the contract is awarded and details published in accordance with legislative requirements, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.

Option Two

That Council resolves to not delegate authority to the Chief Executive Officer, which will result in delays with the awarding of the contract for the construction of the project and the signing of the Deed of Agreement.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **delegate authority to the Chief Executive Officer, under section 257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary, and discharge a contract over [REDACTED] in accordance with the approved budget associated with the William Street Breakwater Project;**
2. **delegate authority to the Chief Executive Officer, to negotiate, make, vary and discharge the Deed of Agreement between Council and the Department of Transport and Main Roads for the William Street Breakwater Project; and**
3. **maintain this report and attachment as confidential until the contract is awarded and details published in accordance with legislative requirements, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.**