

## Ordinary Meeting

**Meeting Date:** Tuesday, 22 May, 2018  
**Location:** Council Chambers, City Administrative Building, Bridge Road, Nowra  
**Time:** 5.00pm

**Membership** (Quorum - 7)  
All Councillors

## Addendum Agenda

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### Confidential Reports

CCL18.12 Tenders – Kioloa Rural Fire Station Extension

*Local Government Act - Section 10A(2)(d)(i) - Commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.*

*There is a public interest consideration against disclosure of information as disclosure of the information could reasonably be expected to reveal commercial-in-confidence provisions of a contract, diminish the competitive commercial value of any information to any person and/or prejudice any person's legitimate business, commercial, professional or financial interests.*

## CL18.124 Shoalhaven River pontoons

HPERM Ref: D18/166397

Group: Assets & Works Group  
Section: Asset Management

### Purpose / Summary

A Councillor Briefing was undertaken to discuss this project on Wednesday 17 May 2018. This report provides an updated budget and allows Council to reconsider the project based on this information. It is recommended this report and recommendation be considered in conjunction with and replace Item SA18.107 on the business paper.

### Recommendation

That Council:

1. Proceed to tender for the additional pontoon project at Greys Beach North Nowra. This will require an additional budget of approximately \$4,400 (exc GST) funded from savings in the Local Road Repair Program Callala Beach Road Stage 1 (Job No. 85877).
2. Proceed with the Shoalhaven River Special Event Pontoon Project minimising costs by using flexible anchorage. This will require an additional budget of approximately \$63,000 (exc GST) funded from savings in the Local Road Repair Program Callala Beach Road Stage 1 (Job No. 85877).

### Options

#### Options

1. As recommended

#### Implications:

a) Whilst a flexible anchoring system will be designed and certified by a qualified maritime engineer, the risk remains that the anchoring system will not be as robust as a rigid piled anchoring system. The risk of failure is elevated during flood events.

b) The asset life of a flexible anchoring system is expected to be approximately 20 years, which is less than a rigid piled system (40 years); however, piles could be retrospectively fitted if funding was available.

2. Proceed with the current designed higher cost engineered rigid pile system.

Implications: Not affordable within current budget and Council would need to identify an additional funding source.

3. The Greys Beach project will still require rigid piles because of its intended use by commercial vessels however smaller piles with a breakaway system to restrain the pontoons during flood will be allowed as part of the design and construct process.

### Background

This report relates to two separately funded projects. These are:

CL18.124

1. Greys Beach Boating Upgrade/Pontoon – part funded from the NSW Boating Now Program.

Stage One of the project has been completed that incorporated design works for the foreshore/carpark (construction not funded) and upgrading of the boat ramp manoeuvring area.

Stage Two relates to provision of a pontoon system on the upstream side of the existing Greys Beach ramp that will be suitable for use by both recreational and larger commercial boats such as the Shoalhaven River ferry. Provision of an upgraded heavy-duty pontoon at Greys Beach was identified by Council in 2012 (MIN12.1058). An upgraded pontoon will allow the Shoalhaven River ferry (and other commercial users) to use this facility instead of Nowra Wharf which is more restrictive in terms of parking and pedestrian accessibility. This project has strong support from aged and disability groups.

2. Shoalhaven River Special Event Pontoons to support the Shoalhaven River Festival and other special events.

Second hand pontoons were purchased in 2016 and were used for the river festival in 2016 and 2017 using temporary anchorage.

Detailed design and environmental approval have been completed for both projects.

Council sought targeted quotations in 2017 for installation of rigid piles to support both projects. Only one response was received that significantly exceeded budget. To minimise project costs, Council staff have since been exploring alternative low-cost design solutions for both projects including:

- Lower cost/higher risk pontoon anchoring systems.
- Incorporation of the special event pontoons into the Greys Beach project to minimise both pontoon and mooring requirements.

### Community Engagement

The projects were advertised in 2017 and no negative comments were received, both projects have relevant environmental approvals in place and are ready for construction.

### Financial Implications

\$219,000 balance is remaining in the Greys Beach Project (Job 82700) from a budget of \$400,000 that has been part funded with a \$295,000 grant from the NSW Boating Now Program, and a Council contribution of \$105,000.

There is no funding remaining in the Shoalhaven River Special Event Pontoons Project.

Budget required to complete both project (using flexible anchoring) is estimated as follows:

Item	Greys Beach Pontoon	Special Events Pontoons
Lower cost flexible anchor design and certification	\$5,000	\$5,000
Pontoon	\$80,000	existing
Piles (including mobilisation)	\$70,000	Not used (Note B)
Walkway/gangplank	\$68,400	\$18,000 (Note A)
Flexible anchoring		\$40,000

Total	\$223,400	\$63,000
Budget available	\$219,000	\$Nil
<b>Estimated Budget Shortfall</b>	<b>\$4,400</b>	<b>\$63,000</b>

Note:

- a) Nowra Sailing Club was successful in obtaining a grant of \$17,760 for the NSW Sports grants for provision of one walkway at Nowra Wharf. Installation of an additional walkway (already purchased) needs to be funded at the second pontoon location adjacent Nowra Rowing Club (\$18,000 allowed).
- b) Rigid piling (if utilised) would incur an additional cost of \$50,000, plus mobilisation / demobilisation which can be variable upon market demands.

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As discussed with the CFO, the remaining funds from the Local Road Repair Program project Callala Beach Road Stage 1 (Job No. 85877) could be redirected to the wharf project at Greys Beach. A rehabilitation project was completed on Callala Beach Road this year, but rehabilitation was combined with grant funded upgrades to the intersection with Forest Road, providing savings. A second stage of works on Callala Beach Road are planned for the balance as per the Local Road Repair Program if funds were not required to balance overspends.

**Risk Implications**

1. Minimising damage to pontoons and preventing the assets from floating downstream during major flood events is the largest risk. To mitigate the risk, it is proposed that safety lines be provided similar to what is provided on the current light duty floating pontoon facility located on the downstream side of the existing Greys Beach boat ramp.
2. There remains a risk that tenders may exceed budget for the Greys Beach project.

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## CL18.125 Berry Broughton Vale RFS Station Site Works

**HPERM Ref:** D18/167401

**Group:** Assets & Works Group

**Attachments:** 1. Request for Funding Support - Broughton Vale / Berry Rural Fire Station - Site Works [↓](#)

### Purpose / Summary

The Purpose of this report is to allow Council to consider funding options for the proposed Berry Broughton Vale RFS Station. This report is only necessary and to be considered in conjunction with Item CL18.108, if the rescission motion (Item CL18.107 on the business paper) is CARRIED.

### Recommendation

That with respect to the proposal to construct a new Berry & Broughton Vale Rural Fire Services Station Council:

1. Bring forward the replacement of the effected water mains that run through the site (given that the development that impacts on the mains is for the provision of emergency services facilities) at an estimated cost of \$160,000 exc GST; and
2. Fund the water main works from the Water Fund budget, 2018-2019 financial year, [excluding any works that are legitimately funded by the NSW Ambulance project (ie as per their DA Consent 17/1597)];
3. Complete the site improvement works (estimated cost \$410,000) in the 2018-2019 financial year using General Fund loan funds; and
4. Continue to make representations to the State Government to fund the complete Project costs for this station under the RFS budget process (future years if necessary) so council ultimately only pays it's 11.7% share.

### Options

**Option 1:** This is the position adopted by Council at the Ordinary Meeting on the 24 April 2018. If the rescission motion is defeated this will by default be Council's position.

*That Council advises the District Manager, Shoalhaven RFS that Council is unable to fund the estimated \$400,000 (exc GST) additional cost of the Berry & Broughton Vale Rural Fire Service Station.*

Advantages (as outlined on the 24 April 2018)

- this position is consistent with Council's current practice with regards to assisting the State Government
- nil additional cost to Council and council's share remains at the 11.7% based on the 20-year average cost of RFS services
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Disadvantages (as outlined on the 24 April 2018)

- May lead to a reduced scope of works and project delays

CL18.125

**Option 2:** If the rescission motion is carried a co-funding arrangement could be:

That with respect to the proposal to construct a new Berry & Broughton Vale Rural Fire Services Station Council:

1. Bring forward the replacement of the effected water mains that run through the site (given that the development that impacts on the mains is for the provision of emergency services facilities) at an estimated cost of \$160,000 exc GST; and
2. Fund the water main works from the Water Fund budget, 2018-2019 financial year, [excluding any works that are legitimately funded by the NSW Ambulance project (ie as per their DA Consent 17/1597)];
3. Complete the site improvement works (estimated cost \$410,000) in the 2018-2019 financial year using General Fund loan funds; and
4. Continue to make representations to the State Government to fund the complete Project costs for this station under the RFS budget process (future years if necessary) so council ultimately only pays it's 11.7% share.

#### Advantages

- Seeks to provide a compromise solution so the project can proceed.
- Clearly outlines Council's support for the proposal
- Seeks to have the State Government accept that the total costs of such projects should be recognised within normal RFS budget process rather than expect council ratepayers to pick up additional costs associated with the complexities of this site.

#### Disadvantages

- May create an expectation that similar support will be provided for future projects.

**Option 3:** If the rescission motion is carried Council determine a different option.

#### Background

At the Ordinary Meeting on the 24 April 2018 Council resolved as follows (Vide minute no MIN18.314)

*"That Council advises the District Manager, Shoalhaven RFS that Council is unable to fund the estimated \$400,000 (exc GST) additional cost of the Berry & Broughton Vale Rural Fire Service Station."*

This report is provided as Attachment 1 for Councillors convenience.

Following this decision, a rescission motion was lodged, and thus this resolution has not been acted upon.

The rescission motion was discussed at the Strategy & Assets Meeting on the 15 May 2018 at which the matter was deferred to the Ordinary Meeting on the 22 May 2018

At a Councillor briefing held on the 17 May 2018 the following points were made:

- Council' contributions to RFS recently (ie 11.7% of Rural Fire Fighting Fund minus Volunteer and Statewide Support – VASS contributions) Source: report to Council 19 April 2016.
  - Total Council
  - 2014/2015 \$922,287

- 2015/2016      \$943,589 approx
- 2016/2017      \$921,258 approx
- The proposed site (old North Street Road Reserve) is Council owned
- The land value of the site would be in the vicinity of \$500,000.
- The site requires manoeuvring of RFS vehicles on the adjoining NSW Ambulance site.
- The NSW Ambulance Site works have progressed with changes to the approved plans (DA17/1597). The changes affect the RFS site (fill quantities and water services works) and at the time of writing this report the entity responsible for approving the changes was unknown.
- The revised Preliminary Estimate of costs is for the RFS proposal

Concept Design (Actual)	\$23,858.30
Detailed Design and Approvals	\$86,300.00
Site Costs (Note this has increased slightly since the 24 April 2018 report)	\$410,000.00
Water Main	\$159,280.00
Construction Costs	<u>\$912,421.00</u>
Total	\$1,591,859.30

- The completed RFS building will become a Council asset (based on the existing State/Local Government arrangements).
- At this stage the RFS has not committed funding to the construction of the station other than \$50,000 to complete concept plans and formal consents.

#### Water Main

The RFS site is the old North Street Road Reserve and thus the site contains two Water Mains owned by Council. The water mains are old AC style mains and will need to be reconstructed prior to the site being modified to accommodate the RFS building. These mains run close and parallel to the NSW Ambulance boundary and it was understood (based on the development consent) that the NSW Ambulance works would include reconstruction of the full length of the water mains through the RFS site as part of their works, (which encroached onto the RFS land). Given the site works undertaken to date (ie the construction of a retaining wall along the shared boundary, the approval of which was not clear at the time of writing this report) it is thought that the bulk of this reconstruction will be undertaken by the NSW Ambulance Service.

Option WM1: Council not fund the works as the remaining life is more than a few years and thus the cost to reconstruct the water main is not in Council short to medium works programs.

Option WM2: Given that the development is impacting on the water main relating to the provision of emergency services, Council funds the mains reconstruction works that is not legitimately funded by the NSW Ambulance project (ie as per their DA Consent 17/1597). Council bring forward the replacement of the effected water mains that run through the site (estimated cost \$160,000 exc GST) and fund the works in the 2018-2019 financial year, excluding any works that are legitimately funded by the NSW Ambulance project (ie as per their DA Consent 17/1597).

#### Detailed Design

At this stage the detailed design work has not been undertaken and thus a construction budget with a high degree of certainty is difficult to ascertain. Recent experience with other RFS construction sites is as follows;

	<b>Allocation</b>	<b>Lowest Tender</b>	<b>Contingency</b>	<b>Shortfall</b>	<b>% increase</b>
Kangaroo Valley	\$400,000	\$582,168	\$17,832	\$200,000	50%
Kioloa	\$370,000	\$589,282	\$10,718	\$230,000	62%
Shoalhaven Heads	\$675,000	\$975,344	\$19,507	\$319,851	47%

Committing to construction of the station prior to Detailed Design work being completed and estimates (based on local market conditions) could result in a high risk of inadequate funding being allocated.

Option DD1: That Council supports the allocation of RFS funds (to which Council contributes approximately 11.7% based on the 20-year average cost of RFS services) for the detailed building design work in 2018-2019 and thus allow an accurate Construction Cost to be determined for allocation by the State Government in future years.

Option DD2: That Council leave this matter for the RFS to manage. Construction funding bids may be competitive and funding from the State Government may not be available for construction after 2018-2019.

**Site Works**

The RFS site requires 1 to 2 metres of fill across the site and a retaining wall along the northern edge of the building footprint. Ideally these works should be done well in advance of the building construction to minimise the risks and variables in pricing the building work. The RFS has requested that Council fund these works with the view that in providing the land for the site the Council should make land available that is ready for building works to proceed.

Option SW1: Given that the development is for the provision of emergency services and Council owns the land on which the development is proceeding that Council fund the site improvement works and that given maturity of the 2018-2019 draft budget process these works be funded from loan funds.

Option SW2: That Council advise the RFS (District Manager, Shoalhaven) that Council is unable to fund the estimated \$410,000 (exc GST) additional cost of the Berry & Broughton Vale Rural Fire Services Station.

**Policy Implications**

Option two would be a departure from Council’s current practice which is to not assist the State Government with funding for services that it is responsible for.

**Financial Implications**

Option two is unfunded in Council’s long term financial plan, however if the allocation is made during the budget adoption process these implications will be managed at that point.

For Councillors information, a commercial loan of \$400,000 would attract an accumulative interest bill of approximately \$90,000 over ten years. An internal loan from one of council’s Reserves (assuming funds are available) would attract \$0 interest. The CFO will be presenting a report to the same Council meeting outlining the strategy here, if loan funding is required.

CL18.125



The NSW Ambulance Station and the Proposed RFS Station have been co-located at Berry to reduce the total site footprint and reduce the area and cost of pavement required to manoeuvre vehicles. Perhaps Council could make a request to the State as follows:

*That Council write to the State Member Garth Ward MP seeking support for any savings from the construction of the NSW Ambulance Station at Berry being made available to the proposed NSW Rural Fire Service Station given that the Ambulance Station and the proposed RFS Station have been collocated at Berry to reduce the total site footprint and reduce the area and cost of pavement required to manoeuvre vehicles.*

CL18.125

**CL18.95 Request for Funding Support - Broughton Vale / Berry Rural Fire Station - Site Works**

**HPERM Ref:** D18/100667

**Group:** Assets & Works Group

**Attachments:** 1. Report - Broughton Vale / Berry Rural Fire Station - Rural Fire Service Strategic Planning Committee - 15 February 2018 (under separate cover)  
2. Final Brochure - Sustaining Council community Facilities

**Purpose / Summary**

To consider a request from the Shoalhaven Rural Fire Service for Council to contribute an additional \$400,000 towards the cost of the construction of the proposed Broughton Vale/ Berry Rural Fire Station.

**Recommendation**

That Council advises the District Manager, Shoalhaven RFS that Council is unable to fund the estimated \$400,000 (exc GST) additional cost of the Berry & Broughton Vale Rural Fire Service Station.

**Options**

1. That the District Manager, Shoalhaven RFS be advised that Council is unable to fund the estimated \$400,000 (exc GST) additional cost of the Berry & Broughton Vale Rural Fire Service Station.

**Advantages**

- this position is consistent with Council's current practice with regards to assisting the State Government
- nil additional cost to Council and council's share remains at the 11.7%

**Disadvantages**

- May lead to a reduced scope of works and project delay

2. That

a. the General Manager prepare a report outlining possible options with regards to use/sale of the existing Berry Rural Fire Service Brigade building (Albert St Berry) that has been identified as becoming surplus to RFS needs.

b. funding options for construction of a new RFS brigade building in North Street Berry be reviewed after the above report has been completed.

**Advantages**

- This will allow Council to make a holistic decision in relation to Council funding RFS infrastructure.
- Minimal cost to Council

**Disadvantages**

- May create uncertainty in relation to the construction of the new shed if the decision with respect to the existing shed takes a long time to determine.
3. Council advises the District Manager, Shoalhaven RFS that Council will fund the estimated \$400,000 (exc GST) additional cost of the Berry & Broughton Vale Rural Fire Service Station, via a specific allocation in the 2018-2019 financial year.

**Advantages**

- Broughton Vale/ Berry Rural Fire Station will have a quality facility with a long life.

**Disadvantages**

- Council does not have budget for this expense, so the expenditure will need to be funded from another source or require a reduction in service level or reduced Capital spend on other assets, although the possible future "sale" of the existing site could offset this.
- May create a precedent for other similar facilities and / or groups across the Council

**Background**

The Rural Fire Services Strategic Planning Committee (RFSSPC) meeting held on 15 February 2018 considered a report on a proposed new RFS Brigade building in North Street Berry. Investigations, design and a cost estimate has been completed however insufficient funding is available for the project to proceed to tender/construction.

The meeting resolved that the RFSSPC:

- 1) *endorse the set of drawings Plan Reference 5420 as the preferred concept design for the new Broughton Vale / Berry Rural Fire Services Station noting the estimated construction costs, based on the concept design, is \$1,350,000 (exc GST).*
- 2) *Note that Council has progressed the Road Closure to create the Lot upon which this station will be built and an application to register the Deposited Plan has been made to the Land Titles Office. The Gazettal process will follow the Registration process.*
- 3) *note that Council does not subsidise the State Budget by making additional contributions to the provision of NSW RFS facilities, and a deviation from this practice would require a resolution of the Council.*
- 4) *supports the NSW RFS Shoalhaven District Manager applying to the NSW RFS for funding for the new Broughton Vale / Berry Rural Fire Services Station project in the 2018/19 RFFF estimates to bring the project to fully costed, construction ready status.*
- 5) *when funding is available the NSW RFS engages the NSW Department of Public Works as the Principle Contractor/Consultant for new Broughton Vale / Berry Rural Fire Services Station project, with Council assisting to have the project considered under the Infrastructure SEPP, if required.*

Notwithstanding the above formal resolution, the Committee supported the Shoalhaven RFS District Manager's request for Council to contribute to the budget shortfall in excess of its funding agreement obligation and ease the burden of approximately \$400,000 for civil works required for the Broughton Vale / Berry Rural Fire Station (attachment 1).

The current RFS Station is located on the same parcel of land as the Berry Museum at the rear of 135 Queen Street, Berry. Access is provided next to 80 Albert Street. The building is located within the Berry CBD precinct, that was built in 1990 with a similar facade to complement the NSW heritage listed Berry Museum.

The RFS has identified that strategically, it can provide a more effective service at a site adjacent to the NSW Ambulance Service Station (which is currently under construction). In North Street Berry adjacent to the new bypass.

The site is subject to flooding which is a contributing factor to the requirement for an additional \$400,000 for earthworks and civil works .

Council adopted a [Community Infrastructure Strategic Plan](#) (CISP) in 2016 and also undertook a Berry Community Buildings Consultation in 2014 (Attachment 2). There is a larger portion of community buildings in Berry compared to other similar towns

Options for the the existing RFS Station at Berry have not yet been determined. Options include but are not limited to:

1. Sell as is, which would require subdivision as currently on same allotment of land as the Berry Museum. This could provide contribution to funds requested from RFS.
2. Investigate use as a commercial asset.
3. Investigate use as a community assets – Council has a [policy for occupation of Council owned or managed land](#).
4. Council develops the site.
5. Other.

Under the RFS agreement, Council remains the asset owner for surplus RFS brigade buildings irrespective of the original source of capital funding. The current funding model is for RFS to contribute 88.3% and Council 11.7% of the project cost. However, here is an opportunity to selling the land/ building occupied by the current RFS and increase Council's level of contribution in excess of Councils funding obligation.

Use of previous surplus RFS buildings are as follows:

- Erowal Bay – leased to a community group.
- Hyams Beach – request by community to occupy but currently under Aboriginal Land claim.
- North Nowra – leased to a community group.
- Sanctuary Point – surrounded by residential zoning. Building damaged by winds and demolished. Operational land sold.
- St Georges Basin – Occupied by SES.

#### **Community Engagement**

In accordance with Council's Community Engagement Policy, this project is classified as local area/ high impact.

#### **Policy Implications**

If the request to support the additional \$400,000 was supported, it could set a precedent to fund future requests in excess of the current funding agreement.

#### **Financial Implications**

Project cost is \$1,350,000 with an estimated budget shortfall of \$400,000.

If the request to support the additional \$400,000 was supported, Council would have to make a specific allocation in the 2018/2019 financial year, subject to RFS funding being allocated.

There may be options to offset this expense by "disposing" of the existing facility.

## CL18.126 Tenders - Kioloa Rural Fire Station Extension

**HPERM Ref:** D18/167870

**Group:** Assets & Works Group  
**Section:** Project Delivery & Contract

### Purpose / Summary

To inform Council of the tender process for Kioloa Rural Fire Station Extension.

In accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, some information should remain confidential as it would, if disclosed, prejudice the commercial position of the person who supplied it. It is not in the public interest to disclose this information as it may reveal commercial-in-confidence provisions of a contract, diminish the competitive commercial value of any information to any person and/or prejudice any person's legitimate business, commercial, professional or financial interests. This information will be considered under a separate confidential report.

This report is submitted directly to the Ordinary Council Meeting pursuant to Clause 3 of Council's "Acceptance of Tenders – Reports to Council" Policy.

### Recommendation

That Council consider a separate confidential report in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993.

### Options

1. Consider the separate confidential report.
2. Council could propose an alternative.

### Details

Council called Tenders for the Kioloa Rural Fire Station on 13 February 2018 which closed at 10:00am on Tuesday 6 March 2018. One (1) tender was received at the time of closing and is shown in the table below:

#### Tenders Received

Tenders were received from the following:

Tenderer	Location
Edwards Constructions (NSW) Pty Ltd	Nowra 2541

Details relating to the evaluation of the tenders are contained in the confidential report.

### Financial Implications:

Funding is sourced from Rural Fire Service budget for 2017/2018.

CL18.126