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I hereby give notice that a Confidential Special Council Meeting will be held on:

Date: Tuesday, 31 March 2020
Time: 5.30 p.m.
Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier

CONFIDENTIAL AGENDA

Confidential Special Council Meeting 31 March 2020

A handwritten signature in black ink, appearing to read 'A Meddle', written in a cursive style.

**Andrew Meddle
Chief Executive Officer**

31 March 2020

4.4 COVID-19 AND THE COMMUNITY AND RECREATION HUB – REPORT NO. AR20/20367

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except Mayor L Martin, Councillors S Mezinac, K Amoroso, M Bruins, C Greco, B Hood, P Jenner, F Morello and S Perryman and Council Officers A Meddle, M McCarthy, N Serle, B Cernovskis and J Nagy be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 4.4 AR20/20367 COVID-19 and the Community and Recreation Hub.

The Council is satisfied that, pursuant to section 90(3) (k) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- tenders for the:
 - supply of goods, or
 - the provision of services, or
 - the carrying out of works

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the report refers to the tender process and activities associated with the Community and Recreation Hub prior to its completion.

4.4 COVID-19 AND THE COMMUNITY AND RECREATION HUB – REPORT NO. AR20/20367

Committee:	Council
Meeting Date:	31 March 2020
Report No.:	AR20/20367
CM9 Reference:	AF13/64
Author:	Andrew Meddle, Chief Executive Officer
Authoriser:	Andrew Meddle, Chief Executive Officer
Summary:	A report to stimulate discussion on the Community and Recreation Hub project in light of the COVID-19 pandemic.
Community Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

The Council is satisfied that, pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (k) tenders for the: supply of goods, or the provision of services, or the carrying out of works.

REPORT RECOMMENDATION

1. That Council Report No. AR20/20367 titled 'COVID-19 and the Community and Recreation Hub' as presented on 31 March 2020 be noted.
2. Council resolves to complete the tender evaluation process and to agree a preferred head contractor.
3. Council resolves to place the project on hold after that decision until the COVID-19 emergency measures are lifted and a contract can be considered in a less risky environment, with a greater understanding of Council's financial position at that time.



BACKGROUND

Given the uncertainty surrounding operations currently and life more generally in the City, this report is intended to provide a conversation starter for Elected Members and to update them as to recent activity. Members will be aware that comprehensive reports were provided to the last Regional Sport and Recreation Centre Committee. Whilst most of the information provided at that time remains extant, there have been some changes. These changes are outlined the sections that follow:

Procurement Position

Procurement has continued with the Tender Evaluation Team having met on a number of occasions to try and get through the responses and to identify next steps. At this stage, the team have identified two tenderers whose submission represents a response better than that of their peers. As such, discussions are now around how those two tenderers can compete for the work and 'sharpen their pencils'.

Whilst it was intended to finish this phase by the end of March, the ability to move forward at the pace intended has been impacted by the COVID-19 pandemic and the revised availability of information, costs, staff, consultants and the potential head contractors. A review of one of the construction elements is also being undertaken as part of the value management work of the team.

It is recommended that the tender process be allowed to finish. This will provide a future starting position, when the COVID-19 pandemic is past. The Council is also aware that each of the shortlisted tenderers has spent in the order of \$100,000 in getting to this stage in the process. To re-run the process would still be expensive for those seeking the work.

Grant Funding Deferral

Advice has been sought from both the State and Federal funding partners. At this time there is no appetite from either the State or Federal Government for a fixed period of deferment. Whilst they will not put anything in writing, they have advised that there is the potential for there to be flexibility with milestones. This position places increased risk on the Council, who is reliant on the State and Federal Governments doing the right thing at a time when funding may be prioritised differently or be in short supply.

Council also need to consider the position not proceeding with the project will have on gaining other grant funding streams from the same providers. Advice on this is that we should use the Community and Recreation Hub as a stimulus to the local economy.

The Risk Profile

This has changed significantly with the COVID-19 pandemic and its impact on both materials and labour. The ability for Council to enter into an effective contract during a pandemic is a concern. Legal advice has been taken on this matter to try and mitigate the Council's risk exposure as much as possible.

It may be possible to determine a preferred head contractor and to keep them on hold until the state of emergency is no longer in force, with a contract executed immediately thereafter. This may have an impact on the cost.

Operating Costs

Whilst a partnership model is the Administration's favoured view at this time, this would still come with some cost, particularly during the first two years of operation. It is believed that with the operating model funded by a 4.5% per annum increase in rates, there will be a lag in achieving this, given the need to make decisions with regards to rates elsewhere on this agenda and the limited likelihood of rates income meeting previously expected levels.

DISCUSSION

The significant community benefits from the Community and Recreation Hub are unchanged. Now is a good time to borrow money to invest in intergenerational projects. The construction phase will create a significant boost for the local economy. The community are seeking a clear message as to the Council's intentions, given the significance of this project.



CONCLUSION

Council can make it clear that they wish to finish the procurement for this project and then to pause to reassess the risks and affordability in the context at that future time. Clear messaging can be provided to both the tenderers and the community enabling Council and the community to focus on currently more pressing matters.

ATTACHMENTS

Nil

CONFIDENTIAL



CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 4.4 AR20/20367 COVID-19 and the Community and Recreation Hub and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (k) be kept confidential and not available for public inspection until 31 December 2021.
2. Further that Council delegates the power to review, revoke, but not extension of the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CONFIDENTIAL

**MINUTES OF CITY OF MOUNT GAMBIER SPECIAL COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE,
MOUNT GAMBIER ON TUESDAY, 31 MARCH 2020 AT 5.33 P.M.**

PRESENT: Mayor Lynette Martin (OAM)

PRESENT BY ELECTRONIC MEANS: Cr Sonya Mezinec, Cr Kate Amoroso, Cr Max Bruins, Cr Christian Greco, Cr Ben Hood, Cr Paul Jenner (from 5.50 p.m.), Cr Frank Morello, Cr Steven Perryman (from 5.34 p.m.)

OFFICERS IN ATTENDANCE:

Chief Executive Officer	- Mr A Meddle
General Manager Community Wellbeing	- Ms B Cernovskis
General Manager City Infrastructure	- Mr N Serle
General Manager City Growth	- Dr J Nagy
Manager Executive Administration	- Mr M McCarthy
Communications Officer	- Mrs A Watson
IServices Support Officer	- Mr A Myers

4 ATTENDANCE AT MEETINGS BY ELECTRONIC MEANS

RESOLUTION 2020/131

Moved: Cr Steven Perryman

Seconded: Cr Max Bruins

1. That the 'Attendance at Meetings by Electronic Means' text as presented to the Special Council Meeting held on 31 March 2020 as an extraordinary item is adopted, by a quorate of Council Members, for inclusion in Council Policy C410 Conduct of Meetings.

CARRIED

5 NEW CONFIDENTIAL ITEMS

5.4 COVID-19 AND THE COMMUNITY AND RECREATION HUB – REPORT NO. AR20/20367

RESOLUTION 2020/141

Moved: Cr Max Bruins
Seconded: Cr Frank Morello

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except Mayor L Martin, Councillors S Mezinac, K Amoroso, M Bruins, C Greco, B Hood, P Jenner, F Morello and S Perryman and Council Officers A Meddle, M McCarthy, B Cernovskis, N Serle, J Nagy and A Myers be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 4.4 AR20/20367 COVID-19 and the Community and Recreation Hub.

The Council is satisfied that, pursuant to section 90(3) (k) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- tenders for the:
 - supply of goods, or
 - the provision of services, or
 - the carrying out of works

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the report refers to the tender process and activities associated with the Community and Recreation Hub prior to its completion.

CARRIED

The Mayor sought the approval of at least two-thirds of the members present at the meeting to suspend meeting procedures:

Purpose of the Suspension: To discuss item 5.4 COVID-19 Community and Recreation Hub

Carried by more than two-thirds of the members present at the meeting.

Meeting Procedures were suspended at 6.40 p.m.

The Mayor determined that the period of suspension should be brought to an end;

Carried by more than two-thirds of the members present at the meeting.

The Period of Suspension came to an end and Meeting Procedures resumed at 6.55 p.m.



RESOLUTION 2020/142

Moved: Cr Christian Greco
Seconded: Cr Kate Amoroso

1. That Council Report No. AR20/20367 titled 'COVID-19 and the Community and Recreation Hub' as presented on 31 March 2020 be noted.
2. Council resolves to complete the tender evaluation process and to agree a preferred head contractor.
3. That the Chief Executive Officer be authorised to seek legal advice as to whether a contract can be entered into in the context of the COVID-19 public health emergency and to seek agreement from the State and Federal Governments to amend delivery milestones to accurately reflect the construction environment at the time of decision-making.

CARRIED

Cr Amoroso left the meeting at 6.44 p.m.

RESOLUTION 2020/143

Moved: Cr Max Bruins
Seconded: Cr Frank Morello

CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 4.4 AR20/20367 COVID-19 and the Community and Recreation Hub and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (k) be kept confidential and not available for public inspection until 31 December 2021.
2. Further that Council delegates the power to review, revoke, but not extension of the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CARRIED

5.5 COVID-19 - SA PUBLIC HEALTH ACT 2011 DELEGATIONS – REPORT NO. AR20/19633

RESOLUTION 2020/144

Moved: Cr Max Bruins
Seconded: Cr Paul Jenner

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except Mayor L Martin, Councillors S Mezinac, K Amoroso, M Bruins, C Greco, B Hood, P Jenner, F Morello and S Perryman and Council Officers A Meddle, M McCarthy, B Cernovskis, N Serle, J Nagy and A Myers be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 4.5 AR20/19633 COVID-19 - SA Public Health Act 2011 Delegations.

The Council is satisfied that, pursuant to section 90(3) (e) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- matters affecting the security of
 - the Council, or
 - Council Members, or
 - employees of the Council, or
 - Council property, or
 - the safety of any person

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information contained in the report relates to the security of Council employees and safety of members of the community relating to the COVID-19 pandemic.

CARRIED