



City of  
Mount Gambier

Civic Centre, 10 Watson Terrace  
Mount Gambier SA 5290

PO Box 56  
Mount Gambier SA 5290

Telephone 08 87212555  
Facsimile 08 87249791  
[city@mountgambier.sa.gov.au](mailto:city@mountgambier.sa.gov.au)

[mountgambier.sa.gov.au](http://mountgambier.sa.gov.au)

**I hereby give notice that a Confidential Regional Sport and Recreation  
Centre Committee Meeting will be held on:**

**Date:** Tuesday, 12 November 2019  
**Time:** 5.30 p.m.  
**Location:** Council Chamber  
Civic Centre  
10 Watson Terrace  
Mount Gambier

# **AGENDA**

## **Confidential Regional Sport and Recreation Centre Committee Meeting 12 November 2019**

**Andrew Meddle  
Chief Executive Officer**

**8 November 2019**

#### **7.4 GOVERNANCE STRUCTURE AND FINANCIAL DELEGATIONS FOR THE COMMUNITY AND RECREATION HUB PROJECT – REPORT NO. AR19/54107**

##### **CONSIDERATION FOR EXCLUSION OF THE PUBLIC**

Pursuant to section 90(2) of the *Local Government Act 1999* the Regional Sport and Recreation Centre Committee orders that all members of the public, except Mayor L Martin, Councillors B Hood, K Amoroso, M Bruins, C Greco, P Jenner, S Meziniec, F Morello and S Perryman and Council Officers A Meddle, B Cernovskis, J Nagy, N Serle, J Zwijnenburg and H Gajic be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 7.4 AR19/54107 Governance Structure and Financial Delegations for the Community and Recreation Hub Project.

The Regional Sport and Recreation Centre Committee is satisfied that, pursuant to section 90(3) (b) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
  - conducting business; or
  - proposing to conduct business; or
  - to prejudice the commercial position of the Council

The Regional Sport and Recreation Centre Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because To ensure that the commercial positioon of the Council is not disadvantaged by third parties understanding the scale of financial delegations relating to this project..

**7.4 GOVERNANCE STRUCTURE AND FINANCIAL DELEGATIONS FOR THE COMMUNITY AND RECREATION HUB PROJECT – REPORT NO. AR19/54107**

<b>Committee:</b>	<b>Regional Sport and Recreation Centre Committee</b>
<b>Meeting Date:</b>	<b>12 November 2019</b>
<b>Report No.:</b>	<b>AR19/54107</b>
<b>CM9 Reference:</b>	<b>AF18/175</b>
<b>Author:</b>	<b>Andrew Meddle, Chief Executive Officer</b>
<b>Authoriser:</b>	<b>Andrew Meddle, Chief Executive Officer</b>
<b>Summary:</b>	<b>A report proposing a governance structure and financial delegations for the construction phase of the Community and Recreation Hub project</b>
<b>Community Plan Reference:</b>	<b>Goal 1: Our People</b> <b>Goal 2: Our Location</b> <b>Goal 3: Our Diverse Economy</b> <b>Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage</b>

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:

- (b) information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business; or proposing to conduct business; or to prejudice the commercial position of the Council.

**REPORT RECOMMENDATION**

1. That Regional Sport and Recreation Centre Committee Report No. AR19/54107 titled 'Governance Structure and Financial Delegations for the Community and Recreation Hub Project' as presented on 12 November 2019 be noted.
2. That Council endorse the project structure as found in **Attachment 1**.
3. That Cr Hood be a member of the Project Control Group.
4. That the delegations relating to financial variations be as follows:
  - a) Site Superintendent / Project Manager – an increase in budget up to \$25,000;
  - b) Project Control Group – an increase in budget from \$25,001 up to \$50,000; and
  - c) Regional Sport and Recreation Centre Committee – an increase in budget from \$50,001 up to \$100,000.



## BACKGROUND

The Community and Recreation Hub construction project will be a significant undertaking for Council and one which comes with levels of complexity and project management arrangements, which are necessary to underpin its successful delivery. There are a multiplicity of reporting requirements, which are necessary for such a project and a need to streamline decision-making, whilst ensuring that the fundamentals of the project are delivered on time, on budget and to a level of quality expected by the Council and community.

In terms of progress reporting, the Council is currently expecting to report as follows:

INTERNALLY	EXTERNALLY
<ul style="list-style-type: none"><li>• Project Control Group</li><li>• Regional Sport and Recreation Centre Committee</li><li>• Council</li></ul>	<ul style="list-style-type: none"><li>• Federal Milestone Reporting</li><li>• State Milestone Reporting</li><li>• State Public Works Committee</li></ul>

The progress reporting will be complemented by continuing communications with affected tenants, affected residents and businesses, the Community Reference Group and other stakeholders. This work will be led by the Project Manager, as can be seen from the relevant later section.

The proposed governance structure has been discussed with Elected Members via briefings on 19<sup>th</sup> August 2019 and 27<sup>th</sup> August 2019, as confirmed by confidential Memo on 11<sup>th</sup> September 2019. It was then presented again at the confidential briefing on 22<sup>nd</sup> October 2019. The proposed structure can be found as **Attachment 1**. This proposed structure has been considered and supported by the Council's legal advisers.

Elected Members have made it clear that they wish to have a representative on the Project Control Group. This is a very unusual move and one which may isolate the Elected Member. However, noting the wish of the Council, it is recommended that Cr Hood, as Presiding Member of the Regional Sport and Recreation Centre Committee, be appointed to the Project Control Group.

Elected Members may also wish to note that the Chief Executive Officer and General Manager – City Growth will be appearing as witnesses to the SA Parliamentary Public Works Committee on 31<sup>st</sup> October 2019.

## ROLES & RESPONSIBILITIES

The roles in the structure set the Council up for success in delivering a project of this scale, which is significantly greater and more complex than previous major projects. Given the complexity of the project, its delivery can be best thought of as being broken down into a series of chunks, or work packages. These work packages need to be managed and coordinated and may be the responsibility of individual subject matter experts or a larger group. The two key individual roles will be that of the Site Superintendent and the Project Manager.

### SITE SUPERINTENDENT

The Site Superintendent is intended to be the Council's eyes and ears for the duration of the project. This role has specific responsibilities, including common law requirements to meet, and will be responsible for elements of the certification. Other areas of certification will be undertaken by qualified specialists on a fee for service basis.

This role will be primarily responsible for a single work package. Norman Waterhouse have provided a specification for the role supporting this. The role was to be filled by Daryl Morgan. However, now that he is leaving the Council, external recruitment to this role is being undertaken, which will augment our internal capability and capacity. This role will be in addition to the Manager – Engineering and Design Construction which is also being recruited to.



## **PROJECT MANAGER**

The Project Manager will have a broader role than the Site Superintendent, including line management of the latter position. They will also be responsible for stakeholder engagement, the communications plan and elements of the construction plan. They will be responsible for coordinating the delivery of all work packages and for ensuring the flow of information between the relevant levels within project structure. Norman Waterhouse also provided a specification for this role, which is being used in the procurement process. Open tender for the provision of project management services commenced on 1<sup>st</sup> October 2019 and will conclude on 25<sup>th</sup> October 2019.

Given the scale of this project it is expected that the Head Contractor will have their own specialists, including a project manager, site supervisor (but not site superintendent), etc. Their roles will be to look after their interests. In order to ensure our success, it is necessary to replicate that on the client side.

The current structure has one less role in it than when first conceived, as there is no longer a Contract Superintendent role. This role, together with expert advice in a variety of subjects, is intended to be provided on a fee for service basis. Discussions are underway with Design Inc. to secure their services to coordinate any specialists as the project is delivered.

## **ELECTED MEMBER REPRESENTATION ON THE PCG**

Elected Members were provided with information on this aspect at the relevant briefings. This report puts forward that Cr Hood should be a member of the PCG, given his role as Presiding Member of the Regional Sport and Recreation Committee. It has also been suggested that this role should have a proxy. This is not put forward, as no other roles on the PCG have proxies and the lack of continuity of a proxy member would not serve the PCG well and enable it to be nimble and consistently well informed.

## **FINANCIAL IMPACT**

The financial impact of the cost of these services is not known at this stage because no decision has been taken as to the appointment of the project manager and a retainer quote is awaited from Design Inc. However, provision has been made from within the overall project budget, which is considered to be sufficient to meet these expected needs. Confirmation as to this will be provided through the Council decision-making process for the appointment of the project manager. Currently it is estimated that in excess of \$750,000 remains for the provision of these services.

## **APPROACH TO FINANCIAL VARIATIONS**

The approach to financial variations through the construction phase of the project will be as follows:

1. Get it right prior to commencing the construction phase of the project (i.e. now and certainly prior to entering into a contract);
2. No variations;
3. If a variation is a requirement, then detailed justification will be sought from the proponent of the variation and compensatory savings to be sought to offset this variation;
4. Only after this approach has been explored will variations that result in cost increases be potentially entertained and decision-making will then follow within the delegated approvals; and then
5. Report to next level of decision-making (PCG, RSRCC or Council).



## **FINANCIAL DELEGATION VARIATIONS**

In much the same way as Council delegates certain operations to the Chief Executive Officer, the project delivery will require a degree of flexibility to enable decisions to be made in a timely manner. Where such decisions have a financial impact, there will need to be clarity as to the level of delegations and with whom those delegations sit. It is proposed that the delegations relating to financial variations be as follows:

- a) Site Superintendent / Project Manager – an increase in budget up to \$25,000;
- b) Project Control Group – an increase in budget up to \$50,000; and
- c) Regional Sport and Recreation Centre Committee – an increase in budget up to \$100,000.

Where such delegations are used, there will need to be a clear record kept, together with the rationale for the decision. These decisions will then be reported either to the next available Regional Sport and Recreation Centre Committee (if the delegation has been exercised by a) or b)) or via the minutes to Council if the delegation has been exercised by the Regional Sport and Recreation Committee.

## **DISCUSSION**

There is always a tension between the level of scrutiny required and the level of operational freedom needed to ensure effective delivery in major projects. Monthly reporting, together with briefings and site progress visits enable Elected Members to have an overview of the project and to be clear what is happening, when and why. The measures also provide enough oversight and information to be able to make effective decisions.

## **CONCLUSION**

The project structure, delegation and framework for project oversight by different groups provides a balanced approach which seeks to meet the expectations of Council with the exigencies of the administration in terms being nimble enough to deliver a complex project within a controlled environment.

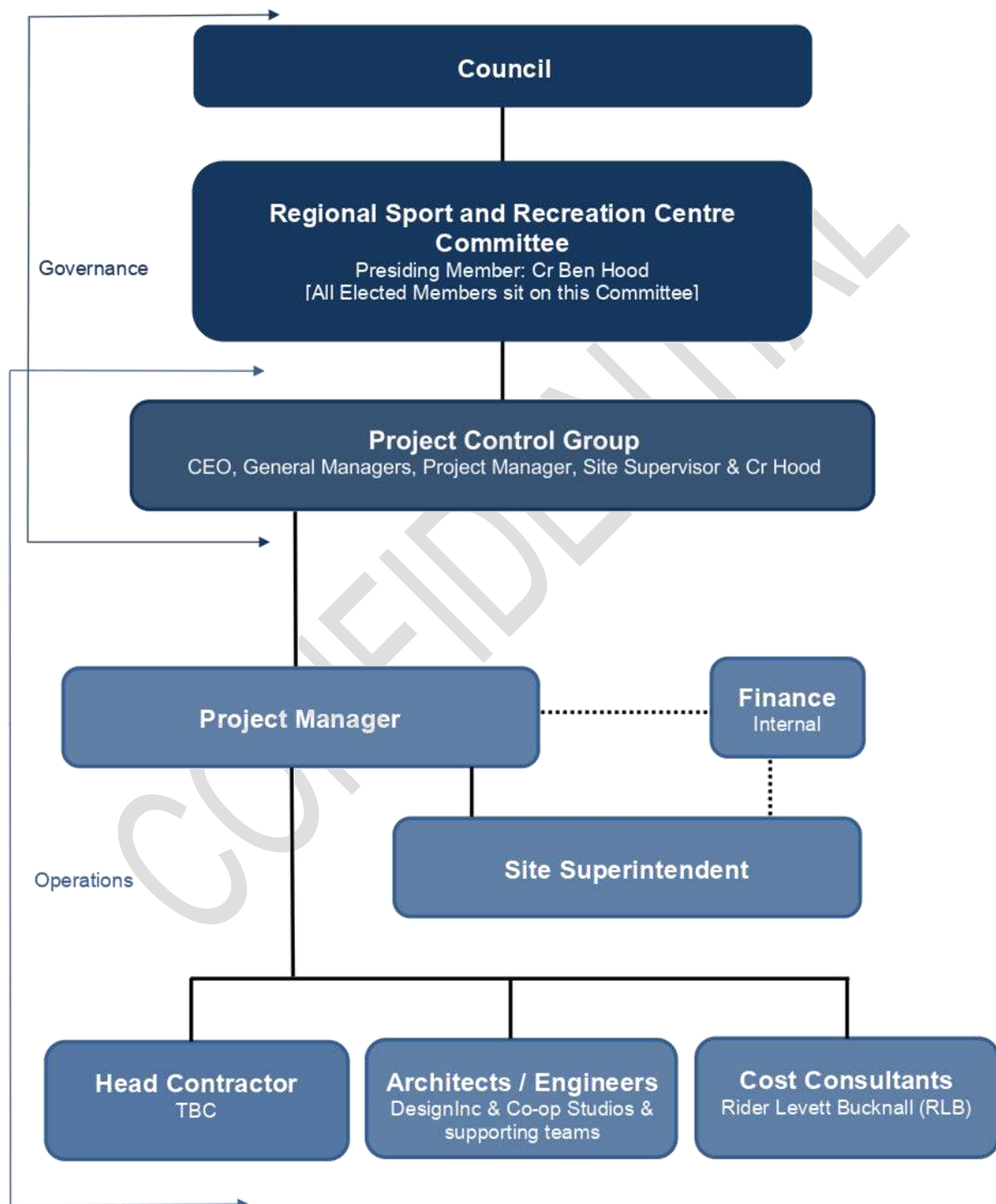
## **ATTACHMENTS**

1. Community and Recreation Hub Reporting Structure [↓](#)



## COMMUNITY AND RECREATION HUB

### Reporting Structure



**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 7.4 AR19/54107 Governance Structure and Financial Delegations for the Community and Recreation Hub Project 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) (b) 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 CONFIDENTIAL REGIONAL SPORT AND RECREATION CENTRE  
COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT  
GAMBIER  
ON TUESDAY, 12 NOVEMBER 2019 AT 5.32 P.M.**

**PRESENT:** Mayor Lynette Martin (OAM), Cr Max Bruins, Cr Christian Greco, Cr Paul Jenner, Cr Sonya Meziniec, Cr Frank Morello, Cr Steven Perryman

**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
Acting General Manager Council Business Services	- Mr J Zwijnenburg
Community Engagement Officer	- Mrs H Gajic

## **7.4 GOVERNANCE STRUCTURE AND FINANCIAL DELEGATIONS FOR THE COMMUNITY AND RECREATION HUB PROJECT – REPORT NO. AR19/54107**

### **COMMITTEE RESOLUTION**

Moved: Cr Max Bruins

Seconded: Cr Steven Perryman

### **CONSIDERATION FOR EXCLUSION OF THE PUBLIC**

Pursuant to section 90(2) of the *Local Government Act 1999* the Regional Sport and Recreation Centre Committee orders that all members of the public, except Mayor L Martin, Councillors B Hood, K Amoroso, M Bruins, C Greco, P Jenner, S Meziniec, F Morello and S Perryman and Council Officers A Meddle, B Cernovskis, J Nagy, N Serle, J Zwijnenburg and H Gajic be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 7.4 AR19/54107 Governance Structure and Financial Delegations for the Community and Recreation Hub Project.

The Regional Sport and Recreation Centre Committee is satisfied that, pursuant to section 90(3) (b) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:



- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
  - conducting business; or
  - proposing to conduct business; or
  - to prejudice the commercial position of the Council

The Regional Sport and Recreation Centre Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because To ensure that the commercial position of the Council is not disadvantaged by third parties understanding the scale of financial delegations relating to this project.

**CARRIED**

### COMMITTEE RESOLUTION

Moved: Cr Sonya Mezinac

Seconded: Cr Max Bruins

1. That Regional Sport and Recreation Centre Committee Report No. AR19/54107 titled 'Governance Structure and Financial Delegations for the Community and Recreation Hub Project' as presented on 12 November 2019 be noted.
2. That Council endorse the project structure as found in **Attachment 1**.
3. That the Presiding Member of the Regional Sport and Recreation Centre Committee be a member of the Project Control Group.
4. That the delegations relating to financial variations be as follows:
  - a) Site Superintendent / Project Manager – an increase in budget up to \$25,000; including cumulative changes
  - b) Project Control Group – an increase in budget from \$25,001 up to \$50,000; and
  - c) Regional Sport and Recreation Centre Committee – an increase in budget from \$50,001 up to \$100,000.

**CARRIED**

### AMENDMENT

Moved: Cr Paul Jenner

1. That Regional Sport and Recreation Centre Committee Report No. AR19/54107 titled 'Governance Structure and Financial Delegations for the Community and Recreation Hub Project' as presented on 12 November 2019 be noted.
2. That Council endorse the project structure as found in **Attachment 1**.
3. That the Presiding Member of the Regional Sport and Recreation Centre Committee be a member of the Project Control Group.
4. That the delegations relating to financial variations be as follows:
  - a) Site Superintendent an increase in budget up to \$25,000; including cumulative change
  - b) Project Control Group – an increase in budget from \$25,001 up to \$50,000; and
  - c) Regional Sport and Recreation Centre Committee – an increase in budget from \$50,001 up to \$100,000.



5. The job of the Project Manager is not required.

**MOTION LAPSED FOR WANT OF A SECONDER**

The Acting Presiding Member 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 7.4

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

Meeting Procedures were suspended at 6.47 p.m.

The Acting Presiding Member 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.

Cr Paul Jenner called for a division, the Motion was set aside.

In Favour: Max Bruins, Christian Greco, Sonya Meziniec, Frank Morello and Steven Perryman

Against: Cr Paul Jenner

**CARRIED 5/1**

THE ORIGINAL MOTION WAS PUT AND

**CARRIED**

**COMMITTEE RESOLUTION**

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 7.4 AR19/54107 Governance Structure and Financial Delegations for the Community and Recreation Hub Project 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) (b) 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**





City of  
Mount Gambier

Civic Centre, 10 Watson Terrace  
Mount Gambier SA 5290

PO Box 56  
Mount Gambier SA 5290

Telephone 08 87212555  
Facsimile 08 87249791  
[city@mountgambier.sa.gov.au](mailto:city@mountgambier.sa.gov.au)

[mountgambier.sa.gov.au](http://mountgambier.sa.gov.au)

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

**Date:** Tuesday, 19 November 2019  
**Time:** 6.00 p.m.  
**Location:** Council Chamber  
Civic Centre  
10 Watson Terrace  
Mount Gambier

# **AGENDA**

## **Confidential Council Meeting 19 November 2019**

**Andrew Meddle**  
**Chief Executive Officer**

**15 November 2019**

## 25.9 GOVERNANCE STRUCTURE AND FINANCIAL DELEGATIONS FOR THE COMMUNITY AND RECREATION HUB PROJECT – REPORT NO. AR19/54107

### 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 Meziniec, K Amoroso, M Bruins, C Greco, B Hood, P Jenner, F Morello and S Perryman and Council Officers A Meddle, B Cernovskis, J Zwijnenburg, N Serle, A Watson, and F McGregor be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 25.9 AR19/54107 Governance Structure and Financial Delegations for the Community and Recreation Hub Project.

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

- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
  - conducting business; or
  - proposing to conduct business; or
  - to prejudice the commercial position of the Council

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

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 To ensure that the commercial position of the Council is not disadvantaged by third parties understanding the scale of financial delegations relating to this project..



**25.9 GOVERNANCE STRUCTURE AND FINANCIAL DELEGATIONS FOR THE COMMUNITY AND RECREATION HUB PROJECT – REPORT NO. AR19/54107**

<b>Committee:</b>	<b>Regional Sport and Recreation Centre Committee</b>
<b>Meeting Date:</b>	<b>12 November 2019</b>
<b>Report No.:</b>	<b>AR19/54107</b>
<b>CM9 Reference:</b>	<b>AF18/175</b>
<b>Author:</b>	<b>Andrew Meddle, Chief Executive Officer</b>
<b>Authoriser:</b>	<b>Andrew Meddle, Chief Executive Officer</b>
<b>Summary:</b>	<b>A report proposing a governance structure and financial delegations for the construction phase of the Community and Recreation Hub project</b>
<b>Community Plan Reference:</b>	<b>Goal 1: Our People</b> <b>Goal 2: Our Location</b> <b>Goal 3: Our Diverse Economy</b> <b>Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage</b>

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:

- (b) information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business; or proposing to conduct business; or to prejudice the commercial position of the Council.

**REPORT RECOMMENDATION**

1. That Regional Sport and Recreation Centre Committee Report No. AR19/54107 titled 'Governance Structure and Financial Delegations for the Community and Recreation Hub Project' as presented on 12 November 2019 be noted.
2. That Council endorse the project structure as found in **Attachment 1**.
3. That Cr Hood be a member of the Project Control Group.
4. That the delegations relating to financial variations be as follows:
  - a) Site Superintendent / Project Manager – an increase in budget up to \$25,000;
  - b) Project Control Group – an increase in budget from \$25,001 up to \$50,000; and
  - c) Regional Sport and Recreation Centre Committee – an increase in budget from \$50,001 up to \$100,000.



## BACKGROUND

The Community and Recreation Hub construction project will be a significant undertaking for Council and one which comes with levels of complexity and project management arrangements, which are necessary to underpin its successful delivery. There are a multiplicity of reporting requirements, which are necessary for such a project and a need to streamline decision-making, whilst ensuring that the fundamentals of the project are delivered on time, on budget and to a level of quality expected by the Council and community.

In terms of progress reporting, the Council is currently expecting to report as follows:

INTERNALLY	EXTERNALLY
<ul style="list-style-type: none"><li>• Project Control Group</li><li>• Regional Sport and Recreation Centre Committee</li><li>• Council</li></ul>	<ul style="list-style-type: none"><li>• Federal Milestone Reporting</li><li>• State Milestone Reporting</li><li>• State Public Works Committee</li></ul>

The progress reporting will be complemented by continuing communications with affected tenants, affected residents and businesses, the Community Reference Group and other stakeholders. This work will be led by the Project Manager, as can be seen from the relevant later section.

The proposed governance structure has been discussed with Elected Members via briefings on 19<sup>th</sup> August 2019 and 27<sup>th</sup> August 2019, as confirmed by confidential Memo on 11<sup>th</sup> September 2019. It was then presented again at the confidential briefing on 22<sup>nd</sup> October 2019. The proposed structure can be found as **Attachment 1**. This proposed structure has been considered and supported by the Council's legal advisers.

Elected Members have made it clear that they wish to have a representative on the Project Control Group. This is a very unusual move and one which may isolate the Elected Member. However, noting the wish of the Council, it is recommended that Cr Hood, as Presiding Member of the Regional Sport and Recreation Centre Committee, be appointed to the Project Control Group.

Elected Members may also wish to note that the Chief Executive Officer and General Manager – City Growth will be appearing as witnesses to the SA Parliamentary Public Works Committee on 31<sup>st</sup> October 2019.

## ROLES & RESPONSIBILITIES

The roles in the structure set the Council up for success in delivering a project of this scale, which is significantly greater and more complex than previous major projects. Given the complexity of the project, its delivery can be best thought of as being broken down into a series of chunks, or work packages. These work packages need to be managed and coordinated and may be the responsibility of individual subject matter experts or a larger group. The two key individual roles will be that of the Site Superintendent and the Project Manager.

### SITE SUPERINTENDENT

The Site Superintendent is intended to be the Council's eyes and ears for the duration of the project. This role has specific responsibilities, including common law requirements to meet, and will be responsible for elements of the certification. Other areas of certification will be undertaken by qualified specialists on a fee for service basis.

This role will be primarily responsible for a single work package. Norman Waterhouse have provided a specification for the role supporting this. The role was to be filled by Daryl Morgan. However, now that he is leaving the Council, external recruitment to this role is being undertaken, which will augment our internal capability and capacity. This role will be in addition to the Manager – Engineering and Design Construction which is also being recruited to.





## **PROJECT MANAGER**

The Project Manager will have a broader role than the Site Superintendent, including line management of the latter position. They will also be responsible for stakeholder engagement, the communications plan and elements of the construction plan. They will be responsible for coordinating the delivery of all work packages and for ensuring the flow of information between the relevant levels within project structure. Norman Waterhouse also provided a specification for this role, which is being used in the procurement process. Open tender for the provision of project management services commenced on 1<sup>st</sup> October 2019 and will conclude on 25<sup>th</sup> October 2019.

Given the scale of this project it is expected that the Head Contractor will have their own specialists, including a project manager, site supervisor (but not site superintendent), etc. Their roles will be to look after their interests. In order to ensure our success, it is necessary to replicate that on the client side.

The current structure has one less role in it than when first conceived, as there is no longer a Contract Superintendent role. This role, together with expert advice in a variety of subjects, is intended to be provided on a fee for service basis. Discussions are underway with Design Inc. to secure their services to coordinate any specialists as the project is delivered.

## **ELECTED MEMBER REPRESENTATION ON THE PCG**

Elected Members were provided with information on this aspect at the relevant briefings. This report puts forward that Cr Hood should be a member of the PCG, given his role as Presiding Member of the Regional Sport and Recreation Committee. It has also been suggested that this role should have a proxy. This is not put forward, as no other roles on the PCG have proxies and the lack of continuity of a proxy member would not serve the PCG well and enable it to be nimble and consistently well informed.

## **FINANCIAL IMPACT**

The financial impact of the cost of these services is not known at this stage because no decision has been taken as to the appointment of the project manager and a retainer quote is awaited from Design Inc. However, provision has been made from within the overall project budget, which is considered to be sufficient to meet these expected needs. Confirmation as to this will be provided through the Council decision-making process for the appointment of the project manager. Currently it is estimated that in excess of \$750,000 remains for the provision of these services.

## **APPROACH TO FINANCIAL VARIATIONS**

The approach to financial variations through the construction phase of the project will be as follows:

1. Get it right prior to commencing the construction phase of the project (i.e. now and certainly prior to entering into a contract);
2. No variations;
3. If a variation is a requirement, then detailed justification will be sought from the proponent of the variation and compensatory savings to be sought to offset this variation;
4. Only after this approach has been explored will variations that result in cost increases be potentially entertained and decision-making will then follow within the delegated approvals; and then
5. Report to next level of decision-making (PCG, RSRCC or Council).



## **FINANCIAL DELEGATION VARIATIONS**

In much the same way as Council delegates certain operations to the Chief Executive Officer, the project delivery will require a degree of flexibility to enable decisions to be made in a timely manner. Where such decisions have a financial impact, there will need to be clarity as to the level of delegations and with whom those delegations sit. It is proposed that the delegations relating to financial variations be as follows:

- a) Site Superintendent / Project Manager – an increase in budget up to \$25,000;
- b) Project Control Group – an increase in budget up to \$50,000; and
- c) Regional Sport and Recreation Centre Committee – an increase in budget up to \$100,000.

Where such delegations are used, there will need to be a clear record kept, together with the rationale for the decision. These decisions will then be reported either to the next available Regional Sport and Recreation Centre Committee (if the delegation has been exercised by a) or b)) or via the minutes to Council if the delegation has been exercised by the Regional Sport and Recreation Committee.

## **DISCUSSION**

There is always a tension between the level of scrutiny required and the level of operational freedom needed to ensure effective delivery in major projects. Monthly reporting, together with briefings and site progress visits enable Elected Members to have an overview of the project and to be clear what is happening, when and why. The measures also provide enough oversight and information to be able to make effective decisions.

## **CONCLUSION**

The project structure, delegation and framework for project oversight by different groups provides a balanced approach which seeks to meet the expectations of Council with the exigencies of the administration in terms being nimble enough to deliver a complex project within a controlled environment.

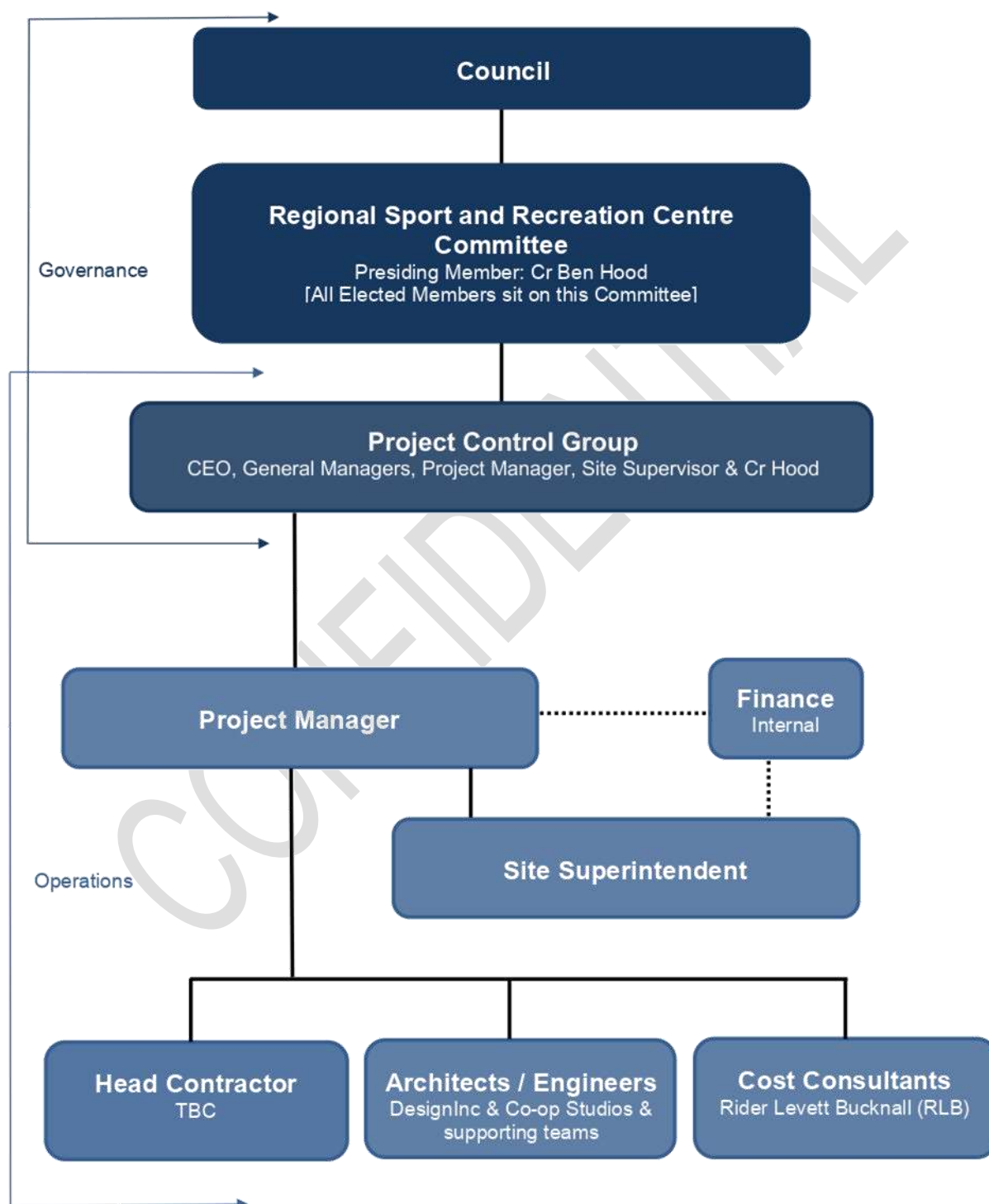
## **ATTACHMENTS**

1. Community and Recreation Hub Reporting Structure [↓](#)



## COMMUNITY AND RECREATION HUB

### Reporting Structure



**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 7.4 AR19/54107 Governance Structure and Financial Delegations for the Community and Recreation Hub Project 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) (b) 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 CONFIDENTIAL COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT  
GAMBIER  
ON TUESDAY, 19 NOVEMBER 2019 AT 6.00 P.M.**

**PRESENT:** Mayor Lynette Martin (OAM), Cr Kate Amoroso, Cr Max Bruins, Cr Christian Greco, Cr Paul Jenner, Cr Ben Hood, Cr Frank Morello, Cr Steven Perryman

<b>OFFICERS IN ATTENDANCE:</b>	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
	Acting General Manager Council Business Services	- Mr J Zwijnenburg
	Manager Development Services	- Mrs T Tzioutziouklaris
	Media and Communications	- Mrs A Watson
	Executive Administration Officer	- Mrs F McGregor

**RESOLUTION 2019/365**

Moved: Cr Christian Greco

Seconded: Cr Max Bruins

**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 Meziniec, K Amoroso, M Bruins, C Greco, B Hood, P Jenner, F Morello and S Perryman and Council Officers A Meddle, B Cernovskis, J Nagy, N Serle, J Zwijnenburg, A Watson, T Tzioutziouklaris and F McGregor be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 25.9 AR19/54107 Governance Structure and Financial Delegations for the Community and Recreation Hub Project.

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

- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
  - conducting business; or
  - proposing to conduct business; or
  - to prejudice the commercial position of the Council

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

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 To ensure that the commercial position of the Council is not disadvantaged by third parties understanding the scale of financial delegations



relating to this project.

**CARRIED**

## **MOTION**

Moved: Cr Ben Hood  
Seconded: Cr Max Bruins

1. That Regional Sport and Recreation Centre Committee Report No. AR19/54107 titled 'Governance Structure and Financial Delegations for the Community and Recreation Hub Project' as presented on 12 November 2019 be noted.
2. That Council endorse the project structure as found in **Attachment 1**.
3. That the Presiding Member of the Regional Sport and Recreation Centre Committee be a member of the Project Control Group.
4. That the delegations relating to financial variations be as follows:
  - a) Site Superintendent / Project Manager – an increase in budget up to \$25,000; including cumulative changes
  - b) Project Control Group – an increase in budget from \$25,001 up to \$50,000; and
  - c) Regional Sport and Recreation Centre Committee – an increase in budget from \$50,001 up to \$100,000.

## **AMENDMENT**

Moved: Cr Steven Perryman  
Seconded: Cr Paul Jenner

1. That Regional Sport and Recreation Centre Committee Report No. AR19/54107 titled 'Governance Structure and Financial Delegations for the Community and Recreation Hub Project' as presented on 12 November 2019 be noted
2. That Council endorse the project structure as found in Attachment 1,
  - a) the project control group consist of the chair or presiding member of the Regional Sport and Recreation Centre Committee, Cr Jenner, Cr Perryman, the Chief Executive Officer, the General Manager City Infrastructure and Councils appointed project manager.
  - b) The Project Control Group should be chaired by the Presiding Member of the Regional Sport and Recreation Centre Committee.
3. That the Presiding Member of the Regional Sport and Recreation Centre Committee be a member of the Project Control Group.
4. That the delegations relating to financial variations be as follows:
  - a) Site Superintendent / Project Manager – an increase in budget up to \$10,000; including cumulative changes
  - b) Project Control Group – an increase in budget up to \$25,000; and
  - c) Regional Sport and Recreation Centre Committee – an increase in budget over \$25,000.

The Amendment became the Motion and as the Motion was put and

**CARRIED**



Cr Bruins called for a division

The declaration was set aside

In Favour: Crs Kate Amoroso, Christian Greco, Paul Jenner and Steven Perryman

Against: Crs Max Bruins, Ben Hood and Frank Morello

**CARRIED 4/3**

**RESOLUTION 2019/366**

Moved: Cr Steven Perryman

Seconded: Cr Paul Jenner

1. That Regional Sport and Recreation Centre Committee Report No. AR19/54107 titled 'Governance Structure and Financial Delegations for the Community and Recreation Hub Project' as presented on 12 November 2019 be noted.
2. That Council endorse the project structure as found in Attachment 1,
  - a) the project control group consist of the chair or presiding member of the Regional Sport and Recreation Centre Committee, Cr Jenner, Cr Perryman, the Chief Executive Officer, the General Manager City Infrastructure and Councils appointed project manager.
  - b) The Project Control Group should be chaired by the Presiding Member of the Regional Sport and Recreation Centre Committee.
3. That the Presiding Member of the Regional Sport and Recreation Centre Committee be a member of the Project Control Group.
4. That the delegations relating to financial variations be as follows:
  - a) Site Superintendent / Project Manager – an increase in budget up to \$10,000; including cumulative changes
  - b) Project Control Group – an increase in budget up to \$25,000; and
  - c) Regional Sport and Recreation Centre Committee – an increase in budget over \$25,000.

**CARRIED**

**RESOLUTION 2019/367**

Moved: Cr Christian Greco

Seconded: Cr Paul Jenner

**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 7.4 AR19/54107 Governance Structure and Financial Delegations for the Community and Recreation Hub Project 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) (b) 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





City of Mount Gambier  
Confidential Council Meeting Minutes

---

19 November 2019

91(9)(c) of the *Local Government Act 1999*.

**CARRIED**