



Confirmed Minutes
Burke Shire Council Special Meeting
Monday 14 October 2024
8.30am Council Chambers

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01. Opening of Meeting

The Chair declared the meeting open at 8.34am.

02. Record of Attendance

**Cr Ernie Camp; Mayor – Chair
Cr John Clarke; Deputy Mayor
Cr Clinton Murray
Cr John Yanner
Cr Paul Poole**

**Dan McKinlay; Chief Executive Officer
Chris Wilson; Director of Engineering/ Deputy CEO
Amir Akrami; Senior Engineering Manager
Chelsea Nelson; People and Culture Manager
Kimberly Chan; Economic and Community Development Manager
Jordan Marshall; Executive Assistant (Minutes)
Shannon Moren; Environmental Health, Local Laws and Facilities Manager
Shaun Jorgensen; Finance and Technology Manager**

NorthLane Engineers: Heath Jones, Ricardo de Azevedo and Jacob Landers

02.01 LGR 2012 Section 254K – Participating in meetings by audio link or visual audio link

That Council, in accordance with section 254K of the Local Government Regulation 2012, allows the following person/s to participate in the meeting by audio link or visual audio link:

- **Shannon Moren; Environmental Health, Local Laws and Facilities Manager**
- **Shaun Jorgensen; Finance and Technology Manager**

Moved: Cr Camp

Seconded: Cr Yanner

Carried 241014.01 5/0

03. Declaration of Interests

That Council notes no declaration or interests were noted for the meeting.

Attendance

Cr Murray left the meeting from 9.19am to 9.21am.

Kimberly Chan left the meeting from 9.26am to 9.27am.

04. Executive Management Reports

04.01 Airport Runway – Gravel Haulage Council Report

DEPARTMENT:	Engineering Services
RESPONSIBLE OFFICER:	Chris Wilson; Director of Engineering/ Deputy CEO
PREPARED BY:	Amir Akrami; Senior Engineering Manager
DATE REPORT PREPARED:	9 October 2024
LINK TO COUNCIL PLAN/S:	CORPORATE PLAN Goals, Strategies and Performance Indicators: Assets

1. PURPOSE

This report seeks Council support to accept the purchase of approximately 40,000t of type 2.1 pavement material from QCrush for the Burketown Airport Runway project through LocalBuys contract for Quarry Products, Geo, Landscaping (NQ) -LBR290 and delegate financial authority to the CEO.

2. BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

A report was presented to the September Council Meeting at which the following resolution was passed:

10.05 Airport Runway – Gravel Haulage Council Report

Officer's Recommendation

That Council:

- a) Accepts and notes the contents of the report; and*
- b) Approves the purchase of approximately 40,000t of Type 2.1 pavement material from QCrush Resources through LocalBuys contact number LBR290; and*
- c) Delegates financial authority to the CEO to enter into negotiations regarding any and all matters associated with executing the Contract to the maximum value of the Project Budget of \$3,002,000 (excl. GST).*

Councillors Recommendation

That the report be deferred to a special meeting within the next two weeks, with further information to be brought back to Council.

Moved: Cr Camp

Seconded: Cr Murray

Carried 240918.07 5/0

A number of questions were asked at the meeting and the following attempts to address these questions:

1. What is the protection of the gravel stockpile from contamination?

The scope of works will include the requirement for the gravel stockpile to have a plastic covering with earth weighting on the edges to protect it from rainfall and infiltration from flooding.

2. What are the options for the gravel stockpile site?

The tender will not specify a specific site but will state a delivery stockpile site within 10km of Burketown which leaves a large degree of flexibility for the final location.

The Airport Runway Pavement Remediation project has received funding approval from QRA for both REPA and Betterment works, with funding sources and project budget allocations summarised as follows:

(Please note, all values in this report are excluding GST and rounded to the nearest dollar).

REPA	Betterment	Council Contribution	Total
\$7,967,667	\$12,439,419	\$400,000	\$20,807,087

Table 1 - Funding Sources

Direct Costs	Project Management	Contingency	Total
\$16,448,290	\$2,467,243	\$1,891,553	\$20,807,087

Table 2 - Project Budget Allocation

Whilst the final design has not been presented to Council or approved, the betterment funding project scope approved by QRA aims to improve the flood resilience of the asset.

High Level Overview:

- Reconstruct and elevate the current runway, apron, and related infrastructure.
- Ensure the new elevation surpasses the highest recorded flood levels from recent events, resulting in a significantly more flood-resistant aviation facility.
- Ensure the reconstructed runway is constructed to current design standards to achieve a more resilient asset.

General Overview of the Treatment Approved by QRA:

- Pulverise existing runway / apron pavement, add cement to existing gravel and compact to form a new stabilised subgrade
- Import additional gravel to lift the runway above the flood levels
- Import fill for shoulders to meet CASA requirements.
- Adjust lighting to suit new finished levels
- Double/Double Seal and Linemarking

Regardless of the final design's fine detail, to achieve this outcome, it will require approximately 40,000t of Type 2.1 pavement material to be delivered to site before the end of Q4 2024. The use of Type 2.1 pavement necessitates the procurement of a manufactured material, for which there are only two suppliers in the region; QCrush in Gregory and Wagners' in Cloncurry.

Available Suppliers

Operating under the assumption that the cost of material production and haulage rates offered by both suppliers are competitive (i.e., very similar based on rates from the current ROPS), the governing factor in the price of supplying the material becomes the haulage distance. Below is a comparative estimate of haulage costs for the two eligible suppliers.

Item	QCrush	Wagners
Haulage Distance (round trip, approximate)	240km	900km
Estimated haulage hours (75t/triple tipper for approx. 40,000t material)	1,600hr	5,870hr
Estimated haulage cost @ \$340/hr	\$544,000	\$1,995,800

It is reasonable to accept that carting anything a longer distance is going to cost more. Based on the above assumptions, Council would anticipate savings of approximately \$1,451,800 or \$36.30/t through procuring the material from QCrush. The \$340/hr haulage cost is a guideline figure taken from the current ROPS rates.

Accordingly, it can be reasonably concluded that obtaining the pavement material from QCrush would provide value for money compared to other alternative options.

Project Timeline Impacts

The concept construction program assumes a construction phase of 40 weeks. Failure to commence construction on time presents a significant project risk. Delivery of the material required for lifting the runway and apron prior to commencement of construction and having the material onsite and ready for when construction begins will reduce this risk considerably. As the construction works will need to commence as soon as practicable at the conclusion of the 24/25 wet season, the delivery of gravel will need to be completed prior to the onset of the 24/25 wet season.

QCrush have provided an informal estimated delivery rate of 1,125t per day, resulting in 35 haulage days. Assuming the same resource allocation from Wagners would equate to 95 haulage days. To achieve a similar timeframe, Wagners would have to allocate triple the resources (equivalent to 15 triple side-tippers operating each day).

If haulage were to start in early October, it is anticipated that QCrush would be able to complete the delivery of the material to the stockpile location prior to the anticipated onset of the 24/25 wet season, whilst Wagners would likely not be able to achieve this.

Supplier	Haulage Start Date	Haulage Days (no rain days)	Haulage Completion	Haulage Days (with Contingency)	Haulage Completion
QCrush	01/10/2024	35	18/11/2024	10%	25/11/2024
Wagner's*	01/10/2024	95	10/04/2025	10%	24/04/2025

*Includes 60 days of delay for cessation of haulage during the 24/25 wet season

Table 3 - Comparison of Expected Haulage Timeframes (assuming equal haulage resource allocation)

Other Considerations

The Floraville Road Project is scheduled to commence construction at the conclusion of the 24/25 wet season and will require haulage of manufactured material on a route that partly coincides with

the haulage route that both suppliers, QCrush and Wagner's, would utilise from supply of pavement material to the Airport Runway project.

Failure to complete the delivery of the pavement material prior to the onset of the 24/25 wet season will result in an increased burden to part of Burke Shire's Transport Network from the end of Q1 2025, potentially through to the beginning of Q3 2025.

QCrush have advised that they have sufficient material stockpiled to meet the quantity required and area able to start hauling at Council's earliest convenience. The critical nature of the delivery timeframe would require Council's acceptance of this procurement process and sufficient financial delegation authority before the end of September.

3. PROPOSAL

That Council, having referenced the LocalBuys contract; Quarry Products, Geo, Landscaping (NQ)-LBR290, endorses the recommendations contained within this report for the supply of approximately 40,000t of Type 2.1 Pavement Material, and delegating authority to the CEO up to the amount of \$3,002,000 (Excl. GST).

4. FINANCIAL & RESOURCE IMPLICATIONS

The allocated project budget for the Airport Runway project is \$20,807,087 including contingency allowances and project management. The project budget for direct costs is \$16,448,290. The gravel haulage constitutes \$3,002,000 of this direct cost.

5. RISK

Risk Type	What could happen	Possible consequence
Delays to works – material supply	<ul style="list-style-type: none">▪ Not meeting the funding requirements▪ Works not completed by the 25/26 wet season	<ul style="list-style-type: none">▪ Monitor progress closely with Project Management "on the ground" overview▪ Seek time extension from funding authority if necessary
Asset Damage	<ul style="list-style-type: none">▪ Concurrent significant haulage along coinciding routes	<ul style="list-style-type: none">• Damage to Council managed transport Infrastructure

6. POLICY & LEGAL IMPLICATIONS

The Council must also meet all relevant local government procurement requirements outlined in the Local Government Act 2009, Local Government Regulation 2012 and in Council's Procurement Policy. These requirements will be met should Council form a resolution for the proposal contained within this report.

Instrument	Reference	Details
<i>Local Government Act 2009</i>	Sections 12 and 13 – responsibilities of councillors and employees	Section 12 charges councillors with ensuring the local government achieves its corporate plan. Section 13 charges council employees with carrying out their duties in a way that ensures the local government achieves its corporate plan.
<i>Local Government Act 2009</i>	Section 257	Council authorises the CEO to incur certain expenditure on behalf of Council by way of a delegation made by Council resolution.
<i>Local Government Regulation 2012</i>	Sections 228-238 – Default Contracting Procedures	These Sections in the Regulation provide the requirements for Procurement for contracts valued at \$200,000 and above.
Burke Shire Council Corporate Plan 2019/2024	Vision, Mission, Values	Local Government Principles and Sound Contracting Principles
Burke Shire Council Procurement Policy 2023		Regulate and guide All Council procurement and contracting activities from external parties.

7. CRITICAL DATES & IMPLICATIONS

Quote sought via LocalBuys contact LBR290 - September 23rd, 2024

Required Commencement Date – October 1st, 2024

Any delay in the initiation of the procurement process and granting the financial delegation authority to the CEO will increase the project risk profile and potentially delay commencement of construction.

8. CONSULTATION

Consultation has taken place with:

- NorthLane Consulting Engineers Pty Ltd
- LocalBuys
- Procurement and Contract Coordinator
- Manager Project Management Office
- Director of Engineering

9. CONCLUSION

That Council, having referenced the LocalBuys' contract; Quarry Products, Geo, Landscaping (NQ)-LBR290, endorses the recommendations contained within this report for the supply of approximately 40,000t of Type 2.1 Pavement Material, and delegating authority to the CEO up to the amount of \$3,002,000 (Excl. GST).

It can be reasonably concluded that obtaining the pavement material from QCrush would provide value for money compared to other alternative options.

10. OFFICER'S RECOMMENDATION

That Council:

- a) Accepts and notes the contents of the report; and
- b) Approves the purchase of approximately 40,000t of Type 2.1 pavement material from QCrush Resources through LocalBuys contact number LBR290; and
- c) Delegates financial authority to the CEO to enter into negotiations regarding any and all matters associated with executing the Contract to the maximum value of the Project Budget of \$3,002,000 (excl. GST).

04.01 Airport Runway – Gravel Haulage Council Report

That Council:

- a) Accepts and notes the contents of the report; and
- b) Approves the purchase of approximately 40,000t of Type 2.1 pavement material from QCrush Resources through LocalBuys contact number LBR290; and
- c) Delegates financial authority to the CEO to enter into negotiations regarding any and all matters associated with executing the Contract to the maximum value of the Project Budget of \$3,002,000 (excl. GST).

Amendment to Motion

Cr Camp moves an amendment to the Officer's Recommendation that b) and c) be removed and Council includes the supply of gravel material in the main runway reconstruction project contract.

Moved: Cr Camp
Seconded: Cr Murray
Voted 5/0

That Council:

- a) Accepts and notes the contents of the report; and
- b) Includes the supply of gravel material in the main runway reconstruction project contract.

Moved: Cr Poole
Seconded: Cr Clarke
Carried 241014.02 5/0

05. Closure of meeting

The Chair declared the meeting closed at 9.28am.

I hereby certify that these pages numbered 1 to 9 – constitute
the Confirmed Special Meeting minutes of the Council Meeting
of Burke Shire Council held on Monday 14 October 2024.

Mayor Cr Ernie Camp