PARKES SHIRE COUNCIL

Our Mission: To Deliver Progress and Value to our Community

Our Communities Vision:
In 2022 the Parkes Shire will be a progressive regional centre, embracing a national logistics hub with vibrant communities, diverse opportunities, learning and healthy lifestyles.

MINUTES

TUESDAY 3 NOVEMBER 2015

Minutes of the Ordinary Meeting of Parkes Shire Council held at the Council Administration Centre, 2 Cecile Street, Parkes, commencing at 2.00 pm for the purpose of considering the items included on the Agenda.

GENERAL MANAGER: Kent Boyd

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Ordinary Meeting

Minutes of the Ordinary Meeting held in the Council Chambers, 2 Cecile Street on 03 November 2015 at 2.00pm.

PRESENT

Councillor K J Keith OAM, (in the Chair)
Councillor M J Greenwood OAM, PSM
Councillor B J McCorkell
Councillor L A O'Leary
Councillor P J Smith
Councillor B F Newton
Councillor R C Haddin
Councillor K M McGrath
Councillor G W Pratt
Councillor AJ Ward

IN ATTENDANCE

General Manager - K Boyd
Director Technology and Corporate Services - L Finn
Director Planning and Environment - S Campbell
Director Engineering Services - B Howard
Director Infrastructure - A Francis
Minutes Secretary - S Henry

MEETING COMMENCEMENT

The Meeting commenced at 2.00pm.

1 PRAYER

The Mayor asked the General Manager to open proceedings with a prayer.

2 APOLOGIES

15 - 435 Resolution

That Councillor Belinda McCorkell be granted leave of absence from the meeting until 4.30pm (REASON: Work Commitments).

Councillor Bob Haddin advised he would be absent from the 17 November 2015 Council meeting as he will be attending the Australian National Roads Congress with the Director Engineering Services.

Moved Councillor Pat Smith, seconded Councillor Ken McGrath.

CARRIED

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

15 - 436 Resolution

That the Minutes of the Ordinary Meeting of Parkes Shire Council held on 20 October 2015, copies of which have been forwarded to Councillors, be confirmed.

Moved Councillor Bob Haddin, seconded Councillor Barbara Newton.

CARRIED

4 DECLARATIONS OF INTEREST

Nil

5 NOTICES OF MOTION/RESCISSION

5.1 Notice of Motion - Councillor RC Haddin

Executive Summary

Councillor RC Haddin has given notice that at the Ordinary Meeting on 03 November 2015 he will move the motion detailed below;

Customer Service Effectiveness Survey Report.

Recommendation

1. For the decision of Council in relation to the Motion.

15 - 437 Resolution

1. That Council investigate the appropriate manner in which to identify and measure the effectiveness of Council's interaction with its customers.

Moved Councillor Bob Haddin, seconded Councillor Pat Smith.

CARRIED

General Manager Mayor

6 LATE BUSINESS

In accordance with Council's Code of Meeting Practice 3.7(c) a decision is now required to determine which, if any Late item/s submitted to the meeting will be dealt with at the meeting or deferred for further consideration at a future Ordinary Meeting of Parkes Shire Council.

15 - 438 Resolution

That Late items 7.3, 16.1, 17.4 and 17.5 be considered at this Council meeting.

Moved Councillor George Pratt, seconded Councillor Bob Haddin.

CARRIED

7 MAYORAL MINUTES

7.1 Mayoral Minute - Functions Attended by Mayor and Councillors

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Executive Summary

A report on functions recently attended by the Mayor, Councillors or Senior Staff in relation to community events or civic matters.

Recommendation

1. That the report of upcoming functions for the Mayor, Councillors or Senior Staff be received and noted.

15 - 439 Resolution

That the information be received and noted.

Moved Councillor George Pratt, seconded Councillor Barbara Newton.

CARRIED

7.2 Mayoral Minute - Coming Known Events for Mayor and Councillors

Executive Summary

A report on the upcoming functions requiring the attendance of the Mayor, Councillors or Senior Staff in relation to community events or civic matters.

Recommendation

1. That the report of upcoming functions for the Mayor, Councillors or Senior Staff be received and noted

15 - 440 Resolution

That the information be received and noted.

Moved Councillor Bob Haddin, seconded Councillor Pat Smith.

CARRIED

7.3 Mayoral Minute - Northparkes Wins Prestigious Mining Award

Executive Summary

Northparkes Mines were the winners of the Australian Mining 2015 Prospect Award for Hard Rock Mine of the Year recognising a hard rock mine that is performing well or has carried out an innovative project or program. Representatives of Northparkes received the prestigious award at a ceremony in Sydney last Friday evening.

Recommendation

1. That a letter of congratulations be forwarded to Northparkes Mines on wining the Australian Mining 2015 Prospect Award for Hard Rock Mine of the Year.

15 - 441 Resolution

That the recommendation be adopted.

Moved Councillor George Pratt, seconded Councillor Michael Greenwood.

CARRIED

8 COUNCILLORS' REPORTS

8.1 Councillors Report - Australian Airports Association National Conference 2015

Executive Summary

The Australian Airports Association National Conference was held in Hobart on 12 to 16 October 2015. Cr Alan Ward, Director Engineering Services and Manager of Support Services were among the 260 delegates attending the Conference and the Annual General Meeting.

Recommendation

1. That the information be noted for the Australian Airports Association National Conference.

15 - 442 Resolution

1. That the information be noted for the Australian Airports Association National Conference.

2. That Council write to the Australian Airports Association congratulating them on the Conference and for their highlighting and recognition of the importance of smaller rural and regional airports

Moved Councillor Alan Ward, seconded Councillor Bob Haddin.

CARRIED

9 INWARDS CORRESPONDENCE

9.1 (ICR) Letters of Appreciation

Executive Summary

During the exercise of its various functions, Council frequently receives letters of appreciation for services rendered or actions taken by Councillors and staff. The most recently received are from Quota International of Parkes Inc. and the Parkes Parkinson's Support Group.

Recommendation

That the information be received and noted.

15 - 443 Resolution

That the information be received and noted.

Moved Councillor Barbara Newton, seconded Councillor Louise O'Leary.

CARRIED

10 GENERAL MANAGER'S REPORT

10.1 (GM) IPART Review of Local Council Fit for the Future Proposals

Executive Summary

On Tuesday 20 October the Independent Pricing and Regulatory Tribunal (IPART) released their Review of Local Council Fit for the Future proposals.

Parkes Council was found to be "Fit".

Council has until 18 November 2015 to make a submission on the IPART findings. The State Government has then undertaken to advise of their response prior to the end of 2015.

Recommendation

1. For Council's information

15 - 444 Resolution

1. That Council undertake a survey throughout the community to ensure that our previous position to stand alone remains the desire of the community.

2. That if there is no overwhelming desire for merger talks that Council submit a stand alone option to the State Government.

Moved Councillor Barbara Newton, seconded Councillor Louise O'Leary.

CARRIED

General Manager Mayor

11 DIRECTOR TECHNOLOGY AND CORPORATE SERVICES REPORT

11.1 (DTCS) Parkes Ministers Association - Carols in the Park 2015

Executive Summary

The Ministers Association are seeking permission to hold the annual community Carols in the Park on Sunday 13 December 2015.

Recommendation

1. That approval be given for the staging of the annual Carols in the Park event on Sunday 13 December 2015 subject to the area being left in a clean and tidy condition at the end of the event and the requirements of the Parks and Gardens Supervisor being adhered to.

2. That Council make a contribution equivalent to the cost of stage hire for the event.

3. That the Ministers Association be advised that it is a requirement to seek permission from the (Parkes) Lachlan Area Command for a public gathering in relation to the event.

4. That Council assist the Association by photocopying the programs for the evening.

5. That the Ministers Association submit a Risk Management Plan to the satisfaction of Council at least one week before the event taking place.

15 - 445 Resolution

That the recommendations be adopted.

Moved Councillor Ken McGrath, seconded Councillor Pat Smith.

CARRIED

11.2 (DTCS) Request for Support for NAIDOC Week 2016 School Initiatives

Executive Summary

Mr Dylan Williams, Executive Director, NAIDOC Week School Initiatives has written to Council requesting its continued support of NAIDOC Week celebrations and competitions being held throughout NAIDOC Week 3rd - 10th July 2016.

Recommendation

1. That Council donate $450.00 to the NAIDOC Week School Initiatives 2016.

15 - 446 Resolution

That the recommendation be adopted.

Moved Councillor Louise O'Leary, seconded Councillor Pat Smith.

CARRIED

General Manager Mayor

11.3 (DTCS) Peak Hill Town Improvement Fund - Peak Hill Community Technology Centre

Executive Summary

A request has been received from the Peak Hill Community Consultative Committee (CCC) seeking the use of funds from the Peak Hill Town Improvement vote towards the Peak Hill Community Technology Centre (CTC).

Recommendation

1. That the Peak Hill Community Consultative Committee be advised that $5,000 in funds in the Peak Hill Improvement Vote be allocated to the Peak Hill Community Technology Centre (CTC) as a one off assistance contribution.

2. That the matter be reviewed in July 2016 to analyse the financial year's results.

3. That Council staff meet with the CTC's Treasurer to discuss provisioning within the accounts for leave liabilities.

15 - 447 Resolution

That the recommendations be adopted.

Moved Councillor Louise O'Leary, seconded Councillor Michael Greenwood.

CARRIED

11.4 (DTCS) Peak Hill Town Improvement Fund - Nature Walk Rejuvenation

Executive Summary

Peak Hill Community Consultative Committee have forwarded a letter of support for the use of funds from the Peak Hill Town Improvement Fund to assist with a grant application for the Peak Hill Nature Walk Rejuvenation project.

Recommendation

1. That the Peak Hill Community Consultative Committee be advised that $1,000 in funds from the Peak Hill Improvement Vote be allocated to assist with a grant application for the Peak Hill Nature Walk Rejuvenation project.

2. That Council provide a letter of support for the grant application if necessary.

15 - 448 Resolution

That the recommendations be adopted.

Moved Councillor Louise O'Leary, seconded Councillor Ken McGrath.

CARRIED

General Manager Mayor

12 DIRECTOR PLANNING AND ENVIRONMENT'S REPORT

12.1 (DPE) September 2015 Building Statistics

Executive Summary

During the month of September 2015 there were eleven (11) Development Applications received totalling $352,400.00 and eleven (11) consents were issued. Seven (7) Complying Development Certificates were received totalling $892,700.00 and seven (7) consents were issued.

Recommendation

1. That the information be received and noted.

15 - 449 Resolution

That the information be received and noted.

Moved Councillor George Pratt, seconded Councillor Barbara Newton.

CARRIED

12.2 (DPE) Update on Spicer Park Grandstand

Executive Summary

The purpose of this report is to provide Council with an update on the investigations currently being carried on the Spicer Park Grandstand.

Recommendation

1. That the information is received and noted.

15 - 450 Resolution

That the information be received and noted.

Moved Councillor Michael Greenwood, seconded Councillor Barbara Newton.

CARRIED

At this stage being 2.50pm the Mayor adjourned the meeting and with the assistance of the General Manager presided over an Australian Citizenship ceremony for:

Mr Arjun Karki
Mr Tomson Vadakkumpac
Mrs Ashly Varghese (Mrs Varghese also received citizenship for her son Belvin Tomson)

The Mayor then invited all present in the gallery to join Councillors for afternoon tea.

At 3.20pm, prior to the meeting resuming, the Mayor and General Manager welcomed Mr Robert Keene. Mr Keene is a local artist from Orange and recently submitted portrait of the Mayor as an entry in the Archibald Prize 2014. Mr Keene officially presented the portrait to Council.

The Meeting resumed at 3.25pm.

12.3 (DPE) Household Chemical Cleanout

Executive Summary

Each year Council facilitates the annual Household Chemical Cleanout. This year the Household Chemical Cleanout event will be held on 19 November at the Parkes Council Works Depot, in Thornbury Street.

Recommendation

That Council receive and note the information.

15 - 451 Resolution

That the information be received and noted.

Moved Councillor Barbara Newton, seconded Councillor Bob Haddin.

CARRIED

13 DIRECTOR ENGINEERING SERVICES REPORT

13.1 (DES) Airport Safety Week Award - Parkes Regional Airport and Regional Express

Executive Summary

The Australian Airports Association in co-operation with the New Zealand Airports Association called for nominations for Airport Safety Awards.

A nomination was submitted for Brian Smith, Parkes Shire Council, and Andrew Lillington, REX Agent, for the Regional Airport – Team category. Their nomination was for their proactive and dedicated commitment to safety during the relocation of airport operations to the temporary terminal to allow for the construction of the new Parkes Terminal.

Council has been advised that their nomination was successful.

Both Brian and Andrew have taken measures to identify operational risks and hazards to themselves, passengers and the public and more importantly, implemented measures using their initiative to ensure safety during the transition of operations to the Temporary Terminal.

Recommendation

1. That the information be received and noted.

15 - 452 Resolution

1. That the Airport Sub Committee, Council Airport staff, Brian Smith and Andrew Lillington from Rex be congratulated on the Award.

Moved Councillor Alan Ward, seconded Councillor George Pratt.

CARRIED

13.2 (DES) State Emergency Service - Appointment of Local Controller and Unit Controllers

Executive Summary

Council has received advice from Commissioner Mr Adam Dent of the State Emergency Service, advising of the appointment of Mr Phillip Snow as Local Controller for the Parkes Shire State Emergency Service, Ms Jessica Lawford as Unit Controller of the Parkes State Emergency Service, Mr Glen Morgan as Unit Controller of the Peak Hill State Emergency Service, and Mr Donald Wright as Unit Controller of the Trundle State Emergency Service. The appointments are for a period of two years effective August 2015.

Recommendation

1. That the Local and Unit Controllers be congratulated on their re-appointment and their on going commitment to the Parkes Shire State Emergency Service.

15 - 453 Resolution

That the recommendation be adopted.

Moved Councillor Bob Haddin, seconded Councillor Barbara Newton.

CARRIED

13.3 (DES) Use of Parkes Pool

Executive Summary

Council has received a request from the Parkes Men's Shed for the use of Parkes Pool to conduct men only activity sessions on Tuesday mornings from 9:00am to 10:00am when the pool is closed to the public.

Recommendation

1. That the request for the men only sessions at the Parkes Pool from 9-10:00am on Tuesday mornings be approved.

15 - 454 Resolution

That the recommendation be adopted.

Moved Councillor Ken McGrath, seconded Councillor Louise O'Leary.

CARRIED

14 DIRECTOR INFRASTRUCTURE REPORT

Nil.

15 CONSIDERATION OF COMMITTEE MINUTES

15.1 Committee Minutes - Parkes Sports Council minutes of meeting held on 13 October 2015

Executive Summary

The Minutes of the Parkes Sports Council Meeting held on 13 October 2015 is presented for the information of Council.

Recommendation

1. That the Minutes of the Parkes Sports Council meeting held on 13 October 2015 be received and noted.

15 - 455 Resolution

That the recommendations be adopted.

Moved Councillor Michael Greenwood, seconded Councillor Louise O'Leary.

CARRIED

16 QUESTIONS AND MATTERS OF URGENCY

In accordance with Clause 17(4) of Council's Code of Meeting Practice the following business was allowed by the Chairperson.

16.1 Q&M Local Media

Cr Greenwood has expressed concerns about implications arising from the announcement by Fairfax Media to restructure the operations of regional newspapers including Parkes.

Given the traditional role and focus of a local paper as a shop window of the local community, it is felt such a move hardly reflects and is line with substantial growth projections and community expectations for Parkes and district.

I believe Council needs to respond succinctly to the Fairfax public invitation for comment on the proposed changes, by initially consulting with local paper management to develop a more detailed understanding of the manner in which the proposal will affect future community life in the Parkes area.

Recommendation

For Council's information.

15 - 456 Resolution

1. That Council consults with local paper management to develop a more detailed understanding of the manner in which the proposal will affect future community life in the Parkes area.

2. That a letter be forwarded to Fairfax Media voicing Council's concerns with any proposed reduction of the service provided.

Moved Councillor Michael Greenwood, seconded Councillor Louise O'Leary.

CARRIED

The meeting of the Ordinary Council meeting was closed to the public at 3.45pm.

The Mayor asked the Meeting whether it agreed that the items listed by the General Manager appeared to be items which should be discussed in closed session for the reasons given.

The General Manager advised that there were no written representations from the public on the proposed closure of the Council Meeting.

15 - 457 Resolution

That the meeting be closed for consideration of the listed items as they involve: information that would, if disclosed confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business, personnel matters concerning particular individuals (other than Councillors) and commercial information of a confidential nature that would if disclosed prejudice the commercial position of the person who supplied it.

Moved Councillor Ken McGrath, seconded Councillor Barbara Newton.

CARRIED

17 CONSIDERATION OF CONFIDENTIAL BUSINESS ITEMS

17.1 (GM) Parkes Hospital Site

Prepared By: General Manager

Executive Summary

Health Infrastructure, on behalf of the Ministry of Health and Western NSW Local Health Council, are progressing well with the redevelopment of the new Parkes Hospital and the refurbishment of the Forbes Hospital. This report outlines proposals in relation to the land presently occupied by the Parkes Hospital.

Recommendation

1. For the consideration of Council

15 - 458 Resolution

1. That Council agree in-principle to the Health Infrastructure proposal, subject to finalisation of due diligence and commercial terms.

2. That the Mayor and General Manager be authorised to finalise negotiations with Health Infrastructure.

3. That subject to finalisation of commercial arrangements a community information program be developed.

Moved Councillor Barbara Newton, seconded Councillor George Pratt.

CARRIED

General Manager Mayor

17.2 (DTCS) Proposal to Purchase Land - Trundle

Prepared By: Director of Corporate Service

Executive Summary

Discussions have concluded in relation to the purchase of land for community benefit and town presentation in Trundle.

Recommendation

1. That Council purchase Lot 2 Section 1, DP 758996 on the terms mentioned in the report.

2. That the documentation be completed under Seal of Council where necessary.

3. That the land be classified as operational land if purchased.

4. That the steps be taken to incorporate both Lots 1 and 2 DP 758996 into the adjoining road reserve.

15 - 459 Resolution

That the recommendations be adopted.

Moved Councillor Ken McGrath, seconded Councillor George Pratt.

CARRIED

General Manager Mayor

17.3 (DES) CENTROC Contract - Linemarking Services

Prepared By: Director of Engineering Services

Executive Summary

Tenders were called through CENTROC Supply Team for Linemarking Services. Tenders were received from Allstate Linemarking, Avante Linemarking, Central West Linemarking, Complete Linemarking Services Pty Ltd, Oz Linemarking (NSW) Pty Ltd, Red Squirrel, Wollongong Linemarking Services and Workforce Road Services Pty Ltd.

Recommendation

1. That Council participate in the CENTROC contract for linemarking services by Avante Linemarking, Central West Linemarking, Complete Linemarking Services and Workforce Road Services for a two (2) year term commencing 1 October 2015 with an option of a 12 month extension.

15 - 460 Resolution

That the recommendation be adopted.

Moved Councillor Ken McGrath, seconded Councillor Bob Haddin.

CARRIED

17.4 Mayoral Minute - Tenterfield Cadillac

Prepared By: Mayor Ken Keith OAM

Executive Summary

Discussions held at Tenterfield during recent visit by Mayor Ken Keith OAM to attend Sir Henry Parkes Oration regarding possible attraction for Parkes Elvis Festival.

Recommendation

1. For the decision of Council.

15 - 461 Resolution

1. That Council agree to the acquisition, subject to authenticity of ownership being obtained.

Moved Councillor Michael Greenwood, seconded Councillor Pat Smith.

Councillor Louise O'Leary and Councillor Alan Ward asked that their vote against the motion be recorded

CARRIED

General Manager Mayor

17.5 (DI) Tender - Water and Sewage Treatment Plant

Prepared By: Director Infrastructure

Executive Summary

Selected Tenders were called for the new Parkes Water and Sewage Treatment Plants on the 13th of August 2015, following an EOI phase. A formal Select Tenderer Involvement (STI) Phase was conducted with each of the three (3) Selected Tenderers. Each Tenderer was required to attend five (5) separate Selected Tenderer Involvement (STI) workshops, prior to submitting the final tender response. Tenders closed on the 7th of October 2015, which each tender submitting two responses.

Recommendation

1. That Council endorses the awarding of the Contracts as set out in this report following the endorsement and approval to award by the Minister and the successful finalisation of the further Clarifications.

2. That the seal of Council be applied to documents as required to fully enable this resolution.

15 - 462 Resolution

That the recommendations be adopted.

Moved Councillor Bob Haddin, seconded Councillor Ken McGrath.

CARRIED

There being no further business the Mayor declared the meeting closed at 4.35pm.

General Manager Mayor

1 PRAYER

2 APOLOGIES

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4 DECLARATIONS OF INTEREST

General Manager

Mayor

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5 NOTICES OF MOTION/RESCISSION

5.1 Notice of Motion - Councillor RC Haddin

Executive Summary

Councillor RC Haddin has given notice that at the Ordinary Meeting on 03 November 2015 he will move the motion detailed below;

Customer Service Effectiveness Survey Report

Background Information

I would like Council to undertake Customer Service Effectiveness review to gauge how our community and customers assess us given the work undertaken in the current IP&R round and more importantly in reparation for the work to come following the Fit for the Future; findings.

I believe we need to understand what the community expects when dealing with Council and identify areas for improvement. With the strong progress made since the SRV and many other specific strategic decisions the response of our customers should be measured when dealing with us and if necessary adjustments made. At the recent business breakfast hosted by Council customer service was raised as an issue.

Legislative or Policy Implications

Section 3.7 Parkes Shire Council's Code of Meeting Practice

Budget & Financial Aspects

Cost of survey will need to be determined.

Motion

1. That Council investigate the appropriate manner in which to identify and measure the effectiveness of Council's interaction with its customers.

General Managers Comments

A notice of Motion from Cr Haddin was duly received in accordance with Council's Code of Meeting Practice.

An internal objective has been set for 2015/2016 to exceed both our internal and external customer expectations. This suggestion is entirely consistent with this objective.

Recommendation

1. For the decision of Council in relation to the Motion.

Attachments

Nil.

6 LATE BUSINESS

7 MAYORAL MINUTES

7.1 Mayoral Minute - Functions Attended by Mayor and Councillors

Executive Summary

A report on functions recently attended by the Mayor, Councillors or Senior Staff in relation to community events or civic matters.

Background Information

Nil.

Legislative or Policy Implications

Nil.

Budget & Financial Aspects

Nil.

Recommendation

1. That the report of upcoming functions for the Mayor, Councillors or Senior Staff be received and noted.

Report

Date	Function
Wednesday 21 October 2015	Parkes Shire Council Indoor Pool Committee **Mayor KJ Keith, Councillors RC Haddin, KM McGrath and MJ Greenwood General Manager K Boyd, Director Engineering Services B Howard and Manager Support Service S Ross**
Wednesday 21 October 2015	BEACON Foundation at Parkes High School **Mayor KJ Keith and Deputy Mayor BF Newton**
Thursday 22 October 2015	Parkes Craft Corner 1st birthday in new premises **Deputy Mayor BF Newton**
Thursday 22 October 2015	Trundle Community Consultative Committee Meeting **Deputy Mayor BF Newton**
Thursday 22 October 2015	Skillset October Audit Committee Meeting **Councillor RC Haddin**
Friday 23 October 2015	Visit by Mayor, Councillors and General Manager - City of Canada Bay Council **Mayor KJ Keith, Deputy Mayor BF Newton, Councillors KM McGrath and BJ McCorkell, General Manager K Boyd, Director Technology & Corporate Services L Finn and Manager Regulation & Compliance H Orr**

General Manager Mayor

Date	Function
Saturday 24 October 2015	Parkes Shire Concert Band Inc. 20th Anniversary Concert **Councillor KM McGrath**
Saturday 24 October 2015	National Launch of Australian Feature Film - All About E **Deputy Mayor BF Newton**
Sunday 25 October 2015	Bogan Gate Golf Day **Mayor KJ Keith**
Monday 26 October 2015	Parkes Early Childhood meeting **Councillor PJ Smith**
Monday 26 October 2015	Peak Hill Community Consultative Committee Meeting at AIF Hall Peak Hill **Councillor LA O'Leary**
Tuesday 27 October 2015	Mid Lachlan Alliance meeting at Forbes **Mayor KJ Keith and General Manager K Boyd**
Tuesday 27 October 2015	Centroc Road Freight Transport Meeting **General Manager K Boyd and Director Engineering Services B Howard**
Wednesday 28 October 2015	Greg Jackson Memorial Service **Councillor RC Haddin and General Manager K Boyd**
Thursday 29 October 2015	Centroc General Managers meeting (GMAC) and Executive Advocacy Strategy Session **General Manager K Boyd**
Thursday 29 October 2015	Lachlan Health Council tour of Parkes Hospital **Mayor KJ Keith**
Friday 30 October 2015	Skillset October Board Meeting **Councillor RC Haddin**
Friday/Saturday/Sunc 30 October 2015 - 01 November 2015	Local Government NSW Executive Certificate for Elected Members Course **Deputy Mayor BF Newton**
Friday 30 October 2015	Boomerang March Civic Reception **All Councillors and Senior Staff**
Saturday 31 October 2015	Boomerang March Official Ceremony **Mayor KJ Keith, Councillors GW Pratt and MJ Greenwood**
Monday 02 November 2015	Meeting with Tom Gavel (Chairman) and Andrew Mulligan (General Manager) from Central West Local Land Services **Mayor KJ Keith and General Manager K Boyd**
Monday 02 November 2015	Afternoon Tea at NorthParkes Mines with Steffanie Loader, The Hon. Adam Searle MLC and The Hon. Mick Veitch MLC **Mayor KJ Keith**
Monday 02 November 2015	Elvis Revival Committee meeting **Mayor KJ Keith, Deputy Mayor BF Newton**

General Manager Mayor

Attachments

Nil.

General Manager

Mayor

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7.2 Mayoral Minute - Coming Known Events for Mayor and Councillors

Executive Summary

A report on the upcoming functions requiring the attendance of the Mayor, Councillors or Senior Staff in relation to community events or civic matters.

Background Information

Nil.

Legislative or Policy Implications

Nil.

Budget & Financial Aspects

Nil.

Recommendation

1. That the report of upcoming functions for the Mayor, Councillors or Senior Staff be received and noted

Report

Date	Function
Tuesday 03 November 2015	Parkes Uniting Church Service **Mayor KJ Keith**
Wednesday 04 November 2015	Elvis Festival Committee Meeting **Mayor KJ Keith and Deputy Mayor BF Newton**
Thursday 05 November 2015	Launch of NSW Embroiders' Guild, Parkes Group Exhibition **Deputy Mayor BF Newton**
Thursday 05 November 2015	Meeting with Federal Minister for Hume Angus Taylor MP and Centroc Chair Bill West **Mayor KJ Keith and General Manager K Boyd**
Thursday 05 November 2015	Rural Roads Advisory Group Meeting **Deputy Mayor BF Newton, Director Engineering Services B Howard**
Thursday 05 November 2015	Parkes Action Club Annual Changeover Dinner **Mayor KJ Keith and Mrs. Sue Keith**
Saturday 07 November 2015	Lachlan Regional Transport Committee meeting **Mayor KJ Keith and Cr KM McGrath**
Saturday 07 November 2015	Rosedurnate Aged Care Plus Centre's Spring Fete **Open invitation to all Councillors**

General Manager Mayor

Date	Function
Monday 09 November 2015	Parkes, Forbes and Lachlan Road Safety Steering Committee Meeting **Councillor GW Pratt, Director Engineering Services B Howard and Road Safety & Injury Prevention Officer M Suitor**
Tuesday 10 November 2015	Lachlan Health Council Meeting at Forbes Hospital **Mayor KJ Keith and Deputy Mayor BF Newton**
Tuesday 10 November 2015	Paint Parkes REaD Poppies Community Reading Day **Open Invitation to all Councillors**
Tuesday 10 November 2015	Parkes Sports Council meeting **Councillors MJ Greenwood and LA O'Leary**
Wednesday 11 November 2015	Remembrance Day Commemorative Service - Cooke Park Cenotaph **Mayor KJ Keith**
Wednesday 11 November 2015	Parkes Hospital Open Day Planning Meeting **Mayor KJ Keith**
Wednesday 11 November 2015	All Council Employee (ACE) Meeting **All Employees**
Wednesday 11 November 2015	Parkes Chamber of Commerce meeting **Councillor AJ Ward (Councillor McCorkell is alternate)**
Wednesday 11 November 2015	Traffic Committee meeting **Councillor KM McGrath (Councillor RC Haddin is alternate)**
Wednesday 11 November 2015	Tullamore & District Community Consultative Committee meeting **Deputy Mayor BF Newton (alternate is Councillor GW Pratt)**
Thursday 12 November 2015	Regional Round Table (CENTROC) - Parliament House Sydney **General Manager K Boyd**
Friday 13 November 2015	Association of Mining Related Councils Inc. Meeting - Cabonne Shire Council **Councillor MJ Greenwood**
Friday 13 November 2015	Parkes High School 2015 Graduation Dinner and Dance **Mayor KJ Keith and Mrs. Sue Keith**
Saturday 14 November 2015	Parkes Hospital Open Day **All Councillors and Senior Staff invited**
Monday 16 November 2015	Lachlan Local Area Command Community Safety Precinct Meeting **Mayor KJ Keith and General Manager K Boyd**

General Manager Mayor

Date	Function
Tuesday 17 November 2015	Council Meeting **All Councillors and Senior Staff** **Meetings prior to Council meeting** **Waste Facilities Committee** *Member Councillors: Cr KJ Keith, Cr BF Newton, Cr RC Haddin, Cr KM McGrath, Cr GW Pratt and Cr AJ Ward Together with Kent Boyd General Manager, Steven Campbell Director Planning and Environment, Manager Planning Service A Cummings, Senior Development Officer H Orr and Strategic Planner MCarter* **Economic Development Committee** *Member Councillors: Councillor KJ Keith, Councillor AJ Ward, Councillor RC Haddin, Councillor MJ Greenwood and Councillor BJ McCorkell Together with Kent Boyd General Manager, Steven Campbell Director Planning and Environment, Les Finn Director Technology & Corporate Services, Economic and Business Development Manager Anna Wyllie* **Economic Development Committee - Airport Sub Committee** *Member Councillors: Councillor KJ Keith, Councillor AJ Ward, Councillor RC Haddin, Councillor MJ Greenwood and Councillor BJ McCorkell Together with Kent Boyd General Manager, Steven Campbell Director Planning and Environment, Les Finn Director Technology & Corporate Services, Economic and Business Development Manager Anna Wyllie* **Henry Parkes Centre MasterPlan Workshop** All Councillors

Attachments

Nil.

General Manager

Mayor

7.3 Mayoral Minute - Northparkes Wins Prestigious Mining Award

Executive Summary

Northparkes Mines were the winners of the Australian Mining 2015 Prospect Award for Hard Rock Mine of the Year recognising a hard rock mine that is performing well or has carried out an innovative project or program. Representatives of Northparkes received the prestigious award at a ceremony in Sydney last Friday evening.

Background Information

Nil.

Legislative or Policy Implications

Nil.

Budget & Financial Aspects

Nil.

Recommendation

1. That a letter of congratulations be forwarded to Northparkes mines

Report

2015 Prospect Mining Awards

Mining has always been a part of Australia's landscape, playing a major part in the development of this nation from its early days. Despite the mining boom coming to an end and the industry slowing down economically, the sector itself hasn't come to a stop, instead focusing on becoming more efficient and productive in the face of a global downturn.

The sector remains vibrant and innovative, and for more than a decade the Australian Mining Prospect awards are the only national awards program to stop, take a look at what the mining industry is doing, and reward those who are excelling and going above and beyond, recognising and rewarding innovation.

Northparkes Mines were the winners in the Prospect Award for Hard Rock Mine of the Year recognising a hard rock mine that is performing well or has carried out an innovative project or program. Representatives of Northparkes received the prestigious award at a ceremony in Sydney last Friday evening.

Attachments

Nil.

General Manager Mayor

8 COUNCILLORS' REPORTS

8.1 Councillors Report - Australian Airports Association National Conference 2015

Executive Summary

The Australian Airports Association National Conference was held in Hobart on 12 to 16 October 2015. Cr Alan Ward, Director Engineering Services and Manager of Support Services were among the 260 delegates attending the Conference and the Annual General Meeting.

Background Information

See Report.

Legislative or Policy Implications

Nil

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to:
4 Grow and Diversify the Economic Base
5. Develop Parkes as a National Logistics Hub and
8. Maintain and improve the Shires Assets and Infrastructure.

Predicted positive effect / opportunity for the Delivery Program: *Good*

Maintaining contact with industry participants at the Convention ensures that Council keeps abreast of the changing aviation environment, and that information for airport practitioners is updated to comply with the regulatory requirements. The networking aspects provide attendees with the opportunity to discuss ideas that can be utilised at Parkes Regional Airport to improve the service offered the community.

Predicted negative / challenge to the Delivery Program: *Negligible*

Support of the AAA Conference has no negative impacts on Council's Future Directions as they apply to the Parkes Regional Airport.

Quadruple Bottom Line

Economic	★★★★☆	*Environmental*	★★☆☆☆
Social	★★★★☆	*Civic Leadership*	★★★★☆

Maintenance and development of a strong regional airport has positive impacts across the Quadruple Bottom Line by demonstrating Council's Civic Leadership in providing and maintaining a facility that supports the business and general communities of the Region, while ensuring the environmental impacts are minimal.

General Manager Mayor

Budget & Financial Aspects

Cost for travel and accommodation to attend the Conference.

Recommendation

1. That the information be noted for the Australian Airports Association National Conference.

Report

The Australian Airports Association National Conference has again proven to be the most important forum in which to keep abreast of what is happening in the current aviation environment. I, Cr Ward, was fortunate enough to be included as a panellist on the Regional Council Forum which focused on master planning and being shovel ready for grant application opportunities. I took this opportunity to showcase not only the Parkes Regional Airport but also the wonderful attractions that we possess within our Shire and the way that we work.

While larger Airports are still a large focus in all forums, the AAA are to be commended on recognising the importance of focusing more on smaller/regional airports. The questions from the floor seemed to be generated more and more from smaller airport representatives in many sessions during the conference including the panel session that I was a member of. It was a great opportunity during the Panel Session that I was able to provide a view from a regional, council owned Airport and to present to the forum a view on both what can be achieved while recognising the challenges that can be faced improving and even just maintaining our Airport. It was a session that was largely attended and provided a “View from a Councillor”.

Other speakers of particular note also included Bernard Salt, Partner KPMG Australia, Jason Harfield, Acting Chief Executive Officer of Airservices Australia, Mark Skidmore AM the Director of Aviation Safety of the Civil Aviation Safety Authority and Martin Dolan the Chief Executive Officer of the Australian Transport Safety Bureau. Information presented of particular interest is as follows:

QANTAS Update - Group Strategy and Airport partnerships

- Increase in QANTAS Link passenger numbers by 6% which is the largest growth since the 200 Olympics

Review of Aerodrome Safety Regulations (CASA)

- Changes to the Airport Safety Regulation (Manual Of Standards Part 139) which is currently being undertaken.

The Karratha Airport $35 Million Terminal Makeover (Karratha Airport)

- Sought opportunities for growth and expanded to meet that growth.

China Outlook (Macquarie Group of Companies)

- Aviation and the need for airport infrastructure continues to grow in China.
- Construction of 200 Airports currently underway
- Free Trade Agreement to show strong benefits early 2016

Regional Council Forum (Cr Alan Ward of Parkes, Cr Julie Low of Lower Eyre Peninsula, CEO Scott Waters of Whitsunday Regional Council and Cr Ron Yuryevich of Kalgoorlie-Boulder)

- Consult with the community
- Have a good Master Plan in Place
- Be prepared for grant opportunities

Increasing Regional Airport cost Efficiency – Short Term Strategies and Tactics (Parakai Airport)

- Know your metrics – how many aircraft movements, passengers, who are your flying customers, who are your rental customers?
- Is your pricing up to date?
- Are your accounts payable up to date?
- Future proofing

Using your SMS-Training, Audit and Operational Application (Brisbane Airport)

- Go beyond minimal training requirements
- Aim for highly engaged and highly enabled staff to ensure safety is solution focused
- Consider the type of engagement and forms of communication

Processes, Tools and tips to Enhance Runway Safety at your Aerodrome (Airservices Australia)

- ICAO Runway Safety Toolkit was demonstrated
- Consideration of Local Runway Safety Teams
- Signs, Marking and Lights
- Runway Incursions and Airside Driving

Commercial Forum on Car Parking - Case Studies and applications of new Technology

- Number plate recognition
- Online bookings and pre paid opportunities
- Signage
- Parking sizes to accommodate larger vehicles for rural airports

The presentations by the speakers had relevance to all airports, from major international to small regional, and demonstrated the synergies in operations. I, on behalf of the Director Engineering Services and Manager Support Services would like to thank Council for the opportunity to be part of this significant event in the Australian aviation calendar. The networking aspects and information obtained from service providers, continues to be an important aspect in attending.

General Manager Mayor

Attachments

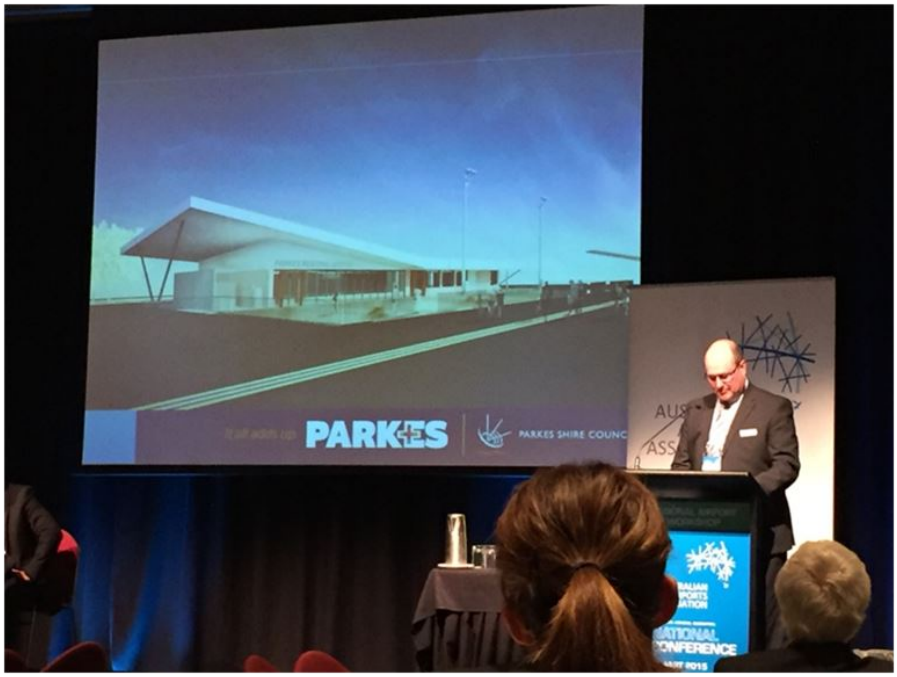
1. Photographs from the Regional Panel Session at the Australian Airports Association National Conference.

2. Copy of Cr Ward's presentation to the Australian Airports Association National Conference.

General Manager

Mayor

Document Set ID: 804455
Version: 4, Version Date: 09/11/2015



Australian Airports
@AusAirports

Follow

Cr Alan Ward from Parkes Shire Council presenting as part of the Regional Airport Workshop #ausairports15



General Manager

Mayor





General Manager

Mayor

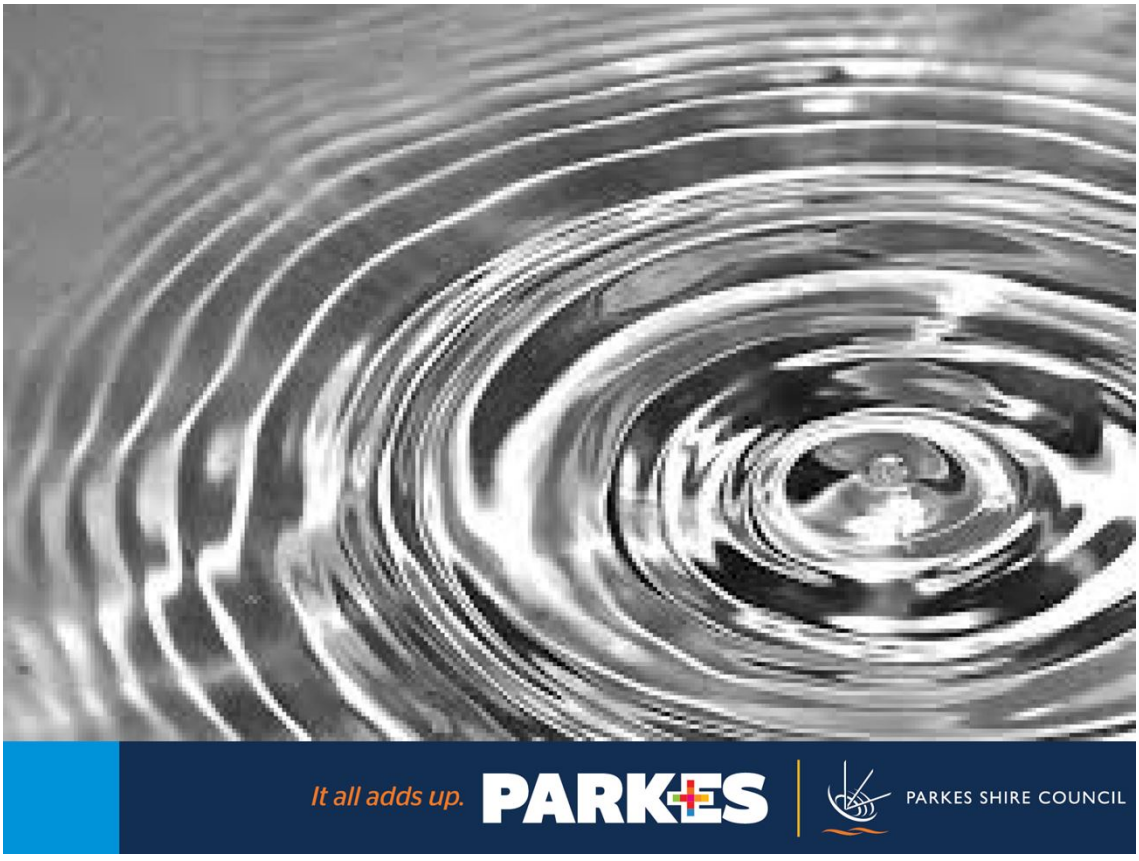




General Manager

Mayor





General Manager

Mayor





General Manager

Mayor

9 INWARDS CORRESPONDENCE

9.1 (ICR) Letters of Appreciation

Executive Summary

During the exercise of its various functions, Council frequently receives letters of appreciation for services rendered or actions taken by Councillors and staff. The most recently received are from Quota International of Parkes Inc. and the Parkes Parkinson's Support Group.

Background Information

Nil

Legislative, Policy & Management Planning Implications

Nil

Budget & Financial Aspects

Nil

Recommendation

That the information be received and noted.

Attachments

1. Correspondence received from Quota International of Parkes Inc. and Parkes Parkinson's Support Group

Quota International of Parkes Inc
PO Box 268
PARKES NSW 2870

President: Lynn Rogers *parkesquota@gmail.com*

12 October 2015

Mr Kent Boyd
General Manager
Parkes Shire Council
Cecile Street
PARKES NSW 2870

Dear Kent

RE: OPEN GARDENS 2015

Please pass on our thanks to your staff members who assisted the Club prior to our big gardening event and fundraising activity on 11 October 2015.

We appreciate that the Visitors Centre "sells" the event verbally as visitors come into the Centre and that they provide flyers/maps.

Spreading the word through the Visitors' Centre networks prior to the event is also a significant service that they offer.

The very professional map that we use was designed by your staff member, Steven Evans, and we appreciate his generosity in doing this for us. The map is beautifully labelled with each garden, the town's local facilities, etc and we are very proud to hand it to our visitors.

Although we haven't yet given our net proceeds away, early indications are that we took just over $11,000 on the day, so once expenses are deducted we anticipate giving approximately $8,000 to worthy causes.

With sincere appreciation

Lynn Rogers
President

QI of Parkes meets on the first Wednesday of each month

General Manager Mayor



Parkinson's NSW Inc Parkes Support Group

GENERAL MANAGER
PARKES SHIRE COUNCIL
PO BOX 337
PARKES NSW 2870

DEAR SIR

Please convey to all Council Members and Staff our appreciation of their assistance for our meeting on 13th October 2015.

Held in the COVENTRY Room our day was interesting and informative. Our guest speaker, MS ANTOINETTE RILEY from Parkinson's NSW, Sydney. ANTOINETTE gave us further insight into difficulties experienced by many Parkinson's Suffers. We were also interested to hear current news on research being conducted.

An enjoyable day for all participants.

With Best Wishes to all.

Yours Sincerely
Parkes Parkinson's SUPPORT GROUP

PP. Judy Rooke

Parkinson's NSW Inc Parkes Support Group
c/-Parkes Neighbourhood Centre 80 Currajong Street PARKES NSW 2870
Phone: 02 6862 1783

General Manager

Mayor

10 GENERAL MANAGER'S REPORT

10.1 (GM) IPART Review of Local Council Fit for the Future Proposals

Executive Summary

On Tuesday 20 October the Independent Pricing and Regulatory Tribunal (IPART) released their Review of Local Council Fit for the Future proposals.

Parkes Council was found to be "Fit".

Council has until 18 November 2015 to make a submission on the IPART findings. The State Government has then undertaken to advise of their response prior to the end of 2015.

Background Information

The current round of Local Government reform commenced with the Mayor and General Manager attending the forum "Local Government - Destination 2036" in Dubbo on 17 and 18 August 2011. The forum was hosted by the Division of Local Government with the assistance of the Local Government and Shires Association and Local Government Managers Australia. Every Council in NSW was represented with over 350 delegates in attendance.

Legislative or Policy Implications

The Government's response to the IPART report and Fit for the Future framework, has potential to have significant impact on Councils operations.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to: *Function 4: Governance*

Predicted negative / challenge to the Delivery Program: *Moderate*

Quadruple Bottom Line

Economic	★★★★☆	*Environmental*	★★★★☆
Social	★★★★☆	*Civic Leadership*	★★★★☆

Budget & Financial Aspects

No financial impacts at this point.

Recommendation

1. For Council's information

General Manager Mayor

Report

On Tuesday 20 October 2015 the Independent Pricing and Regulatory Tribunal (IPART) released their Review of Local Council Fit for the Future proposals. Parkes Shire Council was found to be "Fit".

The "Fit" status is a consequence of several years of addressing sustainability and strategic issues, supported by some difficult decisions by Council in close consultation with the Parkes Shire Communities.

Council considered the two options suggested by the Independent Local Government Review Panel (ILGRP), which were either to be a Stand alone Council in the Central West Joint Organisation (JO) or merge with Lachlan Council *(Note: The ILGRP did not give a preferred option)*. In part Council's comments about the merger case included the following;

> *Parkes Shire Council believes Lachlan Shire Council is a well run Council with a strong and competent leadership team. The Lachlan Shire itself is very large with an area of 14,973 square kilometres and a population of 6,737 providing a population density of 0.45 residents per square kilometre. By comparison Parkes Shire has an area of 5,958 square kilometres and a population of 15,217 providing a population density of 2.54 residents per square kilometre. Thus the Lachlan Shire is 2.5 times larger than Parkes Shire with a population of only 0.4 times. Immediately, it is obvious that with such a low rate base that own-source revenue and capacity to maintain the infrastructure and services to such a large shire will be difficult.*
>
> *Lachlan Shire Council is typical of the larger western Councils, which are burdened by large infrastructure demands and limited own-source revenue to meet maintenance and renewal costs. Lachlan Shire Council has a reported total "Estimated cost to bring assets up to a satisfactory standard" (backlog) of $210,618,000,10 versus the backlog at Parkes of $18,813,000 (based on the same financial years 2013/14). If that is converted to a per capita burden it is $31,272 per capita for Lachlan residents and $1,241 per capita for Parkes. A merged entity would therefore see an average backlog burden per capita of $10,481, or an unfavourable transfer of $9,240 per capita to the residents of Parkes, which would be a very substantial and inequitable transfer of burden.*
>
> *Similarly, the road network in Lachlan is 3,981 km, equating to a 'road length per capita' of 591.2 m/capita compared with Parkes Shire Council's 2,057 km network and 'road length per capita' of 135.5 m/capita. Thus a merged entity would result in a very significant transfer of road maintenance burden to the residents of Parkes Shire.*
>
> *A merged entity would result in a very large shire of 20,931 square kilometres, with travel distances between centres substantial. For example to travel from Parkes to Tottenham would be around 150 kilometres (300km return trip) and Parkes to Lake Cargelligo around 200 kilometres (400km return trip). There would almost certainly be the need for specialised staff to service these areas from Parkes and with a return trip of up to 5 hours direct travelling, the expense and productivity of staff will be significantly and adversely affected.*

A full copy of the IPART report is available if required however, selected excerpts are provided below in italics for Council's information.

The NSW Government has announced that Councils which are assessed as fit will have access to a range of benefits including a streamlined rate variation process, a State Government borrowing facility, priority for other government funding and grants, and eligibility for additional devolved planning powers.

Key findings

We received 139 local Council proposals from 144 Councils including:

- *four Merger Proposals (involving nine councils)*
- *115 Council Improvement Proposals, and*
- *20 Rural Council Proposals.*

We assessed 52 proposals as being fit for the future, which represents 37% of the proposals received.

To be assessed as fit, Councils must have demonstrated they have sufficient scale and capacity and are financially sustainable.

All four Merger Proposals we received were assessed as fit because they:

- *would deliver substantial benefits to their local communities when compared to the Councils standing alone, and*
- *were generally the best available options for the relevant Councils as neighbouring Councils did not elect to join the Merger Proposals.*

We assessed 87 proposals as not being fit for the future, which represents 63% of the proposals received.

Of the 87 proposals assessed as not fit:

- *60 were assessed as not having sufficient scale and capacity, but did meet the financial criteria*
- *18 were assessed as having sufficient scale and capacity, but did not meet the financial criteria, and*
- *9 were assessed as not having sufficient scale and capacity and not meeting the financial criteria.*

Non-metropolitan Councils

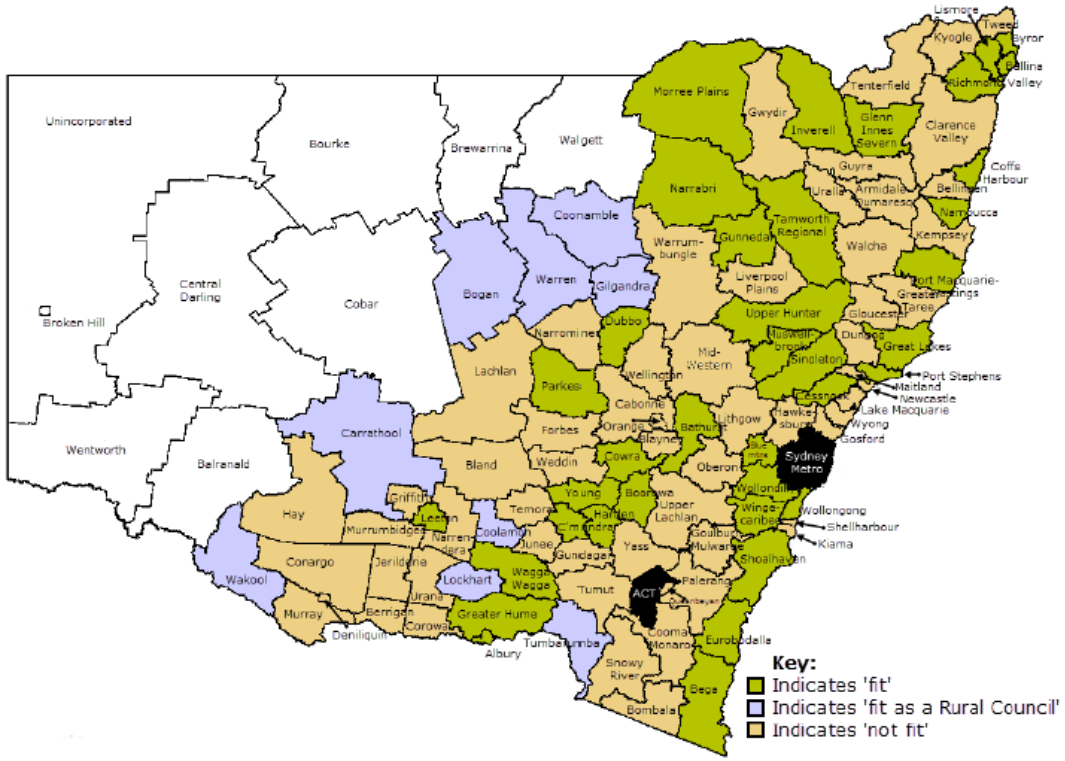
Outside of Metropolitan Sydney, we received:

- *2 Merger Proposals*
- *79 Council Improvement Proposals, and*
- *20 Rural Council Proposals.*

As set out in Figure 4 below, of these 101 proposals:

- *43 proposals were assessed as fit (including nine Rural Council Proposals which were assessed as fit as Rural Councils), and*
- *58 proposals were assessed as not fit for the future.*

Figure 4 Non-metropolitan assessments

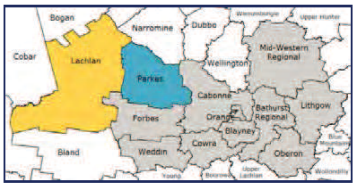


Region	Council	ILGRP options	Assessment
Central West	Bathurst Regional	Council in Central West JO or merge with Oberon	Fit
	Blayney Shire	Council in Central West JO or merge with Orange	Not fit
	Cabonne	Council in Central West JO or **merge with Orange**	Not fit
	Cowra	Council in Central West JO or merge with Weddin	Fit
	Forbes Shire	Council in Central West JO; merge with Weddin	Not fit
	Lachlan Shire	Council in Central West JO or merge with Parkes	Not fit
	Lithgow City	Council in Central West JO	Not fit
	Mid-Western Regional	Council in Central West JO	Not fit
	Oberon	Council in Central West JO or merge with Bathurst	Not fit
	Orange City	Council in Central West JO or **merge with Cabonne** and/or Blayney	Not fit
	Parkes Shire	Council in Central West JO or merge with Lachlan	Fit

Note: Bold indicates an ILGRP preferred option. JO stands for Joint Organisation.

General Manager Mayor

PARKES SHIRE COUNCIL – CIP



FIT				
Area (km^2)	6,021	Population	2011	15,100
OLG Group	11		(2031)	15,500
ILGRP Group	G	Merger	2011	21,800
			(2031)	21,000
Operating revenue (2013-14)	$22.6m	TCorp assessment		Sound FSR Moderate Outlook
ILGRP options (no preference).	Council in the Central West JO (all shaded) merge with Lachlan (yellow).			

Assessment summary

Scale and capacity	**Satisfies**
Financial criteria:	**Satisfies overall**
• Sustainability	Satisfies
• Infrastructure and service management	Satisfies
• Efficiency	Does not satisfy

Fit for the Future – FIT

- The council satisfies the scale and capacity criterion.
- The council satisfies the financial criteria overall. Although it does not satisfy the efficiency criterion, it satisfies the sustainability and infrastructure and service management criteria.

Scale and capacity - satisfies

- The council's proposal is consistent with the ILGRP's option to stand alone.
- The council has demonstrated skills in strategic planning, policy development and credibility to advocate.
- As the ILGRP did not have a preferred option for the council, the council was required to explore the merger option. The business case submitted by Parkes on a merger with Lachlan, suggests the merger could produce net benefits of $14.3m over 9 years (including the Government grant).
- While this evidence suggests a merger may be a better alternative to the council's proposal to stand alone, our finding is based on the proposal being consistent with the ILGRP option to stand alone.

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance ratio, the own source revenue ratio and the building and infrastructure asset renewal ratio by 2019-20.

Infrastructure and service management – satisfies

- The council satisfies the criterion for infrastructure and service management based on its forecast to meet the benchmarks for the infrastructure backlog, the asset maintenance ratio and the debt service ratio by 2019-20.

Efficiency – does not satisfy

- The council meets the criterion for efficiency based on its forecast for declining real opex per capita over the period to 2019-20.

Other relevant factors	
Social and community context	The proposal did not contain any relevant social and community context information for this criterion.
Community consultation	Parkes met with Lachlan to consider a merger, however, Lachlan decided against a merger due to its strong community opinion and public campaign against forced amalgamations.
Water and/or sewer	Parkes Shire states it has a large capital works program to be undertaken over the next 10 years in its water and sewer businesses. The works will be funded from existing cash reserves, government grants and borrowings. Parkes LTFP shows the water and sewer businesses will achieve a positive operating performance ratio of around 5% for water and around 15% for sewer by 2024-25.
Submissions	There were no submissions received in relation to Parkes' proposal,

Attachments

Nil.

General Manager Mayor

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Version: 4, Version Date: 09/11/2015

11 DIRECTOR TECHNOLOGY AND CORPORATE SERVICES REPORT

11.1 (DTCS) Parkes Ministers Association - Carols in the Park 2015

Executive Summary

The Ministers Association are seeking permission to hold the annual community Carols in the Park on Sunday 13 December 2015.

Background Information

The Parkes Ministers Association organises this annual community event, staged successfully in Cooke Park, for many years.

In the past Council has assisted the Association by contributing the cost associated with the stage, providing a contribution equivalent to the cost of the necessary public liability insurance cover and assisted with photocopying of programs for distribution on the evening.

Legislative, Policy & Management Planning Implications

Section 356 Local Government Act, 1993

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to:
3. Promote, Support and Grow our Communities

Predicted positive effect / opportunity for the Delivery Program: *Good*

Predicted negative / challenge to the Delivery Program: *Moderate*

Quadruple Bottom Line

Economic	★★★☆☆	*Environmental*	★★★☆☆
Social	★★★★★	*Civic Leadership*	★★★★★

Budget & Financial Aspects

Council's portable stage will be hired with set up and pull down by Council staff.

Funds have been allocated in the Section 356 vote to cover this annual community event.

General Manager Mayor

Recommendation

1. That approval be given for the staging of the annual Carols in the Park event on Sunday 13 December 2015 subject to the area being left in a clean and tidy condition at the end of the event and the requirements of the Parks and Gardens Supervisor being adhered to.

2. That Council make a contribution equivalent to the cost of stage hire for the event.

3. That the Ministers Association be advised that it is a requirement to seek permission from the (Parkes) Lachlan Area Command for a public gathering in relation to the event.

4. That Council assist the Association by photocopying the programs for the evening.

5. That the Ministers Association submit a Risk Management Plan to the satisfaction of Council at least one week before the event taking place.

Attachments

Nil.

General Manager Mayor

11.2 (DTCS) Request for Support for NAIDOC Week 2016 School Initiatives

Executive Summary

Mr Dylan Williams, Executive Director, NAIDOC Week School Initiatives has written to Council requesting its continued support of NAIDOC Week celebrations and competitions being held throughout NAIDOC Week 3rd - 10th July 2016.

Background Information

The NAIDOC Week School Initiative Competition has been an instrumental activity during NAIDOC Week celebrations for many years, bringing a coordinated educational component to the week long celebrations.

The $450.00 in funding will be used towards design, printing and distribution to schools across Council's local government area. Council has supported the initiative for a number of years.

The initiative, which Council has supported since it was established in 2005, is endorsed by the Prime Minister along with other Government Departments and Local Councils.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Plan Future Direction relating to:
3.5 - Promote, Support and Grow our Communities

Predicted positive effect / opportunity for the Delivery Plan: *Status Quo*

Predicted negative / challenge to the Delivery Plan: *Moderate*

Quadruple Bottom Line

Economic	★★★☆☆	*Environmental*	★★★☆☆
Social	★★★★★	*Civic Leadership*	★★★★☆

Budget & Financial Aspects

Section 356 Donation Vote

Recommendation

1. That Council donate $450.00 to the NAIDOC Week School Initiatives 2016.

Attachments

1. Statistics on participation in the Parkes Shire Local Government Area
2. NAIDOC Week School Initiative 2015 Final Report
3. Proposal for 2016

General Manager Mayor

LOCAL GOVERNMENT AREA STATISTICS

(Parkes Shire Council)

The following statistical information is based on the entries received from schools within council's local government area (LGA). There was a significant increase from last year in the number of entries that were received from local schools in the initiatives. This demonstrates that students are taking an active role in the initiatives and gaining an insight into the importance of NAIDOC Week and Cultural Diversity.

Schools that participated in this year's initiatives included both government and catholic primary and secondary schools. We also saw an increase in the amount of entries received from secondary school students.

Schools participation within councils LGA has seen a steady growth since the initiatives were incepted into schools. Each year the initiatives provide education and public awareness on a variety of subjects that pertain to Indigenous history.

Percentage of Participation of students within councils LGA

Participating Schools:	***9***	***Entries Received***	***551***

Entries Received in 2015:	***206,101***
Major Prizes presented in NSW Schools:	***42***
Encouragement Awards Issued:	***370***

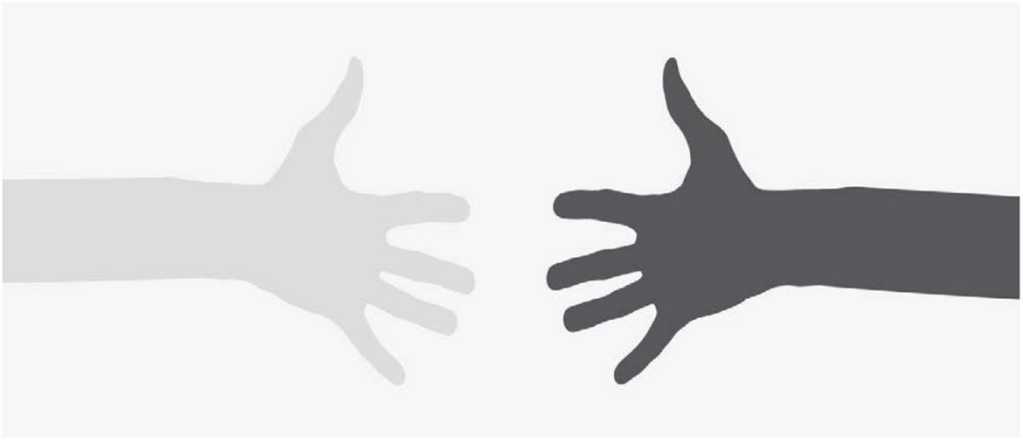
CELEBRATING NAIDOC WEEK

We all Stand on Sacred Ground:
Learn, Respect & Celebrate
5 – 12 JULY 2015

General Manager Mayor

NAIDOC WEEK

SCHOOL INITIATIVES 2015



FINAL REPORT

Submitted by Executive Director, NAIDOC Week School Initiatives

KOORI KIDS
Our children are the key to success

General Manager

Mayor

INTRODUCTION

The 2015 NAIDOC Week School initiatives have again proven to be an overwhelming success that brought out the best creativity of schools students across the state. The initiatives were coordinated in April for inception into both public and catholic schools with the aim of providing students with a greater understanding on NAIDOC Week and the importance of friendship and cultural diversity.

The concept was again supported by various state and federal departments who supported the initiatives for the eleventh year. Over the years since they were introduced it has been supported by many government agencies including; Department of Prime Minister & Cabinet, Australia Post, Department of Education, Department of Health, We thank these agencies for the different levels of support they have provided the initiatives.

Two Indigenous Australians were selected; Adam Goodes (Indigenous AFL Player/ Australian of the year) and Jessica Mauboy (Indigenous Singer & Actress) as Indigenous Australians to aspire and the message on the entry form to students "Be Smart, Stay Clean and Live the Dream".

Initial submissions were presented to the Department of Education, NSW Education & Communities, Australia Post and Transport NSW after negotiation on this year's topics and with the support of these units the initiatives were launched for 2015.

Information packages including entry forms, information sheets detailing conditions of entry and prizes to be won by students and posters were sent around the state to all school principals, Aboriginal education assistants and district office Aboriginal community liaison officers.

The response from schools this year was overwhelming and majority of schools across the state participated in the initiatives with 206,101 entries received for judging, this was an increase of entries that was received last year.

Presentation of NAIDOC Medals of Excellence and prizes to the winning students were held at school assemblies attended by Elders, Executive Director, NAIDOC Week School Initiatives, local Mayor or representatives, Regional Director of Schools, Delegates from the Department of Education & Communities and Australia Post. I would particularly like to acknowledge; Hon. Adrian Picolo M.P – Minister for Education, Hon. Victor Dominello M.P – Minister for Citizenship and Communities and Minister for Aboriginal Affairs, Ms Sue Sinko (Catholic Education Office, Sydney), Local Mayors and Mayoral Representatives; Wollongong City Council, North Sydney Council, Kempsey Shire Council, Sutherland Shire Council, Shoalhaven City Council, Fairfield City Council, Leichhardt Council, Ku-ring-gai Council, Gosford City Council, Eurobodalla Shire Council, Parramatta City Council, Moree Plains Shire Council, Canterbury City Council, Rockdale City Council, Newcastle City Council, City of Ryde, Queanbeyan City Council, Warringah Council, Coffs Harbour City Council, Bega Shire Council, Hurstville City Council, Greater Taree City Council, Pittwater Council, Willoughby City Council, Kyogle Council, , Tamworth Regional Council; delegates from Transport NSW and Representatives of the Aboriginal Land Council for taking time out of their schedules to attend the school presentations.

Support of Local Councils and Shires was sought through submission to respective General Managers seeking council's support. The response of local government was overwhelming and involved local council and shires that assisted the initiatives in a variety of ways including monetary support, publicity support for local schools and agreement to display entries received from their respective local government area schools in council chambers and libraries during NAIDOC Week 2015.

WINNERS

(The following students were recipients of the NAIDOC Medal of Excellence and prizes in the 2015 NAIDOC Week School initiatives and presentation have or are being scheduled to take place at individual school assemblies with Aboriginal Elders, District School Superintendent, Mayor and or representatives, Australia Post delegates and Director – NAIDOC Week School Initiatives) 280+ encouragement awards were also won by students who displayed excellence in their entries.

Caleb Hill	**Colouring-In**	**St Aloysius Primary School**
Caitlin	**Colouring-In**	**Turramurra Public School**
Natalie	**Colouring-In**	**Northmead Public School**
Leigha Finch	**Colouring-In**	**St Marys Primary School**
Jordan Tighe	**Colouring-In**	**Kempsey West Public School**
Hannah Craft	**Colouring-In**	**John Purchase Public School**
Ella Cohen	**Colouring-In**	**Gladesville Public School**
Luci Yarnold	**Colouring-In**	**St Joseph's Primary School**
Tia Townsend	**Colouring-In**	**Queanbeyan West Public School**
Elvie Hill	**Colouring-In**	**Greenwell Point Public School**
Hugh Reardon	**Colouring-In**	**St Philomena's Primary School**
Tiah Hale-Hewett	**Colouring-In**	**Lakelands Public School**
Emma Coulson	**Colouring-In**	**North Rocks Public School**
Lachlan Haim	**Colouring-In**	**St Josephs's Primary School**
Riley Douglas	**Colouring-In**	**Sussex Inlet Public School**
Bella Cook	**Colouring-In**	**Tamworth Public School**
Sasha Mackenzie	**Colouring-In**	**St John Bosco School**
Zar Mackenzie	**Colouring-In**	**St John Bosco School**

Lucy McPherson	Colouring-In	Narabeen Lakes Public School
Shanae Bloomfield	Colouring-In	Walcha Central School
Willow Mae Wilk Scott	Colouring-In	Orange Grove Public
Andrew Koutzaumis	Colouring-In	Clempton Park Public
Summah Paterson	Colouring-In	Oakville Public School
Talia Best	Short Story	St Therese Catholic Primary
Kirrily Blyth	Short Story	Gymea Bay Public School
Breanna Strothard	Short Story	Evans River K-12
Katie Berkrey	Short Story	Canowindra Public School
Letitia Andrew	Short Story	Canowindra Public School
Kailey Jorgensen	Short Story	Narooma Public School
Madison George	Short Story	Jerrabombera Public School
Max Foley	Short Story	International Grammar
Lulu Sandilands	Short Story	Bowral Public School
Brandon Puyo	Short Story	Fairfield West Public School
Elise Martin	Short Story	Canterbury South Public School
Conor Petersen	Short Story	Redlands, Cremorne
Charlotte O' Brien	Short Story	Holy Spirit Primary School
Marlee Todhunter	Short Story	Woy Woy South Public School
Isaac Green	Short Story	Woy Woy South Public School
Patrick Hughes	Creative Writing	Christian Brothers College

General Manager Mayor

Anakin Cooper	Creative Writing	Chatham High School
Corey Blyth	Creative Writing	Sydney Grammar
Ashley Duke	Essay Writing	Orange Grammar School





General Manager

Mayor

The NAIDOC Week 2015 School Initiative competitions comprised of the following (4) separate competitions;

1. ***Colouring-In (Freedom Ride)***
   (Open to all primary school students Years K-2)
   Prizes: MP3 Players and DVD Players

2. ***Writing Competition (Short Story:- "Design an Indigenous children's short story Book) using Bookbuilder.***
   (Open to all Primary School Students Years 3 - 6)
   Prizes: MP3 Players, DVD Players and Bicycle & Safety Helmets

3. ***Creative Writing Competition (Write an feature for a newspaper article on how constitutional reform will benefit the lives of Aboriginal & Torres Strait Islander people.***
   (Open to all Secondary School Students Years 7 - 9)
   Prizes: Digital Camera, Xbox Kinect Console, Safe Driving Lessons (partnered by Transport NSW).

4. ***Essay Writing Competition (Explain why Australia should recognise Aboriginal & Torres Strait Islander people within the constitution; how will recognition improve the lives of Aboriginal & Torres Strait Islander people and advance reconciliation?***
   (Open to all Secondary School Students Years 10 - 12)
   Prizes: Digital Camera, Safe Driving Lessons (partnered by Transport NSW), Apple MacBook, Pre-Paid Visa Card, IPhone 6

Encouragement Awards:

Bicycle Safety helmets, Autographed Football Jerseys, Autographed Balls, VIP Passes to NRL games and meet and *greet with players, DVDs, Videos, CDs and Certificates. We also distributed 100s of in-season movie passes.*

Some 206,101 entries were received and the judging was adjudicated by a panel of judges that included delegates from the Communities, Aboriginal elders, and the coordinator. The judging took place at the Aboriginal Cultural Centre in mid July 2015. Winning schools and students were advised by phone of their successful entries and official NAIDOC Week awards presentations, sporting development events, with visiting sports stars at school assemblies are being coordinated. Presentations took place at individual school assemblies with Elders, District Superintendent of schools, Mayoral representative, Australia Post and Regional Representatives.

The NAIDOC Week 2015 Schools Initiative Competitions are deemed to have been an overwhelming success for an eleventh year initiative. The overwhelming response that was received from both the schools and students is an indication that the initiatives achieved its aim in promoting the importance of NAIDOC Week and Cultural Diversity within our community. In particular the calibre of the short stories that were submitted.

CELEBRATING NAIDOC WEEK

We all Stand on Sacred Ground:
Learn, Respect & Celebrate
5 – 12 JULY 2015

General Manager

Mayor

CONCLUSION:

These initiatives could not have been possible without the support of both government departments and corporations.

I personally would like to thank Hon. Mike Baird - NSW Premier, Dr Michele Bruniges – Director General and Cindy Berwick – Director, Aboriginal Education Directorate from Department of Education & Communities, Department of Education, Derek Raymond and Laurence Gilbert from Transport NSW, Mary Senj from NSW Catholic Education Commission, Robyn Yates, AIS, Karan Taylor, Karen Gardiner, Margaret Harrison, Deborah Evans, Doreen Flanders, Sharon Cooke, Elizabeth Bourke, Lisa Buxton, Br. Tony Whelan, Ray Collins, Kiran Chalise – NSW Aboriginal Affairs, Mr Geoff Scott – CEO Aboriginal Land Council and every agency, council or shire for their support and display of respect towards indigenous initiatives and we look forward to your ongoing support towards the initiatives.















General Manager

Mayor

The NAIDOC Week School Initiative Competitions have brought a coordinated educational component to the week-long celebrations. The competitions have been overwhelmingly successful and last year was no exception which produced over 206,101 entries from schools who participated in a variety of competitions and we are delighted to announce this year's "2016 NAIDOC Week" Colouring-in/short story and Creative/Essay writing Competitions. Entry is open to all primary and secondary school students in communities.

NAIDOC Week 2016 July 3rd – 10th



The ultimate aim of these initiatives is to provide our kids with a greater understanding on the importance of friendship and cultural diversity. The competitions reflect Aboriginal ancestry and promote the growth of positive attitudes in all students towards Aboriginal people. They are broadly based around each year's national NAIDOC theme. The colouring-in/ Short-Story competitions are open to all primary school students and the creative writing/ Essay Writing competition will be open to all secondary students. **The winning students are each year awarded prizes from our major sponsors.**

As part of National NAIDOC Week celebrations Koori Kids coordinates, with the support of various government departments and local councils an educational component to provide a link of cultural diversity to our kids with the NAIDOC Week School Initiative Competitions. These competitions have been a successful part of NAIDOC Week and to date we have received over 1,812,673 entries which include colouring-in, short story, creative writing and essay writing. As a result we have awarded over 380 major prizes including; Computers, Televisions, Mountain Bikes, XBox consoles, DVD Players, MP3 Players, Mini Stereos, and Encyclopedia's. We have presented some 3625 encouragement awards including; CDS, DVDS, Movie Tickets and certificates to all participants



This year our highlighted Indigenous role models include a broader spectre recognising Indigenous talent in entertainment and sport and their contribution to the national identity **Jessica Mauboy (Indigenous Singer) and Jonathan Thurston (Indigenous sportsman).** Our message this year is that education is knowledge and knowledge is **GOLD**

The logistics of the initiatives involve packages being sent to all school principals inviting students to participate in the competitions. Prizes will be awarded to the winning students along with the "NAIDOC Medal of Excellence" The Prime Minister has previously provided a message of support for the initiatives encouraging students to participate. "The wonderful work of student winners – and indeed all entrants – gives me great confidence for the future and our ability to forge a more united, harmonious and respectful future together in the spirit of reconciliation. We can draw inspiration from their idealism and creativity, and their instinctive sense of possibility and openness to change. That is why I am so delighted to be associated with the successful NAIDOC Week School Initiatives"

The judging of entries last year was adjudicated by a panel including; our patron, Aboriginal Elders and Sponsoring agency delegates. The judging this year will take a similar precedent. At an awards presentation held during NAIDOC Week the Minister praised the competitions and their purpose "*The initiative we are here to celebrate today provides a perfect illustration of how general public*

General Manager Mayor

awareness has been raised around these issues in recent times. The NAIDOC School Initiative competitions are a perfect opportunity to bring Australians together. They have clearly done so".

We acknowledge and appreciate the support of the council last year and seek your involvement again in this year's competitions. **We are asking that you assist this year by preparing a report to council and continuing your support to the initiative with a $450.00 contribution towards printing and distribution for students within councils LGA.** Support last year was recognised by the Prime Minister and Minister – Indigenous Affairs at the NAIDOC Awards presentation held during NAIDOC Week. Logo was displayed on all materials sent to both principals and student's across council's LGA and a proof of the 2016 competition entry forms for your information is attached. Support was also recognised in all media which included the Advertiser, National Indigenous Times, ABC Radio, Local media and ABC TV's Message Sticks.



Presentation of NAIDOC Medals of Excellence and prizes to the winning students were held at school assemblies attended by Elders, Executive Director, NAIDOC Week School Initiatives, local Mayor or representatives, Regional Director of Schools, Delegates from the Department of Education & Communities and Australia Post. I would particularly like to acknowledge; Hon. Adrian Picolo M.P – Minister for Education, Hon. Victor Dominello M.P – Minister for Citizenship and Communities and Minister for Aboriginal Affairs, Ms Sue Sinko (Catholic Education Office, Sydney), Local Mayors and Mayoral Representatives; Wollongong City Council, North Sydney Council, Kempsey Shire Council, Sutherland Shire Council, Shoalhaven City Council, Fairfield City Council, Leichhardt Council, Ku-ring-gai Council, Gosford City Council, Eurobodalla Shire Council, Parramatta City Council, Moree Plains Shire Council, Canterbury City Council, Rockdale City Council, Newcastle City Council, City of Ryde, Queanbeyan City Council, Warringah Council, Coffs Harbour City Council, Bega Shire Council, Hurstville City Council, Greater Taree City Council, Pittwater Council, Willoughby City Council, Kyogle Council, , Tamworth Regional Council; delegates from Transport NSW and Representatives of the Aboriginal Land Council for taking time out of their schedules to attend the school presentations.



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Without support these initiatives would not have been an overwhelming success and we hope that you will be able to assist us with this small community contribution. For further please contact the co-ordinator on (02) 8088-0791 or send an Email to director@koorikids.com



Warm Regards

Dylan Williams
Executive Director
NAIDOC Week 2016
School Initiative Competitions

General Manager Mayor

'ANNEXURE'

NAIDOC Week 2016 School Initiatives
Koori Kids – Request for financial partnership

Mayor,
Chief Executive Officer
CC: Director: Community Services

REPORT IN BRIEF

Koori Kids is a community organisation that engages young people in a range of school initiatives to promote education and awareness of Aboriginal & Torres Strait Islander culture. Each year Koori Kids conducts the NAIDOC Week School Initiative Competitions for school aged children. This is broken up into primary and secondary school categories being; colouring-in, short story writing and creative and essay writing. Koori Kids is seeking continued support from council and request consideration of council to be an associate partner with a $450 towards the program

Purpose

The purpose of this annexure to the proposal is to inform council of the Koori Kids 2016 School Initiatives program. The initiatives are coordinated in partnership with Department of Education & Communities, Department of Education, Department of Health, Transport NSW, NSW Catholic Education Commission and Department of Premier & Cabinet.

Koori Kids has provided a proposal and draft entry forms for the 2016 initiatives. The contribution sought ($450) will be utelised towards the costs for printing and distribution of information packs, posters and entry forms to schools across councils LGA. These initiatives are designed to educate all students on cultural diversity and involve a whole of community approach in the spirit of reconciliation and bringing us 'all together as one community'.

Costing	Description	Cost
Printing	Entry forms – (LGA Schools)	325.00
Distribution	Postage and Delivery	125.00

Summary

This worthwhile cross cultural initiative has been operating very successfully since 2001 and is aligned with NAIDOC Week, celebrated in July each year. Hundreds of entries are received each year from schools within councils LGA, and the success of the program is due in part to the support of councils and partner organisations. The contribution sought ($450) will be utilised towards the costs for printing and distribution of information packs, posters and entry forms for colouring-in, short story writing and creative essay writing competitions held in schools across the local government area (LGA). These initiatives are designed to educate all students on cultural diversity and involve a whole of community approach in the spirit of reconciliation and bringing us 'all together as one community'.



Strategic

Strategic Plan – People and Culture

- A harmonious community based on respect and responsibility, where everyone is valued
- Recognition of Aboriginal & Torres Strait Islander heritage
- Cultural and community activity encouraging harmony and reconciliation

Environmental

The initiatives will enable participants to explore concepts linking environmental; and social/ cultural issues and foster harmony in the community.

Social

The initiatives enables a diverse range of children to benefit from discussion and curriculum topics focused around the development of NAIDOC Week and the broader history of Indigenous culture.

Recreation

Each year at some of the winning schools Koori Kids host some 'Healthy Lifestyle Clinics' with visiting celebrity sports persons the ultimate aim of these clinics is to encourage an active lifestyle; including nutrition, sportsmanship and skill development. All Students participating are provided a T-Shirt, Water Bottle and Ball.

Council Acknowledgement

Council is acknowledged through logo inclusion as an associate partner on information packs sent to schools throughout councils LGA. If there is a winner from a school within council LGA, an invitation for the Mayor and or a representative is invited to attend the school, along with Executive Director, NAIDOC Week Initiatives, Director, Social Wellbeing and other dignitaries to make special presentation of the NAIDOC Medal of Excellence and the student's prize. (only 25 Medals issued across the state). Media release for the winning school is prepared in consultation with council's media officer. Council is also forwarded a final report and a special NAIDOC plaque.

Conclusion

The NAIDOC Week School Initiatives are the only activity throughout NAIDOC Week that provides students with an educational component to NAIDOC Week and Indigenous culture and heritage.



11.3 (DTCS) Peak Hill Town Improvement Fund - Peak Hill Community Technology Centre

Executive Summary

A request has been received from the Peak Hill Community Consultative Committee (CCC) seeking the use of funds from the Peak Hill Town Improvement vote towards the Peak Hill Community Technology Centre (CTC).

Background Information

Town Improvement Allocations were designed to provide an annual amount for expenditure on improvement items within each of the town and village areas usually prioritised through the Community's Strategic Sub-Plans. Council seeks the assistance of the appropriate Consultative Committees in each Town Or Village to determine suitable projects for the expenditure of the Allocations. Council is guided by the advice provided by the various Associations in determining the most appropriate projects to be included in the Town Improvement Allocations, however, the final decision concerning the expenditure of the funds has always remained with Council.

Legislative or Policy Implications

Nil.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to:.*3. Promote, Support and Grow our Communities*

Predicted positive effect / opportunity for the Delivery Program: *Good*

Predicted negative / challenge to the Delivery Program: *Minor*

Quadruple Bottom Line

Economic	★★★☆☆	*Environmental*	★★★☆☆
Social	★★★★☆	*Civic Leadership*	★★★★☆

Budget & Financial Aspects

There is currently a balance of $87,308.00 in the Peak Hill Town Improvement Vote.

Recommendation

1. That the Peak Hill Community Consultative Committee be advised that $5,000 in funds in the Peak Hill Improvement Vote be allocated to the Peak Hill Community Technology Centre (CTC) as a one off assistance contribution.
2. That the matter be reviewed in July 2016 to analyse the financial year's results.
3. That Council staff meet with the CTC's Treasurer to discuss provisioning within the accounts for leave liabilities.

General Manager Mayor

Report

A request has been received from the Peak Hill Community Consultative Committee (CCC) seeking funds from the Peak Hill Improvement Vote to be allocated to the Peak Hill Community Technology Centre (CTC) to assist them with their operating costs.

The Peak Hill CTC has been in operation since 2003 and provides considerable economic and technological benefit to the Peak Hill community. The Centre is not-for-profit and run by one part time employee, 5 volunteer committee members and seven extra volunteers when necessary. A range of programs are accessible to people of all ages and from all sections of the community and the Centre has been instrumental in delivering a valued and beneficial community and business facility.

Council staff sought further information in relation to a proposed amount to be allocated and a business plan from the CTC.

The Peak Hill CCC suggested that a one-off allocation of $5,000 for the Town Improvement Fund would be sufficient.

The Peak Hill CTC have forwarded a Business Plan for Council's information.

Attachments

1. Correspondence from Peak Hill Community Consultative Committee

2. Peak Hill Community Technology Centre (CTC) Business Plan (Financial information will be distributed to Councillors separately)

PEAK HILL COMMUNITY CONSULTATIVE COMMITTEE

(PHCCC)

President
Mrs Beverley Elliott

Secretary
Ms Debbie Clatworthy
PO Box 110
Peak Hill 2869
cdclatworthy@gmail.com

Treasurer
Mrs Ellen Hart

Mr. Kent Boyd
General Manager
Parkes Shire Council
PO Box 337
Parkes N.S.W. 2870.
3rd September 2015.

Dear Kent,

At our recent C.C.C. meeting, 24th. August, the members present were unanimous in their view to write to the Shire Council seeking the possibility of a yearly financial assistance for the Peak Hill Community Technology Centre from the Peak Hill Town Improvement Vote.

As you would be aware the C.T.C. plays a very important role for the community of Peak Hill and for visitors and travellers passing through on the Newell Highway with services such as--- Inter-net banking--- photo copying--- office services -- faxing & letter writing---and the publishment of the local Peak Hill times to name a few.

The Centre is a Non—For—Profit Centre, run by volunteers, with one paid employee who receives a wage below the basic wage .

We sincerely trust Council will favourably consider our request so the C.T.C. may continue to service the town and visitors as it has in the past.

Yours Faithfully, R.R.Baxter

R.R.Baxter OAM. Acting Secretary Peak Hill C.T.C.

General Manager

Mayor

Phone & Fax 0268 691016
Email peakhillctc@westnet.com.au
or peakhilltimes@westnet.com.au

CTC @ Peak Hill
Community Technology Centre
ABN 44158360612

Peak Hill & District TIMES

P.O Box 128
69 Caswell Street
Peak Hill NSW 2869

PEAK HILL COMMUNITY TECHNOLOGY CENTRE

Business Plan for 2015 - 2016

Developed on 30th September 2015

Contents

Championing & Vision 2
CTC Background - CTCA - Appreciation 3
Income - Economizing - Staffing - Extra 4
Financial - Four Year Comparison 5
Financial - Extra 6

30th September, 2015

Mr. Kent Boyd
General Manager
Parkes Shire Council
P O Box 337
PARKES NSW 2870

Dear Kent and Councillors,

CTC BUSINESS PLAN

Peak Hill Community Consultative Committee resolved, at its August meeting, to ask Council if it would consider authorizing the expenditure of part of the Peak Hill Town Improvement Vote to assist the Peak Hill Community Technology Centre. A letter to that effect was sent to Council. Following Council's resulting contact with the CCC the following information has been compiled for your perusal.

This Business Plan may assist you when considering our application for financial assistance.

The CTC committee is very pleased to have this opportunity and believe an amount of $5000.00 will allow the CTC to 'trade out' of our current cash shortage.

Some of our STRENGTHS are – Reliable and Efficient customer service – Popularity as shown by repeat useage - Location in the C B D centre – Production of the Peak Hill & District Times – Rental office for the convenience of Employment Agencies and their clientele.

WEAKNESSES include (1) TIMES computer failed in August and Leading Edge converted a CTC customer Laptop which is still in use – we must purchase a new versatile computer and appropriate programs.
(2) Long service entitlement early 2016.
(3) Two Eleven year old Air Conditioners may need replacing. The electrician cleverly located parts for the office AC, early this year, at a cost of $450.00.
(4) One very aged customer computer is not compatible with the new printer.

VISION – We are looking forward to -

1 - Being financially able to quickly upgrade antiquated equipment as necessary.

2 - Continue to provide much needed services for everyone.

3 - Increasing content of the Peak Hill & District Times.

4 - The Government advertising resuming.

5 - Increase Rental usage.

6 - Being able to afford to employment of a trainee, school holidays only by way of Sureway.

General Manager Mayor

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BACKGROUND -

15TH APRIL, 2004 - CTC REGISTERED Not-for-Profit. The Peak Hill Carrington Association Development Committee achieved *Federal and State Governments joint grant funding for isolated communities of less than 1500. The resulting CTC's keep their small towns residents up to date with I T education and services.

7th JUNE, 2004 - Official Opening of the very well equipped PEAK HILL CTC.

JULY – 2007 - Due to decreasing need for CTC office services (computers had quickly become household necessities) the CTC gained the Bogan Times newspaper and later that year achieved GOVERNMENT ADVERTISING for the renamed PEAK HILL & DISTRICT TIMES.

FEBRUARY - 2012 - State and Federal Governments stopped advertising as a result of a push to cut costs. Unfortunately the CTC income was also seriously reduced.

* The Development Committee's application, in 2003, for $70,000.00 yielded $140,000.00. We believe this was the result of ours being the final application to be lodged. The committee did not expend the full grant and after submitting an excellent final report was credited with the grant surplus. This was invested. Withdrawals have been reluctant but necessary as with the new RICOH printer.

COMMUNITY TECHNOLOGY CENTRE ASSOCIATION

We are affiliated with the CTCA until 2016 and were recently notified by our newly appointed representative Peter Kinnaird, who is from Molong and based in Sydney, that the Association's lobbying has yielded some Government assistance and that Peak Hill CTC should be in second opportunity in April 2016.

The opportunities are rare and usually involve offers of subsidized courses for clients which may lead to monetary gain for CTC's.

Over the years we have always relied on the CTCA. Their advice and occasional finance opportunities, as mentioned above, have been extremely beneficial to this CTC. It is encouraging that the Governments haven't abandoned their brainchild the CTCA.

THANK YOU

Council's sponsorship would be invaluable and greatly appreciated by TIMES readers in Peak Hill, the 2869 postcode area and subscribers in other areas of the state.

Keeping the CTC viable is paramount to the Peak Hill community and to the CBD streetscape.

With appreciative thanks.

PEAK HILL CTC ASSOCIATION

BRIAN BYRNE – Chairman.

General Manager Mayor

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INCOME -
COMMUNITY SERVICES –
Facsimiles and Printing and Laminating are in demand, particularly size A3.
Clients are male and female, aged teenager to med fifties, community members and travellers.
REPEAT VISITATIONS are testimony of client satisfaction.

RENTAL -
The CTC office is a good source of income and used by visiting EMPLOYMENT AGENCIES –
SUREWAY - 1/7/15 reduced usage by 50%
OCTEC - 23/9/2015 resumed occupancy
JOB LINK - 14/7/2015 resumed occupancy

OTHER AGENCIES - AUSTRALIAN TAXATION OFFICE
- COUNTRY LINK

PEAK HILL & DISTRICT TIMES -
After 11 years (recent three years of spasmodic reliability) the CTC original printer stopped working.
Parts are unavailable.
The new BASIC RICOH (volunteers fold and staple when necessary) IS PRODUCING THE FORTNIGHTLY,
FREE , PEAK HILL & DISTRICT TIMES. Print run is 750.

ECONOMIZING –
January 2012 - Removal RENTAL courtesy phone Saving $ 70 each month

2015 - Part time Employee agreed to $17 per hour – 10am / 3.30pm 8 day fortnight

Early 2015 - Postman, P. Norris free URBAN DELIVER 350 papers Saving $ 128 each month

July 2015 - CTC produced Newspaper Saving $ 300 each month

STAFFING –
One part time employee and 5 volunteer committee members and seven extra volunteers when necessary.

CTC'S ARE GENERALLY NOT REGISTERED FOR GST - WE DO NOT PAY BANK FEES.

Sadly the savings were almost completely offset by the reduction in Sureway rental of four days monthly
which was caused by Government cost cutting.

Happily our appeal to readers to contribute $1 per issue met with a generous response including extra dollars from subscribers from statewide.

General Manager Mayor

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C. T. C. Annual Reports

	14/15	13/14	12/13	11/12
Venue Hire	14628	10660	11962	10573
Advertisements	14408	15455	18197	23837
Times Subs.	494	629	432	428
A.T.O	1572	2359	1615	1730
A.T.O		103.88	151 BAS	
IBD transfer	4500	-	7215	6942
CountryLink	253	543	396	711
Copying	509	276	658	802
Printing	486	2371	3280	2052
Photos	96	339	355	404
CTCA	-	1600	4880	-
Volunteer Grant	-		1075	
Office General BAS refund	280	322	438	232
Bank Interest	56	144	216	241
Internet use	248	541	728	484
	37533.96	**36348.69**	**51676.48**	-
Wages	16908	20384	22395	24846
Gov Adverts Comm.	167	266	440	1345
Times costs	11311	11531	11784	10291
BAS	-	1758	2239	1955
L & P	1917	2007	1990	1838
Copier costs	-	1388	1157	940
Computers	719	989	719	708
CountryLink	141	437	278	425
Alarms	572	572	572	660
Phone	757	750	947	1199
Office general	477	597	667	488
Post INCL. Box 99, 107,115	465	510	764	547
CTCA	-	110	110	100
Volunteer Grant	-	-	1058	-
B/C F/T F/Insp	77	100	117	163
GST	-	-	-	1991
Insurance INCL. WC	1575	1633	1361	1362
Air Con. R & M	451			
	35542	**43038.30**	**46608.07**	

General Manager Mayor

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Peak Hill CTC Association Inc.

2015/2016
FINANCES – CWCU

Reconciliations	S10 a/c	T.D Incl. in S10	Com. Con.	Available
31.7.2015	1520.34	7456.48	-	8976.82
31.8.2015	2157.33	5960.70	(334.00)	8452.03
30.9.2015	2704.45	5960.70	(553.00)	8665.15

General Manager Mayor

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11.4 (DTCS) Peak Hill Town Improvement Fund - Nature Walk Rejuvenation

Executive Summary

Peak Hill Community Consultative Committee have forwarded a letter of support for the use of funds from the Peak Hill Town Improvement Fund to assist with a grant application for the Peak Hill Nature Walk Rejuvenation project.

Background Information

Council is guided by the advice provided by the various Associations in determining the most appropriate projects to be included in the Town Improvement Allocations, however, the final decision concerning the expenditure of the funds remains with Council.

The Peak Hill Nature Walk has health and tourism benefits for the community of Peak Hill, providing the local community and visitors a place to enjoy the outdoors and environment.

Legislative or Policy Implications

Nil.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to:
2. Improve Health and Well Being and 3. Promote, Support and Grow our Communities

Predicted positive effect / opportunity for the Delivery Program: *Good*

Predicted negative / challenge to the Delivery Program: *Moderate*

Quadruple Bottom Line

Economic	★★★☆☆	*Environmental*	★★★★☆
Social	★★★★☆	*Civic Leadership*	★★★☆☆

Budget & Financial Aspects

There is currently a balance of $87,308.00 in the Peak Hill Town Improvement Vote.

General Manager Mayor

Recommendation

1. That the Peak Hill Community Consultative Committee be advised that $1,000 in funds from the Peak Hill Improvement Vote be allocated to assist with a grant application for the Peak Hill Nature Walk Rejuvenation project.

2. That Council provide a letter of support for the grant application if necessary.

Report

Peak Hill Community Consultative Committee have forwarded a letter of support for the use of funds from the Peak Hill Town Improvement Fund to assist with a grant application for the Peak Hill Nature Walk Rejuvenation project.

A submission is being forwarded to Department of Infrastructure and Regional Development under their Stronger Communities Programme for funds to rejuvenate the Peak Hill Reserve. This project will improve the habitat for native bird life by assisting with the reinstatement of trees and weed removal. The completed project will also have health and tourism benefits for the community of Peak Hill, providing the local community and visitors a place to enjoy the outdoors and environment. The Nature Walk is well utilised and in deserving of renovation.

Council is supporting the application with an in-kind contribution to the value of $3,809.57 which includes materials such as weed spray, granite, plants, watering supplies and technical advice.

Attachments

Nil.

12 DIRECTOR PLANNING AND ENVIRONMENT'S REPORT

12.1 (DPE) September 2015 Building Statistics

Executive Summary

During the month of September 2015 there were eleven (11) Development Applications received totalling $352,400.00 and eleven (11) consents were issued. Seven (7) Complying Development Certificates were received totalling $892,700.00 and seven (7) consents were issued.

Background Information

The report is furnished to Council on a monthly basis and provides a snapshot of development activity in the Shire during that period.

Legislative, Policy & Management Planning Implications

Nil.

Budget & Financial Aspects

N/A

Recommendation

1. That the information be received and noted.

Report

The figures shown in the table below are for Development Applications received during September 2015 with respect to the specified building types.

The figures in the shaded area of the table are September 2014.

Building Type	No.	Estimated Value	No.	Estimated Value
New Dwellings	1	$200,000.00	5	$1,185,250.00
Residential Flat Building	-	-	-	-
Addition/Alteration to Dwelling	1	$24,000.00	-	-
Outbuildings (carport, pergola, garages, sheds)	6	$128,400.00	3	$50,374.00
Swimming Pools	-	-	-	-
Class 10b – Structures	-	-	-	-

General Manager Mayor

Building Type	No.	Estimated Value	No.	Estimated Value
Additions to Commercial Buildings	-	-	-	-
Additions to Industrial Buildings	-	-	-	-
New Commercial / Industrial Buildings	-	-	-	-
Subdivision/Boundary Adjustment	1	-	1	$0.00
Home Industry	-	-	-	-
Home Occupation	-	-	-	-
Change of Use	2	-	-	-
Demolition	-	-	-	-
Boarding House - Class 1b	-	-	-	-
Totals	**11**	**$352,400.00**	**9**	**$1,235,624.00**
Total 01/07/15 - 30/09/15	**35**	**$3,287,625.00**	**28**	**$3,603,524.00**

The following list of Development Consents were issued in the month of September 2014.

Application No.	Address	Description
DA15046	7 Talbot Street, parkes	Demolition of an outbuilding, erection of multi dwelling housing and carport and dwelling-house addition
DA15062	53 Thomas Street, Parks	Garage
DA15067	'Hillview' 22 Aitken Lane, Parkes	Subdivision (2 lots)
DA15068	'Trundle Silo' Forbes Street, Trundle	Stage 1 - Construction of two 8,000 tonne bunkers, extension of gravel stacker lane and access lane parallel (east) with the bunkers, stormwater works
DA15070	9-17 Short Street, Parkes	Additions to Registered Club (outdoor public space and parking arrangements)
DA15071	4 Hooley Street, Parkes	Outdoor Recreational Facility (Shade Structure)
DA15074	'Kenton' Hoopers Hill Road, Tullamore	Secondary Dwelling (Transportable)
DA15077	2-4 Bushman Street, Parkes	Demolition of an existing shed and erection of a new shed
DA15078	7 Kelly Road, Parkes	Additions to Dwelling, Garage and Pergola
DA15080	52 Victoria Street, Parkes	Demolition of existing Amenities Building and Erection of a new Amenities building
DA15083	6 Medlyn Street, Parkes	Carport

The figures shown in the table below are for Complying Development Certificates received during September 2014 with respect to the specified building types.

General Manager Mayor

The figures in the shaded area of the table are for September 2013.

Building Type	No.	Estimated Value	No.	Estimated Value
Urban Dwellings	3	$795,000.00	2	$495,000.00
Addition/Alteration to Dwelling	-	-	1	$100,000.00
Outbuildings (carport, pergola, garages, sheds)	2	$28,200.00	-	-
Swimming Pools	1	$45,000.00	-	-
Structures - Class 10b	-	-	-	-
Additions to Industrial/ Commercial Buildings	1	$24,500.00	1	$5,000.00
Commercial use and building alterations	-	-	-	-
Change of Use	-	-	-	-
Boundary Adjustment/Strata Subdivision	-	-	-	-
Demolition	-	-	1	$10,000.00
Totals	**7**	**$892,700.00**	**5**	**$610,000.00**
Total 01/07/15 - 30/09/15	**21**	**$4,127,700.00**	**17**	**$2,877,735.00**

The following is a list of Complying Development Certificates which were issued in the month of September 2014.

Application No.	Address	Description	Certifying Authority
CDC15044	100 Mitchell Street, Parkes	Additions to Dwelling and demolition of an existing toilet	PSC
CDC15048	14 Rosewood Avenue, Parkes	Construction of a single storey dwelling with attached garage	PC
CDC15049	1-3 Caledonia Street, Parkes	Alterations and Additions to Commercial Premises	PSC
CDC15050	207 Parkesborough Road, Parkes	Garage	PSC
CDC15052	16 Rosewood Avenue, Parkes	Construction of a single storey dwelling with attached garage	PC
CDC15053	'Almond Park' 19 Bleechmore Road, Parkes	Swimming Pool	PSC
CDC15056	8 Rosewood Avenue, Parkes	Construction of a single dwelling with attached garage	PC

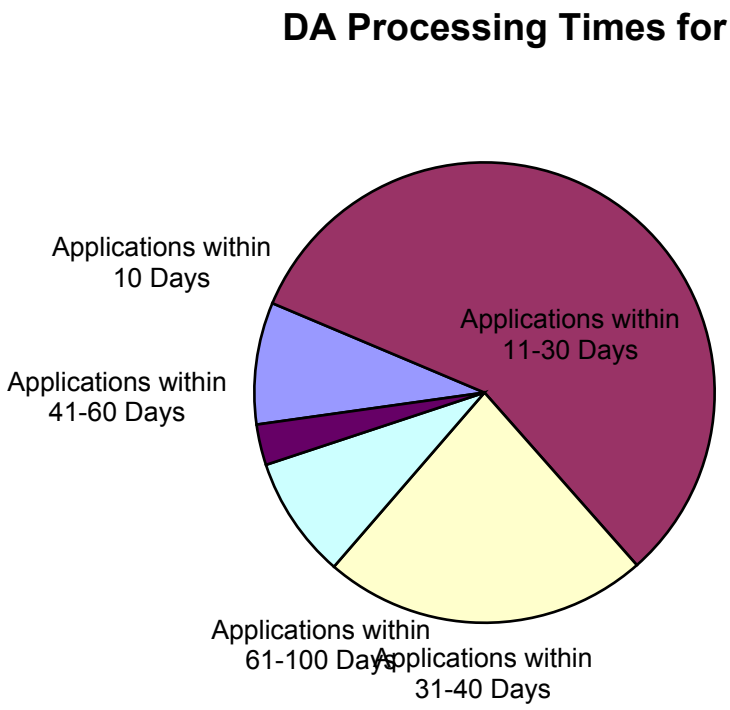
Note:
PSC - Parkes Shire Council; PC - Private Certifier

General Manager Mayor

DA Processing Times for Approvals

It should be noted that a total of 35 Development Applications have been approved for the period 1 July 2015 to 30 September 2015.

It should be noted that a total of 35 Development Applications have been approved with an average of 26.31 days.



Attachments

Nil.

12.2 (DPE) Update on Spicer Park Grandstand

Executive Summary

The purpose of this report is to provide Council with an update on the investigations currently being carried on the Spicer Park Grandstand.

Background Information

The 1928 Spicer Park Grandstand is located in Spicer Park, Victoria Street, Parkes and was designed by architect W.C. Dodd.

The grandstand is constructed of brick, has a hipped metal roof and timber step seating. There is a kiosk and change rooms located underneath the seating area that is accessed from the rear.

While the grandstand is not heritage listed under the Parkes Local Environmental Plan 2012, the Spicer Park Grandstand is likely to have local heritage significance due to it being used by various sporting groups and spectators since 1928.

Legislative, Policy & Management Planning Implications

Nil.

Budget & Financial Aspects

Funds have been allocated in the 2015/2016 budget.

Recommendation

1. That the information is received and noted.

Report

The Spicer Park Grandstand is in a poor state of repair and is currently not accessible for public use.

A structural engineer, quantity surveyor and heritage consultant have been engaged to provide Council with information that will assist in determining the future of the Grandstand. A report detailing the findings and outcomes of this work is being prepared and will likely be tabled at the Ordinary Council Meeting on 2 December 2015.

Attachments

Nil.

General Manager Mayor

12.3 (DPE) Household Chemical Cleanout

Executive Summary

Each year Council facilitates the annual Household Chemical Cleanout. This year the Household Chemical Cleanout event will be held on 19 November at the Parkes Council Works Depot, in Thornbury Street.

Background Information

The Household Chemical Cleanout is an annual event that Parkes has participated in for a number of years. The annual event is organised by the NetWaste regional waste group with the support of the NSW Environment Protection Authority (EPA). Cleanouts are held at a number of locations throughout NSW every year.

The event is funded by the Waste Less, Recycle More (WLRM) Program. It is a free service that provides the community with a safe way to dispose of any potentially hazardous household chemicals and items.

Legislative or Policy Implications

Nil

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to:

7. Care for the environment in a Changing Climate

Predicted positive effect / opportunity for the Delivery Program: *Excellent*

Predicted negative / challenge to the Delivery Program: *Low*

Quadruple Bottom Line

Economic	★★★★☆	*Environmental*	★★★★★
Social	★★★★☆	*Civic Leadership*	★★★★☆

Budget & Financial Aspects

This service is funded by the Waste Less, Recycle More (WLRM) Program and does not impact on Council's budget.

Recommendation

1. That the information be received and noted.

General Manager Mayor

Report

Each year Council facilitates the annual Household Chemical Cleanout by providing an area at the Council Works Depot for the operation of the cleanup. This year the Household Chemical Cleanout event will be held on 19 October.

The aim of the Household Chemical Cleanout is to provide a free service for the safe disposal of a range of household chemicals and items that could be hazardous to human health and the environment when not disposed of correctly.

Household quantities of up to a maximum of 20 litres or 20 kilograms of a single item of the following chemicals can be taken to the event:

- Solvents and household cleaners
- Floor care products
- Ammonia-based cleaners
- Pesticides and herbicides
- Poisons
- Pool chemicals
- Hobby chemicals
- Acids and alkalis
- Fluorescent globes and tubes
- Smoke detectors
- Paint and paint-related products
- Gas bottles
- Fire extinguishers
- Car and household batteries
- Motor oils and cooking oils

It should be noted that business-related and commercial quantities of chemicals are not accepted.

Attachments

1. Household Chemical Cleanout Flyer

NSW EPA

NetWaste
A COLLABORATIVE APPROACH

Household Chemical CleanOut



Waste matters
CleanOut your household chemicals the right way

You can drop off these materials:

From your home:
Solvents and household cleaners
Floor care products
Ammonia based cleaners
Fluorescent globes and tubes

From your car:
Car batteries
Motor oils, fuels and fluids

From your garage:
Paint and paint related products
Pesticides and herbicides
Poisons
Gas bottles
Fire extinguishers
Pool chemicals
Hobby chemicals
Acids and alkalis

Including materials with the following logos:



For more information contact your local Council or visit www.cleanout.com.au

Only household quantities accepted

Only household quantities accepted 20kg or 20L maximum container size. Please transport your materials carefully and remain in your vehicle at the collection site.

This is a NSW EPA Waste Less, Recycle More initiative funded from the Waste Levy. Visit **www.epa.nsw.gov.au**

General Manager

Mayor

NSW EPA

NetWaste
A COLLABORATIVE APPROACH

NETWASTE 2015				
Date	Day	Location	Time	Venue
6-November	Friday	**Cobar**	8am-11am	Cobar Council Works Depot
7-November	Saturday	**Dubbo**	8am-4pm	Dubbo Showground
8-November	Sunday	**Narromine**	10am-1pm	Narromine Waste Depot
12-November	Thursday	**Wellington**	1pm-4pm	Wellington Waste Facility
13-November	Friday	**Gilgandra**	8am-11am	Gilgandra Waste Facility
14-November	Saturday	**Broken Hill**	1pm- 4pm	Broken Hill Waste Facility
14-November	Saturday	**Orange**	8am-4pm	Orange Ophir Rd Resource Recovery Centre
15-November	Sunday	**Mudgee**	8am-11am	Mudgee Waste Facility
16-November	Monday	**Cowra**	10am-1pm	Cowra Waste Facility
17-November	Tuesday	**Grenfell**	8am-11am	Grenfell Waste Depot
17-November	Tuesday	**Forbes**	1pm-4pm	Forbes Council Works Depot
18-November	Wednesday	**Condobolin**	9am-11am	Condobolin Waste Facility
18-November	Wednesday	**Manildra**	2pm-5pm	Manildra Waste Facility
18-November	Wednesday	**Walgett**	1pm-4pm	Walgett Landfill
19-November	Thursday	**Parkes**	8am-11am	Parkes Council Works Depot
19-November	Thursday	**Brewarrina**	8am-11am	Brewarrina Waste Depot
20-November	Friday	**Bathurst**	8am-4pm	Bathurst Cooke Hockey Complex
21-November	Saturday	**Coolah**	8am-11am	Coolah Transfer Station
21-November	Saturday	**Oberon**	8am-11am	Oberon Waste Depot
21-November	Saturday	**Blayney**	1pm-4pm	Blayney Waste Facility
22-November	Sunday	**Lithgow**	8am-4pm	Lithgow Council Works Depot

For more information contact your local Council or visit www.cleanout.com.au

General Manager

Mayor

13 DIRECTOR ENGINEERING SERVICES REPORT

13.1 (DES) Airport Safety Week Award - Parkes Regional Airport and Regional Express

Executive Summary

The Australian Airports Association in co-operation with the New Zealand Airports Association called for nominations for Airport Safety Awards.

A nomination was submitted for Brian Smith, Parkes Shire Council, and Andrew Lillington, REX Agent, for the Regional Airport – Team category. Their nomination was for their proactive and dedicated commitment to safety during the relocation of airport operations to the temporary terminal to allow for the construction of the new Parkes Terminal.

Council has been advised that their nomination was successful.

Both Brian and Andrew have taken measures to identify operational risks and hazards to themselves, passengers and the public and more importantly, implemented measures using their initiative to ensure safety during the transition of operations to the Temporary Terminal.

Background Information

This is the second Airport Safety Week Award for Council, last year Frank Kenworthy was a recipient for ensuring safety during the Airfield Lighting Project.

Legislative or Policy Implications

Nil

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to: *8. Maintain and improve the Shires Assets and Infrastructure*

Predicted positive effect / opportunity for the Delivery Program: *Excellent*

Promotion of the positive relationship between Parkes Shire Council and Regional Express

Predicted negative / challenge to the Delivery Program: *Very Low*

Quadruple Bottom Line

Economic	★★★☆☆	*Environmental*	★★★☆☆
Social	★★★★★	*Civic Leadership*	★★★★★

The promotion of a safe aviation environment at Parkes Regional Airport has a positive affect economically, socially, environmentally and demonstrates Council's civil leadership.

General Manager Mayor

Budget & Financial Aspects

Nil.

Recommendation

1. That the information be received and noted.

Attachments

1. Letter from Australian Airports Association advising of successful nomination.
2. Photo of Award recipients and Cr Alan Ward

General Manager Mayor

Document Set ID: 804455
Version: 4, Version Date: 09/11/2015



Ms Sharon Ross
Manager Support Services
Parkes Shire Council
PO Box 337
PARKES NSW 2870

23 October 2015

Dear Ms Ross,

Airport Safety Awards 2015

Firstly I would like to thank you for submitting a nomination for an Airport Safety Award and for participating in Airport Safety Week this year. Airport Safety Week is a fantastic event that unites airport operators across Australia and New Zealand to come together to promote airport safety.

I am pleased to advise you that your nomination for Brian Smith and Andrew Lillington has been successful in earning the Regional Airport - Team, Airport Safety Award. This award will be publicly announced in the Airport Safety Week Daily Newsletter on Thursday, 29 October 2015.

Please find enclosed with this letter a trophy to be presented to Brian Smith and Andrew Lillington during Airport Safety Week. I ask that you please take a photo of the recipients receiving their award and forward through the photo to the Airport Safety Week mailbox (safetyweek@airports.asn.au) for inclusion in Airport Safety Week promotional material.

If you have any questions about the Airport Safety Awards please email Jared Feehely, AAA Regional Airports Officer at safetyweek@airports.asn.au

Yours sincerely,

Caroline Wilkie

Caroline Wilkie
Chief Executive Officer

Australian Airports Association (AAA)
2/4 Brindabella Cct | Brindabella Business Park | ACT 2609
T +61 6230 1110 | F +61 6230 1367
www.airports.asn.au ABN 89 008 647 336

General Manager

Mayor



General Manager Mayor

13.2 (DES) State Emergency Service - Appointment of Local Controller and Unit Controllers

Executive Summary

Council has received advice from Commissioner Mr Adam Dent of the State Emergency Service, advising of the appointment of Mr Phillip Snow as Local Controller for the Parkes Shire State Emergency Service, Ms Jessica Lawford as Unit Controller of the Parkes State Emergency Service, Mr Glen Morgan as Unit Controller of the Peak Hill State Emergency Service, and Mr Donald Wright as Unit Controller of the Trundle State Emergency Service. The appointments are for a period of two years effective August 2015.

Background Information

Council has previously supported Lachlan Region SES in the re-appointments of the Local and Unit Controller.

Legislative or Policy Implications

Requirement under the State Emergency Service Act 1989 (as amended).

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Plan Future Direction relating to:
2. Improve Health and Well Being
2.5 Maximise Public Safety
2.5.10 Provide support for Emergency Management in Parkes Shire in accordance with the SERM Act.

Predicted positive effect / opportunity for the Delivery Program: *Good*

The support of the activities and structure of the State Emergency Service enhances the Delivery Plan pertaining to maximising public safety.

Predicted negative / challenge to the Delivery Program: *Negligible*

There are no negative impacts.

Quadruple Bottom Line

Economic	★★★☆☆	*Environmental*	★★★☆☆
Social	★★★★★	*Civic Leadership*	★★★★★

Provides positive benefits for the Social and Civic Leadership aspects of the quadruple bottom line, with neutral impact on Economic and Environmental aspects.

Budget & Financial Aspects

Nil.

General Manager Mayor

Recommendation

1. That the Local and Unit Controllers be congratulated on their re-appointment and their on going commitment to the Parkes Shire State Emergency Service.

Attachments

1. Letters from Commissioner Adam Dent.

General Manager Mayor

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NSW STATE EMERGENCY SERVICE

25 September 2015

Phillip Snow
6 Medlyn St
Parkes NSW 2870

Dear Phillip

Appointment as Local Controller

It is my pleasure to confirm your appoint to the role of Local Controller for Parkes Local Government Area.

You are appointed as a controller under Section 17C of the *State Emergency Service Act 1989* (as amended), for a period of **up to two years** effective immediately, subject to a formal review in August of each odd-numbered year. In conjunction with this appointment, I hereby appoint you as an Emergency Officer in accordance with Section 15 (2) of the *State Emergency Service Act 1989* (as amended) for the same period. This appointment confers upon you a number of powers as delegated by me, which are detailed in Appendix A.

The role of Local Controller is a critical role in the leadership of NSW State Emergency Service. Appointments to this role are not made without consideration for the significance of the role and its importance in the leadership of the people of our organisation.

Importantly, as the Local Controller for Parkes LGA LGA, you have accepted responsibility for leading a number of NSW SES volunteers and for stewardship of the Parkes LGA LGA. I know you will take this responsibility very seriously and that you understand that as a controller you have a responsibility to:

- Uphold the highest standards of behaviour in respect of leadership, personal conduct and ethics and be an exemplar of our organisational values – TARPS.
- Provide leadership and effective control over emergency response activities in your area of responsibility, at the direction of the Region Controller or any officer so delegated by the Commissioner.
- Ensure that you develop the skills and abilities of your people.
- Give regard to the future sustainability of NSW SES in Parkes LGA LGA and work on local recruitment and succession planning for leadership roles, including the Local Controller role that you now occupy.
- Continue to develop yourself as a leader and make yourself available for such development as you and your Region Controller deem necessary.
- Accept responsibility for your own performance and make yourself available for performance reviews.
- Show leadership over all functions including community engagement, recognising the importance of the need to build stronger, more resilient communities across NSW.
- Ensure the effective and accountable administration of the Parkes LGA LGA including financial management.

NSW GOVERNMENT

STATE HEADQUARTERS
OFFICE OF THE COMMISSIONER
6-8 Regent Street, Wollongong NSW 2500
PO Box 6126, Wollongong DC NSW 2501
P (02) 4251 6503
F (02) 4251 6500
www.ses.nsw.gov.au

General Manager

Mayor

NSW STATE EMERGENCY SERVICE

An annual review of this appointment will occur to assist in ensuring that we have a high performing leadership team in NSW SES. This annual review is also an opportunity to ensure that controllers are receiving the support required to perform their roles effectively.

Toward the end of the two year appointment period, the Region Controller will determine whether to make a recommendation to reappoint you for a further period. This determination will be subject to having performed satisfactorily against the standards above and those agreed with your Region Controller throughout the term of your appointment.

Congratulations on your appointment and thank you for accepting such an important role in the leadership of the NSW State Emergency Service.

I look forward to working with you to make your Parkes LGA LGA successful and to support the communities of NSW.

Yours sincerely

Adam Dent
Commissioner

c.c. General Manager, Parkes Council
NSW SES Region Controller, Lachlan Region

General Manager

Mayor

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NSW STATE EMERGENCY SERVICE

25 September 2015

Jessica Lawford
20 Junction St
Parkes NSW 2870

Dear Jessica

Appointment as Unit Controller

It is my pleasure to confirm your appoint to the role of Unit Controller for Parkes Unit.

You are appointed as a controller under Section 17C of the *State Emergency Service Act 1989* (as amended), for a period of **up to two years** effective immediately, subject to a formal review in August of each odd-numbered year. In conjunction with this appointment, I hereby appoint you as an Emergency Officer in accordance with Section 15 (2) of the *State Emergency Service Act 1989* (as amended) for the same period. This appointment confers upon you a number of powers as delegated by me, which are detailed in Appendix A.

The role of Unit Controller is a critical role in the leadership of NSW State Emergency Service. Appointments to this role are not made without consideration for the significance of the role and its importance in the leadership of the people of our organisation.

Importantly, as the Unit Controller for Parkes, you have accepted responsibility for leading a number of NSW SES volunteers and for stewardship of the Parkes Unit. I know you will take this responsibility very seriously and that you understand that as a controller you have a responsibility to:

- Uphold the highest standards of behaviour in respect of leadership, personal conduct and ethics and be an exemplar of our organisational values – TARPS.
- Provide leadership and effective control over emergency response activities in your area of responsibility, at the direction of the Region Controller or any officer so delegated by the Commissioner.
- Ensure that you develop the skills and abilities of your people.
- Give regard to the future sustainability of NSW SES in Parkes and work on local recruitment and succession planning for leadership roles, including the Unit Controller role that you now occupy.
- Continue to develop yourself as a leader and make yourself available for such development as you and your Region Controller deem necessary.
- Accept responsibility for your own performance and make yourself available for performance reviews.
- Show leadership over all functions including community engagement, recognising the importance of the need to build stronger, more resilient communities across NSW.
- Ensure the effective and accountable administration of the Parkes Unit including financial management.

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General Manager

Mayor

NSW STATE EMERGENCY SERVICE

An annual review of this appointment will occur to assist in ensuring that we have a high performing leadership team in NSW SES. This annual review is also an opportunity to ensure that controllers are receiving the support required to perform their roles effectively.

Toward the end of the two year appointment period, the Region Controller, in consultation with the Local Controller where appropriate, will determine whether to make a recommendation to reappoint you for a further period. This determination will be subject to having performed satisfactorily against the standards above and those agreed with your Region Controller throughout the term of your appointment.

Congratulations on your appointment and thank you for accepting such an important role in the leadership of the NSW State Emergency Service.

I look forward to working with you to make your unit successful and to support the communities of NSW.

Yours sincerely

Adam Dent
Commissioner

c.c. General Manager, Parkes Council
NSW SES Region Controller, Lachlan SES Region

General Manager

Mayor

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NSW STATE EMERGENCY SERVICE

25 September 2015

Glen Morgan
Loughfern
Peak Hill NSW 2869

Dear Glen

Appointment as Unit Controller

It is my pleasure to confirm your appoint to the role of Unit Controller for Peak Hill Unit.

You are appointed as a controller under Section 17C of the *State Emergency Service Act 1989* (as amended), for a period of **up to two years** effective immediately, subject to a formal review in August of each odd-numbered year. In conjunction with this appointment, I hereby appoint you as an Emergency Officer in accordance with Section 15 (2) of the *State Emergency Service Act 1989* (as amended) for the same period. This appointment confers upon you a number of powers as delegated by me, which are detailed in Appendix A.

The role of Unit Controller is a critical role in the leadership of NSW State Emergency Service. Appointments to this role are not made without consideration for the significance of the role and its importance in the leadership of the people of our organisation.

Importantly, as the Unit Controller for Peak Hill, you have accepted responsibility for leading a number of NSW SES volunteers and for stewardship of the Peak Hill Unit. I know you will take this responsibility very seriously and that you understand that as a controller you have a responsibility to:

- Uphold the highest standards of behaviour in respect of leadership, personal conduct and ethics and be an exemplar of our organisational values – TARPS.
- Provide leadership and effective control over emergency response activities in your area of responsibility, at the direction of the Region Controller or any officer so delegated by the Commissioner.
- Ensure that you develop the skills and abilities of your people.
- Give regard to the future sustainability of NSW SES in Peak Hill and work on local recruitment and succession planning for leadership roles, including the Unit Controller role that you now occupy.
- Continue to develop yourself as a leader and make yourself available for such development as you and your Region Controller deem necessary.
- Accept responsibility for your own performance and make yourself available for performance reviews.
- Show leadership over all functions including community engagement, recognising the importance of the need to build stronger, more resilient communities across NSW.
- Ensure the effective and accountable administration of the Peak Hill Unit including financial management.

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General Manager

Mayor

Document Set ID: 804455
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NSW STATE EMERGENCY SERVICE

An annual review of this appointment will occur to assist in ensuring that we have a high performing leadership team in NSW SES. This annual review is also an opportunity to ensure that controllers are receiving the support required to perform their roles effectively.

Toward the end of the two year appointment period, the Region Controller, in consultation with the Local Controller where appropriate, will determine whether to make a recommendation to reappoint you for a further period. This determination will be subject to having performed satisfactorily against the standards above and those agreed with your Region Controller throughout the term of your appointment.

Congratulations on your appointment and thank you for accepting such an important role in the leadership of the NSW State Emergency Service.

I look forward to working with you to make your unit successful and to support the communities of NSW.

Yours sincerely

Adam Dent
Commissioner

c.c. General Manager, Parkes Council
NSW SES Region Controller, Lachlan SES Region

General Manager

Mayor

Document Set ID: 804455
Version: 4, Version Date: 09/11/2015

NSW STATE EMERGENCY SERVICE

25 September 2015

Donald Wright
Kergunyah
Trundle NSW 2875

Dear Donald

Appointment as Unit Controller

It is my pleasure to confirm your appoint to the role of Unit Controller for Trundle Unit.

You are appointed as a controller under Section 17C of the *State Emergency Service Act 1989* (as amended), for a period of **up to two years** effective immediately, subject to a formal review in August of each odd-numbered year. In conjunction with this appointment, I hereby appoint you as an Emergency Officer in accordance with Section 15 (2) of the *State Emergency Service Act 1989* (as amended) for the same period. This appointment confers upon you a number of powers as delegated by me, which are detailed in Appendix A.

The role of Unit Controller is a critical role in the leadership of NSW State Emergency Service. Appointments to this role are not made without consideration for the significance of the role and its importance in the leadership of the people of our organisation.

Importantly, as the Unit Controller for Trundle, you have accepted responsibility for leading a number of NSW SES volunteers and for stewardship of the Trundle Unit. I know you will take this responsibility very seriously and that you understand that as a controller you have a responsibility to:

- Uphold the highest standards of behaviour in respect of leadership, personal conduct and ethics and be an exemplar of our organisational values – TARPS.
- Provide leadership and effective control over emergency response activities in your area of responsibility, at the direction of the Region Controller or any officer so delegated by the Commissioner.
- Ensure that you develop the skills and abilities of your people.
- Give regard to the future sustainability of NSW SES in Trundle and work on local recruitment and succession planning for leadership roles, including the Unit Controller role that you now occupy.
- Continue to develop yourself as a leader and make yourself available for such development as you and your Region Controller deem necessary.
- Accept responsibility for your own performance and make yourself available for performance reviews.
- Show leadership over all functions including community engagement, recognising the importance of the need to build stronger, more resilient communities across NSW.
- Ensure the effective and accountable administration of the Trundle Unit including financial management.

NSW GOVERNMENT

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F (02) 4251 6500
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General Manager

Mayor

Document Set ID: 804455
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NSW STATE EMERGENCY SERVICE

An annual review of this appointment will occur to assist in ensuring that we have a high performing leadership team in NSW SES. This annual review is also an opportunity to ensure that controllers are receiving the support required to perform their roles effectively.

Toward the end of the two year appointment period, the Region Controller, in consultation with the Local Controller where appropriate, will determine whether to make a recommendation to reappoint you for a further period. This determination will be subject to having performed satisfactorily against the standards above and those agreed with your Region Controller throughout the term of your appointment.

Congratulations on your appointment and thank you for accepting such an important role in the leadership of the NSW State Emergency Service.

I look forward to working with you to make your unit successful and to support the communities of NSW.

Yours sincerely

Adam Dent
Commissioner

c.c. General Manager, Parkes Council
NSW SES Region Controller, Lachlan SES Region

General Manager

Mayor

Document Set ID: 804455
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13.3 (DES) Use of Parkes Pool

Executive Summary

Council has received a request from the Parkes Men's Shed for the use of Parkes Pool to conduct men only activity sessions on Tuesday mornings from 9:00am to 10:00am when the pool is closed to the public.

Background Information

The College for Seniors have for a number of years, successfully conducted women only activity sessions on Monday and Thursdays from 9:00am to 10:00am when the pool is closed to the general public. The Parkes Men's Shed is using this initiative to encourage the older men in the community to become more active.

Legislative, Policy & Management Planning Implications

Nil.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to: *6. Enhance Recreation and Culture*
6.3. Maintain and develop sporting, recreational and cultural activities

Predicted positive effect / opportunity for the Delivery Program: *Good*

Pool bookings are scheduled to accommodate general public use as well as regular pool user groups. Additional pool use supports the objectives of Council's Delivery Plan.

Predicted negative / challenge to the Delivery Program: *Minor*

Quadruple Bottom Line

Economic	★★★☆☆	*Environmental*	★★★☆☆
Social	★★★☆☆	*Civic Leadership*	★★★★☆

The cost of providing aquatic facilities is substantial resulting in a net loss annually. However, the positive Social and Civic Leadership outcomes from supporting these additional outweigh any negative Economic impact on the community.

Budget & Financial Aspects

Costs associated with pool supervision are covered by present rostering as lifeguards undertake maintenance duties during this time. No additional cost will be incurred by Council for pool supervision.

General Manager Mayor

Recommendation

1. That the request for the men only sessions at the Parkes Pool from 9-10:00am on Tuesday mornings be approved.

Attachments

1. Application for Pool Use received from Parkes Men's Shed.

General Manager Mayor

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Parkes Mens Shed

P.O Box 935

Parkes 2870

The General Manager

Parkes Shire Council

2 Cecile St

Parkes 2870

Dear Sir,

Parkes Mens Shed would like to encourage the men of our community to use the Parkes swimming pool at a time when the pool would be open to men only.

To this end we ask that the pool be open between the hours of 0900 hours and 1000 hours on Tuesdays for the period of the year when the pool is open for financial members of the Parkes Mens Shed.

Please find attached a Certificate of Currency for public liability for the Parkes Mens Shed.

We look forward to a favourable response to this request from your council as we are aware of the benefit it has given to the women of our community who use the pool for a ladies only sessions on Mondays and Thursdays

Kind Regards

Ron Fewings

President Parkes Mens Shed

Schedule 1- Application for Date and Times of Use - Facility Booking Form

1. NAME OF APPLICANT: (Person / Club / Organisation) PARKES MENS SHED

ADDRESS OF APPLICANT: PO BOX 935 PARKES 2870

CONTACT PERSON: PETER GUPPY PHONE: 0448166016

Email: P B GUPPY @ GMAIL.COM

2. FACILITY NAME/LOCATION PARKES AQUATIC CENTRE

3. DAY & DATE OF FUNCTION: TUESDAYS DURING SEASON

Start: 9 am / pm Finish: 10AM am / pm

4. TYPE OF FUNCTION: (Swimming Carnival, Learn to Swim, Sports, Life Saving, Exercise Groups etc.)

EXERCISE GROUP

5. IS VEHICLE ENTRY REQUIRED: YES ☐ NO ☒

If YES, approximate number of vehicles: .....

Standard sedans, heavy vehicles, both: .....

6. WHAT FACILITIES WILL BE REQUIRED? (IF APPLICABLE)

☐ Power ☐ Additional bins

☐ Other - please specify: .....

7. USE OF CONTRACTORS (eg: caterers, photographers etc)

Are you bringing any contractors onto the premises? YES ☐ NO ☒
If YES you must provide evidence of their current public liability insurance **(coverage not less than $20 million noting PSC).** Prior to commencement of the hire period certificates may be supplied.

Name of Contractor ..... Activity .....

Name of Contractor ..... Activity.....

8. ESTIMATED NUMBER OF PEOPLE ATTENDING FUNCTION:

☒ 0-50 ☐ 50-100 ☐ 100-500 ☐ 500 +

9. ADDITIONAL INFORMATION / COMMENTS: .....

.....

10. CERTIFICATES, WARRANTIES AND ACCREDITATIONS HELD BY THE APPLICANT:

.....

.....

.....

.....

Continued.....

General Manager Mayor

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11. TERMS & CONDITIONS OF HIRE / USE:

THE USER MUST:

- State precisely the type of activity to take place at the facility.
- Notify the Pool Superintendent immediately if there is any threat of trouble.
- Report any accidents or near accidents to Council's Pool Superintendent.
- All Council buildings & enclosed areas are smoke free zones.
- Provide Supervision in accordance with current requirements.

MINIMUM AGE REQUIREMENT: Applications must be made by persons over 18 years of age. Proof of age may be required.

PUBLIC LIABILITY INSURANCE: Incorporated bodies, sporting clubs/associations & commercial groups or commercial type bookings must provide evidence of their current public liability insurance with an insurance underwriter registered to transact insurance business under commonwealth law. A Certificate of Currency in respect of the function, for public liability coverage of not less than $20 Million must be provided to Parkes Shire Council with completed application, 14 days prior to the event.

The Certificate must be endorsed by your insurer in the following manner. 'Noting the Parkes Shire Council for its respective rights and interests'

LIMIT OF USE: The user shall only be entitled to the use of the particular part or parts of the facility stated, and shall vacate same punctually at the time specified.

Exclusive Use: Must be noted in the application, but may NOT necessarily be granted.

REFUSAL TO LET: It shall be at the discretion of Council to refuse to allow the use of the facility in any case and notwithstanding that the Council may have agreed to the use of the facility or that these Conditions may have been accepted and signed. The Council has full power, if it sees fit, to cancel such use, and the user hereby agrees to accept the same and to be held to have consented to such cancellation and to have no claim at law or in equity for any loss or damage in consequence thereof.

DAMAGES: The user shall be responsible for the full replacement cost of any damages or breakages to the facility, its fittings and contents, and the surrounding grounds.

CLEANING: The facility must be left in a clean and tidy state.

Should the facility be left in an untidy state, Council will seek reimbursement of expenses incurred.

CONFIRMATION OF BOOKINGS: A booking shall only be confirmed upon the completion of an Application and Agreement Form, together with confirmation of insurance requirements.

THEFT: Neither the Council not its servants shall be liable for any loss or damage sustained by the user or any persons, firms or corporations entrusting to or supplying any article or thing to the user by reason of such article or thing being lost, damaged or stolen. The user hereby indemnifies the Council against any claim by any such person, firm or corporation in respect of such article or thing.

DISORDERLY BEHAVIOUR: No spitting, unseemly dress, obscene or insulting language or disorderly behaviour or damage to property shall be permitted in any part of the facility and Council reserves the right through the General Manager to refuse entry to any person or to remove from the facility any person doing such things.

INDEMNITY: The user shall at all times indemnify and keep indemnified the Council against all claims, actions, proceedings and demands made by or on behalf of any person entering upon the facility for the purpose or in connection with the user's business activities in relation to the use, or at the invitation of the user, whether such are in respect of personal injuries or damage to property and howsoever arising whether due to the negligence or any act or omission to the Council, its servants or agents or otherwise and the signed Application and Agreement Form, shall be deemed to be sufficient acknowledgment by the agreement to so indemnify the Council.

OCCUPATION, HEALTH & SAFETY: The hirer is aware and understands his/her occupational, health & safety requirements as per the New South Wales WH&S Act 2001, in regards to the hiring of such facility.

USE OF PRIVATE GAS BARBECUES IN POOL AREA WILL BE DETERMINED ON AN INDIVIDUAL BASIS: The use of private gas barbecues will be permitted only by organisations providing public liability; under no circumstances will BBQ's be allowed without prior consent.

The insurance certificate must be endorsed by your insurer in the following manner. 'To cover fundraising events which includes the use of gas barbecues'

The following conditions must be adhered to:

- The BBQ must be manned at all times.
- The BBQ will need to be set up on the grassed area and not the concrete.
- Gas bottle/s and BBQ are to be in good working order, and maintained to ensure that any risk hazard be minimised.

DIVING: Diving is excluded in all activities undertaken at the facility, unless conducted by the Diving Club, with full supervision by qualified personnel, or approved by Council.

I undertake to be responsible for the facility and I acknowledge and understand all conditions of use as listed and will ensure the conditions are adhered to.

SIGNATURE: [redacted] **DATE:** [redacted]

SIGNATURE: [redacted] **DATE:** [redacted]

General Manager Mayor

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14 DIRECTOR INFRASTRUCTURE REPORT

15 CONSIDERATION OF COMMITTEE MINUTES

15.1 Committee Minutes - Parkes Sports Council minutes of meeting held on 13 October 2015

Executive Summary

The Minutes of the Parkes Sports Council Meeting held on 13 October 2015 is presented for the information of Council.

Background Information

The Parkes Sports Council (a Section 355 Committee of Council) maintains the sporting fields of Parkes and prepares grounds for user groups. Fees are raised from member groups, which are used to subsidise the cost of maintenance of grounds and plant replacement.

Legislative or Policy Implications

The Sports Council operates as a Section 365 committee of Council.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to: *2. Improve Health and Well Being*

Predicted positive effect / opportunity for the Delivery Program: *Good*

Predicted negative / challenge to the Delivery Program: *Low*

Quadruple Bottom Line

Economic	★★☆☆☆	*Environmental*	★★★★☆
Social	★★★★★	*Civic Leadership*	★★★☆☆

The provision of quality sporting fields enhances Council's community reputation and can result in an injection of funds into the community through sports tourism.

Budget & Financial Aspects

Parkes Shire Council contributes funds annually to the Sports Council to augment the fees collected from the sporting groups, which is used for sporting field maintenance and plant replacement.

Recommendation

1. That the Minutes of the Parkes Sports Council meeting held on 13 October 2015 be received and noted.

Attachments

1. Minutes of the Sports Council meeting held on 13 October 2015.

General Manager Mayor

Record of Meeting

Minutes of the Management Committee meeting held on 13 October 2015 commencing at 7:31pm.

Attendance

Al Gersbach (Chairperson, Senior Rugby), Anthony McGrath (Secretary), Michael Greenwood (Senior Rugby League, Council representative), Greg Morrissey (Junior Cricket, School Sport), Robert Wally Norman (Netball, Street Basketball), Denis Howard (VP, Golf), Sam Cox (Little Athletics), Greg Duffy (Community Representative)

Note: Quorum is 7 members (including 5 from Sporting Groups and 2 Office Bearers).

Apologies

Luke Nash (Treasurer), Louise O'Leary (Peak Hill Sports Council, Council Representative), Gail Bartley (Community, Grants Committee), Scott Lowe (PDASA), Kristy Fletcher (PDASA), Lionel Harris (Parkes Rugby League), Noel Huggert (Touch).

Welcome

Chairman welcomed all attendees to the meeting, noted with sadness the passing Jim Crieth.

Confirmation of Minutes of Previous Meeting

Minutes of previous meeting were distributed to all affiliates. Moved by A McGrath that the minutes of the previous meeting be confirmed as a true and correct record. Seconded by Wally Norman. Carried.

Business Arising

Outstanding Items / Council Sport Projects Update

- Report to meeting regarding accounts processing for next meeting
- See attached report.

Sporting Facilities Development Committee (SFDC)

1. The next meeting will be held soon

Correspondence

The following correspondence was recorded since the last meeting:

1. Email to groups with the minutes of the last meeting
2. Letter to Councillor Greenwood supporting the motion to call the new field at McGlynn Park Greg Morrissey Field.

General Manager Mayor

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3. Email from NSW Touch wishing to tentatively book Cheney and McGlynn Parks for the U14 / U16 junior regional carnival for 16-17 April 2016
4. Email to groups requesting input into the new pedestrian and cycling strategy.
5. Email to groups advising of the next meeting date

Business Arising

1-5 For Information

Finances

The Treasurer's report was tabled. A copy of this report is included as a separate attachment to these minutes.

Anthony moved that the report be accepted. Seconded by Denis Howard. Carried.

Plant Report

- A demonstration of a new sports field PTO driven mower was held on Spicer & Croker.
- The demonstration easily handled the test.
- Council to advise if funds are available from the Plant reserve.

General Business

Life Members Board Update

All groups are to advise of any new life members to be included on the board.

Harrison Bursary Open

Invitations to apply for the Bursary will be sent out soon. Groups encouraged to put forward suitable applicants

Ground allocations for summer sports

Groups are asked to send in their nominations, along with any new contacts as soon as possible.

Around the Grounds

Netball (Wally Norman)

- Weed in cracks at McGlynn please spray
- Check crack in window upstairs
- Repair cracks
- Looking forward to repair

Rugby (Al Gersbach)

- AGM 14/10/2015
- Rugby put in a claim for broken glass on pie warmer to Holy Family, still awaiting reply
- Storage issues with BBQs

Cricket (Greg Morrissey)

- Check lighting at NP for Friday
- New key for toilets - can't open Keast, Armstrong Ladies toilets.
- Disappointment about Woodward taken out of action. Concern that report by Tom Parker on how to maintain the wickets has not been followed because if it had, then there would

General Manager Mayor

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be no need to take the pitch out of action. Concern about the length of time taken to repair.
Action. David to contact Peter Yellend.

Little As (Sam Cox)

- Gala Day - 13 March
- Check security lighting at Northparkes amenities with Al Gersbach
- Emergency vehicle access road - re-sheet requested
- Repair window near door northern side - does not lock
- Windows on western side also don't lock

Action: Anthony to report to Building Services.

General (Michael Greenwood)

- Email to Soccer thanking them for their efforts in running the event.
- Email to Football NSW asking for feedback
- Use of Harrison for caravan parking during Elvis Festival

Action: Letter sports Council to be consulted.

Next Meeting

The next meeting will be held at 7:30pm at Parkes Leagues Club on 10 November 2015.

Meeting Close

Meeting adjourned at 8:05 pm

General Manager Mayor

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16 QUESTIONS AND MATTERS OF URGENCY

17 CONSIDERATION OF CONFIDENTIAL BUSINESS ITEMS

17.1 (GM) Parkes Hospital Site

Prepared By: General Manager

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the Local Government Act 1993 and Council's Code of Meeting Practice, which permits the meeting to be closed to the public for business relating to the following: -

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

Executive Summary

Health Infrastructure, on behalf of the Ministry of Health and Western NSW Local Health Council, are progressing well with the redevelopment of the new Parkes Hospital and the refurbishment of the Forbes Hospital. This report outlines proposals in relation to the land presently occupied by the Parkes Hospital.

Background Information

Council has been in discussions for some time with Health Infrastructure regarding the best method of divesting the existing hospital site.

Legislative or Policy Implications

Potentially significant impact on future planning and budgets, however this will depend on the final negotiated position.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to: *3. Promote, Support and Grow our Communities*

Predicted positive effect / opportunity for the Delivery Program: *Good*

Predicted negative / challenge to the Delivery Program: *Moderate*

May be some negative community response to demolition of old hospital, if that is the final result.

Quadruple Bottom Line

Economic	★★★☆☆	*Environmental*	★★★☆☆
Social	★★★★☆	*Civic Leadership*	★★★★★

If a well negotiated position can be reached positive community outcomes will be ultimately received.

Budget & Financial Aspects

Budget implications are discussed below.

Recommendation

1. For the consideration of Council

Report

Council has been in discussions for some time with Health Infrastructure regarding the best method of divesting the existing hospital site.

At Council's meeting of 8 September 2015 Council resolved the following:

1. *Council formalises its interest in entering a period of "exclusive negotiation" with HI to investigate acquiring the site on agreed terms, to facilitate achieving a community focused solution for the site; and*

2. *Council agree in-principle to enter into a Heads of Agreement with HI, to establish the preferred option, necessary probity guidelines and a commercial framework to eventually divest the existing Parkes Site to Council for an agreed value.*

A meeting was subsequently held on 23 October 2015 with Deputy Mayor Councillor Barbara Newton, Council Senior staff and Health Infrastructure. As a result of that meeting the attached "draft" Commercial and Confidential correspondence from Health Infrastructure has been received at Council, which is self explanatory.

In essence the current draft proposal would permit;

- The entire site (excluding land under Aboriginal Land Claim) to be transferred to Council with a $2,100,000 payment as described in the HI letter attached.
- HI has an REF (Review of Environments Factors) which they believe will permit the structures on the site to be immediately demolished.
- Council would project managed and pay for any demolition or site works
- The education Centre and Community Centre could be retained if Council desired to do so.
- Council would be responsible for the future management of the site.

HI are keen for a timely handover and community accepted outcome, which they believe could be best achieved by the attached proposal.

What is the proposed use, costs and benefits of this transfer?

The proposed use, demolition and development of the site will be discussed prior to the Council meeting, however it is conceptually proposed at this stage to -

1. Retain the existing Community Centre for potential relocation of the Family Day Care Unit, who are currently limited in their capacity to expand by the size of the Dalton Street premises, (Director Technology and Corporate Services with Manager Family Daycare will discuss).
2. Retain the Education Centre for hire and use as a public hall
3. Council to project manage the demolition of all other buildings on the site and levelling of terrain (Director Engineering Services will discuss).
4. Develop the residual land for residential sale (see concept plan below), with any future profit to be initially directed into the building refurbishment and site development. It should be noted that land sales can be very spasmodic and it may take years if not decades to sell all the land, which directly affects cashflow and realisation of any benefit.



A very rudimentary (high level) order of magnitude summary budget is provided below as an indication of costs and benefits.

General Manager

Mayor

Old Hospital Site			
	Cost per unit	No. Of Units	total cost
COST			
Cost of infrastructure per lot estimates	$55,000	46	$2,530,000
Refurbish Community Health Centre (say)			$300,000
Refurbish Education Centre (say)			$50,000
Demolish Old Hospital			$2,000,000
Total Costs			**$4,880,000**
INCOME			
Smaller lots (<650 sqm)	$65,000	16	$1,040,000
mid size (>600 sqm)	$80,000	22	$1,760,000
Large lots (>1000 sqm)	$90,000	8	$720,000
Demolition of Old Hospital (HI Payment)			$2,000,000
Total Income			**$5,520,000**
Net Result			**$640,000**

Does not include O&M costs of buildings (say $30,000 per/year)

One of the risks will be the public response to Council demolishing the old hospital. The actual cost of demolition of the old hospital will also be a significant risk.

If Council sees merit in this proposal the following course of action is suggested for consideration;

1. That the Council agree in principle to the Health Infrastructure proposal, subject to finalisation of due diligence and commercial terms.

2. That the Mayor and General Manager be authorised to finalise negotiations with Health Infrastructure

3. That subject to finalisation of commercial arrangements a community information program be developed

Attachments

1. Correspondence from Health Infrastructure dated 29 October 2015 re Divestment of the Existing Parkes Site.

General Manager Mayor

Commercial and confidential communication

29 October 2015

Mr Kent Boyd
General Manager
Parkes City Council

Dear Sir,

Divestment of the Existing Parkes Hospital Site and Buildings

Thank you for meeting with our HI team at Council on 23rd October.
We refer to our September letter exchanges and Council's Engineer's indicative calculations and development costings of 20 September.
As previously discussed, part of the Lachlan Health Service redevelopment of the new Parkes and refurbished Forbes Hospital's means that land presently occupied by the existing Parkes Hospital will become surplus to NSW Health needs.

Council would be aware and has been of assistance in the significant planning undertaken by HI to investigate the potential reuse of the existing Parkes Hospital site, including architectural master planning, an economic research paper assessing the master planning and divestment options together with discussions with local real estate agents.

This research has now been augmented by site due diligence, including:-

- Site contamination Report
- Site plans including associated levels
- Trade quantities matrix of building materials and estimates
- Site plans in dwg. Format
- Demolition cost breakdown structure

We have shared these reports with Council.

At our meeting in August this year, HI and Council workshopped possible scenarios as to the 'highest and best' use of this land – coupled with discussions around the community benefit of retaining some of the existing facilities.

At that meeting in August and confirmed again last week on the 23rd October in Parkes, there is a view expressed that, subject to reasonable commercial conditions which would satisfy the TAM (NSW Treasury and Asset Management) guidelines for both parties, a community focused solution to re-use some of the existing structures on the site would achieve the most favourable long range outcome for Parkes and retain value within the community.
In particular, the existing Community Health Centre and Education Centre Buildings are in good condition (still being used at the date of this letter) and with reasonable refurbishment would be utilised by Council for leasing/offering to community and 'non-profit' making groups for community based purposes.
Whilst not clear at the moment – there may be a similar purpose for the old Nurses' quarters.

Recent working discussions between HI and Council's officers have ascertained that the site design may therefore have a number of permutations which need to be worked through, such as which buildings are retained and a final potential subdivision plan around these retained buildings which best suits the future public domain in this area of Parkes.

Council in its letter of 9 September confirmed its interest in entering into an agreement to acquire the existing Parkes Hospital site (by private treaty) on this basis, subject to agreeable commercial terms.

Health Infrastructure
ABN 89 600 377 397

Level 8, 77 Pacific Hwy, North Sydney NSW 2060
PO Box 1060 North Sydney NSW 2059
Tel. (02) 9978 5402 Fax. (02) 8904 1377
Website: www.hinfra.health.nsw.gov.au

DRAFT AND CONFIDENTIAL

General Manager Mayor

With these factors in mind, HI and Council have agreed to enter 'direct negotiations' and this letter sets out proposed terms that have been discussed and would be agreed between us.

As to timing – the new Hospital's 'go live' date is currently programmed to be 23 November 2015 after which a week's handover and vacant possession 'clean out' activities will occur on the old Parkes Hospital site – indicating a transfer date of 30 November 2015.

HI has therefore proposed that from this date – and for the payment of the amount outlined below – Council would take over the site as a Licensee until such point in time – ostensibly 4 months – at which the Transfer of Ownership would occur – i.e. 1 March 2016.

To formalise these arrangements, HI has suggested that a 'Heads of Agreement' be prepared to document the agreed commercial and community benefits of the arrangements discussed.

A Draft of that Heads of Agreement, consistent with the issues raised in this letter, is attached for Council's consideration.

Summary of Commercial terms for Payment:-

HI's Contribution to security, maintenance, handover and utilities	$ 100,000
HI's Contribution to Demolition and decontamination of the site	$2,000,000
Less value of the land and usable assets	($ 900,000)
Total funds transfer to Parkes Shire Council	$2,100,000

The $100,000 is proposed to be paid as a lump sum 21 days from the execution of the HoA, the $2,000,000 will be paid on transfer of the land or as otherwise agreed.

We trust this is an agreeable reflection of the discussions and look forward to Council confirming the above at its earliest convenience.

Yours faithfully,

Sam Sangster
Chief Executive

DRAFT AND CONFIDENTIAL

Health Infrastructure
ABN 89 600 377 397

Level 8, 77 Pacific Hwy, North Sydney NSW 2060
PO Box 1060 North Sydney NSW 2059
Tel. (02) 9978 5402 Fax. (02) 8904 1377
Website: www.hinfra.health.nsw.gov.au

General Manager

Mayor

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17.2 (DTCS) Proposal to Purchase Land - Trundle

Prepared By: Director of Corporate Service

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(ii) of the Local Government Act 1993 and Council's Code of Meeting Practice, which permits the meeting to be closed to the public for business relating to the following: -

(d) commercial information of a confidential nature that would if disclosed:
(ii) confer a commercial advantage on a competitor of the council

Executive Summary

Discussions have concluded in relation to the purchase of land for community benefit and town presentation in Trundle.

Background Information

At its meeting held on 21 July 2015, Council considered a request from the Trundle Community Consultative Committee (TCCC) in relation to Lot 2 Section 1 DP758996 situated on the southern approach to Trundle. The TCCC stated it would like Council to purchase the land to consolidate the town entry appearance and prevent it from being acquired by owners who would use the area for storage.

Council resolved:

1. That the Mayor and General Manager be delegated authority to negotiate in accordance with this report.

Legislative or Policy Implications

Nil.

Budget & Financial Aspects

Funds are available in the Trundle Town Improvement Vote which could be used for the purpose of purchasing the land.

Recommendation

1. That Council purchase Lot 2 Section 1, DP 758996 on the terms mentioned in the report.

2. That the documentation be completed under Seal of Council where necessary.

3. That the land be classified as operational land if purchased.

4. The steps be taken to incorporate both Lots 1 and 2 DP 758996 into the adjoining road reserve.

Report

The TCCC was concerned that the land, which is unfenced and forms part of the Town's entrance vista from the south, would be sold and could potentially be used for non-aligned purposes. The land in question is freehold but has been part of the overall mown and generally well kept town entry space for many years. The block is currently owned by Habitat for Humanity (NSW) Pty Ltd.

The block is being marketed for urgent sale and if a low price is accepted the community suggests new owners may not share the usual community spirit in keeping the area tidy.

The TCCC requested Council purchase the block from Trundle Town Improvement Fund monies and assume control of the land.

Council owns Lot 1 DP758996 adjacent to the block in question. Together with the road reserve, the whole area is maintained by Council as an entrance statement to the town. The Trundle Town sign is situated on the Road Reserve component of the area.

By acquiring the lot in question, both lots 1 and 2 could be eventually incorporated into the road reserve to keep down ongoing costs in relation to rates and charges.

Following the resolution of Council 21 July 2015 to investigate a reasonable purchase price, discussions were held with the local Real Estate agent. An initial price of $6,500 was indicated to match another offer, however after further negotiation and in recognition of the vendor's urgency for sale, a final price of $5,000 was indicated.

The local real estate agent also indicated that she would not charge the usual commission on the transaction to keep the cost down for the Trundle Community.

The price is thought reasonable with the added benefit of the arrears rates being cleared on settlement.

Attachments

1. Map of the area
2. Original correspondence received from Trundle Community Consultative Committee



General Manager

Mayor

TRUNDLE & DISTRICT PROGRESS ASSOCIATION INC

PO BOX 31

TRUNDLE NSW 2875

22nd May 2015

Mr Les Finn
Director Technology & Corporate Services
Parkes Shire Council
Cecile Street
PARKES NSW 2875

Dear Les

RE: SALE OF LAND IN TRUNDLE – Lot 2, Section 1 of Deposited Plan 758996

Following brief discussion at the Parkes Shire Community Information session at Trundle on Thursday 21st May 2015, I would like to ask you for further consideration regarding the block of land detailed above. I have attached copies of relevant correspondence and information for your perusal.

This block is located on the southern approach to Trundle, near the Trundle and Bush Tucker Day signs, has no improvements and is priced at $6500.00. There is much concern that sale of this land may result in the entrance to Trundle becoming a 'junkyard' and an 'eyesore', with indiscriminate dumping of rubbish. The block is unsuitable for development, and floods frequently.

Trundle & District Progress Association are prepared to allocate TIF funds for purchase of the block, but are not prepared to service ongoing cost of ownership.

We request that PSC "resume" ownership of this land and continue to maintain it as an attractive entrance to town along with the surrounding crown land.

If you would like to discuss this further, please contact Peter Kelly on 02 6891098.

Yours sincerely

Peter Kelly
Chairman
Trundle & District Progress Association Inc.

17.3 (DES) CENTROC Contract - Linemarking Services

Prepared By: Director of Engineering Services

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993 and Council's Code of Meeting Practice, which permits the meeting to be closed to the public for business relating to the following: -

(d) commercial information of a confidential nature that would if disclosed:
(i) prejudice the commercial position of the person who supplied it

Tender details, should they be revealed, may result in commercial disadvantage to parties involved in the tender process. Tenderers have provided sensitive information about their operations in the confidence that their details will not be made public by council. The practice of publication of sensitive information provided by tenderers could result in the withholding of such information by tenderers and reduction in the provision of information relevant to council's decision.

Executive Summary

Tenders were called through CENTROC Supply Team for Linemarking Services. Tenders were received from Allstate Linemarking, Avante Linemarking, Central West Linemarking, Complete Linemarking Services Pty Ltd, Oz Linemarking (NSW) Pty Ltd, Red Squirrel, Wollongong Linemarking Services and Workforce Road Services Pty Ltd.

Background Information

See Report.

Legislative or Policy Implications

Tendering requirements are prescribed in the Local Government Act 1993 and Local Government (General) Regulation 2005.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to: *Function 7: Procurement*

Predicted positive effect / opportunity for the Delivery Program: *Good*

Participation in the CENTROC Contract for Linemarking Services will facilitate compliance with the Local Government (General) Regulation 2005.

Predicted negative / challenge to the Delivery Program: *Minor*

Using the CENTROC Contract may incur a fee to CENTROC of 10% of the total savings.

General Manager Mayor

Quadruple Bottom Line

Economic	★★★★☆	*Environmental*	★★☆☆☆
Social	★★★★★	*Civic Leadership*	★★★★★

Utilisation of the contract has positive implications for Council and Council's support of CENTROC.

Budget & Financial Aspects

Dependent on projects, Council spends approximately $50,000 p.a. on linemarking services and savings are anticipated through participation in the CENTROC Contract.

Recommendation

1. That Council participate in the CENTROC contract for linemarking services by Avante Linemarking, Central West Linemarking, Complete Linemarking Services and Workforce Road Services for a two (2) year term commencing 1 October 2015 with an option of a 12 month extension.

Report

The Centroc Request for Tender (RFT) for Linemarking Services was managed under the auspices of the Centroc Supply Management Team.

Members of the Centroc Supply Management Team oversaw the RFT process run by Centroc. All documentation including copies of the RFT, responses from tenderers and tender assessment documentation are available upon request.

The panel gave consideration to responses from four (4) companies:

- Avante Linemarking
- Central West Linemarking
- Complete Linemarking Services
- Workforce Road Services.

The panel reviewed all tendered responses on 5 May 2015 using the APET 360Pro tender evaluation tool and recommended the above four (4) companies as the preferred supplier for Centroc members to form the Linemarking Panel Contract.

Attachments

1. Tender Evaluation Report

General Manager Mayor

Evaluation Report for the Request for Tender for Linemarking Services for Central NSW Councils No: S1_2015

Procurement Manager: Kate Barker
6 May 2015



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

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General Manager

Mayor

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1 Executive Summary

This report covers the evaluation process conducted by the Tender Evaluation Group (TEG) upon quotations/tenders received in response to Centroc's Request for Quotation/Tender (RFx) to S1_2015.

An independent procurement consultant from Centroc facilitated the preparation of the RFx and provided other assistance during the project.

1.1 Receipt and Upload

Eight quotation/tenders were received by the close time. The RFx sought quotations/tenders in electronic format, directly uploaded uploaded into Apet evaluation software.

1.2 Evaluation

TEG members actively participated as a team in the evaluation of Respondents' capabilities against the evaluation criteria.

The TEG is confident the recommended Respondents, should they be contracted, will provide a satisfactory solution. The TEG expects the recommended Respondents to have both the capability and capacity to deliver the outcomes sought by the RFx.

1.3 Objective

Through this RFx, Centroc member Councils sought to identify companies capable of delivering linemarking services to some or all 16 of its members. The TEG assessed value for money by reviewing:

a) Respondent capability against the evaluation criteria
b) estimated costs

1.4 Recommendation

The TEG recommends the following providers to enter into contract negotiations:

- Avante Linemarking,
- Central West Linemarking,
- Complete Linemarking Services Pty Ltd, and
- Workforce Road Services Pty Ltd

2 RFT process

2.1 Preparing the RFx

Centroc assisted in preparing the RFx. The RFx was released on 25 March 2015 and quotations/tenders were received from the electronic tender box on Apet on 17 April 2015.

2.2 Tender Evaluation Group (TEG)

The Tender Evaluation Group (TEG) for this RFx consisted of the following people:

Name	Council

Peter Heffernan	Cabonne Council
Danial Speer	Forbes Shire Council
Mark Frecklington	Orange City Council
Anthony Burke	Parkes Shire Council

The TEG was assisted by Kate Barker, Centroc's Energy and Training Program Manager.

2.3 Tender Evaluation Plan (TEP)

The TEG were consulted prior to quotations/tenders were received to:

a) provide overarching context for the purpose of the RFx;
b) provide comments on the draft TEP; and
c) provide consensus upon the efficient approach to conducting the evaluation.

The TEG determined the relative importance of RFx elements against which Respondents were requested to respond.

2.4 Quotations/Tenders received

When the quotation/tender period closed, quotations were available on Apet and accessed by the independent procurement consultant from Centroc. Quotations from the following companies were received (in alphabetical order):

Company Name
Allstate Linemarking
Avante Linemarking
Central West Linemarking
Complete Linemarking Services Pty Ltd
Oz Linemarking (NSW) Pty Ltd
Red Squirrel
Wollongong Linemarking Services
Workforce Road Services Pty Ltd

2.5 Conditions of participation

The independent procurement consultant from Centroc conducted a confirmation evaluation stage to ensure Respondents had complied with the conditions of participation outlined in the RFx.

3 Evaluation activity

The TEG met at Orange City Council on 5 May 2015 to conduct the evaluation. Each quotation/tender was displayed by a data projector using the Apet software. This allowed the TEG to efficiently conduct the evaluation in a 'paperless' environment.

The TEG entered quantitative details into Apet in accordance with the TEP 'scoring table'. These 'scores' reflected the TEG's evaluation of, for example, respondents' experience, and capacity to meet technical requirements.

The TEG also entered qualitative details into Apet. Qualitative details support, for example, scores assigned wherever a respondent was assessed as not meeting technical requirement to the TEG's satisfaction.

3.1 Evaluation rankings

Evaluation rankings were as follows:

1. Workforce Road Services – 85%
2. Avante Linemarking – 75.5%
3. Complete Linemarking Services – 57%
4. Central West Linemarking – 52.5%
5. Wollongong Linemarking Services – 52%
6. Red Squirrel – 45%
7. Allstate Linemarking – 43%
8. Oz Linemarking (NSW) – 33.5%

3.2 Copies of assessment sheets

Copies of the assessment sheets are available from Centroc. They are stored on Centroc's electronic filing system in the Tenders folder.

3.3 Summary of any clarifications sought

The Centroc representative sought the following clarifications from Avante Linemarking:

1. Whether travel and accommodation was included in the establishment fee,
2. What the minimum requirement of available work is,
3. Whether there was any warranty for beads, paint etc.,
4. The formula for calculating annual CPI increases
5. Qualifications of personnel conducting traffic control

The following clarifications were sought from Central West Linemarking:

1. Whether travel and accommodation was included in the establishment fee,
2. What the minimum requirement of work is,
3. Whether there was any warranty for beads, paint etc.,
4. The formula for calculating annual CPI increases,
5. Whether the organisation of traffic control is done by Central West Linemarking or Council
6. Qualifications of personnel conducting traffic control

The following clarifications were sought from Complete Linemarking:

1. Whether travel and accommodation was included in the establishment fee,
2. Whether there was any warranty for beads, paint etc.,
3. The formula for calculating annual CPI increases
4. A current copy of the PCCP certificate
5. Qualifications of personnel conducting traffic control

The following clarifications were sought from Workforce Road Services:

1. Whether travel and accommodation was included in the establishment fee,
2. Whether there was any warranty for beads, paint etc.,
3. The formula for calculating annual CPI increases
4. Qualifications of personnel conducting traffic control

Delays were experienced due to the investigation of whether or not professional indemnity insurance is required for personnel developing traffic control plans. Subsequently, all four preferred providers were asked to confirm that their prices would remain the same, since more than 90 days had lapsed since the priced were submitted as part of the tender responses.

3.4 Details of any referee reports

Referee reports are available on request from Centroc. They are stored on Centroc's electronic filing system in the Tenders folder.

3.5 Offer risk

The TEG is of the opinion that the recommended Respondent is capable of delivering services of the nature that Centroc members have requested.

4 Costs

See the attached spreadsheets outlining the costs.

5 Recommendation

5.1 Enter into negotiations

The TEP recommend that Centroc members enter into contract negotiations with:

- Avante Linemarking,
- Central West Linemarking,
- Complete Linemarking Services Pty Ltd, and
- Workforce Road Services Pty Ltd

Council's are asked to notify Centroc of their decision to accept the preferred respondents as the providers for Linemarking Servces and to forward a copy of the completed signature page of the contract to Centroc.

	Avante	Central West Linemarking	Complete Linemarking	Workforce
Site establishment	$1,250	$960	$125	$2,200
3km edge lines (E1)	$3,750	$5,580	$4,620	$4,110
1km separation lines (S1)	$750	$860	$840	$630
500m barrier lines (BB)	$900	$1,000	$1,010	$965
TOTAL for longitudinal linemarking	**$6,650**	**$8,400**	**$6,595**	**$7,905**
600sqm chevrons	$7,500	Price on application	$24,300	$10,878
4 arrows	$240		$675	$233
250 raised pavement markers	$1,275		$1,350	$1,238
TOTAL for longitudinal and transverse linemarking	**$15,665**		**$32,920**	**$20,253**

General Manager

Mayor

17.4 Mayoral Minute - Tenterfield Cadillac

Prepared By: Mayor Ken Keith OAM

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the Local Government Act 1993 and Council's Code of Meeting Practice, which permits the meeting to be closed to the public for business relating to the following: -

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

Executive Summary

Discussions held at Tenterfield during recent visit by Mayor Ken Keith OAM to attend Sir Henry Parkes Oration regarding possible attraction for Parkes Elvis Festival.

Background Information

Nil

Legislative or Policy Implications

Nil.

Budget & Financial Aspects

Nil at this stage

Recommendation

1. For the decision of Council.

Report

During my recent visit to Tenterfield following discussions about the Elvis Festival and the sale of the Elvis Cadillac with Mr & Mrs Unsworth an interesting offer was put forward.

Mr & Mrs Unsworth have a Cadillac which was formally owned by Col Joy which they have been wishing to sell. They have offered the car to Parkes Shire Council for $9,000.

The photos of the vehicle are attached and would indicate the vehicle is in very good condition. The vehicle has travelled 17,460kms.

Given that Col Joy is on our Elvis Wall of Fame, Council may like to discuss to the possible purchase of this vehicle for display in the Henry Parkes Centre.

General Manager Mayor

Attachments

1. Photograph of the vehicle



General Manager Mayor

17.5 (DI) Tender - Water and Sewage Treatment Plant

Prepared By: Director Infrastructure

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993 and Council's Code of Meeting Practice, which permits the meeting to be closed to the public for business relating to the following: -

(d) commercial information of a confidential nature that would if disclosed:
(i) prejudice the commercial position of the person who supplied it

Tender details, should they be revealed, may result in commercial disadvantage to parties involved in the tender process. Tenderers have provided sensitive information about their operations in the confidence that their details will not be made public by council. The practice of publication of sensitive information provided by tenderers could result in the withholding of such information by tenderers and reduction in the provision of information relevant to council's decision.

Executive Summary

Selected Tenders were called for the new Parkes Water and Sewage Treatment Plants on the 13th of August 2015, following an EOI phase. A formal Select Tenderer Involvement (STI) Phase was conducted with each of the three (3) Selected Tenderers. Each Tenderer was required to attend five (5) separate Selected Tenderer Involvement (STI) workshops, prior to submitting the final tender response. Tenders closed on the 7th of October 2015, which each tender submitting two responses.

Background Information

See Report.

Legislative or Policy Implications

Nil.

Progressive Delivery Program Implications

The resolution in this report will primarily effect the Delivery Program Future Direction relating to: *8. Maintain and improve the Shires Assets and Infrastructure*
8.1 Ensure that Shire Water Management is in line with Best Practicee

Predicted positive effect / opportunity for the Delivery Program: *Good*

The upgrade will improve water security for Parkes and Peak Hill and reduce impacts on the Lachlan River intake site.

Predicted negative / challenge to the Delivery Program: *Minor*

There will be no foreseeable negative impacts.

General Manager Mayor

Quadruple Bottom Line

Economic	★★☆☆☆	*Environmental*	★★★☆☆
Social	★★★★☆	*Civic Leadership*	★★★★☆

Budget & Financial Aspects

The projects will be funded with partial subsidy from the NSW State Government through the Country Towns Water and Sewerage Scheme.

Recommendation

1. That Council endorses the awarding of the Contracts as set out in this report following the endorsement and approval to award by the Minister and the successful finalisation of the further Clarifications.

2. That the seal of Council be applied to documents as required to fully enable this resolution.

General Manager Mayor

Report

Parkes Shire Council (PSC) has undertaken an assessment of its current Water Treatment Plant and Sewage Treatment Plant and has determined that both treatment plants have reached the end of their serviceable life and are no longer able to provide adequate service into the future. In addition, the current plants do not have the capacity to service the local area into the future. As a result, both Water and Sewage Treatment Plants are to be replaced.

PSC formally called for Expression of Interest (EOI) for the two projects on the 18th May 2015. Expressions of Interest closed on the 19th June 2015 via the PSC nominated TenderLink system. After an extensive and through review period PSC resolved to shortlist three Tenderers to be requested to tender for the projects. The successful Selected Tenderers were;

- Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)
- John Holland Pty Ltd
- Monadelphous Group Limited

The three successful preferred Tenderers were advised on the 13th August 2015 and the RFT phase commenced at this time. A formal Select Tenderer Involvement (STI) Phase was conducted with each of the Tenderers. Each Tenderer was required to attend five (5) separate workshops as follows;

- Workshop 1 – General introduction and expectation setting
- Workshop 2 – Design review workshop on the Tenderers design to date
- Workshop 3 – Design review workshop on the Tenderers design to date
- Workshop 4 – Operability review workshop on the Tenderers design
- Workshop 5 – Commercial discussion around the proposed contract

Tenders closed at 2.00pm on the 7th October 2015. Tenders were assessed in accordance with the approved Tender Evaluation Plan. Tenders were evaluated against the Conditions of Participation, Non-Price Criteria and Price criteria.

The RFT Evaluation Committee consisted of the following members;

- Andrew Francis – PSC Director of Infrastructure
- Brad Byrnes – PSC Manager of Corporate Governance
- Jason Myers – PSC PMO Project Manager
- Annalisa Contos – Atom Consulting
- David Powell – WorleyParsons Services

At the conclusion of the non-price assessment phase the individual scores from each of the Evaluation Committee Members were entered into the Evaluation Tool. The final scores for the Non Price Assessment are included in the Table below.

Respondent Name	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
WTP Project	59.2	57.4	65.2
STP Project	59.8	47.0	69.5
Average Score	59.5	52.2	67.3

As a result of the above assessment John Holland were clearly ranked first, Monadelphous Group ranked second and the Haslin – AQM Joint Venture were ranked third.

Tenderers offered a variety of Conforming and Alternative offers which had differing prices attached for the various offers. In addition, Tenderers offered prices for each of the alternatives assuming that they were awarded as a standalone project (ie a tenderer may only get one of the projects) as well as combined prices assuming that a tenderer may be awarded both projects (ie assuming a discount for being awarded two projects).

This complicated the assessment and reporting for the price component, however preferred technology at the conclusion of the Price and Non-Price assessment was the following

- Alternative WTP being a DAFF plant
- Conforming STP being essentially an IDEA plant

On this basis the following final scores were awarded;

Respondent Name	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.2	57.4	65.2
Price Score	94.2	85.5	92.5
Total Score	153.4	143.0	157.7

Respondent Name	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.8	47.0	69.5
Price Score	90.9	73.4	100
Total Score	150.7	120.4	169.5

A meeting was held between PSC, the Technical Review panel and the Water and Sewer Technical Managers at NSW DPI Water. Using the same assessment matrix as that utilised by PSC, the final assessment numbers were concurred with by DPI Water.

As a result, the EOI Evaluation Committee recommends that John Holland be nominated as preferred Tenderer and final discussions be undertaken to resolve any outstanding technical and commercial matters none of which are believed to be material to the assessment completed.

Attachments

1. Tender Evaluation matrix
2. Tender Evaluation report
3. Probity Report

General Manager

Mayor

RFT Assessment Summary - Non Price Criteria

Item	RFT Evaluation Criteria - WTP	Max Score	Mono	Haslin	John Holland
			WTP	WTP	WTP
1	**Performance during the STI Process**	**20**	**10.0**	**12.5**	**14.0**
1a	Demonstration of collaborative approach to the STI Process, including attendance and active participation in workshops, site inspections and networking events during part of the STI Process, and the provision of suitable resources for participation in the STI Process.	20	10.0	12.5	14.0
2	**WHS**	**8**	**5.2**	**4.0**	**3.6**
2a	Appropriateness of the draft WHS Management Plan.	6	4.2	3.0	3.5
2b	Appropriateness of the draft example SWMS's	2	1.0	1.0	0.1
3	**Environment**	**8**	**3.7**	**5.6**	**4.6**
3a	Appropriateness of the draft Environmental Management Plan and draft CEMP.	6	2.9	4.3	3.5
3b	Identification and incorporation of the controls from the REF into the EMP and CEMP.	2	0.8	1.3	1.1
4	**Quality**	**8**	**4.6**	**3.5**	**4.7**
4a	Appropriateness of the draft Quality Management Plan	6	3.7	3.0	4.3
4b	Appropriateness of the draft example ITP's.	2	0.9	0.5	0.4
5	**Local Content**	**10**	**7.7**	**1.5**	**6.2**
5a	Level of local subcontractors proposed to be engaged for construction work forming part of the WTP Project.	4	3.2	0.6	2.3
5b	Level of local suppliers proposed to be engaged for construction work forming part of the WTP Project.	4	3.2	0.6	2.4
5c	Level of other local opportunities offered in the overall delivery of the WTP Project.	1	0.7	0.2	0.7
5d	Level of upskilling opportunities offered for local resources in the delivery of the WTP Project.	1	0.6	0.1	0.8
6	**Program**	**3**	**1.7**	**0.8**	**2.2**
6a	Proposed program for the WTP Project	3	1.7	0.8	2.2
7	**Subcontractor Capability**	**3**	**1.2**	**0.6**	**2.2**
7a	Capability of proposed Subcontractors	3	1.2	0.6	2.2
8	**Technical Assessment**	**40**	**25.1**	**28.9**	**27.8**
8a	Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4	2.0	2.9	3.0
8b	Overall level of conformance with the PPR	2	1.0	1.3	1.4
8c	Level of adoption of General Design Requirements and Golden Rules	2	1.5	1.3	1.6
8d	Process layout and details provide full visibility of, and access to, all areas	2	1.5	1.8	1.4
8e	Process headroom is sufficient to cope with expected variations in raw water quality.	4	1.6	3.2	2.0
8f	Design is hydraulically efficient and minimizes treated water and backwash water pumping.	4	3.2	2.7	3.0
8g	Process complexity and operational requirements are minimized	4	2.4	2.8	2.4
8h	Equipment offered is easy to operate and maintain with good local access to spares and service	4	2.4	2.8	2.4
8i	Design Assumptions are reasonable	10	7.0	7.0	7.5
8j	The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4	2.5	3.1	3.2
	Total Score	**100**	**59.2**	**57.4**	**65.2**

Item	RFT Evaluation Criteria - STP	Max Score	Mono	Haslin	John Holland
			STP	STP	STP
1	**Performance during the STI Process**	**20**	**10.5**	**3.5**	**14.0**
1a	Demonstration of collaborative approach to the STI Process, including attendance and active participation in workshops, site inspections and networking events during part of the STI Process, and the provision of suitable resources for participation in the STI Process.	20	10.5	3.5	14.0
2	**WHS**	**8**	**5.2**	**3.4**	**3.7**
2a	Appropriateness of the draft WHS Management Plan.	6	4.2	2.5	3.6
2b	Appropriateness of the draft example SWMS's	2	1.0	0.9	0.1
3	**Environment**	**8**	**3.7**	**5.6**	**4.7**
3a	Appropriateness of the draft Environmental Management Plan and draft CEMP.	6	2.9	4.3	3.6
3b	Identification and incorporation of the controls from the REF into the EMP and CEMP.	2	0.8	1.3	1.1
4	**Quality**	**8**	**4.8**	**3.9**	**4.7**
4a	Appropriateness of the draft Quality Management Plan	6	3.6	3.0	4.2
4b	Appropriateness of the draft example ITP's.	2	1.2	0.9	0.5
5	**Local Content**	**10**	**7.8**	**1.5**	**6.2**
5a	Level of local subcontractors proposed to be engaged for construction work forming part of the STP Project.	4	3.2	0.6	2.3
5b	Level of local suppliers proposed to be engaged for construction work forming part of the STP Project.	4	3.2	0.6	2.4
5c	Level of other local opportunities offered in the overall delivery of the STP Project.	1	0.7	0.2	0.7
5d	Level of upskilling opportunities offered for local resources in the delivery of the STP Project.	1	0.7	0.1	0.8
6	**Program**	**3**	**1.7**	**0.8**	**2.1**
6a	Proposed program for the STP Project	3	1.7	0.8	2.1
7	**Subcontractor Capability**	**3**	**1.2**	**1.1**	**2.1**
7a	Capability of proposed Subcontractors	3	1.2	1.1	2.1
8	**Technical Assessment**	**40**	**24.9**	**27.2**	**32.0**
8a	Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4	2.3	2.7	3.1
8b	Overall level of conformance with the PPR	2	1.3	1.3	1.7
8c	Level of adoption of General Design Requirements and Golden Rules	2	1.5	1.5	1.7
8d	Process layout and details provide full visibility of, and access to, all areas	2	1.1	1.5	1.6
8e	Process headroom is sufficient to cope with expected variations in influent quality.	4	2.0	2.6	3.4
8f	Design is hydraulically efficient and does not require inter-stage pumping.	4	2.6	3.0	3.1
8g	Process complexity and operational requirements are minimized	4	2.6	2.8	3.0
8h	Equipment offered is easy to operate and maintain with good local access to spares and service	4	2.8	3.0	3.0
8i	Design Assumptions are reasonable	10	6.3	6.0	8.0
8j	The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4	2.5	2.7	3.3
	Total Score	**100**	**59.8**	**47.0**	**68.5**

General Manager

Mayor

RFT Assessment Summary Sheet (Price Criteria) - WTP Combined

Item	RFT Evaluation Criteria	Weighting	Mono		Readin		John Holland	
			Conforming	Alternative	Conforming	Alternative	Conforming	Alternative
1	**Lump Sum/DBAC Contract Sum**	**50**						
1a	Assessment of the lump sum price submitted in the Invitation to Submit Tender	50	Assessed Price (inc GST)	$19,057,127	$21,545,139	$21,545,139	$17,627,216	$17,998,081
			Tendered Price (inc GST)	$18,606,466	$21,057,479	$19,606,466	$16,954,666	$16,954,666
			Assessed Qualifications and Departures	$2,016,470	$2,289,887	$0	$1,980,180	$1,980,180
			Assessed Tender Price (inc GST)	$20,622,936	$23,347,366	$21,586,646	$18,934,846	$18,934,846
			Lowest Assessed Tender Price (inc GST)	$20,091,395	$20,091,395	$20,091,395	$18,954,801	$19,154,801
			Price Score	47.8	42.9	46.0	49.9	48.2
2	**Lump Sum/D&MC Contract Sum**	**10**						
2a	Lump Sum price tendered as the initial D&MC Contract Sum (for year 1 of the Contract)	6		$96,211	$126,452	$291,369	$84,185	$84,185
2b	Lump Sum price tendered for the purposes of the first renewal (if any) to the D&MC Contract Sum (for year 2 of the Contract) under Clause 39A.4 of the Conditions of Contract (for year 2 of the Contract)	2		$45,703	$74,443	$340,972	$39,991	$39,991
2c	Lump Sum price tendered for the purposes of the second (if any) renewal to the D&MC Contract Sum (for year 3 of the Contract) under Clause 39A.4 of the Conditions of Contract (for year 3 of the Contract)	2		$41,173	$41,173	$340,972	$45,253	$47,018
			Tendered Price (inc GST)	$87,699	$116,886	$291,369	$84,185	$84,185
			Tendered Price (inc GST)	$160,391	$209,435	$702,600	$193,003	$193,003
			Assessed Qualifications and Departures	$151,230	$260,465	$151,230	$151,230	$151,230
			Assessed Tender Price (inc GST)	$311,621	$469,900	$853,830	$344,233	$344,233
			Lowest Assessed Tender Price (inc GST)	$311,621	$311,621	$311,621	$311,621	$311,621
			Price Score	10.0	6.6	3.6	9.0	9.0
3	**Operational Costs**	**30**						
3a	Assessment of Operational Costs	30						
			NPV Assessment cost	$8,414,000	$8,126,000	$8,259,000	$8,414,000	$8,414,000
			NPV Assessment cost	$8,414,000	$8,126,000	$8,259,000	$8,414,000	$8,414,000
			Price Score	30.0	29.4	29.8	30.0	30.0
4	**Project Organisational Structure**	**10**						
4a	Assessment of Proposed Organisation Chart and Resourcing levels	10	Assessment Effort by PMO due to Resourcing	$338,000	$304,000	$153,000	$304,000	$158,000
			Additional Effort by PMO due to Capability	$160,000	$136,000	$144,000	$136,000	$144,000
			Additional Effort by PMO due to Commercial	$160,000	$160,000	$160,000	$160,000	$80,000
			Total Assessed additional effort	$658,000	$600,000	$457,000	$600,000	$382,000
			Lowest Assessed Additional Effort	$382,000	$382,000	$382,000	$382,000	$382,000
			Price Score	8.4	8.7	9.3	8.7	9.3
	Total Score	**100**		**94.0**	**87.0**	**73.2**	**93.9**	**96.5**

RFT Assessment Summary Sheet (Price Criteria) - WTP Alone

Item	RFT Evaluation Criteria	Weighting	Mono		Readin		John Holland	
			Conforming	Alternative	Conforming	Alternative	Conforming	Alternative
1	**Lump Sum/DBAC Contract Sum**	**50**						
1a	Assessment of the lump sum price submitted in the Invitation to Submit Tender	50	Assessed Price (inc GST)	$19,057,127	$21,545,139	$21,545,139	$17,627,216	$17,998,081
			Tendered Price (inc GST)	$18,606,466	$21,057,479	$19,606,466	$16,954,666	$16,954,666
			Assessed Qualifications and Departures	$2,016,470	$2,289,887	$0	$1,980,180	$1,980,180
			Assessed Tender Price (inc GST)	$20,622,936	$23,347,366	$21,586,646	$18,934,846	$18,934,846
			Lowest Assessed Tender Price (inc GST)	$20,091,395	$20,091,395	$20,091,395	$18,954,801	$19,154,801
			Price Score	47.8	42.9	46.0	49.9	48.2
2	**Lump Sum/D&MC Contract Sum**	**10**						
2a	Lump Sum price tendered as the initial D&MC Contract Sum (for year 1 of the Contract)	6		$96,211	$126,452	$291,369	$84,185	$84,185
2b	Lump Sum price tendered for the purposes of the first renewal (if any) to the D&MC Contract Sum (for year 2 of the Contract) under Clause 39A.4 of the Conditions of Contract (for year 2 of the Contract)	2		$45,703	$74,443	$340,972	$45,253	$45,253
2c	Lump Sum price tendered for the purposes of the second (if any) renewal to the D&MC Contract Sum (for year 3 of the Contract) under Clause 39A.4 of the Conditions of Contract (for year 3 of the Contract)	2		$41,173	$41,173	$340,972	$45,253	$47,018
			Tendered Price (inc GST)	$87,699	$116,886	$291,369	$84,185	$84,185
			Tendered Price (inc GST)	$160,391	$209,435	$702,600	$193,003	$193,003
			Assessed Qualifications and Departures	$151,230	$260,465	$151,230	$151,230	$151,230
			Assessed Tender Price (inc GST)	$311,621	$469,900	$853,830	$344,233	$344,233
			Lowest Assessed Tender Price (inc GST)	$311,621	$311,621	$311,621	$311,621	$311,621
			Price Score	10.0	6.6	3.6	9.0	9.0
3	**Operational Costs**	**30**						
3a	Assessment of Operational Costs	30						
			NPV Assessment cost	$8,414,000	$8,126,000	$8,259,000	$8,414,000	$8,414,000
			NPV Assessment cost	$8,414,000	$8,126,000	$8,259,000	$8,414,000	$8,414,000
			Price Score	30.0	29.4	29.8	30.0	30.0
4	**Project Organisational Structure**	**10**						
4a	Assessment of Proposed Organisation Chart and Resourcing levels	10	Assessment Effort by PMO due to Resourcing	$338,000	$304,000	$153,000	$304,000	$158,000
			Additional Effort by PMO due to Commercial	$160,000	$136,000	$144,000	$136,000	$144,000
			Additional Effort by PMO due to Capability	$160,000	$160,000	$160,000	$160,000	$80,000
			Total Assessed additional effort	$658,000	$600,000	$457,000	$600,000	$382,000
			Lowest Assessed Additional Effort	$382,000	$382,000	$382,000	$382,000	$382,000
			Price Score	8.4	8.7	9.3	8.7	9.3
	Total Score	**100**		**94.0**	**87.0**	**73.2**	**93.9**	**96.5**

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RFT Assessment Summary Sheet (Price Criteria) - STP Alone

Item	RFT Evaluation Criteria	Weighting		Mono		Haslin		John Holland	
				Conforming	Alternative	Conforming	Alternative	Conforming	Alternative
1	**Lump Sum DD&C Contract Sum**	**50**							
1a	Assessment of the lump sum price tendered as the proposed DD&C Contract Sum.	50							
			Tendered Price (inc GST)	$14,778,452	$14,715,641	$17,178,590	$16,681,265	$17,102,812	$0
			Tendered Price (exc GST)	$13,434,956	$13,377,855	$15,616,900	$15,092,059	$15,548,011	$0
			Assessed Qualifications and Departures	$0	$0	$769,066	$0	$0	$0
			Assessed Tender Price (exc GST)	$13,434,956	$13,377,855	$16,384,966	$15,092,059	$15,548,011	$0
			Lowest Assessed Tender Price (exc GST)	$13,377,855	$13,377,855	$13,377,855	$13,377,855	$13,377,855	$0
			Price Score	49.8	50.0	40.8	44.3	43.0	#DIV/0!
2	**Lump Sum O&MS Contract Sum**	**10**							
2a	Lump Sum price tendered as the initial O&MS Contract Sum (for year 1 of the O&MS Term)	6		$96,211	$96,211	$365,662	$365,662	$129,178	
2b	Lump Sum price tendered for the purposes of the O&MS Contract Price Review (PCR) Process under clause 39A.4 of the Conditions of Contract (for year 2 of the O&MS Term)	2		$45,703	$45,703	$294,998	$294,998	$66,024	
2c	Lump Sum price tendered for the purposes of the second Price Review (PCR) Process Contract Sum under clause 39A.4 of the Conditions of Contract (for year 3 of the O&MS Term)	2		$46,997	$46,997	$303,069	$303,069	$66,495	
			Tendered Price (inc GST)	$188,911	$188,911	$963,729	$963,729	$254,697	$0
			Tendered Price (exc GST)	$171,737	$171,737	$876,117	$876,117	$231,543	$0
			Assessed Qualifications and Departures	$0	$0	$0	$0	$0	$0
			Assessed Tender Price (exc GST)	$171,737	$171,737	$876,117	$876,117	$231,543	$0
			Lowest Assessed Tender Price (exc GST)	$170,198	$170,199	$170,200	$170,201	$170,202	$170,203
			Price Score	9.9	9.9	1.9	1.9	7.4	#DIV/0!
3	**Operational Costs**	**30**							
3a	Assessment of Operational Costs.	30							
			NPV Assessment cost	$6,500,000	$6,500,000	$8,900,000	$8,900,000	$6,400,000	$6,400,000
			Lowest Assessed NPV	$6,400,000	$6,400,000	$6,400,000	$6,400,000	$6,400,000	$6,400,000
			Price Score	29.5	29.5	21.6	21.6	30.0	30.0
4	**Project Organisational Structure**	**10**							
4a	Assessment of Proposed Organisation Chart and Resourcing levels	10							
			Additional Effort by PMO due to Resourcing	$336,000	$336,000	$304,000	$304,000	$159,000	$159,000
			Additional Effort by PMO due to Commercial	$160,000	$160,000	$136,000	$136,000	$144,000	$144,000
			Additional Effort by PMO due to Capability	$160,000	$160,000	$160,000	$160,000	$80,000	$80,000
			Total Assessed additional effort	$656,000	$656,000	$600,000	$600,000	$382,000	$382,000
			Lowest Assessed Additional Effort	$382,000	$382,000	$382,000	$382,000	$382,000	$382,000
			Price Score	6.8	5.8	6.4	6.4	10.0	10.0
	Total Score	**100**		**96.1**	**95.3**	**70.7**	**74.2**	**90.4**	**#DIV/0!**

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RFT Assessment Summary Sheet (Price Criteria) - STP Combined

Item	RFT Evaluation Criteria	Weighting		Mono		Hasin		John Holland	
				Conforming	Alternative	Conforming	Alternative	Conforming	Alternative
1	**Lump Sum DD&C Contract Sum**	**80**							
1a	Assessment of the lump sum price tendered for the proposed DD&C Contract Sum	50							
			Tendered Price (inc GST)	$14,409,452	$14,365,641	$0	$16,316,046	$14,100,154	$0
			Tendered Price (exc GST)	$13,116,775	$13,059,674	$0	$14,832,769	$12,818,322	$0
			Assessed Qualifications and Departures	$0	$0	$0	$0	$0	$0
			Assessed Tender Price (exc GST)	$13,116,775	$13,059,674	$0	$14,832,769	$12,818,322	$0
			Lowest Assessed Tender Price (exc GST)	$12,818,322	$12,818,322	$12,818,322	$12,818,322	$12,818,322	$12,818,322
			Price Score	48.9	49.1	#DIV/0!	49.2	50.0	#DIV/0!
2	**Lump Sum O&MS Contract Sum**	**10**							
2a	Lump Sum price tendered as the initial O&MS Contract Sum (for year 1 of the O&MS Term)	6			$168,369		$358,349	$102,870	
2b	Lump Sum price tendered for the purposes of the first increase (if any) to the O&MS Contract Sum under clause 36A.4 of the Contract (for year 2 of the O&MS Term)	2			$79,981		$289,098	$56,625	
2c	Lump Sum price tendered for the purposes of the second increase (if any) to the O&MS Contract Sum under clause 36A.4 of the Contract (for year 3 of the O&MS Term)	2			$82,246		$297,007	$63,912	
			Tendered Price (inc GST)	$0	$330,595	$0	$944,454	$223,407	$0
			Tendered Price (exc GST)	$0	$300,541	$0	$858,595	$194,188	$0
			Assessed Qualifications and Departures	$0	$0	$0	$0	$0	$0
			Assessed Tender Price (exc GST)	$0	$300,541	$0	$858,595	$194,188	$0
			Lowest Assessed Tender Price (exc GST)	$194,188	$194,188	$194,188	$194,188	$194,188	$194,188
			Price Score	#DIV/0!	6.5	#DIV/0!	2.3	10.0	#DIV/0!
3	**Operational Costs**	**30**							
3a	Assessment of Operational Costs	30	NPV Assessment cost	$6,500,000	$6,500,000	$6,900,000	$6,900,000	$6,400,000	$6,400,000
			Lowest Assessed NPV	$6,400,000	$6,400,000	$6,400,000	$6,400,000	$6,400,000	$6,400,000
			Price Score	29.5	29.5	27.8	27.8	30.0	30.0
4	**Project Organisational Structure**	**10**							
4a	Assessment of Proposed Organisation Chart and Resourcing levels	10							
			Additional Effort by PMO due to Resourcing	$336,000	$336,000	$304,000	$304,000	$168,000	$168,000
			Additional Effort by PMO due to Commercial	$160,000	$160,000	$136,000	$136,000	$144,000	$144,000
			Additional Effort by PMO due to Capability	$160,000	$160,000	$160,000	$160,000	$80,000	$80,000
			Total Assessed additional effort	$656,000	$656,000	$600,000	$600,000	$392,000	$392,000
			Lowest Assessed Additional Effort	$392,000	$392,000	$392,000	$392,000	$392,000	$392,000
			Price Score	5.8	5.8	6.4	6.4	10.0	10.0
	Total Score	**100**		**#DIV/0!**	**90.9**	**#DIV/0!**	**73.4**	**100.0**	**#DIV/0!**

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Parkes Shire Council

EVALUATION REPORT FOR THE REQUEST FOR TENDER

FOR THE

NEW PARKES WATER AND SEWAGE TREATMENT PLANTS

CONTRACT No. 2014009-50 and 2014013-50

Prepared by:
PARKES SHIRE COUNCIL
2 Cecile Street, Parkes NSW 2870

November 2015

"COMMERCIAL IN CONFIDENCE"

General Manager

Mayor

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RFT Evaluation Report

Project name:	Request for Tender for the New Parkes Water and Sewage Treatment Plants
Engagement number:	Contract No. 2014009-50 and 2014013-50
Description of services:	Design and Construction Contractor
Client agency:	Parkes Shire Council
Project Cost Estimate:	$13.1M for the Sewage Treatment Plant and $17.9M for the Water Treatment Plant. Total project Budget $31.0M
Application method:	Invited Request for Tender
Application closing date:	7th October 2015
Application closing office:	TenderLink
Contact person:	Louise Peebles Telephone: (02) 6861 2305

Details of Work

Parkes Shire Council (PSC) has undertaken an assessment of its current Water Treatment Plant and Sewage Treatment Plant and has determined that both treatment plants have reached the end of their serviceable life and are no longer able to provide adequate service into the future. In addition, the current plants do not have the capacity to service the local area into the future. As a result both Water and Sewage Treatment Plants are to be replaced.

Parkes Shire Council (PSC) has undertaken an extensive Industry engagement process followed by a formal and extensive call for Expressions of Interest to shortlist a number of suitable Tenderers to proceed to the Request for Tender (RFT) stage and provide a fixed lump sum price to undertake the design development and construction of both plants as well as the provision of operation and maintenance support services for both plants for a fixed period following completion of construction.

Upon conclusion of the Expression of Interest (EOI) assessment phase three preferred EOI respondents were identified to be invited to participate in a comprehensive Selected Tender Involvement (STI) phase before being invited to submit a tender for the projects. The three Selected Tenderers were:

- John Holland Pty Ltd
- Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)
- Monadelphous Group Limited

The three successful Selected Tenderers were advised of their selection on the 13th August 2015 and the RFT phase commenced at this time.

Pre-RFT Actions

The following actions were undertaken in the lead up to the commencement of the RFT phase for the projects.

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Prior to the issue of the RFT Invitation, an RFT Evaluation Plan containing Conditions of Participation, Price and Non-price Criteria along with the weightings for the Price and Non-price Criteria and scoring methodology was prepared. The RFT Evaluation Plan outlined the proposed RFT Evaluation Committee as well as separate Technical and Commercial Advisory Panels. The RFT Evaluation Plan was signed off by the RFT Evaluation Committee prior to the opening of Tenders.

At the commencement of the RFT phase the RFT Evaluation Committee members and Technical and Commercial Advisory Panel members disclosed any current or past personal associations with any of the Tenderers or their companies or any other circumstance that could lead to a conflict of interest. The project Probity Advisor reviewed the conflict of interest declarations and determined that no conflict of interest existed.

Parkes Shire Council received the tender submissions through the TenderLink system. All submissions were kept securely throughout the RFT assessment phase and hard-copy submissions were not removed from the RFT Assessment Room apart from being transferred to and from the secure storage location.

Prior to undertaking any initial assessment, each of the RFT Evaluation Committee and Technical Advisory Panel members again declared that they still had no conflict of interest with any of the Tenderers.

Select Tenderer Involvement Phase

Prior to the formal closing of the tenders via the TenderLink system a formal Selected Tender Involvement (STI) Phase was conducted with each of the Tenderers. Each Tenderer was required to attend five (5) separate workshops as follows:

- Workshop 1 – General introduction and expectation setting
- Workshop 2 – Design review workshop on the Tenderer's design to date
- Workshop 3 – Design review workshop on the Tenderer's design to date
- Workshop 4 – Operability review workshop on the Tenderer's design
- Workshop 5 – Commercial discussion around the proposed contract.

Workshop 1 was combined with all Tenderers on the same day but workshops 2, 3, 4 and 5 were separate full day workshops held with each Tenderer separately hence PSC staff were involved in three separate workshops (one for each Tenderer) for each of the nominated workshops 2, 3, 4 and 5. Generally each stream of workshops was one week apart and hence the 5 separate workshops occurred over a period of 5 weeks. There was an additional 2 weeks at the conclusion of workshop 5 to allow the Tenderers to finalise their Tenders.

The aim of the STI phase was to allow each of the Tenderers to have well-structured and equal access to PSC during the RFT phase and to ensure that each of the Tenderers were able to understand the expectations of PSC and ensure that the PSC expectations were built into the overall tendered design offered by the Tenderer.

RFT's Received

Tenders closed at 2.00pm on the 7th October 2015. TenderLink released the submitted tenders from the following Tenderers to PSC shortly after the closing date and time for the lodgement of tenders:

- Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)

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- Monadelphous Group Limited

A tender from John Holland was not received prior to the closing date and time. John Holland contacted both TenderLink and PSC directly just prior to the closing date and time to advise that they were experiencing difficulties uploading their submission to TenderLink and the system had crashed on them several times. TenderLink investigated their system and confirmed that there should have been no technical reason that John Holland could not have submitted their tender however they were able to confirm that they had made several attempts from approximately 1.30pm which had failed.

John Holland contacted PSC around 2.00pm to advise that they had experienced problems and requested approval to submit their tender to PSC directly. John Holland arranged a secure file transfer to allow PSC to download their tender. Links to the John Holland secure file transfer site were received around 2.10pm and the John Holland tender was received at around 2.20pm approximately 20 minutes after the closing time for the lodgement of tenders.

Due to the late tender being received the circumstance and receipt process was reviewed by the PSC Probity Advisor to ensure that there were no probity concerns. The PSC Probity Advisor reviewed the issue and advised that there were no probity risks associated with the process to receive the late tender that should prevent the tender from being considered and assessed as part of the evaluation phase.

The RFT Evaluation Committee reviewed the issue of the John Holland late tender prior to opening any of the tenders and in accordance with clause 10.3 of the RFT Terms elected that due to the advice prior to the close of tender, the minimal time that had elapsed before the link to the documents was received and the fact that the final documents were held securely by PSC within 20 minutes of the original closing date and time for the lodgement of Tenders that it was appropriate that the Late tender from John Holland be considered and assessed as part of the evaluation phase.

As a final precaution John Holland were requested to supply a notice confirming that they had no prior knowledge of the contents of any other Tender as part of the initial assessment of qualifications and departures. John Holland provided this notice on the 14/10/15.

The RFT Evaluation Committee

The RFT Evaluation Committee consists of the following members:

- Andrew Francis – PSC Director of Natural Resources
- Brad Burnes – PSC Director Corporate Governance
- Jason Myers – PMO Project Manager
- Annalisa Contos – Atom Consulting
- David Powell – WorleyParsons Services

The RFT Technical and Commercial Advisors

The RFT Technical and Commercial Advisory Panels consist of the following members:

- Pavan Aggarwal – PSC Operations
- Graham Bayliss – PSC Operations
- Mark Dawson – Hunter H2O

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- Emily Cotterill – The Environmental Factor
- Christian Uhrig – PMO HSEQ Manager
- David Woodward – PMO HSEQ Manager
- Justin Yee – PMO WTP Project Engineer
- Nirupa Widyaratne – PMO STP Project Engineer
- Sandra Verano – PMO Environmental Manager
- Andrew Chapman - Maddocks
- Owen Jensen – PSC Finance Manager
- Luke Nash – PSC Accountant

Evaluation of Tenders

The following actions were completed after the closing of the RFT.

The secretary of the RFT Evaluation Committee downloaded all submissions received via TenderLink and these were stored in a secure file location on the PSC server with access restricted to only the Secretary and Chairman of the RFT Evaluation Committee. Electronic copies of the tenders were made available to each evaluation committee member during the day however these were collected by the Secretary each afternoon and stored securely each night.

Conditions of Participation

The RFT Evaluation Committee undertook an initial assessment of all the submissions against the Conditions of Participation to determine if all the Tenderers passed the noted Conditions of Participation.

Selected Tenderer Deed

All Tenderers provided a properly executed Selected Tenderer Deed.

Solvency

All Tenderers declared via the Selected Tenderer Deed that they were solvent at the time of submitting their tender for the projects and unaware of any issue that may change this in the next six months.

Insurances

A review of each tenderer's proposed insurance was undertaken by Jardine Lloyd Thompson (PSC Insurer) and the outcomes of this review were addressed with each of the Tenderers and any issues were closed out prior to the final recommendation being made.

Program

All tenderers submitted a complying program that demonstrated compliance with the required dates for Construction Completion prior to 31st March 2017 and Practical Completion by 30th June 2017 and including the nominated PSC float allowance of 16.5 days.

Budget

The Conditions of Participation stated that tenders must be below $13.1M for the STP and $17.9M for the WTP. There was a mixed level of compliance around this item. None of the Tenderers provided a strictly conforming tender that complied with both of these budget numbers.

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Advice was received from Maddocks that the language of the RFT Terms reflects the fact that whilst PSC expects the Conditions of Participation to be met, this is not a mandatory threshold criteria, and that PSC may choose to either exclude or evaluate a Tender that has failed to meet the Conditions of Participation. The provision of the RFT Terms are deliberately intended to give PSC flexibility to proceed with the Tender Process – particularly if all Tenderers fail to strictly comply. (15/10/2015).

As none of the tenderers strictly complied with this Condition of Participation all tenderers were allowed to continue through the assessment process.

Probity

All Tenderers provided a completed Statutory Declaration – Probity. Upon review of the completed Statutory Declaration – Probity it was evident that two of the Tenderers had provided a Statutory Declaration – Probity with minor administration errors as follows;

- Monadelphous was missing the last page of both of their Statutory Declaration – Probity documents which had not copied correctly.
- Haslin – AQM JV had two copies of the same declaration rather than separate declarations from each JV member copied into their final submission.

A clarification was sought from both Tenderers who both provided an updated Statutory Declaration – Probity. Each revised Statutory Declaration – Probity was reviewed and determined to be satisfactory.

Price and Non Price Weighting

In accordance with the approved Tender Evaluation Plan the weighting between Price and Non-Price components was 50% price and 50% Non-Price

Non Price Assessment

The Tender Evaluation Committee undertook an assessment of each of the Tenders received against the Non Price Criteria. The non price assessment covered eight separate categories as outlined below;

Item	*Criterion*	*Weighting (%)*
		Total
1	**Performance during the STI Process**	**20**
1a	• Demonstration of collaborative approach to the STI Process, including: • attendance and active participation in workshops, • participation in safety share • site inspections and networking evenings forming part of the STI Process, and • the provision of suitable resources for participation in the STI Process.	20
2	**WHS**	**8**
2a	• Appropriateness of the draft WHS Management Plan.	6
2b	• Appropriateness of the draft example SWMS's	2

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3	**Environment**	**8**
3a	• Appropriateness of the draft Environmental Management Plan and draft CEMP.	6
3b	• Identification and incorporation of the controls from the REF into the EMP and CEMP.	2
4	**Quality**	**8**
4a	• Appropriateness of the draft Quality Management Plan	6
4b	• Appropriateness of the draft example ITP's.	2
5	**Local Content**	**10**
5a	• Level of local subcontractors proposed to be engaged for construction work forming part of the WTP Project.	4
5b	• Level of local suppliers proposed to be engaged for construction work forming part of the WTP Project.	4
5c	• Level of other local opportunities offered in the overall delivery of the WTP Project.	1
5d	• Level of upskilling opportunities offered for local resources in the delivery of the WTP Project	1
6	**Program**	**3**
6a	• Proposed program for the WTP Project	3
7	**Subcontractor Capability**	**3**
7a	• Capability of proposed Subcontractors	3
8	**Technical Assessment**	**40**
8a	• Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4
8b	• Overall level of conformance with the PPR	2
8c	• Level of adoption of General Design Requirements and Golden Rules	2
8d	• Proposed layouts provide full visibility of, and access to, all areas	2
8e	• Process headroom is sufficient to cope with expected variations in raw water quality	4
8f	• Design is hydraulically efficient and minimizes treated water and backwash water pumping	4
8g	• Process complexity and operational requirements are minimized	4
8h	• Equipment offered is easy to operate and maintain with good local access to spares and service	4
8i	• Design Assumptions are reasonable	10

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8j	• The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4
	Total	**100**

Alternative Tenders

All Tenderers submitted a variety of conforming and alternative tenders. Alternatives ranged from minor changes in equipment and alterations to infrastructure to changes in overall process. For each of the non-price Evaluation Criteria that relate to non-technical items no distinction was made between conforming and alternative assessment as there was minimal to zero impact on the overall non-price assessment score.

Performance During the STI Phase

Five workshops were undertaken with each of the Tenderer's. The initial workshop was a general workshop combined with all Tenderers and scoring was not undertaken for this workshop. Four of the five Tender Evaluation Committee members attended all of the remaining four workshops (held separately with each Tenderer) and provided scoring for the performance of each Tenderer against pre-nominated criteria. These scores were consolidated into the Tender Evaluation Tool and weighted according to the agreed weighting.

WHS

An assessment of each Tenderer's submission for WHS was undertaken by the two PSC PMO HSECQ Managers. A report was prepared by the HSECQ Managers and is contained in Appendix A. This report outlined the various merits of the individual offers by each of the Tenderers. The assessment was undertaken in accordance with the NSW Government Acceptability Review Checklist contained within the NSW Government Work Health and Safety Management Systems and Auditing Guidelines. This report was provided to assist the Evaluation Committee in scoring each Tenderer's individual performance against the Evaluation Criteria. These scores were consolidated into the Tender Evaluation Tool and weighted according to the agreed weighting.

Environment

An assessment of each Tenderer's submission for Environment was undertaken by the PSC PMO Environmental Manager and the Project Environmental Consultant (The Environmental Factor). A report was prepared by both persons and is contained in Appendix B. This report outlined the various merits of the individual offers by each of the Tenderers and the assessment was undertaken in accordance with the Environmental Management Plan (EMP) Guidelines EMP Content Checklist provided as Appendix B of the Guideline for the Preparation of Environmental Management Plans prepared by the NSW Department of Infrastructure, Planning and Natural Resources (DIPNR 2004). This report was provided to assist the Evaluation Committee in scoring each Tenderer's individual performance against the Evaluation Criteria. These scores were consolidated into the Tender Evaluation Tool and weighted according to the agreed weighting.

Quality

An assessment of each Tenderers submission for Quality was undertaken by the two PSC PMO Project Engineers. A report was prepared by both persons and is contained in Appendix C. This report outlined the various merits of the individual offers by each of the Tenderers and the assessment was undertaken in accordance with the NSW Government Quality Management System Assessment Checklist

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contained within the NSW Government Quality Management Systems Guidelines. This report was provided to assist the Evaluation Committee in scoring each Tenderers individual performance against the Evaluation Criteria. These scores were consolidated into the Tender Evaluation Tool and weighted according to the agreed weighting.

Local Content

An assessment of each Tenderer's submission for Local Content was undertaken by the Tender Evaluation Committee. Each member of the Tender Evaluation Committee individually scored the responses that each Tenderer provided against Returnable Schedule 18 for both projects (STP and WTP). Tenderers were assessed against their commitments to total project spend on local Subcontractors, Suppliers and other local opportunities. Additionally, the Tenderers were assessed on their commitment to provide upskilling opportunities for local persons and businesses. These scores were consolidated into the Tender Evaluation Tool and weighted according to the agreed weighting.

Program

In addition to the requirements of the Conditions of Participation, a high level review of each Tenderer's program was undertaken to ensure that the tendered programs appeared reasonable. The Tender Evaluation Committee provided individual scores for their assessment of each program and these scores were consolidated into the Tender Evaluation Tool and weighted according to the agreed weighting.

Subcontractor Capability

In addition to the information provided in Returnable Schedule 18 – Local Content a high level review of each Tenderer's proposed subcontractors was undertaken. A detailed review was not undertaken as the main contractor remains responsible for the performance of their individual subcontractors. However, the review sought to identify any known performance issues and the appropriateness of the individual subcontractors. The Tender Evaluation Committee provided individual scores for their assessment of the subcontractors and these scores were consolidated into the Tender Evaluation Tool and weighted according to the agreed weighting.

Technical Assessment

The Request for Tender document required each Tenderer to provide detailed design information for each of their respective offers under Returnable Schedule 7 – Schedule of Technical Data and in Returnable Schedule 8 – Design Outputs. Schedule 8 comprised the tenderers design report and included general arrangement drawings, process and instrumentation diagrams, functional description, hydraulic profile and a proposed overall project drawing list.

A detailed assessment of the technical merits of each Tenderer's offer was undertaken by the PSC Design Consultant (HunterH2O). HunterH2O arranged for a number of persons from within their organisation who were specialised in treatment plant design to undertake a review the various submissions. A number of requests for clarification were raised by HH2O during the assessment and submitted to the respective tenderers. Responses provided by the tenderers were considered by the assessment team and further requests for information, as appropriate, were made. The clarification and responses are recorded in the Clarification schedules. Each of the various technical assessor's scores were then combined to give an overall technical assessment of each of the Tenderer's submissions.

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Due to the complicated and technical nature of the design assessment and the recognition that this was a specialist area the Tender Evaluation Committee elected to use the overall scoring provided by HunterH2O as their scores for the Tender Evaluation. These scores were consolidated into the Tender Evaluation Tool and weighted according to the agreed weighting.

Architectural Assessment

The submitted tenders were provided to the PSC Architectural Design Consultant (Deepani Hemantha Wijewardena). Deepani undertook a review of the various designs submitted by the Tenderers and provided a report on the various merits of the individual offers by each of the Tenderers. This report is included in Appendix E. A number of issues were raised by Deepani as a result of his review and these will be addressed with the preferred Tenderer prior to award of the contract.

Commercial / Contractual Review

Each Tenderer provided a series of commercial / contractual departures as part of their overall tender offer. Commercial / contractual departures for each Tenderer were outlined in Returnable Schedule 23 – Departures. This information included both commercial qualifications and departures as well as technical qualifications and departures.

A detailed assessment of the commercial / contractual departures of each Tenderer's offer was undertaken by the PSC Legal Consultant (Maddocks). Maddocks provided a report for each of the Tenderers and this report is contained in Appendix F. These reports outlined the various merits of the individual offers by each of the Tenderers and provided a recommendation to PSC on how best to deal with each of the commercial / contractual departures that were proposed by the Tenderers.

PSC provided a number of responses to each of the Tenderers during the tender review period either requesting more information on the various qualifications and departures or requesting that the Tenderer's withdraw various qualifications and departures. In some cases a Tenderer's qualification or departure was accepted where it was deemed to involve minimal risk to PSC nor did it commercially disadvantage another Tenderers' offer. After each round of subsequent correspondence with each Tenderer on their commercial qualifications and departures Maddocks updated their report and the report presented in Appendix F represents the consolidated report for each Tenderer at the conclusion of the commercial assessment of their Tender.

Final Non-Price Scores

At the conclusion of the non-price assessment phase the individual scores from each of the Evaluation Committee Members was entered into the Evaluation Tool. The final scores for the Non Price Assessment are included in the Table below. Note that these are raw scores out of 100.

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Project Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
WTP Project	59.2	57.4	65.2
STP Project	59.8	47.0	69.5
Average Score	59.5	52.2	67.3

As a result of the above assessment John Holland were ranked first, Monadelphous Group ranked second and the Haslin – AQM Joint Venture were ranked third.

Price Assessment

Upon conclusion of the non-price assessment the Secretary of the Tender Evaluation Committee released Envelope 2 to the Tender Evaluation Committee. Envelope 2 contained all of the price related information associated with each Tenderer's tender. The Tender Evaluation Committee undertook an assessment of each of the Tenders received against the Price Criteria. The price assessment covered four separate categories as outlined below;

Item	*Criterion*	*Weighting (%)*
		Total
1	**Lump Sum DD&C Contract Sum**	**50**
1a	Assessment of the lump sum price tendered as the proposed DD&C Contract Sum.	50
2	**Lump Sum O&MS Contract Sum**	**10**
2a	Lump Sum price tendered as the initial O&MS Contract Sum (for year 1 of the O&MS Term)	6
2b	Lump Sum price tendered for the purposes of the first increase (if any) to the O&MS Contract Sum under clause 39A.4 of the Conditions of Contract (for year 2 of the O&MS Term)	2
2c	Lump Sum price tendered for the purposes of the second increase (if any) to the O&MS Contract Sum under clause 39A.4 of the Conditions of Contract (for year 3 of the O&MS Term)	2
3	**Operational Costs**[1]	**30**
3a	Assessment of Operational Costs (npv).	30
4	**Project Organisational Structure**	**10**
	Assessment of Proposed Organisation Chart and Resourcing levels	10
	Total	**100**

[1] includes Operation and Maintenance costs

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Conforming and Alternative Offers WTP

Each Tenderer provided the following tender options.

Monadelphous Group

- Conforming tender in accordance with the Preliminary Design (i.e. clarification by sedimentation in a lamella plate settling unit followed by dual media filtration. Manganese oxidation utilising the coated media process and sludge storage and drying in three sludge lagoons).
- Alternative tender consisting of
    - Dissolved Air Flotation (DAF) and filtration occurring in a single tank to replace the lamella plate settling unit followed by dual media filtration, and
    - Washwater recovery tank and four sludge drying beds to replace the three sludge lagoons provided in the Preliminary Design.

Haslin AQM JV

- Conforming tender in accordance with the Preliminary Design.

John Holland

- Conforming tender in accordance with the Preliminary Design.
- Alternative tender consisting of:
    - Relocation of the raw water balance tank to allow common wall construction with the DAF,
    - Dissolved Air Flotation (DAF) and filtration occurring in a single tank to replace the lamella plate settling unit followed by dual media filtration, and
    - Potassium permanganate dosing to replace the coated media process for manganese oxidation.

Conforming and Alternative Offers STP

Each Tenderer provided the following tender options

Monadelphous Group

- Conforming tender consisting of:
    - Elevated preliminary treatment,
    - Two tank intermittently decanted extended aeration (IDEA) tanks for secondary treatment,
    - Catch tank without sludge scraper, and
    - In-channel ultraviolet light disinfection system.
    - This offer had a departure in that compliance with the Mandatory Performance Level for Total Phosphorus (90th percentile of 0.3 mg/L) could not be achieved without tertiary filtration.
- Alternate tender consisting of:
    - Low level preliminary treatment,
    - Two tank intermittently decanted extended aeration (IDEA) tanks for secondary treatment, and

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- Disk filter with a twin reactor ultraviolet light disinfection system for tertiary treatment.

Haslin AQM JV

- Conforming tender consisting of:
  - Elevated preliminary treatment,
  - Two tank intermittently decanted extended aeration (IDEA) tanks for secondary treatment,
  - Catch tank with sludge scraper, and
  - In channel ultraviolet light disinfection system.
  - This offer had a departure in that compliance with the Mandatory Performance Level for Total Phosphorus (90th percentile of 0.3 mg/L) could not be achieved without tertiary filtration.
- Alternate tender consisting of:
  - Low level preliminary treatment,
  - Two tank intermittently decanted extended aeration (IDEA) tanks for secondary treatment, and
  - Continuous upflow media filters with ultraviolet light disinfection system for tertiary treatment.

John Holland

- Conforming tender consisting of:
  - Elevated preliminary treatment,
  - Two tank intermittently decanted extended aeration (IDEA) tanks for secondary treatment,
  - Flat bottomed clarifier in lieu of the catch tank and scraper (deemed conforming during STI), and
  - In channel ultraviolet light disinfection system.

Tendered Price

An initial assessment was undertaken on each of the Tenderer's submitted price and the following prices were submitted. For both the WTP and STP projects Tenderers offered a variety of conforming and alternative tenders. Tenderers provided all lump sum prices that included GST in their tenders. For the purpose of this assessment all prices were converted to GST exclusive prices.

The Target Price (distinct from project budget) that was given to each of the Tenderers was $17,900,000 for the WTP and $13,100,000 for the STP or $31,000,000 for the combined projects all excluding GST.

Table 2 contains the stand alone prices (conforming Tender) should PSC award only one of the projects (WTP or STP) to a Tenderer.

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Table 2 – Conforming Tender Standalone Prices (exc GST)

Project Price	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
WTP Project	$18,066,665	$21,587,121	$20,472,589
STP Project	$13,434,956	$15,616,900	$15,548,011
Total Price	$31,501,621	$37,204,021	$36,020,600

Table 3 represents the offered price (conforming Tender) should one Tenderer be awarded both projects.

Table 3 – Conforming Tender Combined Prices (exc GST)

Project Price	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
WTP Project	$17,612,120	Not Offered	$19,343,468
STP Project	$13,116,775	Not Offered	$12,818,322
Total Price	$30,728,895	Not Offered	$32,161,790
Saving over Standalone	$772,726	Not Offered	$3,858,810

Table 4 contains the stand alone prices (alternative Tender) should PSC only award one of the projects to a Tenderer and Table 5 represents the offered price (Alternative Tender) should one Tenderer be awarded both projects.

Table 4 – Alternative Tender Standalone Prices (exc GST)

Project Price	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
WTP Project	$17,320,479	$19,859,382	$19,740,113
STP Project	$13,377,855	$15,092,059	$15,548,011
Total Price	$30,698,334	$34,951,441	$35,288,124

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Table 5 – Alternative Tender Combined Prices (exc GST)

Project Price	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
WTP Project	$16,865,934	$19,600,092	$19,180,074
STP Project	$13,059,674	$14,832,769	$12,818,322**
Total Price	$29,925,608	$34,432,861	$31,998,396
Saving over Standalone	$772,726	$518,580	$3,289,728

** Note that John Holland did not offer an alternative STP and this price represents their conforming STP offer.

Adjusted Tender Price

Once all qualifications, departures and exclusion had been identified an assessment of each of the cost of each of the qualifications, departures and exclusion was made. This cost was then added to each of the respective tenders to ensure that all tenders were being treated as equal.

Tendered Price Assessment

Once each of the Tenderers tendered price had been adjusted to ensure that allowance had been made for each of their qualifications and departures and to essentially ensure that each of the Tenderer's could be compared to each other on an equivalent basis, an assessment of their tendered price was undertaken.

In accordance with the agreed Tender Evaluation Plan each tender was weighted against the lowest adjusted tender for that item. That is the lowest tender would receive 100% of the available score for that item and subsequent higher tenders would receive a lesser score depending on how close to the lowest tender score they were.

Operational and Maintenance Costs

Tenderers provided three separate amounts for each project to cover their provision of Operational and Maintenance Support Services for up to three separate years after achieving Practical Completion.

Table 6 contains the WTP stand-alone prices (conforming Tender) should PSC only award one of the projects (WTP or STP) to a Tenderer and Table 7 represents the WTP offered price (conforming Tender) should one Tenderer be awarded both projects (WTP and STP).

Table 8 contains the STP standalone prices (conforming Tender) should PSC only award one of the projects to a Tenderer and Table 9 represents the STP offered price (conforming Tender) should one Tenderer be awarded both projects. For the purpose of this report only the results for the conforming tender are shown as these were very similar to the alternative tender results. The Evaluation Tool assessed both options.

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Table 6 – WTP Conforming Tender Standalone Prices (inc GST)

Price	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Year 1	$96,211	$291,368	$95,676
Year 2	$45,703	$240,972	$48,253
Year 3	$46,997	$250,240	$45,091
Total Price	$188,911	$782,580	$189,020

Table 7 – WTP Conforming Tender Combined Prices (inc GST)

Price	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Year 1	$84,185	$285,541	$93,232
Year 2	$39,991	$236,064	$47,018
Year 3	$41,123	$245,235	$43,940
Total Price	$165,299	$766,840	$184,190
Saving when combined	$23,612	$15,740	$4,830

Table 8 – STP Conforming Tender Standalone Prices (inc GST)

Price	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Year 1	$96,211	$365,662	$123,178
Year 2	$45,703	$294,998	$65,024
Year 3	$46,997	$303,069	$66,495
Total Price	$188,911	$963,729	$254,697

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Table 9 – STP Conforming Tender Combined Prices (inc GST)

Price	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Year 1	$84,185	$358,349	$102,870
Year 2	$39,991	$289,0968	$56,825
Year 3	$41,123	$297,007	$53,912
Total Price	$165,299	$944,454	$213,607
Saving if combined	$23,612	$19,275	$41,090

In accordance with the agreed Tender Evaluation Plan each tender was weighted against the lowest adjusted tender for that item. That is the lowest tender would receive 100% of the available score for that item and subsequent higher tenders would receive a lesser score depending on how close to the lowest tender score they were.

Lifecycle Cost Assessment

As part of their tender submission each Tenderer was required to provide costs, resourcing and frequency for a range of operational and maintenance activities for their offers. To assess this item a Net Present Worth (NPW) assessment was undertaken. The NPW assessment was done over a 25 year assessment period with a 6% discount factor.

For the STP essentially there was little difference in the operational cost assessment between the conforming and alternative offers only the conforming offer was assessed. The results of the NPW assessment are as follows.

Table 10 – WTP NPW of assessed operation and maintenance costs

Conforming/ Alternative	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Conforming	$5,844,901	$6,227,733	$6,095,412
Alternative	$6,183,651	Not Offered	$6,414,209

Table 11 – STP NPW of assessed operation and maintenance costs

Conforming	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Conforming	$6,509,066	$8,944,185	$6,530,642

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In accordance with the agreed Tender Evaluation Plan each tender was weighted against the lowest adjusted tender for that item. That is the lowest tender would receive 100% of the available score for that item and subsequent higher tenders would receive a lesser score depending on how close to the lowest tender score they were.

Management Adjustment

The final component of the price assessment was an assessment of the Tenderer's proposed organisational chart and proposed team structure to provide a scoring based on which Tenderer's offer was believed to require the least amount of PSC PMO input during the design and construction phase. Tenderers were assessed against the following categories:

- Level of additional safety supervision required
- Level of additional quality supervision required
- Level of additional environmental supervision required
- Level of additional legal advice likely to be required during the course of the contract
- Level of design assistance and review required
- Level of additional project management resources required.

Weekly rates for each of these items were determined and an assessment of each of the Tenders was made against each of these categories to determine what level of additional assistance would be required over and above what would normally be anticipated by a competent contractor based on the Evaluation Committee's experience of industry standard.

Each of the three Tenderers were assigned a theoretical value for this additional input. The tenders were then weighted against the lowest assessed additional value for this item. That is, the lowest value received 100% of the available score for this item and subsequent higher tenders received a lesser score depending on how close to the lowest value score they were.

Financial Capability

Council engaged Corporate Scorecard to complete Advanced Financial Assessments (AFA) of the top three Shortlisted EOI Respondents (subsequently selected as the three Selected Tenderers) based on the details provided within the EOI responses. In accordance with the AFA recommendations, Council subsequently engaged Veda Corporate Ratings to complete Comprehensive Credit Rating Reports (CCRR) for the three Selected Tenderers based on additional detailed submissions. Following are the CCRRs recommendations, the full reports have been included as Appendix J.

John Holland Group Pty Ltd; *following our detailed analysis our OPINION is that John Holland Group Pty Ltd has a provisional credit rating of 'BB+*' at June 2015 being a near-prime classification and a low to moderate level of risk and is conditionally acceptable for the purposes of this engagement subject to the following recommendations:*

- *Confirm the efficacy of the cross company guarantee between John Holland Group Pty Ltd (the assessed entity) on behalf of the tendering entity John Holland Pty Ltd. Please refer to page 5 of this report.*

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- *A Bank Guarantee or Surety Bond to be obtained of 5% of the contract value from a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/defects period.*
- *Reporting covenants be imposed requiring both John Holland Group Pty Ltd and John Holland Pty Ltd to participate in an ongoing financial monitoring regime throughout the course of the contract and the lease, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).*

Monadelphous Group Ltd; *following our detailed analysis our OPINION is that Monadelphous Group Limited has a credit rating of 'BB+' at June 2015 being a near-prime credit classification with a low to moderate level of risk. The Company is considered acceptable for the purposes of this engagement, subject to the following recommendations:*

- *Cross company guarantee to be obtained from Monadelphous Group Ltd (the assessed entity) on behalf of Monadelphous Engineering Pty Ltd the tendering entity.*
- *A Bank Guarantee or Surety Bond to be obtained with a minimum value of 5.0% of the contract value from a bank or a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/defects period.*
- *Reporting covenant be imposed requiring Monadelphous to participate in an ongoing financial monitoring regime throughout the course of the project, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).*

Haslin Constructions Pty Ltd; *following our detailed analysis our OPINION is that Haslin Constructions Pty Ltd has a provisional credit rating of 'B+*' at June 2015 being a sub-prime credit classification with a moderate level of risk. The Company is considered acceptable for the purposes of this engagement, subject to the following recommendations:*

- *A Bank Guarantee or Surety Bond to be obtained with a minimum value of 5.0% of the contract value (Haslin's 50.0% project share is $17.5m) from a bank or a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/ defects period.*
- *The contract should include appropriate provisions for the Joint Venture Partners to take over the whole contract in the event of failure by either Partner.*
- *Prompt payment of monthly progress claims to be made by the Principal to support the liquidity position of Haslin due to the high level of client/project concentration risk.*
- *Reporting covenant be imposed requiring Haslin to participate in an ongoing financial monitoring regime throughout the course of the project, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).*

Aquatec Maxcon Pty Ltd; *following our detailed analysis our OPINION is that Aquatec Maxcon Group Limited has a credit rating of 'BB' at June 2015 being a near-prime classification with a low to moderate level of risk and is considered conditionally acceptable to act as parent company guarantor on behalf of Aquatec*

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Maxcon Pty Ltd for the purposes of this engagement subject to the following recommendations:

- *Confirmation to be obtained from the Group's bank that it will continue to provide banking facilities to the Group together with any additional terms or conditions required in light of the breach of the interest coverage covenant during FY 2015.*
- *The proposed contract should include appropriate provisions for either of the joint venture partners to take over the whole contract in the event of failure or non-performance by either partner.*
- *Prompt monthly progress payments to be made by the Parkes Shire Council for the duration of the proposed contract in order to support the Group's liquidity position due to the relatively high client concentration risk if the Group is to be fully responsible for the whole project.*
- *A Bank Guarantee or Surety Bond to be obtained of 5.0% of the contract value from a bank or suitable Tier 1 issuer with an investment grade credit ranking, for the duration of the contract and any warranty/defects liability period.*
- *Cross company guarantee to be obtained from Aquatec Maxcon Group Limited (the assessed entity) on behalf of the tendering entity, Aquatec Maxcon Pty Ltd.*
- *Reporting covenants be imposed requiring both Aquatec Maxcon Group Limited and Aquatec Maxcon Pty Ltd to participate in an ongoing financial monitoring regime throughout the course of the contract, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of the Parkes Shire Council).*

The above recommendations will be addressed during the D&C Contracts Execution / Delivery phases with the successful Principal Contractor, noting there is nothing identified in the financial assessments that would prevent the awarding of these contracts to either of the three Selected Tenderers.

Insurance Review

A thorough review of the Insurance provisions has been undertake by Council broker Jardine Lloyd Thompson Pty Ltd (JLT) in conjunction with Council's Legal Advisor Maddocks, noting Council has effected Principal Procured Contract Works, Public Liability and Environmental Management Insurance coverage for the Major Projects. Certificates of Currency supplied by each of the top five Shortlisted EOI Respondents were reviewed by JLT for adequacy and clarifications were sort. Further detailed reviews by JLT were completed based on additional Insurance Policy details provided for the three Selected Tenderers. Subsequently, a thorough review of the Insurance provisions has been completed by JLT and Maddocks of the Preferred Tenderer JHG and only minor matters are outstanding, the outstanding matters will be addressed prior to the award of the D&C Contracts.

Final Ranking

As a result of the Price and Non-Price assessment undertaken the following results were obtained. Note that the Non-Price and Price Score is a raw score out of 100 and the total score is a raw score out of 200.

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Water Treatment Plant

Table 12 – Final Scores WTP Conforming Design Standalone Offer

Final Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.2	57.4	65.2
Price Score	95.8	79.2	90.5
Total Score	155.0	136.7	155.6

Table 13 – Final Scores WTP Conforming Design Combined Offer

Final Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.2	57.4	65.2
Price Score	94.6		93.6
Total Score	153.8		158.7

Table 14 – Final Scores WTP Alternative Design Standalone Offer

Final Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.2	57.4	65.2
Price Score	87.8	82.9	90.5
Total Score	147.0	140.3	155.6

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Table 15 – Final Scores WTP Alternative Design Combined Offer

Final Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.2	57.4	65.2
Price Score	94.2	85.5	92.5
Total Score	153.4	143.0	157.7

Sewage Treatment Plant

Table 16 – Final Scores STP Conforming Design Standalone Offer

Final Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.8	47.0	69.5
Price Score	95.8	79.2	90.5
Total Score	155.0	136.7	155.6

Table 17 – Final Scores STP Conforming Design Combined Offer

Final Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score			69.5
Price Score			100
Total Score			169.5

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Table 18 – Final Scores STP Alternative Design Standalone Offer

Final Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.8	47.0	69.5**
Price Score	95.3	74.2	90.5**
Total Score	155.0	121.2	155.6**

** note that John Holland did not offer an alternative STP design and hence these scores are for their conforming offer when compared to the others Tenderers alternative offers

Table 19 – Final Scores STP Alternative Design Combined Offer

Final Score	Monadelphous Group Limited	Haslin-AQM Joint Venture (Consisting of Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd)	John Holland Pty Ltd
Non-Price Score	59.8	47.0	69.5**
Price Score	90.9	73.4	100**
Total Score	150.7	120.4	169.5**

** note that John Holland did not offer an alternative STP design and hence these scores are for their conforming offer when compared to the others Tenderers' alternative offers

As can be seen from the above tables John Holland have been ranked as the highest score in all scenarios both in their offer to construct each individual plant as a standalone plant and also when both plants are combined together and delivered concurrently. There appears no advantage in separating the two projects and awarding them to two separate contractors as under all arrangements John Holland were ranked highest.

Tender Clarification Meeting

As John Holland was ranked highest of the three Tenderers, and noting the criticality of awarding the contracts in November 2015 a Tender Clarification Meeting was undertaken with John Holland on the 28/10/15 to discuss and clarify an number of remaining commercial and technical issues. Present at the Tender Clarification Meeting were the following people representing PSC;

- Andrew Francis – PSC Director of Natural Resources
- Jason Myers – PMO Project Manager
- Mark Dawson – Hunter H2O
- David Powell – WorleyParsons Services

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- Andrew Chapman - Maddocks

During the Tender Clarification Meeting a number of Technical and Commercial issues were addressed and clarified. As a result of the Tender Clarification Meeting a number of clarifications have been sought from John Holland and some proposed commercial amendments are being addressed to the proposed contract however it is believed that none of these items are significant and will change the overall assessment or ranking obtained above.

Conclusion

On the basis of the above assessment John Holland has been selected as the preferred Tenderer for the design and construction of the new Parkes Water Treatment Plant and the new Parkes Sewage Treatment Plant contract numbers 2014009-50 and 2014013-50.

John Holland only provided a conforming tender for the STP project however John Holland provided both a conforming and alternative WTP tender. As the score John Holland received from the conforming and alternative offer was within 3% of each other the approved Tender Evaluation Plan allows both to be treated as equal scores.

In this situation of an equal score the approved Tender Evaluation Plan proposed to choose the tender with the lowest overall capital cost. In this case the John Holland alternative offer was approximately $163,000 lower than the conforming offer it was decided to choose the John Holland alternative offer for the WTP. It should be noted that the alternative offer has also been supported by the NSW DPI Water.

Final discussions are still to occur with John Holland to resolve all outstanding issues and it is anticipated that this will occur by the end of November 2015. On the basis of the current discussions it is anticipated that the estimated contract award sum will be as follows.

Item	WTP	STP
Initial Tendered Price	$19,180,074	$12,818,322
Anticipated Adjustments	$1,593,479	$808,777
Current Estimated Final Award Price	$20,773,553	$13,627099

Note that that the above Tendered amounts are subject to change as final discussions occur with John Holland.

Tender Recommendation

It is recommended that:

Council endorses the RFT Evaluation Report including the attachments and endorses that John Holland be nominated as the preferred Tenderer for the Parkes New Water Treatment Plant and Parkes New Sewage Treatment Plant contracts 2014009-50 and 2014013-50. It is noted that further discussions will be held with John Holland to finalise all outstanding Tender items while endorsement is sought from the Minister.

Council endorses the awarding of the Contracts to John Holland following the endorsement and approval to award by the Minister and the successful finalisation of the further Clarifications. It is anticipated that final award of the contract will be undertaken by the end of November 2015.

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RFT Evaluation Committee		
Name	**Approval**	**Signature**
Andrew Francis	Approved	
Jason Myers	Endorsed	
Brad Byrnes	Endorsed	
Annalisa Contos	Endorsed	
David Powell	Endorsed	
Probity Advisor		
Brian Farmer	Endorsed	
Technical Advisory Panel		
Pavan Aggarwal	Endorsed	
Mark Dawson	Endorsed	
Emily Cotterill	Endorsed	
Christian Uhrig	Endorsed	
David Woodward	Endorsed	
Justin Yee	Endorsed	
Nirupa Widyaratne	Endorsed	
Sandra Verano	Endorsed	
Graeme Bayliss	Endorsed	
Commercial Advisory Panel		
Andrew Chapman	Endorsed	
Owen Jensen	Endorsed	
Luke Nash	Endorsed	
Jason Myers	Endorsed	
David Powell	Endorsed	

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Appendix A: HSEC Report

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APPENDIX A

Acceptability Review - Corporate WHS Management System

Pre-start Review – Project WHS Management Plan – must include 'page number'

Audit Tool – Project WHS Management Plan – must include 'evidence of implementation'

Introduction	
Principal Contractor	John Holland
Reviewer/Auditor	David Woodward
Contract Name and Number (if applicable)	Parkes WTP
Reviewer/Auditor Signature	
Date	9-10-2015

1. Acceptability Review	Yes ☐ / No ☐
Contractor Accreditation Recommended	
Acceptability Not Supported, Further Detail Required	Yes ☐ / No ☐
2. Pre-start Review -Project WHS Management Plan	Yes ☒ / No ☐
3. Audit Tool - Project WHS Management Plan	Yes ☐ / No ☐

Recommendation / Non Conformances:

A.	WHS Management System/Plan – General	
	Question Is/Does the WHS Management System/Plan	
No.		**Page Number or Evidence of Implementation**
1.	Actively maintained and up to date?	N/A
2.	An easily understood document?	Potentally; although without access to the links relevant information is not avaiable
3.	Accessible to all workers?	N/A
4.	Clearly describe organisational responsibilities (in a chart)?	4.2.1 Responsibilities and Accountability Matrix p. 22-109
5.	Clearly describe the contractor's WHS policies and objectives?	Policy link is not able to be opened 3.1.3 Workplace Health and Safety Objectives p. 11 of 109
6.	Clearly describe training records and other documents that must be kept?	Enterprise training management plan 11. Records 11.2 Confidentiallity p. 15-18 Training records
7.	Clearly describe position descriptions?	Org structure provides overall description of position activities p. 19-109
8.	Clearly describe WHS procedures?	... (JHG) Procedures and Health and Safety... Guidance notes provide detailed guidance... p. 10-109

Findings:

1. PSC Golden Rules identified in the Overview Project Objectives and PSC Golden Rules p. 3 of 73 within the design report. Although they are silent within the SMP
2. The document without access to the links to obtain relevant information was not easy to navigate and locate required information
3. Fundamental documents such as the WHS policy was not accessibile

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1	Senior Management Commitment	
	Question	**Does this element of the WHS Management System/Project WHS Management Plan *(hereafter System/Plan)* clearly describe:**
No.		**Page Number or Evidence of Implementation**
1.	Specific senior management responsibilities and commitment to continual improvement?	4.1.2 Responsibilities & Accountabilities References links p. 21-109although no access to the liks to substatiate
2.	Specific responsibilities of management and other personnel responsible, their qualifications and accountabilities to deal with WHS matters, including the names of staff in the Project WHS Management Plan?	4.1.2 Responsibilities & Accountabilities References links p. 21-109although no access to the liks to substatiate
❑	Responsibilities, including names and positions, for:	Org structure provides overall description of position activities p. 19-109
a).	Allocating adequate resources to deal with WHS matters?	4.1.2 Responsibilities & Accountabilities References links p. 21-109 although no access to the links to substatiate
b)	Ensuring that WHS policies, Management Systems and Plans are communicated to workers?	Safety manager has direct responsibility item 6.7 table on p.46-109
c)	Managing compliance with WHS legislation, regulations, standards and codes?	JH-GUI-HSE-002 p. 13-109
d)	The injury management and rehabilitation of injured workers and others?	The Safety Manager is directly responsible item 61. Table on p. 430-109
e)	Ensuring WHS workplace consultation is operating?	Project Manager is directly responsible item 6.7 table on p. 46 - 109

Findings:

2	Communication and Consultation	
	Question	**Does the System/Plan clearly describe how the contractor plans to:**
No.		**Page Number or Evidence of Implementation**
1.	Facilitate the establishment of WHS Committee or HSR or WHS Representative or other arrangements for WHS consultation agreed by management, workers and service providers.	Appendix 6 - Health & Safety Management Arrangements (HSMA's) p. 94-109
2.	Review site consultation arrangements with workers and service providers.	Project Manager is directly responsible item 6.7 table on p. 46 - 109
3.	Ensure that all workgroups will be represented by either the WHS Committee or Representative or are involved in the site specific other agreed arrangements	Appendix 6 - Health & Safety Management Arrangements (HSMA's) p. 94-109
4.	Elect the WHS Committee or HSR or WHS Representative, if applicable to the agreed site communication and consultation arrangements	Appendix 6 - Health & Safety Management Arrangements (HSMA's) p. 94-109
5.	Ensure that each member of the WHS Committee, HSR or WHS Representative undertakes WHS consultation training	Item 6.7 table on p. 47 - 109 P. 52 -109 Although the description is not conclusive.
6.	Record, publicise and encourage workers representatives to participate in the work on a regular basis	
7.	Consult on the job through daily communication between site managers, workers and service providers	Item 6.7 table on p. 46 - 109 P. 52 -109 Health and Safety management Arrangements

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8.	Provide access to relevant WHS information through notice boards, toolbox meetings, circulars and safety alerts	Item 6.7 table on p. 46 - 109 P. 52 -109 Health and Safety Management Arrangements Ensure HSMA's are communicated to workers...
9.	Liaise with their service providers to coordinate WHS consultation and communication on work sites.	Items 5.26 table on page 40-109

Findings:

3	Managing Subcontractors and Consultants	
	Question	**Does the System/Plan procedure clearly describe how the contractor plans to:**
No.		**Page Number or Evidence of Implementation**
1.	Assess and select its subcontractors, consultants and other service providers in the supply chain on their ability to comply with WHS requirements?	Items 5.26 table on page 40-109
2.	Specify appropriate WHS requirements in all contracts entered into, including the subcontractors' providing the principal contractor with a copy of SWMS for high risk construction work activities?	Items 5.26 table on page 40-109
3.	Provide its subcontractors and other service providers with access to the WHS Management Plan and inform services providers of the content of the WHS Management Plan?	Items 5.26 table on page 40-109
4.	Monitor its subcontractors' and other service providers' compliance with safe working methods?	Items 5.26 table on page 40-109
5.	Manage any of its subcontractors' and other service providers' poor performance?	JH-MPR-QUA-004 Performance rating of subcontractor p. 70-109

Findings

4	Design	
	Question	**Does this System/Plan clearly describe how the contractor plans to:**
No.		**Page Number or Evidence of Implementation**
1.	Consult with the Client and designer(s) about: – health and safety risks arising from the design during construction work are eliminated or minimised? – any information they have in relation to hazards and risks at or in the vicinity of the workplace where the construction work is to be carried out?	HAZOP and Chair 1 study) noted on page 24 0f 43 of the design plan
2.	Describe how safe design information will be obtained from the Client or Designer?	Design plan and inception meeting) noted on page 24 0f 43 of the design plan
3.	Require a review of the safe design information adopting a hazard identification and WHS risk assessment approach?	HAZOP and Chair 1 study) noted on page 24 0f 43 of the design plan
4.	Apply the hierarchy of hazard controls to design out or otherwise manage hazards?	Identified on page 72-109 JH-MPR-SQE-006
5.	Include the process for consultation with subcontractors' and consultants' end users about hazards and WHS risk management?	Presumably within the documents listed within 5.28 Construction/ongoing activities & delivery p. 72-109
6.	Describe the communication and consultation process for discussing with workers and service providers WHS design issues and risk control measures?	Not specifically identified/observed
7.	Aim to achieve reasonable and safe constructability; safety with use; longevity of 'product'; reduced, simplified and safe maintenance; and safe disposal?	1.5.2 Design constructability Design plan p. 5-33 Constructability reviews

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		are the project managers responsibility. 5.24 table on p. 39-109
8.	Specify how the safe design information, including outcomes from the review of this information will be incorporated into the Project WHS Management Plan or WHS Management Plan?	5.24 table on p. 39-109 Also 5.24 Design safety referenced documents Design report; safety technical p. 16 -33

Findings

Perhaps request further information on questions 6 & 8 as the information located is not specific.

5	Risk Management	
	Question	**Are procedures clearly described for the following activities:**
No.		**Page Number or Evidence of Implementation**
1.	For identifying WHS hazards, assessing risks and devising risk controls that eliminate risks where reasonably practicable or minimise risks according to the Hierarchy of Controls?	5 Process Management (Section 3) 5.1 Process Planning/programming and risk management p. 54-109
2.	For selection of the most effective risk control measures?	5.28 Construction p. 72 -109 references appendix 2 althogh no WRA is available when the link opens
3.	For systematically reviewing the adequacy of the risk assessment and the effectiveness of the control measures and making improvements?	
4.	For dealing with WHS hazards and related risks in the event of an incident or illness/injury?	
5.	For developing and implementing Safe Work Method Statements??	
6.	For reviewing subcontractors' Safe Work Method Statements?	

7.	To enable compliance with relevant WHS, workplace injury management and workers' compensation legislation, standards and codes	
8	For preparing and communicating Site Safety Rules?	

Findings

Addendix 2 Workplace risk assessment (WRA) on page 86 of 109 States "A workplace risk assessment (WRA shall be developed following contract award".

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6	Training	
	Question Are procedures clearly described for the following activities:	
No.		**Page Number or Evidence of Implementation**
1.	Identifying the training needs of management, supervisors, workers, subcontractors and visitors?	Appendix 10 - John Holland and Subcontractor Procedural Training plan Enterprise traing management plan 9 Subcontractors p. 14 - 18
2.	Providing site WHS induction training, task training and refresher training?	6.4 training and induction p. 77-109
3.	Providing WHS Committee/WHS or HSR representative with consultative training?	Training and induction item 6.4 p.45 -109
4.	Providing specific training necessary to conform with WHS requirements?	Appendix 5 - WHS&R Training Matrix page 91 of 109 Training matrix Doc. No: JH-PLN-WHS-002
5.	Providing training in emergency procedures?	Emergency preparedness item 6.1 table on page 42-109
6.	Keeping appropriate records of WHS training?	Enterprise Training management plan 13 Appendix B Sample Matrix p. 17-18 12 Appendix A 12.1 Training Attendance sheet p. 16-18
7.	Making sure all workers working on site have who will be on the project have completed general construction induction training?	Enterprise training management plan 5.2 Workplace Safety Induction

Findings

Appendix C Enterprise Training Management Plan

5. Planning

5.1 key project need s specific to the project have been identified.

5.2 Workplace safety inductions does not identify the CENTROC Induction

Site and Project Manager do not attend certain potentially procedural training?

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7	Inspection, Testing and Servicing	
	Question **Does the System/Plan clearly describe the contractor's procedures for:**	
No.		**Page Number or Evidence of Implementation**
1.	Developing and maintaining a schedule of inspection, testing and servicing for all projects (prior to commencement of work) based on the level of risk involved?	Audit, Inspection and review items 4.3 table p. 24-109 Inspection and testing scheduled matrix Appendix 7 p. 96-109
2.	Maintaining records of inspection, testing and servicing?	Document control and records management Item 6.5 Record requirements table p. 46-109 6.6 Document Control & Records management p. 79-109
	Question **Does the System/Plan clearly describe procedures covering inspection, and where relevant, testing and servicing of:**	
No.		
1.	Incoming products, such as materials, plan and equipment?	
2.	Work site environment?	
3.	Work methods generally?	
4.	Access and exits?	
5.	Hazard and risk control measures?	
6.	Adherence to Site Safety Rules?	
7.	Electrical safety?	
8.	Plant and equipment?	

Findings

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7	Inspection, Testing and Servicing - Continued	
	Question **Do inspection plans:**	
No.		**Page Number or Evidence of Implementation**
1.	Specify the standards against which inspection, testing and servicing will be conducted?	5.16 Inspection, testing and surveillance Appendix 7 table p. 96-109 identifies certain standards for inspection and testing
2.	Specify particulars of the inspection, testing and servicing programs?	5.16 Inspection, testing and surveillance Also Appendix 7 table p. 96 - 109 identifies frequency of certain inspection and testing requirements
3.	Assign responsibility for inspection, testing and servicing?	Appendix 7 table p. 96 - 109 identifies certain responsibilities. Although general in nature
4.	Specify the competencies required by persons conducting inspection, testing and servicing?	5.16 Inspection, testing and Surveillance p. 65-109
5.	Specify arrangements for identifying the test status of plant, equipment and materials?	5.16 Inspection, testing and Surveillance p.65-109
6.	Specify the requirements for the accuracy and calibration of testing equipment?	5.16 Inspection, testing and Surveillance p.65-109
7.	Specify that the records are readily available and will be kept according to the legislative requirements?	5.16 Inspection, testing and Surveillance p.65-109
	Question **Health surveillance and monitoring**	
1.	Describe the process for identifying the work activities were workers exposure to hazards require health surveillance and monitoring	6.5 Exposure Monitoring &Helath Surveillance p 78-109
2.	Specify the requirements specified in legislation regarding the nature and frequency for health surveillance and monitoring	6.5 Exposure Monitoring &Helath Surveillance p 78-109

Findings

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8	Incident Management and Corrective Action	
	Question **Are procedures clearly described for the following activities:**	
No.		**Page Number or Evidence of Implementation**
1.	Detecting and documenting issues and incidences of non-compliance and non-conformance?	
2	Quarantining and disposal of non-conforming materials and substances?	
	Question **Is it clearly shown how the contractor will communicate information about issues and corrective action:**	
No.		**Page Number or Evidence of Implementation.**
1.	Throughout the organisation?	Reference to JH-GUI-HSE-006 Incident investigation & Reporting
2.	To clients?	Reference to JH-MPR-SQE-010 Incident management and Investigation
3.	To subcontractors and other service providers?	??
4.	To the relevant authorities, including incident notification to WorkCover NSW	Reference to JH-MPR-SQE-010 Incident management and Investigation
	Question **Does the System/Plan clearly describe the contractor's procedures for:**	
No.		**Page Number or Evidence of Implementation**
1.	Incident / illness/injury reporting and investigation, including identification of the root cause?	6.2 incident management
2.	Implementing corrective action?	6.2 incident management
3.	Monitoring the effectiveness of corrective actions, including keeping records?	Guiding Notes JH-GUI-HSE-005??

4.	Implementing injury management and return to work plans?	??

Findings

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9	Purchasing, Handling, Storage, Packaging and Delivery	
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	Pre-purchase identification of potential WHS risks that may be introduced to the work site from supplied plant and materials?	Item 5.27 Purchasing Ensure purchase orders reflect the appropriate safety... table p. 41-109 5.27 Purcasing p. 71-109
2.	Assessing suppliers' ability to comply with the organisation's WHS specifications for the provision of plant, materials and services?	Subcontractor Interviews Item 9 table on p. 17-109 Item 5.26 Monitor and evaluate supplier/subcontractors table on p. 40 109 5.27 Purcasing p. 71-109
3.	Verifying that client-supplied plant and materials meet WHS specifications?	Item 5.27 Purchasing Ensure that equipment and material conforms to the specific safety requirements before it is used. Table on p. 41-109 5.27 Purcasing p. 71-109
4.	Checking that suppliers provide all relevant WHS information for their plant and materials?	5.27 Purchasing table p. 41-109 5.27 Purcasing p. 71-109 Global Manadaory Requirements 1.10 p. 11
5.	Maintaining records of supplied plant and materials identified as having potential WHS risks?	5.27 Purchasing p. 71-109 6.6 Document Control & Records Management p. 79-109
6.	Appropriate licensing, certification and qualification of anyone who will be engaged in hazardous processes?	Training matrix p. 92-109 6.6 Document Control & Records Management p. 79-109

7.	Safe handling and storage of products, including hazardous substances and dangerous goods?	5.3 Materials Control and Hazardous Substances/dangerous goods p. 58-109 Appendix 10 training plan p. 106-109 Appendix 9 JHG Guidance notes JH-GUI-HSE-024 Hazardous chemicals and dangerous goods
8.	Assessment and control of manual handling risks?	5.14 Manual Tasks p. 63 -109
9.	Assessment and control of materials handling risks?	5.14 Manual Tasks p. 63-109
10.	Identification of hazardous chemicals and dangerous goods through appropriate labeling?	5.3 Materials Control and Hazardous Substances/dangerous goods p. 58-109
11.	Provision of information on hazardous chemicals (such as through Safety Data Sheets)?	5.3 Materials Control and Hazardous Substances/dangerous goods p. 58-109
12	Maintenance of a register of hazardous chemicals and dangerous goods and associated records of risk assessments?	5.3 Materials Control and Hazardous Substances/dangerous goods p. 58-109 6.6 Document Control & Records Management p. 79-109
13.	Checking compliance with registration requirements of plant and plant design?	5.4 Plant & Equipment p.56-109 Global Manadatory Requirements 1 p. 5

9 Purchasing, Handling, Storage, Packaging and Delivery continued

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With no access to the referenced procedural documents full verification of all questions identified in the checklist is not possibile.

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10	Client Reporting and Project performance measurement	
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	Establishing, monitoring and reviewing WHS objectives and targets for corporate and project level?	3.3 WHS&R Targets and Performance Indicators p. 16-109 3.1.3 Worlplace health safety objectives p. 11-109
2.	Require objectives and targets to be incorporated into the Project WHS Management Plan?	
3.	Specify how requirements in regards to preparing regular WHS performance reports/records, eg monthly?	3.3 WHS&R Targets and Performance Indicators p. 16-109
4.	Describe the process for collating WHS performance reports from all projects and benchmarking performance across the contractor's operations?	3.1.3 HSE objectives and Targets 3.3 WHS&R Tagets and Performance Indicators p.16-109
5.	Require the review of the performance reports by Senior Management, to consider and provide feedback to the Project Team?	3.2.3 Senior business leader review WHS&R Targets to ensure they remain relevant... p.16-109
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	The timely reporting of WHS issues to the Client including: • Worksite incidents, including such things as near misses, contact with hidden services • WorkCover NSW site visit • WorkCover NSW Notices issued • Visits by Unions, FSC or similar to the site • Results of internal reviews, site inspections and implementation of inspection and testing plans • Results of audits, including non-conformances and the implementation of corrective actions	6.6 Document Control & records Management 3.6 Records Management 6.2 Incident Management

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11.	Internal Review	
	Question	**Does the System/Plan clearly describe procedures for systematically reviewing (including auditing) WHS activities and Management Plans, including:**
No.		**Page Number or Evidence of Implementation**
1.	Carrying out reviews at regular intervals?	Appendix 4 WSMP Audit schedule Matrix Page 88 of 109 App 1 & App 10 3.2.2 Audit and review p. 53-109
2.	Identifying deficiencies in the WHS Management System and Plans?	4.2.1Responsibilities and Accountability matrix p. 22-109 4.3 Audit and Review p. 53-109
3.	Specifying the responsibilities and competency of those carrying out the review?	4.1.2 Responsibility & Accountability p. 21-109 4.3 Audit and Review p. 53-109 4.2 Responsibilities & Accounability Matrix p. 21-109
4.	Documenting reviews?	4.3 Audit and Review p. 53-109 Utilising JH-APP-SQE-002-02 WHS assessment templete for Workplaces (WHSR) 4.3 Audit and Review p. 53-109
5.	Conducting regular audits of implementation and compliance with the WHS Management System and Plans?	Appendix 4 WSMP Audit schedule Matrix Page 88 of 109
6.	Identifying the root cause of any breaches/non-conformances and implementing corrective actions?	4.3 Audit and Review p. 53-109 6.2 Incident management p. 76-109 Appendix 4 WSMP Audit schedule p.88-109
7.	Implementing follow-up procedures to assess the effectiveness of any corrective action?	4.3 Audit and Review p. 53-109 Corrective actions identifinh audits

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		are entered in to JHET, Closed off and followed up as required Page 88 of 109
8.	Communicating the results of reviews to Senior Management and the status of corrective actions.	

Findings

Appendix 4 WSMP audit schedule Matrix

The Appendix 4 WSMP Audit schedule Matrix Page 88 of 109 is non- specific on many requirements simply ststing audits as required?

12.	Documentation and Records	
	Question **Does the System/Plan include procedures for and detail the following records for maintenance:**	
No.		**Page Number or Evidence of Implementation**
1.	Document control procedures for WHS documents and data, including their identification, approval, maintenance, dissemination, retention, withdrawal and disposal?	6.6 Document Control & Records management p. 79-109
2.	Records management procedures for maintaining WHS records, including their identification, filing, retrieval and retention?	6.6 Document Control & Records management p. 79-109
	Question **Does the System / Plan clearly describe record-keeping requirements for:**	
No.		**Page Number or Evidence of Implementation**
1.	Induction and training records?	6.4 Training and Induction p. 77-109 6.6 Document Control & Records management p. 79-109
2.	Skills, competency and license register?	5.5 Verification of Competency p. 57-109 6.6 Document Control & Records management p. 79-109
3.	Hazard identification, risk assessments and associated safe working procedures?	6.6 Document Control & Records management p. 79-109/110
4.	Reports of incidents and illness/injury?	6.6 Document Control & Records management p. 79-109/110
5.	Illness/injury and incident investigation reports?	6.6 Document Control & Records management p. 79-

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		109/110
6.	Illness/injury statistics, such as lost time frequency rates and duration rates?	6.6 Document Control & Records management p. 79-109/110
7.	Maintenance, testing, servicing and repair of plant and equipment?	6.6 Document Control & Records management p. 79-109/110
8.	Use of hazardous substances and associated monitoring?	6.6 Document Control & Records management p. 79-109/110
9.	Inspection and test reports?	6.6 Document Control & Records management p. 79-109/110
10.	Particulars of qualifications held by individuals?	6.6 Document Control & Records management p. 79-109/110
11.	Internal review reports?	6.6 Document Control & Records management p. 79-109/110

12.	Documentation and Records - continued	
No.		**Page Number or Evidence of Implementation**
12	WHS design reviews?	6.6 Document Control & Records management p. 79-109/110 (although design not specifically mentioned) 5.24 Design Safety 69-109 4.15 Electronic On-line Records QMP p.22-109

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	Minutes of WHS meetings?	6.9 Communication p. 82-109 JH-FRM-WHS-004-02 table p.
13.		6.6 Document Control & Records management p. 79-109/110 General WHS corespondence
14.	WHS audit reports?	6.6 Document Control & Records management p. 79-109/110
15.	Worker injury management records?	6.6 Document Control & Records management p. 79-109/110 Medical Records
16.	Evidence of actions taken as a result of WHS meetings?	6.6 Document Control & Records management p. 79-109/110 General WHS corespondence
17.	Corrective action records?	6.6 Document Control & Records management p. 79-109/110 Non Compliance?
18.	Work safety records generally?	6.6 Document Control & Records management p. 79-109/110 General WHS corespondence

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APPENDIX A

Acceptability Review - Corporate WHS Management System

Pre-start Review – Project WHS Management Plan – must include 'page number'

Audit Tool – Project WHS Management Plan – must include 'evidence of implementation'

Introduction	
Principal Contractor	Monadelphous
Reviewer/Auditor	Christian UHrig
Contract Name and Number (if applicable)	WTP / STP
Reviewer/Auditor Signature	
Date	9.10.2015

1. Acceptability Review	Yes ☐
Contractor Accreditation Recommended	
Acceptability Not Supported, Further Detail Required	No ☐
2. Pre-start Review -Project WHS Management Plan	Yes ☐
3. Audit Tool - Project WHS Management Plan	No ☐

Recommendation / Non Conformances:

The plan reflects the WHS system of a large organisation with an IMS – The plan is NOT ready for execution and more work needs to go into it. However the Mobilisation Readyness plan shows a clear path and the document instills a lot of confidence.

WTP Scope in STP HSEMP

Mapping PSC and Monadelphous' procedures / plans / systems

Golden Rules / Life Saving Rules / Stop work Authority

KPIs

Safety in Design and Change Management

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APPENDIX A

Recommendation / Non Conformances:

Health Check – Supervisor Training
Short Service Employees – Constr. Training Workshop
Inductions – including CENTROC – No induction Sample
Prestart – Restart – End of Shift
Risk Management is very good –PSC Expectations are reflected
Policies attached
No Org Chart – despite Org chart as part of the Porposal
No Procedures and Forms provided
Mobilisation Readiness Plan
HSE Execution Activity Plan
Appendix F – Mapping of Mona & PSC procedures etc
SWMS & AMS plan
Sample SWMS exist – JHA samples ok – not exciting

A.	WHS Management System/Plan – General	
	Question Is/Does the WHS Management System/Plan	
No.		**Page Number or Evidence of Implementation**
1.	Actively maintained and up to date?	Draft / as of tender
2.	An easily understood document?	yes
3.	Accessible to all workers?	Not yet
4.	Clearly describe organisational responsibilities (in a chart)?	yes
5.	Clearly describe the contractor's WHS policies and objectives?	Yes
6.	Clearly describe training records and other documents that must be kept?	Yes

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7.	**Clearly describe position descriptions?**	yes
8.	**Clearly describe WHS procedures?**	yes

Findings:

Robust plan with a lot of focus on the specifics of the project – procedures and forms were not made available.

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1	Senior Management Commitment	
	Question	**Does this element of the WHS Management System/Project WHS Management Plan *(hereafter System/Plan)* clearly describe:**
No.		**Page Number or Evidence of Implementation**
1.	Specific senior management responsibilities and commitment to continual improvement?	yes
2.	Specific responsibilities of management and other personnel responsible, their qualifications and accountabilities to deal with WHS matters, including the names of staff in the Project WHS Management Plan?	yes
❑	Responsibilities, including names and positions, for:	yes
a).	Allocating adequate resources to deal with WHS matters?	yes
b)	Ensuring that WHS policies, Management Systems and Plans are communicated to workers?	yes
c)	Managing compliance with WHS legislation, regulations, standards and codes?	yes
d)	The injury management and rehabilitation of injured workers and others?	yes
e)	Ensuring WHS workplace consultation is operating?	yes

Findings:

Policies are provided, the process includes continuous improvement and org charts are provided.

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2	Communication and Consultation	
	Question Does the System/Plan clearly describe how the contractor plans to:	
No.		**Page Number or Evidence of Implementation**
1.	Facilitate the establishment of WHS Committee or HSR or WHS Representative or other arrangements for WHS consultation agreed by management, workers and service providers.	Yes
2.	Review site consultation arrangements with workers and service providers.	YES
3.	Ensure that all workgroups will be represented by either the WHS Committee or Representative or are involved in the site specific other agreed arrangements	N/A
4.	Elect the WHS Committee or HSR or WHS Representative, if applicable to the agreed site communication and consultation arrangements	N/A
5.	Ensure that each member of the WHS Committee, HSR or WHS Representative undertakes WHS consultation training	N/A
6.	Record, publicise and encourage workers representatives to participate in the work on a regular basis	N/A
7.	Consult on the job through daily communication between site managers, workers and service providers	Yes
8.	Provide access to relevant WHS information through notice boards, toolbox meetings, circulars and safety alerts	Yes
9.	Liaise with their service providers to coordinate WHS consultation and communication on work sites.	Yes

Findings:

Good section on consultation and continuous improvemt.

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3	Managing Subcontractors and Consultants	
	Question Does the System/Plan procedure clearly describe how the contractor plans to:	
No.		**Page Number or Evidence of Implementation**
1.	Assess and select its subcontractors, consultants and other service providers in the supply chain on their ability to comply with WHS requirements?	Yes
2.	Specify appropriate WHS requirements in all contracts entered into, including the subcontractors' providing the principal contractor with a copy of SWMS for high risk construction work activities?	Mentioned – procedures are not provided
3.	Provide its subcontractors and other service providers with access to the WHS Management Plan and inform services providers of the content of the WHS Management Plan?	Yes
4.	Monitor its subcontractors' and other service providers' compliance with safe working methods?	Yes
5.	Manage any of its subcontractors' and other service providers' poor performance?	Yes
Findings		

4	Design
	Question Does this System/Plan clearly describe how the contractor plans to:

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No.		Page Number or Evidence of Implementation
1.	Consult with the Client and designer(s) about: – health and safety risks arising from the design during construction work are eliminated or minimised? – any information they have in relation to hazards and risks at or in the vicinity of the workplace where the construction work is to be carried out?	Yes – Design Management Plan
2.	Describe how safe design information will be obtained from the Client or Designer?	Yes – Design Management Plan
3.	Require a review of the safe design information adopting a hazard identification and WHS risk assessment approach?	Yes
4.	Apply the hierarchy of hazard controls to design out or otherwise manage hazards?	Yes
5.	Include the process for consultation with subcontractors' and consultants' end users about hazards and WHS risk management?	Yes
6.	Describe the communication and consultation process for discussing with workers and service providers WHS design issues and risk control measures?	Yes – Design Management Plan
7.	Aim to achieve reasonable and safe constructability; safety with use; longevity of 'product'; reduced, simplified and safe maintenance; and safe disposal?	Yes – Design Management Plan
8.	Specify how the safe design information, including outcomes from the review of this information will be incorporated into the Project WHS Management Plan or WHS Management Plan?	Yes – Design Management Plan

Findings

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5	Risk Management	
	Question	**Are procedures clearly described for the following activities:**
No.		**Page Number or Evidence of Implementation**
1.	For identifying WHS hazards, assessing risks and devising risk controls that eliminate risks where reasonably practicable or minimise risks according to the Hierarchy of Controls?	Yes
2.	For selection of the most effective risk control measures?	Yes
3.	For systematically reviewing the adequacy of the risk assessment and the effectiveness of the control measures and making improvements?	Yes
4.	For dealing with WHS hazards and related risks in the event of an incident or illness/injury?	Yes
5.	For developing and implementing Safe Work Method Statements??	Yes
6.	For reviewing subcontractors' Safe Work Method Statements?	Yes
7.	To enable compliance with relevant WHS, workplace injury management and workers' compensation legislation, standards and codes	Yes
8	For preparing and communicating Site Safety Rules?	Yes

Findings

Site safety and golden / life saving rules included. Procedures for sub contractor management mentioned but not provided

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6	Training	
	Question Are procedures clearly described for the following activities:	
No.		**Page Number or Evidence of Implementation**
1.	Identifying the training needs of management, supervisors, workers, subcontractors and visitors?	Yes
2.	Providing site WHS induction training, task training and refresher training?	Yes
3.	Providing WHS Committee/WHS or HSR representative with consultative training?	Yes
4.	Providing specific training necessary to conform with WHS requirements?	Yes
5.	Providing training in emergency procedures?	Yes
6.	Keeping appropriate records of WHS training?	Yes
7.	Making sure all workers working on site have who will be on the project have completed general construction induction training?	Yes

Findings

Very good upskilling, training and competency management

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7	Inspection, Testing and Servicing	
	Question **Does the System/Plan clearly describe the contractor's procedures for:**	
No.		**Page Number or Evidence of Implementation**
1.	Developing and maintaining a schedule of inspection, testing and servicing for all projects (prior to commencement of work) based on the level of risk involved?	Yes
2.	Maintaining records of inspection, testing and servicing?	Yes
	Question **Does the System/Plan clearly describe procedures covering inspection, and where relevant, testing and servicing of:**	
No.		Yes – mentioned – procedure not provided
1.	Incoming products, such as materials, plan and equipment?	
2.	Work site environment?	Yes
3.	Work methods generally?	Yes
4.	Access and exits?	Yes
5.	Hazard and risk control measures?	Yes
6.	Adherence to Site Safety Rules?	Yes
7.	Electrical safety?	Yes
8.	Plant and equipment?	Yes

Findings

Robust system

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7	Inspection, Testing and Servicing - Continued	
	Question **Do inspection plans:**	
No.		**Page Number or Evidence of Implementation**
1.	Specify the standards against which inspection, testing and servicing will be conducted?	Yes
2.	Specify particulars of the inspection, testing and servicing programs?	To be created
3.	Assign responsibility for inspection, testing and servicing?	Yes
4.	Specify the competencies required by persons conducting inspection, testing and servicing?	Yes
5.	Specify arrangements for identifying the test status of plant, equipment and materials?	yes
6.	Specify the requirements for the accuracy and calibration of testing equipment?	yes
7.	Specify that the records are readily available and will be kept according to the legislative requirements?	Yes
	Question **Health surveillance and monitoring**	
1.	Describe the process for identifying the work activities were workers exposure to hazards require health surveillance and monitoring	Yes
2.	Specify the requirements specified in legislation regarding the nature and frequency for health surveillance and monitoring	Yes

Findings

Robust management system

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8	Incident Management and Corrective Action	
	Question Are procedures clearly described for the following activities:	
No.		**Page Number or Evidence of Implementation**
1.	Detecting and documenting issues and incidences of non-compliance and non-conformance?	Yes
2	Quarantining and disposal of non-conforming materials and substances?	Yes
	Question Is it clearly shown how the contractor will communicate information about issues and corrective action:	
No.		**Page Number or Evidence of Implementation.**
1.	Throughout the organisation?	Yes
2.	To clients?	Yes
3.	To subcontractors and other service providers?	Yes
4.	To the relevant authorities, including incident notification to WorkCover NSW	Yes
	Question Does the System/Plan clearly describe the contractor's procedures for:	
No.		**Page Number or Evidence of Implementation**
1.	Incident / illness/injury reporting and investigation, including identification of the root cause?	Yes
2.	Implementing corrective action?	Yes
3.	Monitoring the effectiveness of corrective actions, including keeping records?	Yes
4.	Implementing injury management and return to work plans?	Yes
Findings		
	Robust and well documemted system	

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9	Purchasing, Handling, Storage, Packaging and Delivery	
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	Pre-purchase identification of potential WHS risks that may be introduced to the work site from supplied plant and materials?	Yes
2.	Assessing suppliers' ability to comply with the organisation's WHS specifications for the provision of plant, materials and services?	Yes – procedures not provided
3.	Verifying that client-supplied plant and materials meet WHS specifications?	Mentioned
4.	Checking that suppliers provide all relevant WHS information for their plant and materials?	Yes
5.	Maintaining records of supplied plant and materials identified as having potential WHS risks?	Yes
6.	Appropriate licensing, certification and qualification of anyone who will be engaged in hazardous processes?	Yes
7.	Safe handling and storage of products, including hazardous substances and dangerous goods?	Yes
8.	Assessment and control of manual handling risks?	Yes
9.	Assessment and control of materials handling risks?	Yes
10.	Identification of hazardous chemicals and dangerous goods through appropriate labeling?	Yes
11.	Provision of information on hazardous chemicals (such as through Safety Data Sheets)?	Yes
12	Maintenance of a register of hazardous chemicals and dangerous goods and associated records of risk assessments?	Yes
13.	Checking compliance with registration requirements of plant and plant design?	Yes

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9 Purchasing, Handling, Storage, Packaging and Delivery continued

Findings

Procurement and QA is mentioned but no procedures supplied.

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10	Client Reporting and Project performance measurement	
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	Establishing, monitoring and reviewing WHS objectives and targets for corporate and project level?	Yes
2.	Require objectives and targets to be incorporated into the Project WHS Management Plan?	Yes
3.	Specify how requirements in regards to preparing regular WHS performance reports/records, eg monthly?	Yes
4.	Describe the process for collating WHS performance reports from all projects and benchmarking performance across the contractor's operations?	Yes
5.	Require the review of the performance reports by Senior Management, to consider and provide feedback to the Project Team?	Yes
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	The timely reporting of WHS issues to the Client including: • Worksite incidents, including such things as near misses, contact with hidden services • WorkCover NSW site visit • WorkCover NSW Notices issued • Visits by Unions, FSC or similar to the site • Results of internal reviews, site inspections and implementation of inspection and testing plans • Results of audits, including non-conformances and the implementation of corrective actions	Yes
Findings		
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11.	Internal Review	
	Question	**Does the System/Plan clearly describe procedures for systematically reviewing (including auditing) WHS activities and Management Plans, including:**
No.		**Page Number or Evidence of Implementation**
1.	Carrying out reviews at regular intervals?	Yes
2.	Identifying deficiencies in the WHS Management System and Plans?	Yes
3.	Specifying the responsibilities and competency of those carrying out the review?	Yes
4.	Documenting reviews?	Yes
5.	Conducting regular audits of implementation and compliance with the WHS Management System and Plans?	Yes
6.	Identifying the root cause of any breaches/non-conformances and implementing corrective actions?	Yes
7.	Implementing follow-up procedures to assess the effectiveness of any corrective action?	Yes
8.	Communicating the results of reviews to Senior Management and the status of corrective actions.	Yes

Findings

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12.	Documentation and Records	
	Question **Does the System/Plan include procedures for and detail the following records for maintenance:**	
No.		**Page Number or Evidence of Implementation**
1.	Document control procedures for WHS documents and data, including their identification, approval, maintenance, dissemination, retention, withdrawal and disposal?	Yes
2.	Records management procedures for maintaining WHS records, including their identification, filing, retrieval and retention?	Yes
	Question **Does the System / Plan clearly describe record-keeping requirements for:**	
No.		**Page Number or Evidence of Implementation**
1.	Induction and training records?	Yes
2.	Skills, competency and license register?	Yes
3.	Hazard identification, risk assessments and associated safe working procedures?	Yes
4.	Reports of incidents and illness/injury?	Yes
5.	Illness/injury and incident investigation reports?	Yes
6.	Illness/injury statistics, such as lost time frequency rates and duration rates?	Yes
7.	Maintenance, testing, servicing and repair of plant and equipment?	Yes
8.	Use of hazardous substances and associated monitoring?	Yes
9.	Inspection and test reports?	Yes
10.	Particulars of qualifications held by individuals?	Yes

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11.	Internal review reports?	

12.	Documentation and Records - continued	
No.		**Page Number or Evidence of Implementation**
12	WHS design reviews?	Yes
13.	Minutes of WHS meetings?	Yes
14.	WHS audit reports?	Yes
15.	Worker injury management records?	Yes
16.	Evidence of actions taken as a result of WHS meetings?	Yes
17.	Corrective action records?	Yes
18.	Work safety records generally?	Yes

Findings

Robust system – plan mentiones the areas and the procedures and forms are external

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Acceptability Review - Corporate WHS Management System

Introduction	
Principal Contractor	HASLIN AMC JV
Reviewer/Auditor	Christian Uhrig
Contract Name and Number (if applicable)	STP & WTP
Reviewer/Auditor Signature	
Date	8.10.2015 – 12.10.2015

1. Acceptability Review	Yes
Contractor Accreditation Recommended	
Acceptability Not Supported, Further Detail Required	No
2. Pre-start Review -Project WHS Management Plan	Yes
3. Audit Tool - Project WHS Management Plan	No

Recommendation / Non Conformances:

Plan is NOT ready for execution – plenty of inconsistencies – very hard to read - much more work is required to complete before project commencement would be possible.

See comments in the individual

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A.	WHS Management System/Plan – General	
	Question Is/Does the WHS Management System/Plan	
No.		**Page Number or Evidence of Implementation**
1.	Actively maintained and up to date?	409
2.	An easily understood document?	Specialist know how needed – the information is spread out over a number of documents and not always referenced
3.	Accessible to all workers?	Shall be made available
4.	Clearly describe organisational responsibilities (in a chart)?	Partly – p. 418 – names nominated in return schedules but not in chart
5.	Clearly describe the contractor's WHS policies and objectives?	Yes Policy available – only for HASLIN – p 416
6.	Clearly describe training records and other documents that must be kept?	434 – site specifics in the PRELIMINARIES section of the Submission.
7.	Clearly describe position descriptions?	Yes – p 419 ff
8.	Clearly describe WHS procedures?	Procedures not included only referenced.

Findings:

HASLIN have an accredited WHS system – this plan however is not fully compliant with the requested deliverable:

Submit a full and complete draft Project Specific Project WHS Management Plan that complies with the current *NSW Government Work Health and Safety Management Systems and Auditing Guidelines 5th Edition (WHSMS Guidelines)*

The Plan is very generic (IMS) and relevant aspects for the STP/ WTP project are found in different sections of the document. Some information is conflicting e.g. work hours.
Artefacts from previous usages – e.g. p437 – "Rockdale Substation Project"
Some key information is missing in the plan e.g. Golden Rules / Centroc – however can be found in other documents such as the Construction Methodologies (which is NOT referenced in the plan). This makes the plan hard to read / understand and follow.

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1	Senior Management Commitment	
	Question	**Does this element of the WHS Management System/Project WHS Management Plan *(hereafter System/Plan)* clearly describe:**
No.		**Page Number or Evidence of Implementation**
1.	Specific senior management responsibilities and commitment to continual improvement?	YES – Policy and Responsibilities
2.	Specific responsibilities of management and other personnel responsible, their qualifications and accountabilities to deal with WHS matters, including the names of staff in the Project WHS Management Plan?	YES – Policy and Responsibilities
❑	Responsibilities, including names and positions, for:	partly
a).	Allocating adequate resources to deal with WHS matters?	partly
b)	Ensuring that WHS policies, Management Systems and Plans are communicated to workers?	Yes - MD
c)	Managing compliance with WHS legislation, regulations, standards and codes?	Yes - MD
d)	The injury management and rehabilitation of injured workers and others?	Yes
e)	Ensuring WHS workplace consultation is operating?	Yes

Findings:

The Plan is very generic (IMS) and relevant aspects for the STP/ WTP project are found in different sections of the document.

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2	Communication and Consultation	
	Question Does the System/Plan clearly describe how the contractor plans to:	
No.		**Page Number or Evidence of Implementation**
1.	Facilitate the establishment of WHS Committee or HSR or WHS Representative or other arrangements for WHS consultation agreed by management, workers and service providers.	yes
2.	Review site consultation arrangements with workers and service providers.	yes
3.	Ensure that all workgroups will be represented by either the WHS Committee or Representative or are involved in the site specific other agreed arrangements	yes
4.	Elect the WHS Committee or HSR or WHS Representative, if applicable to the agreed site communication and consultation arrangements	yes
5.	Ensure that each member of the WHS Committee, HSR or WHS Representative undertakes WHS consultation training	yes
6.	Record, publicise and encourage workers representatives to participate in the work on a regular basis	yes
7.	Consult on the job through daily communication between site managers, workers and service providers	yes
8.	Provide access to relevant WHS information through notice boards, toolbox meetings, circulars and safety alerts	yes
9.	Liaise with their service providers to coordinate WHS consultation and communication on work sites.	yes

Findings:

The Plan is very generic (IMS) and relevant aspects for the STP/ WTP project are found in different sections of the submission document – not consistent and not easy to understand and follow.

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3	Managing Subcontractors and Consultants	
	Question Does the System/Plan procedure clearly describe how the contractor plans to:	
No.		**Page Number or Evidence of Implementation**
1.	Assess and select its subcontractors, consultants and other service providers in the supply chain on their ability to comply with WHS requirements?	Mentioned - Procedure not provided
2.	Specify appropriate WHS requirements in all contracts entered into, including the subcontractors' providing the principal contractor with a copy of SWMS for high risk construction work activities?	Mentioned - Procedure not provided
3.	Provide its subcontractors and other service providers with access to the WHS Management Plan and inform services providers of the content of the WHS Management Plan?	Mentioned - Procedure not provided
4.	Monitor its subcontractors' and other service providers' compliance with safe working methods?	Mentioned - Procedure not provided
5.	Manage any of its subcontractors' and other service providers' poor performance?	Mentioned - Procedure not provided

Findings

The Plan and the Induction stresses that "sub contractors who want to engage sub contractors need to inform Haslin".

The paragraph on page 526 - 9.1 SUB-CONTRACTOR SELECTION is very brief and withtout the referenced documents it is not possible to evaluate.

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4	Design	
	Question	**Does this System/Plan clearly describe how the contractor plans to:**
No.		**Page Number or Evidence of Implementation**
1.	Consult with the Client and designer(s) about: – health and safety risks arising from the design during construction work are eliminated or minimised? – any information they have in relation to hazards and risks at or in the vicinity of the workplace where the construction work is to be carried out?	CHAIR and HAZOP mentioned. Refer Design Management Plan
2.	Describe how safe design information will be obtained from the Client or Designer?	Refer Design Management Plan
3.	Require a review of the safe design information adopting a hazard identification and WHS risk assessment approach?	Refer Design Management Plan
4.	Apply the hierarchy of hazard controls to design out or otherwise manage hazards?	Refer Design Management Plan
5.	Include the process for consultation with subcontractors' and consultants' end users about hazards and WHS risk management?	Yes – however RA is very weak
6.	Describe the communication and consultation process for discussing with workers and service providers WHS design issues and risk control measures?	Refer Design Management Plan
7.	Aim to achieve reasonable and safe constructability; safety with use; longevity of 'product'; reduced, simplified and safe maintenance; and safe disposal?	Refer Design Management Plan
8.	Specify how the safe design information, including outcomes from the review of this information will be incorporated into the Project WHS Management Plan or WHS Management Plan?	Refer Design Management Plan

Findings

Safety in design is not part of the WHS / Site Safety Management. It was included in the Design Management Plan however

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5	Risk Management	
	Question **Are procedures clearly described for the following activities:**	
No.		**Page Number or Evidence of Implementation**
1.	For identifying WHS hazards, assessing risks and devising risk controls that eliminate risks where reasonably practicable or minimise risks according to the Hierarchy of Controls?	YES p. 430 - Procedures not provided
2.	For selection of the most effective risk control measures?	Yes p.430
3.	For systematically reviewing the adequacy of the risk assessment and the effectiveness of the control measures and making improvements?	A risk register review is planned at audit time.
4.	For dealing with WHS hazards and related risks in the event of an incident or illness/injury?	yes
5.	For developing and implementing Safe Work Method Statements??	Mentioned but not sufficient p. 432 – no procedure / form provided
6.	For reviewing subcontractors' Safe Work Method Statements?	Partly – p. 427
7.	To enable compliance with relevant WHS, workplace injury management and workers' compensation legislation, standards and codes	mentioned
8	For preparing and communicating Site Safety Rules?	Yes – pre starts – inductions – CENTROC and Golden Rules not mentioned

Findings

The Safety Management Plan is very generic (IMS) and relevant aspects for the STP/ WTP project are found in different sections of the document.

The Safety Management Plan and some of its components are difficule to read, understand and follow. Many references to procedures and forms – not provided – make the plan a reasonable framework but lack of applicable detail.

The Risk Assessment is not effective – ALL Risks start at HIGH and end at LOW.

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6	Training	
	Question	**Are procedures clearly described for the following activities:**
No.		**Page Number or Evidence of Implementation**
1.	Identifying the training needs of management, supervisors, workers, subcontractors and visitors?	partly
2.	Providing site WHS induction training, task training and refresher training?	Yes – not training
3.	Providing WHS Committee/WHS or HSR representative with consultative training?	partly
4.	Providing specific training necessary to conform with WHS requirements?	partly
5.	Providing training in emergency procedures?	yes
6.	Keeping appropriate records of WHS training?	partly
7.	Making sure all workers working on site have who will be on the project have completed general construction induction training?	yes

Findings

The personnel and sub contractor selection and training is briefly described and details are in the procedures and forms which have not been provided

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7	Inspection, Testing and Servicing	
	Question **Does the System/Plan clearly describe the contractor's procedures for:**	
No.		**Page Number or Evidence of Implementation**
1.	Developing and maintaining a schedule of inspection, testing and servicing for all projects (prior to commencement of work) based on the level of risk involved?	Plant and Equipment testing – insurances missing
2.	Maintaining records of inspection, testing and servicing?	Mentioned – forms missing
	Question **Does the System/Plan clearly describe procedures covering inspection, and where relevant, testing and servicing of:**	
No.		
1.	Incoming products, such as materials, plan and equipment?	partly
2.	Work site environment?	
3.	Work methods generally?	partly
4.	Access and exits?	partly
5.	Hazard and risk control measures?	partly
6.	Adherence to Site Safety Rules?	partly
7.	Electrical safety?	partly
8.	Plant and equipment?	partly

Findings

References to forms and procedures

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7	Inspection, Testing and Servicing - Continued	
	Question **Do inspection plans:**	
No.		**Page Number or Evidence of Implementation**
1.	Specify the standards against which inspection, testing and servicing will be conducted?	partly
2.	Specify particulars of the inspection, testing and servicing programs?	partly
3.	Assign responsibility for inspection, testing and servicing?	yes
4.	Specify the competencies required by persons conducting inspection, testing and servicing?	No
5.	Specify arrangements for identifying the test status of plant, equipment and materials?	partly
6.	Specify the requirements for the accuracy and calibration of testing equipment?	partly
7.	Specify that the records are readily available and will be kept according to the legislative requirements?	partly
	Question **Health surveillance and monitoring**	
1.	Describe the process for identifying the work activities were workers exposure to hazards require health surveillance and monitoring	Yes – RA / Take 5 / SWMS
2.	Specify the requirements specified in legislation regarding the nature and frequency for health surveillance and monitoring	Yes

Findings

Mobilisation is a bit thin

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8	Incident Management and Corrective Action	
	Question **Are procedures clearly described for the following activities:**	
No.		**Page Number or Evidence of Implementation**
1.	Detecting and documenting issues and incidences of non-compliance and non-conformance?	Yes
2	Quarantining and disposal of non-conforming materials and substances?	partly
	Question **Is it clearly shown how the contractor will communicate information about issues and corrective action:**	
No.		**Page Number or Evidence of Implementation.**
1.	Throughout the organisation?	partly
2.	To clients?	partly
3.	To subcontractors and other service providers?	partly
4.	To the relevant authorities, including incident notification to WorkCover NSW	partly
	Question **Does the System/Plan clearly describe the contractor's procedures for:**	
No.		**Page Number or Evidence of Implementation**
1.	Incident / illness/injury reporting and investigation, including identification of the root cause?	partly
2.	Implementing corrective action?	partly
3.	Monitoring the effectiveness of corrective actions, including keeping records?	partly
4.	Implementing injury management and return to work plans?	partly
Findings		
	As before – short description in the plan – procedures and forms	

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APPENDIX A

9	Purchasing, Handling, Storage, Packaging and Delivery	
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	Pre-purchase identification of potential WHS risks that may be introduced to the work site from supplied plant and materials?	partly
2.	Assessing suppliers' ability to comply with the organisation's WHS specifications for the provision of plant, materials and services?	partly
3.	Verifying that client-supplied plant and materials meet WHS specifications?	partly
4.	Checking that suppliers provide all relevant WHS information for their plant and materials?	partly
5.	Maintaining records of supplied plant and materials identified as having potential WHS risks?	partly
6.	Appropriate licensing, certification and qualification of anyone who will be engaged in hazardous processes?	Yes
7.	Safe handling and storage of products, including hazardous substances and dangerous goods?	Yes
8.	Assessment and control of manual handling risks?	Yes
9.	Assessment and control of materials handling risks?	Yes
10.	Identification of hazardous chemicals and dangerous goods through appropriate labeling?	Yes
11.	Provision of information on hazardous chemicals (such as through Safety Data Sheets)?	Yes
12	Maintenance of a register of hazardous chemicals and dangerous goods and associated records of risk assessments?	Yes
13.	Checking compliance with registration requirements of plant and plant design?	partly

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9 Purchasing, Handling, Storage, Packaging and Delivery continued

Findings

As before – short descriptions – procedures / forms not provided

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APPENDIX A

10	Client Reporting and Project performance measurement	
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	Establishing, monitoring and reviewing WHS objectives and targets for corporate and project level?	Partly / mentioned
2.	Require objectives and targets to be incorporated into the Project WHS Management Plan?	Not shown in SSMP – golden rules missing
3.	Specify how requirements in regards to preparing regular WHS performance reports/records, eg monthly?	Yes - generic
4.	Describe the process for collating WHS performance reports from all projects and benchmarking performance across the contractor's operations?	No
5.	Require the review of the performance reports by Senior Management, to consider and provide feedback to the Project Team?	Not detailed
	Question	**Does the System/Plan clearly describe the contractor's procedures for:**
No.		**Page Number or Evidence of Implementation**
1.	The timely reporting of WHS issues to the Client including: • Worksite incidents, including such things as near misses, contact with hidden services • WorkCover NSW site visit • WorkCover NSW Notices issued • Visits by Unions, FSC or similar to the site • Results of internal reviews, site inspections and implementation of inspection and testing plans • Results of audits, including non-conformances and the implementation of corrective actions	Partly – refers to procedures and forms not provided.
Findings		
	Basics are in place – not project / site specific	

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11.	Internal Review	
	Question	**Does the System/Plan clearly describe procedures for systematically reviewing (including auditing) WHS activities and Management Plans, including:**
No.		**Page Number or Evidence of Implementation**
1.	Carrying out reviews at regular intervals?	Partly
2.	Identifying deficiencies in the WHS Management System and Plans?	Partly
3.	Specifying the responsibilities and competency of those carrying out the review?	Partly
4.	Documenting reviews?	In QA Plan
5.	Conducting regular audits of implementation and compliance with the WHS Management System and Plans?	Partly
6.	Identifying the root cause of any breaches/non-conformances and implementing corrective actions?	Yes - Generic
7.	Implementing follow-up procedures to assess the effectiveness of any corrective action?	Yes - Generic
8.	Communicating the results of reviews to Senior Management and the status of corrective actions.	Yes - Generic

Findings

Generic (IMS) WHS Plan – not very project specific

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APPENDIX A

12.	Documentation and Records	
	Question **Does the System/Plan include procedures for and detail the following records for maintenance:**	
No.		**Page Number or Evidence of Implementation**
1.	Document control procedures for WHS documents and data, including their identification, approval, maintenance, dissemination, retention, withdrawal and disposal?	Partly
2.	Records management procedures for maintaining WHS records, including their identification, filing, retrieval and retention?	Partly
	Question **Does the System / Plan clearly describe record-keeping requirements for:**	
No.		**Page Number or Evidence of Implementation**
1.	Induction and training records?	Partly
2.	Skills, competency and license register?	Partly
3.	Hazard identification, risk assessments and associated safe working procedures?	Partly
4.	Reports of incidents and illness/injury?	Partly
5.	Illness/injury and incident investigation reports?	Partly
6.	Illness/injury statistics, such as lost time frequency rates and duration rates?	Partly
7.	Maintenance, testing, servicing and repair of plant and equipment?	Partly
8.	Use of hazardous substances and associated monitoring?	Partly
9.	Inspection and test reports?	Partly
10.	Particulars of qualifications held by individuals?	Partly

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11.	Internal review reports?	

12.	Documentation and Records - continued	
No.		**Page Number or Evidence of Implementation**
12	WHS design reviews?	Partly
13.	Minutes of WHS meetings?	No
14.	WHS audit reports?	Partly
15.	Worker injury management records?	Partly
16.	Evidence of actions taken as a result of WHS meetings?	Partly
17.	Corrective action records?	Partly
18.	Work safety records generally?	Partly

Findings

As before – generic statements – not project specific.

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		HASLIN			
	2				
			weighting	score	sum
2a		Appropriateness of the draft WHS Management Plan	6	5	30
2b		Appropriateness of the draft example SWMS's	2	5	10
					40

		Monadelphous			
	2				
			weighting	score	sum
2a		Appropriateness of the draft WHS Management Plan	6	7	42
2b		Appropriateness of the draft example SWMS's	2	5	10
					52

	2	John Holland			
			weighting	score	sum
2a		Appropriateness of the draft WHS Management Plan	6	6	36
2b		Appropriateness of the draft example SWMS's	2	0	0
					36

General Manager Mayor

Appendix B: Environmental Report

General Manager

Mayor

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Environmental Management System and Construction Environmental Management Plan Evaluation Checklist Company: **Haslin Constructions** Project: **Parkes New Water Treatment Plan** **WTP- Tender submission, Attachment 14A**			
Does your EMP/ CEMP contain	Yes	No	Comments
Background			
Introduction	Y		Provided under section 3 Project details and introduction
Project Description	Y		Provided under section 3.1 Scope of works
Context	Y		Provided under section 3 of the document
Objectives	Y		Incorporated in section 6. Objectives and Targets. Each objective has a set up target, responsibility, time frame and resources for the project life cycle.
Environmental Policy	Y		Included in Sections 5. Environmental Policy.
Environmental Management			
Environmental Management Structure & Responsibility	Y		Included in section 7. Define roles, responsibilities and accountabilities during implementation of the EMP for specific environmental operational controls. Section 7.2 describes specific environmental responsibilities of the project team in the planning, implementation and review of the EM P.
Approval and Licensing Requirements	Y		Included in section 8. Environmental planning and legal requirements. Includes regulatory requirements identified in the REF.
Reporting	Y		Included in section 16. Incident management/ corrective action and reporting.
Environmental Training	Y		Included in section 9. Environmental training. This section describes training methods and topics to be included during the induction. Most of the environmental training will be provided in induction training session. A Project Training Management Plan for the project is also included.
Emergency Contacts and Response	Y		Outlines the management of emergency situations, includes notification process if an environmental incident occurs. More specific details included in SEQ-PR-017 Emergency management and SEQ-PR-002 Incident management.
Implementation			
Risk Assessment	Y		Included in section 11.1 Aspects/impacts identification, assessment and control. This section describes the process from impacts identification through the development of controls incorporated in the Environmental Control Plans (EPCs)
Environmental Management Activities and Controls	Y		Included in sections 12. Environmental control plans, 13. Site specific environmental control plans and 14. Environmental action plan. Environmental control plans includes environmental aspects relevant to the project as in the REF. Includes mitigation measurements associated to the impacts as well as performance indicators and roles responsibility for each identified environmental aspect.
Environmental Control Plans or Maps	Y		Develop to a site specific level, with enough detail included.

General Manager Mayor

Environmental Management System and Construction Environmental Management Plan Evaluation Checklist Company: **Haslin Constructions** Project: **Parkes New Water Treatment Plan** **WTP- Tender submission, Attachment 14A**			
Does your EMP/ CEMP contain	Yes	No	Comments
Environmental Schedules	Y		Included as part of the monitoring program. Describes daily, weekly monthly activities as well as monitoring method (i.e. checklist, visual inspections) and role responsible for conducting activity.
Monitoring and Review			
Environmental Monitoring	Y		Included in section 15. Monitoring
Environmental Auditing	Y		Included in section 17. Internal and external audits.
Corrective Action	Y		Included in section 16. Incident management/corrective action and reporting
EMP Review	Y		Included in section 18. Continual improvement.
Identification and incorporation of the controls from the REF into the EMP and CEMP			
REF Safeguards	Y		Specific controls incorporated in ECP's

Evaluation and Findings

Score	Description	Findings
0	Tenderer has demonstrated minimal understanding of the item under assessment or minimal experience or item is only minimally acceptable	N/A
1-3	Tenderer has demonstrated moderate understanding of the item under assessment or moderate experience or item is only moderately acceptable	N/A
3-6	Tenderer has demonstrated good understanding of the item under assessment or good experience or item is acceptable with amendments	N/A
6-10	Tenderer has demonstrated excellent understanding of the item under assessment or excellent experience or item is acceptable with minimal amendments	The EMP and environmental control plans developed to the appropriated level. Further review and update once the project started will be required and it is acknowledged by the contractor. Specific and clear controls were incorporated in the ECP's. Each EPC includes performance indicators and corrective action management as well as allocates responsibilities for project team members. **Score 8/10**

General Manager Mayor

The Environmental Factor has reviewed the STP Project Environmental Management Plan (PEMP) prepared by Haslin for the Parkes Shire Council Tender Evaluation Process. This review followed the *Environmental Management Plan (EMP) Guidelines EMP Content Checklist* provided as Appendix B of the *Guideline for the Preparation of Environmental Management Plans* prepared by the NSW Department of Infrastructure, Planning and Natural Resources (DIPNR 2004).

Does your CEMP contain	Yes	No	Comments
Background			
Introduction		N	No real introduction to the project is provided.
Project Description	Y		A brief description is provided as Section 3.1 'Scope of Works', including a list of the aspects that the works will comprise.
EMP Context	Y		Provided as Section 1 'Purpose and Scope of PEMP', which discusses the scope of the PEMP with relation to environmental management of impacts arising from Haslin's activities with regards to the project.
EMP Objectives	Y		Provided as Section 6 'Project Environmental Objectives and Targets' which includes a list of project-specific objectives, and a detailed table identifying these objectives, associated targets, responsibility, timeframe and resources.
Environmental Policy	Y		Have listed the SEPPs and other relevant legislation, as well as Haslin's 'Environmental Sustainability Policy' (included as Section 5, though with no preamble, could be better included as an appendix/attachment).
Environmental Management			
Environmental Management Structure & Responsibility	Y		Provided as a flow chart in Section 7 'Management Responsibility', however some of the positions are listed as 'TBC'. Section 7.2 'Responsibility and Authority' lists the specific environmental responsibilities of the managing directors, HSEQ manager, project manager, senior project engineer (TBC), site manager (TBC), project engineer, foremen and sub-contractors. Responsibilities listed include strict compliance (Plans of Management, MSDS, legislation etc.), monitoring, reporting, etc.
Approval and Licensing Requirements		N	Have included a 'Licences and Approvals Table', however have only included the potential need for a Road Occupancy Licence through the RMS. While the remaining approvals not listed here may not be Haslin's responsibility to obtain, they are still relevant to the project and should be included here.
Reporting	Y		Included as Section 16 'Incident Management/Corrective Action and Reporting' which details the reporting requirements for incidents, notification, non-conformance, complaints management and community liaison.
Environmental Training	Y		Section 9 'Environmental Training' details the training Haslin intend to undertake for the project, however this is light on detail.
Emergency Contacts and Response	Y		Section 10 'Emergency Contacts and Response' describes the actions to take and numbers to call in case of emergency, however the CEMP would benefit from a clear table or chart with numbers and contact names.
Implementation			

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Does your CEMP contain	Yes	No	Comments
Risk Assessment		N	Noticeably absent considering a risk assessment was provided as part of the tender documentation.
Environmental Management Activities and Controls	Y		Provided as a series of sub-plans – Soil & Water Quality, Flora and Fauna, Noise and Vibration, Air Quality, Heritage Management (includes Aboriginal and Non-Aboriginal), Traffic Management, & Waste Management
Environmental Control Plans or Maps	Y		Maps were included, some from the REF and some with additional on-ground implementation measures. Maps could benefit from more
Environmental Schedules	Y		Schedules are provided within each environmental sub-plan, in addition to the Inspection Schedule provided as part of Section 15 'Monitoring'.
Monitoring and Review			
Environmental Monitoring	Y		Provided as Section 15 'Monitoring', and 15.2 'Inspection Schedule'.
Environmental Auditing	Y		Provided as Section 17 'Internal and External Audits', including a table detailing the category, auditee/auditor, frequency and scope of each audit proposed.
Corrective Action	Y		Provided within each sub-plan as relevant.
EMP Review	Y		Triggers for updating the EMP are listed under Section 2 'Document control and Records'.
Identification and incorporation of the controls from the REF into the EMP and CEMP			
REF Safeguards	Y		The safeguards from the REF appear to have been incorporated into each of the ECP's.
Score (0 – 19)	16 – on the whole the PEMP is a complete draft document, it is well laid out, flowing logically from section to section. Further detail on the project could be included as an introduction and throughout the document, to demonstrate how the volume of environmental investigation/REF has been interpreted for the construction phase, i.e. how the environmental constraints identified for the site/project will be addressed with real and practical actions.		

General comments on the PEMP are as follows:

- The PEMP could benefit from more project specific detail in the text, including a detailed description of the project and the receiving environment (particularly as an introduction, in order to demonstrate an understanding/interpretation of the environmental constraints of the project and how these will impact upon construction activities.
- Inclusion of the necessary approvals and licences for the project is recommended. Whilst Haslin may not need to obtain these, they are important to the project and will impact upon construction timing & conditions (e.g. EPL for construction/commissioning period).
- Further detail on construction activities and techniques, and how these were/will be influenced by the receiving environment/environmental constraints identified on site is required. This should then inform a detailed risk assessment for the project.

The CEMP should acknowledge that all relevant requirements of the REF will be met. Where there is ambiguity between the CEMP and the REF, the safeguards and conditions of the approved REF will supersede those in the CEMP. If successful, Haslin could improve their CEMP through including more

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discussion of how the safeguards identified will be implemented effectively for construction activities/techniques within the specific project receiving environment, and therefore meet the requirements of Council's REF/Part 5 Approval.

Signed: EKG Cotterill, Director & Principal Consultant

Date: 09/10/2015

General Manager Mayor

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Environmental Management System and Construction Environmental Management Plan Evaluation Checklist Company: **John Holland** Project: **Parkes New Water Treatment Plan** **WTP- Tender submission, Section 14**			
Does your EMP/ CEMP contain	Yes	No	Comments
Background			
Introduction	Y		Provided under section 6
Project Description	Y		Provided under section 6 Project Scope
Context	Y		Provided under section 3 Introduction
Objectives	Y		Incorporated in Section 6.5 Objectives and Targets. Each objective has a set up target for the duration of the project (i.e. proposed EIFR 0.26 with no infringements or prosecutions expected).
Environmental Policy	Y		Included in Sections 3.2. Environmental Policy.
Environmental Management			
Environmental Management Structure & Responsibility	Y		Included in Section 9. Define roles, responsibilities and accountabilities during implementation of the EMP for specific environmental operational controls. Appendix 6 describes the organisational structure for environmental management in relation to project deliver.
Approval and Licensing Requirements	Y		Included in section 7.2 Legislative and client requirements. Attachment 4 includes details on permits/approvals and their status.
Reporting	Y		Included in Section 11. Monitoring and Reporting. This section describes how the environmental performance will be tracked through monitoring and reporting activities such as inspections, implementation of specific procedures, monthly reports and non-conformance and incident management.
Environmental Training	Y		Included in Section 10. Training and awareness. This section describes training methods for the company HSEC management system. It also contains a training matrix for the project based on the project environmental risk assessment. It incorporates incident and emergency response and key project risks as a minimum.
Emergency Contacts and Response		N	General emergency response procedure description. Emergency response plan will be developed and submitted it on contract award.
Implementation			
Risk Assessment	Y		Environmental aspects of the project are analysed based on risk and opportunities, management of risks are defined in Environmental Control Plans. Activity method statement (AMS) document that links environmental risks to the activity schedule as well as the review of the ECP is planned to be included post-contract award and further updates in this documents are proposed through the project phases to reflect most current risks.
Environmental Management Activities and Controls	Y		Environment control plans/sub plans included in Appendix 9. Environmental control plans addresses all environmental aspects relevant to the project. However, site environmental plans and project specific site procedures for activities will be developed on contract award. Activity Method Statement (AMS) and site environment plan (SEP) will be prepared as required through the project phases.
Environmental Control Plans or Maps	Y		

General Manager Mayor

Environmental Management System and Construction Environmental Management Plan Evaluation Checklist Company: **John Holland** Project: **Parkes New Water Treatment Plan** **WTP- Tender submission, Section 14**			
Does your EMP/ CEMP contain	Yes	No	Comments
			Maps and figures provided included key environmental risks and controls associated to the areas.
Environmental Schedules	Y		Included in Appendix 8. EMO Audit schedule matrix. This matrix proposes Environmental Reports, planning and controls Audits every 3 months after mobilisation and once more through the project life cycle. EMP will be audited in line with the construction program.
Monitoring and Review			
Environmental Monitoring	Y		Included in each ECP provided
Environmental Auditing	Y		Included in each ECP provided
Corrective Action	Y		Included in each ECP provided
EMP Review	Y		Included in environmental schedule Appendix 8
Identification and incorporation of the controls from the REF into the EMP and CEMP			
REF Safeguards	Y		Specific controls incorporated in ECP's

Evaluation and findings

Score	Description	Findings
0	Tenderer has demonstrated minimal understanding of the item under assessment or minimal experience or item is only minimally acceptable	N/A
1-3	Tenderer has demonstrated moderate understanding of the item under assessment or moderate experience or item is only moderately acceptable	N/A
3-6	Tenderer has demonstrated good understanding of the item under assessment or good experience or item is acceptable with amendments	N/A
6-10	Tenderer has demonstrated excellent understanding of the item under assessment or excellent experience or item is acceptable with minimal amendments	EMP and CEMP developed as per John Holland HSEQ management system. The plans were developed with a risk based approach and linked through the project phases. Environmental aspects of the project are analysed based on risk and opportunities. Risk management is well-defined in Environmental Control Plans. The EMP is consistent with NSW environmental legislation and REF. The development of emergency response plan and other project specific procedures (i.e. spills response, dewatering) will be required. Specific controls were incorporated in the ECP's with clear responsibilities and role descriptions. **Score 8/10**

The Environmental Factor has reviewed the STP Construction Environmental Management Plan (CEMP) prepared by John Holland for the Parkes Shire Council Tender Evaluation Process. This review followed the *Environmental Management Plan (EMP) Guidelines EMP Content Checklist* provided as Appendix B of the *Guideline for the Preparation of Environmental Management Plans* prepared by the NSW Department of Infrastructure, Planning and Natural Resources (DIPNR 2004).

Does your CEMP contain	Yes	No	Comments
Background			
Introduction	Y		Describes the purpose of the EMP in regards to JH's EMS (ISO 14001). Identifies the EMP is for use by all project personnel and subcontractors during design, procurement, construction, commissioning and operations support phases. The EMP is described as being for the life of the project, not just the construction phase.
Project Description		N	A very brief description of the Parkes STP project is provided in the introduction. Some further detail is provided in Section 6 (list of project works) and 6.1 Receiving Environment/Environment Aspects, however not a lot of project specific discussion is provided. Minimal detail on construction/excavation techniques is provided. Some detail on techniques (segregation of soil types, cordoning off no-go areas or contaminated areas, dewatering techniques etc.) are included as Toolboxes/Training items to discuss. No specific detail as to heavy machinery/plant to be used for the works, Traffic Management Plan not provided.
EMP Context	Y		JH's EMP is described as providing a 'roadmap' that links the relevant requirements (both PSC and legislative) to the STP project's EMS. The context of the EMP is therefore between the on-ground deliverables and the more strategic, overarching goals of the environment management system. Context in terms of the 'receiving environment' is also provided in section 6.1 of the EMP. Brief descriptions of the major environmental aspects of the site (Goobang Creek; site clearance; soils; catchment etc.) are provided.
EMP Objectives	Y		Project objectives and targets are provided in tabulated form (Table 3, P16). The objectives and targets were 'developed to establish performance expectations'. The objectives of the EMP are further described in section 6.2 'Approach', which details JH's vision for environmental protection and sustainability.
Environmental Policy	Y		John Holland's Environmental Policy is referred to, and provided as Appendix 1. JH define their commitment to the environmental policy for communication of the policy (inductions, notice board displays, project meetings).
Environmental Management			
Environmental Management Structure & Responsibility	Y		JH culture includes the idea that 'environmental responsibility is for all individuals and organisations involved in the project'. Roles and Responsibilities are provided in Table 10. The link to Appendix 6 'Organisation Chart' is circular (i.e. is not included/refers to another section of the tender).

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Does your CEMP contain	Yes	No	Comments
Approval and Licensing Requirements	Y		The EMP identifies the responsibility of the PER (Project Environmental Representative) to 'manage and track compliance with all environmental approvals, licenses, and permits relating to the project', thereby accepting responsibility for compliance with said licenses/approvals. Appendix 4 'Obligations, Approvals and Licences Register' provides detail on the approvals required, however delegates all responsibility to PSC.
Reporting	Y		Details for reporting under JH's EMS (statistics; incidents; operational support audits; monitoring; site inspections; & assessments) are detailed in Figure 1 'The review and continual improvement cycle' (Section 7.1 EMS). Responsibilities for reporting are delegated in Table 10. Section 11 'Monitoring and Reporting' details the aspects to be monitored and reported upon in order to track environmental performance.
Environmental Training	Y		Section 10 'Training and Awareness' details the type of training to be undertaken, however the EMP indicates that a Training Matrix will be developed for the project based on the risk assessment (yet to be provided). The attachments included with the EMP include Toolboxes/Training activities to be undertaken for staff.
Emergency Contacts and Response		N	Section 7 'Reporting' details the minimum emergency contacts to be displayed 'in prominent locations around the site' – project safety advisor, project environmental representative, client representative, EPA, Fire/Ambulance/Police. However, there is no dedicated section/list/table of emergency contacts. Table 6 'Description of Environment Control Plans and Sub Plans' indicates that an Emergency Response Plan is 'to be developed on contract award'.
Implementation			
Risk Assessment		N	Risk assessments for the workplace, safety, quality and environment have not been provided. These risks assessments are regularly referred to, but the links to various Appendices are blank with the note 'to be developed upon contract award'. Section 6.3 'Environmental Risk and Opportunity' indicates that prior to commencement of works the project will identify environmental risks and opportunities in order to limit, manage and improve the impact of works. Considering the amount of environmental investigation already undertaken on site and provided to the tenderers, this is not a sufficient response. References to risk assessments being undertaken in other sections of the document are circular and/or blank.
Environmental Management Activities and Controls	Y		Section 7.4 'Environment Control Plans' refers to/lists the sub-plans/ECPs provided. No real detail is provided in this section. The specific control plans provided include more detail, however it does not appear to be site specific.
Environmental Control Plans or	Y		The Control Plans include reference to relevant legislation and other project documentation (including the REF); performance criteria;

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Does your CEMP contain	Yes	No	Comments
Maps			actions; monitoring and reporting requirements; & corrective actions. The following maps are also provided: - CEMP /Site Environment Plan – Overview - Site Environment Plan – Main Compound - Stage 2 – Inlet Works, IDAL Clarifier Bulk Earthworks - Stage 3 – Inlet Works, IDAL Clarifier Construstion/Switchroom, Chemical and Sludge Lagoon - Stage 4 – PS Construction, Stormwater, Roadworks, Landscaping and Fencing - Site Environment Plan – Indicative Erosion and Sediment Control Plan While provided, the ECP's are not logically laid out or well referenced in the document.
Environmental Schedules		N	Site inspection checklists are provided, schedules are not provided.
Monitoring and Review			
Environmental Monitoring	Y		Monitoring and reporting requirements are detailed throughout the EMP.
Environmental Auditing	Y		Section 12 'Auditing' details the proposed project audits; JH internal audits; third party audits.
Corrective Action	Y		Corrective action is mentioned throughout the document as part of continuing improvement obligations & results of auditing. Section 8 'Corrective Action' provides a list of actions to be undertaken in response to identified 'problems'.
EMP Review	Y		JH refer to continuing improvement and review of the EMP and environmental controls
Identification and incorporation of the controls from the REF into the EMP and CEMP			
REF Safeguards	Y		Some of the safeguards from the REF appear to have been incorporated into the ECP's, however they have not been comprehensively included.
Score (0 – 19)	15 – Most of the elements required are there, however the document is divided into three parts with the first dedicated to JH's EMS. The linkages throughout the documentation are not clear, with the maps included at the end but not referred to throughout. Some of the appendices are blank with the caveat that they will be developed once the contract is awarded. A risk assessment is noticeably absent, as a 'Broad Brush Risk Assessment' was provided with the tender documentation. Project specific detail is light on in the text with very little detail on project specific construction/excavation techniques provided, however the maps are helpful in describing the receiving environment for the site. Environmental controls described appear to be generic but thorough. Site specific details such as working within or near Goobang Creek are discussed (again in Toolboxes/Training sheets).		

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General comments on the CEMP are as follows:

- Environmental controls provided are contained within working documents attached to the PEMP, to be used on site for training purposes and site audits – they appear to contain some of safeguards from the REF, however these have not been comprehensively included.
- The document itself contains little information/discussion on proposed construction/excavation techniques, machinery/plant to be used.
- Cultural Heritage 'finds' are mentioned, however specific mention of Aboriginal Heritage items is absent. Preservation of Aboriginal site or items of significance is listed as a performance criterion, however Unanticipated Finds protocols are not detailed in the working documents/control plans/site audits. Given the presence of the Akuna Rd scarred tree this should be included.
- The site specific safeguards outlined within the REF have not been comprehensively included in the document. The environmental controls that have been included do not appear to be site specific.
- A project specific, clear and separate list of emergency contacts needs to be provided for ease of reference. Currently reference to emergency response is included in other areas of the document.

The CEMP should acknowledge that all relevant requirements of the REF will be met. Where there is ambiguity between the CEMP and the REF, the safeguards and conditions of the approved REF will supersede those in the CEMP. If successful, John Holland could improve their CEMP through streamlining and including more discussion of site specific environmental elements and construction activities/techniques so that it is clearer how the controls they've included will safeguard the environment and meet the requirements of Council's REF/Part 5 Approval.

Signed: EKG Cotterill, Director & Principal Consultant

Date: 9/10/2015

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John Holland – WTP CEMP Review

The Environmental Factor has reviewed the WTP Construction Environmental Management Plan (CEMP) prepared by John Holland for the Parkes Shire Council Tender Evaluation Process. This review followed the *Environmental Management Plan (EMP) Guidelines EMP Content Checklist* provided as Appendix B of the *Guideline for the Preparation of Environmental Management Plans* prepared by the NSW Department of Infrastructure, Planning and Natural Resources (DIPNR 2004).

Does your CEMP contain	Yes	No	Comments
Background			
Introduction	Y		Provided. Includes description of how EMP links to JH's EMS (ISO 14001), relevant legislation, approvals and measurable on ground deliverables.
Project Description	Y		Very brief description provided in Section 6 'Project Scope', with some site specific information provided in 6.1 'Receiving Environment/Environment Aspects'.
EMP Context	Y		JH's EMP is described as providing a 'roadmap' that links the relevant requirements (both PSC and legislative) to the STP project's EMS. The context of the EMP is therefore between the on-ground deliverables and the more strategic, overarching goals of the environment management system. Context in terms of the 'receiving environment' is also provided in section 6.1 of the EMP. Brief descriptions of the major environmental aspects of the site (Golden Bar Hill; vegetation clearance for HLR access road and pipeline; soils; catchment etc.) are provided. Offset planting for the HLR clearance is not described.
EMP Objectives	Y		Section 3.1 'Purpose and Application' and Section 6.5 'Objectives and Targets' describe JH's commitment to 'maintaining a high level of performance in environmental compliance and diligence'. Table 3 contains specific targets identified for the project.
Environmental Policy	Y		John Holland's Environmental Policy is referred to, and provided as Appendix 1. JH define their commitment to the environmental policy for communication of the policy (inductions, notice board displays, project meetings).
Environmental Management			
Environmental Management Structure & Responsibility	Y		JH culture includes the idea that 'environmental responsibility is for all individuals and organisations involved in the project'. Roles and Responsibilities are provided in Table 10. The link to Appendix 6 'Organisation Chart' is circular (i.e. is not included/refers to another section of the tender).
Approval and Licensing Requirements		N	The EMP identifies the responsibility of the PER (Project Environmental Representative) to 'manage and track compliance with all environmental approvals, licenses, and permits relating to the project', thereby accepting responsibility for compliance with said licenses/approvals. Appendix 4 'Obligations, Approvals and Licences Register' is blank.
Reporting	Y		The requirement for monitoring and reporting is discussed throughout the document (incidents, statistics, audits, site inspections), with Section 11 'Monitoring and Reporting' providing

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Does your CEMP contain	Yes	No	Comments
			further detail. Table 12 includes links to documents on the JH website, however it is not clear what these documents are (they are inaccessible without a password/code).
Environmental Training	Y		Section 10 'Training and Awareness' details the type of training to be undertaken, however the EMP indicates that a Training Matrix will be developed for the project based on the risk assessment (yet to be provided). The attachments included with the EMP include Toolboxes/Training activities to be undertaken for staff.
Emergency Contacts and Response		N	Section 7 'Reporting' details the minimum emergency contacts to be displayed 'in prominent locations around the site' – project safety advisor, project environmental representative, client representative, EPA, Fire/Ambulance/Police. However, there is no dedicated section/list/table of emergency contacts. Table 6 'Description of Environment Control Plans and Sub Plans' indicates that an Emergency Response Plan is 'to be developed on contract award'.
Implementation			
Risk Assessment		N	Risk assessments for the workplace, safety, quality and environment have not been provided. These risks assessments are regularly referred to, but the links to various Appendices are blank with the note 'to be developed upon contract award'. Section 6.3 'Environmental Risk and Opportunity' indicates that prior to commencement of works the project will identify environmental risks and opportunities in order to limit, manage and improve the impact of works. Considering the amount of environmental investigation already undertaken on site and provided to the tenderers, this is not a sufficient response. References to risk assessments being undertaken in other sections of the document are circular and/or blank.
Environmental Management Activities and Controls	Y		Section 7.4 'Environment Control Plans' refers to/lists the sub-plans/ECPs provided. No real detail is provided in this section. The specific control plans provided as attachments/at the back of the document include more detail; however it does not appear to be site specific.
Environmental Control Plans or Maps	Y		The Control Plans include reference to relevant legislation and other project documentation (including the REF); performance criteria; actions; monitoring and reporting requirements; & corrective actions. The following maps are also provided: - CEMP /Site Environment Plan – Overview - Site Environment Plan – Main Compound - Stage 2 – Inlet Works, IDAL Clarifier Bulk Earthworks - Stage 3 – Inlet Works, IDAL Clarifier Construstion/Switchroom, Chemical and Sludge Lagoon - Stage 4 – PS Construction, Stormwater, Roadworks, Landscaping and Fencing - Site Environment Plan – Indicative Erosion and Sediment

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Does your CEMP contain	Yes	No	Comments
			Control Plan While provided, the ECP's are not logically laid out or well referenced in the document. The Flora and Fauna Control Plan does not include detail of revegetation to be undertaken (a requirement of clearing the HLR road/pipeline corridor). The Soil and Water plan doesn't refer to the Worley Parsons stormwater management plan and design in any great detail.
Environmental Schedules		N	Site inspection checklists are provided, schedules are not provided.
Monitoring and Review			
Environmental Monitoring	Y		Monitoring and reporting requirements are detailed throughout the EMP.
Environmental Auditing	Y		Section 12 'Auditing' details the proposed project audits; JH internal audits; third party audits.
Corrective Action	Y		Corrective action is mentioned throughout the document as part of continuing improvement obligations and result of auditing (monitoring and reporting). Section 8 'Corrective Action' provides a list of actions to be undertaken in response to identified 'problems'.
EMP Review	Y		JH refer to continuing improvement and review of the EMP and environmental controls.
Identification and incorporation of the controls from the REF into the EMP and CEMP			
REF Safeguards	Y		Some of the safeguards from the REF appear to have been incorporated into the ECP's, however they have not been comprehensively included. Of particular note are the missing safeguards surrounding vegetation removal/revegetation/clearance offsetting and stormwater/surface water management.
Score (0 – 19)	15 – Most of the elements required are there, however the document is divided into three parts with the first dedicated to JH's EMS. The linkages throughout the documentation are not clear, with the maps included at the end but not referred to throughout. Some of the appendices are blank with the caveat that they will be developed once the contract is awarded. A risk assessment is noticeably absent, as a 'Broad Brush Risk Assessment' was provided with the tender documentation. Project specific detail is light on in the text with very little detail on project specific construction/excavation techniques provided, however the maps are helpful in describing the receiving environment for the site & specific controls for certain environmental aspects, e.g. no-go zone around the Surveyor's Mark on Golden Bar Hill. Environmental controls described appear to be generic but thorough, some detail is hidden in Toolboxes/Training sheets.		

General comments on the CEMP are as follows:

- Environmental controls provided are contained within working documents attached to the PEMP, to be used on site for training purposes and site audits – they appear to contain some of safeguards from the REF, however these have not been comprehensively included:

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  - Detail of the vegetation clearance and offsetting requirements are noticeably absent
  - Detail of stormwater/surface water management is noticeably absent
- The document itself contains little information/discussion on proposed construction/excavation techniques, machinery/plant to be used.
- Impact on the local community was identified as a major issue for the WTP site – this is not clearly articulated or addressed in the EMP.
- The site specific safeguards outlined within the REF have not been comprehensively included in the document. The environmental controls that have been included do not appear to be site specific.
- A project specific, clear and separate list of emergency contacts needs to be provided for ease of reference. Currently reference to emergency response is included in other areas of the document.

The CEMP should acknowledge that all relevant requirements of the REF will be met. Where there is ambiguity between the CEMP and the REF, the safeguards and conditions of the approved REF will supersede those in the CEMP. If successful, John Holland could improve their CEMP through streamlining and including more discussion of site specific environmental elements and construction activities/techniques so that it is clearer how the controls they've included will safeguard the environment and meet the requirements of Council's REF/Part 5 Approval.

Signed: EKG Cotterill, Director & Principal Consultant

Date: 9/10/2015

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Environmental Management System and Construction Environmental Management Plan Evaluation Checklist Company: **Monadelphous** Project: **Parkes New Water Treatment Plan** **WTP- Tender submission, Section 14**			
Does your EMP CEMP contain	Yes	No	Comments
Background			
Introduction	Y		Provided as Section 1 'Overview'
Project Description	Y		Brief description of the project included in Section 1 'Overview'
Context	Y		Included in Section 1 'Overview', 1.1 Purpose of the document
Objectives	Y		Incorporated in 1.2 Scope and Section 2.4 Objectives and Targets
Environmental Policy	Y		Included in Sections 3.6.1 and 3.6.2 Legislative context. Outlines project specific applicable legislation.
Environmental Management			
Environmental Management Structure & Responsibility	Y		Define roles, responsibilities and accountabilities during implementation and operation stages of the project within Section 4. Implementation and operation.
Approval and Licensing Requirements	Y		Environmental compliance and license requirements specified in Section 3.6. Legal Requirements and Appendix B. Legislation.
Reporting	Y		Included in Section 6.2.4 Performance Measurement and Reporting, outlines performance reporting activities. Reference given to MGL-GUD-068 Environmental reporting Guideline. Section 6.1.1. Incident Notification as per POEO Act. However, specific content in terms of the prefer PSC environmental incidents management procedure is required.
Environmental Training	Y		Included as part of HSE training requirements (Section 4.2. Recruitment, Competency and Training). In addition, reference to spill management, project legislative and emergency management training were included in section 5.6.2 spills and contaminated soil management, Section 3.6 Legal requirements and section 3.5. Emergency planning
Emergency Contacts and Response		N	Monadelphous will developed a site specific Emergency Response Plan and submit it as part of the mobilisation plan. Section 3.5 of the CEMP provides a general description of the emergency plan content.
Implementation			
Risk Assessment	Y		Risk assessment processes consistent through the document. Section 3.1. Risk Management includes SWMS and JHA. Broad environmental Risk assessment included in Appendix A.
Environmental Management Activities and Controls		N	Specific activities and controls for the identified impacts aren't included; however safeguards described in REF are included.
Environmental Control Plans or Maps		N	Will be provided after contract award.
Environmental Schedules	Y		Included in Appendix E.

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Environmental Management System and Construction Environmental Management Plan Evaluation Checklist Company: **Monadelphous** Project: **Parkes New Water Treatment Plan** **WTP- Tender submission, Section 14**			
Does your EMP CEMP contain	Yes	No	Comments
Monitoring and Review			
Environmental Monitoring		N	Monitoring will be conducted as required. Specific monitoring schedule wasn't provided
Environmental Auditing	Y		
Corrective Action		N	No included in the CEMP document.
EMP Review		N	
Identification and incorporation of the controls from the REF into the EMP and CEMP			
REF Safeguards	Y		All extracted from REF. Further interpretation of the REF safeguards will be required as well detail on the type of activities necessary to control o mitigate the impacts.

Evaluation and Findings

Score	Description	Findings
0	Tenderer has demonstrated minimal understanding of the item under assessment or minimal experience or item is only minimally acceptable	N/A
1-3	Tenderer has demonstrated moderate understanding of the item under assessment or moderate experience or item is only moderately acceptable	N/A
3-6	Tenderer has demonstrated good understanding of the item under assessment or good experience or item is acceptable with amendments	EMP and CEMP provided show understanding of the project as well as the REF. However, more detail in the CEMP is required with focus on control measurements and activities for the identified environmental impacts outlined in the REF and RA. Potential impacts identified in the REF are incorporated as well as the safeguards recommended. However, specific controls and activities were not included in the document. **Score 6/10**
6-10	Tenderer has demonstrated excellent understanding of the item under assessment or excellent experience or item is acceptable with minimal amendments	N/A

The Environmental Factor has reviewed the STP Construction Environmental Management Plan (CEMP) prepared by Monadelphous for the Parkes Shire Council Tender Evaluation Process. This review followed the *Environmental Management Plan (EMP) Guidelines EMP Content Checklist* provided as Appendix B of the *Guideline for the Preparation of Environmental Management Plans* prepared by the NSW Department of Infrastructure, Planning and Natural Resources (DIPNR 2004).

Does your CEMP contain	Yes	No	Comments
Background			
Introduction	Y		Provided as Section 1 'Overview' – provides detail on how the EMP links to Monadelphous EMS and other documentation (including the REF). Very little introduction provided to the actual STP project. Site maps are provided (from the REF).
Project Description		N	No clear summary description of the project is provided. A list of construction activities for the project are provided as Table 1 in the CEMP.
EMP Context	Y		Legislative context for the project is provided including a summary table (both taken from the REF). The context of the EMP with reference to Monadelphous EMS and on-ground requirements are mentioned. Environmental context is provided for each environmental aspect (from REF).
EMP Objectives	Y		Section 2.4 'Objectives and Targets' outlines the aims of Monadelphous to 'prevent the occurrence of injury or harm to our people and the environment'. Key Performance Indicators (KPI's) are included in Table 2, with Environmental Inspections at 1/week and a goal of zero 'serious environmental incidents'.
Environmental Policy	Y		Table 4 'Summary of Key Project Related Legislation' (from the REF) has been presented, including SEPPs, NSW water policies, noise policy etc. Monadelphous environmental policy has been provided as Appendix A.
Environmental Management			
Environmental Management Structure & Responsibility	Y		Section 4.1 'Structure and Responsibilities' details the responsibilities under each of the following – Project Manager, Design Manager, HSE Lead, HSE Advisor/Environmental Advisor, Supervisor, and All Employees. An organisational structure has been referred to – 'to be developed'.
Approval and Licensing Requirements	Y		Included as Table 4 ' Summary of Key Project Related Legislation' (from REF) which includes Approval/Licence requirements under each piece of legislation.
Reporting	Y		Reporting is referred to throughout the document, particularly in the responsibilities section for each role, with details on project specific reporting requirements (timing, information to include) not provided. Section 6.2.4 'Performance Measurement and Reporting' indicates that an HSE performance report is required by Monodelphous within the first week of each month. Section 7 'Review and Improvement' refers to updating the CEMP post mobilization and throughout the duration of the contract.
Environmental	Y		Training is referred to throughout the document, with Section 4.2

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Does your CEMP contain	Yes	No	Comments
Training			'Recruitment, Competency and Training' detailing Monadelphous' commitment to ensuring all employees and contractors are qualified and given onsite training. Pre-start meetings, Toolbox meetings, committees, alerts and bulletins, noticeboard and issue resolution are identified as Monadelphous' approach to continuing improvement.
Emergency Contacts and Response		N	A site specific emergency response plan has yet to be developed.
Implementation			
Risk Assessment	Y		Provided as Appendix G ' Design and Environmental Risk Review'.
Environmental Management Activities and Controls	Y		'Project Environmental Mitigation Measures (Safeguards)' are included for each of the categories noise and vibration; air quality; biodiversity and flora; soil, sediment and erosion; water management
Environmental Control Plans or Maps		N	Maps of the site and environmental issues identified in the REF are included, however no specific control plans or maps are provided. Sub-plans are provided (from the REF), however specific construction activities and site specific controls are not provided.
Environmental Schedules	Y		Blank forms are provided for monitoring/auditing checklists.
Monitoring and Review			
Environmental Monitoring		N	Monitoring is clearly identified as a responsibility of key staff, however the general indication is 'as required'. Monitoring requirements are also included for each sub-plan
Environmental Auditing	Y		Delegated as responsibility for the HSE Lead role, however the Environmental Execution Activity Plan (Appendix E) indicates that EMP audits will be scheduled within a 12 month period from mobilisation. The document states: 'PSC will be responsible for auditing compliance with this sub-plan'.
Corrective Action	Y		EMP provides a commitment to 90% of corrective actions closed out by due dates, with 100% of actions arising from audits verified and closed out within 3 months.
EMP Review	Y		Monadelphous have committed to periodic reviews and updates.
Identification and incorporation of the controls from the REF into the EMP and CEMP			
REF Safeguards	Y		The REF safeguards have been included in the EMP.
Score (0 – 18)	15 – The EMP and CEMP provided contain site maps and details of the project as included in the REF. Very little construction or project specific detail has been provided in addition to this – that is, the REF has not been interpreted from a construction point of view and written to adequately address the environmental issues raised by construction activities. Environmental control plans are provided, but are missing the necessary site specific detail. The absence of control maps is notable.		

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General comments on the CEMP are as follows:

- The CEMP is a reiteration of the REF and does not include specific construction phase details – the safeguards are included but the detail of how the safeguards will be implemented is not included, i.e. a moderate understanding of the purpose of the CEMP has been demonstrated.
- The CEMP would benefit from implementation maps i.e. where erosion and sediment controls etc. will be placed to ensure adequate environmental protection.

The CEMP should acknowledge that all relevant requirements of the REF will be met. Where there is ambiguity between the CEMP and the REF, the safeguards and conditions of the approved REF will supersede those in the CEMP. If successful, Monadelphous could improve their CEMP through including more discussion of how the safeguards identified will be implemented effectively for construction activities/techniques so that it is clearer how they intend to safeguard the environment and meet the requirements of Council's REF/Part 5 Approval.

Signed: EKG Cotterill, Director & Principal Consultant

Date: 9/10/2015

General Manager Mayor

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Appendix C: Quality Report

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Mayor

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WTP

Item	Criterion	Weighting (%)	HASLIN	JOHN HOLLAND	MONODELPHOUS
4	**Quality**	8			
4a	• Appropriateness of the draft Quality Management Plan	6	Refer checklist assessment for full details QMP lacking detail, QMP seems to be a document which indicates which Haslin forms/ procedures will be adhered to QMP lacking reference documents (5)	Refer checklist assessment for full details QMP seems to be more focused on John Holland rather than customer QMP lacking reference documents (7)	Refer checklist assessment for full details QMP lacking reference documents (6)
4b	• Appropriateness of the draft example ITP's.	2	ITPs lacking details (inspection frequency, responsibility allocation column for different personnel to verify/ check/ sign) (3)	ITPs provided not specific for WTP project Caliber of ITPs provided is good (1)	Incorrect items in ITP list (e.g. golf course, race course) ITP lacking details (inspection frequency) (5)
	Quality with regards do:	N/A			
	• Design Report (Schedule 8)	-	ITPs do not match/ cover the processes nominated in the design report (relevant chemical dosing ITPs missing).	ITPs given are not for this project. Appendix B missing from Design Plan.	QMP/ ITPs listed for items that do not appear in the Design Report (e.g. Golf Course, Race Course)
	• Organisational Structure (Schedule 21)	-	Organisational Structure is unclear if there is a single point of focus for QA. Jeremy Wallis is "Systems Manager". Jeremy deals with QA at corporate level and not necessarily site level. Karen Quantick is "Safety/ Enviro Officer". No real mention of quality under Karen's involvement in QMP. Site Engineer appears to be responsible for QA processes and filing on site. This person has not been named yet. No mention of % on/ off site. No mention of % of time on project. Cannot guarantee that Site Engineer who is responsible for QA will be present for the lifetime of the project. Unsure if Organisational Structure and Project Management Structure align properly. The connections/ relationships are unclear.	Questionable if 1 person can handle QA, WHS and Enviro tasks Single person (Jason Cooney) nominated as having 100% time on project. This is good for job allocation and responsibility. Specific job title/ name (Combined Quality, WH&S & Enviro/ Jason Cooney) not mentioned in QMP. QMP and Organisational structure to not align. QMP appears to be general document which is not specific for Organisational Structure/ project.	Questionable if 1 person who is 50% on project time and of that 50% on site is suitable time allocation for someone responsible with QA. Organisational structure seems light for a project of this magnitude. Unsure if Organisational Structure and Project Management Structure align properly. QA/ QC engineer (Michael McLaughlin) not mentioned in QMP, but mentioned in Organisational Structure.
	• Construction Methodology (Schedule 19)	-	Construction schedule lacks detail. Seems to be an overall/ general Gantt chart. No mention of % of time Project Engineer will be on site to perform QA. Will the Project Engineer (who performs QA) be present over the lifetime of the project? Will the individual change over the course of the project?	Organisation chart mentions Jason Cooney will be on site until end of construction. Will QA still be required during Commissioning? How will QA be captured during commissioning? Who will do it?	QA will be required from minimum Jan 2016 (for Procurement) to Mar 2017 (Process Proving). This is longer than 50% of the project time as mentioned in Organisational Structure. Dubious if reliable QA will be achievable if QA personnel is not available.

STP

Item	Criterion	Weighting (%)	HASLIN	JOHN HOLLAND	MONODELPHOUS
4	**Quality**	8			
4a	• Appropriateness of the draft Quality Management Plan	6	Check against the QMP assessment checklist - Refer checklist assessment for full details Referred to company internal documents for more information and no access to those details. Quality responsibility MD/HSEQ/PM/PE/Site Manager/HSE coordinator - No direct quality rep	Check against the QMP assessment checklist - Company specific QMP , very comprehensive. Refer checklist assessment for full details Referred to company internal documents for more information and no access to those details. Quality responsibility PM/Engineering manager/ Project Quality Representative/site manager/project admin/Forman/Document controller/ Verification Personnel	Check against the QMP assessment checklist - Refer checklist assessment for full details Referred to company internal documents for more information only for few items and no access to those details. More details provided in the document as appropriate. Quality responsibility Not specifically appointed a contract quality representative in QMP document. PM /PE/Site Supervisors/ Coordinators are responsible for the site Quality handling. QA manager - off site
4b	• Appropriateness of the draft example ITP's.	2	Provided following details specific for the PSC STP project - ITP register - ITP Check list - ITP - Integrated with health and safety, environment and quality. Developed for this project	Provided following details - ITP - samples from past project. - Schedule of ITP's	Provided following details specific for the PSC STP project -Project Inspection & test Plan register -Schedule of ITP's -Sample of ITP's
	Quality with regards do:	N/A			
	• Design Report (Schedule 8)	-	Allocated competent design manager and team as follows for design, check and verification Civil , Hydraulic & Structural design Mechanical & Electrical design And there is allocation for the Geotechnical designers and Architectural Building Designers Details of design review and approval provided in the design plan	Allocated experience design engineers for the Process and Hydraulic design Civil & structural design Mechanical & Electrical design And there is allocation for the Geotechnical designers and Architectural Building Designers Design review and approval workflow is included in different stages (Concept, detailed and final)	Allocated experience design engineers for the Process design Civil & structural design Mechanical design And there is allocation for the Geotechnical designers and Architectural Building Designers Details of design review and approval provided in the design plan
	• Organisational Structure (Schedule 21)	-	No single person is allocated for the QA/QC. All personnel included in the organizational structure is responsible for the QA/QC Quality responsibility MD/HSEQ/PM/PE/Site Manager/HSE coordinator - No direct quality rep	Combined WH & S, Quality and Environmental representative	All personnel included as follows are responsible for QA/QC PM /PE/Site Supervisors/ Coordinators are responsible for the site Quality handling. QA manager - off site
	• Construction Methodology (Schedule 19)	-	Appropriate details are in the construction schedule	Very comprehensive. Details are appropriate	More specific project related details are in the construction schedule

General Manager

Mayor

Quality Management Plan Assessment Checklist Review - Monadelphous **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
4 Quality Management Plan		
4.2.2 Quality manual (Quality Management Plan)		
Has a QMP been developed for the contract?	Y	Section 3
Does the QMP include the required documented methods/procedures or reference them?	Y	
4.2.3 Control of documents		
Are all documents in the QMP identified and revision status shown?	Y	Sec. 3.2 - MGL-PRO-369
Does the QMP describe how changes to contract related documents are identified and approved, and how documents are reviewed/updated and distributed, and obsolete versions withdrawn?		
4.2.4 Control of records		
Does the QMP describe how the quality records will be stored and maintained for the time required so that they are readily retrievable, in facilities that provide a suitable environment to minimise deterioration or damage, and prevent loss of the records?	Y	Sec 3.3 - • MGL-MAN-038 Records Archiving • MGL-PRO-080 Records Management
5 MANAGEMENT RESPONSIBILITY		
5.2 Customer focus		
Do the procedures/processes documented in the QMP include a process to identify and meet customer requirements, and enhance customer satisfaction?	Y	Sec 4.1, 4.2,4.3,4.4 - MGL-PRO-394
5.4 Planning		
5.4.1 Quality objectives		

Quality Management Plan Assessment Checklist Review - Monadelphous **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Does the QMP document appropriate and measurable quality objectives for the service provider personnel that are relevant to the products and services required under the contract?	Y	Sec 4.5 • MGL-PLN-100 Business Management System Plan • MGL-PRO-001 Preparing and Updating Business Management System • MGL-GUD-075 Planning & Scheduling – EC Guideline
5.5 Responsibility, authority and communication		
Are persons identified in the QMP, with their responsibilities and authorities defined with a method for communicating them to all service provider personnel?	Y	Sec 4.6.1 - Sec. 4.8.4
Is the contract quality representative nominated in the QMP with appropriate responsibilities and authority?	Y	Not specific quality Representative
5.6 Management review		
Does the QMP include a requirement and method for the regular review of the adequacy and effectiveness of the QMP by the service provider's senior and other management and indicate a timetable and agenda?	Y	Sec. 4.10
6 RESOURCE MANAGEMENT		
6.1 Provision of resources Does the QMP show the resources proposed:		
to implement the Quality Management Plan and continually improve its effectiveness?	Y	Sec 5.1
to enhance customer satisfaction by better meeting customer requirements?	Y	Sec 5
6.2.2 Competence, awareness and training Does the QMP:		

General Manager Mayor

Quality Management Plan Assessment Checklist Review - Monadelphous **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Identify the necessary skills and experience of the personnel performing the contract work, with procedures for making personnel aware of their roles, addressing deficiencies in competence and evaluating the effectiveness of the actions taken?	Y	Sec 5.2 • MGL-PRO-066 Induction and Orientation Training Procedure • MGL-PRO-514 Request and Record Skills Training Courses
Include a site-specific induction and training plan, with induction and training procedures describing the competences held and required, who is to be trained, when and how, and which record competencies and training?		
Nominate the personnel with responsibility and authority for planning and implementing training and induction procedures for the contract work?		
6.3 Infrastructure		
In the procedures described in the QMP, does the service provider document processes to determine, provide and maintain the infrastructure (such as office space, other facilities, equipment and services) needed to achieve product/service requirements?	Y	Sec 5.3
6.4 Work environment		
Do the procedures/processes described in the QMP allow for the service provider to determine, document and manage the work environment (including identifying/assessing risks) needed to achieve product/service requirements	N	
7 PRODUCT REALISATION		
7.2 Customer-related processes		
Does the QMP identify the customer, statutory/regulatory and other related contract requirements?	Y	Sec 6.1

Quality Management Plan Assessment Checklist Review - Monadelphous **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
		• MGL-PRO-349 Estimating Process Procedure • MGL-PRO-304 Technical Query Procedure
Does the QMP include procedures covering customer communications/feedback, including customer complaints?	Y	
7.3 Design and development		
Does the QMP identify and allow for the use of competent persons to carry out design and development, reviews and verification (to suit a design plan)?		
Does the QMP include procedures covering design and development planning, inputs, outputs, reviews, change control, verification and validation?		
Does the QMP describe methods/procedures for the service provider's control and verification of design activities by its service providers, and for their activities when they do not have a quality management system or plan, or otherwise lack the procedures required?		
7.4 Purchasing		
7.4.1 Purchasing process Where subcontracted work is involved, does the QMP document procedures:		
Covering how the service provider will evaluate its potential service providers' ability, select subcontractors and record the results of the evaluation, including selection/evaluation criteria?	Y	Sec 6.5
For verifying purchased products/services, and the performance of suppliers/service providers?	Y	Sec 6.5
7.4.2 Purchasing information		

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Quality Management Plan Assessment Checklist Review - Monadelphous

Tenderer: 2014013-50

Project: Parkes STP

Checklist item	Included (Y / N)	Comments
Does the QMP document how the subcontract requirements will be confirmed and specified in tender documents, subcontracts and purchase orders whenever applicable?	Y	Sec 6.6 • MGL-PRO-054 Supplier Assessment and Selection • MGL-PRO-057 Purchasing • MGL-PRO-056 Requisitions (Request for Quote or Purchase) • MGL-PRO-060 Goods Receival and Receipting • MGL-PRO-132 Subcontract Management • MGL-PRO-321 Fabrication Subcontract Management • MGL-F-2238 Non Conformance Issue and OFI Notification • MGL-GUD-030 Procurement Planning and Schedule Updating
Does the QMP provide for documenting the method and results of evaluation of supplier or other service provider ability to perform and performance (when applicable)?	Y	Refers to internal documents
Does the QMP provide for subcontract work process control documentation (when applicable)?	Y	Refers to internal documents
7.4.3 Verification of purchased product		
Does the QMP include the methods/procedures for surveillance/inspection/other verification and the release/acceptance of the product/service that will be implemented for subcontracted work, and for their specification in subcontracts (when applicable)?		
7.5 Product and service provision		
7.5.1 Control of product and service provision		
Does the QMP include process control documentation for all work processes?		Refer: • MGL-PRO-086 Materials Control Procedure • MGL-PRO-123 Control of Non-conformance and Corrective Action Procedure
7.5.2 Validation of process for production and service		

Quality Management Plan Assessment Checklist Review - Monadelphous

Tenderer: 2014013-50

Project: Parkes STP

Checklist item	Included (Y / N)	Comments
provision		
Does the QMP provide for the service provider to identify work processes for which the resulting output cannot be fully verified by subsequent monitoring, inspection and testing, requiring other verification/validation?	Y	Sec 6.7.2
Does the QMP provide work process descriptions, indicating the criteria for process review/approval, equipment approval and qualifications of operators/personnel, equipment controls, method for validating process outputs and records to be kept?		
7.5.3 Identification and traceability		
Does the QMP allow for process documentation with identification and traceability for the contract?	Y	Sec 6.7.3 • MGL-PRO-099 Inspection , Measuring and Test Equipment
Does the QMP describe the method(s) for subdividing the contract work into lots or discrete work areas and for allocating lot numbers?	Y	Sec 6.7.4
Does the QMP describe how monitoring output, samples and test results will be recorded against the lot to which they relate, and the traceability of nominated materials/products will be maintained, when appropriate?	Y	Sec 6.7.4
7.5.4 Customer property		
Does the QMP describe how Clause 7.5.4 will be implemented to protect any materials or equipment supplied, or other property provided, by the customer?	Y	Sec 6.7.5
7.5.5 Preservation of product		
Does the QMP describe how Clause 7.5.5 will be implemented to preserve the product during internal processing and delivery	Y	Sec 6.7.6

General Manager Mayor

Quality Management Plan Assessment Checklist Review - Monadelphous **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
to their intended destination in order to maintain conformity to requirements?		• MGL-PRO-123 Control of Non-conformance and Corrective Action Procedure
7.6 Control of monitoring and measuring equipment Does the QMP describe how Clause 7.6 will be implemented for monitoring and measuring equipment used, including setting out, constructing and verifying the work under the contract to ensure:		
monitoring and measurement is carried out in a manner that is consistent with the monitoring and measuring requirements?	Y	Sec 6.8 • MGL-PRO-099 Inspection, Measuring and Test Equipment Procedure • MGL-F-204 IMTE Register
measuring equipment is calibrated or verified at specified intervals, or prior to use, against appropriate measurement standards, and records are kept?	Y	Sec 6.8
certified external calibration is arranged or suitable internal calibration procedures are used to check calibration?	Y	Sec 6.8
measuring equipment is identified to determine the calibration status?	Y	Sec 6.8
measuring equipment is safeguarded from adjustments that would invalidate the measurement result?	Y	Sec 6.8
measuring equipment is protected from damage and deterioration during handling, maintenance and storage?	N	Not addressed
the validity of previous inspection and test results is verified if measuring equipment is damaged or out of calibration, and records are kept?	N	Not addressed
the ability of computer software to satisfy its intended application is confirmed when used in monitoring and measuring to suit specified requirements?	N	Not addressed

Quality Management Plan Assessment Checklist Review - Monadelphous **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Is responsibility defined in the QMP for the control measures listed above?		
8 MEASUREMENT, ANALYSIS AND IMPROVEMENT		
8.1 General In the procedures/ processes documented in the QMP is provision made:		
For the service provider to plan and implement the monitoring, measurement, analysis and improvement processes/methods, and their frequency, needed to demonstrate conformity to product/service requirements? *(may be addressed in ITPs)*	Y	Sec 7.1
For the method for identifying and controlling the inspection and test status of all product/service to demonstrate conformity to requirements under the contract?	Y	Sec 7.1 • MGL-PRO-081 Quality Management System Audits Procedure • MGL-PRO-123 Control of Non-conformance and Corrective Action Procedure • MGL-PRO-151 Customer Feedback Procedure
8.2 Monitoring and measurement		
8.2.1 Customer satisfaction		
Does the QMP describe a method for the contract of monitoring/measuring performance, as the customer perceives it, and acting in it to suit?	Y	Sec 7.1.1
8.2.2 Internal audit		
Does the QMP describe methods for internal auditing/reviewing its implementation for the contract?	Y	Sec 7.1.2
Is responsibility identified in the QMP for scheduling audits/reviews and acting on audit/review results for the contract?		
8.2.3 Monitoring and measurement of processes		

General Manager Mayor

Quality Management Plan Assessment Checklist Review - Monadelphous

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Checklist item	Included (Y / N)	Comments
Does the QMP describe how Clause 8.2.3 will be implemented, where appropriate, to monitor and measure the effectiveness of the work processes used for the contract?	Y	Sec 7.1.3
8.2.4 Monitoring and measurement of product		
Does the QMP describe how Clause 8.2.4 will be implemented to monitor and measure the characteristics of the product/service to ensure product requirements are met? *(may be addressed in the ITPs)*	Y	Sec 7.1.3 and ITP's
Does the QMP document a suitable method for closing out work area conformity and acceptance?	Y	
Does the QMP include an effective traceability/closure procedure for any work areas that may have to be covered up before the results of all conformity tests are known?	Y	
8.3 Control of nonconforming product		
Does the QMP describe a method established which describes the controls and related responsibilities to ensure that a product/service which does not conform to requirements is identified and controlled to prevent its unintended use or delivery?	Sec 7.2	Sec 7.2 - more details given • MGL-PRO-123 Control of Non-conformance and Corrective Action Report • MGL-F-2238 Non Conformance Issue and OFI Notification
Does the above method provide for the service provider to deal with nonconforming products/services by one or more of the following ways:		
by taking action to eliminate the detected nonconformity?		
by authorising its use, release or acceptance under a concession by a relevant authority and, where applicable, by the customer?		
by taking action to preclude its original intended use or		

Quality Management Plan Assessment Checklist Review - Monadelphous

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Checklist item	Included (Y / N)	Comments
application?		
Does the above method require reworked and repaired products and rectified services to be re-inspected and re-tested or evaluated to demonstrate conformity with the requirements?		
Does the method provide for records to be maintained of the nature of nonconformities and any subsequent actions taken, including any concessions obtained		
Does the method provide for the service provider to take action appropriate to the effects, or potential effects, of the nonconformity when a nonconforming product/service is detected after delivery or use has started		
Does the QMP define the responsibility and authority of personnel for identifying, acting on and recording quality nonconformity issues? (As for Clause 5.5)		
8.5 Improvement		
8.5.2 Corrective action		
Does the QMP describe the methods and actions the service provider will adopt to eliminate the causes of nonconformities in order to prevent their recurrence, including requirements for:	Y	Sec 7.4.1 • MGL-PRO-123 Control of Non-conformance and Corrective Action Procedure • MGL-PRO-081 Quality Management System Audits Procedure
reviewing nonconformities (including customer complaints)?		
determining the causes of nonconformities?		
evaluating the need for, and appropriateness of, action to ensure that nonconformities do not recur?		
determining and implementing the action needed as appropriate to the effects of the nonconformities encountered?		

Quality Management Plan Assessment Checklist Review - Monadelphous

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Checklist item	Included (Y / N)	Comments
recording the results of the action taken?		
reviewing the effectiveness of the corrective action taken?		
Does the QMP define the responsibility and authority of personnel for ensuring corrective action is implemented and effective?		
8.5.3 Preventative action		
Does the QMP describe a method for preventive action to eliminate the causes of potential nonconformities in order to prevent their occurrence, including requirements for:	Y	Sec. 7.4.2 • MGL-PRO-123 Control of Non-conformance and Corrective Action Report Procedure • MGL-PRO-081 Quality Management System Audits Procedure
determining potential nonconformities and their causes?		
evaluating the action needed to prevent the occurrence of nonconformities?		
determining and implementing the action needed?		
recording the results of the action taken?		
reviewing the effectiveness of the preventive the action taken?		

Overall comments:
Checked against the standard checklist. Addressed all items in detail and referred to their internal documents as well

Score ranking definitions:

0 : Tenderer has demonstrated minimal understanding of the item under assessment or minimal experience or item is only minimally acceptable

1 - 3 : Tenderer has demonstrated moderate understanding of the item under assessment or moderate experience or item is only moderately acceptable

3 - 6 : Tenderer has demonstrated good understanding of the item under assessment or good experience or item is acceptable with amendments

6 - 10 : Tenderer has demonstrated excellent understanding of the item under assessment or excellent experience or item is acceptable with minimal amendments

Quality Management Plan Assessment Checklist Review - Haslin

Tenderer: 2014013-50

Project: Parkes STP

Checklist item	Included (Y / N)	Comments
4 Quality Management Plan		
4.2.2 Quality manual (Quality Management Plan)		
Has a QMP been developed for the contract?	Y	Section 1
Does the QMP include the required documented methods/procedures or reference them?	Y	Section 1
4.2.3 Control of documents		
Are all documents in the QMP identified and revision status shown?	Y	Section 2 -
Does the QMP describe how changes to contract related documents are identified and approved, and how documents are reviewed/updated and distributed, and obsolete versions withdrawn?	Y	Section 2
4.2.4 Control of records		
Does the QMP describe how the quality records will be stored and maintained for the time required so that they are readily retrievable, in facilities that provide a suitable environment to minimise deterioration or damage, and prevent loss of the records?		Section 2
5 MANAGEMENT RESPONSIBILITY		
5.2 Customer focus		
Do the procedures/processes documented in the QMP include a process to identify and meet customer requirements, and enhance customer satisfaction?		Section 7
5.4 Planning		
5.4.1 Quality objectives		
Does the QMP document appropriate and measurable quality objectives for the service provider personnel that are relevant to the products and services required under the contract?		Section 7
5.5 Responsibility, authority and communication		
Are persons identified in the QMP, with their responsibilities and authorities defined with a method for communicating them to all service provider personnel?		Section 7

Quality Management Plan Assessment Checklist Review - Haslin

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Project: Parkes STP

Checklist item	Included (Y / N)	Comments
Is the contract quality representative nominated in the QMP with appropriate responsibilities and authority?	N	MD/HSEQ/PM/PE/Site Manager/HSE coordinator - No direct quality rep.
5.6 Management review		
Does the QMP include a requirement and method for the regular review of the adequacy and effectiveness of the QMP by the service provider's senior and other management and indicate a timetable and agenda?	Y	Section 15- Monthly review
6 RESOURCE MANAGEMENT		
6.1 Provision of resources Does the QMP show the resources proposed:		
to implement the Quality Management Plan and continually improve its effectiveness?		Section 11
to enhance customer satisfaction by better meeting customer requirements?		Section 11
6.2.2 Competence, awareness and training Does the QMP:		
Identify the necessary skills and experience of the personnel performing the contract work, with procedures for making personnel aware of their roles, addressing deficiencies in competence and evaluating the effectiveness of the actions taken?		Section 11 - No much details
Include a site-specific induction and training plan, with induction and training procedures describing the competences held and required, who is to be trained, when and how, and which record competencies and training?		Section 11 - refer to internal document
Nominate the personnel with responsibility and authority for planning and implementing training and induction procedures for the contract work?		Section 11 - No much details
6.3 Infrastructure		
In the procedures described in the QMP, does the service provider document processes to determine, provide and maintain the infrastructure (such as office space, other facilities, equipment and services) needed to achieve product/service requirements?		Section 12 - simply
6.4 Work environment		

General Manager Mayor

Quality Management Plan Assessment Checklist Review - Haslin **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Do the procedures/processes described in the QMP allow for the service provider to determine, document and manage the work environment (including identifying/assessing risks) needed to achieve product/service requirements		Section 12 - simply
7 PRODUCT REALISATION		
7.2 Customer-related processes		
Does the QMP identify the customer, statutory/regulatory and other related contract requirements?	Y	Section 9
Does the QMP include procedures covering customer communications/feedback, including customer complaints?	Y	Section 9
7.3 Design and development		
Does the QMP identify and allow for the use of competent persons to carry out design and development, reviews and verification (to suit a design plan)?	Y	Section 9
Does the QMP include procedures covering design and development planning, inputs, outputs, reviews, change control, verification and validation?	Y	Section 9
Does the QMP describe methods/procedures for the service provider's control and verification of design activities by its service providers, and for their activities when they do not have a quality management system or plan, or otherwise lack the procedures required?	Y	Section 9
7.4 Purchasing		
7.4.1 Purchasing process Where subcontracted work is involved, does the QMP document procedures:		
Covering how the service provider will evaluate its potential service providers' ability, select subcontractors and record the results of the evaluation, including selection/evaluation criteria?		
For verifying purchased products/services, and the performance of suppliers/service providers?		
7.4.2 Purchasing information		
Does the QMP document how the subcontract requirements will be confirmed and specified in tender documents, subcontracts and purchase orders whenever applicable?		

Quality Management Plan Assessment Checklist Review - Haslin **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Does the QMP provide for documenting the method and results of evaluation of supplier or other service provider ability to perform and performance (when applicable)?		
Does the QMP provide for subcontract work process control documentation (when applicable)?		
7.4.3 Verification of purchased product		
Does the QMP include the methods/procedures for surveillance/inspection/other verification and the release/acceptance of the product/service that will be implemented for subcontracted work, and for their specification in subcontracts (when applicable)?		
7.5 Product and service provision		
7.5.1 Control of product and service provision		
Does the QMP include process control documentation for all work processes?	Y	Section 10
7.5.2 Validation of process for production and service provision		
Does the QMP provide for the service provider to identify work processes for which the resulting output cannot be fully verified by subsequent monitoring, inspection and testing, requiring other verification/validation?	Y	Section 10
Does the QMP provide work process descriptions, indicating the criteria for process review/approval, equipment approval and qualifications of operators/personnel, equipment controls, method for validating process outputs and records to be kept?	Y	Section 10
7.5.3 Identification and traceability		
Does the QMP allow for process documentation with identification and traceability for the contract?	Y	Section 10
Does the QMP describe the method(s) for subdividing the contract work into lots or discrete work areas and for allocating lot numbers?	Y	Section 10
Does the QMP describe how monitoring output, samples and test results will be recorded against the lot to which they relate, and the traceability of nominated materials/products will be maintained, when appropriate?	Y	Section 10
7.5.4 Customer property		
Does the QMP describe how Clause 7.5.4 will be implemented to protect any materials or equipment supplied, or	Y	Section 10

Quality Management Plan Assessment Checklist Review - Haslin **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
other property provided, by the customer?		
7.5.5 Preservation of product		
Does the QMP describe how Clause 7.5.5 will be implemented to preserve the product during internal processing and delivery to their intended destination in order to maintain conformity to requirements?	Y	Section 10
7.6 Control of monitoring and measuring equipment Does the QMP describe how Clause 7.6 will be implemented for monitoring and measuring equipment used, including setting out, constructing and verifying the work under the contract to ensure:		
monitoring and measurement is carried out in a manner that is consistent with the monitoring and measuring requirements?	Y	Section 13
measuring equipment is calibrated or verified at specified intervals, or prior to use, against appropriate measurement standards, and records are kept?	Y	Section 13
certified external calibration is arranged or suitable internal calibration procedures are used to check calibration?	Y	Section 13
measuring equipment is identified to determine the calibration status?	Y	Section 13
measuring equipment is safeguarded from adjustments that would invalidate the measurement result?	Y	Section 13
measuring equipment is protected from damage and deterioration during handling, maintenance and storage?	Y	Section 13
the validity of previous inspection and test results is verified if measuring equipment is damaged or out of calibration, and records are kept?	Y	Section 13
the ability of computer software to satisfy its intended application is confirmed when used in monitoring and measuring to suit specified requirements?	Y	Section 13
Is responsibility defined in the QMP for the control measures listed above?	Y	Section 13
8 MEASUREMENT, ANALYSIS AND IMPROVEMENT		
8.1 General In the procedures/ processes documented in the QMP is provision made:		
For the service provider to plan and implement the monitoring, measurement, analysis and improvement	Y	Section 15

Quality Management Plan Assessment Checklist Review - Haslin **Tenderer:** 2014013-50 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
processes/methods, and their frequency, needed to demonstrate conformity to product/service requirements? *(may be addressed in ITPs)*		
For the method for identifying and controlling the inspection and test status of all product/service to demonstrate conformity to requirements under the contract?	Y	Section 15
8.2 Monitoring and measurement		
8.2.1 Customer satisfaction		
Does the QMP describe a method for the contract of monitoring/measuring performance, as the customer perceives it, and acting in it to suit?	Y	Section 15 - SEQ-TP-067, SEQ-FM-058
8.2.2 Internal audit		
Does the QMP describe methods for internal auditing/reviewing its implementation for the contract?	Y	Section 15 - SEQ-PR-064
Is responsibility identified in the QMP for scheduling audits/reviews and acting on audit/review results for the contract?	Y	Section 15 - No much details
8.2.3 Monitoring and measurement of processes		
Does the QMP describe how Clause 8.2.3 will be implemented, where appropriate, to monitor and measure the effectiveness of the work processes used for the contract?		Section 15.5 - SEQ-FM-011
8.2.4 Monitoring and measurement of product		
Does the QMP describe how Clause 8.2.4 will be implemented to monitor and measure the characteristics of the product/service to ensure product requirements are met? *(may be addressed in the ITPs)*	Y	Section 15
Does the QMP document a suitable method for closing out work area conformity and acceptance?	Y	Details included in ITP's
Does the QMP include an effective traceability/closure procedure for any work areas that may have to be covered up before the results of all conformity tests are known?	Y	Details included in ITP's
8.3 Control of nonconforming product		
Does the QMP describe a method established which describes the controls and related responsibilities to ensure that a product/service which does not conform to requirements is identified and controlled to prevent its unintended use or delivery?	Y	Section 14

General Manager Mayor

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Tenderer: 2014013-50

Project: Parkes STP

Checklist item	Included (Y / N)	Comments
Does the above method provide for the service provider to deal with nonconforming products/services by one or more of the following ways:	Y	Section 14
by taking action to eliminate the detected nonconformity?	Y	Section 14 - refers to form SEQ-FM-003, SEQ-PR-065
by authorising its use, release or acceptance under a concession by a relevant authority and, where applicable, by the customer?		
by taking action to preclude its original intended use or application?		
Does the above method require reworked and repaired products and rectified services to be re-inspected and re-tested or evaluated to demonstrate conformity with the requirements?		
Does the method provide for records to be maintained of the nature of nonconformities and any subsequent actions taken, including any concessions obtained		
Does the method provide for the service provider to take action appropriate to the effects, or potential effects, of the nonconformity when a nonconforming product/service is detected after delivery or use has started		
Does the QMP define the responsibility and authority of personnel for identifying, acting on and recording quality nonconformity issues? (As for Clause 5.5)		
8.5 Improvement		
8.5.2 Corrective action		
Does the QMP describe the methods and actions the service provider will adopt to eliminate the causes of nonconformities in order to prevent their recurrence, including requirements for:	Y	Section 15.7
reviewing nonconformities (including customer complaints)?	Y	Section 15.7
determining the causes of nonconformities?	Y	Section 15.7
evaluating the need for, and appropriateness of, action to ensure that nonconformities do not recur?	Y	Section 15.7
determining and implementing the action needed as appropriate to the effects of the nonconformities encountered?	Y	Section 15.7
recording the results of the action taken?	Y	Section 15.7

Quality Management Plan Assessment Checklist Review - Haslin

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Checklist item	Included (Y / N)	Comments
reviewing the effectiveness of the corrective action taken?	Y	Section 15.7
Does the QMP define the responsibility and authority of personnel for ensuring corrective action is implemented and effective?	Y	Section 15.7
8.5.3 Preventative action		
Does the QMP describe a method for preventive action to eliminate the causes of potential nonconformities in order to prevent their occurrence, including requirements for:	Y	Section 15.7
determining potential nonconformities and their causes?	Y	Section 15.7
evaluating the action needed to prevent the occurrence of nonconformities?	Y	Section 15.7
determining and implementing the action needed?	Y	Section 15.7
recording the results of the action taken?	Y	Section 15.7
reviewing the effectiveness of the preventive the action taken?		

Overall comments:

Haslin's document addressed required details as appropriate. Some sections refers to the internal documents. Without having access for those documents it's difficult to trace details.

Score ranking definitions:

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Quality Management Plan Assessment Checklist Review - JH **Tenderer:** 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
4 Quality Management Plan		
4.2.2 Quality manual (Quality Management Plan)		
Has a QMP been developed for the contract?	Y	Section 3
Does the QMP include the required documented methods/procedures or reference them?	Y	Section 3 - Appendix 3, Appendix 5
4.2.3 Control of documents		
Are all documents in the QMP identified and revision status shown?	Y	Section 4 -JH_MPR-QUA-005
Does the QMP describe how changes to contract related documents are identified and approved, and how documents are reviewed/updated and distributed, and obsolete versions withdrawn?	Y	Section 4
4.2.4 Control of records		
Does the QMP describe how the quality records will be stored and maintained for the time required so that they are readily retrievable, in facilities that provide a suitable environment to minimise deterioration or damage, and prevent loss of the records?	Y	Section 4 - JH-MPR-BUA-018
5 MANAGEMENT RESPONSIBILITY		
5.2 Customer focus		
Do the procedures/processes documented in the QMP include a process to identify and meet customer requirements, and enhance customer satisfaction?	Y	5.16
5.4 Planning		
5.4.1 Quality objectives		

Quality Management Plan Assessment Checklist Review - JH **Tenderer:** 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Does the QMP document appropriate and measurable quality objectives for the service provider personnel that are relevant to the products and services required under the contract?	Y	Sec 3.2.2/ Sec 5.2
5.5 Responsibility, authority and communication		
Are persons identified in the QMP, with their responsibilities and authorities defined with a method for communicating them to all service provider personnel?	Y	Section 4.2
Is the contract quality representative nominated in the QMP with appropriate responsibilities and authority?	Y	Appointed Quality rep
5.6 Management review		
Does the QMP include a requirement and method for the regular review of the adequacy and effectiveness of the QMP by the service provider's senior and other management and indicate a timetable and agenda?	Y	Sec 4.8.1
6 RESOURCE MANAGEMENT		
6.1 Provision of resources Does the QMP show the resources proposed:		
to implement the Quality Management Plan and continually improve its effectiveness?	Y	Sec 4.4
to enhance customer satisfaction by better meeting customer requirements?	Y	
6.2.2 Competence, awareness and training Does the QMP:		
Identify the necessary skills and experience of the personnel performing the contract work, with procedures for making personnel aware of their roles, addressing deficiencies in	Y	Sec 4.5 JH-MPR-HRT-003,

General Manager

Mayor

Quality Management Plan Assessment Checklist Review - JH

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Project: Parkes STP

Checklist item	Included (Y / N)	Comments
competence and evaluating the effectiveness of the actions taken?		
Include a site-specific induction and training plan, with induction and training procedures describing the competences held and required, who is to be trained, when and how, and which record competencies and training?	Y	JH-MPR-HRT-020
Nominate the personnel with responsibility and authority for planning and implementing training and induction procedures for the contract work?	Y	JH-MPR-SEQ-001
6.3 Infrastructure		
In the procedures described in the QMP, does the service provider document processes to determine, provide and maintain the infrastructure (such as office space, other facilities, equipment and services) needed to achieve product/service requirements?	Y	Sec 4.6 JH-MPR-PAE-001
6.4 Work environment		
Do the procedures/processes described in the QMP allow for the service provider to determine, document and manage the work environment (including identifying/assessing risks) needed to achieve product/service requirements	Y	Sec 4.6 JH-MPR-PAE-001
7 PRODUCT REALISATION		
7.2 Customer-related processes		
Does the QMP identify the customer, statutory/regulatory and other related contract requirements?	Y	Sec 5 JH-MPR-PMA-002, JH-MPR-PMA-001, JH-MPR-SEQ-006
Does the QMP include procedures covering customer communications/feedback, including customer complaints?	Y	Sec 5, ▪ JH-MPR-PMA-003 Head Contract Administration ▪ JH-MPR-CCM-001 Internal and External Communication ▪ JH-MPR-SQE-001 Site Induction

Quality Management Plan Assessment Checklist Review - JH

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Project: Parkes STP

Checklist item	Included (Y / N)	Comments
7.3 Design and development		
Does the QMP identify and allow for the use of competent persons to carry out design and development, reviews and verification (to suit a design plan)?	Y	Sec 5.6 ▪ JH-MPR-DES-001 Internal Design Management ▪ JH-MPR-DES-002 Management of Design Consultants ▪ JH-MPR-DES-003 Temporary Works Design and Implementation ▪ JH-MPR-DES-004 Design Change.
Does the QMP include procedures covering design and development planning, inputs, outputs, reviews, change control, verification and validation?		
Does the QMP describe methods/procedures for the service provider's control and verification of design activities by its service providers, and for their activities when they do not have a quality management system or plan, or otherwise lack the procedures required?		
7.4 Purchasing		
7.4.1 Purchasing process Where subcontracted work is involved, does the QMP document procedures:		
Covering how the service provider will evaluate its potential service providers' ability, select subcontractors and record the results of the evaluation, including selection/evaluation criteria?	Y	Sec.5.7 - 5.9 -Refers to followings
For verifying purchased products/services, and the performance of suppliers/service providers?		
7.4.2 Purchasing information		

General Manager Mayor

Quality Management Plan Assessment Checklist Review - JH **Tenderer:** 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Does the QMP document how the subcontract requirements will be confirmed and specified in tender documents, subcontracts and purchase orders whenever applicable?	Y	Sec.5.7 - referes to following documents ▪ JH-MPR-PMA-004 Purchasing ▪ JH-MPR-PMA-005 Letting of Consultant/Subcontract/Supply Packages ▪ JH-MPR-PMA-006 Administration of Consultant/Subcontract/Supply Packages ▪ JH-APP-PMA-005-06 Evaluation Visits to Subcontractors & Suppliers ▪ JH-MPR-QUA-003 Inspection of Subcontracted Works ▪ JH-MPR-QUA-004 Performance Rating of Subcontractors ▪ JH-MPR-PMA-017 Standard Contract Agreements ▪ JH-MPR-RCC-007 Competition Consumer Trade Practice Compliance.
Does the QMP provide for documenting the method and results of evaluation of supplier or other service provider ability to perform and performance (when applicable)?		
Does the QMP provide for subcontract work process control documentation (when applicable)?		
7.4.3 Verification of purchased product		
Does the QMP include the methods/procedures for surveillance/inspection/other verification and the release/acceptance of the product/service that will be implemented for subcontracted work, and for their specification in subcontracts (when applicable)?	Y	Sec 5.7
7.5 Product and service provision		
7.5.1 Control of product and service provision		
Does the QMP include process control documentation for all work processes?	Y	Sec 5.13
7.5.2 Validation of process for production and service provision		

Quality Management Plan Assessment Checklist Review - JH **Tenderer:** 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Does the QMP provide for the service provider to identify work processes for which the resulting output cannot be fully verified by subsequent monitoring, inspection and testing, requiring other verification/validation?	Y	Sec 5.13
Does the QMP provide work process descriptions, indicating the criteria for process review/approval, equipment approval and qualifications of operators/personnel, equipment controls, method for validating process outputs and records to be kept?		
7.5.3 Identification and traceability		
Does the QMP allow for process documentation with identification and traceability for the contract?	Y	Sec 5.16 JH-APP-QUA-010-03
Does the QMP describe the method(s) for subdividing the contract work into lots or discrete work areas and for allocating lot numbers?	Y	Sec 5.16 JH-MPR-SEQ-004
Does the QMP describe how monitoring output, samples and test results will be recorded against the lot to which they relate, and the traceability of nominated materials/products will be maintained, when appropriate?	Y	Sec 5.16
7.5.4 Customer property		
Does the QMP describe how Clause 7.5.4 will be implemented to protect any materials or equipment supplied, or other property provided, by the customer?	Y	Sec 5.10 JH-MPR-PMA-007, JH-MPR-PMA-007, JH-MPR-SQE-004
7.5.5 Preservation of product		
Does the QMP describe how Clause 7.5.5 will be implemented to preserve the product during internal processing and delivery to their intended destination in order to maintain conformity to requirements?	Y	Sec 5.10

Quality Management Plan Assessment Checklist Review - JH **Tenderer:** 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
7.6 Control of monitoring and measuring equipment Does the QMP describe how Clause 7.6 will be implemented for monitoring and measuring equipment used, including setting out, constructing and verifying the work under the contract to ensure:		
monitoring and measurement is carried out in a manner that is consistent with the monitoring and measuring requirements?	Y	Sec 5.14 JH-APP-QUA-010-02
measuring equipment is calibrated or verified at specified intervals, or prior to use, against appropriate measurement standards, and records are kept?	Y	Sec 5.14
certified external calibration is arranged or suitable internal calibration procedures are used to check calibration?		
measuring equipment is identified to determine the calibration status?	Y	Sec 5.14
measuring equipment is safeguarded from adjustments that would invalidate the measurement result?	Y	Sec 5.14
measuring equipment is protected from damage and deterioration during handling, maintenance and storage?	Y	Sec 5.14
the validity of previous inspection and test results is verified if measuring equipment is damaged or out of calibration, and records are kept?	Y	Sec 5.14
the ability of computer software to satisfy its intended application is confirmed when used in monitoring and measuring to suit specified requirements?		
Is responsibility defined in the QMP for the control measures listed above?		
8 MEASUREMENT, ANALYSIS AND IMPROVEMENT		

Quality Management Plan Assessment Checklist Review - JH **Tenderer:** 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
8.1 General In the procedures/ processes documented in the QMP is provision made:		
For the service provider to plan and implement the monitoring, measurement, analysis and improvement processes/methods, and their frequency, needed to demonstrate conformity to product/service requirements? *(may be addressed in ITPs)*	N	
For the method for identifying and controlling the inspection and test status of all product/service to demonstrate conformity to requirements under the contract?	N	
8.2 Monitoring and measurement		
8.2.1 Customer satisfaction		
Does the QMP describe a method for the contract of monitoring/measuring performance, as the customer perceives it, and acting in it to suit?	Y	Sec 5.15
8.2.2 Internal audit		
Does the QMP describe methods for internal auditing/reviewing its implementation for the contract?	Y	Sec 4.7 JH-MPR-SQE-002
Is responsibility identified in the QMP for scheduling audits/reviews and acting on audit/review results for the contract?		
8.2.3 Monitoring and measurement of processes		
Does the QMP describe how Clause 8.2.3 will be implemented, where appropriate, to monitor and measure the effectiveness of the work processes used for the contract?	Y	Sec 5.15/Sec 5.21
8.2.4 Monitoring and measurement of product		

General Manager Mayor

Quality Management Plan Assessment Checklist Review - JH **Tenderer:** 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
Does the QMP describe how Clause 8.2.4 will be implemented to monitor and measure the characteristics of the product/service to ensure product requirements are met? *(may be addressed in the ITPs)*	Y	Sec 5.15/Sec 5.21 JH-MPR-QUA-003
Does the QMP document a suitable method for closing out work area conformity and acceptance?	Y	Sec 5.15
Does the QMP include an effective traceability/closure procedure for any work areas that may have to be covered up before the results of all conformity tests are known?	Y	Sec 5.15
8.3 Control of nonconforming product		
Does the QMP describe a method established which describes the controls and related responsibilities to ensure that a product/service which does not conform to requirements is identified and controlled to prevent its unintended use or delivery?	Y	Sec 5.17
Does the above method provide for the service provider to deal with nonconforming products/services by one or more of the following ways:	Y	Sec 5.17
by taking action to eliminate the detected nonconformity?	Y	Sec 5.17
by authorising its use, release or acceptance under a concession by a relevant authority and, where applicable, by the customer?	Y	Sec 5.17
by taking action to preclude its original intended use or application?	Y	Sec 5.17
Does the above method require reworked and repaired products and rectified services to be re-inspected and re-tested or evaluated to demonstrate conformity with the requirements?	Y	Sec 5.17
Does the method provide for records to be maintained of the nature of nonconformities and any subsequent actions taken,	Y	Sec 5.17

Quality Management Plan Assessment Checklist Review - JH **Tenderer:** 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
including any concessions obtained		
Does the method provide for the service provider to take action appropriate to the effects, or potential effects, of the nonconformity when a nonconforming product/service is detected after delivery or use has started	Y	Sec 5.17
Does the QMP define the responsibility and authority of personnel for identifying, acting on and recording quality nonconformity issues? (As for Clause 5.5)	Y	Sec 5.17
8.5 Improvement		
8.5.2 Corrective action		
Does the QMP describe the methods and actions the service provider will adopt to eliminate the causes of nonconformities in order to prevent their recurrence, including requirements for:	Y	Sec 5.18
reviewing nonconformities (including customer complaints)?	Y	Sec 5.18
determining the causes of nonconformities?	Y	Sec 5.18
evaluating the need for, and appropriateness of, action to ensure that nonconformities do not recur?	Y	Sec 5.18
determining and implementing the action needed as appropriate to the effects of the nonconformities encountered?	Y	Sec 5.18
recording the results of the action taken?	Y	Sec 5.18
reviewing the effectiveness of the corrective action taken?	Y	Sec 5.18 JH-APP-SQE-002-02
Does the QMP define the responsibility and authority of personnel for ensuring corrective action is implemented and effective?	Y	Sec 5.18 JH-MPR-SQE-002
8.5.3 Preventative action		
Does the QMP describe a method for preventive action to	Y	Sec 5.18

General Manager Mayor

Quality Management Plan Assessment Checklist Review - JH		
Tenderer: 2014013 **Project:** Parkes STP		
Checklist item	**Included (Y / N)**	**Comments**
eliminate the causes of potential nonconformities in order to prevent their occurrence, including requirements for:		
determining potential nonconformities and their causes?		
evaluating the action needed to prevent the occurrence of nonconformities?		
determining and implementing the action needed?		
recording the results of the action taken?		
reviewing the effectiveness of the preventive the action taken?		
Overall comments: Check against the checklist. Very comprehensive details provided except few items **Score ranking definitions:** 0 : Tenderer has demonstrated minimal understanding of the item under assessment or minimal experience or item is only minimally acceptable 1 - 3 : Tenderer has demonstrated moderate understanding of the item under assessment or moderate experience or item is only moderately acceptable 3 - 6 : Tenderer has demonstrated good understanding of the item under assessment or good experience or item is acceptable with amendments 6 - 10 : Tenderer has demonstrated excellent understanding of the item under assessment or excellent experience or item is acceptable with minimal amendments		

Appendix D: Technical Report

General Manager

Mayor

Document Set ID: 804455
Version: 4, Version Date: 09/11/2015

Parkes WTP
JH-DAFF
PID Review

$ 41,800

PID	Descript	Description of Issue	Action	$ Allowance
	Index	Index Sheet Missing		
	Legend 1	Legend 1 Missing		
	Legend 2	Legend 2 Missing		
P-000	Hydraulic Profile	RW rising mains and supernatant return combined into 1 inlet to RWBT	amend	
P-000	Hydraulic Profile	prechlorine dosing to inlet to RWBT	amend	
P-000	Hydraulic Profile	FTW - location of FTWCV after FOCV problematic wrt ripening control	refer RW PID	
P-000	Hydraulic Profile	contains schedule of pipe sizing and flows. Good but backwash pmp discharge pressure of 70 kPa	Noted	
P-001	PFD	Filter outlet pit missing	amend	
P-001	PFD	coagulant aid polymer replaced by potassium permanganate dosing	Refer to detail PID	
P-002	Raw Water	Potassium permanganate added	Noted	
P-002	Raw Water	separate outlets to each filter	Noted	
P-002	Raw Water	KMnO4 dosing point. Isolation and retractible quill missing	amend	5000
P-003/004/005	DAF Filter No 1/2/3	Inlet control valve on inlet to each filter	Noted	
P-003/004/005	DAF Filter No 1/2/3	"pre-chlorine" added for coated media effect	refer chlorine PID	
P-003/004/005	DAF Filter No 1/2/3	low level switch in floc tank 1 missing	amend	3000
P-003/004/005	DAF Filter No 1/2/3	floc tank and filter drain is to Kamlock rather than hard plumbed to filter waste pit	amend	15000
P-003/004/005	DAF Filter No 1/2/3	settled water sample reports to "P-017" but there is no P-017	amend	
P-003/004/005	DAF Filter No 1/2/3	filter or filter to waste is selected by V205 or V206 with FOCV by modulation of V208	Noted	
P-003/004/005	DAF Filter No 1/2/3	filter low level switch missing	amend	3000
P-003/004/005	DAF Filter No 1/2/3	filter high level switch missing	amend	3000
P-003/004/005	DAF Filter No 1/2/3	limit switches on actuated isolation valves not shown eg V206	amend	8000
P-003/004/005	DAF Filter No 1/2/3	position feedback on modulating valves not shown, only O/C - eg V207	amend	1800
P-006	Dispersion System	Note 1, 4 in error. Note 6 maybe in error	amend	
P-007	TW	unchanged compared with PD P-007	Noted	
P-008	Compressed air and blowers	unchanged from PD P-008	Noted	
P-009	Sludge Lagoons	similar to PD P-009 except "Filter Waste Pit" is the inlet.	amend	
P-009	Sludge Lagoons	Valved outlet structure provided. DPI voiced preference for Tumbarrumba style outlet.	Confirm acceptance of alternate arrangment at zero cost	
P-010	ACH	unchanged from PD P-010	Noted	
P-011	NaOH	unchanged from PD P-011	Noted	
P-012	Chlorine	unchanged from PD P-012 except prefilter chlorine. As chlorine is dosed to each filter, actuated isolation valve will be needed for each filter when backwashing or offline.	amend	3000
P-013	Poly - coagulant aid	unchanged from PD P-013	Noted	
P-015	Fluoride	unchanged from PD P-015. Note that this is a NaSiF system. DPI advised that it is changing its standard design for NaF. WTA should be aware of this.	Confirm and amend in line with latest DPI requirements	
P-016	KMnO4	Alternate system with manual loading of 10kg pails of KMnO4 to duty/stby batching systems. Dosing pump NRVs missingDosing pump sample and flushing points missing. Dosing line isolation at dosing facility missing. FS on pump discharge missing. DN15 dosing line undersized (included carrier water)	Amend with required fittings and appertunances. Provide dosing calculations. Provide GA.	

Parkes WTP
Process Review
M Bloomfield

General Area	Specification	John Holland	Haslin	Mono	Confirmation	For
Min and Max Flows		Given the flow sizing of the DAFF there is a "Gap" in the flow between 70 and 100 L/sec and also 140 to 150 L/sec. This leaves some questions around flow management.	N.A	Operating Sweat spot/s are not discussed in the DAFF proposal yet this is an area to be considered due to the recycle.	ALL - Confirm the operating mode to be utilised to produce 4 to 5 ML/d which is the typical average daily production required for 3 to 5 months through Winter. Include the instantaneous/flow rate, hours of operation, number of trains in operation, management of backwashing, management of off-line trains (if any). Include comments on how this operating mode differs from a 'summer' operating mode to produce 8 to 12 ML/d. M - Confirm whether or not the plant can operate at flows between 70 and 100 L/sec (offer says each unit has a min to max of 36.2 to 72.3 L/s.	Varied
DAFF Energy		The energy penalty that is suffered by DAFF when units are running at lower flow rates is not discussed. Nor is the issue with adjusting the DAF nozzles for changes of flow if the DAF recycle is trimmed. Essentially there needs to be an explanation of the operating philosophy for DAFF for low flows, say 80L/sec. Or maybe ask for confirmation of how the plant would be operated in producing 4ML one day, 6ML the next, then 8ML then back to 4ML. This should tease out the philosophy for runing the plant.		The energy penalty that is suffered by DAFF when units are running at lower flow rates is not discussed. Nor is the issue with adjusting the DAF nozzles for changes of flow if the DAF recycle is trimmed. Essentially there needs to be an explanation of the operating philosophy for DAFF for low flows, say 80L/sec. Or maybe ask for confirmation of how the plant would be operated in producing 4ML one day, 6ML the next, then 8ML then back to 4ML. This should tease out the philosophy for runing the plant.	Note: DAFF will suffer an energy penalty if the units are not operated at their design flow.	N.A
Raw Wter Balance Tank		Not round so more likely to accumulate debris in the corners.	Unclear where pre-dosing will occur.	Location of polymer dosing is unclear, this should be above ground and accessible. Access around the RWBT is blocked by the outlet of the tank.	personnel for maintenance of the cascade and cleaning. ALL - 2. Confirm the location and access to the chemical dosing of ACH and polymer as the plan and elevation show no opportunity to allow for the delay time between ACH and Polymer dosing that is specified and still have easy access to these dosing points. M - 3. Access around the RWBT is blocked by the ACH dosing, please confirm how a vehicle accessing this area will do so safely without a reversing section.	Varied
Aeration of Bore Water			Cascade Tower mentioned but no detail provided. Suggest that extra height may be required in the tank.	Single pipe with numerous orifice	Provide details of the roofing structure and access to the RWBT to maintain the aeration device.	All
Number of filters	n=3	3	3	3	Note only	
Filter S.A	Sufficient to achieve Filtration rate	32 m2	27 m2	29.6 m2		
Nom. Filter rate	<10 m/hr	9.8m/hr at 20% recycle (Details of calculations Provided and confirmed appropriate)	9.6 m/hr (Confirmed)	7m/hr with 15% recycle (numbers don't add up)	Provide detailed, try stage design calculations/drawings, of the filtration rate at the WTP maximum instantaneous flow rate, with and without recycle and while one filter is backwashing, with and without recycle (conforming and non-conforming offer). Noting that the WTP instantaneous design flowrate is 238 L/s.	M
Max Flow at 16m/hr	(Calculated, 3 filters)	28.7 L/s	225 L/s	247 L/s		
With Recycle "DAFF Option"	15%	212 L/s	N.A	214 L/s	ALL - From these calculations the filters are of a sufficient size to meet the requirements of the specification as long as the flow is reduced when one filter is backwashing.	N.A
Filter Dimentions		8m x 4m	6m x 4.5m	7.8m x 3.8m (drawing)		
Media Expansion	25%	>20%	25%	25%	M - Confirm that the filter BW will be designed to meet the expansion requirements of the specification.	JH
Air Scour	60 m/hr FAD	60	60	60		
Blowers	2	only 1 offered		2 blowers are in the drawings and FDS	If two blowers were offered, confirm the price variation to provide only 1 blower. Similarly if 1 Blower was offered, confirm the price variation to provide 2 blowers, including the increased footprint of the associated building.	ALL
BW Low Flow Rate		12 m/hr	12 m/hr	Not Stated		
BW High Flow Rate		40m/hr	45m/hr	"in the region of 30 to 40m/hr" but do commit to 25% expansion.		
BW High Flow Duration		5 minutes at high flow *2.1 volume changes of the media	7 minutes at high flow, 142kL and *1.3 volume changes of the media	Not Stated	Confirm filter backwash waste volumes per filter, per backwash	M and JH
DAFF Float	<2%	Float waste percentage not discussed	N.A	Float waste percentage not discussed	Confirm the design volume of DAFF float waste as a percentage of raw water flow for one filter operating at its minimum and maximum instantaneous flow rate. For example 1% at 70L/sec and 1.3% at 45L/sec.	M and JH
Number troughs	To meet trough spacing	1 stated at 800mm (400 r adius)	1 stated at 600mm	1 in drawing 1140-M101 at 550mm Diameter		
Trough Spacing	Min 0.75m from the wall	Even spacing gives 0.6 from the wall	Even spacing gives 0.825 from the wall	Even spacing gives 0.675 from the wall		
Trough Spacing	max 1.5 centre	2.0m centre to centre	1.25 centre to centre	1.8m centre to centre	As the trough arrangement offered does not align with the specification, confirm that the arrangement offered is capable of achieving effective and efficient removal of solids during backwash.	All
Filter to Waste		Not Stated	12 minutes Nominated	Not Stated	Confirm the design for filter to waste to allow for confirmation of waste production.	All
Total WTP 'waste'		520kL from 15 minutes of High-Wash and another 120 kL from the DAF float and FTW. 640kL in total so ~96% at Design. Less as the WTP flow rate drops	BW 425 + FTW 155 = 580kL so >90%	Not Stated	Can be calculated from the responses to questions above.	Note
Flocculators	50 to 80 (>30,000)	20 to 120 Nominated with a "manual" change if required	50 to 80 on VSD	says VSD with a minimum of 30,000 0 L confirms 20 to 50 and 50 to 80 in schedule	Confirm the meaning of "manual" adjustment of flocculators.	M
	20 to 50 (<20,000)	20 to 120 Nominated with a "manual" change if required	50 to 80 on VSD	says VSD with a minimum of 20,000 0 L confirms 20 to 50 and 50 to 80 in schedule ?		
Plenum Access	600mm Access	500mm nominated			Confirm that there is a minimum of 600mm diameter hatch for access to the underside of the filter plenum.	All

Parkes WTP - Process Parameter Tender Comparison.xlsx Sheet1 2/11/2015 Page 1 of 2

General Manager Mayor

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Nozzles/m2	Spec is silent	64	Not Stated		90 ("1200 nozzles per filter")	Alt. - Provide the filter nozzle slot width dimension. M - Provide the number of nozzles/m2 for your offer.	Varied
Units		Numerous missing units in the design tables				Note only	
Waste Grout		Essentially as per Spec		Essentially as per Spec	Mona state that FTW will go to the drying beds. As a worst case this could be 80 l/sec (plant flow +15% recycle) this could only be returned at 7 L/sec (worst case 70 L/sec plant inlet flow) hence over 15 minutes there is a backup of ~ 35kL. 1 Bed holds a maximum of 75kL (7.5m wide, 25m long and 0.4 'max sludge height') and so if the bed has anymore than 200mm of sludge then it will go above this level. There is 500mm of 'freeboard' but the assumption is that this is not intended to be used. Practically FTW would have to be pumped directly back to the raw water tank and not really treated as backwash recycle, which in theory it isn't. However if you send it to the drying beds then it becomes BW recycle.	M - Filter to waste may be 50% of the WTP flowrate for a period of 15 minutes. Nominate the buffer volume available so that the filter to waste can be stored when it is sent to the sludge drying beds to ensure the return of less than 10% of the raw water flow is maintained.	M
					1 to 3% for the sludge taken out of a simple gravity settler is optimistic, I would suggest that typically this would be a lot lower.	M - 1% solids in a typical design point for a continuously operated sludge clarifier. Confirm the design point for the settling tank and provide references for the application of "1 to 3%" solids.	M
					Maximum BW holding is 156kL, which can take 2 full backwashes but not three. As such backwashing of all three filters could not be done and observed by an Operator on the same day.	M - When the WTP is operating with all 3 filters backwashing in one day how will an operator observe all three filters backwashing if the holding/settling tank only has the capacity for two backwashes.	M
					There are 2 returns to the raw water balance tank which needs to be combined and controlled. This is doable but is not discussed anywhere. Main flow from the thickener, the other return form the drying beds.	M - two returns to the RWBT are discussed, one from the drying beds and the other from the holding/settling tank. Both are separately pumped. Explain how these will be combined and controlled to ensure that the return is less than 10% of the combined raw water instantaneous flow.	M
					The system 'availability' is difficult to judge with the information provided. More information is needed	M - Describe a typical schedule of backwashing, settling, returning and dumping over a 24 hour period when the WTP is producing 16ML. Detail should be sufficient to allow for an understanding of flows and availability. For example Filter 1 Backwash at 1am, 150kL collected and allowed to settle till 4am, return begins at 15L/sec until 6:30am, remaining sludge dropped to drying beds for settling. Filter 2 backwashes at 7am .... Drying bed return at ~5L/sec intermittently as a result of DAFF float (~4L/sec) and filter backwash sludge etc.	M
					Mona combined all of the raw water flows on the inlet to the raw water balance tank, hydraulically this needs to be considered how it would impact each source and the flows	M - Confirm the impact on the individual sources of combining them prior to the raw water tank.	M
					There is 5 times less surface area so there is a reliance on the sand not blocking. All the references I have looked at say that this is site specific and so is a risk.	M - Provide the evidence available to confirm the assumption that the drying bed sand will not block and continue to drain while the sludge builds up to a level of 400mm of 20% solids.	M
						M - Provide a schedule of filling, drying and removal of sludge for the drying beds over 12 months. Broken down into at least monthly intervals to reflect the variation in solids loading of the beds and variation in evaporation and filtration over the 12 months (and over a cycle from filling to taking offline). For example January, WTP production of 16ML/d, solids production of XXkg; beds 1 and 2 online, 3,4,5 and 6 offline...	M

Parkes STP - Tender Technical Review
Tender Schedule 7 - Schedule of Technical Data

Description	Monadelphous	John Holland	Haslin
Unit Process			
Inlet Works			
General			
Describe the overall PTA facility including various materials of construction for the major units.	Concrete		Refer to drawings
Manufacturer, type and application method for the hydrogen sulphide coating applied to concrete surfaces (if covers for odour control is required).		Not Applicable	No covers required
Inlet Fine Screens			
Number installed.	Two (2)	Two (2)	2
Manufacturer:	Hydroflux HUBER	Hydroflux HUBER	Bilfinger water Technologies
Model/Description:	HyBand Size 1/0.9/2.725	HyBand Size 1/0.9/2.725	Centre-Flo Band Screen 450 450
Material of construction (state metal or grade)	316SS	316SS	SS316/Polypropylene Panels
Screen aperture (mm)	5mm perforrations	5mm perforrations	5 mm diameter holes
Size -(attach a drawing with dimensions)	General Arrangement Attached	Refer to attached drawing - Attachment 7C	Refer to GA drawing
Weight: - Dry (kg)	900 kg	900 kg	1000 kg approx.
Maximum allowable head differential at PIF flow (mm). Show on plant HGL with one fine screen operating at PIF	300 mm at PIF	300 mm at PIF	300
Screenings capture efficiency (%w/w)	80%	80%	>80%
Screen guaranteed rated capacity (L/s)	230	230	245
Screen guaranteed rated capacity (kg/h) (also state moisture content)	0.33 m3/h at 12.5% w/w	0.33 m3/h at 12.5% w/w	Approx 200 kg/hr
Required maximum water rinse flow (L/s) and pressure (bar) to convey	2 L/s at 5 bar	2 L/s at 5 bar	2.6 @ 5 bars
Size of all motors (kW)	0.75 kW	0.75 kW	0.37
Peak power draw of all motors (kW)	2		0.37
Inlet Manual Bypass Screen			
Screen aperture (mm)	10 mm	20 mm	20 mm
Screen material of construction	SS	Stainless Steel	Stainless Steel
Material of construction (state metal or grade)	316	316	316
Describe method for screenings removal.	Rake	Manually Raked	Manually Raked
Confirm that when blinded, this manual screen will still allow PIF to pass over the top of the unit and not cause the PTA to overflow: Y/N	Y	Y	Y
Screen Compactor and Washing			
Number installed.	One (1)	One (1)	One (1)
Manufacturer:	Hydroflux HUBER Technology	Hyroflux HUBER Technology	Bilfinger Water Technologies
Model/Description:	HUBER WAP/L Wash Press	HUBER WAP/L Wash Press	Nogwash NW250-900
Size -(attach a drawing with dimensions)	General Arrangement Attached	Refer to attached drawing - Attachement 7D	Refer GA drawing
Weight: - Dry (kg)	310 kg	310 kg	500 approx
Required maximum water rinse flow (L/s) and pressure (bar) to convey	0.5 L/s at 5 bar	0.5 L/s at 5 bar	2.3 @ 4 bar
Maximum wet captured screening acceptance rate per wash press (m3/h), State % moisture content	2 m3/h at 12.5% DS	2 m3/h at 12.5% DS	3.8
Guaranteed washed & compacted screenings solids content (% w/w)	40% w/w dry solids	40% w/w dry solids	40 to 50%
Size of all motors (kW)	2.2 kW - Main Drive 6.0 kW - Impeller Drive	2.2 kW - Main Drive 6.0 kW - Impeller Drive	2.2
Peak power draw of all motors (kW)	6.3		2.2
Vortex Grit Chamber			
Number provided	One (1)	One (1)	1
Type	Vortex Grit Removal Chamber	Vortex Grit Removal Chamber	grit Vortex
Design Peak Maximum Flow (L/s/chamber)	230 L/s	230 L/s	245
Dimensions. Attach information or drawings which outline key dimensions.	General Arrangement Attached	Refer to attached drawing - Attachment 7E	Refrer to GA drawing
Internal Mechanical Equipment			
Manufacturer:	Hydroflux HUBER	Hydroflux HUBER	Bilfinger Water technologies
Model/Description:	HUBER Vormax	HUBER Vormax	JT30
Rotation speed of paddle (rpm)	18.9 rpm	18.9 rpm	6
Motor Rating (kW)	1.1 kW	1.1 kW	0.75
Paddle mechanism weight (kg)	80 kg	80 kg	200 approx. including drive

General Manager Mayor

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Attach drawing which shows the mechanism and grit hopper agitation used.	General Arrangement Attached	Refer to attached drawing - Attachment 7F	Refer to GA drawing
Grit Classifier			
Model/Description:	HUBER RoSF4 Grit Washer	HUBER RoSF4 Grit Washer	grit Washer Classifier GW80
Size – Dimensions			
Provide drawings of equipment provided	General Arrangement Attached	Refer to attached drawing - Attachment 7G	Refer t GA drawing
Weight: - Dry (kg)	690 kg	690 kg	850
Maximum grit slurry feed rate (L/s)	12	12	22
Wash water flow (if applicable) (L/s)	1.5	1.5	3
Grit screw capacity (kg/hr) state grit moisture content.	500 kg/h	500 kg/h	1000
Guaranteed grit product total solids content %	80% w/w dry solids	80% w/w dry solids	>70%
Motor Rating (kW) of each drive	Main Screw Drive - 1.1 kW Stirrer - 0.55 kW Drain Valve - 0.01 kW	Main Screw Drive - 1.1 kW Stirrer - 0.55 kW Drain Valve - 0.01 kW	1.1, 0.25
Spetage Recival Facility			
Septage Receival Facility			
As part of the General Arrangement submitted with the Tender Design drawings provide a drawing of the facility which outlines the receival, screen and pump station arrangement.	Y	Similar to Client concept design septage receival, General arrangement, plan and scetion drawings C-12 & C-13	Refrer to drawing
Manufacturer, type and application method for the hydrogen sulphide coating applied.	Poly Urea Coating	High build epoxy resin - sikagard -63 N with anti-slip aggregate or approved equivalent	Epoxy
Septage Receival Pit			
Outline pit dimensions	Pump Pit only 1.8dia × 4m deep	Similar to Client concept design drawings. Septage receival, General Arrangement, Plan & Section C-12 & C-13	4.28 × 0.5 × 0.7
Pit Bottom Water Level (relative to well floor)	600 mm	Sloping to point of discharge	0.00 m
Pit Top Water Level (relative to well floor)	Up to 3.2m	1.0 m	0.40 m
Well material of manufacture.	Poly Urea Coated Concrete	Concrete	Concrete
Septage Equipment			
Actuated valves		Yes	Manual
Flowmeter	ABB or Siemens	Yes	Yes
Coarse screen (material, aperture)	SS 6mm	SS316, 20mm	Yes
Security Access			
Describe the access system provided.	Swipe card		Gates as per drawing
Foul Water Pumping Station			
General			
List all streams which flow to this station.		Amenlites, Screening and grit washing return, Septage discharge pit	Septage recival pit, Amenities building, Inlet works hard stand, Screening dewatering, Grit dewatering
The preference is to have one station for all plant gravity flows. However, if other wet well pump stations are offered schedules with the same information as is listed in this schedule.	Screenings and grit water feed to the Septage receival pump station		
Provide general operational philosophy including during sustained PWWF.		The pump station shall operate under a traditional fill and draw arrangement governed by a set of high and low level switches.	
Pump Station Well		Diameter 2.25m internal, Height: 3.4m	
Outline well dimensions (diameter and height)		Approx. 0.3m	TBA
Well Bottom Water Level (relative to well floor)		Approx 1.8 m	TBA
Well Top Water Level (relative to well floor)		Concrete	Concrete
Well material of manufacture.		Qmax/Xylem/Other Megapoxy MC Epoxy coating system to manufacture's recommendations	Epoxy
Manufacturer, type and application method for the hydrogen sulphide coating applied.			
Pumps			
Number installed.		2	2
Number of duty		1	Duty/standby

Bioreactor			
Bioreactor Structure			
Number of bioreactors provided	2	Two	2
Design peak sewage flow (excluding recycles) to each bioreactor (L/s/bioreactor)	115 L/s		115 125
Design peak flow (including recycles) to each bioreactor (L/s/bioreactor)	250L/s		120 265
Total bioreactor volume at bottom water level per bioreactor (m3/bioreactor)	2880		2,457 2790
	3.2m	Refer Hydraulic Gradient TWL 300.065	
Specify bottom and top water levels. (m)	4.0 m	BWL 299.32	BWL 3.0m, 3.01 m
State the volume (m3) and mass fraction (% of total bioreactor:			
Anoxic (if applicable)		Not Applicable - anoxic fraction varies with aeration cycle settings in an IDEAT	
Primary Aerobic	As Above		76 m3, 2.7%
Internal recirculation flow between the Aerobic and Primary Anoxic.. If variable state the flow range (L/s).	N/a	No internal recirculation as per Concept design	70- 140 L/s Refer to design report. The following table was intended to be used as a preliminary guide to the impact of temperature on minimum solids retention time required for Parkes IDEA process. A process model will be developed during design stage to validate the Process design and to optimise the process performance. The following assumptions are used in preparing this table: 1. The nitrification process is the controlling factor in determining the minimum SRT, hence the temperature dependency is based on the growth rate of nitrification biomass. 2. The design criteria specified in Parkes Preliminary Design report (SRT of 25 days and MLSS of 4200 mg/L) are based on minimum temperature of 15 C and design ADWF of 3.07 ML/d

Temperature (°C)	Minimum SRT (days)
15	25.0
16	22.9
17	20.9
18	19.2
19	17.6
20	16.2
21	14.9
22	13.7
23	12.6
24	11.6
MLSS at commissioning ADWF of 3.07 ML/d	4200 mg/L
MLSS at commissioning ADWF of 2.06 ML/d	3500 mg/L

Attach a schedule showing the minimum required bioreactor Solids Retention Time (SRT) from the bioreactor minimum temperature to maximum temperature. State the SRT in one degree Celsius increments. In this schedule also state the bioreactor total suspended solids for connection and design loads in mg/L.	Minimum SRT 25 days (@15 C) Maximum MLSS 5,000 mg/L	The SRT is 25 days at all temperatures. The MLSS at design load at BWL and 22 C is 4,353 mg/L	
Rectangular Reactor CSTR Mixers (if applicable)			
Number of Installed Mixers	N/A	N/A	2 in each bioreactor, total 4
Number of spare mixers provided			Nil
Manufacturer			Xylem Flyght
Model/Description:			SR 4630 8p Propeller: 7" 0837075F
Mixer weight (kg)			55
Mixer Blade Speed (rpm)			705
Motor Rating (kW)			1.5
Power Draw (kW)			1.54
Return Activated Sludge Pumps (if applicable)			
Number of Duty Installed:	N/A	N/A	1 for each bioreactor, total 2
Number of Installed Standbys:			nil
Manufacturer:			Xylem Flyght

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Model/Description:			NT3153LT624
Specify flow range from minimum to maximum (L/s/pump)			70 - 145
Is a flow meter installed on this flow line? If not describe how flow is estimated.			Flow estimated from RPM
Power Draw Minimum Speed (kW)			1
Power Draw Maximum Speed (kW)			5.7
Waste Activated Sludge Pumps			
Number of Duty Installed:	2 (1 in each tank)	N/A	1 for each bioreactor, total 2
Number of Installed Standbys:	0		nil
Manufacturer:	Xylem		Xylem Flyght
Model/Description:	NT3102		CT085MT438
Specify flow range from minimum to maximum (L/s/pump)	5-32 L/s		12
Is a flow meter installed on this flow line? If not describe how flow is estimated.	Y		Yes
Power Draw Minimum Speed (kW)	Approx 0.6		1
Power Draw Maximum Speed (kW)	2.2		1
Oxygenation Capacities & Efficiencies	Applies to all types of aeration systems offered Minimum commissioning (early 'winter' year of commissioning) and maximum design (Peak diurnal period Summer at design load) SOTR and SAE values are subject to proof of performance testing at the Principals discretion.	Applies to all types of aeration systems offered Minimum commissioning (early 'winter' year of commissioning) and maximum design (Peak diurnal period Summer at design load) SOTR and SAE values are subject to proof of performance testing at the Principals discretion.	Applies to all types of aeration systems offered Minimum commissioning (early 'winter' year of commissioning) and maximum design (Peak diurnal period Summer at design load) SOTR and SAE values are subject to proof of performance testing at the Principals discretion.
Commissioning Load Minimum Actual Oxygen Transfer Rate (kg/h)			NA
Design Load Maximum Actual Oxygen Transfer Rate (kg/h)	320 kg/hr		NA
Design alpha factor	0.85		NA
Design beta factor	0.9		169 per bioreactor
Diffuser Fouling Factor (%) if applicable	n/a		0.85
Average Standard Aeration Efficiency (SAE) (kg SOTR/ kWh) based on wire power	1.5 kg O2/hr		0.95
Average Diffuser Standard Oxygen Transfer Efficiency (g SOTR/ m depth/ Normal m3 air supplied) if applicable			
	Definitions for SOTR and SAE are as per ASCE standard outlined in Scope and Process Specification carried out in clean water. SAE is based on wire power	Definitions for SOTR and SAE are as per ASCE standard outlined in Scope and Process Specification carried out in clean water. SAE is based on wire power	
Standard Oxygen Transfer Rate (SOTR)			
Standard Aeration Efficiency (SAE)			1.5 (Wire to water)
Commissioning Load Minimum SOTR (kg/h) – total plant	85 kg O2/hr		
			Definitions for SOTR and SAE are as per ASCE standard outlined in Scope and Process Specification carried out in clean water. SAE is based on wire power
Design Load Maximum SOTR (kg/h) – total plant	320 kg O2/hr		
Commissioning Load Minimum SAE (kg/h) – total plant	1.4 kg O2/kWhr		NA
Design Load Maximum SAE (kg/h) – total plant	1.7 kg O2		169 per bioreactor
Surface Aeration (if applicable)		Refer to Schedule 7 3.5 Aeration	Standard 1.5
Outline on the concept design General Arrangement Drawings the position of each aerator.	Refer tender drawings	Please see attached prelimainary GA drawing	Refer to drawing S-102 and S-310
		4 × Duty in each tank. Please see attached preliminary GA drawing	
Number of Duty	8		4 × Duty in each tank. Please see attached preliminary GA drawing
Number of Installed Standbys	0	None	None
Manufacturer	DBS	Xylem	Xylem
Model/Description	NSA2 30	Xylem 1460 surface aerator	Xylem 1460 surface aerator
State minimum and maximum Aerator impellor speed range (rpm).	250 1500	45 - 70	45 - 70
Aerator impellor immersion range (mm of submergence)		50 mm	50 mm
Motor Rating (kW)	22.5	37 kW	37 kW
Power Draw Minimum Speed (kW) per aerator	5	17.7 kW	17.7 Kw
Power Draw Maximum Speed (kW) per aerator	22	28.2 kW	30 kW (28.8 kW at max design SOTR)
Aerator weight (kg)	952	Approx. 3800 kg	Approx. 3800 kg
Access Bridge width			900 mm
Describe the method to remove and reistall aerators			Disconnect hinge pins at brideg. Lift out aerators with crane

Include description of crane type (lift capacity) and reach required. Locate the position of the crane on a GA.	Y Location shown in GA drawing	Estimate using a 65Tonnes crane with a reach of more than 8 m. TBC by crane operator after site visit	Estimate using a 65Tonnes crane with a reach of more than 8 m . TBC vt crane operator after site visit.
Diffused Aeration (if applicable)			
Outline on the tender design General Arrangement the position of each diffuser grid and lay down areas for cleaning /maintenance when they are removed. Include description of crane type (lift capacity) and reach required. Locate the position of the crane on a GA.	N/A	N/A	
Diffuser Grid and Pipework Manufacturer			
Diffuser Manufacturer			
Model/Description. Include a drawing/brochure of the diffuser offered.			
Total Number of Diffuser Offered.			
Total number of spare diffusers offered.			
Number of diffuser grids			
Confirm that with any grid off line that 100% peak design load capacity is still available: Y/N			
Weight of largest 'wet' diffuser grid - kgs			
Describe method of diffuser grid removal. Attach drawings/sketches if required for better illustration.			
Include a schedule of diffuser numbers per diffuser grid.			
Diffuser airflow range (units to be in actual m3/h at the pressure of the bubble release point)			
Total Number of Diffusers Offered			
		N in the airflow units below refers to Normal conditions represneting inlet air. Define the temperatures (degrees C) and absloute pressure (kPa) used to define Normal for the system offered.	
Total Airflow Units			
Commissioning Load Minimum air flow (N m3/h) - total plant			
Design Load Maximum air flow (N m3/h) – total plant			
Describe means of air purge			
Bulk Airflow Meter (if applicable)		N/A	
Manufacturer			
Model/Description.			
Air flow range in Nm3/h (refer definition above)			
Bulk Air Pressure Meter (if applicable)		N/A	
Manufacturer			
Model/Description.			
Pressure range in kPa (refer definition above)			
Blowers (if applicable)		N/A	
Manufacturer			
Model/Description.			
Number of Installed Duty Blowers			
Number of Installed Standby Blowers			
Type (positive displacement rotary lobe, centrifugal, other)			
Blower dimensions including acoustic enclosure (mm)			
Provide Drawing			
Blower weight (kg)			
Motor Weight (kg)			
Acoustic enclosure weight (kg)			
Acoustic enclosure removal method			
Maximum Blower & Motor Operating Temperature. Note this is subject to acceptance testing as documented in the Mechanical Specification.			
Blower airflow range from minimum to maximum Nm3/h/blower (refer definition above)			
Blower speed at minimum and maximum airflow (rpm)			
Motor Speed at minimum and maximum airflow (rpm)			
Blower Motor Power Rating (kW)			
Peak Power Draw per Blower (kW) at maximum airflow specified above			

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Minimum Power Draw per Blower (kW) at minimum airflow specified above			
Discharge Pressure Gauge Type			
Non Return Valve Type			
Pressure Blow Off Type			
Blower Building (if applicable)		N/A	
Confirm that all blowers on the site are housed in a building with roof and walls: Y/N			
Describe in detail, the means of heat control in the building for blower and all other enclosed instrumentation and/ or analysers.			
Further to the above, what is the range of air temperatures at the Inlet to the diffuser grids at the bottom of the Bioreactor? - oC			
What is the guaranteed maximum allowable air temperature feeding the diffusers? - oC			
Dissolved Oxygen Probes			
Number of Installed Probes	4	2 per IDEAT (total 4 off)	
Describe where probes are installed, or show on a sketch/drawing	Refer to PID, at the end of each incoming zone. Location will be verified during commissioning and adjusted if required	Installed in locations to suit the process design	
Aeration			
Oxygenation Capacities & Efficiencies	Applies to all types of aeration systems offered. Minimum connection and maximum design SOTR and SAE values for the total plant and zones (if applicable) are subject to proff of performance at the Principals discretion.	Applies to all types of aeration systems offered. Minimum connection and maximum design SOTR and SAE values for the total plant and zones (if applicable) are subject to proff of performance at the Principals discretion.	Applies to all types of aeration systems offered. Minimum connection and maximum design SOTR and SAE values for the total plant and zones (if applicable) are subject to proff of performance at the Principals discretion.
Connection Load Minimum Actual Oxygen Transfer Rate (kg/h)		Approx 21.0	NA
Commissioning Load Maximum Actual Oxygen Transfer Rate (kg/h)		Approx. 59.1	NA
Design Load Minimum Actual Oxygen Transfer Rate (kg/h)		Approx. 35.4	NA
Design Load Maximum Actual Oxygen Transfer Rate (kg/h)		Surface aerator - 169	169 per bioreactor
Design alpha factor		Surface aerator - 0.85	0.85
Design beta factor		Surface aerator - 0.95	0.95
Diffuser Fouling Factor (%) if applicable		Not used, weassume it's incorporated in the Alpha value	
Average Standard Aeration Efficiency (SAE) (kg SOTR/ kWh) based on wire power		Surface aerator > 1.5	1.5 (wire to water)
Average Diffuser Standard Oxygen Transfer Efficiency [g SOTR/ m depth/ Normal m3 air supplied) if applicable		NotApplicable	
Standard Oxygen Transfer Rate (SOTR)	Definitions for SOTR and SAE are as per ASCE standard outlined in Scope and Process Specification carried out in clean water. SAE is based on wire power.	Definitions for SOTR and SAE are as per ASCE standard outlined in Scope and Process Specification carried out in clean water. SAE is based on wire power.	Definitions for SOTR and SAE are as per ASCE standard outlined in Scope and Process Specification carried out in clean water. SAE is based on wire power.
Standard Aeration Efficiency (SAE)			
Commissioning Load Minimum SOTR (kg/h) – total digester and each cell		29.5	NA
Design Load Maximum SOTR (kg/h) – total digester and each cell		147	169 per bioreactor
Commissioning Load Minimum SAE (kg/h) – total plant		>1.5	Standard 1.5
Design Load Maximum SAE (kg/h) – total plant		>1.5	Standard 1.5
Surface Aeration (if applicable)			
Outline on the tender design General Arrangement Drawings the position of each aerator.	Y	Please see attached preliminary GA drawing - Attachment 7H	Please see attached preliminary GA drawing
Number of Duty (Describe where the aerators are positioned and in which cells)	Y	4×Duty in each tank. Please see attached preliminary GA drawing	4 × Duty in each tank. Please see attached preliminary GA drawing
Number of supplied spare aerators.	0	None	None
Manufacturer	As per above	Xylem	Xylem
Model/Description		Xylem 1460 surface aerator	Xylem 1460 surface aerator
State minimum and maximum Aerator impellor speed range (rpm)		45-70	45-70
Aerator impellor immersion range (mm of submergence)		50mm	50 mm
Motor Rating (kW) per aerator		37 kW	37 kW
Power Draw Minimum Speed (kW) per aerator		17.7 kW	17.7 kW
Power Draw Maximum Speed (kW) per aerator		28.2 kW	28.2 kW
Aerator weight (kg)		Approx 3800 kg	Approx 3800 kg
Access bridge width		900 mm	900 mm

Describe the method to remove and reinstall aerators		Disconnect hinge pins at bridge. Lift out aerator with crane	Disconnect hinge pins at bridge. Lift out aerator with crane
Include description of crane type and reach required.		Estimate using a 65Tonnes crane with a reach of more than 8m. TBC by crane operator after site visit	Estimate using a 65Tonnes crane with a reach of more than 8m. TBC by crane operator after site visit
Diffused Aeration (if applicable)		N/A	
Outline on the tender design General Arrangement the position of each diffuser grid and lay down areas for cleaning /maintenance when they are removed.			
Include description of crane type (lift capacity) and reach required. State the location of the crane on a GA.			
Diffuser Grid and Pipework Manufacturer			
Diffuser Manufacturer			
Model/Description. Include a drawing/brochure of the diffuser offered.			
Total Number of Diffuser Offered.			
Total number of spare diffusers offered.			
Number of diffuser grids			
Describe method of diffuser grid removal. Attach drawings/sketches if required for better illustration.			
Include a schedule of diffuser numbers per diffuser grid.			
Diffuser airflow range (units to be in actual m3/h at the pressure of the bubble release point)			
Total Airflow Units			
Connection Load Minimum air flow (N m3/h)			
Connection Load Maximum air flow (N m3/h)			
Design Load Minimum air flow (N m3/h)			
Design Load Maximum air flow (N m3/h)			
Describe means of air purge			
Blowers (if applicable)		N/A	
Manufacturer			
Model/Description.			
Number of Installed Duty Blowers			
Number of Installed Standby Blowers			
Type (positive displacement rotary lobe, centrifugal, other)			
Blower dimensions including acoustic enclosure (mm)			
Provide Drawing			
Blower weight (kg)			
Motor Weight (kg)			
Acoustic enclosure weight (kg)			
Acoustic enclosure removal method			
Maximum Blower & Motor Operating Temperature. Note this is subject to acceptance testing			
Blower airflow range from minimum to maximum Nm3/h/blower			
Blower speed at minimum and maximum airflow (rpm)			
Motor Speed at minimum and maximum airflow (rpm)			
Blower Motor Power Rating (kW)			
Peak Power Draw per Blower (kW) at maximum airflow specified above			
Minimum Power Draw per Blower (kW) at minimum airflow specified above			
Discharge Pressure Gauge Type			
Non Return Valve Type			
Pressure Blow Off Type			
Tertiary Clarifiers			
Process Design	N/A		N/A
State peak overflow rate (m/h) for:			
Peak Flow		2.18 m/h @ 3 ADWF	
PDWF		1.31 m/h @ 1.8 ADWF	
Clarifiers			
Total Number Provided		One	
Diameter (m)		15	

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Sidewall depth (m)			3.5
Floor slope (stage grade as 1 in ?)		Flat	
Describe clarifier feed well arrangement. Specifically state if an energy dissipating inlet is provided and/or flocculating centre well, if so provide dimensions.		Feed well-inner - Energy Dissipating Inlet (EDI) included, 1.5 m diameter × 1.6m high	
Clarifier bridge length (m)		8.5m	
Clarifier Bridge walkway width.		900mm	
Clarifier scraper rotation speed range at the side wall position.			
Is speed adjustable?			
If speed is adjustable document how adjustment is made (i.e. mechanical or VFD drive). Mechanical is preferred.		Approx. 1 m/s Yes Mechanical	
Sludge scraper design. Provide drawings showing individual scrapers, log spiral pattern and height of each scraper blade.	One in total - Zickeret Longitudinal Bottom Sludge Scraper Mode - Z2015 One in total - Zickert Cross Collector Model Z2015		
Number of Scum beaches per clarifier		Suction header type clarifier offered None	
Describe scum beach design (i.e. flooded beach, valve mechanism, beach length)		Not Applicable	
Describe bridge travel alarm system on offer.		Rotation proximity switch	
Describe shear pin system on offer.		Emotron, Electronic Shear Pin or equivalent	
Launder Washer			
Describe system offered (pump placement, number of nozzles and placement in launder)		N/A	
Number of Installed Pumps per clarifier		N/A	
Describe method for servicing and removal of pump		N/A	
Tertiary Filtration		N/A	
Alternate offer only			
Is chemical addition for coagulation/flocculation used? If so describe in detail dosing pump arrangement, type, flow.	N/A		
If a flocculator is use describe flocculator volume and method to achieve flocculation.			
Type of filtration (e.g. granular media. Membrane)	Disc Type: Ultrascreen Generation 2 Microfilter Model UL160S		Media
Capacity with one filter offline for backwash (L/s)	Duty Only		No backwash - continious
Granular Media Filtration	Disc Filter		
No of Filter Units	1 off Filter with 5 discs		6
Provide dimensions	Refer attached dwgs (O/A 3780mm L × 2200mm W × 2300mm H)		Filter area 5 m2
Manufacturer	Nuove Energie		Tema
Model	Model UL160S		CWUF
Material of construction for filtration vessel(s)	316ss		Mild steel tank painted to TE-37 with 316 stainless steel internals
Granular Media size (mm for granular media) if different grades list all	N/A Mesh Screen		0.9 effective mm
Granular media depth (mm) if different grades list all depths	N/A		2 m
Filtration rate (m/h) at peak design flow (one unit off line for backwashing)	120 L/sec		370 with filers on line (no backwash)
Backwash rate (m/h). If variable backwash rate is used show variation.	1.5-2.5% Treatable flow rate		NA
Describe method to provide backwash flow to filters. If pumps are used state:	Gravity from Filter Scanner		NA
Clean water Backwash			
- Number installed	1		
- Pump flow range (L/s)	TBC		
- Where clear backwash water is sourced.	Process Water		
Dirty water Backwash			
- Number installed	N/A		
- Pump flow range (L/s)	N/A		
- Where dirty backwash water is returned too.	Typically to inlet		
Provide proposed operational philosophy in a 'stacking event'.	Refer attached technical report		Refer to Functinal description
Clean water backwash tank - Vol/ L/ B/ SWD/ TOC Depth	N/A		NA

Dirty water backwash tank - Vol/ L/ B/ SWD/ TOC Depth	N/A		NA
Catch Tank balance Pumps			
Number of Duty Installed	3 with 2 duty		
Number of installed Standbys	1		
Manufacturer	Xylem		
Model/Description	NP3153MT435		
Specify flow range from minmum to maximum (L/s / pump	7 - 65 L/s		
Is a flow meter installed on this flow line? if not decribe how flow is estimated	Y to control UV dose. Dose is minimised to reduce power		
Power Draw minimum speed (kW)	Approx. 1.3		
Power draw maximum speed (kW)	5.94		
Ultraviolet System			
Model/Description:	DURON / UV system for open channel	Trojan UV300Plus	UN system - Close reactors
Manufacturer	WEDECO, aXylem brand	Trojan Technologies, Ontario Canada	WEDECO, a Xylem brand
Type of Lamps (low or high intensity)	High intensity low energy Ecoray lamps	UPHO (Low Pressure High Output)	High intensity low energy ecoray lamps
No. of channels/ reactors	1 channel	One (1) channel	2 reactors
No. of banks per channel	2	Two (2)	NA
Total number of lamps	24	Sixty Four (64)	64
No. of lamps per bank/ reactor	12	Thirty Two (32). Each bank has four (4) modules with 8 lamps	32
No. of spare lamps provided	2 (in the critical spares kit)	4 (Four) as commissioning spares	2 (in the critical spares kit)
		Each Module weighs 25KG (lamps installed). There are 2 (two) module support racks that are bolted to the channel. The SRK's are 50KG each. The on line chemical mechanical cleaning system used by Trojan means that the entire bank is not lifted from the channel for cleaning or dipping. Each module is individually lifted for routine maintenance tasks such as lamp changes, wiper seal changes and topping up the Acticlean gel.	
Weight per bank (kg) with lamps installed	180	Each bank weighs approximately 100KG's. (4 x 25KG)	Reactor weight 550 kg
Size – Dimensions (mm)	see attached drawing	Each module: 2849 × 1200 × 125 mm	see attached drawing
Hydraulic capacity per unit (L/s) with effluent quality meet.	105 L/s as per spcecification	105 L/s	105 l/s as per specification
Confirm flows specified in the contract can be passed through the system without surcharge.	105 L/s as per spcecification section 12.1, but higher flows can be accomodated	System is designed to disinfect at the PWWF of 105 L/s, @45% UVT with TSS 20 mg/l max Disinfection: 200 feacal coliforms/100 ml, I day maximum Motorised Weir Gate. Water level monitored by a Ultrasonic level sensor. A 4-20mA signal from the level sensor is sent to the SCC (System Control Center) and maintains the optimum water level in the channel to	105 l/s as per specification section 12.1
Channel control weir type (describe method used to control water level)	Downward opening penstock controlled by an ultrasonic level sensor	ensure disinfection without short circuiting.	N/A as there is no level control in a aclose reactor
Design minimum UVT (%)	45%	45%	45%
Quartz sleeve transmissivity (%)	92%	0.9	92%
Quartz sleeve fouling factor (%)	0.958	0.95	0.958
Design UV dose (mWs/cm2) to achieve effluent quality objectives	14 mJ/cm2 RED	30,000 mWs/cm2	16 mJ/cm2
Maximum Power Requirement (kW) to treat PDWF	17 kW	12.16 kW. Ballast Power Level (BPL 74%)	TBA
Power used (kW) to treat a sustained flow of 3 x ADWF (at a UV transmittance of 50%)	About 17 kW for lamps and ballast (The specification does not mention a UVT of 50%	13.44 kW (BPL 84%)	About 10 kW per unit at 105 L/s, total about 20 kW at the specified UVT of 45% (The specification does not mention a UVT of 50%)
Power turndown (per bank)	50-100% at each reactor	60% of design power level	50 - 100% at each reactor

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		The Trojan System UV3000Plus, is able to vary the bank power level down to 60% design power level. This corresponds to a system power variation down to 30% (1 Bank on at 60% BPL) of maximum power.	
Total system power turndown	25-100%		25-100%
Guaranteed Lamp Life (hours)	14,000 hrs		12,000 14000 hours
Guaranteed Quarts Sleeve Life (hours)	1 year. Expected life time: 5 to 10 years	43,800 hours +, (5 years plus)	1 year. Expected life time:5 to 10 years
No. of times lamps can be switched on/off per 24 hours period	4 on/off per 24 hours of effective operation	4 (Four)	4 on /off per 24 hours of effective operation
Automated Lamp Cleaning system type (state if chemical cleaning is used and method to move wipers)	Wipers made of Wipers made of Teflon and Hypalon rings with electrical actuator. This method is proved as good as chemical cleaning (document available) and does not require chemicals.	Online Chemical Mechanical (cleaning takes place without interruption to disinfection) Wipers are hydraulically driven, typical is twice per day	Wipers made of Teflon and Hypalon rings. This method is proved as good as chemical cleaning (document available) and does not require chemicals
Automated Lamp Cleaning system cleaning chemical used (if applicable)	N/A – No chemicals are required.	Acticlean Gel (MSDS provided) Acticlean is a food grade low strength phosphoric acid in a gel form	N/A - No chemicals are required
Alternate Offer			
Model/Description:	UV sytem - Close reactors		
Manufacturer	WEDECO, a Xylem brand		
Type of Lamps (low or high intensity)	High Intensity low energy Ecoray lamps		
No. of channels/ reactors	2 reactors		
No. of banks per channel	N/A		
Total number of lamps	64		
No. of lamps per bank/ reactor	32		
No. of spare lamps provided	2 (in critical spares kit)		
Weight per bank (kg) with lamps installed	Reactor Weight 550 kg		
Size – Dimensions (mm)	see attached drawing		
Hydraulic capacity per unit (L/s) with effluent quality meet.	105 l/s as per specification		
Confirm flows specified in the contract can be passed through the system without surcharge.	105 l/s as per specification section 12.1		
Channel control weir type (describe method used to control water level)	N/A as there is no level control in a close reactor		
Design minimum UVT (%)	45%		
Quartz sleeve transmissivity (%)	92%		
Quartz sleeve fouling factor (%)	0.958		
Design UV dose (mWs/cm2) to achieve effluent quality objectives	16 mJ/cm2		
Maximum Power Requirement (kW) to treat PDWF			
Power used (kW) to treat a sustained flow of 3 x ADWF (at a UV transmittance of 50%)	About 10 kW per unit at 105 L/s, total about 20 kW at the specified UVT of 45% (The specification does not mention a UVT of 50%)		
Power turndown (per bank)	50 - 100 % at each reactor		
Total system power turndown	25 - 100%		
Guaranteed Lamp Life (hours)	14,000 hours		
Guaranteed Quarts Sleeve Life (hours)	1 year. Expected life time: 5 to 10 years		
No. of times lamps can be switched on/off per 24 hours period	4 on/off per 24 hours of effective operation		

General Items

Storage Tank			
Tank name/description:		Sodium hydroxide	Sodium hydroxide
Manufacturer	Sodium Hydroxide	Dex Polycon	Dex Polycon
Country of Manufacture	Australia	Australia	Australia
Type	Chemical storage	IBC	IBC
Working Volume	25,000 L	1000 L	1000 L
Materials of Construction	HDPE SG 2.0	UV stabilised LLDPE	UV stabilised LLDPE
Diameter	3.6 m	1165 x 1165 m	1165 x 1165 m
Height	2.4 m	1290 m	1290 m
Volume	25 m3	1 m3	1 m3

Vent diameter	50 mm	NA	NA
Outlet diameter	25 mm	50 mm	50 mm
Overflow diameter	80 mm	NA	NA
Fill line diameter	50 mm	150 mm	150 mm
Analogue level transmitter type	Hydrostatic	NA	NA
Baffle type (for mixed tanks)		NA	NA
Drain diameter	25 mm	NA	NA
Visual level indicator type	Translucent	Clar Tank	Clear Tank
Level switch type	Hydrostatic	NA	NA
Maintenance access – top	manhole	NA	NA
Maintenance access - interior		NA	NA
Amenability for fluid contained has been confirmed?	Yes	Yes	Yes
Storage capacity at maximum consumption (days)	Over 30 days	1.4 days	1.4 days

Storage Tank			
Tank name/description:		Aluminium Sulphate (Alum)	Aluminium Sulphate (Alum) - STP
Manufacturer		Bushmans	Bushmans
Country of Manufacture		Australia	Australia
Type		Chemical Grade Storage Tank	Chemical Grade Storage Tank
Working Volume		25,000 L	25,000 L
Materials of Construction		UV stabilised LLDPE	UV stabilised LLDPE
Diameter		3.73 m	3.73 m
Height		2.55 m	2.55 m
Volume		26.2 m3	26.2 m3
Vent diameter		80 mm	80 mm
Outlet diameter		40 mm	40 mm
Overflow diameter		80 mm	80 mm
Fill line diameter		50 mm	50 mm
Analogue level transmitter type		Hydrostatic Level transmitter	Hydrostatic Level transmitter
Baffle type (for mixed tanks)		Not applicable	Not applicable
Drain diameter		50 mm	50 mm
Visual level indicator type		External magnetic level indicator	External magnetic level indicator
Level switch type		Magnetic switch	Magnetic switch
Maintenance access – top		600 mm	600 mm
Maintenance access - interior		Not applicable	Not applicable
Amenability for fluid contained has been confirmed?		Yes	Yes
Storage capacity at maximum consumption (days)		11.6 @ 90 L/h	11.6 @ 90 L/h

Storage Tank	
Tank name/description:	Sodium Hypochlorite
Manufacturer	Dex Polycon
Country of Manufacture	Australia
Type	Round drum
Working Volume	205 L
Materials of Construction	
Diameter	0.65 m
Height	10.2 m
Volume	0.22 m3
Vent diameter	NA
Outlet diameter	15 mm
Overflow diameter	40 mm
Fill line diameter	25 mm
Analogue level transmitter type	NA
Baffle type (for mixed tanks)	NA
Drain diameter	25 mm
Visual level indicator type	Clear Tank
Level switch type	Float Type
Maintenance access – top	NA
Maintenance access - interior	NA

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Amenability for fluid contained has been confirmed?		Yes	
Storage capacity at maximum consumption (days)		4.3 @ 2 L/h	
Storage Tank			
Tank name/description:		Recycled Water	
Manufacturer		Bushman/Polymaster/other	
Country of Manufacture		Australia	
Type		Water Storage	
Working Volume		30,000 L	
Materials of Construction		UV Stabilised LLDPE	
Diameter		4.0 m	
Height		3.0 m	
Volume		30 m3	
Vent diameter		50 mm	
Outlet diameter		100 mm	
Overflow diameter		100 mm	
Fill line diameter		100 mm	
Analogue level transmitter type		NA	
Baffle type (for mixed tanks)		NA	
Drain diameter		50 mm	
Visual level indicator type		NA	
Level switch type		Poly float	
Maintenance access – top		600 mm	
Maintenance access - interior		NA	
Amenability for fluid contained has been confirmed?		Yes	
Storage capacity at maximum consumption (days)			
Pipelines			
Pipe application:	Septage		
Material	PVC	Refer to STP pipe schedule - rev3	Generally DICL
Pressure rating	PN 12	Refer to STP pipe schedule - rev3	Varies
Diameter	150 mm	Refer to STP pipe schedule - rev3	100 to 375 dia
Manufacturer	Vinidex	Vinidex/iPlex/Humes/Global Pipe	TBA
		Underground pipework : RRJ	
Method of Jointing	RRJ	Above ground pipework: Flanged	Flanged & SO-SP
Pipe application:	RAw Sewage and Idea Tank feed		
Material	DICI		
Pressure rating	PN20		
Diameter	375 mm		
Manufacturer	Pentair		
Method of Jointing	RRJ		
Pipe application:	Decanter and catch tank overflow pipes		
Material	GRP		
Pressure rating	SN10		
Diameter	750 mm		
Manufacturer			
Method of Jointing	RRJ		
Pipe application:	Overflow		
Material	Sewr Pro HDPE		
Pressure rating	Gravity		
Diameter	750 mm		
Manufacturer			
Method of Jointing	RRJ		
Pipe application:	UV discharge		
Material	SS in part DICL		
Pressure rating	PN20		
Diameter	375 mm		
Manufacturer	Pentair		
Method of Jointing	Flanged and RRJ		
Method of chemical injection connection		Taping band	TBA

Method of insulation/lagging (where required)		NA	TBA
Support types and locations	Generally Plinths is above Ground	Aboveground: Pipe brackets Underground: Direct buried w/c thurst blocks as required	Concrete / Galv Steel
Method of allowing for relative movement (where pipework enters rigid structure)	Flexible o-ring joints	Underground pipework - 1m rocker Pipe Cast-in pipework sections method: SS316 Spiral Welded Pipe	Expansion Joints
Method for sealing penetrations to structures	Cast in inserts	Or DICL	Cast into concrete
Pumps			
Pump Application	Refer to details in subsequent sections	Septage receival Pumps	Septage Pump
Pump			
Number of installed		2	2
Configuration (state number installed duty and standbys)		Duty/Standby	Duty/Standby
Manufacturer's Name		Sulzer	Xylem Flyght
Pump Type (i.e. centrifugal, positive displacement)		Submersible with Pedestal	Submersible sewage pump
Pump Model & Size		XFP80C CB1/DN80	NP3085SH254
Motor			
Manufacturer's Name		Sulzer	Xylem Flyght
Country of Manufacture		Ireland	China
MCR in Air at 40 oC (kW)		2.2	2.4 kW
Motor Synchronous Speed (rpm)		1500	2860 rpm
Performance (Fixed Speed Pumps) specify at duty point.			
Is adjustment of flow provided by geared adjustment of motor? If so in flow rate below specify flow range.		No, Pump is direct driven by submersible Induction motor (IP 68)	
Flow Rate (L/s)			10.1 10.2 L/s @ 50hz
Total Head (m)			9.25 12.5m @ 50 hz
Pump Efficiency (%)			54.1 60.70%
Power Input to Pump (kW)			1.71 2.4 kW
Performance (Variable Speed Pumps) specify at duty point.		NA for fixed speed pump	
Flow Rate Range (L/s). Specify minimum and maximum			Please see attached VSD curve
Total Head Range (m) Specify minimum and maximum			Please see attached VSD curve
Pump Efficiency (%) Specify minimum, middle (of range) and maximum			61% @ BEP
Maximum Power Input to Pump (kW)			2.5kW

Pump Application	Catch Tank Sludge Pump
Pump	
Number of installed	1
Configuration (state number installed duty and standbys)	Duty
Manufacturer's Name	Sulzer
Pump Type (i.e. centrifugal, positive displacement)	Submersible with Pedestal
Pump Model & Size	XFP100C CBI/DN100
Motor	
Manufacturer's Name	Sulzer
Country of Manufacture	Ireland
MCR in Air at 40 oC (kW)	1.3
Motor Synchronous Speed (rpm)	1000
Performance (Fixed Speed Pumps) specify at duty point.	
Is adjustment of flow provided by geared adjustment of motor? If so in flow rate below specify flow range.	No, Pump is direct driven by submersible induction motor (IP 68)
Flow Rate (L/s)	12.5
Total Head (m)	3.14
Pump Efficiency (%)	57.4
Power Input to Pump (kW)	0.684
Performance (Variable Speed Pumps) specify at duty point.	NA
Flow Rate Range (L/s). Specify minimum and maximum	
Total Head Range (m) Specify minimum and maximum	
Pump Efficiency (%) Specify minimum, middle (of range) and maximum	
Maximum Power Input to Pump (kW)	

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Pump Application	UV Disinfection Pit transfer pump/effluent pump	UV Effluent Transfer Pump
Pump		
Number of installed	1	1
Configuration (state number installed duty and standbys)	Duty	Duty
Manufacturer's Name	Sulzer	Xylem Flyght
Pump Type (i.e. centrifugal, positive displacement)	Submersible with Pedestal	Submersible sewage pump
Pump Model & Size	XFP80C CBI/DN80	NP3085Mt461
Motor		
Manufacturer's Name	Sulzer	Xylem Flyght
Country of Manufacture	Ireland	China
MCR in Air at 40 oC (kW)	2.2	1.3 kW
Motor Synchronous Speed (rpm)	1500	1435 rpm
Performance (Fixed Speed Pumps) specify at duty point.		
Is adjustment of flow provided by geared adjustment of motor? If so in flow rate below specify flow range.	No, Pump is direct driven by submersible induction motor (IP 68)	
Flow Rate (L/s)	10.2	10.6 L/s @ 50Hz
Total Head (m)	8.26	5.7 m @ 50hz
Pump Efficiency (%)	54.1	53.70%
Power Input to Pump (kW)	1.49	1.41 KW
Performance (Variable Speed Pumps) specify at duty point.	NA	
Flow Rate Range (L/s). Specify minimum and maximum		Please see attached VSD curve
Total Head Range (m) Specify minimum and maximum		Please see attached VSD curve
Pump Efficiency (%) Specify minimum, middle (of range) and maximum		63.7% BEP
Maximum Power Input to Pump (kW)		1.6 kW

Pump Application	Supernatant return pumps	Supernatant Pump
Pump		
Number of installed	2	2
Configuration (state number installed duty and standbys)	Duty/Standby	Duty/Standby
Manufacturer's Name	Sulzer	Xylem Flyght
Pump Type (i.e. centrifugal, positive displacement)	Submersible with pedestal	Submersible Sewage Pump
Pump Model & Size	XFP80C CBI/DN80	NP3085SH254
Motor		
Manufacturer's Name	Sulzer	Xylem Flyght
Country of Manufacture	Ireland	China
MCR in Air at 40 oC (kW)	2.2	2.4 kW
Motor Synchronous Speed (rpm)	1500	2860
Performance (Fixed Speed Pumps) specify at duty point.		
Is adjustment of flow provided by geared adjustment of motor? If so in flow rate below specify flow range.	No, Pump is direct driven by submersible induction motor (IP 68)	
Flow Rate (L/s)	10.1	10.2 L/s @50hz
Total Head (m)	9.25	12.5 m @ 50 Hz
Pump Efficiency (%)	54.1	60.70%
Power Input to Pump (kW)	1.71	2.4 kW
Performance (Variable Speed Pumps) specify at duty point.	NA	
Flow Rate Range (L/s). Specify minimum and maximum		Please see attached VSD curve
Total Head Range (m) Specify minimum and maximum		Please see attached VSD curve
Pump Efficiency (%) Specify minimum, middle (of range) and maximum		61% @ BEP
Maximum Power Input to Pump (kW)		2.5 KW

Pump Application	UV Recirculation Pump
Pump	
Number of installed	2
Configuration (state number installed duty and standbys)	Duty/Standby
Manufacturer's Name	Xylem Goulds GISO
Pump Type (i.e. centrifugal, positive displacement)	End suction back pull out
Pump Model & Size	GISO 80x65 - 160
Motor	
Manufacturer's Name	TECO or equivalent

Country of Manufacture	China
MCR in Air at 40 oC (kW)	1.1 kW
Motor Synchronous Speed (rpm)	1450 rpm
Performance (Fixed Speed Pumps) specify at duty point.	
Is adjustment of flow provided by geared adjustment of motor? If so in flow rate below specify flow range.	
Flow Rate (L/s)	10 L/s @ 50hz
Total Head (m)	5.1m @ 50hz
Pump Efficiency (%)	70.30%
Power Input to Pump (kW)	0.709kW
Performance (Variable Speed Pumps) specify at duty point.	
Flow Rate Range (L/s). Specify minimum and maximum	NA
Total Head Range (m) Specify minimum and maximum	NA
Pump Efficiency (%) Specify minimum, middle (of range) and maximum	72.6% @ BEP
Maximum Power Input to Pump (kW)	1.1 kW

Pump Application	IDEA WAS Pump
Pump	
Number of installed	2
Configuration (state number installed duty and standbys)	Duty
Manufacturer's Name	Xylem Flyght
Pump Type (i.e. centrifugal, positive displacement)	Submersible dry mounted sewage pump
Pump Model & Size	CT3085MT438
Motor	
Manufacturer's Name	Xylem Flyght
Country of Manufacture	China
MCR in Air at 40 oC (kW)	1 kW
Motor Synchronous Speed (rpm)	1450 rpm
Performance (Fixed Speed Pumps) specify at duty point.	
Is adjustment of flow provided by geared adjustment of motor? If so in flow rate below specify flow range.	
Flow Rate (L/s)	12 L/s @ 50 HZ
Total Head (m)	2.9m @ 50 HZ
Pump Efficiency (%)	46.90%
Power Input to Pump (kW)	0.975 kW
Performance (Variable Speed Pumps) specify at duty point.	
Flow Rate Range (L/s). Specify minimum and maximum	Please see attached VSD curve
Total Head Range (m) Specify minimum and maximum	Please see attached VSD curve
Pump Efficiency (%) Specify minimum, middle (of range) and maximum	47% @ BEP
Maximum Power Input to Pump (kW)	1 kW

Pump Application	IDEA RAS Pump
Pump	
Number of installed	2
Configuration (state number installed duty and standbys)	Duty
Manufacturer's Name	Xylem Flyght
Pump Type (i.e. centrifugal, positive displacement)	Submersible dry mounted sewage pump
Pump Model & Size	NT3153LT624
Motor	
Manufacturer's Name	Xylem Flyght
Country of Manufacture	China
MCR in Air at 40 oC (kW)	9 kW
Motor Synchronous Speed (rpm)	905 rpm
Performance (Fixed Speed Pumps) specify at duty point.	
Is adjustment of flow provided by geared adjustment of motor? If so in flow rate below specify flow range.	
Flow Rate (L/s)	144.9 L/s @ 50 Hz
Total Head (m)	2.14m @ 50 Hz
Pump Efficiency (%)	67.00%
Power Input to Pump (kW)	5.2 kW

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Performance (Variable Speed Pumps) specify at duty point.	
Flow Rate Range (L/s). Specify minimum and maximum	Please see attached VSD curve
Total Head Range (m) Specify minimum and maximum	Please see attached VSD curve
Pump Efficiency (%) Specify minimum, middle (of range) and maximum	70.4 % @ BEP
Maximum Power Input to Pump (kW)	5.7 KW

Pump Application	Filter Feed Pump
Pump	
Number of installed	2
Configuration (state number installed duty and standbys)	Duty/Standby
Manufacturer's Name	Xylem Lowara
Pump Type (i.e. centrifugal, positive displacement)	End suction back pull out
Pump Model & Size	NSC 150-200
Motor	
Manufacturer's Name	TECO or equivalent
Country of Manufacture	China
MCR in Air at 40 oC (kW)	15 kW
Motor Synchronous Speed (rpm)	1450 rpm
Performance (Fixed Speed Pumps) specify at duty point.	
Is adjustment of flow provided by geared adjustment of motor? If so in flow rate below specify flow range.	
Flow Rate (L/s)	104.8 L/s at 50 Hz
Total Head (m)	10m @ 50hz
Pump Efficiency (%)	81.70%
Power Input to Pump (kW)	14.65kW
Performance (Variable Speed Pumps) specify at duty point.	
Flow Rate Range (L/s). Specify minimum and maximum	NA
Total Head Range (m) Specify minimum and maximum	NA
Pump Efficiency (%) Specify minimum, middle (of range) and maximum	81.7% @ BEP
Maximum Power Input to Pump (kW)	15 kW

Pressure Pump systems (Service or recycled effluent)			
System design pressure range (kPa)	500	1600	400 kpa
System design flow range (L/s)	20	56.67	20L/s
Describe method to adjust pressure set point.	Through PLC/ SCADA	Variable speed of each individual pump	NA
Pump, Motor & Expansion Vessel			
Manufacturer:	Pentair Southern Cross	grundfos	Teco Motor Global water solutions vessel Lowra pump
Pump Type	Multistage centrifugal	centrifugal (vertical multi-stage)	Vertical multistage
Number of Pumps	3	Two (2)	2
VFD Drive Y/N	Y	Yes	N
Pump Model/Description	SB120-5	CRIE64-2-1	SV66-02
Impeller Type	enclosed	Closed	Closed
Pump motor size (kW) for each	5.5	18.5	11kW
Expansion vessel volume (L)	50 L	18 (Non-conforming to AS1210 or similar)	18 L
Pump Controller			Optional at additional cost
Manufacturer:	Part of STP PLC	Grundfos	Vogel (if provided)
Place of manufacture:		Australia	Austria (if provided)
Model/Description		Control MPC-E 2×18.5 kW	Hydrovar (if provided)
Control method description		Constant pressure through continious adjustament of the speed of the pumps	Variable speed
Ancillary Equipment			
Flow meter make/model/manufacturer	ABB pr Siemens	NA	NA
Flow switch make/model/manufacturer		NA	NA
Pressure gauge make/model/manufacturer		Wika 233	NA
Pressure relief make/model/manufacturer		NA	NA
Pressure regulator make/model/manufacturer			NA

Mixer			
Manufacturer	N/A	NA	Xylem Flyght
Country of Manufacture			China
Model			SR4630SF
Speed range			705
Materials of construction			SS316
Motor details			Flyght / 1.5 kW
Impeller type			Propeller

Chemical Systems			
CHEMICAL:	Alum	Alum	Alum
Chemical classification (e.g. Class 8 DG)	None	Not classified as dangerous goods according to the Australian Dangerous Goods Code (ADG)	TBA
Delivery method	Bulk Tranker	Bulk unloading by road tanker	Tanker
Delivery quantity	Up to 20 kL	17 kL load from a road tanker	TBA
Method of unloading	Tanker Transfer	Bulk unloading by yanker, pump and camlock	Hose to inlet pipe
Equipment provided (e.g. fork-lift attachments)		NA	Nil
Storage support (e.g. elevated grate accessible for forklift unload)	Plinth	NA	refer to drawings
Size of storage bund area (L x W x H)	6.5 × 6.5 × 1	6300 mm (L) × 6300mm (W) × 1000 mm (H)	refer to drawings
Bund materials	Concrete	Concrete	Concrete
Bund protective coating description	Nitocote	high build epoxy resin - sikagard - 63 N with anti-slip aggregate or approved equivalent	Epoxy
Method of personnel access to bunded area	Steps	Stairs & platform	Stairs
No of delivered containers housed within bunded area (if applicable)	Bulk storage	NA	refer to drawings
Manual handling requirements	Transfer connection only	NA	Nil
Roof height (to lowest point on underside from surface of bund floor	2.8 m	As required to suit the design requirements, to be finalised upon detailed design completion	refer to drawings

CHEMICAL:	Sodium Hydroxide	Sodium Hydroxide	Sodium Hydroxide
Chemical classification (e.g. Class 8 DG)	Class 8 PGIII	Class 8 Corrosive	TBA
Delivery method	Bulki Box	IBC by truck	Tanker
Delivery quantity	Up to 3	1,00 L containers (1 online, 2 storage)	TBA
Method of unloading	Monorail	Forklift	Hose into inlet pipe
Equipment provided (e.g. fork-lift attachments)		Crane	Nil
Storage support (e.g. elevated grate accessible for forklift unload)	transfer from portable to permanent tank	Elevated to suit loading and unloading	refer to drawings
Size of storage bund area (L x W x H)		Combined Sodium Hydroxide and Sodium hypochlorite storage area, 14000mm (L) × 5370 mm (W) × 200 mm (H)	refer to drawings
Bund materials	Concrete	Concrete	Concrete
Bund protective coating description		High build epoxy resin - silagard-63 N with anti slip aggregate or approved equivalent	Epoxy
Method of personnel access to bunded area	ground level	Stairs & platforms	Stairs
No of delivered containers housed within bunded area (if applicable)	3	2	refer to drawings
Manual handling requirements	Shift Bulki box from Hard stand to storage bund	NA	Nil
Roof height (to lowest point on underside from surface of bund floor	2.8	As required to suit the design requirements, to be finalised upon detailed design completion	refer to drawings

CHEMICAL:		Sodium Hypochlorite	Sodium hypochlorite
Chemical classification (e.g. Class 8 DG)		Class 8 corrosive	TBA
Delivery method		Drum by truck	TBA
Delivery quantity		205 L drums (three in storage)	TBA
Method of unloading		Trolley	Hiab
Equipment provided (e.g. fork-lift attachments)		Manual operation with drum pump	Nil
Storage support (e.g. elevated grate accessible for forklift unload)		Elevated to suit loading and unloading	Steel Frame
Size of storage bund area (L x W x H)		Combined Sodium Hydroxide and Sodium hypochlorite storage area, 14000mm (L) × 5370 mm (W) × 200 mm (H)	refer to drawings
Bund materials		Concrete	Concrete
Bund protective coating description		High build epoxy resin - sikagard-63 N with anti-slip aggregate or approved equivalent	Epoxy

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Method of personnel access to bunded area		Stairs & platforms	Stairs
No of delivered containers housed within bunded area (if applicable)		3 in storage (each 205 L)	refer to drawings
Manual handling requirements		NA	Nil
Roof height (to lowest point on underside from surface of bund floor		As required to suit the design requirements, to be finalised upon detailed design completion	refer to drawings
Chemical preparation System		N/A	
Manufacturer			
Country of Manufacture			
Model			
Maximum capacity			
Turndown ratio			
Motor Type/Model			
Motor Full load current			
Power draw at duty rating			
Method of receiving as-delivered chemical			
Concentration of made-up chemical			
Provisions to avoid slips, trips and falls (e.g. grating false floor)			
Chemical Doisng pumps	Alum	Alum	Alum
Manufacturer	Grundfos	Grundfos	Grundfos
Country of Manufacture	germany	Germany	Germany
Model	DD1150	DME 150-4	DME 150-4
No. of Pumps	Duty 1, Standby 1	3	3
Maximum capacity	150 L/hr	150 L/hr	150
Turndown ratio	3000; 1	Max 1;1800	
Motor manufacturer		Grundfos	Grundfos
Motor Type/Model		Digital	Digital
Motor Full load current		0.6	0.6
Power draw at duty rating	250 W	61.3 W	61.3
Over-pressure system	Built -in	External pressure relief valve	External pressure relief valve
Pulsation dampener type and rating		Blacoh RC-04PVC, 0.06 L, 10.3 Bar	Blacoh RC-04 PVC, 0.06 L, 10.3 bar
Calibration cylinder type and capacity	1 L	PVC Calibration column , 2L	PVC Calibration Column 2 L
Method for flushing detailing connection points	To suit PSC	Camock connections on flushing points	Camlock connections on flushing points
Chemical Doisng pumps		Sodium hydroxide	Sodium hydroxide
Manufacturer		Grundfos	Grundfos
Country of Manufacture		Germany	Germany
Model		DDA 30-4	DDA 30-4
No. of Pumps		2 (Duty, Cold standby)	2 (Duty: Cold Standby)
Maximum capacity		30 L/hr	30
Turndown ratio		Max 1;1000	1;1000
Motor manufacturer		Grundfos	Grundfos
Motor Type/Model		Digital	Digital
Motor Full load current		25	25
Power draw at duty rating		18 W	18
Over-pressure system		External Pressure Relief valve	External pressure relief valve
Pulsation dampener type and rating		Blach RC-04PVC, 0.06 L, 10.3 Bar	Blacoh RC-04PVC, 0.06 L, 10.3 bar
Calibration cylinder type and capacity		PVC calibration Column 0.5 L	PVC Claibration Column 0.5 L
Method for flushing detailing connection points		Camlock connections on flushing points	Camlock connections on flushing points
Chemical Doisng pumps		Sodium hypochlorite	Sodium hypochlorite
Manufacturer		Grundfos	Grundfos
Country of Manufacture		Germany	Germany
Model		DDA 7.5-16	DDA 7.5-16
No. of Pumps		1	1
Maximum capacity		7.5 L/hr	7.5
Turndown ratio		Max 1;1000	
Motor manufacturer		Grundfos Digital	Grundfos
Motor Type/Model			Digital

Motor Full load current		25	25
Power draw at duty rating		18 W	18
Over-pressure system		External pressure Relief Valve	External pressure relief valve
Pulsation dampener type and rating		Blacoh RC-04PVC, 0.06 L, 10.3 Bar	Blacoh RC-04PVC, 0.06 L, 10.3 Bar
Calibration cylinder type and capacity		PVC Calibration Column 0.5 L	PVC Calibration Column 0.5 L
Method for flushing detailing connection points		Camlock connections on flushing points	Camlock connections on flushing points
Valves	Refer Schedules	Refer Schedules	Refer Schedules
Instrumentation	Refer Schedules	Refer Schedules	Refer Schedules
Electrical /PLC/SCADA	Refer Schedules	Refer Schedules	Refer Schedules

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WTP – Hunter H2O –Technical Assessment

	Tenderer		*Haslin JV*	*John Holland*	*Monadelphous*
Item	*Criterion*	*Weighting (%)*			
8	**Technical Assessment**	**40**			
8a	Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4	7.25	7.5	5
8b	Overall level of conformance with the PPR	2	6.5	6.75	5
8c	Level of adoption of General Design Requirements and Golden Rules	2	6.5	8	7.5
8d	Proposed layouts provide full visibility of, and access to, all areas	2	9	6.75	7.5
8e	Process headroom is sufficient to cope with expected variations in raw water quality	4	8	5	4
8f	Design is hydraulically efficient and minimizes treated water and backwash water pumping	4	6.75	7.5	8
8g	Process complexity and operational requirements are minimized	4	7	6	6
8h	Equipment offered is easy to operate and maintain with good local access to spares and service	4	7	6	6
8i	Design Assumptions are reasonable	10	7	7.5	7
8j	The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4	7.75	8	6.25
	Raw Score (/100)		**72.75**	**69**	**62.25**
	Weighted Score (/40)		**28.9**	**27.8**	**25.1**

STP –Hunter H2O –Technical Assessment

	Tenderer		*Haslin JV*	*John Holland*	*Mondadelphous*
Item	*Criterion*	*Weighting (%)*			
		Total			
8	**Technical Assessment**	**40**			
8a	Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4	6.8	7.8	5.8
8b	Overall level of conformance with the PPR	2	6.5	8.7	6.5
8c	Level of adoption of General Design Requirements and Golden Rules	2	7.5	8.7	7.5
8d	Proposed layouts provide full visibility of, and access to, all areas	2	7.7	7.8	5.3
8e	Process headroom is sufficient to cope with expected variations in influent quality	4	6.5	8.5	5.0
8f	Design is hydraulically efficient and does not require inter-stage pumping	4	7.5	7.8	6.4
8g	Process complexity and operational requirements are minimized	4	7.0	7.5	6.5
8h	Equipment offered is easy to operate and maintain with good local access to spares and service	4	7.5	7.5	7.0
8i	Design Assumptions are reasonable	10	6.0	8.0	6.3
8j	The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4	6.8	8.3	6.2
	Raw Score (/100)		**69.8**	**80.6**	**62.5**
	Weighted Score (/40)		**27.2**	**32.0**	**24.9**

Appendix E: Architectural Report

General Manager

Mayor

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TENDER FOR DESIGN AND CONSTRUCTION OF NEW SEWAGE TREATMENT PLANT FOR PARKES SHIRE COUNCIL NSW

TENDER COMPLIANCE REVIEW REPORT – PRELIMINARY ARCHITECTURAL DESIGN

John Holland

This tender follows the same planning principal of preliminary design layout concerning the building formation, the building's functional relationship and the overall site circulation. They proposed some modifications to the mechanical process, highlighted some structural perceptions, and considered some changes to the external finishes.

In relation to their individual architectural building proposals, they are more concerned on cost reduction rather than the aesthetic, functional aspects and regional context. The external material selection and roof formation is not giving any contemporary feeling to the project as it mentioned.

In the Amenities building, they have modified the floor plan that maintained the preliminary architectural design concept as it is, but omitted certain stakeholder appreciated, functional and utility, requirements. Their internal material selection has not considered the durability and maintenance requirements.

It is my opinion that this proposal has highly compromised the Principal's project architectural requirement in order to reduce the cost, although, the architectural cost component of the project is significantly low.

Haslin

Their proposal to the layout has followed the same preliminary design concept, except for some proposals regarding building relocations and additions. These changes purely relates to their engineering concept and has no impact to the architectural outcome.

They proposed to follow the same preliminary architectural design for Amenities/Electrical building except the floor area in the Electrical Switch room is increased. Some features of internal and external finishes for all architectural buildings are proposed to change elsewhere in the document but none of these changes are recorded in the 'Statement of Departures'. Their proposal to change some building materials in order to institute some cost reductions will affect the aesthetic, durability and maintenance requirement of the project.

Monadephous

This tender proposed major layout changed to the project's preliminary design arrangement. There's both 'conforming' and 'alternative' offers following the same functional principles as in the preliminary design; however, it has narrowed down and created more spacious environment. Architecturally, the site circulation is well managed, however this to be judge according to the engineering and mechanical process by an expertise. Both proposals have not considered site-planning allocation to future expansions. There is a visible Length to width factor difference in the site boundary compared to the allocated project site, however, the site boundaries are not dimensioned in the proposal and therefore it is difficult to judge whether the proposal has utilised more land than the preliminary layout.

This proposal did not make any change to the architectural design component of the facility and conformed to the Principal's project preliminary architectural requirements.

Attachments:

1. John Holland – STP Tender Compliance – Preliminary Architectural Design
2. Haslin – STP Tender Compliance – Preliminary Architectural Design
3. Monadephous – STP Tender Compliance – Preliminary Architectural Design

TENDER FOR DESIGN AND CONSTRUCTION OF NEW WATER TREATMENT PLANT FOR PARKES SHIRE COUNCIL NSW

TENDER COMPLIANCE REVIEW REPORT – PRELIMINARY ARCHITECTURAL DESIGN

John Holland

This tender follows the same principal of preliminary design layout in concern to the building's functional relationship and the overall site circulation. They proposed some building relocations against the preliminary design and there is no much effect to the architectural consideration. These changes are mainly considered the engineering and mechanical functional requirements must be judged according to the respective discipline. The locational change to the Lamella/Flocculation tank and Media Filters are against the site topography must be justified compare to the mechanical, functional and financial achievements.

In relation to their individual architectural building proposals, they are more concerned to cost reduction rather the aesthetic, functional aspects and regional context. The external material selection and roof formation is not giving any contemporary feeling to the project as it mentioned.

In the Amenities and Depot buildings, they have deleted and/or amalgamated certain functional requirements are contrary to the actual client requirements. Their internal material selection is not considered the durability and maintenance requirements.

It is my opinion that this proposal has highly compromised the Principal's project architectural requirement in order to reduce the cost, although, the architectural cost component of the project is significantly low.

Haslin

Their proposed layout is followed the same preliminary design concept except some building relocations and additions. These changes are purely related to their engineering concept and no any impact to the architectural outcome.

They proposed to have single storey for Amenities building, however, their planning proposal is not included in the document. The single storey building proposal will abolish the project requirement to view the building facilities through the training room. They have proposed to replace certain building materials for cheap options elsewhere in their tender document, however, non of these changes are recorded in the 'Statement of Departures'. It is proposed to delete the Council Depot in one place of the tender document, but the Depot building is shown in their layout and not recorded in the 'Statement of Departures'. Their proposal for some cheap building materials will impact on the aesthetic, durability and maintenance requirement of the project.

Monadephous

This tender was proposed locational changes to main process treatment structure and chemical storage buildings. Certain circulation change is proposed to the layout and it is related to the engineering and functional requirements. Their proposal to move main process treatment structure close to the Amenities building will block the site's North-East view from the Amenities building, though it is created easy operational and educational inspections to the main process treatment structure.

This proposal did not make any change to the architectural design component of the facility and conformed to the Principal's project preliminary architectural requirements.

Attachments:

1. John Holland – WTP Tender Compliance – Preliminary Architectural Design
2. Haslin – WTP Tender Compliance – Preliminary Architectural Design
3. Monadephous – WTP Tender Compliance – Preliminary Architectural Design

TENDER FOR DESIGN AND CONSTRUCTION OF NEW WATER TREATMENT PLANT FOR PARKES SHIRE COUNCIL NSW

TENDER COMPLIANCE – PRELIMINARY ARCHITECTURAL DESIGN

TENDERER: HASLIN CONSTRUCTION

Note: This report discusses only the relevant proposals provided in the tender submission. Any architectural or functional requirements not discussed in the tender submission considered as the particular item is conformed to the Principal's original project requirement.

COMPLIANCES	TENDER RESPONSES		EVALUATOR COMMENTS	
	PROPOSAL	REASONING	POSITIVE	NEGATIVE
General Design Compliances	Not allowed for 3D design			3D design is required to justify aesthetic, topographic and environmental context of the project design out-come
	Ensure smallest possible environmental footprint		Conformed to the Principal's project requirements.	
	Good security design should integrate.	Reduction in the fear and incidence of crime against people or property.	Conformed to the Principal's project requirements.	
	Design should seek to minimise recurrent cleaning, maintenance and replacement cost by specifying materials, finishes, components, assembles, systems.	– Maintain easily, safely and cost effectively. – Long periods between required servicing, cleaning and/or maintenance.	Conformed to the Principal's project requirements.	
	Building long life expectancy.		Conformed to the Principal's project requirements.	Not defined the building's life expectancy periods.
	Low operation and energy consumption cost		Conformed to the Principal's project requirements.	
	Resistance to the anticipated wear and tear, appropriate to the environment.		Conformed to the Principal's project requirements.	
	Environment: – Use, reuse and conserve resources wisely – Reduce greenhouse gas emissions – Reduce consumption of non-renewable energy.		Conformed to the Principal's project requirements.	
	Design obligations		Conformed to the Principal's project requirements.	
	Management of the design process		Conformed to the Principal's project requirements.	
	Verification, validation and proof-checking of design		Conformed to the Principal's project requirements.	
	Sustainability in design		Conformed to the Principal's project requirements.	
	Design completion and approval		Conformed to the Principal's project requirements.	
	Design comments and risk registers		Conformed to the Principal's project requirements.	
	– BCA Compliance for the Amenities building – PSC Specifications – Australian Standards – International codes, specifications or standards		Conformed to the Principal's project requirements.	BCA compliance required for all other buildings.
	Design for sustainability		Conformed to the Principal's project requirements.	
Site Layout	Blower/ Compressor building moved to the side of Media Filters		No impact to the architectural layout	Engineering and functional aspects of the change to be justified.
	Filter waste pit added to the Western side to the Flocculation/ Lamella plant.		No impact to the architectural layout	Engineering and functional aspects of the addition to be justified.

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	Electrical sub main building added abutting the treated water pumping station		No impact to the architectural layout	Engineering and functional aspects of the addition to be justified.
	Chemical detention tank added in between Polymer & ACH Storages			– Walkway from Amenities building to chemical storage buildings deleted. This will be an impact to the access requirements. – Engineering and functional aspects of the addition to be justified.
Media Filters	Roof for clarifier & Filter is not offered	Cost saving		– Not recorded in the 'Statement of Departures' – Engineering and functional aspect of the removal to be justified.
	Internal ladder not provided; only DN600 Manhole provided			– Not recorded in the 'Statement of Departures' – Functional and safety aspect of the removal to be justified.
	Overall dimensions; 16200 x 6600mm and height 5700mm		No changes to the original dimensions.	
Flocculator / Lamella	Overall dimension 23425 x 10100mm and height 5600mm plus walkway handrail.		No changes to the original dimensions.	
Treated Water Tank			No changes proposed	– Not recorded in the 'Statement of Departures'. – Engineering and functional aspect of the removal to be justified.
Raw Water Balance Tank	Not allowed for roof			
Amenities Building	Single storey building			– Not recorded in the 'Statement of Departures'.

				– Original concept of site view through upper level (for training purposes) has been abolished.
	Brick veneer		Conformed to the Principal's project requirements.	
	Vinyl floor covering			– Not recorded in the 'Statement of Departures'. – Vinyl is not durable, heavy duty and easy maintenance material to use in industrial environment.
	Tiles in wet areas		Conformed to the Principal's project requirements.	
	Excluded sheltered roof for the car park.		No impact to the scope if the Principal agrees.	
Council Depot	Deleted			– Not recorded in the 'Statement of Departures'. – Council Depot is a main requirement in the project scope.
Chemical Storage (ACH & Caustic)	Overall building dimensions; 15150 x 7100mm		No changes proposed to original footprint.	
	Equipment arrangement drawn			Engineering and functional aspects to be justified and agreed with the Principal.
Chemical Storage (polymer & Fluoride)	Fluoride Storage: Overall dimensions; 6250 x 6050		No changes proposed to original footprint.	
	Polymer Storage: Overall dimensions; 6250 x 6050		No changes proposed to original footprint.	
	Equipment arrangement drawn			Engineering and functional aspects to be justified and agreed with the Principal.
Chemical Storage (Chlorine)	Overall dimension 7500 x 5960mm and building height not provided.			Floor area slightly reduced compare with the original requirement.

General Manager Mayor

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	Single pitched roof			Not able to justify architecturally as overall view of the project is not supplied.
	Equipment arrangement drawn			Engineering and functional aspects to be justified and agreed with the Principal.
Treated Water Pumping Station	Brick veneer		Conformed to the Principal's project requirements.	
	Plain concrete floor finish			Floor finish to be defined.
	Electrical sub main building added. Dimensions; 7800 x 4000mm			Additional building item; the engineering requirement to be justified and agreed with the Principal.
	Pumping station dimension; 15500 x 7800mm			Floor area is much higher than the original requirement.
	Equipment arrangement drawn			Engineering and functional aspects to be justified and agreed with the Principal.
Blower / Compressor Building	Overall dimension 8000 x 6000mm and building height not provided.		No changes proposed to original footprint.	
Electrical Building	2 hr fire rated internal blockwork finish.		Fire rate is conformed to BCA requirement.	Fairface internal wall finish not acceptable.
Loose Furniture	Excluded for main control building			To be compromised with the financial proposal.
Disability Requirements	DDA compliance only for Amenities building.			DDA compliance for accessibility required for entire site.
Landscaping	– Allowed topsoil and turf along the entrance and around the Amenities building only. – Allowed for seeding in lieu of turfing.			To be compromised with the financial proposal.

	– Remaining areas allowed for topsoiled and hydro mulched. – No any plant screening allowed. – Not allowed for any irrigation system			
Other External Works	Roads: 40mm AC; 2 coats seal around the plant and an unsealed 150mm base around the sludge lagoons			Engineering requirement to be justified.
	Not allowed any fencing around the sludge lagoons			This is not a project requirement.
	Allowed for construct the drainage works; but not allowed for verify or modify the design.			Engineering requirement to be justified.
	Sewer collection manhole excluded; Only connection allowed			Engineering requirement to be justified.

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TENDER FOR DESIGN AND CONSTRUCTION OF NEW WATER TREATMENT PLANT FOR PARKES SHIRE COUNCIL NSW

TENDER COMPLIANCE – PRELIMINARY ARCHITECTURAL DESIGN

TENDERER: JOHN HOLLAND

Note: This report discusses only the relevant proposals provided in the tender submission. Any architectural or functional requirements not discussed in the tender submission considered as the particular item is conformed to the Principal's original project requirement.

COMPLIANCES	TENDER RESPONSES		COMMENTS	
	PROPOSAL	REASONING	POSITIVE	NEGATIVE
General Design Compliances	Architectural Brief – Tailored an optimised solution. – Colour scheme will be as PSC draft architectural design	Maximises value for money		Highly compromised the building's functional and aesthetic requirements in order to reduce the cost.
	Finishes: – Light weight wall framing – Steel columns support steel roof (all buildings) – Main buildings are presented in a combination of infill masonry wall (Boral Designer Blocks) and lightweight panels (Colorbond) – Single pitched roof	– Structurally lighter footings – Contemporary feel yet rustic to suit the regional context. – Rationalised the storm water drainage to a common line and possible collection for re-use. –		Exterior masonry wall and single pitched roof to be justified against the project's aesthetic requirements.
	Wall & roofs are properly insulated	To ensure BCA Section J and ESD principles.	Conformed to the Principal's project requirements.	BAXIS requirements not discussed.
	Overall 3D view presented			Highly compromised the building aesthetic and environmental considerations in order to reduce the cost.
Site Layout	Alum, Caustic, polymer, Fluoride, Blower in one building block.			Engineering and functional requirements to be justified.
	Chlorine storage is separated from other buildings.		Conformed to the Principal's project requirements.	
	Chemical detention tank included.			Engineering and functional requirements to be justified.
	Raw water tank, Lamella/Flocculation and Media filters at north south direction along the access road to Raw water tank.			– Buildings are against the site contours and more earth works will be involved. – Engineering and functional requirements to be justified.
	Concrete slab in between the access road and Raw water tank.			Addition to the original scope due to building position changed, will increase the project cost.
	Hard stand area in between road and the Flocculation tank.			Addition to the original scope due to building position changed, will increase the project cost.
	Alternative proposal provided to WTP – DAFF	–		– Engineering requirements to be justified and agreed with the Principal. – WTA-W-C-DR-W8001 Chemical Building DAFF Layout is different to DAF Plant Arrangement layout T1216-020.
Flocculator / Lamella	– Safe access to the top of the tank – All platform, walkways, handrails & supports shall be hot dip galvanised as per AS/AZN4680-1999 for above water. Grade 316		Conformed to the Principal's project requirements.	

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	stainless steel for below water. – Clarifier tank size 12 x 5m x 4.7m high.			
Amenities Building	Rationalised to a single storey building. – BCA Type C construction	Cost reduction		Original concept of site view through upper level (for training purposes) has been abolished.
	Combined with Electrical switch room			BCA fire safety requirements to be applied.
	Foyer is reduced in size			Foyer size to be justified against the functional requirements.
	– Parking area is mirror imaged – Amenities end is close proximity to the Council Depot building. – The facilities are slightly tweaked	– Opportunity to provide common toilet & lunch room. – Allow for unfettered access for Depot Building users		– The Principal's requirements to place the Control Room at the Eastern corner of the building in order to supervise the site access is abolished. – No direct access provided from new disability car park to the building.
	A covered walkway except for road section	Continuous and convenience undercover access.		Tenderer has proposed this option to justify the abolition of toilets and crib room of the Depot building. Covered walkway proposal is an incomplete functional solution and cost addition, may not be justifiable.
	– Porcelain tiles replaced with vitrified. – Wall tiles deleted except for splashback to wash basin, sink and shower. – Vinyl floor finish throughout but Carpet in the training room.			Highly compromised the building's finishing, durability and ease of maintenance requirements in order to reduce the cost.

	– Entry – 4200 x 4215mm – Office 3400 x 3650mm – Control Rm – 5600 x 3650mm – Analysis Rm – 5700 x 3210mm – Store Samples – 5000 x ? – Store (Training Rm) – 2000 x 3210mm – Training Rm – 6900 x 8800 – Disable WC – 2000 x 2650mm – WC 1 – 1200 x 3210 – WC2 – 1200 x 3210 – Locker – 3600 x 3210mm – Wash Down – 2300 x 2100mm – Urinal – 2000 x 2000mm – Lunch Room – 8000 x 4215			Area provided for Toilets and lunch room to be justified.
Council Depot	– Deletion of toilet and crib room – Free standing Switchroom within the Depot Building			– Engineering requirements to be satisfied. – To be compliance with the BCA fire safety requirements.
	– Workshop area – 18200 x 7800mm – Office – 4420 x 4800mm – Spare parts and Tool store – 5400 x 4800mm – Electrical Switchroom – 9680 x 4800mm		Floor areas are conformed to the Principal's project requirements.	Hand wash facilities also omitted.

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Chemical Storage (ACH & Caustic)	– ACH: Concrete bund 6000 x 6000mm x 750mm high. – Caustic: Concrete bund 6000 x 6000mm x 750mm high.		Floor areas are conformed to the Principal's project requirements.	
	– Light weight steel portal frame and car-port style colour bond roof. – No ceiling lining – No skirting			– Technical requirements to be justified. – Compromised the building requirements in order to reduce the cost.
Chemical Storage (polymer & Fluoride)	– Polymer: Concrete bund 6000 x 6000mm x 0mm high. – Potassium Permanganate: Concrete bund 6000 x 6000mm x 0mm high. – Fluoride: Concrete bund 6000 x 6000mm x 0mm high.			– Bund height not provided. – Concrete bund is not an original requirement.
	Unloading from delivery truck by forklift.			Engineering requirements to be satisfied.
	Designed to suit the actual requirements and follow the same finishes.		Conformed to the Principal's project requirements.	
	– No ceiling lining – No skirting			– Ceiling lining may be a technical requirement (NSW Code of Practice for Fluoridation). – No Skirting specified in the PSC preliminary design.
Chemical Storage (Chlorine)	– Concrete bund 6000 x 4500mm x 0mm high.			– Bund height not specified. – Concrete bund is not an original requirement.

	Unloading from delivery truck by crane.			Engineering and functional requirements to be satisfied.
	Designed to suit the actual requirements and follow the same finishes.		Conformed to the Principal's project requirements.	
	– No ceiling lining. – No skirting			Compromised the building requirements in order to reduce the cost.
Treated Water Pumping Station	Designed to suit the actual requirements and follow the same finishes.		Conformed to the Principal's project requirements.	
	– No ceiling lining – No skirting			Compromised the building requirements in order to reduce the cost.
Blower / Compressor Building	Designed to suit the actual requirements and follow the same finishes.		Conformed to the Principal's project requirements.	
	– No ceiling lining. – No skirting			Compromised the building requirements in order to reduce the cost.
Electrical Building	Fyrchek plasterboard ceiling; 3 layers of 16mm	– To achieve 2 hr FRL	Conformed to the BCA requirements.	
	Non-slip applied floor finish instead porcelain tiles.			Compromised the building requirements in order to reduce the cost.
Painting	High build epoxy coating will be applied over the bunded area	– Durability	Conformed to the BCA requirements.	Technical requirements to be satisfied
Other External Works	– 20 year design life specified for the roads. – 2 coat seal or unsealed road pavement. – Concrete rigid pavement for Chemical unloading bay, sludge lagoon access			Engineering and durability requirements to be justified.

	ramps and the Lamella/Filter area. – External areas; segmental pavers on concrete based or stencilled concrete.			

TENDER FOR DESIGN AND CONSTRUCTION OF NEW WATER TREATMENT PLANT FOR PARKES SHIRE COUNCIL NSW

TENDER COMPLIANCE – PRELIMINARY ARCHITECTURAL DESIGN

TENDERER: MONADEPHOUS

Note: This report discusses only the relevant proposals provided in the tender submission. Any architectural or functional requirements not discussed in the tender submission considered as the particular item is conformed to the Principal's original project requirement.

COMPLIANCES	TENDER RESPONSES		EVALUATOR COMMENTS	
	PROPOSAL	REASONING	POSITIVE	NEGATIVE
General Design Compliance Site Layout	Natural gradient of the site for gravity flow.	Minimal cut & fill		Engineering design requirements to be satisfied.
	Class 2 concrete finish in lieu of class 1	Applied AS3610-1995		Engineering requirements to be justified.
	Main process treatment structure adjacent to the Amenities building	– Operational viewing – Potential for public educational purposes		This structure is over 6m in height, will completely block the North-East view from the Amenities building.
	Stand along building for gas chlorination building.		Conformed to the engineering requirements.	
	– Main chemical building comprises dosing facilities for aluminium chlorohydrate, sodium hydroxide, polymer & fluoride and blower, electrical building located between raw water tank and main process treatment structure. – Overall building 32,900mm and width not	Minimise dosing pipe lines		Engineering requirements to be satisfied.

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	provided. Building wall plate height 3,800mm			
	Two-way access road in between main process treatment structure and main chemical building.	– Ease of chemical delivering and unloading – Access and maintenance of mechanical equipment		– Two-way access require to wider the road. – Engineering and functional requirements to be justified.
	Air compressors & Blowers are housed in a separate room abutting the chemical storage building	– Minimise noise	Conformed to the noise attenuation.	
	Electrical switchboard is housed abutting air compressor & Blower room.	– Centrally located electrical supply – Short power and control cable run		Engineering requirements to be satisfied.
	Thickener and sludge drying bed located on the southern side of the main process treatment structure	To receive sludge gravity feed		Engineering requirements to be satisfied.
	– Separate clear water tank which also serves as a backwash tank for media filters – Clearwater tank overall size 22,900 x 10,700mm and 5,900mm height	The clear water tank forms a common structure abutting the main process abutting structure.		Engineering and project requirements to be justified.
	Treated water storage tank located adjacent to the sludge drying bed on the southern side on the site.	To receive chlorinated water from the clear water tank via gravity feed.		Engineering requirements to be satisfied.
	Alternative proposal of DAFF, housed in the fully enclosed building at the same location as the inclined plate-setting tank.	More cost competitive dissolved air flotation-filtration option.		Engineering and project requirements to be justified.

	– DAFF plant size: 20,600mm x 18,900mm and height 5,900mm			
	– The road tanker unloading area at Chemical building is bunded. – The area is graded to a Sump of 600mm square and 600mm deep.	To prevent any spillage escaping to the environment.	Conformed to the safety requirements.	Engineering requirements to be satisfied.
	Sludge thickener diameter 12,600mm.			Engineering and project requirements to be justified.
Flocculator / Lamella	Lamella Clarifier Flocculator tank size 23,470mm x 10,050 and overall height 6,900mm.		Conformed to the preliminary design dimensions.	
Treated Water Tank	– Steel roof over treated water tank – Diameter 25,000mm internal; overall wall height 6,000mm		Conformed to the Principal's project requirements.	
Raw Water Balance Tank	– Circular concrete tank with roof and ventilation mesh. – Raw water tank diameter 10,540mm.	To prevent algae growth	Conformed to the Principal's project requirements.	
Amenities Building	Area designated for testing of samples to be referred as 'Wet Testing Centre' in lieu of Laboratory	To avoid BCA category that does not lead unnecessary cost increase.	No architectural implications, if agree to the engineering requirements.	
Chemical Storage (polymer & Fluoride)	– Fluoride 4,050 x 8,000mm and height 3,800mm – Polymer 4,050 x 8,000mm and height 3,800mm			Footprint is different to the PSC design requirements. Engineering requirements to be justified.

Chemical Storage (Chlorine)	Area have been bunded and any spills are drained to a sump.			Bunds were not noticed in the original engineering requirements; to be justified.
Blower / Compressor Building	Blower 5,100 x 8,000mm and height 3,800mm			Floor area is slightly smaller than the PSC preliminary proposal.
Electrical Building	4,015 x 8,000mm and height 3,800mm			Floor area is smaller than the PSC preliminary proposal.
Loose Furniture	$5,000 allowance for office furniture & electrical goods	PSC to select the white goods and furniture		Relevant to the financial aspect of the proposal.
Landscaping	No landscaping rehabilitation is allowed after construction completed			Maintenance during the defects liability period to be agreed.

Appendix F: Legal Report

General Manager

Mayor

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Maddocks

Parkes Shire Council – Contract 2014014-50 – New Sewage Treatment Plan

Maddocks Updated Tender Evaluation Report – John Holland

~~26~~ 28 October 2015

Maddocks has reviewed parts of the tender material provided to us by Parkes Shire Council (**Council**) as forming part of the tender submitted by John Holland Pty Ltd (ACN 004 282 268) (**John Holland**) in respect of Contract 2014014-50 (**STP Contract**).

Maddocks has also reviewed John Holland's response to Council's various request for certain clarifications, which we received on 14 October 2015, 22 October 2015 and 27 October 2015.

Set out below is our report on the matters raised by John Holland in that tender by way of requested departures from the Conditions of Contract, as set out in Schedule 23 of that tender, updated to reflect John Holland's response to Council's various request for clarifications referred to above and various conversations we have had with Council representatives in relation to Council's position on various matters raised by John Holland (including on 23 October 2015). The report addresses issues generally in the order they arise in the Conditions of Contract. Therefore, the order may differ from the order of matters identified by John Holland in Schedule 23 of its tender.

Maddocks has not undertaken a review of the remainder of the documents comprising that tender and makes no comment on technical or commercial content of that tender (including proposed departures from the technical requirements of the STP Contract).

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October 2015	Maddocks Comment on John Holland Response to Council's Request for Clarifications – received 14 October 2015	Maddocks Comment on John Holland Further Response to Council's Further Request for Clarifications – received 22 October 2015	Maddocks Comment on John Holland Further Response to Council's Request for Clarifications – received 27 October 2015
•	Design Errors, clauses 3.3 and 4.1(c)	John Holland request that the concept of "Design Errors" be amended so as to be limited to errors, etc within the Preliminary Design. John Holland has made equivalent amendments to clauses 3.3, 4.1(c)	The Preliminary Design is only a sub-set of the technical documents forming part of the Contract. The concept of Design Errors is directed at ensuring that John Holland is responsible for all of the design included within the PPR and other technical documents forming part of the	High – Reject, but Consider Compromise Subject to the further comment below, we recommend Council reject such an amendment. Given that the issue of Design Errors is directed at technical matters, Council	John Holland wants to discuss this further. It's concern remains over being responsible for errors in the PPR (other than the Preliminary Design). Our view on this issue remains unchanged. See our recommendations in the	John Holland maintains this departure. John Holland has expressed concern in relation to its entitlement to Variations. Warranting the suitability of the PPR and having an entitlement to Variations if Council changes the requirements of the PPR	John Holland maintains that it *"cannot warrant that the PPR accurately sets out the requirements of the Principal"* and maintains that (based on a cited case) it will not be entitled to a Variation if there is a "flaw" in the PPR in the sense that the Principal's requirements are incorrect.

Maddocks

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October 2015	Maddocks Comment on John Holland Response to Council's Request for Clarifications – received 14 October 2015	Maddocks Comment on John Holland Further Response to Council's Further Request for Clarifications – received 22 October 2015	Maddocks Comment on John Holland Further Response to Council's Request for Clarifications – received 27 October 2015
			Contract. The intention of Council from the outset has been for tenderers to conduct a thorough due diligence on the design and to take full responsibility for the design on a D&C basis – not withstanding that the design is well developed – ie consistent with a DD&C delivery model. John Holland's departure on this point represents a significant divergence from Council's desired risk allocation, and may fundamentally undermine the protections afforded to Council by the "DD&C" delivery model for the project. We believe this represents a significant risk to Council.	could consider limiting the operation of this concept to the Principal's Project Requirements (rather than all documents that form part of the Contract).	previous column.	are two separate matters. These provisions do not impact on John Holland's entitlements to time and cost relief for Variations directed under clause 40.1. Council could consider expressly clarifying this to get John Holland comfortable (although we think it unnecessary). Our view on this issue remains unchanged – see recommendations in the "Significance for Council" column. Based on our telephone conference with Council on 23.10.2015, we understand Council wishes to push back on this departure. Accordingly, we recommend a request for clarification be issued to John Holland along the following lines: *"Tenderer to withdraw departure. Warranting the suitability of the PPR and having an entitlement to Variations if Council changes the*	We agree that John Holland would not be entitled to a Variation in the event there was a "flaw" in the PPR, or the PPR was "incorrect" – this is consistently reflected throughout various provisions of the Contract, including clauses 3.3, 3.6, 4.1, 6.2 and 8.1. This has been deliberate on the part of Council. In our view, it is fundamental to the DD&C delivery model that John Holland has carefully reviewed and checked the PPR (including the Preliminary Design) so as to identify errors, omissions, flaws, etc and either address them via technical clarifications during the tender process (which we understand have been very extensive and quite comprehensive) or price the risk associated with them.

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						requirements of the PPR are two separate matters. These provisions do not, in Council's view, impact on John Holland's entitlements to time and cost relief for changes to the PPR directed as a Variation under clause 40.1."	
•	Extended Performance Proving Period	John Holland request this definition be amended such that the relevant period expires on the earlier of: • 168 days after the issue of the Certificate of Practical Completion; and • the date of completion of the "Extended Proof of Performance".	The drafting proposed by John Holland does not work. There is no concept of "completion of Extended Proof of Performance". Presumably John Holland intend this additional drafting to be a reference to the time of satisfaction/achievement of all Mandatory Performance Levels and Guaranteed Performance Levels that need to be satisfied after Practical Completion. This amendment gives rise to circularity in the definition and associated provisions in the Conditions of Contract. The concept of the "Extended Performance Proving Period" is only	Low – But Reject Whilst of low significance, the amendment is inappropriate and unnecessary. We recommend it be rejected by Council.	Withdrawn by John Holland.		

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			relevant to clause 34B. This concept merely sets the time period during which the Extended Performance Proving Tests must be carried out. Once the relevant Mandatory Performance Levels and Guaranteed Performance Levels have been attained, clause 42.3B applies to trigger the issue of a Certificate of Extended Performance Proving Completion, and triggers associated reductions of security (although see comments below on that issue). John Holland may be concerned that it can be required to continue performing tests during the 168 day period, even though the required performance levels have been achieved earlier. In our view, this is already addressed in clause 34B.5 – which only requires re-testing if the required performance level is not achieved – in contrast to the Performance Proving Period concept, which must have expired before Practical Completion can be achieved.				

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•	Practical Completion	John Holland has requested paragraph (d) of the definition be amended. We assume the intention of this amendment is to clarify that, in order to achieve Practical Completion, it is not necessary to achieve a Mandatory Performance Level that has been deferred until the Extended Performance Proving Period.	In our view, this departure is unnecessary. The issue that John Holland appear to be addressing is already dealt with in the definition of "Mandatory Proof of Performance Tests" – which excludes "Extended Proof of Performance Tests" (being those performance tests that may have a mandatory performance level assigned to them, but which have been deferred to the extended performance proving period).	Low – But Reject Whilst of low significance, the amendment is inappropriate and unnecessary. We recommend it be rejected by Council.	Withdrawn by John Holland.		
•	Process Proving Period	John Holland require the concept of "Process Proving Period" to expire on the earlier of: • 90 days after the issue of the Certificate of Construction Completion; • "completion of the Mandatory	Note there is an inconsistency between John Holland's schedule of departures and its proposed drafting in the attached tracked version of the Conditions of Contract. We assume the intention is to refer to the Date of Practical Completion rather than the Date for Practical Completion.	Medium - Reject During the STI Phase, Council formed the view that it required the 90 day Performance Proving Period to have expired before Practical Completion can be achieved. Unless Council has reconsidered its view on this issue, this represents a	Withdrawn by John Holland.		

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		• Proof of Performance"; and • the Date of Practical Completion	John Holland appear to be proposing that Practical Completion can be granted before the expiry of the 90 day period, in the event that all Mandatory Performance Levels have been attained and the other requirements for Practical Completion have been achieved.	significant departure from Council's required position, and we therefore recommend it be rejected.			
•	Site Conditions, clause 12.1 and Annexure Part N	John Holland have deleted the reference to "any Contamination and rubbish" from the definition of "Site Conditions". John Holland has also excluded from the concept of "Site Conditions" any physical conditions contained in information, data, documents or material which Council is required by the Contract to provide to John Holland. John Holland have also amended clauses 12.1 and 12.2 such that they don't apply to documents listed in Annexure Part N – ie the PPR documents.	It is not clear why John Holland has amended the definition of Site Conditions – however presumably it relates to John Holland's desire that it be entitled to time and cost relief for contamination. Whilst John Holland's proposed drafting does not necessarily reflect or achieve the outcome clearly desired by John Holland in its Schedule 23 departures schedule, in our view, this represents a significant departure from Council's desired risk profile and a potentially significant risk to Council (particularly given the	High – Reject We recommend Council reject these amendments.	John Holland has indicated that it is still considering this issue, and will revert again to Council. Our recommendation to Council on this issue has not changed.	Withdrawn by John Holland.	

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		The comments in the departures table in Schedule 23 provide that John Holland requests time and cost relief for unforeseen ground conditions and environmental impacts, as well as client provided data. John Holland also provides that it must be able to rely on the geotechnical reports.	time–critical nature of the project and the interaction with the NSW Government subsidy). Whilst John Holland provides in its departure table that, if it achieves preferred status, it will seek approval to undertake further site investigations to mitigate the risk of site conditions, in our view, this will likely be done by John Holland purely to de-risk such matters from John Holland's perspective and is unlikely to give rise to any shift in risk allocation in favour of Council (particularly given the lack of competitive tension in the tendering process once John Holland has been preferred).				
•	Security – clauses 5.2A, 5.3, 5.4, 5.8, 5.8A, 5.9, 42.6	John Holland's proposed departures in relation to security are numerous, but can be summarised as follows: • John Holland is not willing to provide any security by way of retention moneys • John Holland instead offers: o two	Leaving aside the issue as to the form of security (ie unconditional undertakings v retention money), John Holland's requested departures represent a significant shift in the security position from Council's perspective. In particular, only 2.5% of security is held following the issue of the Certificate	High – Reject, but Consider Compromise The departures requested by John Holland are obviously significant, however the additional security in clause 5.8(b) may not be strictly necessary – particularly if the clause 5.2A security is split in a manner similar to Council's current position	John Holland has confirmed it is willing to provide security for 10% - all by way of bank guarantees (which is consistent with our reading of their original departures). John Holland has agreed to withdraw its requirement for Council to have only 2.5% of	Withdrawn by John Holland.	

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		unconditional undertakings (total 5%) under clause 5.2; and o a single unconditional undertaking (total 5%) under clause 5.2A • 50% of the clause 5.2 security is released after the issue of the Certificate of Practical Completion – so John Holland requires the deletion of the Superintendent's discretion to hold further security to cover the potential loss associated with not meeting Mandatory Performance Levels deferred until the Extended Performance Proving Period; and • all of the clause 5.2A security is to be released following Certificate of Mandatory Performance	of Mandatory Performance Completion. Assuming that no Mandatory Performance Levels are deferred until the Extended Performance Proving Period, this will mean that only 2.5% of security is held to secure both Defects Liability Period obligations and the achievement of Guaranteed Performance Levels during the Extended Performance Proving Period.	(ie 50% released at Certificate of Mandatory Performance Completion and final release at Certificate of Extended Performance Proving Completion). Whilst we recommend John Holland's position be rejected, Council could consider restructuring the security arrangements in the manner outlined about in order to accommodate some of John Holland's concerns.	security during the Defects Liability Period. This still leaves some uncertainty around John Holland's position. We recommend Council seek further clarification. For example, Council may want to clarify whether John Holland proposes the following: • it provide 4 bank guarantees – each for 2.5% of the Contract Sum • the first 2 bank guarantees provided on the date of the Contract; • the second 2 bank guarantees provided once 50% of DD&C Contract Sum has been paid. • 1 bank guarantee returned following Certificate of Practical Completion • 1 bank guarantee returned following Certificate of Mandatory		

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		Completion – meaning the full 5% is to be released - as compared to Council's position which required 2.5% to be retained until the issue of the Certificate of Extended Performance Proving Completion.			• Performance Completion • 1 bank guarantee returned following Certificate of Extended Performance Proving Completion; and • final bank guarantee returned as originally contemplated.		
•	Parent Company Guarantee, clause 5.11, Annexure Part F				John Holland maintains its departures on all matters under the Parent Company Guarantee. It's justification that such amendments have been agreed by others cannot be verified and in any event, in our view, are irrelevant to Council. See each of our original recommendations in the previous column. Council may want to seek clarification from John Holland based on each of those recommendations.	Provided Council accepts our recommendation in respect of Annexure Part F, clause 3.1 as set out below, in our view the only outstanding issue on the PCG is the issue in respect of clause 5 of Annexure Part F. Based on the teleconference on 23.10.15, we understand that, subject to clarifying the intent of John Holland's requested departure to clause 5.1 of the Parent Company Guarantee, Council is comfortable with the position reached on Annexure Part F.	John Holland has clarified that it is concerned about a "double cap". In our view, no amendment is necessary to address this issue.

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•	Annexure Part F, clause 1.1 Definition of Loss	John Holland has requested amendment to the definition of "Loss".	Amendment is likely to be acceptable.	Low - Accept			
•	Annexure Part F, clause 1.1 Definition of "Officer"	John Holland has inserted definition of "Officer" (relates to amendments to cl 2.3).	Amendment is likely to be acceptable.	Low - Accept			
•	Annexure Part F, clause 2.3 Indemnity	John Holland has requested a series of amendments to the indemnity in cl 2.3, which seek to include an acknowledgment of the Council's obligation to mitigate loss and provide for a formal written notice of claim containing reasonable particulars.	The scope of the Council's right to claim under the indemnity is limited by clause 5, so the amendment is unnecessary.	Medium – Reject but Consider Compromise The amendments to clause 2.3 are likely to be acceptable, except for the phrase "*but subject always to the Principal's obligation to mitigate such Loss*" inserted after sub-clause (e).		John Holland has withdrawn the departure re the phrase "*but subject always to the Principal's obligation to mitigate such Loss*".	
•	Annexure Part F, clause 3.1 No reduction or release	John Holland has deleted a number of provisions in clause 3.1.	The purpose of clause 3.1 is to provide protection for the Council against the Guarantor raising technical defences under the laws of guarantees to thwart the Council's substantive claim. The relevant provisions in clause 3.1 are commonly contained in comparable parent company guarantees. The Contractor Parent derives	High – Reject We recommend the proposed departure be rejected.		We recommend that John Holland's revised amendments could be accepted by Council	

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			protection under clause 5 from any claim exceeding the relevant exposure under the principal contract.				
•	Annexure Part F, clause 5 Defences and Cross Claims Available to Parent Company	John Holland has requested an amendment by inserting "*and the liability of the Contractor to the Principal under the Contract*" into the clause.	The amendment should be rejected, as it is unnecessary and incorrect.	Low – But Reject		John Holland's insistence on this amendment is unclear, as their amendment as drafted would appear to achieve no purpose. We suggest that Council request further information about what John Holland is trying to achieve with this amendment. Based on the telephone conference 23.10.2015 we understand Council intends to seek clarification from John Holland as to the intention behind the proposed amendments to clause 5 of Annexure Part F. We therefore suggest Council requires a clarification along the following lines: *"Tenderer to provide further clarification as to precisely why this proposed departure is*	John Holland has clarified that it is concerned about a "double cap". In our view, no amendment is necessary to address this issue.

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						considered necessary. Annexure Part F is a document that regulates the liability of the Guarantor to Council. The liability of the Contractor to Council is regulated by the underlying Contract itself. It therefore seems to Council irrelevant an inappropriate to include such an amendment in Annexure Part F, as the liability of the Contractor to Council is already dictated by the terms of the Contract. Please clarify."	
•	Annexure Part F, clause 7(b) Costs and Expenses	John Holland has requested an amendment such that reimbursement of the Council's external expenses on enforcement is limited to "successful enforcement".	Many guarantors request such amendment. Such amendment is likely to be acceptable.	Low - Accept			
•	Notices – clause 7	John Holland rejects the concept of notices under the Security of Payment Act or clauses 42.1, 42.5 or 42.6A being served only by hand.	The notices under clauses 42.1, 42.5 and 42.6A will be payment claims issued by John Holland to Council. As discussed when	Low – Consider Compromise For the reasons given, it may not be appropriate for Council to insist strictly on this provision. That said,	No clarification requested by Council on this point.	Withdrawn by John Holland.	

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			developing the Conditions of Contract for tender purposes, it is not possible to contract out of the operation of the Security of Payment Act. Therefore, given that the Security of Payment Act expressly permits the service of notices (including payment claims under that legislation) in various forms, the effectiveness of the provision John Holland want deleted is likely to be low.	Council should be wary of the use of email to lodge notices under the Security of Payment Act. As a compromise, Council could consider prohibiting the use of email for the service of these notices.			
•	Design progress – clause 8.4	John Holland want the right to proceed with construction at its own risk – even though the design review period given to Council has not expired. Note also the departures requested in relation to section 1.5 of the Civil Specification.	Proceeding at its own risk is unlikely to impact on Council's rights elsewhere under the Contract. For example, John Holland will still be responsible for defects and non-compliant design.	Low – Consider Accepting We believe Council could consider accepting this position, without unduly impacting on Council's legal position.	Council did not request the amendment to clause 8.4 be withdrawn - it only requested the amendment in relation to the DPI Water review be withdrawn. On that basis, Council and John Holland are likely aligned on clause 8.4. See comment below in relation to clause 14.1A.	John Holland has said that in order to ensure that the Works are not delayed, the Contractor expects that the review and approval of the Design Documents by DPI Water will operate concurrently with the review by the Superintendent under clause 8.4. John Holland would like to discuss the issue further with PSC, to agree a reasonable time period for DPI Water reviews. See comment below in relation to clause 14.1A.	John Holland believe their position on this is clear. We disagree –at least in relation to the interaction between clause 8.4 and clause 14.1A. For example: • in clause 8.4 they say that they want to proceed at their risk without waiting for the design review period to expire; but • in clause 14.1A they have retained the requirement for DPI Water to have stated

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						We understand from the telephone conference on 23.10.2015 that Council intends to seek clarification from John Holland as to the intention behind the proposed amendments. If John Holland is proposing an alternative design review period, it should clearly state what review period it is proposing. Also, it is not clear whether John Holland's intention is that it will proceed to construction without DPI Water's approval. Accordingly, we recommend Council issue a clarification along the following lines: *"Council is still unclear what the Tenderer intends by its departures in relation to clauses 8.4 and 14.1A.* *Please clarify:* • *whether the Tenderer proposes an alternative design*	they have no objection before they commence construction or installation. So they seem to be saying in clause 8.4 that they want to proceed at their own risk before the 15 business day review period has expired, but in clause 14.1A they seem to be saying that they will not proceed until DPI Water has stated it has no objection. These two positions appear to us to be inconsistent and need some clarification.

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						• *review period and, if so, what that review period is; and* • *whether the Tenderer's intention is that it be permitted to proceed with construction without consent to the design having been provided by DPI Water within that design review period."*	
•	Subcontracting – clause 9.2	John Holland want to be able to subcontract work of less than $100,000 in value without the need for approval of Council. John Holland also require the deletion of the need to have the terms of subcontracts approved by Council.	Whilst these are ultimately commercial matters for Council, the threshold dollar figures are nonetheless fairly arbitrary. For example, just because a subcontract package has a value of less than $100,000 does not necessarily mean it is a low-risk subcontract package. Therefore, Council would need to give careful consideration as to whether imposing a specific dollar threshold is appropriate when it comes to the requirement for John Holland to obtain Council approval to subcontract.	Medium – Consider Compromise If Council was willing to accept a threshold on subcontract approval, the Contract would need to clarify that the threshold amount applies on an aggregate basis. John Holland appears willing to accept the need to approve subcontracting for packages about $100,000. If Council was minded to accept this, Council could seek a right to also approve the form of subcontract for those packages.	No clarification requested by Council on this point. Council may want to consider the compromise position referred to in the previous column and seek clarification as to whether it would be acceptable to John Holland.	John Holland has said that it would like to discuss this issue further with PSC and that it is impractical to expect the Superintendent to approve all levels of subcontracts. Council may want to consider the compromise position referred to in the "Significance for Council" column and seek clarification as to whether it would be acceptable to John Holland. We understand from the telephone conference on 23.10.2015 that Council	John Holland maintain that this should only apply to subcontracts that are significant to the project, and proposes that a list be agreed. In our view, this is a sensible compromise.

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			John Holland could avoid the requirement to ever need to get Council approval by breaking a subcontract package down into multiple small-valued subcontracts, each of less than $100,000. The deletion of the requirement to obtain Council approval of subcontract terms appears to apply regardless of the value of the subcontract package – so even if approval to subcontract is required (eg because John Holland's $100,000 threshold is exceeded) John Holland still do not propose to get Council approval of subcontract terms. Approval of subcontract terms is not strictly necessary from a legal perspective, and many contractors will resist this on the basis that it unduly impacts on how they pass-through risk. Whether approval of subcontract terms is necessary is therefore ultimately a commercial matter for Council to consider.			intends to push back on this proposed amendment on the basis that a dollar figure does not determine which subcontract packages are critical. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to withdraw departure. Imposing an arbitrary dollar threshold on such matters is not, in Council's view, appropriate. Low-value subcontract packages can nonetheless be critical from a project-delivery perspective."*	

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•	Subcontractor warranties – clause 9.8 and Item 23A	John Holland is only willing to procure warranties from subcontractors directly in favour of Council where the value of the relevant subcontract package is more than $500,000	Whilst these are ultimately commercial matters for Council, the threshold dollar figures are nonetheless fairly arbitrary. For example, just because a subcontract package has a value of less than $500,000 does not necessarily mean it is a low-risk subcontract package. Therefore, Council would need to give careful consideration as to whether imposing a specific dollar threshold is appropriate when it comes to the requirement for John Holland to provide direct warranties in favour of Council from its subcontractors. This could give rise to significant risk from Council's perspective – particularly for low-value but high-risk subcontract packages. As noted above, John Holland could also avoid the requirement to procure subcontractor warranties by breaking a subcontract package down into multiple small-valued subcontracts, each of less than $500,000.	High – Reject, but Consider Compromise Council could consider a compromise whereby certain critical subcontract packages require a subcontractor warranty to be provided in favour of Council regardless of the value of that subcontract package. If Council was willing to accept a threshold on subcontract approval, the Contract would need to clarify that the threshold amount applies on an aggregate basis.	No clarification requested by Council on this point. Council may want to consider the compromise position referred to in the previous column and seek clarification as to whether it would be acceptable to John Holland.	John Holland has asked Council to advise of which categories of subcontractors should provide warranties. John Holland has suggested it obtain warranties for surface aerators, clarifier package and UV system. Council could consider this compromise by adding any other critical subcontract packages to the list and include in Item 23A of Annexure Part A (along with the relevant warranty period). We understand from the telephone conference on 23.10.2015 that Council intends to establish list of critical warranties and warranty periods for Item 23A. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer requested to confirm in-principle agreement to the establishment of a list of trades/disciplines from*	John Holland believes a list of subcontracts and warranty periods is sensible, and wants to discuss.

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						whom warranties are required, and a defined warranty period for each such trade/discipline."	
•	Change in REF – clause 14.1 and Item 26B	John Holland request time and cost relief for changes to the REF.	In our view, clauses 14.2 and 35.5(d)(v) already provide relief in circumstances where there is a new REF, or a change to the existing REF, after the date of the Contract and which otherwise satisfies the requirements of clause 14.2. John Holland may be getting confused by Item 26B which places on John Holland the responsibility to obtain or undertake a new REF or changes to the existing REF – this does not, however, change the entitlements that may flow from that new REF or change to the existing REF.	Low – But Reject Whilst of low significance given the current drafting of the Conditions of Contract, the amendment is, in our view, unnecessary. We recommend it be rejected by Council.	John Holland's concern seems to relate to the "draft" status of the REF. If the REF was to be finalised with no changes to the current draft, it may be that this is no longer a concern for John Holland. Council may want to seek clarification on that point.	Withdrawn by John Holland, subject to the REF being approved prior to the date of award of the contract.	See comments above in relation to clause 8.4.
•	DPI Water review – clause 14.1A	John Holland require the right to progress with construction work after DPI Water has had 15 business days (ie 3 weeks) to review Design Documents and has stated that it has no objection to such Design	Our understanding is that a fundamental requirement of the tender process is that tenderers have familiarity and experience in dealing with DPI Water, and therefore are able to properly program for, and price, the	Medium – Reject Ultimately, the risk of non-compliance and non-acceptance by DPI Water will rest will John Holland. However, we understand	John Holland's response states that its expectation is that the DPI Water review of design will occur concurrently with Council review of design.	It appears that John Holland is proposing that the review period under clause 8.4 be extended to cover off an "agreed" time period for DPI Water review – and then for the work under the Contract to proceed without the	

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		Documents.	impact of the interface with DPI Water as necessary to obtain required consents, approval and sign-off from DPI Water. The departure sought by John Holland departs significantly from this general principle. For example, John Holland would (subject to further comments below) likely be permitted to commence construction after having only given DPI Water 15 business days to review its design documents. This would apply regardless of whether or not DPI Water ultimately consents to or ejects the relevant designs documents. Helpfully, John Holland has retained the requirement for DPI Water to have stated that it has no objection to such Design Documents – however in our view this is probably an error, as it would seem inconsistent with the amendments made to this provision. Permitting progress to construction after 15	this to be of high importance to Council, and therefore recommend it be rejected.	This is a matter for John Holland to manage. In our view, whether or not this actually happens does not change any matters that are relevant to whether or not Council is comfortable with John Holland proceeding with construction without DPI Water sign-off. Given that John Holland has retained in its drafting the requirement for DPI Water to have stated that it has no objection to such Design Documents, Council may want to clarify whether John Holland will only proceed with construction once DPI Water has stated that it has no objection to Design Documents. If John Holland confirms its agreement to that position, there may not be anything of significant concern here for Council.	approval of DPI Water after this time at the Contractor's risk however this is not entirely clear from their response. Proceeding without DPI Water approval is obviously contrary to Council's position from the outset. This is essentially a commercial matter for Council. We also repeat the comments made in the previous column. See comment above in relation to clause 8.4. The same clarification should be raised here.	

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			business days is an approach consistent with John Holland's qualification around proceeding with construction "at its own risk" – see amendments to clause 8.4. However, in our view, there is a difference between commencing construction at its own risk prior to completion of Council's internal review of design documents on the one hand, and on the other hand commencing construction before DPI Water has signed-off on design documents. Council will need to give careful consideration to this matter, and how this is likely to impact on the interaction and relationship with DPI Water.				
•	Excepted Risk – clause 16.3	John Holland proposes that the concept of "Excepted Risks" be broadened to include "earthquake, flood, fire, storm, natural disaster or act of God".	The concept of "Excepted Risk" is relevant to who bares the risk of loss or damage to the Works. Unless loss or damage to the Works is caused by an Excepted Risk, John Holland would	High – Consider Whether this departure is acceptable to Council or not will depend in part on the extent to which Council is comfortable that it would be covered by its contract	No clarification requested by Council on this point.	No clarification requested by Council on this point.	

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			bare the risk of loss or damage (and therefore the risk of the relevant contract works policy responding to that loss or damage). However, if loss or damage to the Works is caused by an Excepted Risk any rectification work would need to be carried out as a variation (with associated time and cost relief for John Holland). Therefore, John Holland's departure is essentially saying that if John Holland is required to rectify loss or damage to the Works caused by these matters, it would only do so as a variation – with associated time and cost consequences for Council. It would seem that the impacts of floods, storm, natural disaster or act of God are probably most relevant to this project.	works insurance policy. Council will therefore need to obtain specialist insurance advice on this matter and consider accordingly.			
•	Indemnity against death, injury and property damage – clause 17.1	John Holland requires the indemnity in clause 17.1 (eg in relation to third party property damage and personal injury/death) to be reduced proportionately to the extent any act or	In our view, the approach requested by John Holland in this departure is consistent with market practice.	Medium – But Consider Accepting Whether this departure is acceptable to Council or not will depend in part on the extent to which Council is comfortable that it would	No clarification requested by Council on this point.	No clarification requested by Council on this point.	

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		omission of the Principal (rather than negligent or wilful act or omission) contributed to the loss, damage, death or injury.		be covered by John Holland's public liability insurance policy, and any other public liability insurance policy that Council may have in place. Council will therefore need to obtain specialist insurance advice on this matter and consider accordingly.			
•	Contract Works Insurance – clause 18	John Holland requires significant amendments, including: • an obligation on Council to ensure that its contract works policy covers all things referred to in clause 16.1 (which, in our view, should not extend to cover Excepted Risks); • an obligation on Council to ensure that its contract works policy covers John Holland's reinstatement obligation under clause 16.2; • an obligation on Council to ensure that the contract works policy is for a	John Holland's proposed amendments to these provisions are significant. The amendments to clause 18 requested by John Holland would impose on Council the obligation to ensure that particular risks have been properly insured against. This is to be contrasted with the current position, which essentially requires John Holland to undertake its due diligence on the terms of the policy to be effected by Council, and price associated risk accordingly (and if necessary take out additional insurance to cover any perceived short-fall in coverage provided by the Council's contract works policy). We are	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations	In respect of insurance issues generally, we refer to Andrew Chapman's comments in his email of 21.10.2015: 1. Assuming Principal-procured public liability insurance is acceptable to Council (ie no need for Contractor to separately take out public liability insurance), I suggest you clarify with tenderers what the impact will be on their tenders (price and contractual departures) if this Principal-procured public liability insurance was put in place, and the tenderers were not required (unless they thought it necessary) to take out separate public liability insurance. In doing so, you should	

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		specified amount; and • an obligation on Council to ensure that the insurance is in the joint name of Council and John Holland.	therefore of the view that John Holland's departure in respect of contract works insurance represents a significant departure from Council's perspective and gives rise to significant potential risk to Council. The obligation to have the insurance in joint names would also trigger obligations on Council under clause 22.6 (see comments below). See also comments in relation to clause 18B below.		on insurance matters remain unchanged.	point out that Council would expect the provisions of clause 18B would apply in respect of any Principal-procured public liability insurance. 2. JLT seems of the view that marine transit is covered by Council's contract works policy. Therefore, if Council is now of the view that Contractors will not be required to take out separate marine transit insurance (unless they thought it was necessary), I suggest Council clarify with tenderers what the impact of that will be on their tenders (both price and contractual departures) if the requirement for marine transit insurance was removed (noting clause 18B applies to any marine transit provisions under the contract works policy). 3. This would leave the Contractor to take out constructional plant/motor vehicle, PI, workers comp/employee liability and personal accident and injury insurance. On	

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						that basis, we would still expect clauses 22.1, 22.2, 22.4 and 22.7 to apply to those insurances. It is unlikely that tenderers will disclose terms of those policies (other than on a broker to broker basis) so, subject to you confirming this with JLT, claue 22.3 will be irrelevant and Council will probably need to drop the requirement that those policies be on terms approved by Council (but they should be checked for adequacy by JLT on a broker to broker basis prior to award of the contract).	
•	Environmental Liability Insurance – clause 18A	John Holland requires significant amendments, including: • an obligation on Council to ensure that the policy is for a specified amount and written on an "occurrence" basis; and • an obligation on Council to ensure that the insurance is in the joint name	John Holland's proposed amendments to these provisions are significant. The amendments to clause 18A requested by John Holland would impose on Council the obligation to ensure that the relevant insurance policy satisfies particular requirements. This is to be contrasted with the current position, which essentially requires John	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is		

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		of Council and John Holland.	Holland to undertake its due diligence on the terms of the policy to be effected by Council, and price associated risk accordingly (and if necessary take out additional insurance to cover any perceived short-fall in coverage provided by the Council's environmental liability policy). We are therefore of the view that John Holland's departure in respect of environmental liability insurance represents a significant departure from Council's perspective and gives rise to significant potential risk to Council. The obligation to have the insurance in joint names would also trigger obligations on Council under clause 22.6 (see comments below). See also comments in relation to clause 18B below.		"not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Contractor to satisfy as to insurance – clause 18B	John Holland propose the replacement of the provisions relating to excesses with a	The deletion of the provision around no claims for the delay in progressing claims (ie	Medium – Reject, but Consider Compromise We recommend Council	John Holland maintains its departures and, again, seeks "discussion" with		

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		provision that requires John Holland to "equitably contribute" to any excess "where liable" for the loss claimed.	clause 18B(e)) is problematic from Council's perspective. Take the example of damage to the Works resulting in a claim under the contract works policy. Clause 18B(e) is intended to operate such that John Holland would be required to reinstate and maintain progress (and rely on contract works to cover delay costs and liabilities) pending payment under the contract works policy – ie it could not wait for payment under the policy before commencing reinstatement work. The proposed amendment potentially reverses that position.	reject these amendments – although Council may want to consider whether it can compromise on the issue of liability for excess – but by reference to contribution to the event giving rise to the claim, not liability.	Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Public liability insurance – clause 19	John Holland appears to require amendment such that: • its public liability policy only covers liability to third parties – and does not also cover liability of the parties to each other for property	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. In any event, we note the following: • the restriction to liability to third parties is potentially a	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect	John Holland has said that if the Public Liability insurance was provided by Principal, the cost to remove this from John Holland's price is $12,640 excluding GST for the STP(and $17,160 excluding GST for the WTP). It is not clear from John	

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		• damage; • the policy be subject to "reasonable terms, conditions and exclusions"; and • the policy be for the sum in Item 30 (not for a sum "not less than" that amount) and in the annual aggregate for products liability.	significant one – particularly given the indemnity in clause 17.1 – Council should seek advice from insurance advisors as to whether this would result in Council being unable to rely on insurance in the event of claims under the clause 17.1 indemnity and • the requirement for the policy be subject to "reasonable terms, conditions and exclusions" is very broad, and would make it difficult for Council to require that the policy contain particular provisions (unless they are expressly required by the Contract).		on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.	Holland's response what impact this would have on its contractual departures.	
•	Personal Accident and Injury Insurance – clause 20A	This provision has been deleted entirely.	We recommend Council obtain specialist insurance advice in relation to impacts of the deletion of this provision by John Holland.	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is,		

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					with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Professional Indemnity Insurance – clause 21	John Holland requires amendment such that: • its PI policy is subject to "reasonable terms, conditions and exclusions"; and • its subcontractors are only required to effect PI insurance for "an appropriate limit of liability".	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. The requirement for PI insurance of subcontractors to have "an appropriate limit of liability" provides Council with absolutely no certainty as to the level of coverage that the relevant subcontractor will be required to have in place at any given time, and therefore make these provisions extremely	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant.		

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			difficult to enforce.		John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Constructional Plant and Motor Vehicle Insurance – clause 21A	John Holland requires amendment such that: • there is no requirement for John Holland to insure its own plant and equipment (or equipment in its custody or control) for loss or damage; • it is required to ensure equipment entrusted to it by Council for market value – rather than replacement value; • compulsory third party requirements only apply in respect of registered motor vehicles and plant and equipment; and • the value of insurance is to be for the specified	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. The lack of insurance for loss or damage to John Holland's own plant and equipment may not be of concern to Council – so Council may want to consider.	Low - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations		

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		amount not an "amount not less than" the specified amount.			on insurance matters remain unchanged.		
•	Marine Transit Insurance – Clause 21B	John Holland requires amendment such that: • the marine transit policy only applies to items in "ocean marine" transit; • the requirement for "all risks" coverage is deleted; and • the policy covers "Cost including Freight plus 10%".	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland.	Medium - Reject	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.	John Holland has said that there would be no impact for the removal of marine transit insurance. It is not clear from John Holland's response what impact this would have on its contractual departures.	
•	Proof of Insurance – clause 22.1	John Holland requires the production of certificates as evidence	John Holland will obviously need to review Council's policies in order	Low - Consider	John Holland maintains its departures and, again, seeks		

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		of its insurances. John Holland requires the production of Council's insurance policies.	to conduct the necessary due diligence. Certificates of currency are usually acceptable as evidence of insurance, but Council may want to see terms of certain key policies, such as public liability and marine transit.		"discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Failure to produce proof of insurance – clause 22.2	John Holland has deleted the references to policies in clauses 21 and 21A (ie PI and plant and equipment insurance).	Presumably John Holland is of the view that Council cannot effect such insurances on its behalf, and so the references are therefore not necessary. We recommend Council obtain specialist insurance advice in relation to the amendments proposed by	Low – Consider.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is,		

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			John Holland.		with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Notices to/from insurer – clause 22.3	John Holland have proposed numerous amendments, including the deletion of paragraphs (c) and (d), and the amendment of paragraph (a) so that it applies to Council in respect of contract works insurance and environmental liability insurance.	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. Council would need to consider whether its contract works policy and environmental liability policy each satisfy the requirements of this amended provision.	Medium - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant.		

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					John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Notices of potential claims – clause 22.4		We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland.	Low - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations		

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					on insurance matters remain unchanged.		
•	Cross Liability – clause 22.6	John Holland appear to be suggesting that only contract works and public liability insurance be in joint names.	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. Council would need to consider whether its contract works policy satisfies the requirements of this amended provision. Council would also need to consider whether any policies other than just contract works and public liability insurance should be in joint names.	Medium - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Insurance generally – clause 22.7	John Holland has deleted the requirement for policies effected by John Holland to be on terms (and with an	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by	High – Reject, but Consider Compromise Council should retain the	John Holland maintains its departures and, again, seeks "discussion" with		

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		insurer) both approved by Council. John Holland requires responsibility for the payment of excesses to be "proportionally and equitably" allocated to the extent John Holland has contributed to the loss claimed.	John Holland. Council should retain the right to approve the terms of insurance policies, and the relevant insurer – although it is common to carve-out from the requirement to approve policy terms for PI policies and workers compensation policies. Council may want to consider compromising on the issue of responsibility for excesses – albeit on the basis of contributing to both the loss claimed, and the event or cause giving rise to the claim.	right to approve the terms of insurance policies, and the relevant insurer – although it is common to carve-out from the requirement to approve policy terms for PI policies and workers compensation policies. Council may want to consider compromising on the issue of responsibility for excesses – albeit on the basis of contributing to both the loss claimed, and the event or cause giving rise to the claim.	Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Superintendent acting reasonably – clauses 3.4, 5.3, 34.2, 34B.5(b)(i),	John Holland has requested numerous amendments throughout the Contract requiring the Superintendent to act reasonably.	In many cases this could result in a substantial reduction in the utility and breadth of the Superintendent's powers. In particular, the imposition of a requirement to act reasonably on the Superintendent could be used as a means by John Holland to impugn the acts of the Superintendent and	High – Reject We recommend all instances of such change by John Holland be rejected – with the limited exception of clause 3.4, which Council may want to consider agreeing to as a compromise.	John Holland maintains is position on this issue, on the basis that the Superintendent having an absolute discretion prevents it from having a contractual remedy in relation to the exercise of that discretion. In our view, with perhaps the exception of clause	Withdrawn by John Holland.	

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			either render them invalid or use them as the basis to bring contractual claims against Council (eg for breach). In almost all cases, these amendments could give rise to significant risk to Council.		3.4 (as noted in our recommendations) and clause 5.3 (as noted in our recommendations, the discretion referred to in that provision may not be necessary to protect Council given other security held), John Holland having no contractual remedy in relation to such discretions is (when you analyse the nature of each of the discretions) entirely appropriate. For example: • clause 23 – John Holland have not requested any reference to reasonableness be included – in any event it is unnecessary, because the reasonableness concept is built into each valuation function (eg see clause 35.5 and clause 40.5); • clause 34.2 – this relates to John Holland wanting to suspend work, not the Superintendent		

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					directing John Holland to suspend work – given how time-critical this project is, why would Council agree to any fetter on its ability to approve or reject John Holland wanting to suspend work for what would essentially be for John Holland's own convenience? • clause 34B.5 – this applies where John Holland has failed to meet a Mandatory Performance Level of Guaranteed Performance Level during the Extended Performance Proving Period – so, given this is being triggered by John Holland's failure to satisfy its contractual obligations, again, why should there be any fetter on what the Superintendent chooses to do in response?		

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•	Superintendent directions- clause 23	John Holland has removed the requirement to comply with directions "purported to be given" under a provision of the Contract.	These words are deliberately included in the Contract to avoid a scenario in which John Holland flatly refuses to comply with a direction because it believes it is not properly given under the Contract. For example, if the Superintendent gives a direction to rectify a Defect, John Holland may say that there is no Defect, and therefore no valid direction – so it does not need to comply. This can lead to an unhelpful "stalemate" situation – allowing John Holland to exert inappropriate commercial pressure on Council. There are other mechanisms in the Contract to protect John Holland against this scenario – for example by claiming a Variation in the event that the work the subject of the direction is actually compliant, and therefore not a Defect.	Medium – Reject Given the current drafting of the Conditions of Contract, the amendment is, in our view, unnecessary. We recommend it be rejected by Council.	See above and original recommendations.	John Holland maintains this departure. See original recommendations. Council could consider a compromise in which we clarify that the obligation to comply with a direction "purported to be given" under a term of the Contract dos not limit John Holland's entitlements to Variations arising from compliance with any such direction that is not actually given under the Contract. We understand from the telephone conference on 23.10.2015 that Council intends to push back on the proposed amendment. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to withdraw departure. These words are deliberately included in the Contract to avoid a scenario in which the Contractor flatly refuses*	

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						to comply with a direction because it believes it is not properly given under the Contract. For example, if the Superintendent gives a direction to rectify a Defect, the Contractor may (unless these words are retained) say that there is no Defect, and therefore no valid direction – so it does not need to comply. This can lead to an unhelpful "stalemate" situation – allowing the Contractor to exert inappropriate commercial pressure on Council. This is an unacceptable outcome for Council. There are other mechanisms in the Contract to protect the Tenderer against this scenario – for example by claiming a Variation in the event that the work the subject of the direction is actually compliant, and therefore not a Defect. Council also notes that the relevant direction must still be purported to have been given "under the Contract" – so the purported direction still needs to be referable to a provision of the Contract	

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						that permits the giving of a direction (rather than a direction that is not referable to any term of the Contract – which would not, based on this provision, require compliance)."	
•	Delays caused by others – 27.2	John Holland require cost relief as well as time relief due to delay and disruption caused by others having a right of access to the Site under clause 27.2.	This is essentially a commercial issue for Council to consider.	Medium	No clarification requested by Council on this point.	Withdrawn by John Holland.	
•	Minerals, Fossils and Relics – clause 27.5	John Holland requires EOT relief in addition to the current cost relief for minerals, fossils, etc.	Granting EOT relief would be inconsistent with other allocation of risk associated with Site Conditions, and is potentially of significant risk to Council given the time-critical nature of the project and the interaction with the NSW Government subsidy.	Medium - Reject	No clarification requested by Council on this point.	Withdrawn by John Holland.	
•	Quality of Materials and Work –clause 30.1	As currently drafted, clause 30.1 provides that where standards of work, etc are not specified in the Contract (eg in the PPR), John Holland must use standards consistent with best	This is a common provision in "D&C" contracts – because the PPR for such contracts is invariably never entirely prescriptive as to the standards required.	High - Reject	No clarification requested by Council on this point. Council may want to request a clarification on this matter.	John Holland has said that it will accept clause 30.1 subject to the deletion of the words "and which is otherwise fit for purpose". We recommend this be rejected by Council. We	

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		industry standards of work and materials for work of a similar nature, and which is otherwise fit for purpose. John Holland has deleted this requirement.	Whilst the design and technical requirements for this project may be more fully developed (given the "DD&C" delivery model), the issue is nonetheless the same. John Holland should, in our view, take comfort from the fact that this provision only applies where the Contract itself does not prescribe standards, etc.			repeat our comment that John Holland should, in our view, take comfort from the fact that the provision only applies where the Contract itself does not prescribe standards etc. When the Contract does not prescribe standards, etc Council is obviously relying on the skill, expertise and judgment of John Holland – which is exactly the scenario in which a fitness for purpose warranty is appropriate. We understand from the telephone conference on 23.10.2015 that Council wishes to push back on the proposed amendment. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to withdraw departure. The Tenderer should, in Council's view, take comfort from the fact that the provision only applies where the Contract itself does not prescribe standards etc.*	

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						When the Contract does not prescribe standards, etc Council is obviously relying on the particular skill, expertise and judgment of the Tenderer – which is exactly the scenario in which a fitness for purpose warranty is appropriate."	
•	Cut Over and Commissioning – clause 34A.4	John Holland request a "typo" be rectified, by requiring reference to Construction Completion be changed to Practical Completion.	The amendment appears appropriate.	Low – Accept	No clarification requested by Council on this point.	No clarification requested by Council on this point.	
•	Extensions of time – ownership of float – clause 35.5	John Holland have requested that it "own the float". That is, whilst the current position from Council's perspective is that an EOT is only available if the delay is such that the achievement of Milestone Completion will be delayed in a manner that prevents Milestone Completion being achieved by the relevant Date for Milestone Completion, John Holland now	Given the time–critical nature of this project and the interaction with the NSW Government subsidy, we believe this represents a significant risk to Council.	High - Reject	John Holland maintain its position on this matter – and would like to "discuss this issue further" with Council. Whilst this is ultimately a commercial issue for Council, our recommendation on this matter remains unchanged.	John Holland maintains its position on this matter – and would like to "discuss this issue further" with Council. Whilst this is ultimately a commercial issue for Council, our recommendation on this matter remains unchanged. We understand from the telephone conference on 23.10.2015 that Council wishes to push back on	John Holland's position remains unchanged.

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		requires an EOT for any delay to Milestone Completion – even if John Holland is running ahead of program.				the proposed amendment. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to withdraw departure. Council has been very open to the Tenderer about the time-critical nature of this project from Council's perspective, and the need for Council to retain the benefit of any float that the Tenderer may build up in its program as the project proceeds."*	
•	Indemnity for loss of subsidy – clause 35.7	John Holland's departure appears to assume that Council can (and is willing to) liquidate as a daily rate the loss it will suffer as a result of the proposed subsidy being lost or withdrawn as a result of late Practical Completion - notwithstanding that Council has agreed to cap John Holland's liability under the current indemnity covering this	As discussed following the STI workshops, the loss of the subsidy will not necessarily be simply a funding cost on a daily basis (according to Council). This therefore represents a potentially significant departure from Council's desired risk allocation.	High – Reject	John Holland request Council provide details of the estimated loss to Council for each day John Holland is late. We recommend against such an approach. As we understand the nature of the NSW Government subsidy, Council could lose that subsidy if the project is only 1 day late.	Withdrawn by John Holland-given comments in Workshop 5 that exposure limited to $1.6m for WTP and $1m for STP. We understand from the telephone conference on 23.10.2015 that Council intends to seek clarification on cost impact if this indemnity is removed.	

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		loss. John Holland appear to be of the view that the daily financing costs can be liquidated at the $ amounts specified in its Schedule 23 departures table.			Assuming that is correct, it is incorrect and inappropriate to consider addressing this matter in terms of a daily loss – hence the reason why Council decided to address this risk by way of an indemnity, rather than a daily liquidated damages rate. Council may want to consider putting this position to John Holland and requesting it withdraw its departure on the basis that Council has capped John Holland's liability under that indemnity, and therefore given John Holland the degree of certainty necessary to price this risk.	Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to confirm the impact on tender price, and contract departures, if this indemnity is removed by Council."*	
•	Default notice by Council – clause 44.2	John Holland requires at least 21 days to remedy a substantial breach before a termination right arises.	This period coincides with the equivalent time period applying to Council's benefit under clause 44.8 (other than for payment – see comment below).	Low – Accept	No clarification requested by Council on this point.	John Holland maintains this departure. Our recommendation remains the same.	
•	Default of the Principal – clause 44.7	John Holland requests the reinstatement of a failure to make a	In our view, the failure to issue a Certificate of Practical Completion	Medium – Reject, but Consider Compromise	No clarification requested by Council on this point.	Withdrawn by John Holland.	

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		payment and a failure to issue a Certificate of Practical Completion as substantial breaches for the purposes of clause 44.7.	should not be a potential trigger for termination. If John Holland has reached Practical Completion, what benefit would there be in terminating the Contract (other than to perhaps stop Council from levying liquidated damages). In our view, this will simply be used by John Holland as a means of exerting undue commercial pressure on Council if there is a dispute over the achievement of Practical Completion. The same comment applies in relation to a failure to pay. This could be used by John Holland to escalate minor payment disputes into potential termination triggers – thereby enabling John Holland to exert undue commercial pressure on Council.	Council could consider a compromise around the issue of a failure to pay – eg by making the substantial breach a failure to pay within a period of time following the obligation to pay first arising under the Contract. This would give Council a buffer and avoid John Holland attempting to use non-payment as a trigger for the termination mechanism.			
•	Default Notice by John Holland	John Holland wants to give Council only 7 days to remedy non-payment before it can terminate.	This could be used by John Holland to escalate minor payment disputes into potential termination triggers – thereby enabling John Holland to exert undue commercial pressure on Council.	High - Reject	No clarification requested by Council on this point.	Withdrawn by John Holland, subject to acceptance by Council of the departure in respect of " Default notice by Council – clause 44.2" – see comments above.	

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•	Termination for convenience payment – clause 44.14	John Holland want payment for materials ordered – regardless of whether they have been prematurely ordered.	This would require Council to keep John Holland whole for materials costs, even if they have been ordered well in advance of when they are required. John Holland are likely to be concerned about Council raising the timing of placement of orders in order to avoid payment under this clause. That said, such provisions are very common in termination for convenience mechanisms. Whether this is acceptable is essentially a commercial matter for Council	Medium – Reject	No clarification requested by Council on this point.	John Holland is pressing this point but has proposed to exchange the word "prematurely" for "unreasonably". Whether this is acceptable is essentially a commercial matter for Council, however, in our view, the wording change requested by Council would provide little clarity to either party beyond what is currently drafted. We understand from the telephone conference on 23.10.2015 that, as mitigation strategy, Council is considering agreeing upfront a lead items procurement schedule. In our view, this is unlikely to be acceptable to John Holland as they would likely want to retain flexibility around procurement activity. In any event, this approach could also give rise to risk to Council. For example, there could be a risk of additional delay claims in the event that Council prevents procurement activities from proceeding	

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						as agreed.	
•	Termination for injunctions – clause 44.15	In the event of termination due to injunctions, John Holland requires payment for goods and materials reasonably ordered – on the same basis as the termination for convenience mechanism.	This may be appropriate, provided John Holland is not the cause of the injunction.	Low – Consider	John Holland maintains its departure, but appears to have conceded that it should not be entitled where the termination has been caused by its own breach. See our original comments and recommendations.	John Holland accepted Council's proposed new drafting.	
•	Termination of STP Contract – clause 44A	John Holland is proposing that any termination of the WTP contract as a result of termination of the STP Contract would need to be effected by way of the termination for convenience regime – entitling John Holland to payment of costs etc relating to the WTP project.	This approach is inconsistent with the concept of Council approaching both the STP and WTP as separate parts of the same project. For example, if both the STP and WTP were merely separable portions under a single contract, the termination would result in termination of both "projects" on the basis of the current mechanism in clause 44A. The proposed departure by John Holland therefore represents a significant divergence from Council's desired commercial	High – Reject	No clarification requested by Council on this point.	Withdrawn by John Holland.	

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			position.				
•	PPSA Further Assurances – clause 51.1	John Holland has requested the addition of a new sub-clause (c), requiring Council to compensate John Holland for additional costs where the Council requests John Holland to undertake an action for the purposes of protecting any PPSA security interest.	Compensation for costs is not standard in such provisions. The practicalities of registration under the PPSA is that such further assurances requests are highly unlikely.	Medium – Reject We recommend the requested departure be rejected.	No clarification requested by Council on this point.	John Holland has said that "given Council has provided assurances that further requests under clause 51.1 are highly unlikely we are content to withdraw our qualification to clause 51.1." We understand from the telephone conference on 23.10.2015 that Council wants to clarify that no such assurances have been provided. Accordingly, we recommend a clarification be issued along the following lines: *"Council notes that no such assurance has been provided. All Council was saying in its previous clarification on this point was that, as a matter of general industry practice, such further requests are rare, and that based on the rarity of such events under general industry practice, the Tenderer should consider this as a low-risk matter and withdraw the departure.*	

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						For the record, Council reserves for itself the right for any such requests to be made."	
•	PPSA Acknowledgements and undertaking – clause 51.3	John Holland has requested deletion of sub-clause (c), which requires John Holland not to register a financing change statement without the prior written consent of the Council.	Amendment is likely to be acceptable.	Low - Accept	No clarification requested by Council on this point.	No clarification requested by Council on this point.	
•	Council payment for subcontractor suspension – clause 52.5	John Holland does not agree to Council paying subcontractors to avoid them suspending work under the Security of Payment Act where there is a "legitimate dispute" between John Holland and the relevant subcontractor – presumably in relation to the amount paid by Council.	Whilst John Holland is (perhaps justifiably) likely concerned about Council making unjustified payments to subcontractors, then recovering that from John Holland, a legitimate dispute will be easy to prove, and so it will be easy for John Holland to prevent Council from recovering the amount paid to the subcontractor.	Low – Reject, but Consider Compromise In our view, the amount paid by Council should remain due but be refunded by Council if it is shown that the relevant subcontractor did not have an entitlement to that amount.	No clarification requested by Council on this point.	Withdrawn by John Holland.	
•	Indemnity against Security of Payment – clause 52.6	John Holland requires the indemnity against subcontractor suspension (under the Security of Payment Act) and a failure to comply with clause 52.1 to be	In our view, the matters that are the subject of the indemnity are entirely within John Holland's control, and are therefore manageable by John		No clarification requested by Council on this point.	Withdrawn by John Holland.	

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		limited to loss arising "as a direct result".	Holland.				
•	Exclusion of consequential loss – clause 58	John Holland have requested an express exclusion of liability for "all indirect loss, all consequential loss, business interruption".	As discussed during the STI process, there are significant risks associated with exclusions relating to "indirect" or "consequential" loss. The case law on this issue has developed significantly over the last six years – to the point where these terms potentially represent heads of loss that are far broader than previously thought. We therefore strongly recommend against any exclusion provisions that excludes (on a broad and express basis such as is requested by John Holland) the concepts of "indirect" or "consequential" loss.	High – Reject Council may want to consider excluding liability for "business interruption" – however this needs to be considered in light of the potential claims that might be brought against Council by businesses etc relying on water supply in the event that John Holland's acts or omissions are the cause of the failure to adequately supply water.	John Holland maintains this departure – justifying it by reference to certain other projects and organisations that have accepted this position. This, in our view, is not a compelling argument for a number of reasons: • firstly, the projects John Holland identifies may have been put out to market and agreed before the developments in caselaw that we are concerned about arose; • secondly, just because another organisation accepted this position does not mean Council should – we are aware that various NSW Government organisations had not been receiving proper legal advice on this issue, and have therefore	John Holland maintains this departure. We repeat our comments in the column to the left and strongly recommend this not be agreed by Council. It may be worthwhile going back to John Holland with a summary of the position in the previous column. We understand from the telephone conference on 23.10.2015 that Council intends to put justification of Council's position to tenderer. Accordingly, we recommend a clarification be issued along the following lines: *"Tenderer to withdraw departure. The Tenderer's justification for such a departure is not compelling for Council, particularly given:* • *the case law on this issue has developed significantly over the*	John Holland withdraws, except for "business interruption" – ie John Holland wants no liability for "business interruption". John Holland agreeing to delete references to "indirect" and "consequential" is a good outcome for Council on this point. Whether Council accepts an exclusion for "business interruption" is is a commercial issue for Council to consider. Such an exclusion is common, however, in considering this matter, Council needs to keep in mind how likely a claim against Council is for business interruption given the specifics of this particular project (eg claims from a third party based on interruption to a business relying on the operation of the STP or WTP – eg could not operate its business because it had no water, or could not use treated

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					• entered into contracts where this is a risk to them; • thirdly, the risk is a real one, based on recent developments in caselaw – with the greatest respect, John Holland cannot compellingly justify its position in the face of those caselaw developments simply by saying the someone else has agreed to this position. Again, based on recent developments in caselaw on this matter, we strongly advise against accepting John Holland's position.	*last six years – to the point where these terms potentially represent heads of loss that are far broader than previously thought, and covering heads of loss that Council is not willing, commercially, to exclude from liability;* • *the projects the Tenderer identifies may have been put out to market and agreed before the developments in caselaw that we are concerned about arose; and* • *in any event, just because another organisation accepted this position does not mean Council should, or does – we are aware that various NSW Government organisations had not been receiving legal advice on this issue, and have therefore entered into contracts where this is a risk to them*	effluent from the STP for irrigation). Such claims are technically possible – particularly if Council has commercial arrangements for the supply of water or treated effluent.

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						– therefore, such justification is not compelling from Council's perspective. *The Tenderer has not compellingly justified its position in the face of recent caselaw developments simply by saying the someone else has agreed to this position (in the context of projects that may, from a commercial perspective, be very different from this project)."*	

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Parkes Shire Council – Contract 2014014-50 – New Sewage Treatment Plan

Maddocks Updated Tender Evaluation Report – Haslin/Aquatec

15 October 2015

Maddocks has reviewed parts of the tender material provided to us by Parkes Shire Council (**Council**) as forming part of the tender submitted by an unincorporated joint venture between Haslin Constructions Pty Ltd (ACN 051 102 124) and Aquatec Maxcon Pty Ltd (ACN 002 250 482) (**Haslin/Aquatec**) in respect of Contract 2014013-50 (**STP Contract**).

Maddocks has also reviewed Haslin/Aquatec's response to Council's request for certain clarifications, which we received on 14 October 2015.

Maddocks has not undertaken a review of the remainder of the documents comprising that tender and makes no comment on technical or commercial content of that tender (including proposed departures from the technical requirements of the STP Contract).

Set out below is our report on the matters raised by Haslin/Aquatec by way of requested departures from the Conditions of Contract.

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
1.	Construction Completion	Haslin/Aquatec require the definition to reflect that only those approvals that it is required by the Contract to obtain are to be provided in order to achieve Construction Completion.	This is consistent with the allocation of responsibility for Approvals under the STP Contract.	Low - Accept
2.	Dilapidation Report – clause 3.4	Haslin/Aquatec require the Superintendent to act reasonably for the purposes of the dilapidation report provisions. Haslin/Aquatec also requires the Superintendent to act without undue delay when approving the person to prepare the dilapidation reports.		Low - Consider
3.	Design Responsibility – clauses 3.3(b), 3.6(b)(ii) and 4.1(c)	Haslin/Aquatec require the deletion of clauses 3.3(b), 3.6(b)(ii) and 4.1(c).	These clauses are all fundamental elements of the DD&C delivery model adopted by Council. They were all disclosed in the DD&C Term Sheet as part of the EOI. Clause 3.3(b) provides that Haslin/Aquatec bears the risk of Design Errors and Buildability Problems – without this provision (particularly with the deletion also of clause 4.1(c)) the fundamental cornerstones of Council's risk allocation in relation to design risk (ie that the Contractor is to carry out due diligence on the design, and take on the risk of design) falls away. Clause 3.6(b)(ii) is the obligation to achieve all Mandatory Performance Levels and Guaranteed Performance Levels – again, fundamental to Council's delivery model. Clause 4.1(c) is the provision in which the Contractor warrants that it has examined the Principal's Project Requirements and that it is fit for its intended purpose – again, fundamental to Council's delivery model.	High – Reject These departures represent a fundamental departure from Council's required risk allocation. We therefore strongly recommend Council reject these proposed departures.
4.	Work Method – clause 6.3(c)	Haslin/Aquatec require the deletion of clause 6.3(c). Haslin/Aquatec appear concerned to have this obligation referable to HAZOP/CHAIR meetings, and is also concerned with the reference to future decommissioning.	Clause 6.3(c) requires Haslin/Aquatec to warrant that the work method it adopts will enable Council to operate, maintain and decommission the Works according to the highest standards of safety.	Medium – Consider Compromise Council could consider removing the reference to future decommissioning. Council could also consider determining the obligation by reference to safety standards required by Legislative Requirements and Good Industry Practice (as exists as at the date of performance of the relevant work).
5.	Subcontracting – clause 9.2	Haslin/Aquatec require the deletion of the requirement to obtain Council approval of the form of subcontracts it enters into.	Approval of subcontract terms is not strictly necessary from a legal perspective, and many contractors will resist this on the basis that it unduly impacts on how they pass-through risk. Whether approval of subcontract terms is necessary is therefore ultimately a commercial matter for Council to consider.	Low - Consider
6.	HV Transformer – clause 9B	Haslin/Aquatec appear to require the deletion of clause 9B(c)(ii)(A) and (B) on the basis that	These provisions contain warranties to the effect that Haslin/Aquatec has checked the size, capacity and	High - Reject

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		it is "not aware of the transformer supply conditions".	proposed location of the HV Transformer, it is adequate for its purpose and will enable Haslin/Aquatec to comply with the WTP Contract. These provisions are important in ensuring that Haslin/Aquatec does not bring claims against Council in the event that the HV Transformer supplied by Council is not adequate for Haslin/Aquatec's purposes. A fundamental element of Council's approach to this issue has been to provide details of the HV Transformer that Council will supply, to ensure that Haslin/Aquatec can properly interface its design with the size and capacity of that HV Transformer, and design for the proposed location. Haslin/Aquatec's departure represents a significant departure from this arrangement and is likely to give rise to potentially significant risk to Council. If the detail of the HV Transformer has not been provided to Haslin/Aquatec, Council could provide that detail and request confirmation that Haslin/Aquatec withdraws this depature.	
7.	Indemnity against property damage and personal injury – clause 17.1	Haslin/Aquatec requires the indemnity in clause 17.1 (eg in relation to third party property damage and personal injury/death) to be reduced proportionately to the extent any act or omission of the Principal (rather than negligent or wilful act or omission) contributed to the loss, damage, death or injury.	In our view, the approach requested by Haslin/Aquatec in this departure is consistent with market practice.	Medium – But Consider Accepting Whether this departure is acceptable to Council or not will depend in part on the extent to which Council is comfortable that it would be covered by John Holland's public liability insurance policy, and any other public liability insurance policy that Council may have in place. Council will therefore need to obtain specialist insurance advice on this matter and consider accordingly.
8.	Insurance generally – clause 22.7	Haslin/Aquatec require Council to act reasonably when approving the terms of any insurance policy.	In our view, Council should not be fettering how it acts when considering whether to approve the terms of a policy of insurance. Haslin/Aquatec can mitigate this risk by	Medium – Reject

Maddocks

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
			getting pre-approval of policy terms before the STP Contract is entered into.	
9.	Access – clause 27.1	Haslin/Aquatec require an express entitlement to cost and EOTs in the event that Council fails to provide access to the temporary laydown areas identified in Item 36A.	It is likely that Haslin/Aquatec would already be entitled to an EOT based on the failure being an act or omission of Council (even though not a breach). Whether Council is willing to grant an entitlement to delay costs is a commercial matter for Council. We assume Council has the necessary rights over the relevant areas, and so the provision of access will not be problematic for Council.	Low - Consider
10.	Acceleration proposal – clause 33.5	Haslin/Aquatec require 5 Business Days in which to provide an acceleration proposal, rather than the current 2 Business Days.	This is a minor commercial matter for Council consideration.	Low – Consider
11.	Suspension costs – clause 34.4	Haslin/Aquatec require an entitlement to suspension costs in the event that the suspension is due to an order of the court or an Authority not caused by them.	As currently drafted, Haslin/Aquatec would be entitled to suspension costs if the order of the court or an Authority was due to an act or omission of Council. In our view ,this provides Haslin/Aquatec with the degree of protection they need without the need to amend the STP Contract.	Low – But Reject We recommend this departure be rejected on the basis that the current provisions of the Contract already provide Haslin/Aquatec with sufficient protection.
12.	Cut Over and Commissioning Plan – clause 34A.2	Haslin/Aquatec require deemed acceptance of the Cut Over and Commissioning Plan in the event it is not rejected within 15 Business Days of submission or resubmission.	In our view, this amendment is unnecessary. Haslin/Aquatec are required to comply with the "Current Cut Over and Commissioning Plan". The term "Current Cut Over and Commissioning Plan" is defined as a plan that has been submitted and not rejected within the time provided for in clause 34A. Therefore, although not amounting to "deemed acceptance" if it is not rejected by the Superintendent within 15 Business Days, Haslin/Aquatec is entitled to comply with it.	Low – But Reject We recommend this departure be rejected on the basis that the current drafting already operates in the manner required by Haslin/Aquatec.

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Maddocks

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
13.	Liquidated damages – clause 35.6	Haslin/Aquatec require a provision to be inserted to provide that the total cumulative liability of Haslin/Aquatec under clause 35.6 is limited to 10% of the Contract Sum.	The final paragraph of clause 35.6 already provides that the liability of Haslin/Aquatec for liquidated damages is limited to 10% of the Contract Sum. Haslin/Aquatec may be concerned because this provision only caps liability for liquidated damages and, technically speaking, clause 35.6 could operate to expose Haslin/Aquatec to general law damages (which, arguably, would not be covered by the 10% cap – which we have deliberately drafted that way). We suggest Council request this departure be withdrawn on the basis that the final paragraph of clause 35.6 already caps Haslin/Aquatec's liability for liquidated damages at 10% of the Contract Sum.	Low – But Reject
14.	Liquidated damages and subsidy indemnity – clauses 35.6 and 35.7	Haslin/Aquatec appears to be requesting that its total liability for both liquidated damages and the indemnity under clause 35.7 be capped at 10% of the Contract Sum.	Council has addressed concerns about unlimited exposure to the subsidy indemnity by imposing a separate liability cap under that indemnity – see the second-last paragraph of clause 35.7. On that basis, Haslin/Aquatec is already given certainty as to what its ultimate exposure is under this indemnity. An aggregate cap of 10% under both the liquidated damages provision and the indemnity represents a substantial potential reduction in the protection afforded to Council under these two provisions.	High – Reject
15.	Variations – clause 40.1	Haslin/Aquatec require the deletion of the third paragraph of clause 40.1 – which provides that for a direction to be a variation direction it must be in writing and expressly stated to be under clause 40.1. It also permits Council to have omitted work carried out by others.	Both such provisions are standard practice in the industry and provide fundamental protection to Council. The first is intended to protect Council from spurious variation claims. The second is intended to permit Council to have omitted work performed by others, without the risk of wrongfully repudiating the Contract.	High - Reject

Maddocks

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
16.	Set-off – clause 42.8	Haslin/Aquatec require the deletion of the setoff clause.	The inclusion of a set-off provision is standard practice in the industry and provides fundamental protection to Council. We strongly recommend Council reject this departure.	High - Reject
17.	Principal default – clause 44.7(e)	Haslin/Aquatec require the reinstatement of non-payment as an event of Principal default entitling them to invoke the remedy and termination process.	In our view, the failure pay should not, of itself, be a potential trigger for termination. This could be used by Haslin/Aquatec to escalate minor payment disputes into potential termination triggers – thereby enabling Haslin/Aquatec to exert undue commercial pressure on Council.	Medium – Reject, but Consider Compromise Council could consider a compromise around the issue of a failure to pay – eg by making the substantial breach a failure to pay within a period of time following the obligation to pay first arising under the Contract. This would give Council a buffer and avoid Haslin/Aquatec attempting to use non-payment as a trigger for the termination mechanism in order to exert undue commercial pressure on Council.
18.	Termination for convenience – clause 44.13	Haslin/Aquatec appear to be requesting a 90 day notice period for termination for convenience.	Whilst some form of notice period may be appropriate, 90 days is, in our view, far too long and could simply be used by Haslin/Aquatec to prosecute elevated claims and incur unnecessary expenses in order to maximise their payout.	Medium – Reject
19.	Termination for injunctions – clause 44.15	In the event of termination due to injunctions, Haslin/Aquatec requires payment on the same basis as the termination for convenience mechanism.	This may be appropriate, provided Haslin/Aquatec is not the cause of the injunction.	Low – Consider
20.	Termination of WTP Contract – clause 44A.2	Haslin/Aquatec is proposing no entitlement to terminate the WTP contract as a result of termination of the STP Contract.	This approach is inconsistent with the concept of Council approaching both the STP and WTP as separate parts of the same project. For example, if both the STP and WTP were merely separable portions under a single contract, the termination would result in termination of both "projects" on the basis of the current mechanism in clause 44A.	High – Reject

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
			The proposed departure by Haslin/Aquatec therefore represents a significant divergence from Council's desired commercial position.	
21.	Reference dates – clause 52.3	Haslin/Aquatec require a reference date for the purposes of the Security of Payment Act to arise after termination.	In our view, this would simply be used as a means for Haslin/Aquatec to invoke the Security of Payment Act following termination in order to exert undue commercial pressure on Council.	High - Reject
22.	Liability cap - clause 58	Haslin/Aquatec require a "new" clause 58 to be inserted dealing with an aggregate liability cap.	There is already a clause 58 addressing this issue. That said, the Haslin/Aquatec drafting could be more advantageous to Council than the current drafting.	High – But Consider
23.	Exclusion of consequential loss - clause 59	Haslin/Aquatec require a "new" clause 58 to be inserted dealing with an exclusion of consequential loss.	We recommend Council request this departure be withdrawn on the basis that the current clause 59 already provides protection to Haslin/Aquatec.	High - Reject

Maddocks

Parkes Shire Council – Contract 2014013-50 – New Sewage Treatment Plan

Maddocks Updated Tender Evaluation Report – Monodelphus

15 October 2015

Maddocks has reviewed parts of the tender material provided to us by Parkes Shire Council (**Council**) as forming part of the tender submitted by Monodelphus Engineering Pty Ltd (ACN 010 305 923) (**Monodelphus**) in respect of Contract 2014013-50 (**STP Contract**).

Maddocks has also reviewed John Holland's response to Council's request for certain clarifications, which we received on 14 October 2015.

Set out below is our report on the matters raised by Monodelphus in that tender by way of requested departures from the Conditions of Contract, as set out in Schedule 23 of that tender, updated to reflect John Holland's response to Council's request for clarifications.

We also set out in Attachment 1 our further report on the matters relating to insurance issues put forward by Monodelphus in its response to requests for clarification received on 14 October 2015.

Maddocks has not undertaken a review of the remainder of the documents comprising that tender and makes no comment on technical or commercial content of that tender (including proposed departures from the technical requirements of the STP Contract).

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
	Security for STP Contract – clause 5.6	Monodelphus proposes that security provided under the STP Contract not be available for issues or matters arising under the WTP contract.	This approach is inconsistent with the concept of Council approaching both the STP and WTP as separate parts of the same project. The proposed departure by John Holland therefore represents a significant divergence from Council's desired commercial position. It is, however, consistent with each of the STP and the WTP contracts having separate and distinct aggregate liability caps.	High – Reject We recommend Council reject this proposed amendment.	Monodelphus can withdraw this departure if the STP project and WTP project are awarded as separable portions of the same contract.

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
	Site Conditions – clauses 12 and 12A	Monadelphus make it clear that they have relied on the Geotechnical Report provided by Council. Furthermore, they provide that they have not allowed for acceptance of all Site Conditions.	We assume that Monodelphus require both EOT and cost relief for latent site conditions (although they have not been explicit on this point (instead inviting Council to "discuss" an appropriate method of "sharing the risk")). This, in our view, represents a significant departure from Council's desired risk profile, and a potentially significant risk to Council (particularly given the time-critical nature of the project and the interaction with the NSW Government subsidy).	High - Reject We recommend Council reject this proposed departure.	Monodelphus withdraw the departure in relation to reliance on Geotechnical Reports. However, Monodelphus maintain its position in relation to adverse site conditions. They make particular mention of floods that prevent access for months at a time, and artefacts and contamination. We note that the Contract already provides cost relief for directions given by the Superintendent in relation to artefacts – see clause 27.5. Whilst it is not entirely clear, we assume Monodelphus' position is that: • they are comfortable with provisions that provide they didn't rely on Information Documents (with associated releases, etc); but • they still want cost and EOT relief for latent conditions and certain "force majeure" events such as floods. Council may want to seek clarification that this is the Monodelphus position. In relation to the impacts of this clarification, our original comments and recommendations remain unchanged.
	Insurance – clauses 18-22	Monodelphus propose to use only "existing global insurance policies". We therefore assume	In our view, this represents a significant risk to Council for a number of reasons. Firstly, Council has no transparency as to what the terms of those policies are,	High – Reject Whilst we recommend Council obtain advice from its insurance advisors on this matter, in our view this represents a significant departure and a potentially	See Attachment 1

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
		that Monodelphus will not be taking out any project-specific insurance policies.	or how the terms of those policies may change over time (whether by way of the limits or cover, or exclusions from coverage). Secondly, these global policies presumably respond to any number of events and projects across Monodelphus' businesses globally. Therefore, the protection afforded by those policies could be eroded or prejudiced by events unrelated to the STP project. Thirdly, the nature of coverage provided to Council is uncertain (at least at this stage, until the terms of the relevant policies can be better understood) – for example, the current requirements of clause 19 require the public liability policy to be in the joint name of Council, and clause 22.6 currently requires that policy to operate as a separate policy in favour of Council. It seems unlikely that Council would have such protections under the Monodelphus global public liability policy.	significant risk to Council. We therefore recommend Council reject this proposed departure.	
	Excesses on Council insurances – clause 18B	Monodelphus propose that clause 18B(c) and (d) be amended such that it is responsible for excesses paid under Council's contract works and environmental liability policies – "unless the claim was caused by an act or omission of	The departure seems reasonable in principle – ie it seems reasonable that Monodelphus should not be responsible for excesses payable under those policies to the extent that the relevant event giving rise to the claim was caused by Council or its Other Contractors.	Low – Consider Compromise In our view, Council could consider agreeing to a compromise position in which Monodelphus is relieved of responsibility for those excesses to the extent that the relevant event giving rise to the claim was caused by Council or its Other Contractors.	See Attachment 1

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
		the Principal or its Other Contractors".			
	Time for Superintendent's decision – clause 46.4	Monodelphus require the Superintendent to make a decision in relation to a claim notified under clauses 46.1 and 46.3 within 28 days of receipt of the notices of claim.	The current time period is 56 days. This is essentially a minor commercial issue for Council to consider.	Low - Consider	No clarification requested by Council on this point.
	Exclusion of consequential loss – clause 58	Monodelphus request the correction of a typo in clause 58(b)(i)(B)(2) by changing the reference to "Subcontract" to "Contract".	Monodelphus is correct – this typo will need to be corrected.	Low - Accept	No clarification requested by Council on this point.
	Annexure Part H	Monodelphus appear to be raising a qualification on the form of design certificate in Annexure Part H.	It is not clear what the nature of the qualification is. To consider this further, Council will need to understand: • firstly whether they require changes to the timing of the provision of the design certificate; • secondly whether they propose changes to the entities from whom they will be required to procure the design certificate; and • thirdly whether they require changes to the form of certificates themselves.	Medium – Reject Subject to understanding further Monodelphus' concerns, we would advise Council against making any alterations to the design certification regime set out in the STP Contract.	Monodelphus has confirmed that they do not require any change to the certificate, the timing of the certificate of the form of the certificate. Council may want to close this matter out by requesting confirmation that no departure is proposed by Monodelphus.

Maddocks

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
	Virtual Control Room	Monodelphus offer a Virtual Control Room system for the project – but subject to the execution by Council of a "Confidentiality Agreement to protect…IP".	It is not possible to assess the impact on this qualification in the absence of the terms of that Confidentiality Agreement.	Unknown – but likely Low	

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Attachment 1 – Evaluation of Insurance Departures Received 14 October 2015

Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
18B Contractor to satisfy itself			
(c) and (d)	where it is responsible for the care of things under Clause 16.1, bear the cost of any excesses in the insurance referred to in Clause 18; bear the cost of any excesses in the insurance referred to in Clause 18A in respect of any event or circumstance occurring before the Date of Practical Completion or otherwise caused or contributed to by the Contractor; and	Our view is that the party seeking the benefit of a policy payment should be liable to pay the excess or deductible. We request that the clause be amended accordingly.	Monodelphus appear to require a departure from the responsibility for excesses under Council's contract works and environmental liability insurances. In our view, Council could consider agreeing to a compromise position in which Monodelphus is relieved of responsibility for those excesses to the extent that the relevant event giving rise to the claim was caused by Council or its Other Contractors.
19. Public Liability Insurance			
Alternative 1	Before the Contractor commences work under the Contract, the Contractor shall effect a public liability policy of insurance in the joint names of the Principal and the Contractor which covers the Principal, the Contractor, the Superintendent and all subcontractors employed from time to time in relation to the work under the Contract for their respective rights and interests and covers their liabilities to third parties.	MGL holds a current Public Liability Policy. The policy is not held in the joint names of the Principal and Contractor. The definition of Insured includes a contract principal.	Monodelphus appears to propose that the public liability policy not be in the joint names of Monodelphus and Council, but that Council will nonetheless be an "Insured". As we understand it, the preferable position would be for the policy to be joint names in order, for example, allow Council to claim under the policy as if it were a separate policy in favour of Council. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of Council being an "Insured" rather than joint names.

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Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
	The policy shall also cover the Contractor's liability to the Principal and Principal's liability to the Contractor for loss of or damage to property (other than property required to be insured by Clause 18) and the death of or injury to any person (other than liability which is required by law to be insured under a workers compensation policy of insurance).	See above comments. The policy is not held in the joint names of the Principal and Contractor. The definition of Insured includes a contract principal.	See above. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.
21 Professional Indemnity Insurance			
	The policy and such level of cover shall be maintained until the expiry of the O&MS Term and thereafter for a period as is stated in Item 32 [7 years].	Professional indemnity insurance is renewable annually, and MGL cannot guarantee it will maintain the same policy for 7 years after the Contract Term.	It is critical for Council that Monodelphus have PI insurance in place (satisfying the requirements of the Contract) for a period sufficient to cover Monodelphus against any claims brought prior to the expiry of the relevant statutory limitation period. Given the WTP Contract will be a deed, the statutory limitation period could actually be 12 years – however it is not common to have a requirement to maintain PI insurance for such a long period. Unless Monodelphus is obliged to retain the same PI policy for this period, there would be nothing stopping Monodelphus from effecting a new policy with the same limit of coverage, but which is subject to significantly broader exclusions (thereby reducing the utility of the policy from Council's perspective). In short, this is standard industry practice and in our view should be insisted upon by Council. Monodelphus could always come to Council at the relevant time to obtain Council's consent to take out a different policy – however it should not be permitted to do so unilaterally. We also recommend Council obtain specialist advice from its insurance advisors on this issue.

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Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
21B. Marine Transit Insurance			
	In respect of the things the care of which the Contractor is responsible for under Clause 16.1 which are in transit (including storage and transhipment), the Contractor shall effect a marine transit insurance policy which provides cover for those things on an "all risks" basis, including war, riots, strikes and civil commotion coverage, covering those things until they are delivered to the Site, unpacked, inspected and confirmed as in sound condition.	MGL currently holds a Transit Policy. The policy covers accidental physical loss of or damage to the goods during the insured transits. This does not cover 'All Risks' but it will cover 'All Marine Perils'. All Incidental storage and warehousing is covered but only in the ordinary course of transit.	We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.
	The insurance policy shall:		
(a)	be in the joint names of the Principal and the Contractor, and shall cover the Principal, the Contractor and all subcontractors employed from time to time in relation to the work under the Contract for their respective rights, interests and liabilities;	The policy does not automatically name the Principal. Instead, the policy includes a Contractual Liability Extension which Indemnifies as follows; *Notwithstanding the indemnity afforded under this policy, where in the ordinary course of business the Insured enters into a written agreement with another party and where such written agreement provides in substance that the Insured shall indemnify and/or hold harmless and/or release form liability such other party in respect of loss, destruction or damage which may occur as a result of any peril or eventuality hereby insured against it is understood and agreed that this insurance shall not be prejudiced by the Insured agreeing to such provision. The Insurer(s) agree(s) to waive all rights of subrogation against such other party.*	See comments above on the issue of whether a policy is in joint names of Council. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.

Maddocks

Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
(c)	include a delayed unpacking clause and a 50:50 clause; and	Delayed Unpacking Clause included but limited to 90 days. 50/50 Clause is not included.	We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.
22. Inspection and provisions of insurance policies			
22.1 Proof of Insurance	Before the Contractor commences work under the Contract and whenever requested in writing by the Principal, the Contractor shall produce evidence to the satisfaction and approval of the Principal of the insurance effected and maintained, or required to be effected and maintained, by the Contractor.	Provision of certificate of currency is standard practice. Delete "evidence to the satisfaction and approval of the Principal" and replace with "Certificates of Currency"	In our experience, the provision of certificates of currency are adequate evidence of on-going compliance, but Council would still need to approve the terms of policies (other than PI and workers compensation – which are unlikely to be disclosed by Monodelphus other than on a "broker to broker" basis). Council may want to seek clarification that Monodelphus will agree to the disclosure of the terms of insurance policies so they can be approved by Council, followed by periodic evidence of the maintenance of those policies by way of the issue of certificates of currency.
22.3 Notices from or to the Insurer	Without limiting Clause 22.7, the Contractor shall ensure that each policy of insurance it is required to effect under Clauses 18, 19 and 21B contains provisions acceptable to the Principal that:		

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Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
(a), (c) and (d)	requires the insurer, whenever the insurer gives the Contractor or a subcontractor a notice of expiration, renewal, cancellation or other notice concerning the policy at the same time to inform the Principal in writing that the notice has been given and provide a copy of that notice to the Principal; requires the insurer, whenever the Contractor fails to renew the policy or to pay a premium, to give notice in writing thereof forthwith to the Principal and the Contractor and prior to the insurer giving any notice of cancellation; requires the insurer to give the Principal 20 Business Days prior written notice of the cancellation or lapsing of the policy; and	Our Insurer will not agree to the inclusion of these provisions.	We recommend Council obtain specialist advice from its insurance advisors as to whether these requirements are available in the insurance market (our view is that they are) and the potential consequences of this departure and comment from Monodelphus.
(e)	provides that any breach of the policy conditions by any party comprising the insured will not in any way prejudice or diminish any rights which any other party comprising the insured would have had under the policy but for the breach of policy conditions.	18 – Contract Works – Principal Arranged 19 – Public Liability – Ok 21B – Marine Transit – Does not have a severability clause, nor is it industry practice for a Marine Transit policy to have such a clause.	It appears that Monodelphus can comply in relation to its public liability policy, but not marine transit – Council may want to seek clarification on this point. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.

Maddocks

Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
22.4 Notices of Potential Claims	The Contractor shall, as soon as practicable, inform the Principal in writing of any occurrence that may give rise to a claim under a policy of insurance required by Clause 18, 18A, 19, 20, 20A, 21, 21A or 21B and shall keep the Principal informed of subsequent developments concerning the claim. The Contractor shall ensure that subcontractors in respect of their operations similarly inform the Principal.	This clause may raise issues of privacy and waiver of legal professional privilege. Recommend this clause be prefaced by: Propose that this clause be prefaced by: "To the extent permitted by law and to the extent that it does not compromise a claim for legal professional privilege …."	In our view this proposed departure can be accepted by Council.
22.6 Cross Liability	The Contractor shall ensure that any insurance required by the Contract to be effected by the Contractor in joint names, shall include a cross liability clause in which the insurer agrees: (a)to waive all rights, remedies or relief by way of subrogation, contribution or action against any of the persons comprising the insured (b) that the insurance operates in the same manner as if a separate policy of insurance had been issued to each of the insureds (subject always to the overall sum insured not being increased thereby); and (c) not to impute any acts, omissions, misrepresentations (whether fraudulent or otherwise), breach of a term or condition of a policy (including any breach of duty of disclosure) or any fraud by one insured to another insured.	Policies are not held in joint names with the Principal. 18 – Contract Works – Principal Arranged Public Liability – Ok. Principal is an insured by virtue of the definition of insured. Marine Transit - Does not have a cross liability, nor is it industry practice for a Marine Transit policy to have such a clause.	It appears that Monodelphus can comply in relation to its public liability policy, but not marine transit – Council may want to seek clarification on this point. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.

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Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
22.7 Insurance Generally	The Contractor shall ensure that each insurance policy required to be effected by the Contractor is effected with a licenced insurer and on terms both approved by the Principal before the commencement of the work under the Contract.	MGL places its insurance policies based on its operational requirements and on advice from its insurance broker.	It is not clear what departure, if any, Monodelphus is seeking on this point. We recommend Council preserve for itself the right to approve policies of insurance (perhaps other than PI and workers compensation – as Monodelphus will only likely agree to broker to broker disclosure of these policies). Council may want to seek clarification from Monodelphus on this matter. The use of licenced insurers should not be controversial, and should be insisted upon by Council.
	The Contractor shall be responsible for any excess payable under any insurance policy taken out by the Contractor under the Contract.	Our view is that the party seeking the benefit of a policy payment should be liable to pay the excess or deductible. We request that the clause be amended accordingly.	It seems unreasonable for Council to have to pay the excess when claiming under a policy where Monodelphus has caused the event giving rise to the claim. In our view, Council could consider agreeing to a compromise position in which Monodelphus is relieved of responsibility for those excesses to the extent that the relevant event giving rise to the claim was caused by Council or its Other Contractors.

Maddocks

Parkes Shire Council – Contract 2014009-50 – New Water Treatment Plan

Maddocks Further Updated Tender Evaluation Report – John Holland

~~26~~ 28 October 2015

Maddocks has reviewed parts of the tender material provided to us by Parkes Shire Council (**Council**) as forming part of the tender submitted by John Holland Pty Ltd (ACN 004 282 268) (**John Holland**) in respect of Contract 20140009-50 (**WTP Contract**).

Maddocks has also reviewed John Holland's response to Council's various requests for certain clarifications, which we received on 14 October 2015, ~~and~~ 22 October 2015 and 27 October 2015.

Set out below is our report on the matters raised by John Holland in that tender by way of requested departures from the Conditions of Contract, as set out in Schedule 23 of that tender, updated to reflect John Holland's response to Council's various requests for clarifications referred to above and various conversations we have had with Council representatives in relation to Council's position on various matters raised by John Holland (including on 23 October 2015). The report addresses issues generally in the order they arise in the Conditions of Contract. Therefore, the order may differ from the order of matters identified by John Holland in Schedule 23 of its tender.

Maddocks has not undertaken a review of the remainder of the documents comprising that tender and makes no comment on technical or commercial content of that tender (including proposed departures from the technical requirements of the WTP Contract).

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1.	Design Errors, clauses 3.3 and 4.1(c)	John Holland request that the concept of "Design Errors" be amended so as to be limited to errors, etc within the Preliminary Design. John Holland has made equivalent amendments to clauses 3.3, 4.1(c)	The Preliminary Design is only a sub-set of the technical documents forming part of the Contract. The concept of Design Errors is directed at ensuring that John Holland is responsible for all of the design included within the PPR and other technical documents forming part of the	High – Reject, but Consider Compromise Subject to the further comment below, we recommend Council reject such an amendment. Given that the issue of Design Errors is directed at technical matters,	John Holland wants to discuss this further. It's concern remains over being responsible for errors in the PPR (other than the Preliminary Design). Our view on this issue remains unchanged. See our recommendations in the	John Holland maintains this departure. John Holland has expressed concern in relation to its entitlement to Variations. Warranting the suitability of the PPR and having an entitlement to Variations if Council changes the requirements of the PPR are two separate matters. These provisions do not impact on	John Holland maintains that it *"cannot warrant that the PPR accurately sets out the requirements of the Principal"* and maintains that (based on a cited case) it will not be entitled to a Variation if there is a "flaw" in the PPR in the sense that the Principal's requirements are incorrect. We agree that John Holland

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			Contract. The intention of Council from the outset has been for tenderers to conduct a thorough due diligence on the design and to take full responsibility for the design on a D&C basis – not withstanding that the design is well developed – ie consistent with a DD&C delivery model. John Holland's departure on this point represents a significant divergence from Council's desired risk allocation, and may fundamentally undermine the protections afforded to Council by the "DD&C" delivery model for the project. We believe this represents a significant risk to Council.	Council could consider limiting the operation of this concept to the Principal's Project Requirements (rather than all documents that form part of the Contract).	previous column.	John Holland's entitlements to time and cost relief for Variations directed under clause 40.1. Council could consider expressly clarifying this to get John Holland comfortable (although we think it unnecessary). Our view on this issue remains unchanged – see recommendations in the "Significance for Council" column. Based on our telephone conference with Council on 23.10.2015, we understand Council wishes to push back on this departure. Accordingly, we recommend a request for clarification be issued to John Holland along the following lines: *"Tenderer to withdraw departure. Warranting the suitability of the PPR and having an entitlement to Variations if Council changes the requirements of the PPR are two separate matters. These provisions do not, in Council's view, impact on John Holland's entitlements to time and cost relief for changes to the PPR directed as a Variation under clause 40.1."*	would not be entitled to a Variation in the event there was a "flaw" in the PPR, or the PPR was "incorrect" – this is consistently reflected throughout various provisions of the Contract, including clauses 3.3, 3.6, 4.1, 6.2 and 8.1. This has been deliberate on the part of Council. In our view, it is fundamental to the DD&C delivery model that John Holland has carefully reviewed and checked the PPR (including the Preliminary Design) so as to identify errors, omissions, flaws, etc and either address them via technical clarifications during the tender process (which we understand have been very extensive and quite comprehensive) or price the risk associated with them.

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2.	Extended Performance Proving Period	John Holland request this definition be amended such that the relevant period expires on the earlier of: • 168 days after the issue of the Certificate of Practical Completion; and • the date of completion of the "Extended Proof of Performance".	The drafting proposed by John Holland does not work. There is no concept of "completion of Extended Proof of Performance". Presumably John Holland intend this additional drafting to be a reference to the time of satisfaction/achievement of all Mandatory Performance Levels and Guaranteed Performance Levels that need to be satisfied after Practical Completion. This amendment gives rise to circularity in the definition and associated provisions in the Conditions of Contract. The concept of the "Extended Performance Proving Period" is only relevant to clause 34B. This concept merely sets the time period during which the Extended Performance Proving Tests must be carried out. Once the relevant Mandatory Performance Levels and Guaranteed	Low – But Reject Whilst of low significance, the amendment is inappropriate and unnecessary. We recommend it be rejected by Council.	Withdrawn by John Holland.		

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			Performance Levels have been attained, clause 42.3B applies to trigger the issue of a Certificate of Extended Performance Proving Completion, and triggers associated reductions of security (although see comments below on that issue). John Holland may be concerned that it can be required to continue performing tests during the 168 day period, even though the required performance levels have been achieved earlier. In our view, this is already addressed in clause 34B.5 – which only requires re-testing if the required performance level is not achieved – in contrast to the Performance Proving Period concept, which must have expired before Practical Completion can be achieved.				
3.	Practical Completion	John Holland has requested paragraph (d) of the definition be amended. We assume the intention	In our view, this departure is unnecessary. The issue that John	Low – But Reject Whilst of low significance, the amendment is	Withdrawn by John Holland.		

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		of this amendment is to clarify that, in order to achieve Practical Completion, it is not necessary to achieve a Mandatory Performance Level that has been deferred until the Extended Performance Proving Period.	Holland appear to be addressing is already dealt with in the definition of "Mandatory Proof of Performance Tests" – which excludes "Extended Proof of Performance Tests" (being those performance tests that may have a mandatory performance level assigned to them, but which have been deferred to the extended performance proving period).	inappropriate and unnecessary. We recommend it be rejected by Council.			
4.	Process Proving Period	John Holland require the concept of "Process Proving Period" to expire on the earlier of: • 90 days after the issue of the Certificate of Construction Completion; • "completion of the Mandatory Proof of Performance"; and • the Date of Practical Completion	Note there is an inconsistency between John Holland's schedule of departures and its proposed drafting in the attached tracked version of the Conditions of Contract. We assume the intention is to refer to the Date of Practical Completion rather than the Date for Practical Completion. John Holland appear to be proposing that Practical Completion can be granted before the expiry of the 90 day period, in the event that all Mandatory	Medium - Reject During the STI Phase, Council formed the view that it required the 90 day Performance Proving Period to have expired before Practical Completion can be achieved. Unless Council has reconsidered its view on this issue, this represents a significant departure from Council's required position, and we therefore recommend it be rejected.	Withdrawn by John Holland.		

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			Performance Levels have been attained and the other requirements for Practical Completion have been achieved.				
5.	Site Conditions, clause 12.1 and Annexure Part N	John Holland have deleted the reference to "any Contamination and rubbish" from the definition of "Site Conditions". John Holland has also excluded from the concept of "Site Conditions" any physical conditions contained in information, data, documents or material which Council is required by the Contract to provide to John Holland. John Holland have also amended clauses 12.1 and 12.2 such that they don't apply to documents listed in Annexure Part N – ie the PPR documents. The comments in the departures table in Schedule 23 provide that John Holland requests time and cost relief for unforeseen ground conditions and environmental impacts, as	It is not clear why John Holland has amended the definition of Site Conditions – however presumably it relates to John Holland's desire that it be entitled to time and cost relief for contamination. Whilst John Holland's proposed drafting does not necessarily reflect or achieve the outcome clearly desired by John Holland in its Schedule 23 departures schedule, in our view, this represents a significant departure from Council's desired risk profile and a potentially significant risk to Council (particularly given the time–critical nature of the project and the interaction with the NSW Government subsidy). Whilst John Holland provides in its departure table that, if it	High – Reject We recommend Council reject these amendments.	John Holland has indicated that it is still considering this issue, and will revert again to Council. Our recommendation to Council on this issue has not changed.	Withdrawn by John Holland.	

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		well as client provided data. John Holland also provides that it must be able to rely on the geotechnical reports.	achieves preferred status, it will seek approval to undertake further site investigations to mitigate the risk of site conditions, in our view, this will likely be done by John Holland purely to de-risk such matters from John Holland's perspective and is unlikely to give rise to any shift in risk allocation in favour of Council (particularly given the lack of competitive tension in the tendering process once John Holland has been preferred).				
6.	Security – clauses 5.2A, 5.3, 5.4, 5.8, 5.8A, 5.9, 42.6	John Holland's proposed departures in relation to security are numerous, but can be summarised as follows: • John Holland is not willing to provide any security by way of retention moneys • John Holland instead offers: ○ two unconditional undertakings (total 5%) under clause 5.2; and ○ a single unconditional	Leaving aside the issue as to the form of security (ie unconditional undertakings v retention money), John Holland's requested departures represent a significant shift in the security position from Council's perspective. In particular, only 2.5% of security is held following the issue of the Certificate of Mandatory Performance Completion. Assuming that no Mandatory Performance Levels are deferred until	High – Reject, but Consider Compromise The departures requested by John Holland are obviously significant, however the additional security in clause 5.8(b) may not be strictly necessary – particularly if the clause 5.2A security is split in a manner similar to Council's current position (ie 50% released at Certificate of Mandatory Performance Completion and final release at Certificate of Extended Performance Proving	John Holland has confirmed it is willing to provide security for 10% - all by way of bank guarantees (which is consistent with our reading of their original departures). John Holland has agreed to withdraw its requirement for Council to have only 2.5% of security during the Defects Liability Period. This still leaves some uncertainty around John Holland's position.	Withdrawn by John Holland.	

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		undertaking (total 5%) under clause 5.2A • 50% of the clause 5.2 security is released after the issue of the Certificate of Practical Completion – so John Holland requires the deletion of the Superintendent's discretion to hold further security to cover the potential loss associated with not meeting Mandatory Performance Levels deferred until the Extended Performance Proving Period; and • all of the clause 5.2A security is to be released following Certificate of Mandatory Performance Completion – meaning the full 5% is to be released - as compared to Council's position which required 2.5% to be retained until the issue of the Certificate of Extended	the Extended Performance Proving Period, this will mean that only 2.5% of security is held to secure both Defects Liability Period obligations and the achievement of Guaranteed Performance Levels during the Extended Performance Proving Period.	Completion). Whilst we recommend John Holland's position be rejected, Council could consider restructuring the security arrangements in the manner outlined about in order to accommodate some of John Holland's concerns.	We recommend Council seek further clarification. For example, Council may want to clarify whether John Holland proposes the following: • it provide 4 bank guarantees – each for 2.5% of the Contract Sum • the first 2 bank guarantees provided on the date of the Contract; • the second 2 bank guarantees provided once 50% of DD&C Contract Sum has been paid. • 1 bank guarantee returned following Certificate of Practical Completion • 1 bank guarantee returned following Certificate of Mandatory Performance Completion • 1 bank guarantee returned following Certificate of Extended Performance		

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		Performance Proving Completion.			• Proving Completion; and • final bank guarantee returned as originally contemplated.		
7.	Parent Company Guarantee, clause 5.11, Annexure Part F				John Holland maintains its departures on all matters under the Parent Company Guarantee. It's justification that such amendments have been agreed by others cannot be verified and in any event, in our view, are irrelevant to Council. See each of our original recommendations in the previous column. Council may want to seek clarification from John Holland based on each of those recommendations.	Provided Council accepts our recommendation in respect of Annexure Part F, clause 3.1 as set out below, in our view the only outstanding issue on the PCG is the issue in respect of clause 5 of Annexure Part F. Based on the teleconference on 23.10.15, we understand that, subject to clarifying the intent of John Holland's requested departure to clause 5.1 of the Parent Company Guarantee, Council is comfortable with the position reached on Annexure Part F.	John Holland has clarified that it is concerned about a "double cap". In our view, no amendment is necessary to address this issue.
8.	Annexure Part F, clause 1.1 Definition of Loss	John Holland has requested amendment to the definition of "Loss".	Amendment is likely to be acceptable.	Low - Accept			
9.	Annexure Part F, clause 1.1 Definition of	John Holland has inserted definition of "Officer" (relates to amendments to	Amendment is likely to be acceptable.	Low - Accept			

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	"Officer"	cl 2.3).					
10.	Annexure Part F, clause 2.3 Indemnity	John Holland has requested a series of amendments to the indemnity in cl 2.3, which seek to include an acknowledgment of the Council's obligation to mitigate loss and provide for a formal written notice of claim containing reasonable particulars.	The scope of the Council's right to claim under the indemnity is limited by clause 5, so the amendment is unnecessary.	Medium – Reject but Consider Compromise The amendments to clause 2.3 are likely to be acceptable, except for the phrase "*but subject always to the Principal's obligation to mitigate such Loss*" inserted after sub-clause (e).		John Holland has withdrawn the departure re the phrase "*but subject always to the Principal's obligation to mitigate such Loss*".	
11.	Annexure Part F, clause 3.1 No reduction or release	John Holland has deleted a number of provisions in clause 3.1.	The purpose of clause 3.1 is to provide protection for the Council against the Guarantor raising technical defences under the laws of guarantees to thwart the Council's substantive claim. The relevant provisions in clause 3.1 are commonly contained in comparable parent company guarantees. The Contractor Parent derives protection under clause 5 from any claim exceeding the relevant exposure under the principal contract.	High – Reject We recommend the proposed departure be rejected.		We recommend that John Holland's revised amendments could be accepted by Council	
12.	Annexure Part F, clause 5 Defences and	John Holland has requested an amendment by inserting "*and the*	The amendment should be rejected, as it is unnecessary and	Low – But Reject		John Holland's insistence on this amendment is unclear, as their amendment as drafted would	John Holland has clarified that it is concerned about a "double

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	Cross Claims Available to Parent Company	*liability of the Contractor to the Principal under the Contract*" into the clause.	incorrect.			appear to achieve no purpose. We suggest that Council request further information about what John Holland is trying to achieve with this amendment. Based on the telephone conference 23.10.2015 we understand Council intends to seek clarification from John Holland as to the intention behind the proposed amendments to clause 5 of Annexure Part F. We therefore suggest Council requires a clarification along the following lines: *"Tenderer to provide further clarification as to precisely why this proposed departure is considered necessary. Annexure Part F is a document that regulates the liability of the Guarantor to Council. The liability of the Contractor to Council is regulated by the underlying Contract itself. It therefore seems to Council irrelevant an inappropriate to include such an amendment in Annexure Part F, as the liability of the Contractor to Council is already dictated by the terms of the Contract. Please clarify."*	cap". In our view, no amendment is necessary to address this issue.

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13.	Annexure Part F, clause 7(b) Costs and Expenses	John Holland has requested an amendment such that reimbursement of the Council's external expenses on enforcement is limited to "successful enforcement".	Many guarantors request such amendment. Such amendment is likely to be acceptable.	Low - Accept			
14.	Notices – clause 7	John Holland rejects the concept of notices under the Security of Payment Act or clauses 42.1, 42.5 or 42.6A being served only by hand.	The notices under clauses 42.1, 42.5 and 42.6A will be payment claims issued by John Holland to Council. As discussed when developing the Conditions of Contract for tender purposes, it is not possible to contract out of the operation of the Security of Payment Act. Therefore, given that the Security of Payment Act expressly permits the service of notices (including payment claims under that legislation) in various forms, the effectiveness of the provision John Holland want deleted is likely to be low.	Low – Consider Compromise For the reasons given, it may not be appropriate for Council to insist strictly on this provision. That said, Council should be wary of the use of email to lodge notices under the Security of Payment Act. As a compromise, Council could consider prohibiting the use of email for the service of these notices.	No clarification requested by Council on this point.	Withdrawn by John Holland.	
15.	Design progress – clause 8.4	John Holland want the right to proceed with construction at its own risk	Proceeding at its own risk is unlikely to impact on Council's rights elsewhere	Low – Consider Accepting We believe Council could	Council did not request the amendment to clause 8.4 be withdrawn	John Holland has said that in order to ensure that the Works are not delayed, the Contractor	John Holland believe their position on this is clear.

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		– even though the design review period given to Council has not expired. Note also the departures requested in relation to section 1.5 of the Civil Specification.	under the Contract. For example, John Holland will still be responsible for defects and non-compliant design.	consider accepting this position, without unduly impacting on Council's legal position.	- it only requested the amendment in relation to the DPI Water review be withdrawn. On that basis, Council and John Holland are likely aligned on clause 8.4. See comment below in relation to clause 14.1A.	expects that the review and approval of the Design Documents by DPI Water will operate concurrently with the review by the Superintendent under clause 8.4. John Holland would like to discuss the issue further with PSC, to agree a reasonable time period for DPI Water reviews. See comment below in relation to clause 14.1A. We understand from the telephone conference on 23.10.2015 that Council intends to seek clarification from John Holland as to the intention behind the proposed amendments. If John Holland is proposing an alternative design review period, it should clearly state what review period it is proposing. Also, it is not clear whether John Holland's intention is that it will proceed to construction without DPI Water's approval. Accordingly, we recommend Council issue a clarification along the following lines: *"Council is still unclear what the Tenderer intends by its departures in relation to clauses 8.4 and 14.1A.*	We disagree –at least in relation to the interaction between clause 8.4 and clause 14.1A. For example: • in clause 8.4 they say that they want to proceed at their risk without waiting for the design review period to expire; but • in clause 14.1A they have retained the requirement for DPI Water to have stated they have no objection before they commence construction or installation. So they seem to be saying in clause 8.4 that they want to proceed at their own risk before the 15 business day review period has expired, but in clause 14.1A they seem to be saying that they will not proceed until DPI Water has stated it has no objection. These two positions appear to us to be inconsistent and need some clarification.

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						Please clarify: • *whether the Tenderer proposes an alternative design review period and, if so, what that review period is; and* • *whether the Tenderer's intention is that it be permitted to proceed with construction without consent to the design having been provided by DPI Water within that design review period."*	
•	Subcontracting – clause 9.2	John Holland want to be able to subcontract work of less than $100,000 in value without the need for approval of Council. John Holland also require the deletion of the need to have the terms of subcontracts approved by Council.	Whilst these are ultimately commercial matters for Council, the threshold dollar figures are nonetheless fairly arbitrary. For example, just because a subcontract package has a value of less than $100,000 does not necessarily mean it is a low-risk subcontract package. Therefore, Council would need to give careful consideration as to whether imposing a specific dollar threshold is appropriate when it comes to the requirement for John Holland to obtain Council approval to	Medium – Consider Compromise If Council was willing to accept a threshold on subcontract approval, the Contract would need to clarify that the threshold amount applies on an aggregate basis. John Holland appears willing to accept the need to approve subcontracting for packages about $100,000. If Council was minded to accept this, Council could seek a right to also approve the form of subcontract for those	No clarification requested by Council on this point. Council may want to consider the compromise position referred to in the previous column and seek clarification as to whether it would be acceptable to John Holland.	John Holland has said that it would like to discuss this issue further with PSC and that it is impractical to expect the Superintendent to approve all levels of subcontracts. Council may want to consider the compromise position referred to in the "Significance for Council" column and seek clarification as to whether it would be acceptable to John Holland. We understand from the telephone conference on 23.10.2015 that Council intends to push back on this proposed amendment on the basis that a dollar figure does not determine	John Holland maintain that this should only apply to subcontracts that are significant to the project, and proposes that a list be agreed. In our view, this is a sensible compromise.

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			subcontract. John Holland could avoid the requirement to ever need to get Council approval by breaking a subcontract package down into multiple small-valued subcontracts, each of less than $100,000. The deletion of the requirement to obtain Council approval of subcontract terms appears to apply regardless of the value of the subcontract package – so even if approval to subcontract is required (eg because John Holland's $100,000 threshold is exceeded) John Holland still do not propose to get Council approval of subcontract terms. Approval of subcontract terms is not strictly necessary from a legal perspective, and many contractors will resist this on the basis that it unduly impacts on how they pass-through risk. Whether approval of subcontract terms is necessary is therefore	packages.		which subcontract packages are critical. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to withdraw departure. Imposing an arbitrary dollar threshold on such matters is not, in Council's view, appropriate. Low-value subcontract packages can nonetheless be critical from a project-delivery perspective."*	

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			ultimately a commercial matter for Council to consider.				
•	Subcontractor warranties – clause 9.8 and Item 23A	John Holland is only willing to procure warranties from subcontractors directly in favour of Council where the value of the relevant subcontract package is more than $500,000	Whilst these are ultimately commercial matters for Council, the threshold dollar figures are nonetheless fairly arbitrary. For example, just because a subcontract package has a value of less than $500,000 does not necessarily mean it is a low-risk subcontract package. Therefore, Council would need to give careful consideration as to whether imposing a specific dollar threshold is appropriate when it comes to the requirement for John Holland to provide direct warranties in favour of Council from its subcontractors. This could give rise to significant risk from Council's perspective – particularly for low-value but high-risk subcontract packages. As noted above, John Holland could also avoid the requirement to procure subcontractor	High – Reject, but Consider Compromise Council could consider a compromise whereby certain critical subcontract packages require a subcontractor warranty to be provided in favour of Council regardless of the value of that subcontract package. If Council was willing to accept a threshold on subcontract approval, the Contract would need to clarify that the threshold amount applies on an aggregate basis.	No clarification requested by Council on this point. Council may want to consider the compromise position referred to in the previous column and seek clarification as to whether it would be acceptable to John Holland.	John Holland has asked Council to advise of which categories of subcontractors should provide warranties. John Holland has suggested it obtain warranties for surface aerators, clarifier package and UV system. Council could consider this compromise by adding any other critical subcontract packages to the list and include in Item 23A of Annexure Part A (along with the relevant warranty period). We understand from the telephone conference on 23.10.2015 that Council intends to establish list of critical warranties and warranty periods for Item 23A. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer requested to confirm in-principle agreement to the establishment of a list of trades/disciplines from whom warranties are required, and a defined warranty period for each such trade/discipline."*	John Holland believes a list of subcontracts and warranty periods is sensible, and wants to discuss.

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			warranties by breaking a subcontract package down into multiple small-valued subcontracts, each of less than $500,000.				
•	Change in REF – clause 14.1 and Item 26B	John Holland request time and cost relief for changes to the REF.	In our view, clauses 14.2 and 35.5(d)(v) already provide relief in circumstances where there is a new REF, or a change to the existing REF, after the date of the Contract and which otherwise satisfies the requirements of clause 14.2. John Holland may be getting confused by Item 26B which places on John Holland the responsibility to obtain or undertake a new REF or changes to the existing REF – this does not, however, change the entitlements that may flow from that new REF or change to the existing REF.	Low – But Reject Whilst of low significance given the current drafting of the Conditions of Contract, the amendment is, in our view, unnecessary. We recommend it be rejected by Council.	John Holland's concern seems to relate to the "draft" status of the REF. If the REF was to be finalised with no changes to the current draft, it may be that this is no longer a concern for John Holland. Council may want to seek clarification on that point.	Withdrawn by John Holland, subject to the REF being approved prior to the date of award of the contract.	
•	DPI Water review – clause 14.1A	John Holland require the right to progress with construction work after DPI Water has had 15 business days (ie 3 weeks) to review Design Documents and has stated that it has no objection to	Our understanding is that a fundamental requirement of the tender process is that tenderers have familiarity and experience in dealing with DPI Water, and therefore are able to properly	Medium – Reject Ultimately, the risk of non-compliance and non-acceptance by DPI Water will rest will John Holland.	John Holland's response states that its expectation is that the DPI Water review of design will occur concurrently with Council review of	It appears that John Holland is proposing that the review period under clause 8.4 be extended to cover off an "agreed" time period for DPI Water review – and then for the work under the Contract to proceed without the approval of DPI Water after this time at	See comments above in relation to clause 8.4.

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		such Design Documents.	program for, and price, the impact of the interface with DPI Water as necessary to obtain required consents, approval and sign-off from DPI Water. The departure sought by John Holland departs significantly from this general principle. For example, John Holland would (subject to further comments below) likely be permitted to commence construction after having only given DPI Water 15 business days to review its design documents. This would apply regardless of whether or not DPI Water ultimately consents to or ejects the relevant designs documents. Helpfully, John Holland has retained the requirement for DPI Water to have stated that it has no objection to such Design Documents – however in our view this is probably an error, as it would seem inconsistent with the amendments made to this provision.	However, we understand this to be of high importance to Council, and therefore recommend it be rejected.	design. This is a matter for John Holland to manage. In our view, whether or not this actually happens does not change any matters that are relevant to whether or not Council is comfortable with John Holland proceeding with construction without DPI Water sign-off. Given that John Holland has retained in its drafting the requirement for DPI Water to have stated that it has no objection to such Design Documents, Council may want to clarify whether John Holland will only proceed with construction once DPI Water has stated that it has no objection to Design Documents. If John Holland confirms its agreement to that position, there may not be anything of significant concern here for Council.	the Contractor's risk however this is not entirely clear from their response. Proceeding without DPI Water approval is obviously contrary to Council's position from the outset. This is essentially a commercial matter for Council. We also repeat the comments made in the previous column. See comment above in relation to clause 8.4. The same clarification should be raised here.	

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			Permitting progress to construction after 15 business days is an approach consistent with John Holland's qualification around proceeding with construction "at its own risk" – see amendments to clause 8.4. However, in our view, there is a difference between commencing construction at its own risk prior to completion of Council's internal review of design documents on the one hand, and on the other hand commencing construction before DPI Water has signed-off on design documents. Council will need to give careful consideration to this matter, and how this is likely to impact on the interaction and relationship with DPI Water.				
•	Excepted Risk – clause 16.3	John Holland proposes that the concept of "Excepted Risks" be broadened to include "earthquake, flood, fire, storm, natural disaster or	The concept of "Excepted Risk" is relevant to who bares the risk of loss or damage to the Works. Unless loss or damage to the Works is	High – Consider Whether this departure is acceptable to Council or not will depend in part on the extent to which	No clarification requested by Council on this point.	No clarification requested by Council on this point.	

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		act of God".	caused by an Excepted Risk, John Holland would bare the risk of loss or damage (and therefore the risk of the relevant contract works policy responding to that loss or damage). However, if loss or damage to the Works is caused by an Excepted Risk any rectification work would need to be carried out as a variation (with associated time and cost relief for John Holland). Therefore, John Holland's departure is essentially saying that if John Holland is required to rectify loss or damage to the Works caused by these matters, it would only do so as a variation – with associated time and cost consequences for Council. It would seem that the impacts of floods, storm, natural disaster or act of God are probably most relevant to this project.	Council is comfortable that it would be covered by its contract works insurance policy. Council will therefore need to obtain specialist insurance advice on this matter and consider accordingly.			
•	Indemnity against death, injury and property damage – clause 17.1	John Holland requires the indemnity in clause 17.1 (eg in relation to third party property damage and personal injury/death) to	In our view, the approach requested by John Holland in this departure is consistent with market practice.	Medium – But Consider Accepting Whether this departure is acceptable to Council or	No clarification requested by Council on this point.	No clarification requested by Council on this point.	

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		be reduced proportionately to the extent any act or omission of the Principal (rather than negligent or wilful act or omission) contributed to the loss, damage, death or injury.		not will depend in part on the extent to which Council is comfortable that it would be covered by John Holland's public liability insurance policy, and any other public liability insurance policy that Council may have in place. Council will therefore need to obtain specialist insurance advice on this matter and consider accordingly.			
•	Contract Works Insurance – clause 18	John Holland requires significant amendments, including: • an obligation on Council to ensure that its contract works policy covers all things referred to in clause 16.1 (which, in our view, should not extend to cover Excepted Risks); • an obligation on Council to ensure that its contract works policy covers John Holland's reinstatement obligation under clause 16.2; • an obligation on Council to ensure	John Holland's proposed amendments to these provisions are significant. The amendments to clause 18 requested by John Holland would impose on Council the obligation to ensure that particular risks have been properly insured against. This is to be contrasted with the current position, which essentially requires John Holland to undertake its due diligence on the terms of the policy to be effected by Council, and price associated risk accordingly (and if necessary take out additional insurance to	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters.	In respect of insurance issues generally, we refer to Andrew Chapman's comments in his email of 21.10.2015: 1. Assuming Principal-procured public liability insurance is acceptable to Council (ie no need for Contractor to separately take out public liability insurance), I suggest you clarify with tenderers what the impact will be on their tenders (price and contractual departures) if this Principal-procured public liability insurance was put in place, and the tenderers were not required (unless they thought it necessary) to take out separate public liability insurance. In doing so, you should point out that Council would expect the	

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		that the contract works policy is for a specified amount; and • an obligation on Council to ensure that the insurance is in the joint name of Council and John Holland.	cover any perceived short-fall in coverage provided by the Council's contract works policy). We are therefore of the view that John Holland's departure in respect of contract works insurance represents a significant departure from Council's perspective and gives rise to significant potential risk to Council. The obligation to have the insurance in joint names would also trigger obligations on Council under clause 22.6 (see comments below). See also comments in relation to clause 18B below.		Our original comments and recommendations on insurance matters remain unchanged.	provisions of clause 18B would apply in respect of any Principal-procured public liability insurance. 2. JLT seems of the view that marine transit is covered by Council's contract works policy. Therefore, if Council is now of the view that Contractors will not be required to take out separate marine transit insurance (unless they thought it was necessary), I suggest Council clarify with tenderers what the impact of that will be on their tenders (both price and contractual departures) if the requirement for marine transit insurance was removed (noting clause 18B applies to any marine transit provisions under the contract works policy). 3. This would leave the Contractor to take out constructional plant/motor vehicle, PI, workers comp/employee liability and personal accident and injury insurance. On that basis, we would still expect clauses 22.1, 22.2, 22.4 and 22.7 to apply to those insurances. It is unlikely that tenderers will disclose terms of those policies (other than on a broker to broker basis) so, subject to you confirming this with JLT, claue 22.3 will be	

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						irrelevant and Council will probably need to drop the requirement that those policies be on terms approved by Council (but they should be checked for adequacy by JLT on a broker to broker basis prior to award of the contract).	
•	Environmental Liability Insurance – clause 18A	John Holland requires significant amendments, including: • an obligation on Council to ensure that the policy is for a specified amount and written on an "occurrence" basis; and • an obligation on Council to ensure that the insurance is in the joint name of Council and John Holland.	John Holland's proposed amendments to these provisions are significant. The amendments to clause 18A requested by John Holland would impose on Council the obligation to ensure that the relevant insurance policy satisfies particular requirements. This is to be contrasted with the current position, which essentially requires John Holland to undertake its due diligence on the terms of the policy to be effected by Council, and price associated risk accordingly (and if necessary take out additional insurance to cover any perceived short-fall in coverage provided by the Council's environmental liability policy). We are therefore of the view that John	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		

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			Holland's departure in respect of environmental liability insurance represents a significant departure from Council's perspective and gives rise to significant potential risk to Council. The obligation to have the insurance in joint names would also trigger obligations on Council under clause 22.6 (see comments below). See also comments in relation to clause 18B below.				
•	Contractor to satisfy as to insurance – clause 18B	John Holland propose the replacement of the provisions relating to excesses with a provision that requires John Holland to "equitably contribute" to any excess "where liable" for the loss claimed.	The deletion of the provision around no claims for the delay in progressing claims (ie clause 18B(e)) is problematic from Council's perspective. Take the example of damage to the Works resulting in a claim under the contract works policy. Clause 18B(e) is intended to operate such that John Holland would be required to reinstate and maintain progress (and rely on contract works to cover delay costs and liabilities)	Medium – Reject, but Consider Compromise We recommend Council reject these amendments – although Council may want to consider whether it can compromise on the issue of liability for excess – but by reference to contribution to the event giving rise to the claim, not liability.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is		

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			pending payment under the contract works policy – ie it could not wait for payment under the policy before commencing reinstatement work. The proposed amendment potentially reverses that position.		therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Public liability insurance – clause 19	John Holland appears to require amendment such that: • its public liability policy only covers liability to third parties – and does not also cover liability of the parties to each other for property damage; • the policy be subject to "reasonable terms, conditions and exclusions"; and • the policy be for the sum in Item 30 (not for a sum "not less than" that amount) and in the annual aggregate for products liability.	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. In any event, we note the following: • the restriction to liability to third parties is potentially a significant one – particularly given the indemnity in clause 17.1 – Council should seek advice from insurance advisors as to whether this would result in Council being unable to rely on insurance in the event of claims	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments	John Holland has said that if the Public Liability insurance was provided by Principal, the cost to remove this from John Holland's price is $12,640 excluding GST for the STP(and $17,160 excluding GST for the WTP). It is not clear from John Holland's response what impact this would have on its contractual departures.	

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			• under the clause 17.1 indemnity and the requirement for the policy be subject to "reasonable terms, conditions and exclusions" is very broad, and would make it difficult for Council to require that the policy contain particular provisions (unless they are expressly required by the Contract).		and recommendations on insurance matters remain unchanged.		
•	Personal Accident and Injury Insurance – clause 20A	This provision has been deleted entirely.	We recommend Council obtain specialist insurance advice in relation to impacts of the deletion of this provision by John Holland.	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker		

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					discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Professional Indemnity Insurance – clause 21	John Holland requires amendment such that: • its PI policy is subject to "reasonable terms, conditions and exclusions"; and • its subcontractors are only required to effect PI insurance for "an appropriate limit of liability".	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. The requirement for PI insurance of subcontractors to have "an appropriate limit of liability" provides Council with absolutely no certainty as to the level of coverage that the relevant subcontractor will be required to have in place at any given time, and therefore make these provisions extremely difficult to enforce.	High – Reject We recommend Council reject these amendments.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		

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•	Constructional Plant and Motor Vehicle Insurance – clause 21A	John Holland requires amendment such that: • there is no requirement for John Holland to insure its own plant and equipment (or equipment in its custody or control) for loss or damage; • it is required to ensure equipment entrusted to it by Council for market value – rather than replacement value; • compulsory third party requirements only apply in respect of registered motor vehicles and plant and equipment; and • the value of insurance is to be for the specified amount not an "amount not less than" the specified amount.	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. The lack of insurance for loss or damage to John Holland's own plant and equipment may not be of concern to Council – so Council may want to consider.	Low - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Marine Transit Insurance – Clause 21B	John Holland requires amendment such that: • the marine transit policy only applies to items in "ocean	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland.	Medium - Reject	John Holland maintains its departures and, again, seeks "discussion" with Council.	John Holland has said that there would be no impact for the removal of marine transit insurance. It is not clear from John	

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		marine" transit; • the requirement for "all risks" coverage is deleted; and • the policy covers "Cost including Freight plus 10%".			John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.	Holland's response what impact this would have on its contractual departures.	
•	Proof of Insurance – clause 22.1	John Holland requires the production of certificates as evidence of its insurances. John Holland requires the production of Council's insurance policies.	John Holland will obviously need to review Council's policies in order to conduct the necessary due diligence. Certificates of currency are usually acceptable as evidence of insurance, but Council may want to see terms of certain key policies, such as public liability and marine transit.	Low - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals		

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					the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Failure to produce proof of insurance – clause 22.2	John Holland has deleted the references to policies in clauses 21 and 21A (ie PI and plant and equipment insurance).	Presumably John Holland is of the view that Council cannot effect such insurances on its behalf, and so the references are therefore not necessary. We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland.	Low – Consider.	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on		

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					insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Notices to/from insurer – clause 22.3	John Holland have proposed numerous amendments, including the deletion of paragraphs (c) and (d), and the amendment of paragraph (a) so that it applies to Council in respect of contract works insurance and environmental liability insurance.	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. Council would need to consider whether its contract works policy and environmental liability policy each satisfy the requirements of this amended provision.	Medium - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		

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•	Notices of potential claims – clause 22.4		We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland.	Low - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Cross Liability – clause 22.6	John Holland appear to be suggesting that only contract works and public liability insurance be in joint names.	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland.	Medium - Consider	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is		

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			Council would need to consider whether its contract works policy satisfies the requirements of this amended provision. Council would also need to consider whether any policies other than just contract works and public liability insurance should be in joint names.		concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Insurance generally – clause 22.7	John Holland has deleted the requirement for policies effected by John Holland to be on terms (and with an insurer) both approved by Council. John Holland requires responsibility for the payment of excesses to be "proportionally and equitably" allocated to the extent John Holland has contributed to the loss claimed.	We recommend Council obtain specialist insurance advice in relation to the amendments proposed by John Holland. Council should retain the right to approve the terms of insurance policies, and the relevant insurer – although it is common to carve-out from the requirement to approve policy terms for PI policies and workers	High – Reject, but Consider Compromise Council should retain the right to approve the terms of insurance policies, and the relevant insurer – although it is common to carve-out from the requirement to approve policy terms for PI policies and workers compensation policies. Council may want to	John Holland maintains its departures and, again, seeks "discussion" with Council. John Holland is concerned that the words "a minimum cover of not less than" requires unlimited cover. This is, with respect, incorrect on the wording. If an amount of cover equals the specified amount it is "not less than" that		

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			compensation policies. Council may want to consider compromising on the issue of responsibility for excesses – albeit on the basis of contributing to both the loss claimed, and the event or cause giving rise to the claim.	consider compromising on the issue of responsibility for excesses – albeit on the basis of contributing to both the loss claimed, and the event or cause giving rise to the claim.	amount – and is therefore compliant. John Holland is seeking broker to broker discussions on insurance matters. Our original comments and recommendations on insurance matters remain unchanged.		
•	Superintendent acting reasonably – clauses 3.4, 5.3, 34.2, 34B.5(b)(i),	John Holland has requested numerous amendments throughout the Contract requiring the Superintendent to act reasonably.	In many cases this could result in a substantial reduction in the utility and breadth of the Superintendent's powers. In particular, the imposition of a requirement to act reasonably on the Superintendent could be used as a means by John Holland to impugn the acts of the Superintendent and either render them invalid or use them as the basis to bring contractual claims against Council (eg for breach). In almost all cases, these amendments could give rise to significant risk to Council.	High – Reject We recommend all instances of such change by John Holland be rejected – with the limited exception of clause 3.4, which Council may want to consider agreeing to as a compromise.	John Holland maintains is position on this issue, on the basis that the Superintendent having an absolute discretion prevents it from having a contractual remedy in relation to the exercise of that discretion. In our view, with perhaps the exception of clause 3.4 (as noted in our recommendations) and clause 5.3 (as noted in our recommendations, the discretion referred to in that provision may not be necessary to protect Council given other security held), John Holland having no contractual remedy in relation to such discretions is (when you	Withdrawn by John Holland.	

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					analyse the nature of each of the discretions) entirely appropriate. For example: • clause 23 – John Holland have not requested any reference to reasonableness be included – in any event it is unnecessary, because the reasonableness concept is built into each valuation function (eg see clause 35.5 and clause 40.5); • clause 34.2 – this relates to John Holland wanting to suspend work, not the Superintendent *directing* John Holland to suspend work – given how time-critical this project is, why would Council agree to any fetter on its ability to approve or reject John Holland wanting to suspend work for what would essentially		

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					• be for John Holland's own convenience? • clause 34B.5 – this applies where John Holland has failed to meet a Mandatory Performance Level of Guaranteed Performance Level during the Extended Performance Proving Period – so, given this is being triggered by John Holland's failure to satisfy its contractual obligations, again, why should there be any fetter on what the Superintendent chooses to do in response?		
•	Superintendent directions- clause 23	John Holland has removed the requirement to comply with directions "purported to be given" under a provision of the Contract.	These words are deliberately included in the Contract to avoid a scenario in which John Holland flatly refuses to comply with a direction because it believes it is not properly given under the Contract. For example, if the	Medium – Reject Given the current drafting of the Conditions of Contract, the amendment is, in our view, unnecessary. We recommend it be rejected by Council.	See above and original recommendations.	John Holland maintains this departure. See original recommendations. Council could consider a compromise in which we clarify that the obligation to comply with a direction "purported to be given" under a term of the Contract dos not limit John	

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			Superintendent gives a direction to rectify a Defect, John Holland may say that there is no Defect, and therefore no valid direction – so it does not need to comply. This can lead to an unhelpful "stalemate" situation – allowing John Holland to exert inappropriate commercial pressure on Council. There are other mechanisms in the Contract to protect John Holland against this scenario – for example by claiming a Variation in the event that the work the subject of the direction is actually compliant, and therefore not a Defect.			Holland's entitlements to Variations arising from compliance with any such direction that is not actually given under the Contract. We understand from the telephone conference on 23.10.2015 that Council intends to push back on the proposed amendment. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to withdraw departure. These words are deliberately included in the Contract to avoid a scenario in which the Contractor flatly refuses to comply with a direction because it believes it is not properly given under the Contract. For example, if the Superintendent gives a direction to rectify a Defect, the Contractor may (unless these words are retained) say that there is no Defect, and therefore no valid direction – so it does not need to comply. This can lead to an unhelpful "stalemate" situation – allowing the Contractor to exert inappropriate commercial pressure on Council. This is an unacceptable outcome for Council. There are other mechanisms in the Contract to*	

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						protect the Tenderer against this scenario – for example by claiming a Variation in the event that the work the subject of the direction is actually compliant, and therefore not a Defect. Council also notes that the relevant direction must still be purported to have been given "under the Contract" – so the purported direction still needs to be referable to a provision of the Contract that permits the giving of a direction (rather than a direction that is not referable to any term of the Contract – which would not, based on this provision, require compliance)."	
•	Delays caused by others – 27.2	John Holland require cost relief as well as time relief due to delay and disruption caused by others having a right of access to the Site under clause 27.2.	This is essentially a commercial issue for Council to consider.	Medium	No clarification requested by Council on this point.	Withdrawn by John Holland.	
•	Minerals, Fossils and Relics – clause 27.5	John Holland requires EOT relief in addition to the current cost relief for minerals, fossils, etc.	Granting EOT relief would be inconsistent with other allocation of risk associated with Site Conditions, and is potentially of significant risk to Council given the time-critical nature of the project and the interaction with the NSW	Medium - Reject	No clarification requested by Council on this point.	Withdrawn by John Holland.	

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			Government subsidy.				
•	Quality of Materials and Work –clause 30.1	As currently drafted, clause 30.1 provides that where standards of work, etc are not specified in the Contract (eg in the PPR), John Holland must use standards consistent with best industry standards of work and materials for work of a similar nature, and which is otherwise fit for purpose. John Holland has deleted this requirement.	This is a common provision in "D&C" contracts – because the PPR for such contracts is invariably never entirely prescriptive as to the standards required. Whilst the design and technical requirements for this project may be more fully developed (given the "DD&C" delivery model), the issue is nonetheless the same. John Holland should, in our view, take comfort from the fact that this provision only applies where the Contract itself does not prescribe standards, etc.	High - Reject	No clarification requested by Council on this point. Council may want to request a clarification on this matter.	John Holland has said that it will accept clause 30.1 subject to the deletion of the words "and which is otherwise fit for purpose". We recommend this be rejected by Council. We repeat our comment that John Holland should, in our view, take comfort from the fact that the provision only applies where the Contract itself does not prescribe standards etc. When the Contract does not prescribe standards, etc Council is obviously relying on the skill, expertise and judgment of John Holland – which is exactly the scenario in which a fitness for purpose warranty is appropriate. We understand from the telephone conference on 23.10.2015 that Council wishes to push back on the proposed amendment. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to withdraw departure. The Tenderer should, in Council's view, take comfort from the fact that the provision only applies where the Contract itself does not prescribe*	

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						standards etc. When the Contract does not prescribe standards, etc Council is obviously relying on the particular skill, expertise and judgment of the Tenderer – which is exactly the scenario in which a fitness for purpose warranty is appropriate."	
•	Cut Over and Commissioning – clause 34A.4	John Holland request a "typo" be rectified, by requiring reference to Construction Completion be changed to Practical Completion.	The amendment appears appropriate.	Low – Accept	No clarification requested by Council on this point.	No clarification requested by Council on this point.	
•	Extensions of time – ownership of float – clause 35.5	John Holland have requested that it "own the float". That is, whilst the current position from Council's perspective is that an EOT is only available if the delay is such that the achievement of Milestone Completion will be delayed in a manner that prevents Milestone Completion being achieved by the relevant Date for Milestone Completion, John Holland now requires an EOT for any delay to Milestone Completion –	Given the time–critical nature of this project and the interaction with the NSW Government subsidy, we believe this represents a significant risk to Council.	High - Reject	John Holland maintain its position on this matter – and would like to "discuss this issue further" with Council. Whilst this is ultimately a commercial issue for Council, our recommendation on this matter remains unchanged.	John Holland maintains its position on this matter – and would like to "discuss this issue further" with Council. Whilst this is ultimately a commercial issue for Council, our recommendation on this matter remains unchanged. We understand from the telephone conference on 23.10.2015 that Council wishes to push back on the proposed amendment. Accordingly, we recommend	John Holland's position remains unchanged.

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		even if John Holland is running ahead of program.				Council issue a clarification along the following lines: *"Tenderer to withdraw departure. Council has been very open to the Tenderer about the time-critical nature of this project from Council's perspective, and the need for Council to retain the benefit of any float that the Tenderer may build up in its program as the project proceeds."*	
•	Indemnity for loss of subsidy – clause 35.7	John Holland's departure appears to assume that Council can (and is willing to) liquidate as a daily rate the loss it will suffer as a result of the proposed subsidy being lost or withdrawn as a result of late Practical Completion - notwithstanding that Council has agreed to cap John Holland's liability under the current indemnity covering this loss. John Holland appear to be of the view that the daily financing costs can be liquidated at the $ amounts specified in its Schedule 23 departures table.	As discussed following the STI workshops, the loss of the subsidy will not necessarily be simply a funding cost on a daily basis (according to Council). This therefore represents a potentially significant departure from Council's desired risk allocation.	High – Reject	John Holland request Council provide details of the estimated loss to Council for each day John Holland is late. We recommend against such an approach. As we understand the nature of the NSW Government subsidy, Council could lose that subsidy if the project is only 1 day late. Assuming that is correct, it is incorrect and inappropriate to consider addressing this matter in terms of a daily loss – hence the reason why	Withdrawn by John Holland-given comments in Workshop 5 that exposure limited to $1.6m for WTP and $1m for STP. We understand from the telephone conference on 23.10.2015 that Council intends to seek clarification on cost impact if this indemnity is removed. Accordingly, we recommend Council issue a clarification along the following lines: *"Tenderer to confirm the impact on tender price, and contract departures, if this indemnity is removed by Council."*	

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					Council decided to address this risk by way of an indemnity, rather than a daily liquidated damages rate. Council may want to consider putting this position to John Holland and requesting it withdraw its departure on the basis that Council has capped John Holland's liability under that indemnity, and therefore given John Holland the degree of certainty necessary to price this risk.		
•	Default notice by Council – clause 44.2	John Holland requires at least 21 days to remedy a substantial breach before a termination right arises.	This period coincides with the equivalent time period applying to Council's benefit under clause 44.8 (other than for payment – see comment below).	Low – Accept	No clarification requested by Council on this point.	John Holland maintains this departure. Our recommendation remains the same.	
•	Default of the Principal – clause 44.7	John Holland requests the reinstatement of a failure to make a payment and a failure to issue a Certificate of Practical Completion as substantial breaches for the purposes of clause 44.7.	In our view, the failure to issue a Certificate of Practical Completion should not be a potential trigger for termination. If John Holland has reached Practical Completion, what benefit would there be in terminating the Contract (other than to	Medium – Reject, but Consider Compromise Council could consider a compromise around the issue of a failure to pay – eg by making the substantial breach a failure to pay within a period of time following the	No clarification requested by Council on this point.	Withdrawn by John Holland.	

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			perhaps stop Council from levying liquidated damages). In our view, this will simply be used by John Holland as a means of exerting undue commercial pressure on Council if there is a dispute over the achievement of Practical Completion. The same comment applies in relation to a failure to pay. This could be used by John Holland to escalate minor payment disputes into potential termination triggers – thereby enabling John Holland to exert undue commercial pressure on Council.	obligation to pay first arising under the Contract. This would give Council a buffer and avoid John Holland attempting to use non-payment as a trigger for the termination mechanism.			
•	Default Notice by John Holland	John Holland wants to give Council only 7 days to remedy non-payment before it can terminate.	This could be used by John Holland to escalate minor payment disputes into potential termination triggers – thereby enabling John Holland to exert undue commercial pressure on Council.	High - Reject	No clarification requested by Council on this point.	Withdrawn by John Holland, subject to acceptance by Council of the departure in respect of " Default notice by Council – clause 44.2" – see comments above.	
•	Termination for convenience payment – clause 44.14	John Holland want payment for materials ordered – regardless of whether they have been	This would require Council to keep John Holland whole for materials costs, even if	Medium – Reject	No clarification requested by Council on this point.	John Holland is pressing this point but has proposed to exchange the word "prematurely" for	

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		prematurely ordered.	they have been ordered well in advance of when they are required. John Holland are likely to be concerned about Council raising the timing of placement of orders in order to avoid payment under this clause. That said, such provisions are very common in termination for convenience mechanisms. Whether this is acceptable is essentially a commercial matter for Council			"unreasonably". Whether this is acceptable is essentially a commercial matter for Council, however, in our view, the wording change requested by Council would provide little clarity to either party beyond what is currently drafted. We understand from the telephone conference on 23.10.2015 that, as mitigation strategy, Council is considering agreeing upfront a lead items procurement schedule. In our view, this is unlikely to be acceptable to John Holland as they would likely want to retain flexibility around procurement activity. In any event, this approach could also give rise to risk to Council. For example, there could be a risk of additional delay claims in the event that Council prevents procurement activities from proceeding as agreed.	
•	Termination for injunctions – clause 44.15	In the event of termination due to injunctions, John Holland requires payment for goods and materials reasonably ordered – on the same basis as the termination for convenience mechanism.	This may be appropriate, provided John Holland is not the cause of the injunction.	Low – Consider	John Holland maintains its departure, but appears to have conceded that it should not be entitled where the termination has been caused by its own breach. See our original	John Holland accepted Council's proposed new drafting.	

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					comments and recommendations.		
•	Termination of WTP Contract – clause 44A	John Holland is proposing that any termination of the STP contract as a result of termination of the WTP Contract would need to be effected by way of the termination for convenience regime – entitling John Holland to payment of costs etc relating to the WTP project.	This approach is inconsistent with the concept of Council approaching both the STP and WTP as separate parts of the same project. For example, if both the STP and WTP were merely separable portions under a single contract, the termination would result in termination of both "projects" on the basis of the current mechanism in clause 44A. The proposed departure by John Holland therefore represents a significant divergence from Council's desired commercial position.	High – Reject	No clarification requested by Council on this point.	Withdrawn by John Holland.	
•	PPSA Further Assurances – clause 51.1	John Holland has requested the addition of a new sub-clause (c), requiring Council to compensate John Holland for additional costs where the Council requests John Holland to undertake an action for the purposes of	Compensation for costs is not standard in such provisions. The practicalities of registration under the PPSA is that such further assurances requests are highly unlikely.	Medium – Reject We recommend the requested departure be rejected.	No clarification requested by Council on this point.	John Holland has said that "given Council has provided assurances that further requests under clause 51.1 are highly unlikely we are content to withdraw our qualification to clause 51.1." We understand from the	

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		protecting any PPSA security interest.				telephone conference on 23.10.2015 that Council wants to clarify that no such assurances have been provided. Accordingly, we recommend a clarification be issued along the following lines: *"Council notes that no such assurance has been provided. All Council was saying in its previous clarification on this point was that, as a matter of general industry practice, such further requests are rare, and that based on the rarity of such events under general industry practice, the Tenderer should consider this as a low-risk matter and withdraw the departure. For the record, Council reserves for itself the right for any such requests to be made."*	
•	PPSA Acknowledgements and undertaking – clause 51.3	John Holland has requested deletion of sub-clause (c), which requires John Holland not to register a financing change statement without the prior written consent of the Council.	Amendment is likely to be acceptable.	Low - Accept	No clarification requested by Council on this point.	No clarification requested by Council on this point.	
•	Council payment for subcontractor suspension –	John Holland does not agree to Council paying subcontractors to avoid	Whilst John Holland is (perhaps justifiably) likely concerned about Council	Low – Reject, but Consider Compromise	No clarification requested by Council on this point.	Withdrawn by John Holland.	

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	clause 52.5	them suspending work under the Security of Payment Act where there is a "legitimate dispute" between John Holland and the relevant subcontractor – presumably in relation to the amount paid by Council.	making unjustified payments to subcontractors, then recovering that from John Holland, a legitimate dispute will be easy to prove, and so it will be easy for John Holland to prevent Council from recovering the amount paid to the subcontractor.	In our view, the amount paid by Council should remain due but be refunded by Council if it is shown that the relevant subcontractor did not have an entitlement to that amount.			
•	Indemnity against Security of Payment – clause 52.6	John Holland requires the indemnity against subcontractor suspension (under the Security of Payment Act) and a failure to comply with clause 52.1 to be limited to loss arising "as a direct result".	In our view, the matters that are the subject of the indemnity are entirely within John Holland's control, and are therefore manageable by John Holland.		No clarification requested by Council on this point.	Withdrawn by John Holland.	
•	Exclusion of consequential loss – clause 58	John Holland have requested an express exclusion of liability for "all indirect loss, all consequential loss, business interruption".	As discussed during the STI process, there are significant risks associated with exclusions relating to "indirect" or "consequential" loss. The case law on this issue has developed significantly over the last six years – to the point where these terms potentially represent heads of loss that are far broader than previously	High – Reject Council may want to consider excluding liability for "business interruption" – however this needs to be considered in light of the potential claims that might be brought against Council by businesses etc relying on water supply in the event that John Holland's acts or omissions are the cause of the failure to adequately supply water.	John Holland maintains this departure – justifying it by reference to certain other projects and organisations that have accepted this position. This, in our view, is not a compelling argument for a number of reasons: • firstly, the projects John Holland identifies may have been put out to market and agreed	John Holland maintains this departure. We repeat our comments in the column to the left and strongly recommend this not be agreed by Council. It may be worthwhile going back to John Holland with a summary of the position in the previous column. We understand from the telephone conference on 23.10.2015 that Council intends to put justification of Council's position to tenderer.	John Holland withdraws, except for "business interruption" – ie John Holland wants no liability for "business interruption". John Holland agreeing to delete references to "indirect" and "consequential" is a good outcome for Council on this point. Whether Council accepts an exclusion for "business interruption" is is a commercial issue for Council to consider. Such an exclusion is common, however, in considering this

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			thought. We therefore strongly recommend against any exclusion provisions that excludes (on a broad and express basis such as is requested by John Holland) the concepts of "indirect" or "consequential" loss.		before the developments in caselaw that we are concerned about arose; • secondly, just because another organisation accepted this position does not mean Council should – we are aware that various NSW Government organisations had not been receiving proper legal advice on this issue, and have therefore entered into contracts where this is a risk to them; • thirdly, the risk is a real one, based on recent developments in caselaw – with the greatest respect, John Holland cannot compellingly justify its position in the face of those caselaw developments simply by saying the someone else has agreed to this position.	Accordingly, we recommend a clarification be issued along the following lines: *"Tenderer to withdraw departure. The Tenderer's justification for such a departure is not compelling for Council, particularly given:* • *the case law on this issue has developed significantly over the last six years – to the point where these terms potentially represent heads of loss that are far broader than previously thought, and covering heads of loss that Council is not willing, commercially, to exclude from liability;* • *the projects the Tenderer identifies may have been put out to market and agreed before the developments in caselaw that we are concerned about arose; and* • *in any event, just because another organisation accepted this position does not mean Council should, or does – we are aware that various NSW Government organisations had not been receiving legal advice on this issue, and have therefore entered*	matter. Council needs to keep in mind how likely a claim against Council is for business interruption given the specifics of this particular project (eg claims from a third party based on interruption to a business relying on the operation of the STP or WTP – eg could not operate its business because it had no water, or could not use treated effluent from the STP for irrigation). Such claims are technically possible – particularly if Council has commercial arrangements for the supply of water or treated effluent.

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					Again, based on recent developments in caselaw on this matter, we strongly advise against accepting John Holland's position.	*into contracts where this is a risk to them – therefore, such justification is not compelling from Council's perspective.* *The Tenderer has not compellingly justified its position in the face of recent caselaw developments simply by saying the someone else has agreed to this position (in the context of projects that may, from a commercial perspective, be very different from this project)."*	

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Parkes Shire Council – Contract 2014009-50 – New Water Treatment Plan

Maddocks Updated Tender Evaluation Report – Haslin/Aquatec

15 October 2015

Maddocks has reviewed parts of the tender material provided to us by Parkes Shire Council (**Council**) as forming part of the tender submitted by an unincorporated joint venture between Haslin Constructions Pty Ltd (ACN 051 102 124) and Aquatec Maxcon Pty Ltd (ACN 002 250 482) (**Haslin/Aquatec**) in respect of Contract 2014009-50 (**WTP Contract**).

Maddocks has also reviewed Haslin/Aquatec's response to Council's request for certain clarifications, which we received on 14 October 2015.

Maddocks has not undertaken a review of the remainder of the documents comprising that tender and makes no comment on technical or commercial content of that tender (including proposed departures from the technical requirements of the WTP Contract).

Set out below is our report on the matters raised by Haslin/Aquatec by way of requested departures from the Conditions of Contract.

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
1.	Construction Completion	Haslin/Aquatec require the definition to reflect that only those approvals that it is required by the Contract to obtain are to be provided in order to achieve Construction Completion.	This is consistent with the allocation of responsibility for Approvals under the WTP Contract.	Low - Accept
2.	Dilapidation Report – clause 3.4	Haslin/Aquatec require the Superintendent to act reasonably for the purposes of the dilapidation report provisions. Haslin/Aquatec also requires the Superintendent to act without undue delay when approving the person to prepare the dilapidation reports.		Low - Consider
3.	Design Responsibility – clauses 3.3(b),	Haslin/Aquatec require the deletion of clauses 3.3(b), 3.6(b)(ii) and 4.1(c).	These clauses are all fundamental elements of the DD&C delivery model adopted by Council. They were all	High – Reject

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
	3.6(b)(ii) and 4.1(c)		disclosed in the DD&C Term Sheet as part of the EOI. Clause 3.3(b) provides that Haslin/Aquatec bears the risk of Design Errors and Buildability Problems – without this provision (particularly with the deletion also of clause 4.1(c)) the fundamental cornerstones of Council's risk allocation in relation to design risk (ie that the Contractor is to carry out due diligence on the design, and take on the risk of design) falls away. Clause 3.6(b)(ii) is the obligation to achieve all Mandatory Performance Levels and Guaranteed Performance Levels – again, fundamental to Council's delivery model. Clause 4.1(c) is the provision in which the Contractor warrants that it has examined the Principal's Project Requirements and that it is fit for its intended purpose – again, fundamental to Council's delivery model.	These departures represent a fundamental departure from Council's required risk allocation. We therefore strongly recommend Council reject these proposed departures.
4.	Work Method – clause 6.3(c)	Haslin/Aquatec require the deletion of clause 6.3(c). Haslin/Aquatec appear concerned to have this obligation referable to HAZOP/CHAIR meetings, and is also concerned with the reference to future decommissioning.	Clause 6.3(c) requires Haslin/Aquatec to warrant that the work method it adopts will enable Council to operate, maintain and decommission the Works according to the highest standards of safety.	Medium – Consider Compromise Council could consider removing the reference to future decommissioning. Council could also consider determining the obligation by reference to safety standards required by Legislative Requirements and Good Industry Practice (as exists as at the date of performance of the relevant work).
5.	Subcontracting – clause 9.2	Haslin/Aquatec require the deletion of the requirement to obtain Council approval of the form of subcontracts it enters into.	Approval of subcontract terms is not strictly necessary from a legal perspective, and many contractors will resist this on the basis that it unduly impacts on how they pass-through risk. Whether approval of subcontract terms is necessary is therefore ultimately a commercial matter for Council to consider.	Low - Consider
6.	HV Transformer – clause 9B	Haslin/Aquatec appear to require the deletion of clause 9B(c)(ii)(A) and (B) on the basis that	These provisions contain warranties to the effect that Haslin/Aquatec has checked the size, capacity and	High - Reject

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
		it is "not aware of the transformer supply conditions".	proposed location of the HV Transformer, it is adequate for its purpose and will enable Haslin/Aquatec to comply with the WTP Contract. These provisions are important in ensuring that Haslin/Aquatec does not bring claims against Council in the event that the HV Transformer supplied by Council is not adequate for Haslin/Aquatec's purposes. A fundamental element of Council's approach to this issue has been to provide details of the HV Transformer that Council will supply, to ensure that Haslin/Aquatec can properly interface its design with the size and capacity of that HV Transformer, and design for the proposed location. Haslin/Aquatec's departure represents a significant departure from this arrangement and is likely to give rise to potentially significant risk to Council. If the detail of the HV Transformer has not been provided to Haslin/Aquatec, Council could provide that detail and request confirmation that Haslin/Aquatec withdraws this depature.	
7.	Indemnity against property damage and personal injury – clause 17.1	Haslin/Aquatec requires the indemnity in clause 17.1 (eg in relation to third party property damage and personal injury/death) to be reduced proportionately to the extent any act or omission of the Principal (rather than negligent or wilful act or omission) contributed to the loss, damage, death or injury.	In our view, the approach requested by Haslin/Aquatec in this departure is consistent with market practice.	Medium – But Consider Accepting Whether this departure is acceptable to Council or not will depend in part on the extent to which Council is comfortable that it would be covered by John Holland's public liability insurance policy, and any other public liability insurance policy that Council may have in place. Council will therefore need to obtain specialist insurance advice on this matter and consider accordingly.
8.	Insurance generally – clause 22.7	Haslin/Aquatec require Council to act reasonably when approving the terms of any insurance policy.	In our view, Council should not be fettering how it acts when considering whether to approve the terms of a policy of insurance. Haslin/Aquatec can mitigate this risk by	Medium – Reject

Maddocks

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
			getting pre-approval of policy terms before the WTP Contract is entered into.	
9.	Access – clause 27.1	Haslin/Aquatec require an express entitlement to cost and EOTs in the event that Council fails to provide access to the temporary laydown areas identified in Item 36A.	It is likely that Haslin/Aquatec would already be entitled to an EOT based on the failure being an act or omission of Council (even though not a breach). Whether Council is willing to grant an entitlement to delay costs is a commercial matter for Council. We assume Council has the necessary rights over the relevant areas, and so the provision of access will not be problematic for Council.	Low - Consider
10.	Acceleration proposal – clause 33.5	Haslin/Aquatec require 5 Business Days in which to provide an acceleration proposal, rather than the current 2 Business Days.	This is a minor commercial matter for Council consideration.	Low – Consider
11.	Suspension costs – clause 34.4	Haslin/Aquatec require an entitlement to suspension costs in the event that the suspension is due to an order of the court or an Authority not caused by them.	As currently drafted, Haslin/Aquatec would be entitled to suspension costs if the order of the court or an Authority was due to an act or omission of Council. In our view ,this provides Haslin/Aquatec with the degree of protection they need without the need to amend the WTP Contract.	Low – But Reject We recommend this departure be rejected on the basis that the current provisions of the Contract already provide Haslin/Aquatec with sufficient protection.
12.	Cut Over and Commissioning Plan – clause 34A.2	Haslin/Aquatec require deemed acceptance of the Cut Over and Commissioning Plan in the event it is not rejected within 15 Business Days of submission or resubmission.	In our view, this amendment is unnecessary. Haslin/Aquatec are required to comply with the "Current Cut Over and Commissioning Plan". The term "Current Cut Over and Commissioning Plan" is defined as a plan that has been submitted and not rejected within the time provided for in clause 34A. Therefore, although not amounting to "deemed acceptance" if it is not rejected by the Superintendent within 15 Business Days, Haslin/Aquatec is entitled to comply with it.	Low – But Reject We recommend this departure be rejected on the basis that the current drafting already operates in the manner required by Haslin/Aquatec.

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Maddocks

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
13.	Liquidated damages – clause 35.6	Haslin/Aquatec require a provision to be inserted to provide that the total cumulative liability of Haslin/Aquatec under clause 35.6 is limited to 10% of the Contract Sum.	The final paragraph of clause 35.6 already provides that the liability of Haslin/Aquatec for liquidated damages is limited to 10% of the Contract Sum. Haslin/Aquatec may be concerned because this provision only caps liability for liquidated damages and, technically speaking, clause 35.6 could operate to expose Haslin/Aquatec to general law damages (which, arguably, would not be covered by the 10% cap – which we have deliberately drafted that way). We suggest Council request this departure be withdrawn on the basis that the final paragraph of clause 35.6 already caps Haslin/Aquatec's liability for liquidated damages at 10% of the Contract Sum.	Low – But Reject
14.	Liquidated damages and subsidy indemnity – clauses 35.6 and 35.7	Haslin/Aquatec appears to be requesting that its total liability for both liquidated damages and the indemnity under clause 35.7 be capped at 10% of the Contract Sum.	Council has addressed concerns about unlimited exposure to the subsidy indemnity by imposing a separate liability cap under that indemnity – see the second-last paragraph of clause 35.7. On that basis, Haslin/Aquatec is already given certainty as to what its ultimate exposure is under this indemnity. An aggregate cap of 10% under both the liquidated damages provision and the indemnity represents a substantial potential reduction in the protection afforded to Council under these two provisions.	High – Reject
15.	Variations – clause 40.1	Haslin/Aquatec require the deletion of the third paragraph of clause 40.1 – which provides that for a direction to be a variation direction it must be in writing and expressly stated to be under clause 40.1. It also permits Council to have omitted work carried out by others.	Both such provisions are standard practice in the industry and provide fundamental protection to Council. The first is intended to protect Council from spurious variation claims. The second is intended to permit Council to have omitted work performed by others, without the risk of wrongfully repudiating the Contract.	High - Reject

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
16.	Set-off – clause 42.8	Haslin/Aquatec require the deletion of the setoff clause.	The inclusion of a set-off provision is standard practice in the industry and provides fundamental protection to Council. We strongly recommend Council reject this departure.	High - Reject
17.	Principal default – clause 44.7(e)	Haslin/Aquatec require the reinstatement of non-payment as an event of Principal default entitling them to invoke the remedy and termination process.	In our view, the failure pay should not, of itself, be a potential trigger for termination. This could be used by Haslin/Aquatec to escalate minor payment disputes into potential termination triggers – thereby enabling Haslin/Aquatec to exert undue commercial pressure on Council.	Medium – Reject, but Consider Compromise Council could consider a compromise around the issue of a failure to pay – eg by making the substantial breach a failure to pay within a period of time following the obligation to pay first arising under the Contract. This would give Council a buffer and avoid Haslin/Aquatec attempting to use non-payment as a trigger for the termination mechanism in order to exert undue commercial pressure on Council.
18.	Termination for convenience – clause 44.13	Haslin/Aquatec appear to be requesting a 90 day notice period for termination for convenience.	Whilst some form of notice period may be appropriate, 90 days is, in our view, far too long and could simply be used by Haslin/Aquatec to prosecute elevated claims and incur unnecessary expenses in order to maximise their payout.	Medium – Reject
19.	Termination for injunctions – clause 44.15	In the event of termination due to injunctions, Haslin/Aquatec requires payment on the same basis as the termination for convenience mechanism.	This may be appropriate, provided Haslin/Aquatec is not the cause of the injunction.	Low – Consider
20.	Termination of STP Contract – clause 44A.2	Haslin/Aquatec is proposing no entitlement to terminate the STP contract as a result of termination of the WTP Contract.	This approach is inconsistent with the concept of Council approaching both the STP and WTP as separate parts of the same project. For example, if both the STP and WTP were merely separable portions under a single contract, the termination would result in termination of both "projects" on the basis of the current mechanism in clause 44A.	High – Reject

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 15 October 2015	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 15 October 2015
			The proposed departure by Haslin/Aquatec therefore represents a significant divergence from Council's desired commercial position.	
21.	Reference dates – clause 52.3	Haslin/Aquatec require a reference date for the purposes of the Security of Payment Act to arise after termination.	In our view, this would simply be used as a means for Haslin/Aquatec to invoke the Security of Payment Act following termination in order to exert undue commercial pressure on Council.	High - Reject
22.	Liability cap - clause 58	Haslin/Aquatec require a "new" clause 58 to be inserted dealing with an aggregate liability cap.	There is already a clause 58 addressing this issue. That said, the Haslin/Aquatec drafting could be more advantageous to Council than the current drafting.	High – But Consider
23.	Exclusion of consequential loss - clause 59	Haslin/Aquatec require a "new" clause 58 to be inserted dealing with an exclusion of consequential loss.	We recommend Council request this departure be withdrawn on the basis that the current clause 59 already provides protection to Haslin/Aquatec.	High - Reject

Maddocks

Parkes Shire Council – Contract 2014009-50 – New Water Treatment Plan

Maddocks Updated Tender Evaluation Report – Monodelphus

15 October 2015

Maddocks has reviewed parts of the tender material provided to us by Parkes Shire Council (**Council**) as forming part of the tender submitted by Monodelphus Engineering Pty Ltd (ACN 010 305 923) (**Monodelphus**) in respect of Contract 2014009-50 (**WTP Contract**).

Maddocks has also reviewed John Holland's response to Council's request for certain clarifications, which we received on 14 October 2015.

Set out below is our report on the matters raised by Monodelphus in that tender by way of requested departures from the Conditions of Contract, as set out in Schedule 23 of that tender, updated to reflect John Holland's response to Council's request for clarifications.

We also set out in Attachment 1 our further report on the matters relating to insurance issues put forward by Monodelphus in its response to requests for clarification received on 14 October 2015.

Maddocks has not undertaken a review of the remainder of the documents comprising that tender and makes no comment on technical or commercial content of that tender (including proposed departures from the technical requirements of the STP Contract).

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
	Security for WTP Contract – clause 5.6	Monodelphus proposes that security provided under the STP Contract not be available for issues or matters arising under the STP contract.	This approach is inconsistent with the concept of Council approaching both the STP and WTP as separate parts of the same project. The proposed departure by John Holland therefore represents a significant divergence from Council's desired commercial position. It is, however, consistent with each of the STP and the WTP contracts having separate and distinct aggregate liability caps.	High – Reject We recommend Council reject this proposed amendment.	Monodelphus can withdraw this departure if the STP project and WTP project are awarded as separable portions of the same contract.

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
	Site Conditions – clauses 12 and 12A	Monadelphus make it clear that they have relied on the Geotechnical Report provided by Council. Furthermore, they provide that they have not allowed for acceptance of all Site Conditions.	We assume that Monodelphus require both EOT and cost relief for latent site conditions (although they have not been explicit on this point (instead inviting Council to "discuss" an appropriate method of "sharing the risk")). This, in our view, represents a significant departure from Council's desired risk profile, and a potentially significant risk to Council (particularly given the time-critical nature of the project and the interaction with the NSW Government subsidy).	High - Reject We recommend Council reject this proposed departure.	Monodelphus withdraw the departure in relation to reliance on Geotechnical Reports. However, Monodelphus maintain its position in relation to adverse site conditions. They make particular mention of floods that prevent access for months at a time, and artefacts and contamination. We note that the Contract already provides cost relief for directions given by the Superintendent in relation to artefacts – see clause 27.5. Whilst it is not entirely clear, we assume Monodelphus' position is that: • they are comfortable with provisions that provide they didn't rely on Information Documents (with associated releases, etc); but • they still want cost and EOT relief for latent conditions and certain "force majeure" events such as floods. Council may want to seek clarification that this is the Monodelphus position. In relation to the impacts of this clarification, our original comments and recommendations remain unchanged.
	Insurance – clauses 18-22	Monodelphus propose to use only "existing global insurance policies". We therefore assume	In our view, this represents a significant risk to Council for a number of reasons. Firstly, Council has no transparency as to what the terms of those policies are,	High – Reject Whilst we recommend Council obtain advice from its insurance advisors on this matter, in our view this represents a significant departure and a potentially	See Attachment 1.

Maddocks

No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
		that Monodelphus will not be taking out any project-specific insurance policies.	or how the terms of those policies may change over time (whether by way of the limits or cover, or exclusions from coverage). Secondly, these global policies presumably respond to any number of events and projects across Monodelphus' businesses globally. Therefore, the protection afforded by those policies could be eroded or prejudiced by events unrelated to the WTP project. Thirdly, the nature of coverage provided to Council is uncertain (at least at this stage, until the terms of the relevant policies can be better understood) – for example, the current requirements of clause 19 require the public liability policy to be in the joint name of Council, and clause 22.6 currently requires that policy to operate as a separate policy in favour of Council. It seems unlikely that Council would have such protections under the Monodelphus global public liability policy.	significant risk to Council. We therefore recommend Council reject this proposed departure.	
	Excesses on Council insurances – clause 18B	Monodelphus propose that clause 18B(c) and (d) be amended such that it is responsible for excesses paid under Council's contract works and environmental liability policies – "unless the claim was caused by an act or omission of	The departure seems reasonable in principle – ie it seems reasonable that Monodelphus should not be responsible for excesses payable under those policies to the extent that the relevant event giving rise to the claim was caused by Council or its Other Contractors.	Low – Consider Compromise In our view, Council could consider agreeing to a compromise position in which Monodelphus is relieved of responsibility for those excesses to the extent that the relevant event giving rise to the claim was caused by Council or its Other Contractors.	See Attachment 1.

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No	Issue, Subject, Clause	Description/Summary	Maddocks Comment – 13 October	Significance for Council (High/Medium/Low) and Maddocks' Recommendation – 13 October	Maddocks Comment on John Holland Response to Council's Request for Clarifications
		the Principal or its Other Contractors".			
	Time for Superintendent's decision – clause 46.4	Monodelphus require the Superintendent to make a decision in relation to a claim notified under clauses 46.1 and 46.3 within 28 days of receipt of the notices of claim.	The current time period is 56 days. This is essentially a minor commercial issue for Council to consider.	Low - Consider	No clarification requested by Council on this point.
	Exclusion of consequential loss – clause 58	Monodelphus request the correction of a typo in clause 58(b)(i)(B)(2) by changing the reference to "Subcontract" to "Contract".	Monodelphus is correct – this typo will need to be corrected.	Low - Accept	No clarification requested by Council on this point.
	Virtual Control Room	Monodelphus offer a Virtual Control Room system for the project – but subject to the execution by Council of a "Confidentiality Agreement to protect…IP".	It is not possible to assess the impact on this qualification in the absence of the terms of that Confidentiality Agreement.	Unknown – but likely Low	

Maddocks

Attachment 1 – Evaluation of Insurance Departures Received 14 October 2015

Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
18B Contractor to satisfy itself			
(c) and (d)	where it is responsible for the care of things under Clause 16.1, bear the cost of any excesses in the insurance referred to in Clause 18; bear the cost of any excesses in the insurance referred to in Clause 18A in respect of any event or circumstance occurring before the Date of Practical Completion or otherwise caused or contributed to by the Contractor; and	Our view is that the party seeking the benefit of a policy payment should be liable to pay the excess or deductible. We request that the clause be amended accordingly.	Monodelphus appear to require a departure from the responsibility for excesses under Council's contract works and environmental liability insurances. In our view, Council could consider agreeing to a compromise position in which Monodelphus is relieved of responsibility for those excesses to the extent that the relevant event giving rise to the claim was caused by Council or its Other Contractors.
19. Public Liability Insurance			
Alternative 1	Before the Contractor commences work under the Contract, the Contractor shall effect a public liability policy of insurance in the joint names of the Principal and the Contractor which covers the Principal, the Contractor, the Superintendent and all subcontractors employed from time to time in relation to the work under the Contract for their respective rights and interests and covers their liabilities to third parties.	MGL holds a current Public Liability Policy. The policy is not held in the joint names of the Principal and Contractor. The definition of Insured includes a contract principal.	Monodelphus appears to propose that the public liability policy not be in the joint names of Monodelphus and Council, but that Council will nonetheless be an "Insured". As we understand it, the preferable position would be for the policy to be joint names in order, for example, allow Council to claim under the policy as if it were a separate policy in favour of Council. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of Council being an "Insured" rather than joint names.

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Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
	The policy shall also cover the Contractor's liability to the Principal and Principal's liability to the Contractor for loss of or damage to property (other than property required to be insured by Clause 18) and the death of or injury to any person (other than liability which is required by law to be insured under a workers compensation policy of insurance).	See above comments. The policy is not held in the joint names of the Principal and Contractor. The definition of Insured includes a contract principal.	See above. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.
21 Professional Indemnity Insurance			
	The policy and such level of cover shall be maintained until the expiry of the O&MS Term and thereafter for a period as is stated in Item 32 [7 years].	Professional indemnity insurance is renewable annually, and MGL cannot guarantee it will maintain the same policy for 7 years after the Contract Term.	It is critical for Council that Monodelphus have PI insurance in place (satisfying the requirements of the Contract) for a period sufficient to cover Monodelphus against any claims brought prior to the expiry of the relevant statutory limitation period. Given the WTP Contract will be a deed, the statutory limitation period could actually be 12 years – however it is not common to have a requirement to maintain PI insurance for such a long period. Unless Monodelphus is obliged to retain the same PI policy for this period, there would be nothing stopping Monodelphus from effecting a new policy with the same limit of coverage, but which is subject to significantly broader exclusions (thereby reducing the utility of the policy from Council's perspective). In short, this is standard industry practice and in our view should be insisted upon by Council. Monodelphus could always come to Council at the relevant time to obtain Council's consent to take out a different policy – however it should not be permitted to do so unilaterally. We also recommend Council obtain specialist advice from its insurance advisors on this issue.

Maddocks

Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
21B. Marine Transit Insurance			
	In respect of the things the care of which the Contractor is responsible for under Clause 16.1 which are in transit (including storage and transhipment), the Contractor shall effect a marine transit insurance policy which provides cover for those things on an "all risks" basis, including war, riots, strikes and civil commotion coverage, covering those things until they are delivered to the Site, unpacked, inspected and confirmed as in sound condition.	MGL currently holds a Transit Policy. The policy covers accidental physical loss of or damage to the goods during the insured transits. This does not cover 'All Risks' but it will cover 'All Marine Perils'. All Incidental storage and warehousing is covered but only in the ordinary course of transit.	We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.
	The insurance policy shall:		
(a)	be in the joint names of the Principal and the Contractor, and shall cover the Principal, the Contractor and all subcontractors employed from time to time in relation to the work under the Contract for their respective rights, interests and liabilities;	The policy does not automatically name the Principal. Instead, the policy includes a Contractual Liability Extension which Indemnifies as follows; *Notwithstanding the indemnity afforded under this policy, where in the ordinary course of business the Insured enters into a written agreement with another party and where such written agreement provides in substance that the Insured shall indemnify and/or hold harmless and/or release form liability such other party in respect of loss, destruction or damage which may occur as a result of any peril or eventuality hereby insured against it is understood and agreed that this insurance shall not be prejudiced by the Insured agreeing to such provision. The Insurer(s) agree(s) to waive all rights of subrogation against such other party.*	See comments above on the issue of whether a policy is in joint names of Council. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.

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Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
(c)	include a delayed unpacking clause and a 50:50 clause; and	Delayed Unpacking Clause included but limited to 90 days. 50/50 Clause is not included.	We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.
22. Inspection and provisions of insurance policies			
22.1 Proof of Insurance	Before the Contractor commences work under the Contract and whenever requested in writing by the Principal, the Contractor shall produce evidence to the satisfaction and approval of the Principal of the insurance effected and maintained, or required to be effected and maintained, by the Contractor.	Provision of certificate of currency is standard practice. Delete "evidence to the satisfaction and approval of the Principal" and replace with "Certificates of Currency"	In our experience, the provision of certificates of currency are adequate evidence of on-going compliance, but Council would still need to approve the terms of policies (other than PI and workers compensation – which are unlikely to be disclosed by Monodelphus other than on a "broker to broker" basis). Council may want to seek clarification that Monodelphus will agree to the disclosure of the terms of insurance policies so they can be approved by Council, followed by periodic evidence of the maintenance of those policies by way of the issue of certificates of currency.
22.3 Notices from or to the Insurer	Without limiting Clause 22.7, the Contractor shall ensure that each policy of insurance it is required to effect under Clauses 18, 19 and 21B contains provisions acceptable to the Principal that:		

Maddocks

Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
(a), (c) and (d)	requires the insurer, whenever the insurer gives the Contractor or a subcontractor a notice of expiration, renewal, cancellation or other notice concerning the policy at the same time to inform the Principal in writing that the notice has been given and provide a copy of that notice to the Principal; requires the insurer, whenever the Contractor fails to renew the policy or to pay a premium, to give notice in writing thereof forthwith to the Principal and the Contractor and prior to the insurer giving any notice of cancellation; requires the insurer to give the Principal 20 Business Days prior written notice of the cancellation or lapsing of the policy; and	Our Insurer will not agree to the inclusion of these provisions.	We recommend Council obtain specialist advice from its insurance advisors as to whether these requirements are available in the insurance market (our view is that they are) and the potential consequences of this departure and comment from Monodelphus.
(e)	provides that any breach of the policy conditions by any party comprising the insured will not in any way prejudice or diminish any rights which any other party comprising the insured would have had under the policy but for the breach of policy conditions.	18 – Contract Works – Principal Arranged 19 – Public Liability – Ok 21B – Marine Transit – Does not have a severability clause, nor is it industry practice for a Marine Transit policy to have such a clause.	It appears that Monodelphus can comply in relation to its public liability policy, but not marine transit – Council may want to seek clarification on this point. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.

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Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
22.4 Notices of Potential Claims	The Contractor shall, as soon as practicable, inform the Principal in writing of any occurrence that may give rise to a claim under a policy of insurance required by Clause 18, 18A, 19, 20, 20A, 21, 21A or 21B and shall keep the Principal informed of subsequent developments concerning the claim. The Contractor shall ensure that subcontractors in respect of their operations similarly inform the Principal.	This clause may raise issues of privacy and waiver of legal professional privilege. Recommend this clause be prefaced by: Propose that this clause be prefaced by: "To the extent permitted by law and to the extent that it does not compromise a claim for legal professional privilege …."	In our view this proposed departure can be accepted by Council.
22.6 Cross Liability	The Contractor shall ensure that any insurance required by the Contract to be effected by the Contractor in joint names, shall include a cross liability clause in which the insurer agrees: (a)to waive all rights, remedies or relief by way of subrogation, contribution or action against any of the persons comprising the insured (b) that the insurance operates in the same manner as if a separate policy of insurance had been issued to each of the insureds (subject always to the overall sum insured not being increased thereby); and (c) not to impute any acts, omissions, misrepresentations (whether fraudulent or otherwise), breach of a term or condition of a policy (including any breach of duty of disclosure) or any fraud by one insured to another insured.	Policies are not held in joint names with the Principal. 18 – Contract Works – Principal Arranged Public Liability – Ok. Principal is an insured by virtue of the definition of insured. Marine Transit - Does not have a cross liability, nor is it industry practice for a Marine Transit policy to have such a clause.	It appears that Monodelphus can comply in relation to its public liability policy, but not marine transit – Council may want to seek clarification on this point. We recommend Council obtain specialist advice from its insurance advisors as to the potential consequences of this departure and comment from Monodelphus.

Maddocks

Clause	Requirement	Comment / Recommendation	Maddocks Comments and Recommendations– 15 October 2015
22.7 Insurance Generally	The Contractor shall ensure that each insurance policy required to be effected by the Contractor is effected with a licenced insurer and on terms both approved by the Principal before the commencement of the work under the Contract.	MGL places its insurance policies based on its operational requirements and on advice from its insurance broker.	It is not clear what departure, if any, Monodelphus is seeking on this point. We recommend Council preserve for itself the right to approve policies of insurance (perhaps other than PI and workers compensation – as Monodelphus will only likely agree to broker to broker disclosure of these policies). Council may want to seek clarification from Monodelphus on this matter. The use of licenced insurers should not be controversial, and should be insisted upon by Council.
	The Contractor shall be responsible for any excess payable under any insurance policy taken out by the Contractor under the Contract.	Our view is that the party seeking the benefit of a policy payment should be liable to pay the excess or deductible. We request that the clause be amended accordingly.	It seems unreasonable for Council to have to pay the excess when claiming under a policy where Monodelphus has caused the event giving rise to the claim. In our view, Council could consider agreeing to a compromise position in which Monodelphus is relieved of responsibility for those excesses to the extent that the relevant event giving rise to the claim was caused by Council or its Other Contractors.

General Manager Mayor

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Appendix G: Evaluation Scores

General Manager

Mayor

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WTP – Hunter H2O –Technical Assessment

	Tenderer		*Haslin JV*	*John Holland*	*Monadelphous*
Item	*Criterion*	*Weighting (%)*			
8	**Technical Assessment**	**40**			
8a	Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4	7.25	7.5	5
8b	Overall level of conformance with the PPR	2	6.5	6.75	5
8c	Level of adoption of General Design Requirements and Golden Rules	2	6.5	8	7.5
8d	Proposed layouts provide full visibility of, and access to, all areas	2	9	6.75	7.5
8e	Process headroom is sufficient to cope with expected variations in raw water quality	4	8	5	4
8f	Design is hydraulically efficient and minimizes treated water and backwash water pumping	4	6.75	7.5	8
8g	Process complexity and operational requirements are minimized	4	7	6	6
8h	Equipment offered is easy to operate and maintain with good local access to spares and service	4	7	6	6
8i	Design Assumptions are reasonable	10	7	7.5	7
8j	The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4	7.75	8	6.25
	Raw Score (/100)		**72.75**	**69**	**62.25**
	Weighted Score (/40)		**28.9**	**27.8**	**25.1**

STP –Hunter H2O –Technical Assessment

	Tenderer		*Haslin JV*	*John Holland*	*Mondadelphous*
Item	*Criterion*	*Weighting (%)*			
		Total			
8	**Technical Assessment**	**40**			
8a	Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4	6.8	7.8	5.8
8b	Overall level of conformance with the PPR	2	6.5	8.7	6.5
8c	Level of adoption of General Design Requirements and Golden Rules	2	7.5	8.7	7.5
8d	Proposed layouts provide full visibility of, and access to, all areas	2	7.7	7.8	5.3
8e	Process headroom is sufficient to cope with expected variations in influent quality	4	6.5	8.5	5.0
8f	Design is hydraulically efficient and does not require inter-stage pumping	4	7.5	7.8	6.4
8g	Process complexity and operational requirements are minimized	4	7.0	7.5	6.5
8h	Equipment offered is easy to operate and maintain with good local access to spares and service	4	7.5	7.5	7.0
8i	Design Assumptions are reasonable	10	6.0	8.0	6.3
8j	The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4	6.8	8.3	6.2
	Raw Score (/100)		**69.8**	**80.6**	**62.5**
	Weighted Score (/40)		**27.2**	**32.0**	**24.9**

Date:	
Name:	Andrew Francis
Role:	Member
Agency:	Parkes Shire Council
Position:	Director of Infrastructure

RFT Assessment Score Sheet - Non Price Criteria

Item	RFT Evaluation Criteria - WTP	Weighting	Mono		Haslin		John Holland	
			WTP	Comments	WTP	Comments	WTP	Comments
1	**Performance during the STI Process**	**20**	**5**		**7**		**8**	
1a	Demonstration of collaborative approach to the STI Process, including attendance and active participation in workshops, site inspections and networking evenings forming part of the STI Process, and the provision of suitable resources for participation in the STI Process.	20	5		7		8	
2	**WHS**	**8**	**12**		**10**		**8**	
2a	Appropriateness of the draft WHS Management Plan.	6	7		5		6	
2b	Appropriateness of the draft example SWMS's	2	5		5		2	
3	**Environment**	**8**	**7**		**13**		**11**	
3a	Appropriateness of the draft Environmental Management Plan and draft CEMP.	6	4		7		5	
3b	Identification and incorporation of the controls from the REF into the EMP and CEMP.	2	3		6		6	
4	**Quality**	**8**	**10**		**6**		**13**	
4a	Appropriateness of the draft Quality Management Plan	6	7		5		8	
4b	Appropriateness of the draft example ITP's.	2	3		1		5	
5	**Local Content**	**10**	**29**		**4**		**24**	
5a	Level of local subcontractors proposed to be engaged for construction work forming part of the WTP Project.	4	8		1		5	
5b	Level of local suppliers proposed to be engaged for construction work forming part of the WTP Project.	4	8		1		6	
5c	Level of other local opportunities offered in the overall delivery of the WTP Project.	1	8		1		5	
5d	Level of upskilling opportunities offered for local resources in the delivery of the WTP Project	1	5		1		8	
6	**Program**	**3**	**5**		**2**		**7**	
6a	Proposed program for the WTP Project	3	5		2		8	
7	**Subcontractor Capability**	**3**	**4**		**2**		**7**	
7a	Capability of proposed Subcontractors	3	4		2		8	
8	**Technical Assessment**	**40**	**52**		**75**		**64**	
8a	Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4	4		7		8	
8b	Overall level of conformance with the PPR	2	5		8		8	
8c	Level of adoption of General Design Requirements and Golden Rules	2	5		8		6	
8d	Proposed layouts provide full visibility of, and access to, all areas	2	5		8		6	
8e	Process headroom is sufficient to cope with expected variations in raw water quality	4	4		8		5	
8f	Design is hydraulically efficient and minimizes treated water and backwash water pumping	4	6		6		6	
8g	Process complexity and operational requirements are minimized	4	6		7		6	
8h	Equipment offered is easy to operate and maintain with good local access to spares and service	4	6		7		6	
8i	Design Assumptions are reasonable	10	6		8		7	
8j	The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4	5		8		6	
	Total Score	**100**	**124**		**119**		**142**	

General Manager Mayor

Item	RFT Evaluation Criteria - STP	Weighting	Mono		Haslin		John Holland	
			STP	Comments	STP	Comments	STP	Comments
1	**Performance during the STI Process**	**20**	**6**		**1**		**8**	
1a	Demonstration of collaborative approach to the STI Process, including attendance and active participation in workshops, site inspections and networking evenings forming part of the STI Process, and the provision of suitable resources for participation in the STI Process.	20	6		1		8	
2	**WHS**	**8**	**12**		**6**		**8**	
2a	Appropriateness of the draft WHS Management Plan.	6	7		3		6	
2b	Appropriateness of the draft example SWMS's	2	5		3		2	
3	**Environment**	**8**	**7**		**13**		**10**	
3a	Appropriateness of the draft Environmental Management Plan and draft CEMP.	6	4		7		5	
3b	Identification and incorporation of the controls from the REF into the EMP and CEMP.	2	3		6		5	
4	**Quality**	**8**	**9**		**6**		**12**	
4a	Appropriateness of the draft Quality Management Plan	6	6		5		7	
4b	Appropriateness of the draft example ITP's.	2	3		1		5	
5	**Local Content**	**10**	**32**		**4**		**24**	
5a	Level of local subcontractors proposed to be engaged for construction work forming part of the STP Project.	4	8		1		5	
5b	Level of local suppliers proposed to be engaged for construction work forming part of the STP Project.	4	8		1		6	
5c	Level of other local opportunities offered in the overall delivery of the STP Project.	1	8		1		5	
5d	Level of upskilling opportunities offered for local resources in the delivery of the STP Project	1	8		1		8	
6	**Program**	**3**	**5**		**2**		**7**	
6a	Proposed program for the STP Project	3	5		2		7	
7	**Subcontractor Capability**	**3**	**4**		**2**		**7**	
7a	Capability of proposed Subcontractors	3	4		3		7	
8	**Technical Assessment**	**40**	**52**		**63**		**78**	
8a	Site layout and building design provides excellence in conformation, constructability, environmental performance and aesthetic appeal	4	5		6		7	
8b	Overall level of conformance with the PPR	2	5		5		8	
8c	Level of adoption of General Design Requirements and Golden Rules	2	6		5		7	
8d	Proposed layouts provide full visibility of, and access to, all areas	2	5		7		8	
8e	Process headroom is sufficient to cope with expected variations in influent quality	4	4		6		8	
8f	Design is hydraulically efficient and does not require inter-stage pumping	4	4		7		8	
8g	Process complexity and operational requirements are minimized	4	6		7		8	
8h	Equipment offered is easy to operate and maintain with good local access to spares and service	4	6		7		8	
8i	Design Assumptions are reasonable	10	5		6		8	
8j	The design is future-proofed in regard to anticipated process modifications, future capacity requirements and future treatment standards	4	6		7		8	
	Total Score	**100**	**127**		**97**		**154**	

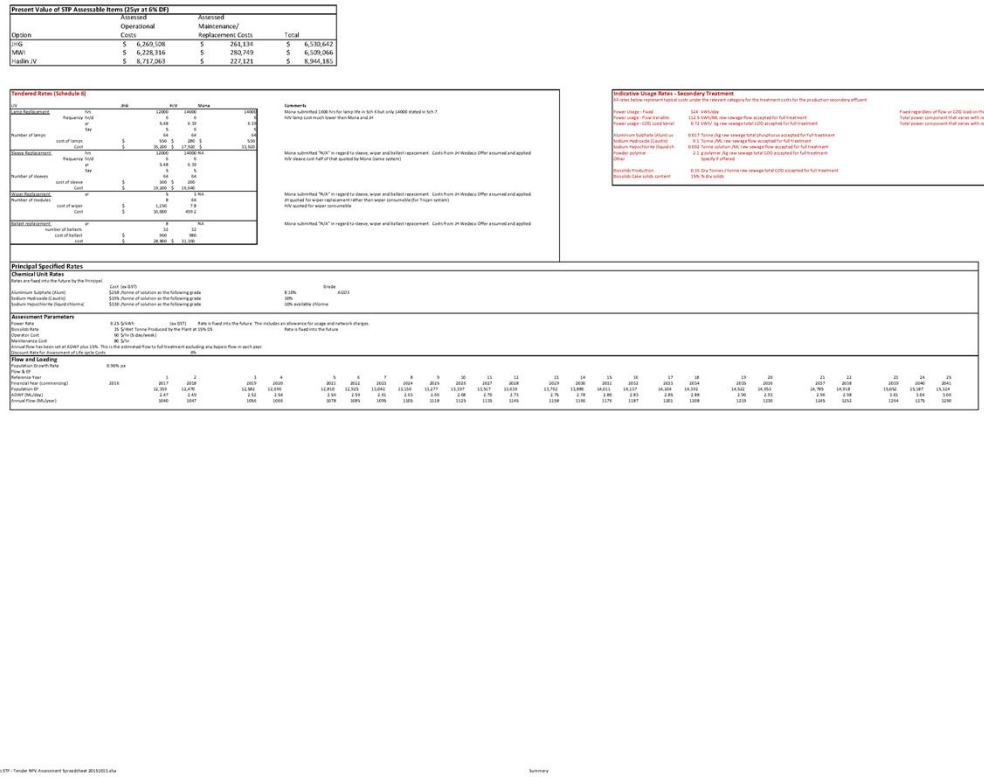
General Manager Mayor

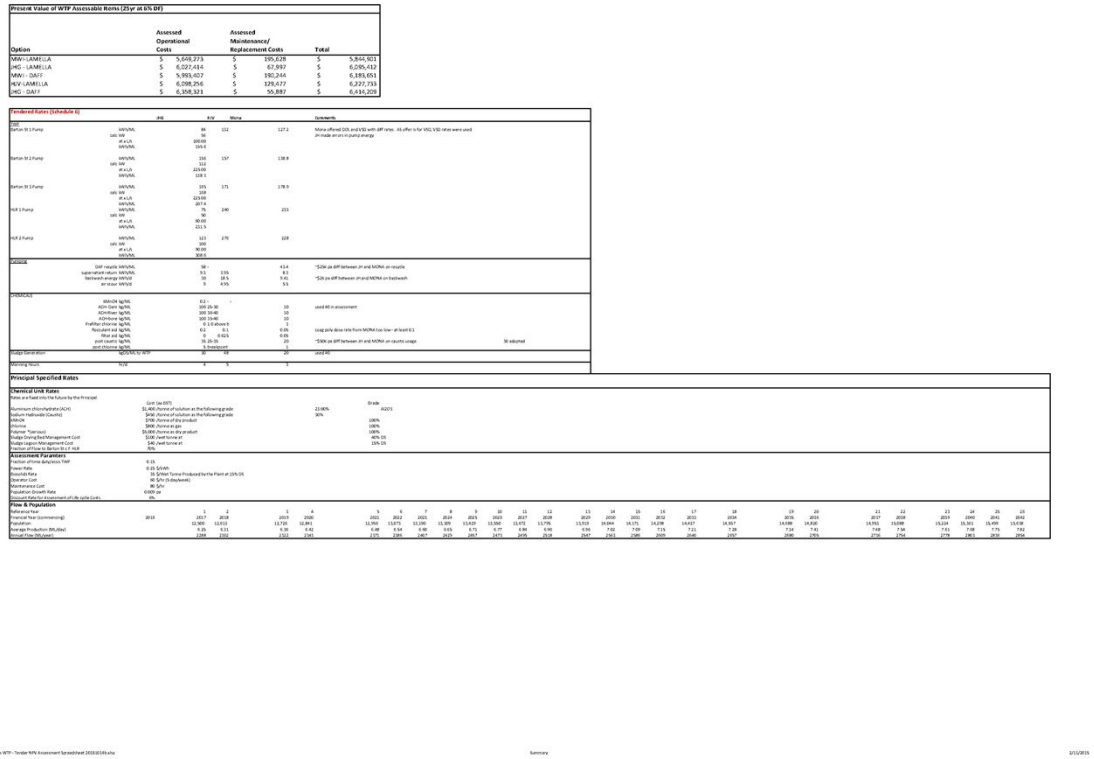
Appendix H: Price Assessment

General Manager

Mayor

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General Manager

Mayor

Appendix I: Late Tender Details

General Manager

Mayor

Document Set ID: 804455
Version: 4, Version Date: 09/11/2015

Clarke, Lynda (Newcastle)

From: sue.harding@jhg.com.au
Sent: Wednesday, 7 October 2015 2:09 PM
To: Louise Peebles
Cc: rex.taka@jhg.com.au
Subject: PARKES SHIRE COUNCIL STP & WTP TENDER SUBMISSIONS

You have received 3 secure files from Sue.Harding@jhg.com.au.
Use the secure links below to download.

Dear Louise

As per Rex Taka's discussion, we have been unable to upload our tender submission via Tenderlink. Therefore we have attached our Priced Schedules for both packages. Tenderlink will be contacting you regarding this. Please let us know how we will be able to upload the non priced submissions to yourselves.

Regards
Sue Harding

Secure File Downloads:
Available until: **06 November 2015**

Click links to download:

Envelope 2 Priced DAFF Combined.pdf
16.40 MB, Fingerprint: ddd1cb2bac66da9063a0e05cf37f041f (What is this?)

Envelope 2 Priced Lamella Combined.pdf
16.50 MB, Fingerprint: 3af3d8ecd8441c138a0d9cb4db26e532 (What is this?)

Envelope 2 - STP Priced Combined.pdf
16.60 MB, Fingerprint: a2f4741954c5eb620d356a9549ff702b (What is this?)

You have received attachment link(s) within this email sent via Accellion Secure File Transfer. To retrieve the attachment(s), please click on the link(s). To learn how your company can benefit from Accellion Secure File Transfer, please visit http://www.accellion.com

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1

Clarke, Lynda (Newcastle)

From: sue.harding@jhg.com.au
Sent: Wednesday, 7 October 2015 2:20 PM
To: Louise Peebles
Cc: rex.taka@jhg.com.au
Subject: PARKES SHIRE COUNCIL STP & WTP TENDER SUBMISSIONS

You have received 2 secure files from Sue.Harding@jhg.com.au.
Use the secure links below to download.

Hi Louise

Further to previous email, please find attached Envelope 1 Non Priced WTP and Envelope 1 Non Priced STP tender submissions.

Our hard copies will be couriered to your office as per instructions on your Request for Tender.

Regards
Sue Harding

Secure File Downloads:
Available until: **06 November 2015**

Click links to download:

Envelope 1 Combined STP.pdf
148.20 MB, Fingerprint: 8828b1cc1b1c32b067861bb3b5a8dc33 (What is this?)

Envelope 1 Non Priced WTP Combined.pdf
91.82 MB, Fingerprint: 6363abf9655fb8ce646749c904cb5492 (What is this?)

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1

Clarke, Lynda (Newcastle)

From: Richard Law <Richard.Law@tenderlink.com>
Sent: Wednesday, 7 October 2015 2:27 PM
To: Louise Peebles
Subject: unsuccessful submission - John Holland Pty Limited
Attachments: trail_john_holland_parkes_shire_07_10_15.pdf

Hello Louise

I have just been speaking with John Holland Pty Limited re there unsuccessful for PARKES-692365.

They have called 5 minutes prior to closure explaining that they were having issues uploading their submission. I can see one file has transferred to the server (see attached report) but this was not submitted. I discussed with them files naming coventions were correct (making sure no illegal characters were present, length of file name etc) and there was none

There would have been no issue at this end with the uploading that I am aware of, we would have accepted the file(s) as fast as they could send them through (and one file was uploaded at 1.32pm successfully)

I hope the report is of help

Kind regards
Richard

Richard Law
Client Services – Support
TenderLink.com

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Tel: 0800 698 363 (NZ)
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Clarke, Lynda (Newcastle)

From: Louise Peebles <Louise.Peebles@parkes.nsw.gov.au>
Sent: Wednesday, 7 October 2015 2:37 PM
To: brian.farmer@capitalinsight.com.au
Cc: Jason Myers; Andrew Francis
Subject: FW: unsuccessful submission - John Holland Pty Limited
Attachments: trail_john_holland_parkes_shire_07_10_15.pdf

Brian,

Based on our conversation please see attached transmission report from Tenderlink that verifies John Hollands attempts to upload the new Water and Sewer Treatment Plant tender documents.

I can confirm based on this report plus our conversation JHA has sent through an invitation to download from secure file. This was received by Sue Harding at 2.09pm.

Kindest,

Louise

From: Richard Law [mailto:Richard.Law@tenderlink.com]
Sent: Wednesday, 7 October 2015 2:27 PM
To: Louise Peebles
Subject: unsuccessful submission - John Holland Pty Limited

Hello Louise

I have just been speaking with John Holland Pty Limited re there unsuccessful for PARKES-692365.

They have called 5 minutes prior to closure explaining that they were having issues uploading their submission. I can see one file has transferred to the server (see attached report) but this was not submitted. I discussed with them files naming coventions were correct (making sure no illegal characters were present, length of file name etc) and there was none

There would have been no issue at this end with the uploading that I am aware of, we would have accepted the file(s) as fast as they could send them through (and one file was uploaded at 1.32pm successfully)

I hope the report is of help

Kind regards
Richard

Richard Law
Client Services – Support
TenderLink.com

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General Manager Mayor

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Clarke, Lynda (Newcastle)

From: Louise Peebles <Louise.Peebles@parkes.nsw.gov.au>
Sent: Wednesday, 7 October 2015 3:04 PM
To: brian.farmer@capitalinsight.com.au
Cc: sue.harding@jhg.com.au; brian.farmer@capitalinsight.com.au; Andrew Francis; Jason Myers; Jim Livas; rex.taka@jhg.com.au
Subject: FW: John Holland Pty Ltd Secure File Sharing Account Verification
Attachments: Parkes Tender Submission - issues with the upload; unsuccessful submission - John Holland Pty Limited

Brian,

I can confirm receipt of both Technical and Commercial envelopes from John Holland and also confirm both envelopes have been password protected.

I attach for you correspondence from Rex Taska to verify transmission fault + Richard Law confirming failure from Tenderlink.



Kindest,

Louise

From: fta@jhg.com.au [mailto:fta@jhg.com.au]
Sent: Wednesday, 7 October 2015 2:39 PM
To: Louise Peebles
Subject: John Holland Pty Ltd Secure File Sharing Account Verification

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Clarke, Lynda (Newcastle)

From: Rex Taka <Rex.Taka@jhg.com.au>
Sent: Wednesday, 7 October 2015 2:10 PM
To: Louise Peebles; Jim Livas
Cc: Jason Myers; Andrew Francis; 'brian.farmer@capitalinsight.com.au'; Sue Harding
Subject: Parkes Tender Submission - issues with the upload

Louise

We have been on the phone with Tenderlink 'Richard Law', unfortunately we have been unable to upload the tender though the tenderlink site (have been trying for the last hour or so)

After talking to Richard Law, he will send through a report to yourself to confirm that we have been attempting submit/upload the files, and we will send the documents directly to Louise e-mail address (via file shear)

Sorry for the inconvenience caused

Regards

Rex Taka

Project Development Manager I Specialist Engineering, Infrastructure
John Holland Pty Ltd
Level 3, 65 Pirrama Road, PYRMONT NSW 2009
02 9552 0264 I 02 9660 0410 I 0418 533 269
rex.taka@jhg.com.au I www.johnholland.com.au
Please consider the environment before printing this e-mail



From: Louise Peebles [mailto:Louise.Peebles@parkes.nsw.gov.au]
Sent: Friday, 25 September 2015 2:22 PM
To: Jim Livas; Rex Taka
Cc: Jason Myers; Andrew Francis; 'brian.farmer@capitalinsight.com.au'; annalisa@atomconsulting.com.au; david.powell@advsian.com; 'David Perry'; Mark Dawson
Subject: Addendum 9 WTP and STP Projects

Jim, Rex,

This email is to confirm on behalf of Parkes Shire Council Addendum 9 has now been released via tenderlink.

Kindest,

Louise

Louise Peebles | Project Support Officer - Major Projects
Parkes Shire Council | 2 Cecile Street Parkes NSW 2870
(P) (02) 6861 2305 | (F) (02) 6863 5931
Visit Parkes Shire Council's Web site

General Manager Mayor

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COMMUNITY | INTEGRITY | INNOVATION | RESPECT | SAFETY | TEAMWORK
... to deliver progress and value to our community.

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2

Clarke, Lynda (Newcastle)

From: Richard Law <Richard.Law@tenderlink.com>
Sent: Wednesday, 7 October 2015 2:37 PM
To: Louise Peebles
Subject: unsuccessful submission - John Holland Pty Limited
Attachments: trail_john_holland_parkes_shire_07_10_15.pdf

Hello Louise

I have just been speaking with John Holland Pty Limited re there unsuccessful for PARKES-692365.

They have called 5 minutes prior to closure explaining that they were having issues uploading their submission. I can see one file has transferred to the server (see attached report) but this was not submitted. I discussed with them files naming conventions & that they were correct (making sure no illegal characters were present, length of file name etc) and there was no issue that I could gather.

There would have been no issue at this end with the uploading that I am aware of, we would have accepted the file(s) as fast as they could send them through (and one file was uploaded at 1.32pm successfully)

I hope the report is of help

Kind regards
Richard

Richard Law
Client Services – Support
TenderLink.com

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1

General Manager Mayor

Appendix J: Financial Report

General Manager

Mayor

Document Set ID: 804455
Version: 4, Version Date: 09/11/2015

Comprehensive Credit Rating Report

John Holland Group Pty Ltd

Comprehensive Credit Rating Report

Prepared on:

John Holland Group Pty Ltd (ABN: 37 050 242 147)

On Behalf of:

John Holland Pty Ltd

Prepared for:

Jason Myers

Parkes Shire Council

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Veda Corporate Ratings / Corporate Scorecard Pty Ltd
21st September 2015
AFS# 341391

General Manager

Mayor

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General Manager Mayor

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Commercial-in-Confidence

1. Executive Summary

John Holland Group Pty Ltd

The purpose of this report is to provide a financial assessment on John Holland Group Pty Ltd.'s ("JHG" "the Group" or the "Company") financial capacity to act as a guarantor on behalf of John Holland Pty Ltd; which has tendered for the DCO Parkes Water & Sewage Treatment Plants project.

JHG is Australia's 3rd largest civil contractor. On Apr15, Leighton Holdings Limited completed the sale of JHG to China Communications and Construction Co. International Ltd (CCCI),which is a wholly owned subsidiary of China Communications Construction Company (CCCC). CCCC is the fourth largest construction company in the world.

JHG's credit profile is supported by its large scale of operations in Australia, relationship with CCCC, sound order-book and strong capitalisation. However, JHG's rating is constrained by thin pre-tax margins, high fixed expenses, operating cash outflows and lack of transparency.

Key Strengths

- The financial strength and commitment of JHG's ultimate parent entity (CCCC) lends strong, intangible support to JHG's credit rating profile. Hong Kong and Shanghai Stock Exchange listed CCCC has a market capitalisation of ~$41.1bn at Sep15 and reported revenues of $66.0bn and total assets of $124.3bn for FY14.
- JHG's latest results (management accounts for the 6 months to June15 indicate a return to modest profitability and material improvement in its capital structure.
- JHG is an important agent in delivering CCCC's corporate strategy of being a global transportation infrastructure company. This relationship may result in CCCC facilitating JHG's access to funding when tendering from projects in the rail, building and infrastructure sectors.
- Prospective revenues supported by a sound order book with $4.8bn of works to complete.
- JHG is well capitalised with sufficient liquidity to convert its current order book. Immediately following the sale transaction (Apr15) JHG received a cash injection of $390.0m increasing capitalisation to $690.0m.

Key Challenges

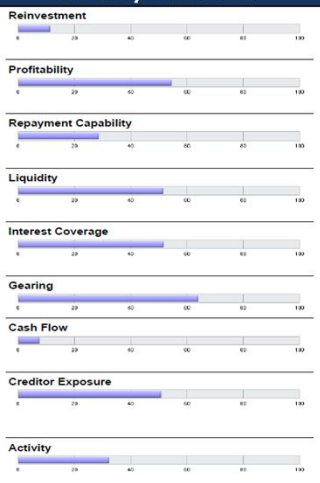
- JHG's pre-tax margins are weak in comparison to the sector. The weak margins are mainly the result of an unfavourable cost structure.
- JHG's cost structure affords it little flexibility to absorb fluctuations in demand with 91% of its Jun15 gross profits required to meet its non-financing fixed costs. Moreover, construction margins did not cover non-financing fixed costs in Dec14 and Dec13.
- Net operating cash outflows over the last two reporting periods reflect low profitability levels despite the improvement during the interim period.
- Lack of transparency on cost control initiatives, bids submitted and profit projections.

Following our detailed analysis our OPINION is that John Holland Group Pty Ltd has a provisional credit rating of 'BB+*' at June 2015 being a near-prime classification with a low to moderate level of risk and is **conditionally acceptable** for the purposes of this engagement subject to the risk mitigation strategies outlined in the Opinion section of this report. Please refer to the full report for further information.

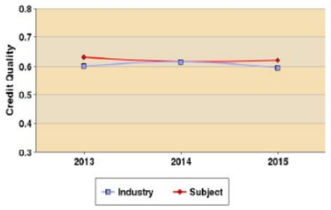
Risk Rating

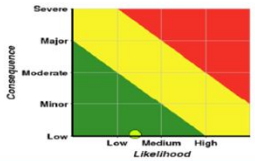
Risk Rating	JHG	Sector
Dec 2013	BBB-	BB+
Dec 2014	BB+	BB+
Jun 2015	BB+*	NA
Risk Trend	Deterioration	Stable

Industry Percentiles

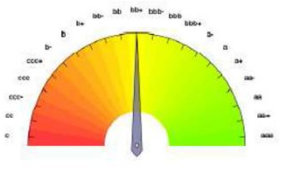


Risk Diagnostics





Credit Rating



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1.1 Recommendations

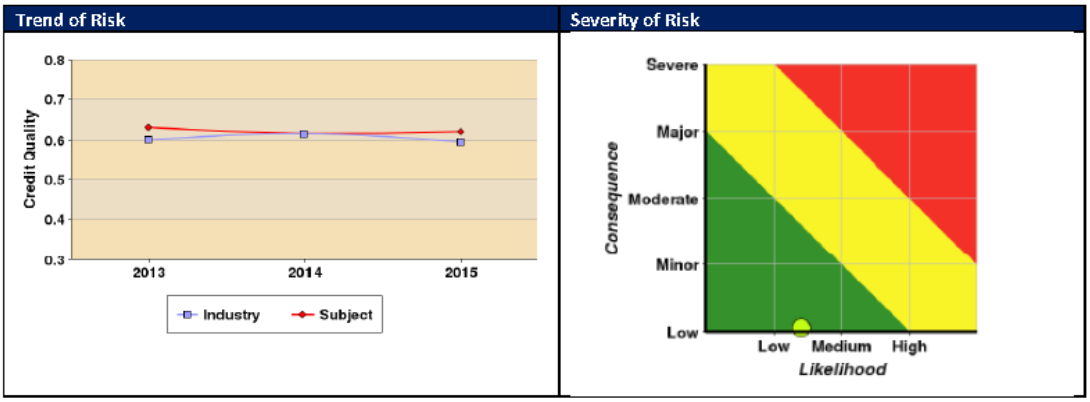
Following our detailed analysis our OPINION is that John Holland Group Pty Ltd has a provisional credit rating of 'BB+*' at June 2015 being a near-prime classification and a low to moderate level of risk and is **conditionally acceptable** for the purposes of this engagement subject to the following recommendations:

- Confirm the efficacy of the cross company guarantee between John Holland Group Pty Ltd (the assessed entity) on behalf of the tendering entity John Holland Pty Ltd. Please refer to page 5 of this report.

- A Bank Guarantee or Surety Bond to be obtained of 5% of the contract value from a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/defects period.

- Reporting covenants be imposed requiring both John Holland Group Pty Ltd and John Holland Pty Ltd to participate in an ongoing financial monitoring regime throughout the course of the contract and the lease, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).

1.2 Risk Diagnostics



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Mayor

2. Scope of Report

The purpose of this Credit Rating Report is to provide a financial viability assessment on John Holland Group Pty Ltd.'s ("JHG" "the Group" or the "Company") (ABN: 37 050 242 147) financial capacity to act as a guarantor on behalf of John Holland Pty Ltd (ABN: 11 004 282 268) which has tendered for the design, construction and operation of the Parkes Water & Sewage Treatment Plants project on behalf of Parkes Shire Council.

We have compiled this report with our rating services guidelines in order to derive the credit rating on John Holland Group Pty Ltd on a consolidated basis, which is similar in form and comparability to ratings provided by other ratings agencies. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold or sell any securities or make any other investment decisions. The details pertaining to this report are outlined below:

Report Details	
Date of Report	**21st September 2015**
Request Type	**Non-Issuer (Client Request)**
Assessment Type	**Point-in-Time (Ongoing monitoring required)**
Rating Distribution	**Private Rating (Not for Public Release)**
Report Distribution	**Restricted (Exclusive and Confidential Use)**
Purchased By	**Parkes Shire Council**
Report Fee	**Fixed Price**
Subject Entity	**John Holland Group Pty Ltd**
Financial Scope	**Consolidated Entity**
Entity Structure	**Private Company**
Subject Industry	**E – Construction; Sub Sector – Civil Constuction**

This Report and the information contained herewith is for the exclusive and internal use of Parkes Shire Council and shall not be disclosed to any other person or entity without written consent from Corporate Scorecard Pty Ltd. The Report should be taken as a whole and cannot be abridged or excerpted for any reason.

It is noted that John Holland Group Pty Ltd and its wholly-owned controlled entities (with the exception of John Holland Aviation Services Pty Ltd, JHG Mutual Limited and John Holland Melbourne Rail Franchise Pty Ltd) are parties to a Deed of Cross Guarantee under which each entity guarantees the debts of others.

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The credit rating is based on the Company's ability to meet and complete the obligation(s) for which it is being rated. The context of this evaluation is as follows:

Commercial Obligation	
Assessment Purpose	**Counterparty / Guarantor Risk**
Contract Name	**Design, construction and operation/maintenance of the new Parkes Water & Sewage Treatment Plants Project**
Contract Role	**Parent Company Guarantor on behalf of John Holland Pty Ltd which has tendered for the proposed contract.**
Total Contract Value	**$35.0m**
Maximum Annualised Commitment	**$28.0m**
Contract Duration	**18 months**
Payment Terms	**Progress monthly payments in arrears**

We have conducted this assessment on the basis of the information provided to us by John Holland Group Pty Ltd and publicly available information and from our own enquiries. We have derived a credit rating on the subject based on the understanding that it has no contingent liabilities, cross guarantees or other liabilities to any other entity other than as disclosed to us or as detailed in the financial statements. Our duty does not include auditing the financial statements.

Information Sources	
Financial Statements	**Internal Management Accounts for the 6 months ended June 2015** **Audited Consolidated Financial Statements for the years ended December 2013 and 2012**
Other Information Sources	**- Company website, Adverse Search, ASIC and PPSR search** **- Media articles**
Subject Participation	**Limited Participation**
Limitations of Assessment	**Internal Management Accounts for the 6 months ended June 2015 have been utilised for the purposes of this assessment and may not have included all appropriate adjustment entries conducted in preparing statutory accounts.** **The Company has exposure to various joint ventures and other related parties which has not been assessed within the scope of this assessment.**
Potential Conflict of Interest	**None noted**

This report should be read within the context of Corporate Scorecard's Rating Services Guide.

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3. General Background of the Subject

3.1 Company Overview

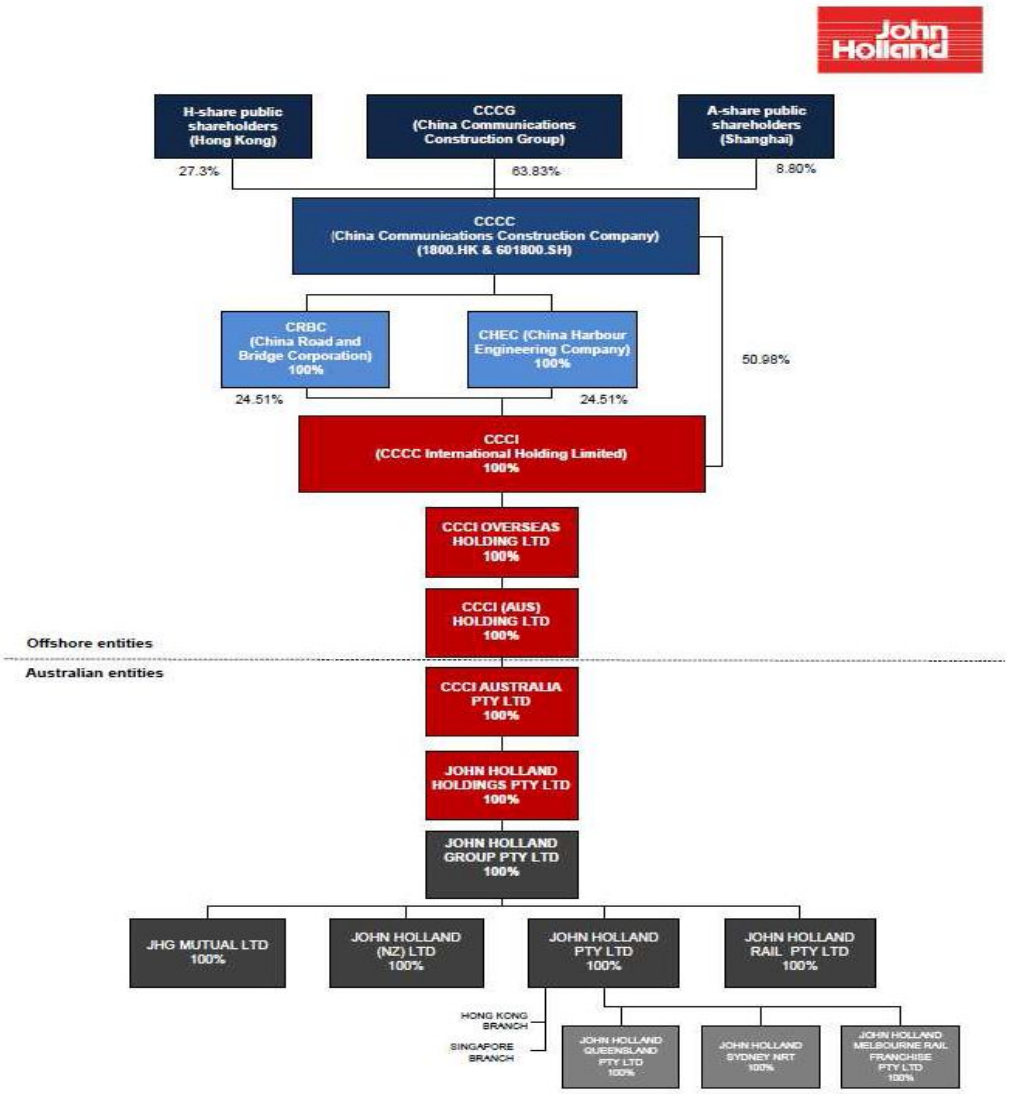
Subject Name	John Holland Group Pty Ltd
ABN	37 050 242 147
Type of Entity	Australian Private Company
Head Office Address	Level 5 380 St Kilda Road Melbourne VIC 3004 Tel: (03) 8698 9400
History	The John Holland Group has operations dating back to 1949 when Sir John Holland established John Holland & Co. John Holland is one of Australia's largest and most diverse specialist contracting businesses. The Group has been involved in some of Australia's most iconic projects with over 60 years of involvement in the Australian construction sector. In 1957, John Holland Holdings Limited (JHH) was formed as the holding company and was listed on the ASX. In 1986, Pennant Holdings Limited acquired a controlling interest in JHH. Due to a downturn in trading conditions and subsequent financial difficulties, Pennant Holdings Limited put the John Holland business up for sale. In 1991, Heytesbury Pty Ltd formed John Holland Group Pty Ltd to acquire the trading name and operations of JHH. In 2000, Leighton Holdings Limited acquired 70% of John Holland Group Pty Ltd. In 2004, the holding was increased to 99% and the balance 1% purchased in 2007. On 11 December 2014, Leighton Holdings Limited entered into a binding share sale agreement for the sale of John Holland Group Pty Ltd to China Communications and Construction Co. International Limited (CCCI), a wholly-owned subsidiary of China Communication Construction Company Ltd (CCCC). The completion of the sale occurred on 20 April 2015.
Principal Activities	Multi-disciplined contractor with expertise in building, civil engineering, process engineering, rail, services and tunnelling.
Shareholders	John Holland Holdings Pty Ltd
Ultimate Parent	China Communications Construction Company Ltd (CCCC)

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3.2 Current Corporate Structure



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Officeholders

Director	Address	DOB	Appointed	Adverse
GLENN MICHAEL PALIN	1 Freshwater Place, Southbank VIC 3006	07/10/1957	30/04/2009	No
DARRYN ALFRED RAY	39 Haldene Street, Beaumaris VIC 3193	14/09/1965	07/11/2012	No
RUSSELL JOHN CUTTLER	18 Barnett Street, Hampton VIC 3188	30/07/1957	07/11/2012	No
JIANZHONG LU	N/A	20/05/1963	20/04/2015	No
GUANGSHENG PENG	N/A	24/01/1973	20/04/2015	No
JINSONG TANG	N/A	12/10/1971	20/04/2015	No
CHUN PONG LEUNG	N/A	13/12/1983	20/04/2015	No

A search on 14/09/2015 did not reveal any court actions or bankruptcy records for all of the above directors. However it is noted that Darryn Ray was the John Holland nominee as a Director and/or Company Secretary of a number entities that were formed to own, operate and maintain the Alice Springs to Darwin Rail line (ADRail) under a Commercial-in-Confidence PPP arrangement in which the John Holland Group had taken an equity interest. John Holland took up an original 13.9% interest in May 2003 which was sold down in July 2004 to 10.3%. Aside from participation in the construction of ADRail, John Holland noted that its involvement was limited although it did receive regular updates on the operational and financing activities. On 30 June 2006 John Holland wrote down its investments in the ADRail entities to nil. Receivers and Managers were appointed to the ADRail entities on 6 November 2008 primarily as a result of revenues not meeting original forecasts and servicing the debt and attempts to refinance or sell the business could not be concluded. The John Holland entities in the ADRail structure only had liabilities to the John Holland Group and as such no external party was impacted with their Administration.

GLENN PALIN – Chief Executive Officer

Glenn has over 35 years of experience in the construction industry - more than 20 years have been in the employment of John Holland. During this time, Glenn has held various roles within the organisation, including

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Chief Operating Officer and Executive General Manager, Specialist Businesses.

In addition to his construction operational background, Glenn has played a major role in the development of the businesses people development programs, with a particular focus on the career development of younger employees and the company's diversity strategies. Glenn's leadership has concentrated on developing and driving the company's high performance culture, aligned with its Mission, Vision and Values and an absolute commitment to safety.

Glenn holds a Bachelor of Applied Science in the Built Environment, a Graduate Diploma in Building, a Graduate Diploma in Applied Finance and Investment and has also completed the prestigious Executive Development Program at Stanford University in the USA. Glen is currently the President of the Australian Constructors Association.

DARRYN ALFRED RAY – Chief Financial Officer

Darryn joined John Holland in 1994 after more than seven years with a major chartered accounting firm. In January 2006 Darryn was appointed Chief Financial Officer.

Darryn is responsible for all financial and management reporting, external and internal audit, taxation, treasury and investments, company secretarial and governance, information and communication technology, and remuneration and benefits.

Darryn is a graduate of Melbourne University, a Member of the Australian Institute of Chartered Accountants, the Chartered Institute of Management Accountants and the Australian Institute of Company Directors.

RUSSELL JOHN CUTTLER – Executive General Manager- People, Strategy and Policy

With more than 30 years' experience in Australia and overseas, and having worked in both the public and private sectors, Russell brings a wealth of knowledge, drive and understanding to the delivery of major infrastructure projects. Russell has been involved in significant projects undertaken both locally and abroad, including Eastlink, the Lane Cove Tunnel and the Channel Tunnel.

Russell has held a number of general management and executive roles and is now Executive General Manager, People, Strategy, where he is responsible for high level policy and governance requirements for Health, Safety and Environment, Human Resources and Employee Relations, along with Corporate Communication services, Workers Compensation and Crisis Management. Russell is a Director of the Infrastructure Sustainability Council of Australia.

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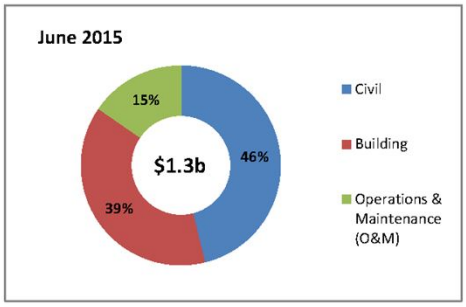
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3.3 Segment Information

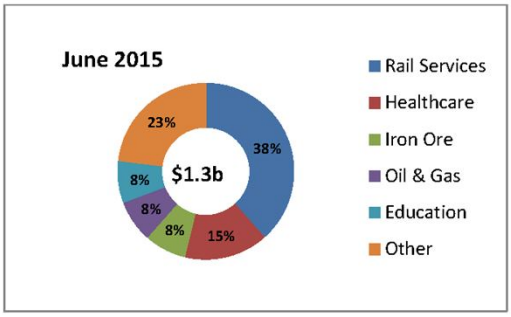
JHG's primary line of business is civil construction in Australia and the Group operates in the following major sectors;

- Rail Services
- Healthcare
- Iron Ore
- Oil and Gas
- Education
- Other

As depicted in the chart below, Civil construction was the most significant contributor to revenue for the six months ending Jun15 representing 46% of total revenue. Building construction contributed 39% to total revenue for the interim period. Operations and maintenance contributed the balance revenues.



As depicted in the chart below the largest sector the JHG operates in is rail services and contributed 38% to total revenue for the six months ended Jun15. The healthcare sector contributed 15% to interim income while iron ore, oil & gas and education sectors contributed 8% each and the remaining represents other sectors.



On a geographic basis the Group operates primarily in Australia with Australia contributing to 92% of total revenues. The remaining 8% represents international markets, namely, New Zealand, Singapore and Hong Kong.

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3.4 Project Information

Summary of major contracts in progress:

Project Summary Report

30 June 2015

Location	Discipline	Description	Client		Contract Value $A '000s	Work In Hand $A '000s	Completion %	Completion Date
Infrastructure								
Infrastructure North West								
WA	Building	New Children's Hospital	Minister for Works		946,411	143,921	84.79 %	Jun-15
WA	Civil	Wheatstone NPI (Buildings)	Chevron		290,932	104,908	63.94 %	Jul-15
QLD	Civil	Yeppen South	Qld Department of Transport and Main Roads		112,494	20,648	81.48 %	May-15
WA	Building	Eastern Goldfields	Assure Partners (EGRP) Partnership		99,147	12,825	87.06 %	Nov-15
NSW	Building	Kings Square 50% JHNSW	Leighton Properties		80,151	14,529	81.87 %	Jun-15
WA	Civil	Chevron Gorgon NPI	Chevron		221,122	17,937	91.89 %	Sep-14
QLD	Building	QUT Creative Industries Precinct	Queensland University of Technology		69,812	15,267	78.13 %	Oct-14
NT	Civil	Shoal Bay waste Transfer Facility	Darwin City Council		55,320	31,973	42.20 %	Dec-19
NSW	Building (inc Refurb)	Lismore Base Hospital	Health Infrastructure - NSW		36,964	24,834	32.82 %	Sep-15
		Other - Minor Projects / >95% Completed			3,636,862	6,027		
		Total Infrastructure North West		**9**	**5,548,216**	**392,868**	**92.92 %**	
Infrastructure South East								
TAS	Building	Royal Hobart Hospital Redevelop JV - JH Share 50%	Department of Health & Human Services		20,833	18,286	12.23 %	Jun-17
NSW	Building	Abercrombie Precinct	The University of Sydney		189,740	23,138	87.81 %	Jun-15
NSW	Building	Lismore Base Hospital	Health Infrastructure - NSW		36,964	24,833	32.82 %	Sep-15
NSW	Civil	North West Rail Link TSC	Transport for NSW		146,403	49,098	66.46 %	Jun-17
VIC	Civil	Airport Drive Steele Creek	Australian Pacific Airports Melbourne		78,169	4,994	93.61 %	Jul-15
VIC	O&M	Melbourne Water Capital Works	Melbourne Water Corporation		21,617	10,667	50.65 %	Jun-14
NSW	Building	Newcastle Courthouse Development	Department of Attorney General and Justice		63,893	15,302	76.05 %	Aug-14
NSW	Building	Abercrombie Student Accommodation	The University of Sydney		30,425	2,249	92.61 %	Apr-15
NSW	Building	Kings Square 50% JHNSW	Leighton Properties		34,351	6,227	81.87 %	Jun-15
NSW	Civil	Opera House - VAPS - 100%	Sydney Opera House Trust		99,793	4,353	95.64 %	Jul-14
NSW	Civil	North Strathfield Underpass	Transport for NSW		32,280	2,172	93.27 %	Feb-16
NSW	Civil	Murrumbidgee Irrigation Infrastructure - share with Water	Murrumbidgee Irrigation Limited		16,884	1,357	91.96 %	Jun-16
NSW	Building	Ravenhall Prison	GEO Ravenhall Pty Ltd ATF GEO Ravenhall Trust		642,775	592,559	7.81 %	Dec-17
NSW	Building	Kempsey Prison - maintenance	NSW Department of Commerce		28,997	3,752	87.06 %	Aug-16
NSW	Building	John Hunter Hospital Southern Car Park Extension	The Minister for Finance and Services for the State of NSW		10,657	1,796	83.15 %	Jun-15
NSW	Civil	Chaffey Dam	State Water		35,708	15,841	55.64 %	Feb-16
NSW	Civil	Ringwood Station Upgrade	Vic Roads		28,069	9,522	66.08 %	Mar-16
NSW	Rail	NWRL - IJV	North Rapid Transit Opco		453,235	435,202	3.98 %	Apr-19
NSW	Building	1 Parramatta Square	Leighton Properties		94,974	89,060	6.23 %	Nov-16
		Other - Minor Projects / >95% Completed			4,837,051	788,298		
		Total Infrastructure South East		**14**	**6,902,818**	**2,098,706**	**69.60 %**	
		TOTAL INFRASTRUCTURE		**23**	**12,451,034**	**2,491,574**	**79.99 %**	

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Project Summary Report

30 June 2015

Location	Discipline	Description	Client		Contract Value $A '000s	Work In Hand $A '000s	Completion %	Completion Date
Specialist Engineering								
Specialist Engineering								
Singapore	Civil	T208-Springfield Station and Associated Tunnels for Thomson Line	Land Transport Authority - Singapore		174,633	131,861	24.49 %	May-20
NSW	Civil	North West Rail Link-12.5%	Transport for NSW		146,404	49,098	66.46 %	Jan-17
VIC	O&M	Melbourne Water Capital Works	Melbourne Water Corporation		21,617	10,667	50.65 %	Jun-14
WA	Civil	Gorgon Buildings	Chevron		221,122	17,937	91.89 %	Sep-14
NSW	P&I	SW Project Management Services (NFRP)	Sydney Water Corporation		54,694	28,645	47.63 %	Jan-18
Hong Kong	Civil	SIL 904 Lei Tung & South Horizons Stations & Tunnels	Mass Transit Railway Corporation- MTR		163,909	23,661	85.56 %	Jul-15
NSW	Civil	North Strathfield Underpass -15%	Transport for NSW		38,737	2,607	93.27 %	Feb-16
WA	Civil	Wheatstone NPI - Share from WR (10%)	Chevron - Bechtel Pty Ltd		32,326	11,657	63.94 %	Jul-15
Singapore	Civil	C935 Sungei Road Station and Associated Tunnels	Land Transport Authority - Singapore		75,264	3,851	94.88 %	May-15
NSW	P&I	Murrumbidgee Irrigation Infrastructure Mod Program	Murrumbidgee Irrigation Limited		16,884	1,351	92.00 %	Jun-16
NSW	Civil	Sydney Opera House VAPS	Sydney Opera House Trust		53,735	2,344	95.64 %	Jul-14
NSW	Civil	Malabar PARR project	Sydney Water		14,441	8,125	43.74 %	Sep-17
NSW	Civil	Googong Water Recycling Plant	Googong Township Pty Ltd		27,287	5,379	80.29 %	Jan-16
QLD	Building	Yuleba North to Blythdale Transmission Line	Powerlink		34,470	24,062	30.19 %	Nov-15
VIC	Civil	Amaroo Main Sewer	Yarra Valley Water		84,179	83,774	0.48 %	Aug-17
NSW	Water	NSW Water Metering Project	Water NSW		9,998	9,998	- %	Apr-16
NSW	Civil	WestConnex Stage 1B	WestConnex Delivery Authority		438,733	438,733	- %	May-19
		Other - Minor Projects / >95% Completed			5,190,701	91,074		
		Total Specialist Engineering		**11**	**6,799,133**	**944,823**	**86.10 %**	
	TOTAL SPECIALIST ENGINEERING			**11**	**6,799,133**	**944,823**	**86.10 %**	
Transport Services								
Transport Services								
VIC	Rail	Metro Trains Melbourne - Operation	Department of Transport		1,791,771	564,913	68.47 %	Nov-17
WA	Rail	WestNet Maintenance	WestNet Rail		557,187	79,792	85.68 %	Feb-16
NSW	Civil	North Strathfield Rail Underpass	Transport for NSW		58,105	3,910	93.27 %	Feb-16
WA	Rail	Kanara Rail Infrastructure Maintenance Services	Kanara Mining Limited		14,571	4,385	69.91 %	Jul-17
NSW	Rail	NWRL - LIV	North Rapid Transit Opco		453,234	435,202	3.98 %	Apr-19
NSW	Rail	Ringwood Station Upgrade	Vic Roads		12,030	4,081	66.08 %	Mar-16
NSW	Rail	NSRU - Arncliffe Pedestrian Link & Arncliffe Station Upgrade	Transport Infrastructure NSW		9,477	7,413	21.78 %	Nov-17
WA	Rail	Leonora Resleepering Stage 2	Brookfield Rail Pty Ltd		9,713	7,271	25.14 %	Oct-15
VIC	Rail	Melbourne Level Crossing Removal Project	VicRoads		186,095	185,284	0.44 %	Jun-17
NSW	Rail	TAPS Easy Access / Station Upgrade Projects	Transport for NSW		26,490	26,490	- %	Aug-16
	Rail	Other - Minor Projects / >95%Completed			2,706,176	42,202		
		Total Transport Services		**4**	**5,824,849**	**1,360,943**	**76.64 %**	
	TOTAL TRANSPORT SERVICES			**4**	**5,824,849**	**1,360,943**	**76.64 %**	
	GRAND TOTAL - ALL PROJECTS			**38**	**25,075,016**	**4,797,340**	**80.87 %**	

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4. Corporate Analysis

4.1 Financial Information

Revenue	Jun 2015	Dec 2014	Dec 2013	Change to Jun 2014	% Change (Annualised)
Sales Revenue	$1,346.02m	$3,121.23m	$4,536.08m	Dec	13.75%
Other Gains/Losses	$10.79m	$241.89m	$329.22m	Dec	91.08%
Total Revenue	$1,356.81m	$3,363.12m	$4,865.30m	Dec	19.31%

Expenses	Jun 2015	Dec 2014	Dec 2013	Change to Jun 2014	% Change (Annualised)
Cost of Sales	$838.87m	$2,475.11m	$3,287.85m	Dec	32.22%
Depreciation and Amortisation	$29.06m	$50.26m	$43.97m	Inc	15.64%
Other Expenses	$473.05m	$1,061.75m	$1,326.15m	Dec	10.89%
Total Expenses	$1,340.98m	$3,587.13m	$4,657.96m	Dec	25.23%

Profit	Jun 2015	Dec 2014	Dec 2013	Change to Jun 2014	% Change (Annualised)
Gross Profit	$507.15m	$646.12m	$1,248.23m	Inc	56.98%
Profit after Tax*	$75.45m	($161.31m)	$171.25m	Inc	193.55%
Profit after Tax & Dividends	$28.22m	($529.03m)	$171.25m	Inc	110.67%
Retained Earnings	($147.46m)	($175.68m)	$353.35m	Inc	16.06%

Financing	Jun 2015	Dec 2014	Dec 2013	Change to Jun 2014	% Change (Annualised)
Interest Income	$0.00m	$7.49m	$7.11m	Dec	100.00%
Dividend Income	$0.00m	$0.00m	$0.00m	NA	NA
Borrowing Costs	$1.86m	$4.09m	$1.05m	Dec	9.05%
Dividends Paid	$47.22m	$367.72m	$0.00m	Dec	74.32%

Cash Flow	Jun 2015	Dec 2014	Dec 2013	Change to Jun 2014	% Change (Annualised)
Net Operating Cash Flow	($39.23m)	($115.74m)	$180.49m	Inc	32.21%
Net Investing Cash Flow	$0.00m	($10.90m)	$112.90m	Inc	100.00%
Net Financing Cash Flow	$0.00m	($467.72m)	($45.00m)	Inc	100.00%
Net Cash Flow	($39.23m)	($594.36m)	$248.39m	Inc	86.80%

* Assumed depreciation and amortisation; and wages and employee contributions were in line with the prior year (Jun13).

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Balance Sheet	Jun 2015	Dec 2014	Dec 2013	Change to Jun 2014	% Change (Annualised)
Working Capital	$217.64m	($196.84m)	$460.98m	Inc	210.57%
Total Assets	$1,448.23m	$1,299.89m	$2,101.82m	Inc	11.41%
Total Liabilities	$902.24m	$1,174.67m	$1,448.35m	Dec	23.19%
Shareholders' Equity	$546.00m	$125.22m	$653.47m	Inc	336.03%

Other Items as at **June 2015**:

Other Information	Type	Jun 2015
Intangibles	Non-Current Assets	$25.19m
Deferred Tax Assets/Liabilities	Non-Current Assets	$140.31m
	Non-Current Liabilities	Nil
Income Tax	Current Liabilities	Nil
Related Party Receivables/Payables	Current Assets	$3.05m
	Non-Current Assets	$9.75m
	Current Liabilities	Nil
	Non-Current Liabilities	Nil
Interest Bearing Liabilities (including interest bearing Related Party Loans)	Current	$2.61m
	Non-Current	$0.00m
Operating Leases Outstanding	< 1 year	$31.08m*
	>1 year but <5 years	$74.81m*
	>5+ years	$20.29m*
Contingent Liabilities	Additional Information	$989.96m**
Registered Charges	Additional Information	Yes***
Court Proceedings / Adverse Check	Additional Information	Clear****

* Figures are at Dec 2014.
** Figures are at Dec 2014 and relate to the Group having provided indemnities to banks and insurance companies in respect of contract performance guarantees and bonds issued on behalf of controlled entities, joint ventures and associates. No material losses are anticipated in respect of these contingent liabilities.
*** A search of PPSR records on 14 Sept 2015 on John Holland Group Pty Ltd revealed TVPR Pty Limited to have security on financial property – Chattel paper and a number of trading partners holding security interests.
**** An adverse search on 14 Sept 2015 on John Holland Group Pty Ltd revealed that there are no actions recorded against the subject at that date.

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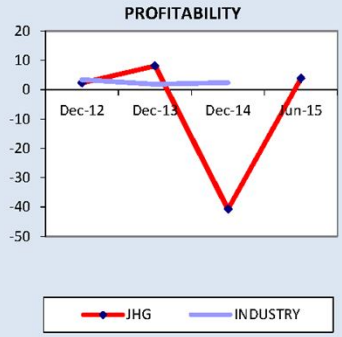
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Commercial-in-Confidence

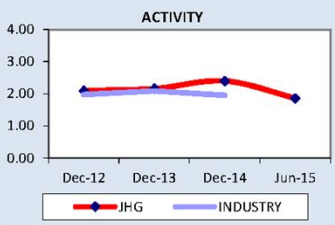
4.2 Financial Indicators

John Holland Group Pty Ltd.'s (JHG) overall Credit Rating was derived after a detailed analysis of key credit and financial indicators. The subject's performance relating to several of these indicators is provided below. Sector averages have been derived from those entities within a specified sector of the ANZSIC Classification Code "E – Construction - sub sector Civil Engineering".

(i) Profitability

Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the current year's level of profit that remains for reinvestment into the business to fund improvement and future growth.	
JHG's profitability indicator improved to 3.9% (Dec14: **-40.7%**) on an annualised basis to be better than the sector average. JHG's profitability in Dec14 was impacted by losses in relation to settlement of certain contracts pursuant JHG's sale agreement and project specific write-downs. JHG returned to profitability during the interim period supported by the absence of acquisition related losses despite lower sales and lower other income. Post-tax profits was reported at $75.5m (Dec14: -$161.3m) supported by an income tax benefit of $59.6m for the interim period ended Jun15. At Jun15, JHG has a sound work in hand position of $4.8bn. The quality of JHG's earnings is expected to improve with the sound order book and management renewing their focus on project risk exposure with completion of the sale process.	**The higher the better**

(ii) Activity

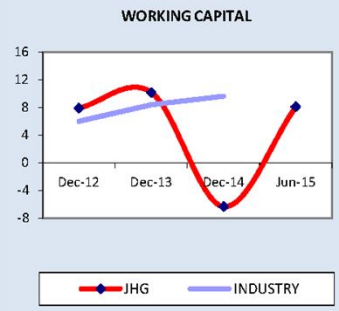
Relative to the Sector	Change over the Period
Marginally Lower than Average	*Decrease*
This indicator reflects the efficiency of management in generating and growing sales from the asset base of the company.	
JHG's activity indicator decreased to 1.86 times (Dec14: 2.40 times) on an annualised basis and was observed to be marginally lower than the sector average. The indicator was impacted by the 13.8% annualised decrease in sales while total assets increased by 11.4%. Management has tightened project approval criteria in the wake of recent project losses thereby slowing revenue growth and activity.	**The closer to industry levels the better**

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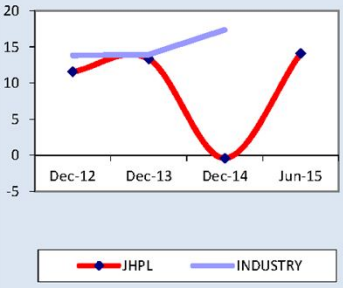
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(iii) Working Capital

Relative to the Sector	Change over the Period
Worse than Average	*Recent Improvement*
This indicator reflects the working capital position relative to the revenue level of the business.	
JHG's working capital increased substantially to be positive however remained worse than the sector average. The increase in working capital was supported by a 15.7% increase in current assets together with a 24.0% decrease in current liabilities. Current assets increased due primarily to the increase in cash reserves to $673.7m (Dec14: $331.2m) supported by $200.0m received satisfying conditions in the sale agreement to CCCI. The decrease in current liabilities was supported by the settlement of related party loans and lower other current liabilities. JHG's working capital supported by unencumbered cash reserves of $673.7m and undrawn, committed bank debt facility are considered sufficient to support conversion of the current order book.	**The higher the better**

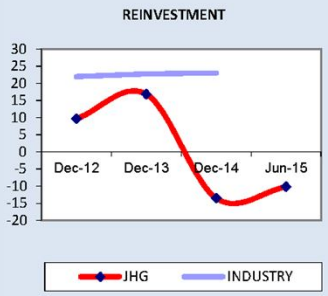
(iv) Net Tangible Worth

Relative to the Sector	Change over the Period
Worse than Average	*Recent Improvement*
This indicator reflects the net tangible worth position relative to the revenue level of the business.	
JHG's net tangible worth (NTW) increased to $380.5m at Jun15 (Dec14: **-$12.6m**) representing 14.1% of annualised sales. The indicator however remained worse than the sector average. The increase in net worth was supported by the $390.0m cash injection by CCCC in Apr15 and the receipt of cash reserves of $200.0m from John Holland Holdings Pty Ltd subsequent to conditions in the sale agreement. Total liabilities at the same time decreased by 23.2% supported by the settlement of current related party loans and lower other current liabilities. Overall, the JHG has the capacity to support its current operations and future growth having a sound net tangible worth position that is supported by its solid base of share capital of $690.0m at Jun15.	**The higher the better**

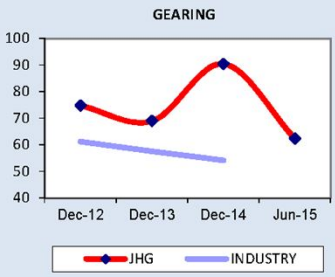
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(v) Reinvestment

Relative to the Sector	Change over the Period
Lower than Average	*Recent Marginal Improvement*
This indicator reflects the accumulated level of profit that has been reinvested into the business over time to fund future growth. It is one of the most heavily weighted indicators examined and compared retained profit with Total Assets.	
JHG's reinvestment indicator is negative being impacted by retained losses of $175.7m reported in Dec14. At Dec14, JHG's reinvestment indicator deteriorated to -13.5% (Dec13: 16.8%) impacted by a high dividend payment of $353.3m to Leighton Holdings Limited during the sale process to CCCI. Despite JHG reporting a net income of $28.2m after paying a dividend of $47.2m the indicator remained negative due to accumulated losses. Management advised that dividends during FY15 is projected at ~$100.0m Despite the negative reinvestment indicator, the group is well capitalised with a share capital of $690.0m and together with a sound net worth, support existing operations and future growth.	**The higher the better**

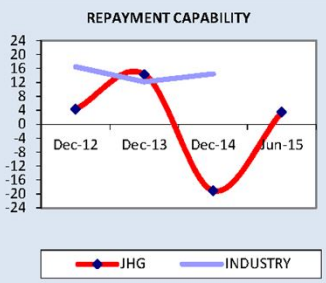
(vi) Gearing

Relative to the Sector	Change over the Period
Worse than Average	*Recent Improvement*
This indicator reflects the extent of total debt outstanding relative to the company's total asset pool. The benchmark for this indicator is to have a gearing indicator of no more than 65%.	
JHG's gearing indicator improved to 62.3% (Dec14: 90.4%) however remained worse than the sector average. The improvement in the indicator was supported by the 23.2% decrease in total liabilities due to the repayment of current related party loans and lower other current liabilities. Total assets increased by 11.4% primarily due to the increase in cash reserves to $673.7m (Dec14: $331.2m) further supporting the indicator. JHG's low debt to capital level of 0.5% (Dec14:29.8%) and a sound level of net worth support the ability to service undrawn funding facilities and/or raise additional debt funding if required.	**The lower the better**

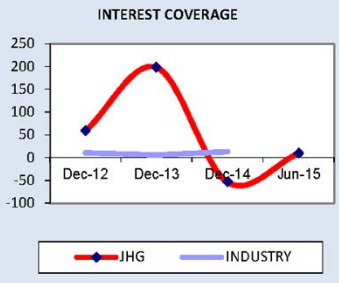
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(vii) Repayment Capability

Relative to the Sector	Change over the Period
Worse than Average	*Recent Improvement*
This indicator reflects the company's ability to meet total outstanding debt and obligations from business profits.	
JHG's repayment capability improved to 3.5% (Dec14:-19.1%) on an annualised basis however remained worse than the sector average. The improvement in the indicator was supported by the 114.1% increase in pre-tax profit reported at $15.8m (Dec14: -$224.0m), which in turn was supported by the absence of acquisition related losses. The Group's repayment capability is considered to be relatively volatile and currenly, relatively low, placing greater reliance on the strength of its balance sheet to meet short term and long term obligations.	**The higher the better**

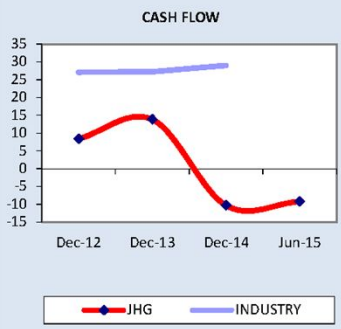
(viii) Interest Coverage

Relative to the Sector	Change over the Period
Lower than Average	*Recent Improvement*
This indicator reflects the company's level of profits that is available to meet its total interest expense obligations.	
JHG's interest coverage improved to 9.5 times (Dec14: **-53.8 times**) however remained worse than the sector average. The indicator was supported by the substantial improvement in EBIT to $17.7m (Dec14: **-219.9m**) together with the decrease in interest cost due to repayment of borrowings. Although lower than the sector average, JHG's interst coverage is considered to be at a sound level and together with low debt, the Group is considered to have the capacity to service undrawn funding facilities and/or raise additional debt funding if required.	**The higher the better**

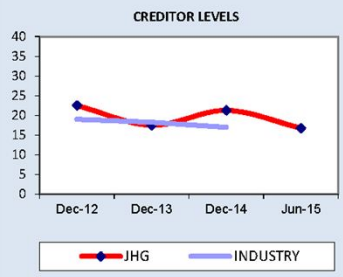
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(ix) Cash Flow Coverage

Relative to the Sector	Change over the Period
Significantly Worse than Average	*Recent Marginal Improvement*
This indicator reflects the level of cash that is generated from business activity which is available to meet short-term cash commitments. Cash flow is the life blood of any company.	 **The higher the better**
JHG's cash flow coverage improved marginally to **-9.2%** (Dec14: **-10.3%**) on an annualised basis however remained worse than the sector average. The improvement was supported by the 114.1% annualised increase in pre-tax profit to $15.8m (Dec14: **-224.0m**). Despite the improvement in pre-tax profit, the Group generated net operating cash outflow of $39.2m impacted by adverse working capital movements and lower interest income. Despite its weak operating cash flow, JHG is considered to have the ability to meet its short-term commitments, supported by its sound level of cash reserves and working capital and its committed, undrawn funding lines.	

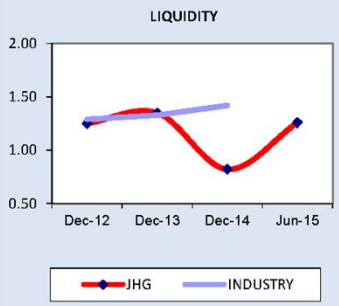
(x) Trade Creditor Exposure

Relative to the Sector	Change over the Period
Average	Recent Improvement
This indicator reflects the company's ability to manage cash flow and how it uses trade creditors in funding cash flow. Generally the higher the level of outstanding creditors the higher the potential risk.	 **The lower the better**
JHG's exposure to trade creditors relative to its asset base improved to 16.8% (Dec14: 21.3%) to be in-line with the sector average. The improvement in the indicator was supported by the 12.2% decrease in trade creditors to $242.8m (Dec14: $276.4m) together with the 11.4% increase in total assets to $1.4bn. Trade creditor days of 53 days (Dec14: 41 days) is considered to be at a manageable level.	

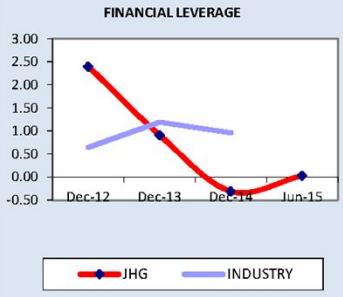
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(xi) Liquidity

Relative to the Sector	Change over the Period
Worse than Average	*Recent Improvement*
This indicator reflects the company's level of liquid assets that would be available to meet short-term cash commitments. The risk benchmark is 1.5 times.	
JHG's current indicator improved to 1.26 times (Dec14: 0.82 times) however remained worse than the sector average. The improvement in the indicator was supported by the 15.7% increase in current assets (supported primarily by the increase in cash reserves) together with the 24.0% decrease in current liabilities (due to repayment of current related loans and lower other current liabilities). Despite the indicator being worse than the sector average, it is considered to be at a sound level, supporting the Group's capacity to meet short term commitments as and when they fall due.	**The higher the better**

(xii) Financial Leverage

Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the subject's level of debt in relation to earnings before interest, tax and depreciation. The level of credit risk increases when this level exceeds five times or is negative.	
JHG's financial leverage improved to 0.03 times (Dec14: **-0.31 times**) on an annualised basis to be better than the sector average. The improvement in the indicator was supported by the 95.1% decrease in total debt together with the substantial improvement in EBITDA to $46.8m (Dec14: **-169.7m**). EBITDA improved supported by the absence of acquisition related costs despite the decrease in revenues and other income. JHG's level of financial leverage is at a low level and together with a strong share capital and sound net worth support the Group's capacity to service undrawn funding facilities and/or raise additional debt funding, if required.	**The lower the better (unless negative)**

Each of the financial indicators shown above has a different weighting in calculating the overall Credit Rating. Some are much more heavily weighted than others when assessing the overall credit quality of the subject. The structure, size and industry sector within which the subject operates also have a strong bearing on the overall Credit Rating.

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4.3 Commentary and Analysis

Sales and Profitability

JHG's profitability has been volatile since Dec10 largely due to project related write-downs. Profitability in Dec14 was impacted by losses in relation to settlement of certain contracts pursuant to relevant conditions of the sale agreement to CCCC and together with project specific write-downs. In Dec13 losses associated with project write-downs were offset by once-off gains from the disposal of JHG's investment in Next Gen ($63.2m) and profits from the acquisition of construction contracts from MacMahon Holdings Ltd.

For the six months ended Jun15, JHG reported a 13.8% decrease in sales revenue on an annualised basis being reported at $1.3bn (Dec14: $3.1bn). Despite the decrease in sales the Group returned to profitability reporting a pre-tax profit of $15.8m (Dec14: -224.0m) supported by the absence of acquisition related costs. Post-tax profit increased by 193.6% on an annualised basis being reported at $75.5m further benefitting from a tax benefit of $59.6m.

At Jun15, the Group reported retained losses of $147.5m impacted by accumulated losses. A high dividend payment of $367.7m to Leighton Holdings Limited in FY14 as part of the sale process eroded retained earnings to **-$175.7m** at Dec14. Veda sees this high dividend payment as a one-off payment associated with the sale process.

Financial Indicators

At Jun15, JHG was observed to be better than the sector average for the key financial indicators relating to profitability and financial leverage and in line with the sector average for trade creditor exposure. It was observed as being worse for working capital, net worth, reinvestment, gearing, repayment capability, interest coverage and liquidity and significantly worse than the sector average for cash flow coverage.

The Group reported a 114.1% annualised increase in pre-tax profits for the six months ended Jun15. This supported an improvement in several indicators namely; profitability, reinvestment, repayment capacity, interest coverage and financial leverage.

Immediately following the completion of the sale to CCCI, JHG was re-capitalised by way of a cash contribution of $390.0m. In addition, JHG received $200.0m in cash reserves form John Holland Holdings Pty Ltd relating to specific conditions in the sale agreement. Accordingly, JHG is well capitalised with sufficient liquidity (cash reserves of $673.7m at Jun15) to convert its current order book ($4.8bn as at Jun15).

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JHG's repayment capability is at a relatively low level placing greater reliance on the strength of the balance sheet to meet short-term and long-term obligations. At Jun15, the level of debt to capital is at a low level of 0.5% and together with low financial leverage is considered to have the capacity to service undrawn funding facilities at Jun15.

At Jun15, the Group disclosed a negative reinvestment level impacted by accumulated losses. A high dividend payment of $367.7m to Leighton Holdings Limited in FY14 as part of the sale process eroded retained earnings to **-$175.7m** at Dec14. Veda sees this high dividend payment as a one-off payment associated with the sale process. Management has advised dividends payments in FY15 to be in the line of $100.0m.

Financial Capacity

JHG's working capital increased substantially to be positive however remained worse than the sector average. The increase in working capital was supported by a 15.7% increase in current assets together with a 24.0% decrease in current liabilities. Current assets increased due primarily to the increase in cash reserves to $673.7m (Dec14: $331.2m) supported by $200.0m received satisfying conditions in the sale agreement to CCCI. The decrease in current liabilities was supported by the settlement of related party loans and lower other current liabilities. JHG's working capital supported by unencumbered cash reserves of $673.7m and undrawn, committed bank debt facility are considered sufficient to support conversion of the current order book.

JHG's net tangible worth (NTW) increased to $380.5m at Jun15 (Dec14: **-$12.6m**) representing 14.1% of annualised sales. The indicator however remained worse than the sector average. The increase in net worth was supported by the $390.0m cash injection by CCCC in Apr15 and the receipt of cash reserves of $200.0m from John Holland Holdings Pty Ltd subsequent to conditions in the sale agreement. Total liabilities at the same time decreased by 23.2% supported by the settlement of current related party loans and lower other current liabilities. Overall, the JHG has the capacity to support its current operations and future growth having a sound net tangible worth position that is supported by its solid base of share capital of $690.0m at Jun15.

The level of credit risk increases as the size of the contractual commitment approaches the financial capacity constraints of the entity. More specifically, once the size of any single annualised commitment exceeds 30% of the average annualised revenue of the entity for the past three years, the level of risk increases. The annualised exposure of the proposed contract ($28.0m) represents 0.9% of average annualised revenue for the last three reporting financial periods and is considered to be well within the capacity and risk based thresholds.

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Sustainable Growth

An area investigated for credit quality purposes is the Company's ability to sustain growth levels based on their internal resources and reserves. The sustainable growth rate (SGR) refers to the rate at which an entity can grow its revenue base without having recourse to external finance, and is calculated as the retained income divided by opening shareholder funds. If an entity is growing in excess of this rate it will require additional funding or will experience deterioration in its key credit indicators and financial strength. In these situations, high growth entities are likely to face liquidity constraints, increased gearing, lower interest coverage and diminished dividend payouts. The Group has a sustainable growth rate of less than 30% and has operated within sustainable parameters during the six months ended Jun15.

Debt Maturity and Funding

At Jun15, JHG reported total debt of $2.6m (Dec14: $53.1m) being current interest bearing liabilities.

Related Party Information

John Holland Group Pty Ltd and its wholly-owned controlled entities (with the exception of John Holland Aviation Services Pty Ltd, JHG Mutual Limited and John Holland Melbourne Rail Franchise Pty Ltd) are parties to a deed of cross guarantee under which each entity guarantees the debts of others. The following entities are parties to the deed as at Dec14:

Parent entity	Place of Incorporation	Notes
John Holland Group Pty Ltd	Victoria	8
Wholly-owned entities of John Holland Group Pty Ltd		
John Holland Pty Ltd	Victoria	1, 8
John Holland Development & Investment Pty Ltd	Victoria	3, 5, 8
John Holland Engineering Pty Ltd	Victoria	4, 5, 8
John Holland Investment Pty Ltd	Victoria	5, 6, 8
John Holland Services Pty Ltd	Victoria	1, 2, 5, 6, 8
John Holland Rail Pty Ltd	WA	1, 2, 8
John Holland (NZ) Limited	New Zealand	8
Wholly-owned entities of John Holland Pty Ltd		
GridComm Pty Ltd	Victoria	3, 5, 8
John Holland Queensland Pty Ltd	Victoria	1, 2, 8

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Entities not controlled by John Holland Group Pty Ltd		
John Holland AD Holdings Pty Ltd	Victoria	5, 7
John Holland AD Investments Pty Ltd	Victoria	5, 7
John Holland AD Operations Pty Ltd	Victoria	5, 7

Notes:

1) These entities are eligible for relief from the requirement to prepare a financial report and Directors' report under the Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.
2) The entity has taken advantage of the relief outlined above.
3) Applications for voluntary de-registration of these entities were lodged on 12 November 2014. The Australian Securities and Investments Commission confirmed de-registration of these entities on 14 January 2015.
4) Application for voluntary de-registration of this entity was lodged on 3 December 2014. The Australian Securities and Investments Commission confirmed de-registration of this entity on 5 February 2015.
5) A deed of revocation was lodged on 19 December 2014 to release these entities from the deed of cross guarantee, however it was not effective as at 31 December 2014.
6) These entities were sold by John Holland Group Pty Ltd to LH Holdings Co Pty Ltd on 20 March 2015.
7) These entities were sold by John Holland Development & Investment Pty Ltd (now de-registered) to Leighton Holdings Infrastructure Pty Ltd on 29 June 2007. These entities do not form part of the 'Closed Group' nor the 'Extended Closed Group' as at 31 December 2014 as defined by the Class Order. Receivers and Managers were appointed on 6 November 2008.
8) These entities form part of the 'Closed Group' as defined by the Class Order, as at December 2014.

As at Jun15, there were $3.1m in loans extended to current related parties (Dec14: $32.5m).

As at Jun 15, there were $9.75m in non-current loans extended to associate company, MTM (Dec14: $9.75m).

As at Jun15, there were no current loans received from related parties (Dec14: $53.1m).

As at Jun15, there were no non-current loans received from related parties (Dec14: Nil).

At Jun15, related party dependency is considered to immaterial.

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Mayor

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Other Financial Items and Information

A search of the adverse file on 14 Sept 2015 on John Holland Group Pty Ltd revealed that there are no actions recorded against the subject at that date.

At December 2014, the Group has contingent liabilities totalling $990.0m (2013: $983.2m). The consolidated entity has provided indemnities to banks and insurance companies in respect of contract performance guarantees and bonds issued on behalf of controlled entities, joint ventures and associates. John Holland Group Pty Ltd and its wholly-owned controlled entities (with the exception of John Holland Aviation Services Pty Ltd, JHG Mutual Ltd and John Holland Melbourne Rail Franchise Pty Ltd) are parties to a deed of cross guarantee under which each entity guarantees the debts of others. No financial guarantee liability has been raised in relation to the deed, as the fair value of the guarantee is immaterial.

John Holland Group Pty Ltd has entered into Deeds of Acknowledgement and Guarantee and Indemnity with the finance facility providers to the Leighton Holdings Limited group, effectively jointly guaranteeing those facilities with other entities within the Leighton Holdings Limited group.

The consolidated entity has various outstanding contractual claims on construction and engineering contracts in the ordinary course of business. The Directors have reviewed these matters in detail, having regard to all known factors at this time, in determining operating profit for the year ended 31 December 2014.

No material losses are anticipated in respect of any of the above contingent liabilities.

Accounting Policies: Critical Estimates & Judgements

The Notes to the December 2014 accounts indicate that the entity prepared the financial statements in accordance with industry standard accounting policy decisions. As such, there are no specific issues that have required comment relating to revenue recognition, inventory, provisions, asset valuation / impairment, and any other policies and associated commentary. Internal management accounts for the 6 months ended June 2015 have been used for the purpose of this assessment, and these may not have included appropriate adjustments required in preparing finalised financial statements.

Post Balance Date Events and Subsequent Information

We were not advised of any post balance date events.

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Credit Risk Migration

JHG's credit quality deteriorated from 'BBB-' at Dec 2013 to 'BB+' at Dec 2014 and remained at a provisional 'BB+' at Jun 2015. JHG therefore holds a near-prime classification at Jun15 which is in-line with the sector average level of financial risk.

Despite the increase in profitability over the interim period it remains at a relatively low level. Pre-tax margins of 1.2% reported for the six months ended Jun15, are at a lower level than margins reported in Dec13 of 4.6%. Operating cash outflows for the last two reporting periods reflect low profitability levels. Following the sale to CCCI and subsequent cash injection the Group is well capitalised and has sufficient liquidity meet current commitments. The Group has financial flexibility with low financial leverage and debt to capital level of 0.5%.

Recent Media Announcements

9 July 2015: John Holland to Upgrade Four Sydney Stations

http://www.johnholland.com.au/who-we-are/latest-news/john-holland-to-upgrade-four-sydney-stations

John Holland has been awarded a contract worth more than $50m by Transport for New South Wales (TfNSW) to upgrade train stations at Pendle Hill, Wentworthville, Croydon and Blacktown in Sydney. Works include relocation of railway systems and services, removal of an existing footbridge, refurbishment of existing heritage structures, installation of new lifts at three of the four sites, construction of new pedestrian overpasses, provision of sheltered bicycle racks and the relocation of an existing memorial and memorial fountain.

4 June 2015: John Holland Secures WestConnex M4 East

http://www.johnholland.com.au/who-we-are/latest-news/john-holland-secures-westconnex-m4-east

John Holland has been selected by the WestConnex Delivery Authority (WDA) to design and construct the WestConnex M4 East Motorway, in a joint venture with Leighton Contractors and Samsung C&T. The approximately $2.7 billion contract will generate total revenue for John Holland of approximately $900 million over the next four years.

Seven kilometres in total length, the M4 East will join the M4 Widening at Homebush Bay Drive and provide a 5.5 kilometre tunnel with three lanes in each direction from the M4 at North Strathfield to Parramatta Road and City West Link, Haberfield.

19 May 2015: John Holland Wins Level Crossing Removal Projects in Victoria

http://www.johnholland.com.au/who-we-are/latest-news/john-holland-wins-level-crossing-removal-projects-in-victoria

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The Burke Road, Glen Iris, North Road, Ormond, McKinnon Road, McKinnon and Centre Road, Bentleigh Level Crossing Removal Projects will remove four road/rail level crossings as part of the Victorian Government's Level Crossing Removals program. Work involves; lower the rail line below Burke Road and rebuild new Gardiner Station, lower the rail line below North Road and rebuild new Ormond Station, lower the rail line below McKinnon Road and rebuild new McKinnon Station, lower the rail line below Centre Road and rebuild new Bentleigh Station.

Share Price

JHG's ultimate parent entity is the Hong Kong (1800 HK) and Shanghai (601800 SS) stock exchange listed China Communications Construction Co Ltd (CCCC). CCCC's share price closed at HKD 9.70 (at 15 Sept 2015) with a market capitalisation of HKD ~226bn.



(Source: Reuters)

Current Year Forecast

Management projects revenues to decrease by 3.9% to ~3.0bn for the 12 months ending Dec15. Projected revenues are supported by sales of $1.3m reported for the 6 months ending Jun15 and $4.8bn in secured work to be completed.

It was advised that as JHG is a member of the Hong Kong and Shanghai Stock Exchanges listed China Communications Construction Company Ltd (CCCC) and therefore is not in a position to provide detailed profitability forecast which is of market sensitive nature and which hasn't been released to the public. However management did advise that a profit is projected for the 12 months ending Dec15.

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Credit Outlook

Based on the performance for the 6 months ending Jun15, the sound order book and revenue forecast for FY15, the outlook for the JHG is stable for the year ending Dec15.

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5. Credit Opinion

The Credit Rating for John Holland Group Pty Ltd at 30 June 2015 on a consolidated basis is:

Risk Rating	Subject	Sector
• Dec 2013	BBB-	BB+
• Dec 2014	BB+	BB+
• Jun 2015	BB+*	NA
Risk Trend	Deterioration	Stable
Probability of Distress / Default		
• Short-term (1 year period)	0.88%	0.88%
• Medium-term (3 year period)	3.66%	3.66%
• Long-term (5 year period)	5.93%	5.93%

*Provisional rating as it is based on interim management accounts for the 6 months ended Jun 2015.

JHG's credit quality deteriorated from 'BBB-' at Dec 2013 to 'BB+' at Dec 2014 and remained at a provisional 'BB+' at Jun 2015. JHG therefore holds a near-prime classification (investment grade ranging from 'AAA' to 'BBB-'), indicating, in pure credit rating terms for industrial board companies, a below average position with a low to moderate level of risk. The short-term probability of default is 0.88% and is in-line with the sector average level of financial risk.

In summary, our **key findings** included:

- On 11 Dec14, Leighton Holdings Limited entered into a binding share sale agreement for the sale of JHG to CCCI, a wholly owned subsidiary of CCCC. The sale transaction completed on 20 Apr15.

- Immediately following the sale, JHG's capitalisation strengthened by way of a cash injection of $390.0m from CCCC. Further JHG received $200.0m in cash reserves satisfying specific conditions in the sale agreement (this was in relation to several projects).

- The financial strength and commitment of JHG's ultimate parent entity CCCC lends strong, intangible support to JHG's credit rating profile.

- JHG returned to profitable operations in the interim period ended Jun15 disclosing a pre-tax profit of $15.8m (Dec14: **-$224.0m**) and post-tax profit of $75.5m (tax benefit of $59.6m).

- JHG has a sound order book with $4.8bn of work in hand supporting ongoing operations.

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- JHG is well capitalised with a share capital of $690.0m and has sufficient liquidity to convert its current order book.

- The Group has the capacity to service unused funding facilities with low financial leverage and debt to capital of 0.5%.

- A key challenge is despite the increase in pre-tax profit during the interim period pre-tax margins are at a relatively low level of 1.2% (Dec14: -7.2%, Dec13: 4.6%).

- Another challenge includes JHG's cost structure which affords little flexibility to absorb fluctuations in demand with ~93% of its gross profits required to meet its non-financing fixed costs at Jun15. Moreover, construction margins did not cover non-financing fixed costs in Dec14 and Dec13.

- Net operating cash out flows over the last two reporting periods reflect low profitability levels despite the improvement during the interim period.

- Lack of transparency on cost control initiatives, bids submitted and profit projections.

Following our detailed analysis our OPINION is that John Holland Group Pty Ltd has a provisional credit rating of 'BB+*' at June 2015 being a near-prime classification and a low to moderate level of risk and is **conditionally acceptable** for the purposes of this engagement subject to:

- Confirm the efficacy of the cross company guarantee between John Holland Group Pty Ltd (the assessed entity) on behalf of the tendering entity John Holland Pty Ltd. Please refer to page 5 of this report.

- A Bank Guarantee or Surety Bond to be obtained of 5% of the contract value from a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/defects period.

- Reporting covenants be imposed requiring both John Holland Group Pty Ltd and John Holland Pty Ltd to participate in an ongoing financial monitoring regime throughout the course of the contract and the lease, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).

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While credit ratings reflect an opinion of the financial viability and capacity to honour contractual commitments moving forward, they are based on the information available at the time of the assessment. The scope of this report does not include an ongoing review of the credit quality of the entity. It is strongly recommended that regular assessments of the credit quality and financial position of the Company be conducted throughout the course of the engagement.

This report should be read within the context of Corporate Scorecard's Rating Services Guide. The information contained herewith is for the exclusive use of Parkes Shire Council and shall not be disclosed to any other person or entity without written consent from Corporate Scorecard Pty Ltd. The report should be taken as a whole and cannot be abridged or excerpted for any reason.

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APPENDICES

1. Explanation of the Corporate Scorecard Credit Rating

1.1 What is a rating?

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity, issuer, or counterparty to meet their respective financial commitments. As such, Corporate Scorecard assigns ratings based on the credit worthiness of an entity, commitment or product, and provides probabilistic assessments of default over the short, medium and long-term.

Credit ratings are a critical measure used extensively in commercial, financial and capital markets to support key business decisions. Corporate Scorecard's ratings are used to support debt and bonding decisions, loan origination and recovery, insurance and warranty, funds management, portfolio management, tendering and procurement, counterparty risk assessments and other commercial contracts.

Corporate Scorecard provides credit ratings on government and commercial agencies, international conglomerates, infrastructure consortia, financial institutions, publicly listed entities, private corporations and small-to-medium sized enterprises across a range of industry sectors both domestically and internationally. As such, Corporate Scorecard is also able to provide detailed industry intelligence, benchmarking reports and analysis across a wide range of sectors.

1.2 Corporate Scorecard Credit Rating

Corporate Scorecard and other Credit Rating Agencies all attempt to measure the probability of an entity being able to honour its financial commitments as and when they fall due. The most recognised credit rating is that based on Bond Rating Equivalents (BRE) used over the past eighty years to determine the proximity of an entity's securities to default (non-payment of interest or principal). The accuracy of this method has been extensively tested and is accepted worldwide.

The Corporate Scorecard database contains more than 65,000 financial years of information spanning more than twenty-five years. As such Corporate Scorecard is in a unique position, having developed a large and empirical data source on entities across various industry sectors with long data histories covering a range of economic conditions and one or more complete business cycles. Corporate Scorecard has therefore been able to use a variety of quantitative validation tools and comparisons using this information to adequately verify the stability, accuracy and consistency of its rating models.

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Corporate Scorecard's rating models have been designed to assess the proximity of an entity to defaulting on its financial commitments and obligations. Proprietary risk analytics are used to evaluate the multivariate interrelationship of key risk indicators using scientifically based and empirically derived risk metrics. These models evaluate the financial performance, position and profile of an entity in the context of its industry, size and structure. They have been validated on Australian and International data with the assistance of Professor Edward Altman, an internationally recognised leader in the field of credit risk analysis and bankruptcy prediction.

Corporate Scorecard uses its comprehensive benchmarking database to evaluate the financial position, performance and credit quality of an agency, institution, corporation or entity relative to an industry and its peers. This enables the identification of key sensitivities, trends, cautionary alerts and exception reports based on identified anomalies and/or outliers across key credit indicators of a select benchmarking group.

While there is no single method to discriminate unambiguously between firms that will default and those that will not, Corporate Scorecard can make probabilistic assessments of default. This requires a large database of actual defaults to enable an assessment of default probabilities and actual default rates from empirical evidence. The Australasian market has a comparatively small number of corporate bond issues and a relatively benign credit climate over recent decades, and as such empirical data on Australian default rates is limited. Therefore Corporate Scorecard considers it is more appropriate to apply default probabilities using empirical data from international markets over several economic cycles.

Corporate Scorecard's default statistics have been derived from nearly twenty years' experience analysing mainly US non-financial, non-utility corporate bond issuers. The analysis covered a relatively large number of companies (approximately 1,000 rated each year) and follows the well-established static pool approach used by Credit Rating Agencies to report their default experience. Static pools were created for bond issuers each year by both notch and grade, and the history of these bond issuers was then analysed over the period. The pools were then combined so that long-term average default experience by duration could be calculated, and both annual and cumulative default experience was calculated from the pools.

Corporate Scorecard's risk analytics enable analysts to evaluate the most critical and sensitive financial and risk items through the Risk Assessment Platform by analysing key indicators to derive a definitive credit risk score and Bond Rating Equivalent (BRE), providing Probabilities of Default (PoD) over the short-, medium- and long-term horizon.

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1.3 Rating Definitions

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity to meet their respective financial and contractual commitments. As such credit ratings are assigned in accordance with the entity, commitment or product's proximity to default. Corporate Scorecard's credit ratings adhere to internationally recognised grades and are similar to other agency classifications, providing ratings across twenty-two credit notches from 'd' (in default) to 'aaa' (extremely strong).

Moody's	Fitch	S&P	Rating	Classification	Risk Level
Aaa	AAA	AAA	AAA	High Grade	Negligible
Aa1	AA+	AA+	AA+		
Aa2	AA	AA	AA		
Aa3	AA-	AA-	AA-		
A1	A+	A+	A+	Investment Grade	Very Low
A2	A	A	A		
A3	A-	A-	A-		
Baa1	BBB+	BBB+	BBB+		Low
Baa2	BBB	BBB	BBB		
Baa3	BBB-	BBB-	BBB-		
Ba1	BB+	BB+	BB+	Near Prime	Low to Moderate
Ba2	BB	BB	BB		
Ba3	BB-	BB-	BB-		
B1	B+	B+	B+	Sub Prime	Moderate
B2	B	B	B		
B3	B-	B-	B-		High
Caa1	CCC	CCC+	CCC+	Credit Watch	Very High
Caa2		CCC	CCC		
Caa3		CCC-	CCC-		
Ca		CC	CC	Distressed	Extremely High
		C	C		
C	D	D	D		

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Corporate Scorecard assigns ratings based on the credit worthiness of an entity or a specific financial commitment, and provides probabilistic assessments of default over the short, medium and long-term. Every entity or commitment has some probability of default over a period of time, even those assigned with the strongest of ratings. An Investment Grade classification is attributed to credits that exhibit a lower probability of default, while a Sub-Prime classification has a greater expectancy of default.

A Corporate Scorecard Credit Rating may also be assigned additional clarification markers (symbols) to qualify the credit risk assessment. These may include:

Conditional Rating (#)

A Conditional Rating is used where Corporate Scorecard has rated an entity on the basis of significant risk factors and/or report qualifications, with recommendations providing one or more conditions precedent and/or mitigation action(s) to reduce identified uncertainty and risk.

Provisional Rating (*)

A Provisional Rating is used when the most recent financial figures are based on draft management accounts or are deemed out-of-date. Entities with a provisional rating should be re-evaluated as soon as finalised financial statements become available.

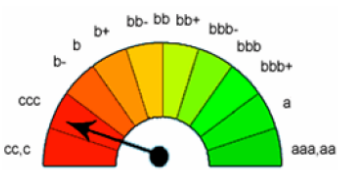
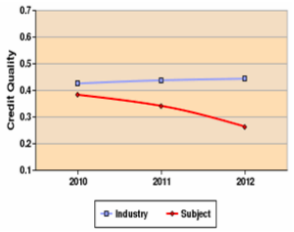
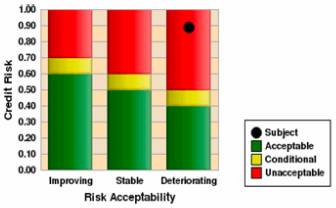
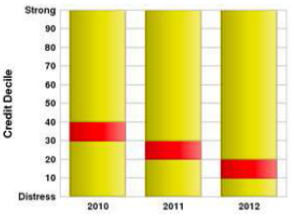
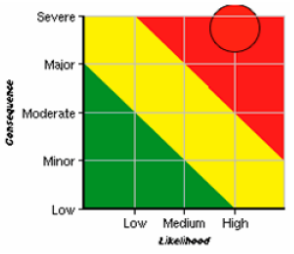
Indicative Rating (^)

An Indicative Rating is used where Corporate Scorecard is engaged to conduct preliminary analysis only, and as such an official rating assignment would require a more detailed and comprehensive investigation and due diligence assessment prior to the provision of our professional opinion.

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1.4 How to interpret the risk rating graphs?

Risk Graph	Description
	**Risk Rating** This graph indicates the current credit quality on the credit rating scale from **c** (imminent default) to **aaa** (extremely strong). Generally, a risk analyst would prefer the credit quality to have investment grade classification (from 'aaa' to 'bbb-'), as represented by the green section on the risk rating odometer. While a sub-prime classification has a higher risk profile, this may continue to be adequate depending on the particular commercial obligation and circumstances.
	**Risk Trend** This graph indicates the trend of risk and credit quality migration over the period assessed. The risk profile of the entity and/or its commitment is displayed relative to the average for the industry. The vertical axis portrays the overall credit quality, with a higher score reflecting a stronger credit quality and lower risk profile. Generally a risk analyst will be more concerned with a trend of risk chart that displays a volatile risk score, one that is lower than the industry average, or one that shows signs of deterioration over time.
	**Risk Level** This graph integrates the current level and trend of risk to derive a projection of risk acceptability. The vertical axis displays the credit risk along an ordinal scale, with a low score implying a low level of risk. The horizontal axis represents the trend of risk and credit migration over time. Generally a risk analyst will be concerned where the trend and/or level of risk would result in an unacceptable risk profile for the purposes of the commercial obligation.
	**Risk Decile** This graph indicates the risk profile of the rated credit relative to the industry sector, and highlights how this has changed over time. The credit quality is assessed over each period of the assessment horizon, and is positioned within the respective credit risk decile. A ranking within the 0-10 decile infers the rated entity or commitment is within the bottom 10% of rated credits for that sector, with 90% of other rated engagements being assigned a stronger credit quality. Generally a risk analyst will be concerned where the risk decile is low or is deteriorating over time relative to other rated credits within the sector.
	**Risk Severity** This graph integrates the size and risk exposure of the commitment (consequence) relative to the likelihood of a default event. The higher the severity and probability of risk, the more likely the risk will be considered to be unacceptable, subject to appropriate recovery and preventative risk mitigation. The colour of the bubble reflects the underlying credit quality, corresponding to the credit rating odometer. The size of the bubble reflects the variability of the risk estimate, with a larger bubble inferring a lower overall confidence index. The level of risk variance is influenced by the quality of the financial information (ie. audited), the extent of disclosure, interim period adjustments, sustainable growth, inherent complexity, vulnerability to key sensitivities, risk stability ratios, and any potential rating qualifications.

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1.5 Credit Concepts measured

The main credit concepts measured against Australian and New Zealand Standard Industry Classifications (ANZSIC) and specific Peer Groups based on entity size are:

1) **Activity (Sales / Total Assets) –** reflects the efficiency of management in generating and growing sales from the asset base of the subject

2) **Stability (Sales Volatility) –** reflects the ability of management in maintaining the subject's stability and in generating a stable trend of sales performance over time

3) **Profitability (Net Income / Total Assets) –** reflects the current year's level of profit that remains for reinvestment into the business to fund improvement and future growth

4) **Reinvestment (Retained Earnings / Total Assets) –** reflects the cumulated level of profit that has been reinvested into the business over time to fund future growth

5) **Repayment Capability (Profit before tax / Total Liabilities) –** reflects the subject's ability to meet total outstanding debt and obligations from business profits

6) **Gearing (Total Liabilities / Total Assets) –** reflects the extent of total debt outstanding relative to the subject's total asset pool

7) **Interest Coverage (Profit before Tax / Interest Expense) –** reflects the subject's level of profits that are available to meet its interest expense obligations

8) **Creditor Management (Trade Creditors / Total Assets) –** reflects the subject's ability of managing cash flow and how it uses creditors in funding cash flow

9) **Cash Flow (Cash Flow before tax / Current Liabilities) –** reflects the level of cash that is generated from trading activity that is available for short term cash commitments

10) **Liquidity (Current Assets / Current Liabilities) –** reflects the subject's level of liquid assets that would be available to meet short term cash commitments

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2. General Disclaimer

We have prepared the attached document based on the information obtained from or on behalf of the subject of this assessment. The credit ratings and our recommendations are qualified on the basis of the accuracy, completeness and currency of the information provided to us. As such, subsequent information or changes in the information previously provided could result in changes to our assessment and the recommendations in this report.

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Comprehensive Credit Rating Report
Monadelphous Group Ltd
on behalf of Monadelphous Engineering Pty Ltd

Comprehensive Credit Rating Report

Prepared on:

Monadelphous Group Ltd (ABN: 28 008 988 547)

Monadelphous

Prepared for:

Jason Myers

Parkes Shire Council

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Veda Corporate Ratings / Corporate Scorecard Pty Ltd
23 September 2015
AFSL#341391

General Manager

Mayor

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1. Executive Summary

Monadelphous Group Limited	Assessment Outcome
The purpose of this report is to provide a financial viability assessment on Monadelphous Group Limited's ("Monadelphous", "the Group" or "the Company") financial capacity to act as a guarantor on behalf of Monadelphous Engineering Pty Ltd, which has tendered for the D&C, O&M Parkes Water & Sewage Treatment Plants project on behalf of Parkes Shire Council.	**Conditionaly Acceptable**
Veda Corporate Ratings has assigned Monadelphous a credit rating of 'BB+' at Jun15 being a near-prime classification with a low to moderate level of risk. The rating is supported by its size, leadership position in the LNG space, history of profitable operations, conservative capital structure, healthy liquidity position and strong stable operating cash flows. However, Monadelphous rating is constrained by its heavy exposure to the resources and energy markets, declining new order wins, high dividend pay-outs, limited scope for re-tooling of its business model, increased debtor collection period and unresolved WICET claim.	**BB+**
	Point in time only

Key Strengths

- Well established, large-scale, leader in the LNG market with operating mix expected to shift from construction to maintenance over the next 12 to 18 months. ASX listed Group and market capitalisation of $605.8m at Sept 2015.
- Profitable operations over the review period despite a declining trend.
- Cost control initiatives have reduced pressure on profit margins offsetting some of the adverse effects of rising price competition.
- Strong, stable operating cash inflows over the review period.
- Capacity to meet current liabilities, having sufficient working capital and liquidity. This is further augmented by access to an unutilised revolving credit facility of $68.8m.
- Strong net worth underpinned by retained earnings of $220.3m and share capital of $117.3m.
- Has the capacity to service unused funding facilities and/or access additional external finance, if required, having a low debt to capital level (reflecting active debt repayments) and strong serviceability metrics.
- The annualised exposure of the proposed contract is well within the capacity and risk based thresholds for the Group.

Key Challenges

- Heavy exposure to the resources and energy markets where depressed commodity prices have reduced and continue to reduce capex investments curtailing opportunities available to Monadelphous.
- Slowdown in new order wins. In FY15 and up to Aug15 new order wins $880m compared to $1.8bn in FY14.
- Declining revenues and pre-tax profit over the review period with a further decrease projected for FY16. Although new opportunities are envisaged in the maintenance division these works have lower profit margins in comparison engineering construction work.
- High dividend pay-outs, if continued in a declining profitability environment may erode retained earnings.
- On-shore and global opportunities for re-tooling of business is low.
- Deteriorating cash conversion cycle reflect a slowing in the collection of receivables.
- Unresolved material lawsuit by Wiggins Island Coal Export Terminal (WICET).

Following our detailed analysis our OPINION is that Monadelphous Group Limited has a credit rating of 'BB+' at June 2015 and is considered **conditionally acceptable** for the purposes of this engagement subject to the risk mitigation strategies outlined overleaf. Refer to the full report for further information.

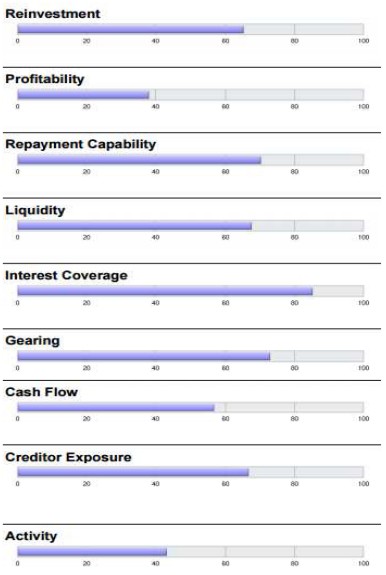
Rating Spectrum



Rating Trend

Risk rating	Sector	Subject
Jun 2013	BB+	BBB-
Jun 2014	BB+	BBB-
Jun 2015	N/A	BB+
Rating Trend	Stable	Deterioration

Risk Indicators



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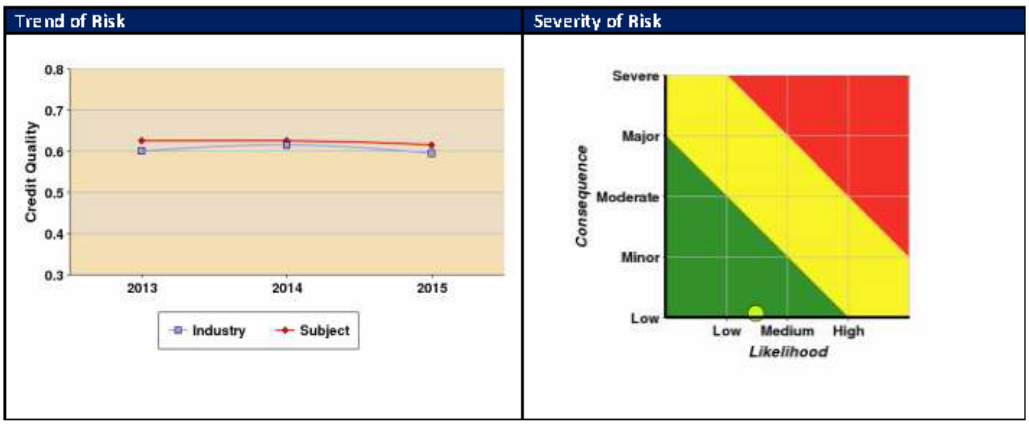
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1.1 Recommendations

Following our detailed analysis our OPINION is that Monadelphous Group Limited has a credit rating of 'BB+' at June 2015 being a near-prime credit classification with a low to moderate level of risk. The Company is considered acceptable for the purposes of this engagement, subject to the following recommendations:

- Cross company guarantee to be obtained from Monadelphous Group Ltd (the assessed entity) on behalf of Monadelphous Engineering Pty Ltd the tendering entity.
- A Bank Guarantee or Surety Bond to be obtained with a minimum value of 5.0% of the contract value from a bank or a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/defects period.
- Reporting covenant be imposed requiring Monadelphous to participate in an ongoing financial monitoring regime throughout the course of the project, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).

1.2 Risk Diagnostics



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2. Scope of Report

The purpose of this Credit Rating Report is to provide a financial viability assessment on Monadelphous Group Ltd.'s ("Monadelphous" "the Group" or the "Company") (ABN: 28 008 988 547) financial capacity to act as a guarantor on behalf of Monadelphous Engineering Pty Ltd (ABN: 43 010 305 923) which has tendered for the design, construction and operation of the Parkes Water & Sewage Treatment Plants project on behalf of Parkes Shire Council.

We have compiled this report with our rating services guidelines in order to derive the credit rating on Monadelphous Group Ltd, which is similar in form and comparability to ratings provided by other rating agencies. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold or sell any securities or make any other investment decisions. The details pertaining to this report are outlined below:

Report Details	
Date of Report	**23 September 2015**
Request Type	**Non-Issuer (Client Request)**
Assessment Type	**Point-in-Time (Ongoing monitoring required)**
Rating Distribution	**Private Rating (Not for Public Release)**
Report Distribution	**Restricted (Exclusive and Confidential Use)**
Purchased By	**Parkes Shire Council**
Report Fee	**Fixed Price**
Subject Entity	**Monadelphous Group Ltd**
Financial Scope	**Stand-alone entity**
Entity Structure	**Australian Limited Company**
Subject Industry	**E – Construction**
Subject Sector	**Civil Construction**

This Report and the information contained herewith is for the exclusive and internal use of the Parkes Shire Council and shall not be disclosed to any other person or entity without written consent from Corporate Scorecard Pty Ltd. The Report should be taken as a whole and cannot be abridged or excerpted for any reason.

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The corporate credit rating is based on an entity's ability to meet and complete the obligation(s) for which it is being rated. The context of this evaluation is as follows:

Commercial Obligation	
Assessment Purpose	**Counterparty/Guarantor Risk**
Contract Name	**Design, construction and operation/maintenance of the new Parkes Water & Sewage Treatment Plant project**
Contract Role	**Parent Company Guarantor on behalf of Monadelphous Engineering Pty Ltd which has tendered for the proposed contract.**
Total Contract Value	**$35.0m**
Maximum Annualised Commitment	**$28.0m**
Contract Duration	**18 months**
Payment terms	**Progress monthly payments in arrears**

We have conducted this assessment on the basis of information provided by Monadelphous, publicly available information and from our own enquiries. We have derived a credit rating on the subject based on the understanding that Monadelphous has no contingent liabilities, cross guarantees or other liabilities to any other entity other than as disclosed to us or as detailed in the financial statements. Our duty does not include auditing the financial statements.

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Information Sources	
Financial Statements	**Statutory Financial Statements of Monadelphous Group Ltd for the years ended 30 June 2015, 2014, and 2013.**
Name of the Auditor	**Earnst & Young**
Other Information Sources	**ASIC, PPSR, Adverse Search, Company Website, Media Articles, Industry Databases, Public Records**
Subject Participation	**Yes**
Material Financial Adjustments	**There are nil material adjustments to be made to the financial statements.**
Limitations of Assessment	**Forecast revenues and future contracts won and tendered for have not been provided by the Company, subject to their company policies.**
Potential Conflict of Interest	**None noted**

This report should be read within the context of Corporate Scorecard's Rating Services Guide.

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3. General Background of the Subject

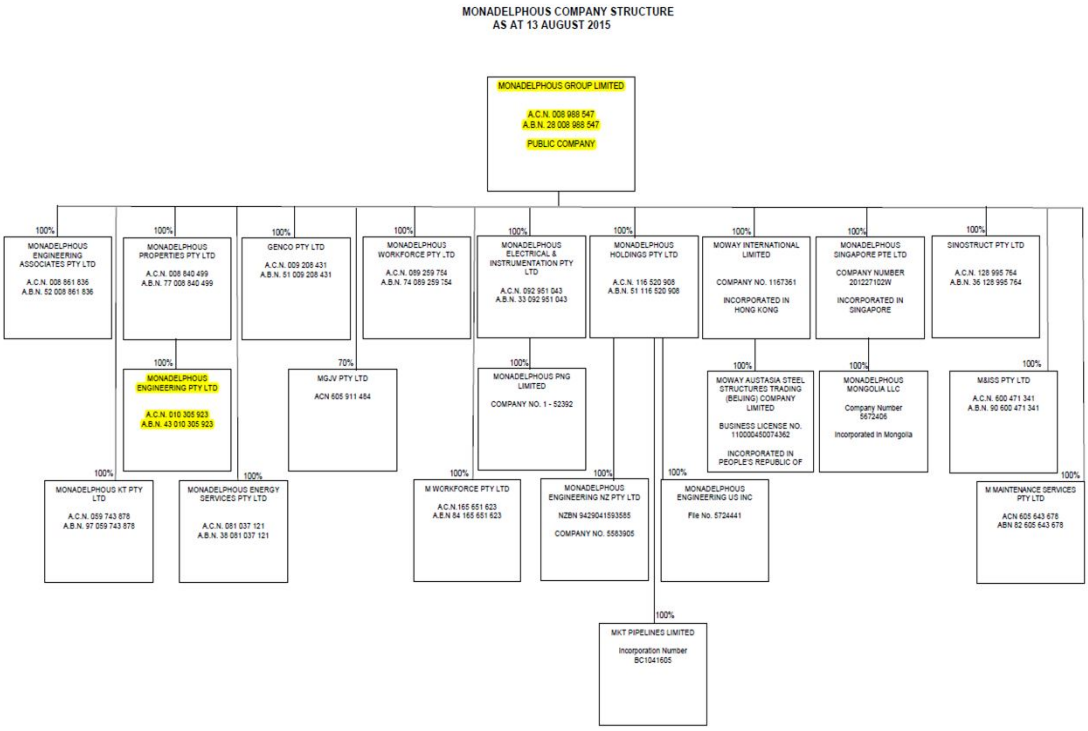
3.1 Company Overview

Subject Name	Monadelphous Group Ltd
ABN	28 008 988 547
Type of Entity	Australian Limited Company
Registered Address	59 Albany Highway Victoria Park Western Australia 6100
Head Office Address	59 Albany Highway Victoria Park Western Australia 6100
Date of Incorporation	16 July 1981
History	The business was originally founded in the early 1970's with the name Contract Engineering Associates, or CEA as it was known. CEA was established to provide general mechanical contracting services to the rapidly growing mining industry in Western Australia. The name Monadelphous began to be used as a trading name in the early 1980's. The Group was listed on the Australian Stock Exchange in March 1991 (ASX code MND).
Principal Activities	The Group operates across two divisions, with the Engineering Construction contributing $1.3b or 66.7% of FY2015 revenues, and Maintenance and Industrial Services contributing $0.6b or 33.3% of FY2015 revenues.
Shareholders	Monadelphous Group Ltd is publicly listed on the ASX.
Ultimate Parent	Monadelphous Group Ltd is the ultimate parent of Monadelphous Engineering Pty Ltd.

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3.2 Corporate Structure



Monadelphous Group Ltd is the ultimate parent of the tendering entity, Monadelphous Engineering Pty Ltd.

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3.3 Management Overview

Board of Directors (Monadelphous Group Ltd)

Director	Address	DOB	Appointed	Adverse
CALOGERO GIOVANNI RUBINO	12 Majestic Cl Applecross WA 6153	26/06/1945	18/01/1991	No
ROBERT VELLETRI	9 The Strand Applecross WA 6153	11/11/1958	26/08/1992	No
PETER JOHN DEMPSEY	720 Orrong Rd Toorak VIC 3142	01/04/1947	30/05/2003	No
CHRISTOPHER PERCIVAL MICHELMORE	1 Fox St Goodwood SA 5034	14/10/1946	01/10/2007	No
DIETMAR ROBERT VOSS	2 Bellara Rd City Beach WA 6015	22/08/1949	10/03/2014	No

A search of the adverse file on 16 September 2015 did not reveal any court actions or bankruptcy records against the above Director. However it was revealed that Chris Michelmore was a previous director of Connell Wagner Superannuation Ltd and Connell Wagner (NSW) P/L for which adverse information were present and is now deregistered. Peter Dempsey is a director of Services Stream Ltd for which adverse information is present and is currently a registered. In addition he was a previous director of Becton Property Group Ltd and Becton Property Management Ltd for which adverse information is present and is under external administration. Robert Velletri is a director of Monadelphous Engineering Associates P/L, Monadelphous Engineering P/L and Monadelphous Properties P/L for which adverse information is present and is currently registered. John Rubino is a director of Monadelphous Engineering Associates P/L, Monadelphous Engineering P/L and Monadelphous Properties P/L for which adverse information is present and is currently registered

John Rubino, Chairman

John was appointed to the Board on 18 January 1991. Initially serving as Managing Director and Chairman, John resigned as Managing Director on 30 May 2003 and continued as Chairman. John was last re-elected to the Board in 2013. John has 48 years' experience in the construction and engineering services industry.

John is Chairman of the Monadelphous nomination committee. He is also a director of one other publicly listed entity, Fortunis Resources Limited (ASX:FOT) (appointed 20 March 2013).

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John is 69 years old and resides in Perth, Western Australia. – company website

Rob Velletri, Managing Director

Rob Velletri leads a diverse company of more than 5,000 employees, overseeing the delivery and execution of all Monadelphous projects in Australia and neighbouring regions.
Since joining Monadelphous in 1989 as General Manager and taking on the role of Managing Director in 2003, Rob has been part of the management team which has overseen a sustained period of business and earnings growth.

Rob is a mechanical engineer and corporate member of Engineers Australia. Rob attributes Monadelphous's competitive advantage to its people and culture. Its core values of safety and wellbeing, integrity, achievement, teamwork and loyalty are the foundation of the way the company operates.

Rob is 55 years old and resides in Perth, Western Australia. – company website

Peter Dempsey, Independent Non-Executive Director (Lead)

Peter was appointed to the Board on 30 May 2003 and was last re-elected in 2012. He is a civil engineer with 42 years experience in the construction and engineering services industry. Peter has a Graduate Diploma in Business Administration and is a Fellow of Engineers Australia.

Peter is the Chairman of the Monadelphous Audit Committee and a member of the Company's Remuneration and Nomination Committees. He is also a non-executive director of one other publicly listed entity, Service Stream Limited (ASX:SSM) (appointed 1 November 2010).

Peter is 67 years old and resides in Melbourne, Victoria. – company website

Chris Michelmore, Independent Non-Executive Director

Chris was appointed to the Board on 1 October 2007 and was last re-elected in 2013. Chris has 42 years' experience in the construction and engineering services industry throughout Australia, South East Asia and the Middle East. Chris is a Civil and Structural Engineer and Fellow of Engineers Australia.

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Chris is also a member of the Monadelphous Audit, Remuneration and Nomination Committees, and is a non-executive director of one unlisted entity.

Chris is 67 years old and resides in Adelaide, South Australia. – company website

Dietmar Voss, Independent Non-Executive Director

Dietmar was appointed to the Board on 10 March 2014. Dietmar has more than 40 years experience in the oil and gas, and mining and minerals industries. Throughout his career, he has worked at a number of global mining and engineering businesses, including BHP Billiton, Hatch and Bechtel, throughout Australia, the US, Europe, the Middle East and Africa. Dietmar is a Chemical Engineer and has completed a Masters of Business Administration in addition to a law degree.
Dietmar is 64 years old and resides in Perth, Western Australia. – company website

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3.4 Project Information

A list and value of current contracts in hand and tendered for was not provided. Nonetheless, the financial statements at Jun15 disclosed that the Group secured $450.0m in new contracts and contract extensions during the year. In addition, subsequent to the reporting period the Group secured additional contracts valued at ~$430.0m.

Subsequent to the end of the year, the Engineering Construction division secured a number of new contracts which included:

- A three-year contract with two one-year extensions with APLNG for the fabrication and supply of wellhead separator skids, to be commissioned at various locations in the Surat Basin, Queensland.
- A contract with the Barrhill Chertsey Irrigation Ltd and Electricity Ashburton Limited Joint Venture for the design, construction and commissioning of a 40 km long, gravity and pressurised piped irrigation scheme for farming properties in Methven, New Zealand. The New Zealand agreement was the first irrigation contract for Monadelphous following the successful acquisition of WI Group.

Subsequent to the end of the year, the Maintenance and Industrial Services division secured $380.m of new contracts, which included:

- A new three-year facilities maintenance services contract associated with the Barrow Island, WA, assets operated by Chevron Australia Pty Ltd, for the operation and maintenance of facilities and utilities, and includes water and wastewater treatment plants, power generation and distribution systems, as well as the management and maintenance of various buildings, vehicles, plant and equipment.
- A three-year contract with a one-year extension option for the provision of labour for maintenance and shutdown services for South 32 Ltd at Worsley Alumina in Collie, WA.
- A three-year contract to provide project, maintenance and shutdown works for Queensland Alumina Limited in Gladstone, Queensland.
- A contract with BM Alliance Coal Operations Pty Ltd to provide maintenance works for a major dragline shutdown at Blackwater Mine in Blackwater, Queensland.

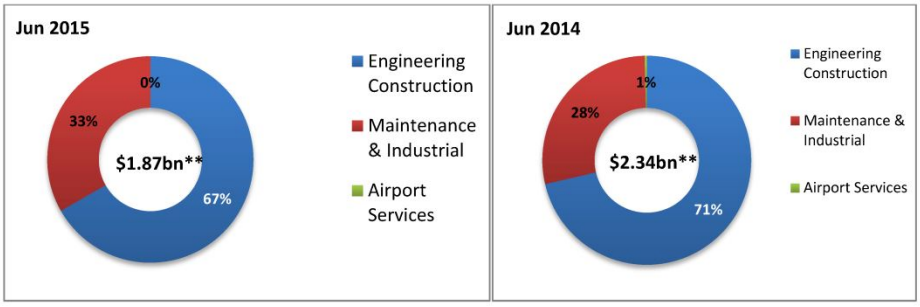
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3.5 Segment Information

Revenue by Division

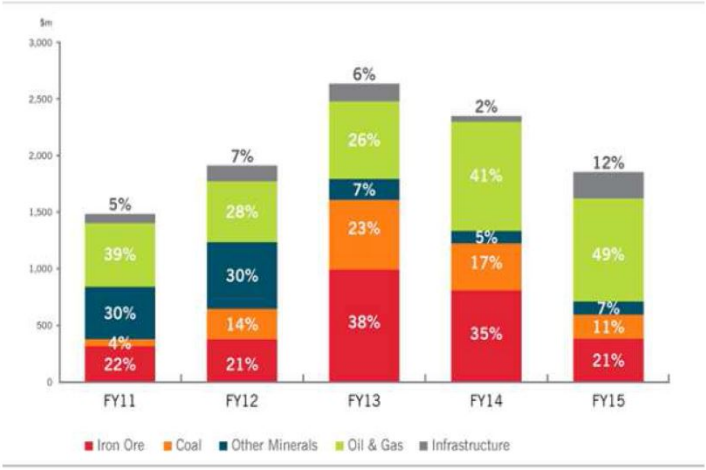


*Sale of Skystar Aiport Services business in FY14.

**Total revenues at Jun15 and Jun14 includes inter entity revenues.

Monadelphous operates in two divisions 'Engineering Construction' and 'Maintenance & Industrial'. The chart above reveals that the largest proportion of sales revenue for the Jun15 year was derived from Engineering Construction division which contributed 67.0% (2014: 71.0%) of sales revenue and the remaining 33% (2014: 28.0%) of sales was contributed by the Maintenance & Industrial services division.

Revenue by End Customer Market



As shown in the above chart, over the years the oil & gas market has evolved to be the largest contributor to Group revenues representing 49% of total sales for the year ending Jun15 (2014: 41%). The second largest contributor to revenues is the iron ore market representing 21% of total sales (2014:

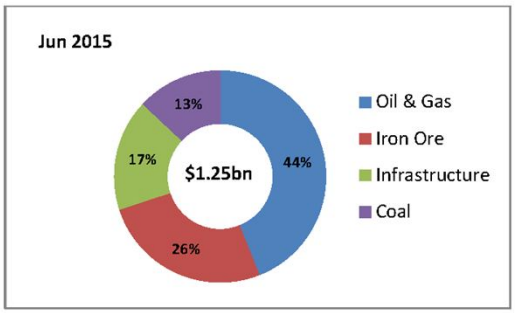
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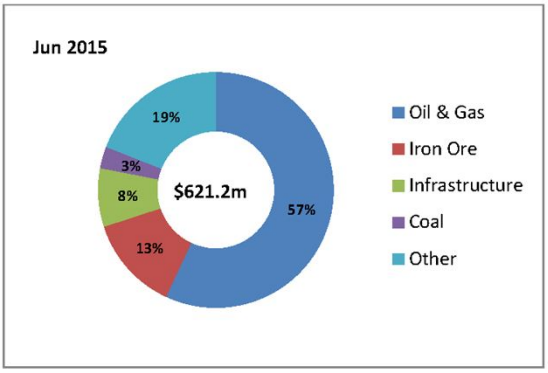
35%) followed by coal representing 11% (2014: 17%), infrastructure 12% (2014: 2%) and other minerals 7% (2014: 5%).

Engineering Revenues by Sector



The Engineering division provides services to the oil & gas, iron ore, infrastructure and coal sectors. The chart above reveals that at Jun15 the oil & gas sector was the largest contributor to divisional revenues representing 44% of total revenues. This was followed by the iron ore sector representing 26% of revenues, infrastructure sector representing 17% and coal representing 13%.

Maintenance & Industrial Services Revenues by Sector



The Maintenance & Industrial Services division provides services to the oil & gas, iron ore, infrastructure, coal and other sectors. The chart above reveals that at Jun15 the oil & gas sector was the largest contributor to divisional revenues representing 57% of total revenues. This was followed by other minerals sector representing 19% of revenues, the iron ore sector representing 13% of revenues, infrastructure representing 8% and coal sector representing 3%.

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4. Corporate Analysis

4.1 Financial Information

Revenue	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Sales Revenue	$1,865.03m	$2,329.59m	$2,614.07m	Dec	19.94%
Other Revenue	$8.98m	$10.02m	$7.72m	Dec	10.43%
Total Revenue	$1,874.00m	$2,339.61m	$2,621.80m	Dec	19.90%

Expenses	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Cost of Goods Sold	$1,676.14m	$2,089.32m	$2,334.31m	Dec	19.78%
Depreciation and Amortisation	$23.71m	$26.66m	$29.85m	Dec	11.07%
Other Expenses	$27.11m	$28.78m	$33.48m	Dec	5.81%
Total Expenses	$1,726.96m	$2,144.76m	$2,400.64m	Dec	19.48%

Profit	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Gross Profit	$188.88m	$240.27m	$276.76m	Dec	21.39%
Profit after Tax	$105.83m	$146.51m	$156.31m	Dec	27.77%
Profit after Tax & Dividends	$4.58m	$22.09m	$32.13m	Dec	79.25%
Retained Earnings	$220.35m	$215.76m	$193.67m	Inc	2.12%

Financing	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Interest Income	$4.48m	$3.37m	$3.39m	Inc	32.84%
Dividend Income	Nil	Nil	Nil	n/a	n/a
Borrowing Costs	$1.70m	$3.10m	$3.97m	Dec	45.15%
Dividends Paid	$101.24m	$124.42m	$124.18m	Dec	18.63%

Cash flow	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Net Operating Cash flow	$117.76m	$117.62m	$113.24m	Inc	0.12%
Net Investing Cash flow	($10.72m)	$20.63m	($16.38m)	Dec	151.97%
Net Financing Cash flow	($115.51m)	($116.74m)	($106.57m)	Inc	1.06%
Net Cash flow	($8.46m)	$21.51m	$9.71m	Dec	139.35%

Balance Sheet	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change

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Working Capital	$256.36m	$243.71m	$170.79m	Inc	5.19%
Total Assets	$794.20m	$750.16m	$770.25m	Inc	5.87%
Total Liabilities	$426.10m	$387.49m	$462.22m	Inc	9.96%
Shareholders Equity	$368.10m	$362.67m	$308.03m	Inc	1.50%

Other Items as at June 2015:

Other Information	Type	Jun 2015
Intangibles	Non-Current Assets	$3.01m
Deferred Tax Assets/Liabilities	Non-Current Assets	$28.20m
	Non-Current Liabilities	Nil
Income Tax	Current Liabilities	$4.29m
Related Party Receivables/Payables	Current Assets	$7.96m
	Non-Current Assets	Nil
	Current Liabilities	Nil
	Non-Current Liabilities	Nil
Interest Bearing Liabilities (including interest bearing Related Party Loans)	Current – Secured	$11.89m
	Current – Unsecured	Nil
	Non-Current – Secured	$11.33m
	Non-Current – Unsecured	Nil
Operating Leases Outstanding	< 1 year	$24.90m
	>1 year but <5 years	$37.86m
	>5+ years	$14.43m
Contingent Liabilities	Additional Information	$392.60*
Registered Charges	Additional Information	Yes**
Court Proceedings / Adverse Check	Additional Information	Yes***

* Relates to bank guarantees and insurance bonds issued as security for projects.
** A search of PPSR records on Monadelphous Group Ltd on 16/09/2015 revealed National Australia Bank Limited to hold a security charge on all present and after acquired property and Newham Scaffolding Pty Ltd to hold security on intangible property. In addition security charges were held by a number of trading partners.
*** A search of the adverse file reveals 2 court writs issued against the group, with both now discontinued. The amounts concerned were not material. In addition a claim by the client Wiggins Island Coal Export Terminal Pty Ltd (WICET) currently before the Supreme Court of Queensland of $130.00m from the 50% JV MMM (please refer other comments).

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4.2 Financial Indicators

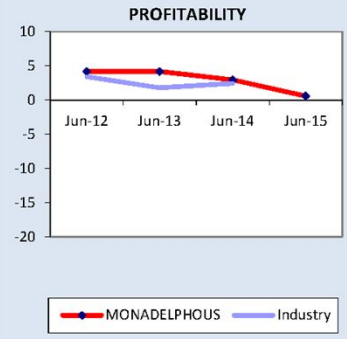
Monadelphous Group Ltd.'s overall Credit Rating was derived from a detailed analysis of key credit and financial indicators. The subject's performance relating to several of these indicators is provided below. Sector averages have been derived from those entities within a specified sector of the ANZSIC Classification Code "E – Construction, sub sector – Civil Construction".

(i) Profitability

Relative to the Sector	Change over the Period
Worse than Average	*Deterioration*

This indicator reflects the current year's level of profit that remains for reinvestment to fund improvement and future growth.

Monadelphous' reinvested profitability deteriorated to 0.6% (2014: 3.0%) to be worse than the sector average. Pre-tax profit decreased by 28.3% to $147.0m (2014: $205.2m) impacted by lower sales and the $10.4 gain reported in FY14 from the sale of the Skystar Airport Services business. The decrease in sales is predominantly impacted by Monadelphous' end customers, largely in the resources and energy markets, curtailing capex investments. Post-tax profits decreased by 27.8% to $105.8bn. Combined with a dividend of $101.2m (2014: $124.4m) representing a pay-out ratio of 95.7% (2014: 84.9%), this effected the 79.3% decrease in profit after tax & dividends reported at $4.6m (2014: $22.1m). Despite the profitability being worse than the sector average the Group has a strong net worth underpinned by retained earnings of $220.3m suggesting sustainable level of operations.



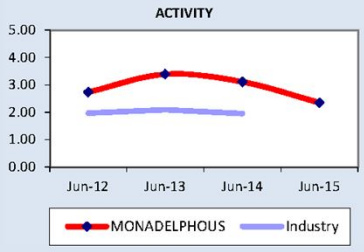
The higher the better

(ii) Activity

Relative to the Sector	Change over the Period
Higher than Average	*Recent Decrease*

This indicator reflects the efficiency of management in generating and growing sales from the asset base of the company.

Monadelphous' activity indicator decreased to 2.35 times (2014: 3.11 times) but remained slightly higher than the sector. The indicator was impacted by the 19.9% decrease in sales with the asset base increasing 5.9%. The indicator reflects that Monadelphous is trading in an efficient manner consistent with its peers.



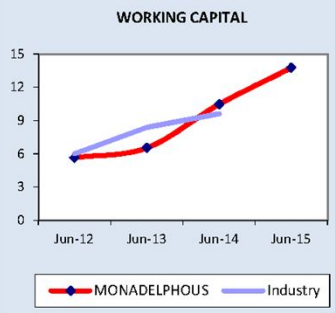
The closer to industry levels the better

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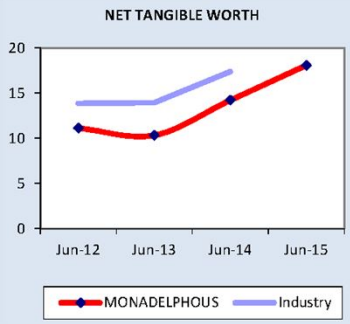
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(iii) Working Capital

Relative to the Sector	Change over the Period
Better than Average	*Improvement*
This indicator reflects the working capital position relative to the revenue level of the business.	
Monadelphous' working capital indicator improved to 13.8% (2014: 10.5%) to be better than the sector average. Working capital increased by 5.2% to $256.4m (2014: $243.7m) predominantly supported by the 9.8% increase in current assets to $665.6m which was supported by increased trade debtors. Current liabilities at the same time increased by 12.9% to $409.2m predominantly impacted by higher trade creditors. The Group was observed as having a satisfactory level of working capital with an expectation that it will be able to meet its short term commitments as and when they fall due. This is also supported by unencumbered cash reserves of $209.8m covering 51.3% of current liabilities and access to unutilised revolving credit facility of $68.8m at Jun15.	**The higher the better**

(iv) Net Tangible Worth

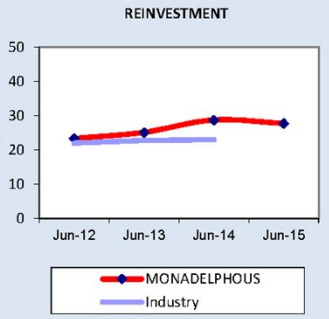
Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the net tangible worth position relative to the revenue level of the business.	
Monadelphous' net tangible worth (NTW) to sales indicator improved to 18.1% (2014: 14.2%) to be better than the sector average. The improvement in the indicator was supported by the increase in net worth to $336.9m (2014: $330.9m) together with the 19.9% decrease in sales. Total tangible assets increased by 6.2%, being supported by increasing trade and other debtors. Overall, Monadelphous is considered to have a strong net worth underpinned by retained earnings of $220.3m and share capital of $117.3m.	**The higher the better**

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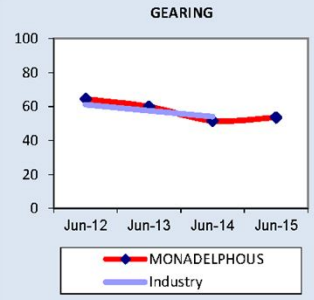
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(v) Reinvestment

Relative to the Sector	Change over the Period
Better than Average	*Recent Marginal Deterioration*
This indicator reflects the accumulated level of profit that has been reinvested into the business over time to fund future growth. It is an important indicator and compares retained earnings relative to the total asset base.	 **The higher the better**
Monadelphous' reinvestment indicator deteriorated marginally to 27.7% (2014: 28.8%) however remained better than the sector average. Despite the relatively stable level of retained earnings ($220.3m), total assets increased by 5.9% impacting a marginal deterioration in the indicator. Monadelphous has maintained a history of relatively high dividend pay-outs, with a stated policy of paying 80%-100% of available profits subject to working capital and investment requirements. Overall, the Group is considered to have retained sufficient profits within the business to support its continued operations and future growth. Retained earnings may however get depleted, in a declining profitability environment, if similar high level of dividend payments is continued.	

(vi) Gearing

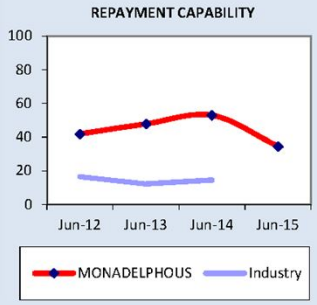
Relative to the Sector	Change over the Period
Marginally Better than Average	*Recent Stability*
This indicator reflects the extent of total debt outstanding relative to the Company's total asset pool.	 **The lower the better**
Monadelphous' gearing indicator deteriorated slightly to 53.7% (2014: 51.7%) however remained marginally better than the sector average. The indicator was impacted by the 10.0% increase in total liabilities due predominantly to the increase in trade creditors. Total assets also increased however at a lower percentage of 5.9% being supported by higher trade debtors. Monadelphous had $23.2m in interest-bearing debt on its balance sheet at Jun15 (2014: $37.0m) and $392.6m in bank guarantees (off balance sheet) were outstanding at that date. Overall, Monadelphous is operating with a relatively stable and moderate level of gearing and together with a low level of debt to capital at 5.9%, it is considered to have the capacity to draw down and service its unused financing facilities (if required).	

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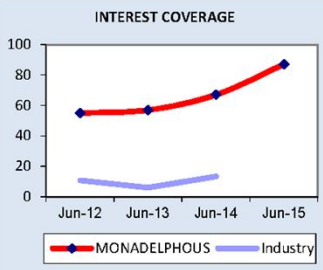
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(vii) Repayment Capability

Relative to the Sector	Change over the Period
Significantly Better than Average	*Recent Deterioration*
This indicator reflects the company's ability to meet total outstanding debt and obligations from business profits.	
Monadelphous' repayment capability indicator deteriorated to 34.5% (2014: 53.0%) however remained significantly better than the sector average. The deterioration in the indicator was impacted by the 28.3% decrease in pre-tax profit to $147.0m (2014: $205.2m), reflecting lower sales and the $10.4m asset sale gain reported in FY14. Despite the decrease in pre-tax profits, pre-tax margins decreased marginally and remained at a sound level of 7.9% (2014: 8.8%) reflecting savings made from the cost reduction program being undertaken by the Group. Overall, Monadelphous' repayment capability is considered strong and the entity is expected to have the capacity to draw down and service its unused $68.8m revolving credit facility (if required).	**The higher the better**

(viii) Interest Coverage

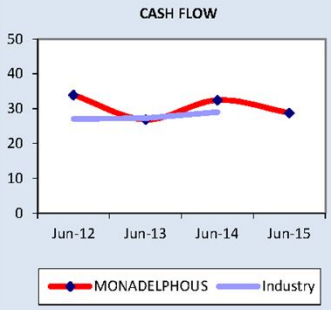
Relative to the Sector	Change over the Period
Significantly Better than Average	*Improvement*
This indicator reflects the company's level of profits that is available to meet its total interest expense obligations.	
Monadelphous' interest coverage improved to 87.4 times (2014: 67.2 times) and remained significantly better than the sector average. Despite the decrease in EBIT to $148.7m (2014: $208.3m), borrowing costs decreased by 45.2% to $1.7m (2014: $3.1m), supporting the improvement in the indicator. Overall, Monadelphous interest coverage is considered to be at a strong level and together with a low debt to capital level of 5.9% is considered to have the capacity to draw down and service its unused $68.8m revolving credit facility (if required).	**The higher the better**

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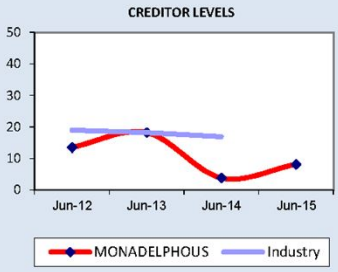
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(ix) Cash Flow Coverage

Relative to the Sector	Change over the Period
Average	*Recent Deterioration*
This indicator reflects the level of cash that is generated from business activity which is available to meet short-term cash commitments. Cash flow is a critical indicator of credit risk.	
Monadelphous' cash flow coverage deteriorated to 28.8% (2014: 32.4%) of current liabilities to be broadly in line with the sector average. Whilst net operating cash remained stable at $117.8m (2014: $117.6m), the 10.0% increase in total liabilities impacted the indicator. Despite the deterioration the indicator is considered to be at a sound level to support current commitments when due and this is further augmented by access to $68.8m in unutilised revolving credit facility at Jun15.	**The higher the better**

(x) Trade Creditor Exposure

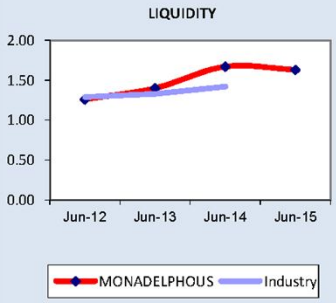
Relative to the Sector	Change over the Period
Better than Average	*Recent Deterioration*
This indicator reflects the company's ability to manage cash flow and how it uses trade creditors in funding cash flow. Generally the higher the level of outstanding payables the higher the exposure to unsecured creditors.	
Monadelphous' level of exposure to trade creditors deteriorated to 8.2% (2014: 3.9%) of total assets however remained better than the sector average. The deterioration in the indicator was impacted by the substantial increase in trade creditors to $64.9m (2014: $29.0m). This was partially offset by the 5.9% increase in the total asset base to $794.2m (2014: $750.2m). Although the indicator deteriorated it is considered to be at a relatively low level. Creditor days also increased to 14.1 days (2014: 5.1 days) however remain at a manageable level.	**The lower the better**

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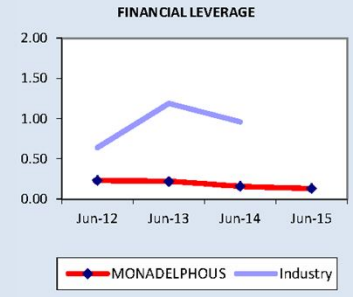
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(xi) Liquidity

Relative to the Sector	Change over the Period
Better than Average	*Recent Stability*
This indicator reflects the company's level of liquid assets that would be available to meet short-term cash commitments.	
Monadelphous' current ratio slightly deteriorated to 1.63 times (2014: 1.67 times) however remained better than the sector average. While current assets increased by 9.8% to $665.6m (2014: $606.3m), current liabilities increased by 12.9% to $409.2m (2014: $362.6m) and impacted the deterioration in the indicator. Overall, the Company's liquidity position is considered to be at a strong level in order to meet its current commitments as and when they fall due. This is also supported by unencumbered cash reserves of $209.8m covering 51.3% of current liabilities and is further supported by access to $68.8m in unutilised revolving credit facility at Jun15.	**The higher the better**

(xii) Financial Leverage

Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the subject's level of debt in relation to earnings before interest, tax and depreciation. The level of credit risk increases when this level exceeds five times or is negative.	
Monadelphous' financial leverage position improved to 0.13 times (2014: 0.16 times) and remained better than the sector average. Despite EBITDA decreasing by 26.6% to $172.5m (2014: $235.0m), total debt decreased to $23.2m (2014: $37.0m), and contributed to the improvement in the indicator. This leaves substantial headroom for compliance with typical banking covenants and together with a debt to capital of 5.9% is considered to have the capacity to draw down and service its unused $68.8m revolving credit facility (if required).	**The lower the better (unless negative)**

Each of the financial indicators shown above has a different weighting in calculating the overall Credit Rating. Some are much more heavily weighted than others when assessing the overall credit quality of the subject. The structure, size and industry sector within which the subject operates also have a strong bearing on the overall Credit Rating.

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4.3 Commentary and Analysis

Sales and Profitability

For the twelve months ended Jun15, Monadelphous reported a 19.9% decrease in sales revenue to $1.9bn (2014: $2.3bn). Management indicated that the decrease reflect further deterioration of market conditions and the continued focus by customers (largely resources and energy players) on reducing capital and operating expenditure. Pre-tax profit decreased by 28.3% to $147.0m (2014: $205.2m) impacted by in addition to lower sales the $10.4m gain made by the sale of Skystar Airport Services business. Despite the decrease in pre-tax profits, pre-tax margins decreased marginally and remained at a sound level of 7.9% (2014: 8.8%). This reflects the cost reduction program being undertaken by the Group. The program has delivered savings in excess of $100.0m over the past two years including $56.0m in FY15. A post-tax profit of $105.8m was reported for the year ending Jun15.

Despite a high dividend playout policy of 80%-100%, retained earnings are at a strong level of $220.3m ($215.8m) at Jun15 reflecting a history of strong profitable operations. Retained earnings may however get depleted, in a declining profitability environment, if similar high level of dividend payments is continued.

Financial Indicators

At Jun15, Monadelphous was observed to be significantly better than the sector average for the key financial indicators relating to repayment capability and interest coverage and better than sector average for working capital, net worth, reinvestment, gearing, trade creditor exposure, liquidity and financial leverage. The Group was in line with the sector average for cash flow coverage and worse than the sector average for profitability.

The Group reported a 27.8% decrease in post-tax profit to $105.8m (2014: $146.5m) impacted by lower sales and the $10.4 gain reported in FY14 from the sale of the Skystar Airport Services business. Although this impacted the deterioration in number of indicators they remained better than the sector average (excluding profitability).

Monadelphous has a strong capacity to meet its short term commitments, with strong working capital representing 13.8% of total sales, high liquidity and operating cash inflows. This is further augmented by unencumbered cash reserves of $209.8m covering 51.3% of current liabilities and access to unutilised revolving credit facility of $68.8m at Jun15.

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The Group has the capacity to fund current operations and future growth having a strong net worth underpinned by retained earnings of $220.4m and share capital of $117.3m.

The Group is also operating with a relatively stable and moderate level of gearing at 53.7% and together with a low level of debt to capital at 5.9% and financial leverage of 0.13 times, it is considered to have the capacity to drawn down and service its unused financing facilities of $68.8m at Jun15 (if required).

Despite the substantial increase in trade creditors to $64.9m (2014: $29.0m), exposure to trade creditors is considered to be at a low level representing 8.2% of the total asset base (2014: 3.9%). Creditor days also increased to 14.1 days (2014: 5.1 days) however remain at a manageable level.

Financial Capacity

Monadelphous' working capital indicator improved to 13.8% (2014: 10.5%) to be better than the sector average. Working capital increased by 5.2% to $256.4m (2014: $243.7m) predominantly supported by the 9.8% increase in current assets to $665.6m which was supported by increased trade debtors. Current liabilities at the same time increased by 12.9% to $409.2m predominantly impacted by higher trade creditors. The Group was observed as having a satisfactory level of working capital with an expectation that it will be able to meet its short term commitments as and when they fall due. This is also supported by unencumbered cash reserves of $209.8m covering 51.3% of current liabilities and access to unutilised revolving credit facility of $68.8m at Jun15.

Monadelphous' net tangible worth (NTW) to sales indicator improved to 18.1% (2014: 14.2%) to be better than the sector average. The improvement in the indicator was supported by the increase in net worth to $336.9m (2014: $330.9m) together with the 19.9% decrease in sales. Total tangible assets increased by 6.2%, being supported by increasing trade and other debtors. Overall, Monadelphous is considered to have a strong net worth underpinned by retained earnings of $220.3m and share capital of $117.3m.

The level of credit risk increases as the size of the contractual commitment approaches the financial capacity constraints of the entity. More specifically, once the size of any single annualised commitment exceeds 30% of the average annualised revenue of the entity for the past three years, the level of risk increases. Monadelphous has averaged annualised sales of $2.3bn in the last three years ended June 2015. The maximum annualised exposure of the proposed contract ($28.0m) represents 1.2% of average

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annual revenue for the last three reporting periods to June 2015 and is considered to be well within capacity and risk-based thresholds.

Sustainable Growth

An area investigated for credit quality purposes is an entity's ability to sustain growth levels based on their internal resources and reserves. The sustainable growth rate (SGR) refers to the rate at which an entity can grow its revenue base without having recourse to external finance, and is calculated as the retained income divided by opening shareholder funds. If an entity is growing in excess of this rate it will require additional funding or will experience deterioration in its key credit indicators and financial strength. In these situations, high growth entities are likely to face liquidity constraints, increased gearing, lower interest coverage and diminished dividend pay-outs. At June 2015, Monadelphous has a sustainable growth rate of less than 30%, and has operated within sustainable parameters for the year ended June 2015.

Debt Maturity and Funding

At Jun15, Monadelphous had total debt of $23.2m (2014: $37.0m) which comprised of the following:

- $1.7m in current bank finance
- $10.2m in current lease liabilities
- $11.3m in non-current liabilities

At Jun15, Monadelphous had access to the following funding facilities:

- $92.0m revolving credit facility of which $68.8m was unutilised at Jun15.
- $675.0m bank guarantee and performance bond facility of which $282.4m was unutilised at Jun15.

Management advised that the Group is incompliance with all financial, operating and reporting covenants at Jun15.

Related Party Information

At Jun15, there was $8.0m (2014: $2.0m) in current related party receivables extended to associate AnaeCo Limited, representing 3.1% of working capital.

At Jun15, there were nil non-current related party receivables (2014: Nil).

At Jun 15, there were nil loans owing to related parties (2014: Nil).

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Other Financial Items and Information

A search of the adverse file on 16 Sept 2015 revealed 2 court writs issued against the group, with both now discontinued. The amounts concerned were not material.

Monadelphous is subject to a $130.0m legal claim filed in June 2015 in the Supreme Court of Queensland, in relation to the Wiggins Island Coal Export Terminal (WICET) contract, which Monadelphous undertook as a JV (MMM- an unincorporated joint arrangement). WICET is seeking to recover monies relating to prior payments to MMM under BCIPA (Building and Construction Industry Payment Agency) and previously approved variations. MMM has noted it will vigorously defend the claim and will pursue a $200.0m counterclaim. Work under the contracts has been granted practical completion and BCIPA have already awarded ~$90m in payments to MMM. The above dispute is currently unresolved.

At Jun15, Monadelphous had $392.6m in guarantees provided to various clients for satisfactory contract performance.

Accounting Policies: Critical Estimates & Judgements

Notes to the auditor reviewed financial statements for the year ended Jun 2015 disclose the accounts have been prepared in accordance with the Corporations Act 2001 and comply with International Financial Reporting Standards. As such, there are no specific issues that have required comment relating to revenue recognition, inventory, provisions, asset valuation / impairment, and any other policies and associated commentary.

Post Balance Date Events and Subsequent Information

Other than as disclosed elsewhere in this report, there were no other material events subsequent to the end of the financial period.

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Recent Media Announcements/News Articles

17 August 2015: Monadelphous Secures Facilities Maintenance Services Contract
https://www.monadelphous.com.au/news/2015/08/facilities-management-services-contract/

Monadelphous was awarded a new three year facilities maintenance services contract associated with Barrow Island assets operated by chevron Australia Pty Ltd. The contract is for the operations and maintenance of support facilities and associated utilities.

31 July 2015: Monadelphous Contracts Update
https://www.monadelphous.com.au/news/2015/07/monadelphous-contracts-update/

Monadelphous has been awarded $130.0m worth of new construction and maintenance contracts for customers in the resources, energy and infrastructure markets.

These include:

- A three-year contract to provide project, maintenance and shutdown works for Queensland Alumina Limited in Gladstone, Queensland.
- A three-year contract with two one-year extension options for Australia Pacific LNG Pty Ltd for the fabrication and supply of wellhead separator skids to be commissioned at various locations around the Surat Basin, Queensland. This contract is with SinoStruct, Monadelphous' China fabrication business.
- A contract with the Barrhill Chertsey Irrigation Limited and Electricity Ashburton Limited Joint Venture for the design, construction and commissioning of a 40 km long, gravity and pressurised piped irrigation scheme for farming properties in Methven, New Zealand.
- A three-year contract with a one-year extension option for the provision of labour services for South32 Worsley Alumina Pty Ltd at Worsley Alumina in Collie, Western Australia .
- A contract with BM Alliance Coal Operations Pty Ltd to provide maintenance works for a major dragline shutdown at Blackwater Mine in Blackwater, Queensland.

Credit Risk Migration

Monadelphous Group Limited's credit quality remained stable at 'BBB-' at June 2013 and June 2014 and deteriorated to a 'BB+' at June 2015. The Group therefore held a near-prime credit classification at June 2015 which is in-line with the sector average level of risk. The deterioration takes into account Monadelphous high exposure to the resources and energy markets where due to depressed commodity prices customers are curtailing their capital investments. This has resulted in the decrease in revenues

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and pre-tax profits over the review period. In addition, broker projections for revenue and pre-tax profit for FY16 also disclose a decrease. New order wins to Aug15 have also decreased to $880.0m compared to $1.8bn for the FY14. Although management foresee number of new opportunities in the maintenance and industrial division these carry lower margins in comparison to the engineering construction division.

Current Year Forecast

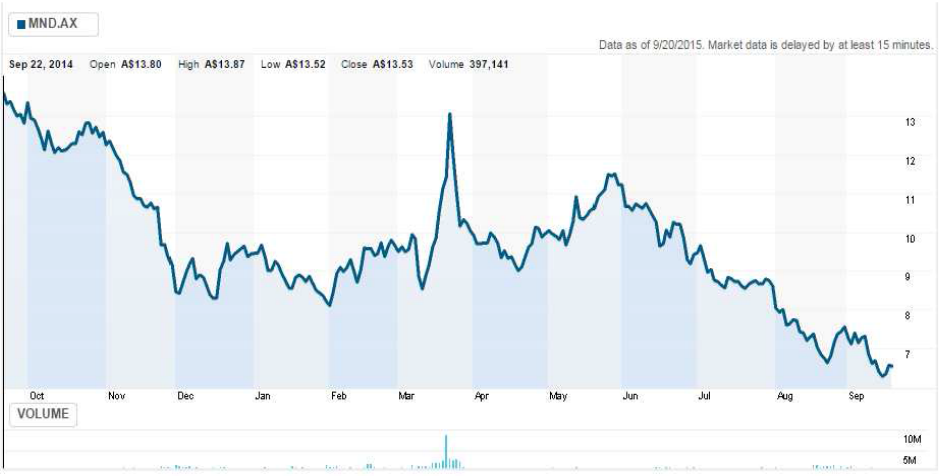
Monadelphous did not provide us with projections for FY16. However being a public company broker estimates sourced through Bloomberg projects revenues to decrease by 14.2% to $1.6bn (2015: $1.9bn). Pre-tax profit is also estimated to decrease by 25.7% to $109.3m (2015: $147.0m).

Credit Outlook

Based on broker estimates for FY16, new order wins and the outlook for commodity prices (Monadelphous end customers largely in the resources and energy markets), Veda Corporate Ratings has assigned Monadelphous a stable to negative outlook.

Share Price

Monadelphous Group Limited is listed on the Australian Stock Exchange (MND AU) and the Group's share price closed at $6.50 (18 Sep 2015) with a market capitalisation of approximately $605.8m. Monadelphous Group Limited has traded within a 52 week high of $14.17 and a low of $6.09.



(Source: http://www.reuters.com/finance/stocks/chart?symbol=MND.AX)

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5. Credit Opinion

The Corporate Credit Rating for Monadelphous Group Limited at 30 June 2015 on a consolidated basis is:

Risk Rating	Monadelphous	Sector
• Jun 2013	BBB-	BB+
• Jun 2014	BBB-	BB+
• Jun 2015	BB+	N/A
Risk Trend	Deterioration	Stable
Probability of Distress / Default		
• Short-term (1 year period)	0.88%	0.88%
• Medium-term (3 year period)	3.66%	3.66%
• Long-term (5 year period)	5.93%	5.93%

Monadelphous Group Limited's credit quality remained stable at 'BBB-' at June 2013 and June 2014 and improved to a 'BB+' at June 2015. The Group therefore held a near-prime credit classification at June 2015 (investment grade ranging from 'AAA' to 'BBB-'), indicating, in pure credit rating terms for industrial board companies, a below average position with a moderate level of risk. The short-term probability of default is 0.88% which is in-line with the sector average level of financial risk.

In summary, our **key findings** include:

- For the year ended Jun15, sales revenue decreased by 19.9% to $1.9bn (2014: $2.3bn). Management indicated that the decrease in revenues reflect the reduction in capital spend by customers. Pre-tax profits decreased by 28.3% to $147.0m (2014: $205.2m) and reflect in addition to lower revenues the $10.4m gain made by the sale of Skystar Airport Services business.

- Despite the decrease in pre-tax profits, pre-tax margins decreased marginally and remained at a sound level of 7.9% (2014: 8.8%). This reflects the cost reduction program being undertaken by the Group. The program has delivered savings in excess of $100.0m over the past two years including $56.0m in FY15.

- The Group has the capacity to meet short term commitments when due, having sufficient working capital, liquidity and strong operating cash flows. This is further augmented by access to unutilised revolving credit facility of $68.8m.

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- Strong net worth underpinned by retained earnings of $220.3m and share capital of $117.3m suggesting capacity to fund current operations and future growth.

- A further strength is the Group's capacity to draw down and service the unused headroom ($68.8m) of credit facility (if required), having a moderate and relatively stable gearing profile at 53.7%, a low level of debt to capital at 5.9%, and strong serviceability metrics.

- Despite the increase in trade creditor exposure to 8.2% (2014: 3.9%) it remains at an acceptable level and creditor days are well managed at 14 days (2014: 5 days).

- The annualised exposure of the proposed contract ($28.0m) is well within the capacity and risk based thresholds for the Group.

- A key challenge is Monadelphous end customers are largely operating in the resources and energy markets where depressed commodity prices have reduced capex investments. This has resulted in reducing available opportunities.

- A slowdown in new order wins. In FY15 the Group secured $450m in new contracts and secured $430m in additional work subsequent to Jun15. This is in comparison to $1.8bn in new contracts secured in FY14.

- Declining revenues and pre-tax profit over the review period with a further decrease projected for FY16.

- The continuous deterioration in the cash conversion cycle to 57 days (2014: 53 days, 2013: 35 days) reflects a slowing in the collection of receivables.

- The $130.0m legal claim filed in June 2015 in the Supreme Court of Queensland, in relation to the Wiggins Island Coal Export Terminal (WICET) contract remains unresolved.

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Following our detailed analysis our OPINION is that Monadelphous Group Limited has a credit rating of **'BB+'** at June 2015 being a near-prime classification with a low to moderate level of risk. Monadelphous Group Limited is considered **conditionally acceptable** for the purposes of this engagement subject to the following recommendations:

- Cross company guarantee to be obtained from Monadelphous Group Ltd (the assessed entity) on behalf of Monadelphous Engineering Pty Ltd the tendering entity.

- A Bank Guarantee or Surety Bond to be obtained with a minimum value of 5.0% of the contract value from a bank or a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/defects period.

- Reporting covenant be imposed requiring Monadelphous to participate in an ongoing financial monitoring regime throughout the course of the project, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).

While credit ratings reflect an opinion of the financial viability and capacity to honour contractual commitments moving forward, they are based on the information available at the time of the assessment. The scope of this report does not include an ongoing review of the credit quality of the entity. It is strongly recommended that regular assessments of the credit quality and financial position of the Company be conducted throughout the course of the engagement.

This report should be read within the context of Corporate Scorecard's Rating Services Guide. The information contained herewith is for the exclusive use of the Parkes Shire Council and shall not be disclosed to any other person or entity without written consent from Corporate Scorecard Pty Ltd. The report should be taken as a whole and cannot be abridged or excerpted for any reason.

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APPENDICES

1. Explanation of the Corporate Scorecard Credit Rating

1.1 What is a rating?

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity, issuer, or counterparty to meet their respective financial commitments. As such, Corporate Scorecard assigns ratings based on the credit worthiness of an entity, commitment or product, and provides probabilistic assessments of default over the short, medium and long-term.

Credit ratings are a critical measure used extensively in commercial, financial and capital markets to support key business decisions. Corporate Scorecard's ratings are used to support debt and bonding decisions, loan origination and recovery, insurance and warranty, funds management, portfolio management, tendering and procurement, counterparty risk assessments and other commercial contracts.

Corporate Scorecard provides credit ratings on government and commercial agencies, international conglomerates, infrastructure consortia, financial institutions, publicly listed entities, private corporations and small-to-medium sized enterprises across a range of industry sectors both domestically and internationally. As such, Corporate Scorecard is also able to provide detailed industry intelligence, benchmarking reports and analysis across a wide range of sectors.

1.2 Corporate Scorecard Credit Rating

Corporate Scorecard and other Credit Rating Agencies all attempt to measure the probability of an entity being able to honour its financial commitments as and when they fall due. The most recognised credit rating is that based on Bond Rating Equivalents (BRE) used over the past eighty years to determine the proximity of an entity's securities to default (non-payment of interest or principal). The accuracy of this method has been extensively tested and is accepted worldwide.

The Corporate Scorecard database contains more than 65,000 financial years of information spanning more than twenty-five years. As such Corporate Scorecard is in a unique position, having developed a large and empirical data source on entities across various industry sectors with long data histories covering a range of economic conditions and one or more complete business cycles. Corporate Scorecard has therefore been able to use a variety of quantitative validation tools and comparisons using this information to adequately verify the stability, accuracy and consistency of its rating models.

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Corporate Scorecard's rating models have been designed to assess the proximity of an entity to defaulting on its financial commitments and obligations. Proprietary risk analytics are used to evaluate the multivariate interrelationship of key risk indicators using scientifically based and empirically derived risk metrics. These models evaluate the financial performance, position and profile of an entity in the context of its industry, size and structure. They have been validated on Australian and International data with the assistance of Professor Edward Altman, an internationally recognised leader in the field of credit risk analysis and bankruptcy prediction.

Corporate Scorecard uses its comprehensive benchmarking database to evaluate the financial position, performance and credit quality of an agency, institution, corporation or entity relative to an industry and its peers. This enables the identification of key sensitivities, trends, cautionary alerts and exception reports based on identified anomalies and/or outliers across key credit indicators of a select benchmarking group.

While there is no single method to discriminate unambiguously between firms that will default and those that will not, Corporate Scorecard can make probabilistic assessments of default. This requires a large database of actual defaults to enable an assessment of default probabilities and actual default rates from empirical evidence. The Australasian market has a comparatively small number of corporate bond issues and a relatively benign credit climate over recent decades, and as such empirical data on Australian default rates is limited. Therefore Corporate Scorecard considers it is more appropriate to apply default probabilities using empirical data from international markets over several economic cycles.

Corporate Scorecard's default statistics have been derived from nearly twenty years' experience analysing mainly US non-financial, non-utility corporate bond issuers. The analysis covered a relatively large number of companies (approximately 1,000 rated each year) and follows the well-established static pool approach used by Credit Rating Agencies to report their default experience. Static pools were created for bond issuers each year by both notch and grade, and the history of these bond issuers was then analysed over the period. The pools were then combined so that long-term average default experience by duration could be calculated, and both annual and cumulative default experience was calculated from the pools.

Corporate Scorecard's risk analytics enable analysts to evaluate the most critical and sensitive financial and risk items through the Risk Assessment Platform by analysing key indicators to derive a definitive credit risk score and Bond Rating Equivalent (BRE), providing Probabilities of Default (PoD) over the short-, medium- and long-term horizon.

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1.3 Rating Definitions

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity to meet their respective financial and contractual commitments. As such credit ratings are assigned in accordance with the entity, commitment or product's proximity to default. Corporate Scorecard's credit ratings adhere to internationally recognised grades and are similar to other agency classifications, providing ratings across twenty-two credit notches from 'D' (in default) to 'AAA' (extremely strong).

Moody's	Fitch	S&P	Rating	Classification	Risk Level
Aaa	AAA	AAA	AAA	High Grade	Negligible
Aa1	AA+	AA+	AA+		
Aa2	AA	AA	AA		
Aa3	AA-	AA-	AA-		
A1	A+	A+	A+	Investment Grade	Very Low
A2	A	A	A		
A3	A-	A-	A-		
Baa1	BBB+	BBB+	BBB+		Low
Baa2	BBB	BBB	BBB		
Baa3	BBB-	BBB-	BBB-		
Ba1	BB+	BB+	BB+	Near Prime	Low to Moderate
Ba2	BB	BB	BB		
Ba3	BB-	BB-	BB-		
B1	B+	B+	B+	Sub Prime	Moderate
B2	B	B	B		
B3	B-	B-	B-		High
Caa1	CCC	CCC+	CCC+	Credit Watch	Very High
Caa2		CCC	CCC		
Caa3		CCC-	CCC-		
Ca		CC	CC	Distressed	Extremely High
		C	C		
C	D	D	D		

Corporate Scorecard assigns ratings based on the credit worthiness of an entity or a specific financial commitment, and provides probabilistic assessments of default over the short, medium and long-term.

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Every entity or commitment has some probability of default over a period of time, even those assigned with the strongest of ratings. An Investment Grade classification is attributed to credits that exhibit a lower probability of default, while a Sub-Prime classification has a greater expectancy of default.

A Corporate Scorecard Credit Rating may also be assigned additional clarification markers (symbols) to qualify the credit risk assessment. These may include:

Conditional Rating (#)

A Conditional Rating is used where Corporate Scorecard has rated an entity on the basis of significant risk factors and/or report qualifications, with recommendations providing one or more conditions precedent and/or mitigation action(s) to reduce identified uncertainty and risk.

Provisional Rating (*)

A Provisional Rating is used when the most recent financial figures are based on draft management accounts or are deemed out-of-date. Entities with a provisional rating should be re-evaluated as soon as finalised financial statements become available.

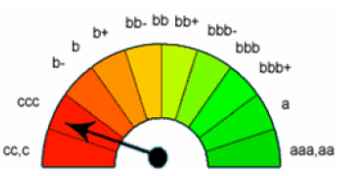
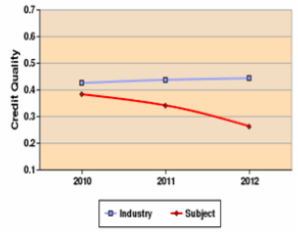
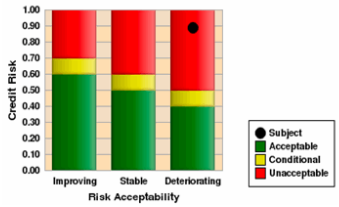
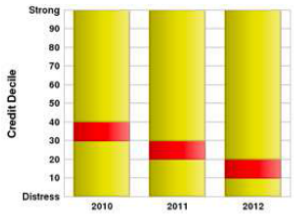
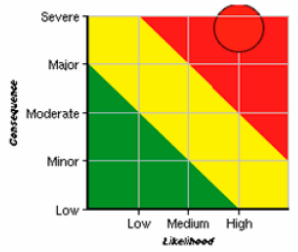
Indicative Rating (^)

An Indicative Rating is used where Corporate Scorecard is engaged to conduct preliminary analysis only, and as such an official rating assignment would require a more detailed and comprehensive investigation and due diligence assessment prior to the provision of our professional opinion.

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1.4 How to interpret the risk rating graphs?

Risk Graph	Description
	**Risk Rating** This graph indicates the current credit quality on the credit rating scale from **c** (imminent default) to **AAA** (extremely strong). Generally, a risk analyst would prefer the credit quality to have investment grade classification (from 'AAA' to 'BBB-'), as represented by the green section on the risk rating odometer. While a sub-prime classification has a higher risk profile, this may continue to be adequate depending on the particular commercial obligation and circumstances.
	**Risk Trend** This graph indicates the trend of risk and credit quality migration over the period assessed. The risk profile of the entity and/or its commitment is displayed relative to the average for the industry. The vertical axis portrays the overall credit quality, with a higher score reflecting a stronger credit quality and lower risk profile. Generally a risk analyst will be more concerned with a trend of risk chart that displays a volatile risk score, one that is lower than the industry average, or one that shows signs of deterioration over time.
	**Risk Level** This graph integrates the current level and trend of risk to derive a projection of risk acceptability. The vertical axis displays the credit risk along an ordinal scale, with a low score implying a low level of risk. The horizontal axis represents the trend of risk and credit migration over time. Generally a risk analyst will be concerned where the trend and/or level of risk would result in an unacceptable risk profile for the purposes of the commercial obligation.
	**Risk Decile** This graph indicates the risk profile of the rated credit relative to the industry sector, and highlights how this has changed over time. The credit quality is assessed over each period of the assessment horizon, and is positioned within the respective credit risk decile. A ranking within the 0-10 decile infers the rated entity or commitment is within the bottom 10% of rated credits for that sector, with 90% of other rated engagements being assigned a stronger credit quality. Generally a risk analyst will be concerned where the risk decile is low or is deteriorating over time relative to other rated credits within the sector.
	**Risk Severity** This graph integrates the size and risk exposure of the commitment (consequence) relative to the likelihood of a default event. The higher the severity and probability of risk, the more likely the risk will be considered to be unacceptable, subject to appropriate recovery and preventative risk mitigation. The colour of the bubble reflects the underlying credit quality, corresponding to the credit rating odometer. The size of the bubble reflects the variability of the risk estimate, with a larger bubble inferring a lower overall confidence index. The level of risk variance is influenced by the quality of the financial information (i.e. audited), the extent of disclosure, interim period adjustments, sustainable growth, inherent complexity, vulnerability to key sensitivities, risk stability ratios, and any potential rating qualifications.

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1.5 Credit Concepts measured

The main credit concepts measured against Australian and New Zealand Standard Industry Classifications (ANZSIC) and specific Peer Groups based on entity size are:

1) **Activity (Sales / Total Assets) –** reflects the efficiency of management in generating and growing sales from the asset base of the subject

2) **Stability (Sales Volatility) –** reflects the ability of management in maintaining the subject's stability and in generating a stable trend of sales performance over time

3) **Profitability (Net Income / Total Assets) –** reflects the current year's level of profit that remains for reinvestment into the business to fund improvement and future growth

4) **Reinvestment (Retained Earnings / Total Assets) –** reflects the cumulated level of profit that has been reinvested into the business over time to fund future growth

5) **Repayment Capability (Profit before tax / Total Liabilities) –** reflects the subject's ability to meet total outstanding debt and obligations from business profits

6) **Gearing (Total Liabilities / Total Assets) –** reflects the extent of total debt outstanding relative to the subject's total asset pool

7) **Interest Coverage (Profit before Tax / Interest Expense) –** reflects the subject's level of profits that are available to meet its interest expense obligations

8) **Creditor Management (Trade Creditors / Total Assets) –** reflects the subject's ability of managing cash flow and how it uses creditors in funding cash flow

9) **Cash Flow (Cash Flow before tax / Current Liabilities) –** reflects the level of cash that is generated from trading activity that is available for short term cash commitments

10) **Liquidity (Current Assets / Current Liabilities) –** reflects the subject's level of liquid assets that would be available to meet short term cash commitments

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2. General Disclaimer

We have prepared the attached document based on the information obtained from or on behalf of the subject of this assessment. The credit ratings and our recommendations are qualified on the basis of the accuracy, completeness and currency of the information provided to us. As such, subsequent information or changes in the information previously provided could result in changes to our assessment and the recommendations in this report.

Whilst Corporate Scorecard has taken proper care in assessing the completeness and accuracy of the information provided to it, it has not conducted an audit of the information or of the subject. The report should therefore not be construed as an audit opinion. Corporate Scorecard cannot and does not express an opinion as to the accuracy or completeness of the information provided, the assumptions made by the parties providing the information, or the conclusions reached by those parties.

This report is prepared for the exclusive use of our Client and is not to be made available to any other person or party. Corporate Scorecard's official ratings release mechanism may be provided for the purpose of providing authorised disclosure of the rating and our report.

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veda applied intelligence Corporate Ratings

Comprehensive Credit Rating Report

Aquatec Maxcon Group Limited

Comprehensive Credit Rating Report

Prepared on:

Aquatec Maxcon Group Limited (ABN: 41 009 813 030)

On behalf of Aquatec Maxcon Pty Ltd (ABN: 45 002 250 482)

AQUATEC MAXCON

Prepared for:

Jason Myers

Parkes Shire Council

Veda Corporate Ratings / Corporate Scorecard Pty Ltd
10 September 2015
AFS# 341391

General Manager

Mayor

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1. Executive Summary

Aquatec Maxcon Group Limited

The purpose of this report is to determine Aquatec Maxcon Group Limited's ("AMG", "the Group") financial capacity on behalf of Aquatec Maxcon Pty Ltd to undertake the design, construction and operation/maintenance of the new Parkes Water & Sewage Treatment Plant under a joint venture with Haslin Constructions Pty Ltd.

The Group is one of the leading Australian providers of water and wastewater technology and equipment that recorded a 21.1% decrease in sales revenue to $71.5m during FY2015 with a pre-tax loss of **-$1.5m** (2014: $2.6m).

Veda Corporate Ratings has assigned AMG a credit rating of 'BB' being a near prime classification with a low to moderate level of risk. The rating reflects the industry dynamics within which AMG operates, its market position with a low risk customer base, acceptable order book, sound liquidity profile, strong internal reserves and manageable exposure to trade creditors. However, AMG's rating is constrained by the loss incurred during FY2015 and the recent breach of its banking covenant.

Key Strengths

- Supportive industry dynamics with continued population growth, improved drinking water guidelines and stricter controls on wastewater treatment. However the industry is still dependent upon the level of government spending on water related infrastructure initiatives.
- The Group recently developed a new technology for sewage treatment, Nereda® that is expected to significantly reduce the capital costs and one-third of the operating costs of sewage treatment plants.
- Well established group with multi-jurisdictional operations and a low risk customer base comprising predominantly of public sector entities.
- The Group's forecast for FY2016 is appropriately supported by its order book with 51% of forecast revenue being secured and together with a strong pipeline of future works.
- Capacity to meet its current commitments with a sound liquidity profile supported by strong cash reserves.
- Well positioned to support its current operations and future growth with a strong level of internal reserves supported by retained earnings of $29.9m.
- Manageable exposure to trade creditors supported by the sound liquidity profile.
- The Group's 50% share of the proposed contract appears to be within the capacity and risk based thresholds.

Key Challenges

- Substantial contraction in sales revenue during FY2015 with the Group incurring a loss during the year, being impacted by a low volume of work at the start of the year and certain under-performing contracts.
- May face challenges in obtaining additional external finance (if required) with the Group in breach of its interest coverage covenant during FY2015.
- The Group's liquidity is dependent upon the turnover and realisable value of its inventories as evidenced by a low quick ratio of 0.78 times which also results in a relatively high cash conversion cycle.
- Moderate level of client/project concentration risk with the Group's top 3 projects representing ~56% of the total unearned order book. However, the Group's customer base is of low risk in terms of payment default.

Following our detailed analysis our OPINION is that AMG has a credit rating of 'BB' at June 2015 being a near prime classification with a low to moderate level of risk. AMG is considered to be **conditionally acceptable** for the purposes of this engagement subject to recommendations outlined overleaf.
Please refer to the full report for further information.

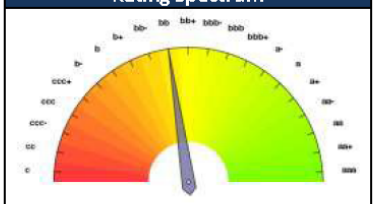
Assessment Outcome

Conditionally Acceptable

BB

Point in time only

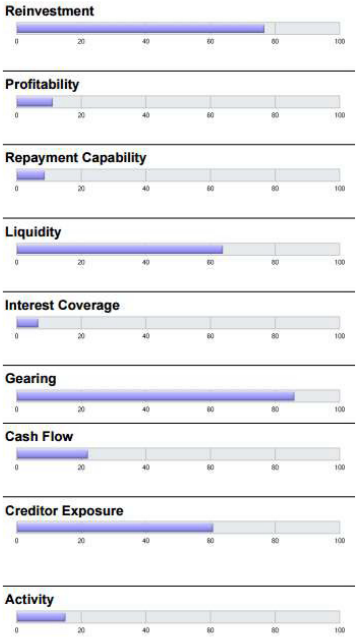
Rating Spectrum



Rating Trend

Risk rating	Sector	AMG
Jun 2013	BB+	BB
Jun 2014	BB+	BB
Jun 2015	N/A	BB
Rating Trend	Stable	Stable

Risk Indicators



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1.1 Recommendations

Following our detailed analysis our OPINION is that Aquatec Maxcon Group Limited has a credit rating of 'BB' at June 2015 being a near-prime classification with a low to moderate level of risk and is considered **conditionally acceptable** to act as parent company guarantor on behalf of Aquatec Maxcon Pty Ltd for the purposes of this engagement subject to the following recommendations:

Conditions Precedent

- Confirmation to be obtained from the Group's bank that it will continue to provide banking facilities to the Group together with any additional terms or conditions required in light of the breach of the interest coverage covenant during FY 2015.
- The proposed contract should include appropriate provisions for either of the joint venture partners to take over the whole contract in the event of failure or non-performance by either partner.

Preventative

- Prompt monthly progress payments to be made by the Parkes Shire Council for the duration of the proposed contract in order to support the Group's liquidity position due to the relatively high client concentration risk if the Group is to be fully responsible for the whole project.

Recovery

- A Bank Guarantee or Surety Bond to be obtained of 5.0% of the contract value from a bank or suitable Tier 1 issuer with an investment grade credit ranking, for the duration of the contract and any warranty/defects liability period.
- Cross company guarantee to be obtained from Aquatec Maxcon Group Limited (the assessed entity) on behalf of the tendering entity, Aquatec Maxcon Pty Ltd.

Ongoing Financial Monitoring

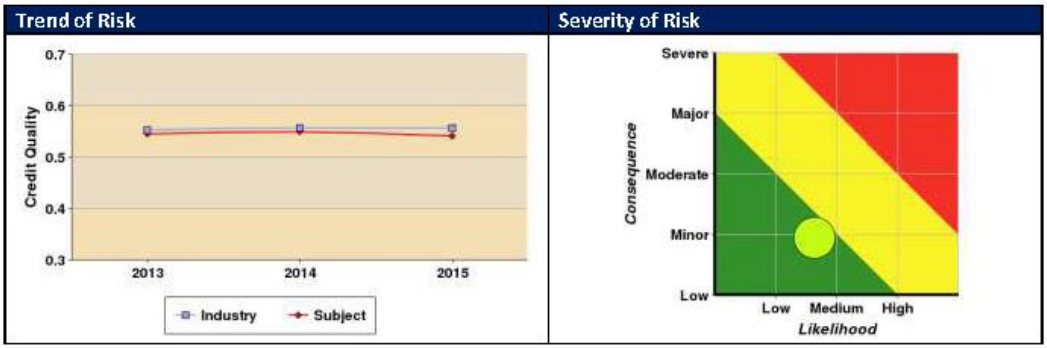
- Reporting covenants be imposed requiring both Aquatec Maxcon Group Limited and Aquatec Maxcon Pty Ltd to participate in an ongoing financial monitoring regime throughout the course of the contract, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of the Parkes Shire Council).

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1.2 Risk Diagnostics



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2. Scope of Report

The purpose of this report is to determine Aquatec Maxcon Group Limited's ("AMG", "the Group") financial capacity on behalf of Aquatec Maxcon Pty Ltd (the tendering entity) to undertake the design, construction and operation/maintenance of the new Parkes Water & Sewage Treatment Plant under a joint venture with Haslin Constructions Pty Ltd on behalf of the Parkes Shire Council.

We have compiled this report in accordance with our rating services guidelines in order to derive the credit rating on Aquatec Maxcon Group Limited, which is similar in form and comparability to ratings provided by other ratings agencies. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold or sell any securities or make any other investment decisions. The details pertaining to this report are outlined below:

Report Details	
Date of Report	**10th September 2015**
Request Type	**Non-Issuer (Client Request)**
Assessment Type	**Point-in-Time (Ongoing Monitoring Required)**
Rating Distribution	**Private Rating (Not for Public Release)**
Report Distribution	**Restricted (Exclusive and Confidential Use)**
Purchased By	**Parkes Shire Council**
Report Fee	**Fixed Price**
Subject Entity	**Aquatec Maxcon Group Limited**
Financial Scope	**Consolidated Entity**
Entity Structure	**Public Unlisted Company**
Subject Industry	**E – Construction**

This Report and the information contained herewith is for the exclusive and internal use of the Parkes Shire Council and shall not be disclosed to any other person or entity without written consent from Corporate Scorecard Pty Ltd. The Report should be taken as a whole and cannot be abridged or excerpted for any reason.

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The credit rating is based on an entity's ability to meet and complete the obligation(s) for which it is being rated. The context of this evaluation is as follows:

Commercial Obligation	
Assessment Purpose	**Counterparty / Procurement Risk**
Contract Name	**New Parkes Water & Sewage Treatment Plants**
Joint Venture	**Aquatec Maxcon Pty Ltd and Haslin Constructions Pty Ltd**
Contract Role	**Parent company guarantor on behalf of the JV partner**
Total Contract Value	**$35.0m**
Maximum Annualised Commitment	**$28.0m**
AMG's Share of Total Contract Value (50%)	**$17.5m**
AMG's Share of Maximum Annualised Commitment (50%)	**$14.0m**
Contract Duration	**18 months**
Payment terms	**Progress monthly payments in arrears**

We have conducted this assessment on the basis of information provided by Aquatec Maxcon Group Limited, publically available information and from our own enquiries. We have derived a credit rating on the subject based on the understanding that it has no contingent liabilities, cross guarantees or other liabilities to any other entity other than as disclosed to us or as detailed in the financial statements. Our duty does not include auditing the financial statements.

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Information Sources	
Financial Statements	**Management Accounts for the year ended 30 June 2015** **Audited Financial Statements for the years ended 30 June 2014 and 2013**
Other Information Sources	**ASIC, Adverse Search, Group Website, Industry Databases, Public Records**
Subject Participation	**Yes**
Material Financial Adjustments	**None**
Limitations of Assessment	**Management accounts were used for this assessment which may not have included all the adjustments required in preparing statutory financial statements.** **The Group breached its interest coverage covenant during FY2015. Although the bank has been informed of this breach, however its potential implications are unclear at this stage.** **The Group has exposure to joint ventures and other counterparties which have not been assessed within the scope of this assessment.** **Certain legal actions and claims in progress against the Group, the potential financial impact(s) of which is unknown at this stage.**
Potential Conflict of Interest	**None noted**

This report should be read within the context of Corporate Scorecard's Rating Services Guide.

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3. General Background of the Subject

3.1 Company Overview

Subject Name	Aquatec Maxcon Group Limited
Type of Entity	Public Unlisted Company
ABN	41 009 813 030
Registered Address	119 Toongarra Road Wulkuraka QLD 4305
Date of Registration	22 Jun 1970
Corporate Status	Registered
History	The Aquatec Maxcon Group commenced operations in 1970.
Principal Activities	The Group provides a vertically integrated range of services from process selection and design, civil construction, mechanical and electrical equipment, installation, commissioning and maintenance of water and wastewater treatment plants. The Group's customers include potable, industrial and municipal clients. Projects are undertaken in all states of Australia, New Zealand as well as Internationally, supported from offices in Brisbane (Ipswich), Sydney, Melbourne and Adelaide. The Group employs over 330 people and has successfully completed projects in New Zealand, Papua New Guinea, Indonesia, Singapore, India, Fiji, Vietnam and China.
Shareholders	The Group's twenty largest shareholders at 26 November 2014 were: 202 Ltd – 45.7% J & P Investments Pty Ltd – 10.6% Octolake Pty Ltd – 6.7% Bott GJ & LJ – 2.7% Bretton Pty Ltd – 1.5% Jatirh Pty Ltd – 1.4% Queensland Energy Pty Ltd – 1.2% Quindus Pty Ltd – 1.2% Richardson J.H. & P.E. – 1.2%

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Evans L.J. – 1.1%

Donwood Pty Ltd – 1.0%

Gilchrist S.P – 0.9%

Trenlin Pty Ltd – 0.9%

Bushfly Air Charter Pty Ltd – 0.8%

Spanlex Pty Ltd – 0.7%

Foots N.A. – 0.6%

Parker G.F. – 0.5%

Foots R – 0.5%

Blake J L & D H – 0.5%

Coghlan P.C – 0.5%

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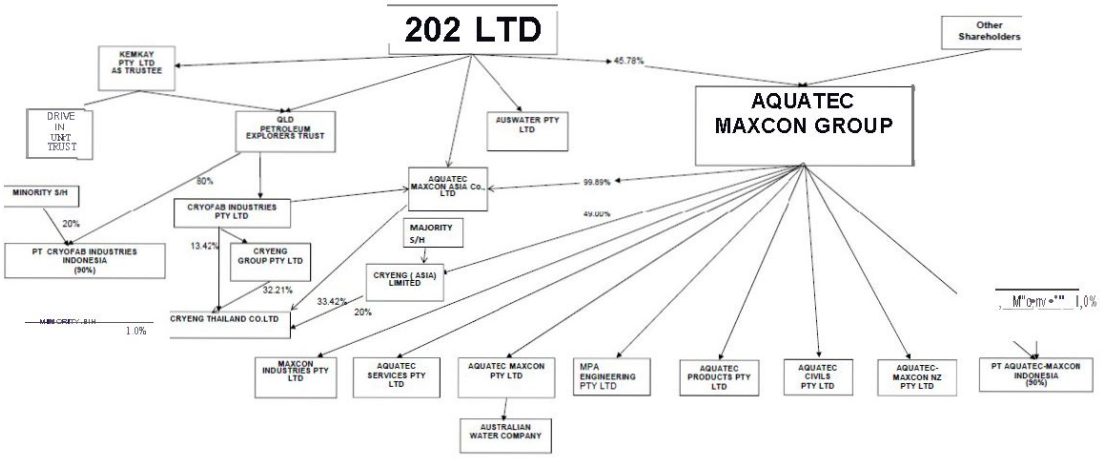
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ORGANISATIONAL STRUCTURE AND RELATED ENTITIES



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3.2 Management Overview

Board of Directors

Director	Address	Date of Birth	Appointment Date
Ross Johnston	17 Wagawn St Tugan QLD 4224	04 Dec 1945	31 May 1989
Peter John Gilchrist	45 Penrose St Auchenflower QLD 4066	24 Sep 1944	30 Apr 1985
Gregory Mark Johnston	18 Phillip Crs Barellan Point QLD 4306	08 Jun 1953	30 Apr 1985

Litigation: A search on 7/09/2015 revealed no court action against the above directors

Bankruptcy: A search on 7/09/2015 revealed no bankruptcy record against the above directors

Peter John Gilchrist – Executive Chairman: B.Eng. (Hons.) (Civil); MBA; M.Eng.Sc.

Gregory Mark Johnston – Managing Director: B.Eng. (Hons.) (Civil); Grad Dip Env Eng; Grad Dip Mgt

Greg has over 30 years' experience at Aquatec-Maxcon in the water industry. He has been associated with all aspects of waste water treatment equipment and all major forms of delivery during that period. He has also project-managed the design, manufacture and installation of projects throughout Australasia, including previous projects with Ipswich City. He has been Managing Director since 1985 and has overseen the substantial growth of Aquatec Maxcon. He has been involved in a wide range of delivery methods including: Design and supply, Construct only, D&C, Guaranteed Maximum Price, Alliances ('Pure' and 'Competitive'), Partnering, Lump Sum and Schedule of Rates.

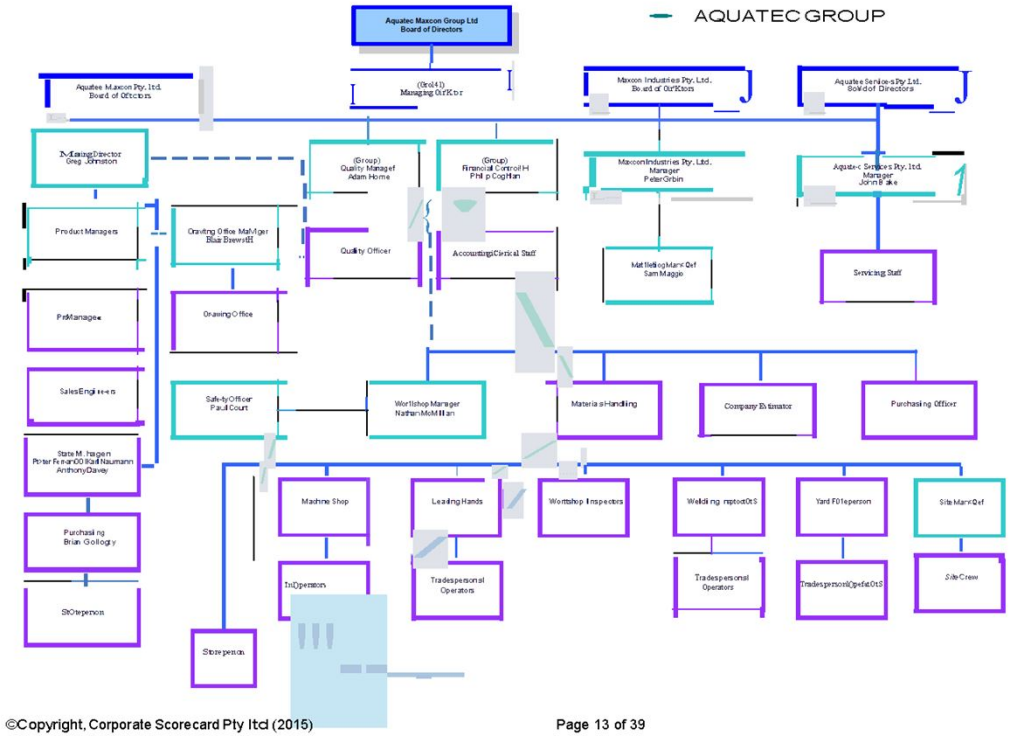
Ross Johnston – Non-Executive Director: B.Com.; FCA

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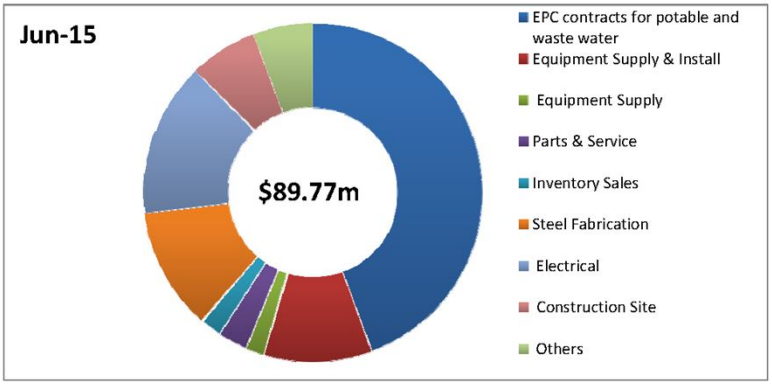
Commereial-in-Confidence



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3.3 Segment Analysis



The Group's division responsible for EPC contracts for potable and waste water was the largest contributor to total gross revenue (before intra-group eliminations) at $42.2m, which represented 47.0% of total gross revenue. Electrical was the next largest division (represented by MPA Engineering Pty Ltd) at $14.1m, representing 15.7% of total gross revenue, and Steel Fabrication (represented by Maxcon Industries Pty Ltd) at $11.1m represented 12.4% of total gross revenue. The balance was made up of Equipment Supply and Installation ($9.9m; 11.0%), Construction Site ($5.5m; 6.9%), Parts & Service ($2.7m, 3.0%), Inventory Sales ($1.9m; 2.2%) and Equipment Supply ($1.7m; 1.9%).

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3.4 Projects Overview

Project	Client	Contract Value ($m)	Estimated Start Date	Expected Completion Date	Percent Complete (%)
Waste to energy plant	Yarra Valley Water	$21.2m	01/09/2015	31/03/2017	0
Construction of Kingaroy WWTP	South Burnett Regional Council	$17.8m	23/10/2014	06/04/2016	45
Design and construction of WWWTP mechanical works	Trility Pty Ltd	$8.3m	24/03/2015	02/03/2018	15
Design & construction of Chinchilla WWTP	Western Downs Regional Council	$9.1m	06/01/2015	28/12/2015	35
Water treatment plant upgrade	South Burnett Regional Council	$8.8m	23/10/2014	31/01/2016	40
Refurbishment of Sewage Process Tanks	Gold Coast City Council	$3.7m	06/07/2015	06/07/2017	0
Design, supply & installation of new rotary screen thickeners	Queensland Urban Utilities	$3.9m	03/02/2015	13/14/2016	20
Stage 2 Water Tmt Plant High Lift Pump Station Upgrade	Rockhampton Regional Council	$3.8m	06/08/2014	09/03/2016	50
Design, supply, install, commission aerators and decanters	Leed Engineering and Construction Pty Ltd	$2.8m	02/02/2015	06/03/2016	50
CB&I - 2 x 333kl Ethylene Tanks	Cryeng Group Pty Ltd	$1.4m	24/03/2015	31/03/2016	15
Others		$20.4m			
Total		**$101.5m**			

The Group has a moderate level of client/project concentration risk with its top 3 projects representing 56.2% of the total unearned order book. However, the Group's customer base is considered to be of low risk in terms of payment default with predominantly public sector clients.

The Group's secured work in hand represents 51.2% of the $100.6m revenue forecast for the year ending June 2016. In addition to the above, the Group has a tender pipeline of ~$484m that supports its future sustainable operations.

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4. Corporate Analysis

4.1 Financial Information

Revenue	Jun 2015	Jun 2014	Jun 2013	Change to	% Change
Sales Revenue	$71.50m	$90.56m	$87.60m	Dec	21.05%
Other Revenue	$0.34m	$0.37m	$1.05m	Dec	8.11%
Total Revenue	$71.85m	$90.93m	$88.65m	Dec	20.98%

Expenses	Jun 2015	Jun 2014	Jun 2013	Change to Jun-15	% Change
Cost of Goods Sold	$61.70m	$73.89m	$64.05m	Dec	16.50%
Depreciation and Amortisation	$2.14m	$1.89m	$1.98m	Inc	13.23%
Other Expenses	$9.50m	$12.53m	$20.91m	Dec	24.18%
Total Expenses	$73.35m	$88.31m	$86.94m	Dec	16.94%

Profit	Jun 2015	Jun 2014	Jun 2013	Change to Jun-15	% Change
Gross Profit	$9.80m	$16.66m	$23.54m	Dec	41.18%
Profit after Tax	($1.28m)	$3.03m	$1.32m	Dec	142.24%
Profit after Tax & Dividends	($2.26m)	$1.55m	$0.43m	Dec	245.81%
Retained Earnings	$29.94m	$32.20m	$30.64m	Dec	7.02%

Financing	Jun 2015	Jun 2014	Jun 2013	Change to Jun-15	% Change
Interest Income	$0.07m	$0.14m	$0.11m	Dec	50.00%
Dividend Income	Nil	Nil	Nil	N/A	N/A
Borrowing Costs	$0.29m	$0.07m	$0.00m	Inc	314.29%
Dividends Paid	$1.09m	$1.09m	$1.09m	Nil	0.00%

Cash Flow	Jun 2015	Jun 2014	Jun 2013	Change to Jun-14	% Change
Net Operating Cashflow	Nil	$1.48m	$6.85m	Dec	78.39%
Net Investing Cashflow	Nil	($1.51m)	($3.88m)	Inc	61.08%
Net Financing Cashflow	Nil	($0.78m)	($0.59m)	Dec	32.20%
Net Cashflow	Nil	($0.80m)	$2.38m	Dec	133.61%

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Balance Sheet	Jun 2015	Jun 2014	Jun 2013	Change to Jun-15	% Change
Working Capital	$12.21m	$14.39m	$14.72m	Dec	15.15%
Total Assets	$75.69m	$75.00m	$70.29m	Inc	0.92%
Total Liabilities	$27.75m	$28.45m	$25.49m	Dec	2.46%
Shareholders' Equity	$47.94m	$46.55m	$44.80m	Inc	2.99%

Other Items as at **June 2015**:

Other Information	Type	Jun 2015
Intangibles	Non-Current Assets	$0.25m
Deferred Tax Assets/Liabilities	Non-Current Assets	$3.40m
	Non-Current Liabilities	$2.19m
Income Tax	Current Liability	($0.10m)
Related Party Receivables/Payables	Current Assets	$0.22m
	Non-Current Assets	Nil
	Current Liabilities	$0.98m
	Non-Current Liabilities	Nil
Interest Bearing Liabilities (including interest bearing Related Party Loans)	Current – Secured	$1.34m
	Current – Unsecured	Nil
	Non-Current – Secured	$0.39m
	Non-Current – Unsecured	Nil
Operating Leases Outstanding	< 1 year	Nil
	>1 year but <5 years	Nil
	>5+ years	Nil
Contingent Liabilities	Additional Information	$30.84*
Registered Charges	Additional Information	Yes**
Court Proceedings / Adverse Check	Additional Information	Yes***

* As at June 2014
** The Westpac Banking Corporation holds registered charges of the Group's assets
*** Refer Other Financial Items and Information on page 27

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4.2 Financial Indicators

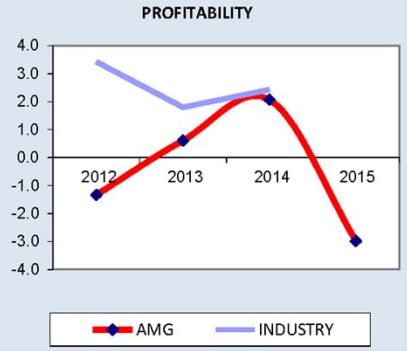
Aquatec Maxcon Group Limited's (AMG) overall Credit Rating was derived after a detailed analysis of key credit and financial indicators. The subject's performance relating to several of these indicators is provided below. Sector averages have been derived from those entities within a specified sector of the ANZSIC Classification Code "E - Construction".

(i) Profitability

Relative to the Sector	Change over the Period
Worse than Average	*Recent Deterioration*

This indicator reflects the current year's level of profit that remains for reinvestment into the business to fund improvement and future growth.

AMG's reinvested profitability indicator deteriorated to **-3.0%** (2014: 2.1%) to remain worse than the sector average. The Group reported a 21.1% decrease in sales revenue to $71.5m (2014: $90.6m), however it incurred a pre-tax loss of **-$1.5m** (2014: profit of $2.6m) during the year. With $1.1m dividends paid during the year (2014: $1.1m), AMG reported a retained loss of **-$2.3m** (2014: $1.6m) during FY 2015. The loss during the year was impacted by a low volume of work at the start of the year and together with certain underperforming contracts. The Group is forecasting a return to profitability during FY 2016 with a pre-tax profit margin of 2.4%. Looking forward, the Group's profitability levels are considerate to be adequate, suggesting sustainable business operations.



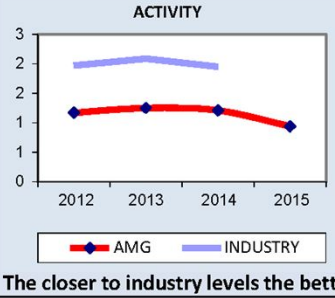
The higher the better

(ii) Activity

Relative to the Sector	Change over the Period
Lower than Average	*Decrease*

This indicator reflects the efficiency of management in generating and growing sales from the asset base of the Group.

AMG's activity indicator decreased to 0.94 times (2014: 1.21 times) to remain lower than the sector average. With the Group's total assets remaining relatively stable at Jun 2015, the indicator was impacted by the 21.1% decrease in sales during the year. As such, the indicator reveals the Group is less efficient, and may be under-trading relative to its underlying asset base and peers.



The closer to industry levels the better

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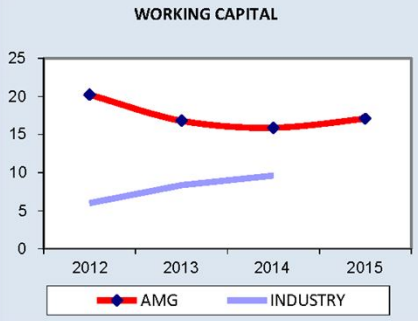
General Manager Mayor

(iii) Working Capital

Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*

This indicator reflects the working capital position relative to the revenue level of the business.

AMG's working capital position decreased by 15.2% at Jun 2015 to $12.2m (2014: $14.4m). However, with sales decreasing by 21.1% during the year, this supported the improvement in the indicator to 17.1% (2014: 15.9%) of sales to remain better than the sector average. Together with the 5.0% decrease in current assets at Jun 2015 (predominantly impacted by lower trade and other receivables), the 1.1% increase in current liabilities (impacted by higher short term debt and revenue in advance) impacted the Group's working capital position at Jun 2015. AMG's working capital position is dependent upon the turnover and realisable value of its inventories as evidenced by a low quick ratio of 0.78 times which also results in a relatively high cash conversion cycle of 105 days. Overall, the level of working capital was observed to be better than the sector average, with an expectation the Group will be able to fund its operating costs as and when they fall due.



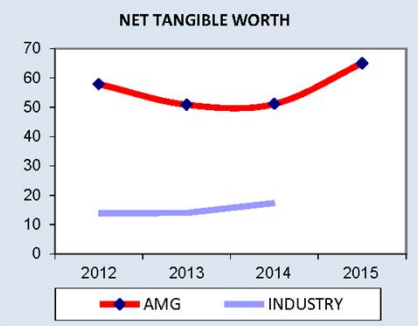
The higher the better

(iv) Net Tangible Worth

Relative to the Sector	Change over the Period
Better than Average	*Improvement*

This indicator reflects the net tangible worth position relative to the revenue level of the business.

AMG's net tangible worth remained relatively stable at $46.5m (2014: $46.3m). However with the 21.1% decrease in sales during the year, this supported the improvement in the indicator to 65.0% (2014: 51.1%) of sales to remain better than the sector average. Despite the 3.6% decrease in total tangible assets at Jun 2015, the net tangible worth position remained stable with a similar decrease in dollar value in total liabilities. Overall, the Group remains well positioned to support its existing operations and future growth with a strong net tangible worth position that is supported by strong retained earnings of $29.9m.



The higher the better

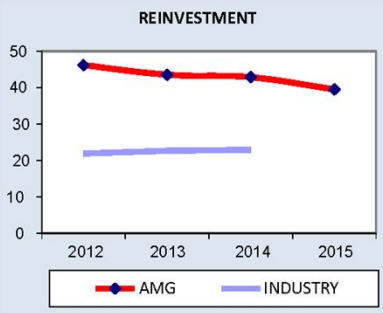
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(v) Reinvestment

Relative to the Sector	Change over the Period
Better than Average	*Deterioration*

This indicator reflects the accumulated level of profit that has been reinvested into the business over time to fund future growth. It is an important indicator and compares retained earnings relative to the total asset base.



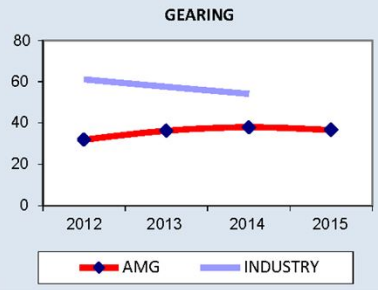
The higher the better

At Jun 2015 **AMG's** reinvestment indicator deteriorated to 39.6% (2014: 42.9%), however it remained better than the sector average. With the Group incurring a loss during the year, its retained earnings decreased by 7.0% to $29.9m (2014: $32.2m). With the Group's total assets remaining relatively stable, this impacted the deterioration in the indicator at Jun 2015. However, the reinvestment levels were considered to remain at a strong level, with the Group having retained sufficient profits within the business to support its continued operations and future growth.

(vi) Gearing

Relative to the Sector	Change over the Period
Better than Average	*Relatively Stable*

This indicator reflects the extent of total debt outstanding relative to the Group's total asset pool.



The lower the better

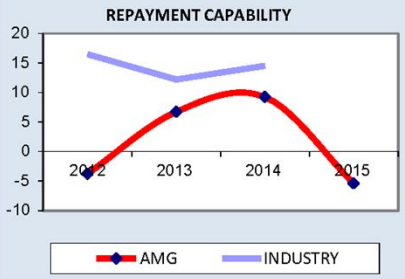
AMG's gearing indicator remained relatively stable at 36.7% (2014:37.9%) at Jun 2015 to remain better than the sector average. While total liabilities decreased by 2.5% at Jun 2015, this was mainly offset by the 0.9% increase in the total assets. Total debt increased by 38.8% to $2.7m (2014: $2.0m) representing a low debt to capital level of 5.4% (2014: 4.0%). Despite the Group operating with a low level of gearing, it breached one of its banking covenants that is expected to impair the Group's capacity to obtain additional external finance (if required).

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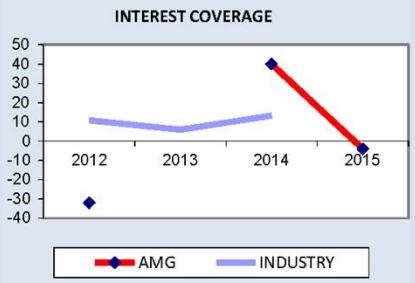
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(vii) Repayment Capability

Relative to the Sector	Change over the Period
Worse than Average	*Recent Deterioration*
This indicator reflects the Group's ability to meet total outstanding debt and obligations from business profits.	
AMG's repayment capability deteriorated to **-5.4%** (2014: 9.2%) to remain worse than the sector average. The indicator was impacted by the Group incurrig a pre-tax loss of **-$1.5m** (2014: profit of $2.6m) during the year. The loss during the year was impacted by a low volume of work at the start of the year and together with certain underperforming contracts. The Group's capacity to obtain additional external finance (if required) may be limited with AMG breaching its interest coverage covenant during FY2015 due to the loss incurred during that year.	**The higher the better**

(viii) Interest Coverage

Relative to the Sector	Change over the Period
Worse than Average	*Recent Deterioration*
This indicator reflects the Group's level of profits that is available to meet its total interest expense obligations.	
AMG's interest coverage was recorded at **-4.15** times (2014: 39.57 times) at Jun 2015 to be worse than the sector average. While operating earnings (EBIT) decreased to **-$1.2m** (2014: EBIT profit of $2.7m), borrowing costs increased by more than 3 times to $0.3m (2014: $0.1m), being impacted by the increase in interest-bearing debt levels over the period. With the Group incurring a loss during the year and as a result, being in breach of its interest coverage covenant, this is expected to increase the level of funding risk across the business.	**The higher the better**

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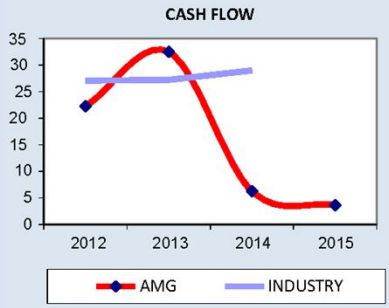
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(ix) Cash Flow Coverage

Relative to the Sector	Change over the Period
Worse than Average	*Deterioration*

This indicator reflects the level of cash that is generated from business activity which is available to meet short-term cash commitments. Cash flow is a critical indicator of credit risk.

AMG's underlying cash flow coverage (with PATBDA being used as a proxy) deteriorated to 3.6% at Jun 2015 (2014: 20.8%) to be worse than the sector average. It is noted that the Group's operating cash flow coverage deteriorated to 6.3% (2013: 32.5%) at Jun 2014. The indicator was impacted by the substantial contraction in the Group's EBITDA to $0.9m (2014: $4.9m) during the year ended Jun 2015. Despite the loss incurred during FY 2015, the Group continues to generate positive underlying cash flows supporting its ongoing liquidity and business activities.



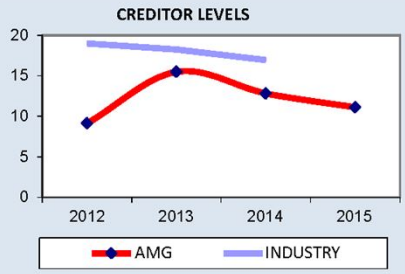
The higher the better

(x) Creditor Exposure

Relative to the Sector	Change over the Period
Better than Average	*Improvement*

This indicator reflects the subject's ability to manage cash flow and how it uses trade creditors in funding cash flow. Generally the higher the level of outstanding payables the higher the exposure to unsecured creditors.

AMG's exposure to creditors improved to 11.1% (2014: 12.8%) to remain better than the sector average. The balance of trade creditors decreased by 12.7% to $8.4m (2014: $9.6m) which supported the improvement in the indicator. Creditor days remained relatively stable at a manageable level of 50 days (2014: 48 days). Overall, the indicator reveals the Group has a low to moderate level of exposure to trade creditors, which is further supported by its sound liquidity profile and positive underlying cash flows.



The lower the better

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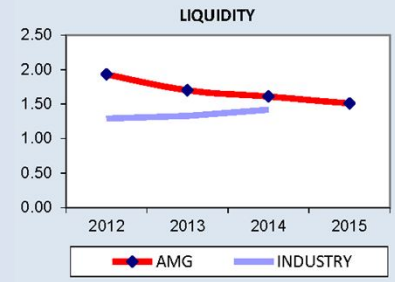
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(xi) Liquidity

Relative to the Sector	Change over the Period
Better than Average	*Deterioration*

This indicator reflects the subject's level of liquid assets that would be available to meet short-term cash commitments.

At Jun 2015 **AMG's** liquidity deteriorated to 1.51 times (2014: 1.61 times), however it remained better than the sector average. Together with the 5.0% decrease in current assets at Jun 2015 (predominantly impacted by lower trade and other receivables), the 1.1% increase in current liabilities (impacted by higher short term debt and revenue in advance) impacted the Group's liquidity at Jun 2015. Further, AMG's liquidity profile is dependent upon the turnover and realisable value of its inventories as evidenced by a low quick ratio of 0.78 times which also results in a relatively high cash conversion cycle of 105 days. Overall, the level of liquidity is considered to be sound, supporting the Group's ability to meet its current obligations as and when they fall due.



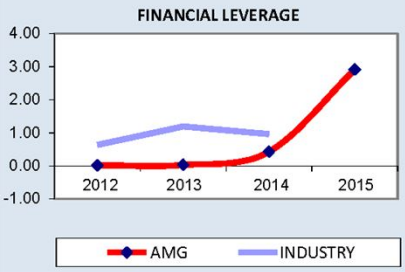
The higher the better

(xii) Financial Leverage

Relative to the Sector	Change over the Period
Worse than Average	*Deterioration*

This indicator reflects the subject's level of debt in relation to earnings before interest, tax and depreciation. The level of credit risk increases when this level exceeds five times or is negative.

AMG's financial leverage deteriorated to 2.91 times (2014: 0.43 times) to be worse than the sector average. With the Group's operating cash earnings (EBITDA) decreasing by 79.6% to $0.9m (2014: $4.6m), the indicator was further impacted by the 38.8% increase in total debt to $2.7m (2014: $2.0m) at Jun 2015. Despite the indicator remaining within acceptable parameters, the Group's capacity to obtain additional external finance (if required) may be limited by the breach of its interest coverage covenant during FY 2015.



The lower the better (unless negative)

Each of the financial indicators shown above has a different weighting in calculating the overall Credit Rating. Some are much more heavily weighted than others when assessing the overall credit quality of the subject. The structure, size and industry sector within which the subject operates also have a strong bearing on the overall Credit Rating.

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4.3 Commentary and Analysis

Sales and Profitability

For the year ended June 2015, AMG reported a 21.1% decrease in sales revenue to $71.5m (2014: $90.6m). Together with gross margin contracting to 13.7% (2014: 18.4%), the Group reported a 41.2% decrease in gross profit to $9.8m (2014: $16.7m). This resulted in the Group incurring a pre-tax loss of **-$1.5m** (2014: $2.6m) during FY 2015. The loss during the year was impacted by a low volume of work at the start of the year and together with certain underperforming contracts. Together with the $1.1m (2014: $1.1m) dividends paid during the year, the pre-tax loss impacted the 7.0% decrease in the Group's retained earnings to $29.9m (2014: $32.2m) at Jun 2015.

Financial Indicators

The Group incurred a loss during FY 2015, thereby resulting in poor serviceability metrics and a breach of its interest coverage covenant. However, the Group is forecasting a return to profitability during FY 2016 and has maintained strong internal reserves to support its continued operations and future growth.

The Group has maintained its capacity to meet its current obligations as and when they become due and payable with a sound liquidity profile supported by its strong unencumbered cash reserves and positive underlying cash flows. However, the Group's liquidity profile is dependent upon the turnover and realisable value of its inventories as evidenced by a low quick ratio of 0.78 times which also results in a relatively high cash conversion cycle of 105 days.

Although operating with a low gearing profile and despite having a low level of external debt, the Group was in breach of its interest coverage covenant during FY 2015 that may impair its capacity to obtain additional external finance (if required).

Financial Capacity

AMG's working capital position decreased by 15.2% at Jun 2015 to $12.2m (2014: $14.4m). However, with sales decreasing by 21.1% during the year, this supported the improvement in the indicator to 17.1% (2014: 15.9%) of sales to remain better than the sector average. Together with the 5.0% decrease in current assets at Jun 2015 (predominantly impacted by lower trade and other receivables), the 1.1% increase in current liabilities (impacted by higher short term debt and revenue in advance) impacted the working capital at Jun 2015. AMG's working capital position is dependent upon the turnover and realisable value of its inventories as evidenced by a low quick ratio of 0.78 times which also results in a relatively high cash conversion cycle of

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105 days. Overall, the level of working capital was observed to be better than the sector average, with an expectation the Group will be able to fund its operating costs as and when they fall due.

AMG's net tangible worth remained relatively stable at $46.5m (2014: $46.3m). However with the 21.1% decrease in sales during the year, this supported the improvement in the indicator to 65.0% (2014: 51.1%) of sales to remain better than the sector average. Despite the 3.6% decrease in total tangible assets at Jun 2015, the net tangible worth position remained stable with a similar decrease in dollar value in total liabilities. Overall, the Group remains well positioned to support its existing operations and future growth with a strong net tangible worth position that is supported by strong retained earnings of $29.9m.

The level of credit risk increases as the size of the contractual commitment approaches the financial capacity constraints of a company. More specifically, once the size of any single annualised commitment exceeds 30% of the average annual revenue of the entity for the past three periods, the level of risk increases. AMG has average sales revenue of $83.2m during the last 3 years to June 2015. The maximum annualised exposure of AMG's 50% share of the proposed contract ($14.0m) therefore represents 16.8% of average sales revenue which is within the appropriate capacity and risk-based thresholds. However, if the other JV partner failed, then the full project would represent 33.7% of average annual sales for the past 3 years and would represent a relatively high level of client concentration risk. In this case, the strength of the Group's liquidity position would be dependent upon receiving prompt monthly progress payments form the Parkes Shire Council.

Sustainable Growth

An area investigated for credit quality purposes is the Group's ability to sustain growth levels based on their internal resources and reserves. The sustainable growth rate (SGR) refers to the rate at which an entity can grow its revenue base without having recourse to external finance, and is calculated as the retained income divided by opening shareholder funds. If an entity is growing in excess of this rate it will require additional funding or will experience deterioration in its key credit indicators and financial strength. In these situations, high growth entities are likely to face liquidity constraints, increased gearing, lower interest coverage and diminished dividend payouts. The Group operated within sustainable parameters during the year ended June 2015.

Debt Maturity and Funding

At June 2015 the Group's total debt amounted to $2.7m (2014: $2.0m) which wholly comprised of:

- $1.0m in short-term loans payables to related entities

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- $0.8m short-term commercial bill obtained by a Thailand subsidiary (repaid in August 2015)
- $0.5m bank overdraft obtained by a Thailand subsidiary
- $0.1m short-term building loan obtained by a Thailand subsidiary
- $0.4m other non-current borrowings

It was advised that the Group has access to the following banking facilities:

- $13.1m of bank guarantees ($3.0 unutilised)
- $0.8 letters of credit ($0.77m unutilised)
- $02m unutilised bank overdraft
- $0.1m credit cards ($0.1m unutilised)

As per the compliance statement sent by the Group to its bankers on 28 August 2015 relating to FY 2015, AMG was:

- In compliance with its current ratio covenant of >1.5 times (actual 1.98 times and 1.56 times after adjusting for intercompany loans)
- Not in compliance with its interest coverage (EBITDA from ordinary operations divided by interest and bank guarantee costs) covenant of >5 times (actual 2.00 times)
- In compliance with its minimum net tangible net worth covenant of $38.0m (actual $42.9m)

It is noted that the above financial covenants are based on the financial performance of the following interlocking guarantor group entities: Aquatec Maxcon Group Ltd, Aquatec Maxcon Pty Ltd, Maxcon Industries Pty Ltd, Aquatec Services Pty Ltd, Aquatec Products Pty Ltd, Australian Water Company Pty Ltd, Aquatec Civils Pty Ltd and MPA Engineering Pty Ltd.

The Group expects to return to profitable trading during FY 2016 and the bank continues to support the Group. However, any potential implications of the breach of interest coverage covenant are unclear at this stage.

Related Party Information

The Group had current loans receivable from related entities of $0.2m (2014: $0.1m) that represented 1.8% of the Group's working capital position, which is considered to be immaterial.

The Group had current loans payable to related entities of $1.0m (2014: $0.8m).

As such, the Group does not have a material level of related party dependency.

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Other Financial Items and Information

An Adverse search conducted on 8 September 2015 did not disclose any defaults or court actions against the Group.

The 20% stake holders in a subsidiary company which is 80% owned by Aquatec Maxcon Group Limited instigated legal action in April 2015 against it in order to settle a dispute in relation to the share value of the 20% being sold to Aquatec Maxcon Group Limited and share value of Aquatec Maxcon Group Limited which are the subject of a buy-back arrangement. Mediation on this matter is proceeding and expected to be settled prior to the end of October 2015.

In December 2014, a Thailand subsidiary of Aquatec Maxcon Group Limited commenced legal action against a client for recovery of a debt of $200,000. The client has counter sued. An attempt was made to wind up the client but judgment was deferred by the NSW Supreme Court for approximately 3 months in a hearing conducted in June 2015.

Aquatec Maxcon Pty Ltd took action against a former employee in 2009 for having taken drawings and other company documents and appropriated them to bid for projects against the company. This action is still progressing through the legal channels but no immediate action is expected.

Accounting Policies: Critical Estimates & Judgements

Notes to the accounts for the year ended June 2014 state that the financial statements were prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. As such, there are no specific issues that have required comment relating to revenue recognition, inventory, provisions, asset valuation / impairment, and any other policies and associated commentary.

However, management accounts for the year ended June 2015 were also used for this assessment which may not include all the required adjustments required in preparing statutory financial statements.

Post Balance Date Events and Subsequent Information

Other than any information reported elsewhere in this report, we are not aware of any other post balance date events

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Credit Risk Migration

AMG's credit quality remained stable at a credit rating of 'BB' from June 2013 to June 2015. The Group therefore holds a near prime classification with a low to moderate level of risk at June 2015 (investment grade ranging from 'AAA' to 'BBB-') and is worse than the sector average level of financial risk.

The loss incurred during FY 2015 impacted the Group's serviceability metrics and resulted in AMG breaking the banking covenant relating to interest cover. However, the Group had and has maintained a strong financial capacity to absorb the adverse loss over the period under review with the Group continuing to operate with a sound liquidity profile, strong internal reserves and low gearing.

Recent Media/ASX Announcements

Being a private company, no media coverage or announcements of note were found.

Share Price

AMG is a privately held company hence equity price analysis is not applicable.

Current Year Forecast

The Group's forecasts for the year ending June 2015 includes revenue of $100.6m, gross profit of $13.0m and pre-tax profit of $2.4m.

Credit Outlook

Based on the forecasts for the year ending June 2015 and the Group's work in hand, Veda Corporate Ratings' outlook on the Group is Stable.

Credit Watch

Given the Group's breach of its interest coverage covenant during FY 2015 and the uncertainty around its implication(s), Veda Corporate Ratings assigns an Evolving credit rating watch to AMG.

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5. Credit Opinion

The Credit Rating for Aquatec Maxcon Group Limited at 30 June 2015 on a consolidated basis is:

Rating	AMG	Sector
• Jun 2013	BB	BB+
• Jun 2014	BB	BB+
• Jun 2015	BB	N/A
Rating Trend	Stable	Stable
Probability of Distress / Default		
• Short-term (1 year period)	0.92%	0.88%
• Medium-term (3 year period)	4.10%	3.66%
• Long-term (5 year period)	7.49%	5.93%

Aquatec Maxcon Group Limited's credit quality remained stable at a credit rating of 'BB' from June 2013 to June 2015. The Group therefore holds a near prime classification at June 2015 (investment grade ranging from 'AAA' to 'BBB-') indicating, in pure credit rating terms for industrial board companies, a below average position with a low to moderate level of risk. The short-term probability of default is 0.92% which is worse than the sector average level of financial risk.

In summary, our **key findings** included:

- Management accounts for the year ended June 2015 disclosed a 21.1% decrease in sales revenue to $71.5m (2014: $90.6m), with AMG incurring a pre-tax loss of **-$1.5m** (2014: profit of $2.6m) during the year.

- Together with $1.1m dividends paid during the year, the loss incurred resulted in a 7.0% decrease in retained earnings to $29.9m (2014: $32.2m), however it remained at a strong level.

- AMG is operating in an industry with positive dynamics to its operations with continued population growth, improved drinking water guidelines and stricter controls on wastewater treatment. However the industry is still dependent upon the level of government spending on water related infrastructure initiatives.

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- The Group recently developed a new technology for sewage treatment, Nereda® that is expected to significantly reduce the capital costs and one-third of the operating costs of sewage treatment plants.

- Key strengths include AMG being a well-established group with multi-jurisdictional operations and a low risk customer base comprising predominantly of public sector entities.

- The Group's forecast for FY2016 is appropriately supported by its order book with 51% of forecast revenue being secured and together with a strong pipeline of future works.

- AMG continues to maintain its capacity to meet its current commitments with a sound liquidity profile supported by strong cash reserves and positive underlying cash flows despite the loss incurred during the year.

- The Group remains well positioned to support its current operations and future growth with a strong level of internal reserves supported by retained earnings of $29.9m.

- AMG has a manageable exposure to trade creditors supported by the sound liquidity profile.

- The Group's 50% share of the proposed contract appears to be within capacity and risk based thresholds.

- Key challenges include a substantial contraction in sales revenue during FY2015 with the Group incurring a loss during the year, being impacted by a low volume of work at the start of the year and certain under-performing contracts.

- AMG may face challenges in obtaining additional external finance (if required) with the Group in breach of its interest coverage covenant during FY2015.

- The Group's liquidity is dependent upon the turnover and realisable value of its inventories as evidenced by a low quick ratio of 0.78 times which also results in a relatively high cash conversion cycle.

- Moderate level of client/project concentration risk with the Group's top 3 projects representing 56.2% of the total unearned order book. However, the Group's customer base is of low risk in terms of payment default.

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Following our detailed analysis our OPINION is that Aquatec Maxcon Group Limited has a credit rating of 'BB' at June 2015 being a near-prime classification with a low to moderate level of risk and is considered **conditionally acceptable** to act as parent company guarantor on behalf of Aquatec Maxcon Pty Ltd for the purposes of this engagement subject to the following recommendations:

Condition Precedent

- Confirmation to be obtained from the Group's bank that it will continue to provide banking facilities to the Group together with any additional terms or conditions required in light of the breach of the interest coverage covenant during FY 2015.
- The proposed contract should include appropriate provisions for either of the joint venture partners to take over the whole contract in the event of failure or non-performance by either partner.

Preventative

- Prompt monthly progress payments to be made by the Parkes Shire Council for the duration of the proposed contract in order to support the Group's liquidity position due to the relatively high client concentration risk if the Group is to be fully responsible for the whole project.

Recovery

- A Bank Guarantee or Surety Bond to be obtained of 5.0% of the contract value from a bank or suitable Tier 1 issuer with an investment grade credit ranking, for the duration of the contract and any warranty/defects liability period.
- Cross company guarantee to be obtained from Aquatec Maxcon Group Limited (the assessed entity) on behalf of the tendering entity, Aquatec Maxcon Pty Ltd.

Ongoing Financial Monitoring

- Reporting covenants be imposed requiring both Aquatec Maxcon Group Limited and Aquatec Maxcon Pty Ltd to participate in an ongoing financial monitoring regime throughout the course of the contract, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of the Parkes Shire Council).

While credit ratings reflect an opinion of the financial viability and capacity to honour contractual commitments moving forward, they are based on the information available at the time of the assessment. The scope of this report does not include an ongoing review of the credit quality of the entity. It is strongly

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recommended that regular assessments of the credit quality and financial position of the Group be conducted throughout the course of the engagement.

This report should be read within the context of Corporate Scorecard's Rating Services Guide. The information contained herewith is for the exclusive use of the Parkes Shire Council and shall not be disclosed to any other person or entity without written consent from Corporate Scorecard Pty Ltd. The report should be taken as a whole and cannot be abridged or excerpted for any reason.

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APPENDICES

1. Explanation of the Corporate Scorecard Credit Rating

1.1 What is a rating?

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity, issuer, or counterparty to meet their respective financial commitments. As such, Corporate Scorecard assigns ratings based on the credit worthiness of an entity, commitment or product, and provides probabilistic assessments of default over the short, medium and long-term.

Credit ratings are a critical measure used extensively in commercial, financial and capital markets to support key business decisions. Corporate Scorecard's ratings are used to support debt and bonding decisions, loan origination and recovery, insurance and warranty, funds management, portfolio management, tendering and procurement, counterparty risk assessments and other commercial contracts.

Corporate Scorecard provides credit ratings on government and commercial agencies, international conglomerates, infrastructure consortia, financial institutions, publicly listed entities, private corporations and small-to-medium sized enterprises across a range of industry sectors both domestically and internationally. As such, Corporate Scorecard is also able to provide detailed industry intelligence, benchmarking reports and analysis across a wide range of sectors.

1.2 Corporate Scorecard Credit Rating

Corporate Scorecard and other Credit Rating Agencies all attempt to measure the probability of an entity being able to honour its financial commitments as and when they fall due. The most recognised credit rating is that based on Bond Rating Equivalents (BRE) used over the past eighty years to determine the proximity of an entity's securities to default (non-payment of interest or principal). The accuracy of this method has been extensively tested and is accepted worldwide.

The Corporate Scorecard database contains more than 65,000 financial years of information spanning more than twenty-five years. As such Corporate Scorecard is in a unique position, having developed a large and empirical data source on entities across various industry sectors with long data histories covering a range of economic conditions and one or more complete business cycles. Corporate Scorecard has therefore been able to use a variety of quantitative validation tools and comparisons using this information to adequately verify the stability, accuracy and consistency of its rating models.

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Corporate Scorecard's rating models have been designed to assess the proximity of an entity to defaulting on its financial commitments and obligations. Proprietary risk analytics are used to evaluate the multivariate interrelationship of key risk indicators using scientifically based and empirically derived risk metrics. These models evaluate the financial performance, position and profile of an entity in the context of its industry, size and structure. They have been validated on Australian and International data with the assistance of Professor Edward Altman, an internationally recognised leader in the field of credit risk analysis and bankruptcy prediction.

Corporate Scorecard uses its comprehensive benchmarking database to evaluate the financial position, performance and credit quality of an agency, institution, corporation or entity relative to an industry and its peers. This enables the identification of key sensitivities, trends, cautionary alerts and exception reports based on identified anomalies and/or outliers across key credit indicators of a select benchmarking group.

While there is no single method to discriminate unambiguously between firms that will default and those that will not, Corporate Scorecard can make probabilistic assessments of default. This requires a large database of actual defaults to enable an assessment of default probabilities and actual default rates from empirical evidence. The Australasian market has a comparatively small number of corporate bond issues and a relatively benign credit climate over recent decades, and as such empirical data on Australian default rates is limited. Therefore Corporate Scorecard considers it is more appropriate to apply default probabilities using empirical data from international markets over several economic cycles.

Corporate Scorecard's default statistics have been derived from nearly twenty years experience analysing mainly US non-financial, non-utility corporate bond issuers. The analysis covered a relatively large number of companies (approximately 1,000 rated each year) and follows the well established static pool approach used by Credit Rating Agencies to report their default experience. Static pools were created for bond issuers each year by both notch and grade, and the history of these bond issuers was then analysed over the period. The pools were then combined so that long-term average default experience by duration could be calculated, and both annual and cumulative default experience was calculated from the pools.

Corporate Scorecard's risk analytics enable analysts to evaluate the most critical and sensitive financial and risk items through the Risk Assessment Platform by analysing key indicators to derive a definitive credit risk score and Bond Rating Equivalent (BRE), providing Probabilities of Default (PoD) over the short-, medium- and long-term horizon.

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1.3 Rating Definitions

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity to meet their respective financial and contractual commitments. As such credit ratings are assigned in accordance with the entity, commitment or product's proximity to default. Corporate Scorecard's credit ratings adhere to internationally recognised grades and are similar to other agency classifications, providing ratings across twenty-two credit notches from 'd' (in default) to 'aaa' (extremely strong).

Moody's	Fitch	S&P	Rating	Classification	Risk Level
Aaa	AAA	AAA	AAA	High Grade	Negligible
Aa1	AA+	AA+	AA+		
Aa2	AA	AA	AA		
Aa3	AA-	AA-	AA-		
A1	A+	A+	A+	Investment Grade	Very Low
A2	A	A	A		
A3	A-	A-	A-		
Baa1	BBB+	BBB+	BBB+		Low
Baa2	BBB	BBB	BBB		
Baa3	BBB-	BBB-	BBB-		
Ba1	BB+	BB+	BB+	Near Prime	Low to Moderate
Ba2	BB	BB	BB		
Ba3	BB-	BB-	BB-		
B1	B+	B+	B+	Sub Prime	Moderate
B2	B	B	B		
B3	B-	B-	B-		High
Caa1	CCC	CCC+	CCC+	Credit Watch	Very High
Caa2		CCC	CCC		
Caa3		CCC-	CCC-		
Ca		CC	CC	Distressed	Extremely High
		C	C		
C	D	D	D		

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Corporate Scorecard assigns ratings based on the credit worthiness of an entity or a specific financial commitment, and provides probabilistic assessments of default over the short, medium and long-term. Every entity or commitment has some probability of default over a period of time, even those assigned with the strongest of ratings. An Investment Grade classification is attributed to credits that exhibit a lower probability of default, while a Sub-Prime classification has a greater expectancy of default.

A Corporate Scorecard Credit Rating may also be assigned additional clarification markers (symbols) to qualify the credit risk assessment. These may include:

Conditional Rating (#)

A Conditional Rating is used where Corporate Scorecard has rated an entity on the basis of significant risk factors and/or report qualifications, with recommendations providing one or more conditions precedent and/or mitigation action(s) to reduce identified uncertainty and risk.

Provisional Rating (*)

A Provisional Rating is used when the most recent financial figures are based on draft management accounts or are deemed out-of-date. Entities with a provisional rating should be re-evaluated as soon as finalised financial statements become available.

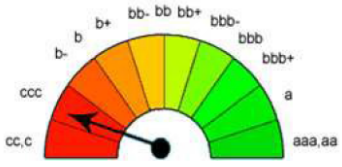
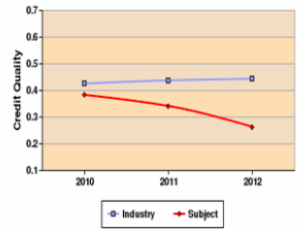
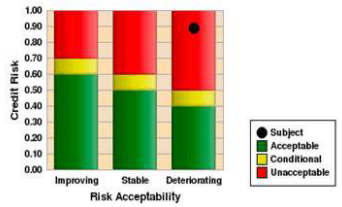
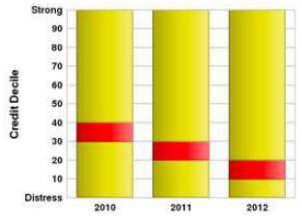
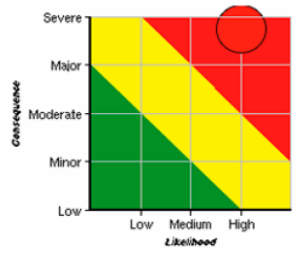
Indicative Rating (^)

An Indicative Rating is used where Corporate Scorecard is engaged to conduct preliminary analysis only, and as such an official rating assignment would require a more detailed and comprehensive investigation and due diligence assessment prior to the provision of our professional opinion.

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1.4 How to interpret the risk rating graphs?

Risk Graph	Description
	**Risk Rating** This graph indicates the current credit quality on the credit rating scale from **c** (imminent default) to **aaa** (extremely strong). Generally, a risk analyst would prefer the credit quality to have investment grade classification (from 'aaa' to 'bbb-'), as represented by the green section on the risk rating odometer. While a sub-prime classification has a higher risk profile, this may continue to be adequate depending on the particular commercial obligation and circumstances.
	**Risk Trend** This graph indicates the trend of risk and credit quality migration over the period assessed. The risk profile of the entity and/or its commitment is displayed relative to the average for the industry. The vertical axis portrays the overall credit quality, with a higher score reflecting a stronger credit quality and lower risk profile. Generally a risk analyst will be more concerned with a trend of risk chart that displays a volatile risk score, one that is lower than the industry average, or one that shows signs of deterioration over time.
	**Risk Level** This graph integrates the current level and trend of risk to derive a projection of risk acceptability. The vertical axis displays the credit risk along an ordinal scale, with a low score implying a low level of risk. The horizontal axis represents the trend of risk and credit migration over time. Generally a risk analyst will be concerned where the trend and/or level of risk would result in an unacceptable risk profile for the purposes of the commercial obligation.
	**Risk Decile** This graph indicates the risk profile of the rated credit relative to the industry sector, and highlights how this has changed over time. The credit quality is assessed over each period of the assessment horizon, and is positioned within the respective credit risk decile. A ranking within the 0-10 decile infers the rated entity or commitment is within the bottom 10% of rated credits for that sector, with 90% of other rated engagements being assigned a stronger credit quality. Generally a risk analyst will be concerned where the risk decile is low or is deteriorating over time relative to other rated credits within the sector.
	**Risk Severity** This graph integrates the size and risk exposure of the commitment (consequence) relative to the likelihood of a default event. The higher the severity and probability of risk, the more likely the risk will be considered to be unacceptable, subject to appropriate recovery and preventative risk mitigation. The colour of the bubble reflects the underlying credit quality, corresponding to the credit rating odometer. The size of the bubble reflects the variability of the risk estimate, with a larger bubble inferring a lower overall confidence index. The level of risk variance is influenced by the quality of the financial information (ie. audited), the extent of disclosure, interim period adjustments, sustainable growth, inherent complexity, vulnerability to key sensitivities, risk stability ratios, and any potential rating qualifications.

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1.5 Credit Concepts measured

The main credit concepts measured against Australian and New Zealand Standard Industry Classifications (ANZSIC) and specific Peer Groups based on entity size are:

1) **Activity (Sales / Total Assets) –** reflects the efficiency of management in generating and growing sales from the asset base of the subject

2) **Stability (Sales Volatility) –** reflects the ability of management in maintaining the subject's stability and in generating a stable trend of sales performance over time

3) **Profitability (Net Income / Total Assets) –** reflects the current year's level of profit that remains for reinvestment into the business to fund improvement and future growth

4) **Reinvestment (Retained Earnings / Total Assets) –** reflects the cumulated level of profit that has been reinvested into the business over time to fund future growth

5) **Repayment Capability (Profit before tax / Total Liabilities) –** reflects the subject's ability to meet total outstanding debt and obligations from business profits

6) **Gearing (Total Liabilities / Total Assets) –** reflects the extent of total debt outstanding relative to the subject's total asset pool

7) **Interest Coverage (Profit before Tax / Interest Expense) –** reflects the subject's level of profits that are available to meet its interest expense obligations

8) **Creditor Management (Trade Creditors / Total Assets) –** reflects the subject's ability of managing cash flow and how it uses creditors in funding cash flow

9) **Cash Flow (Cash Flow before tax / Current Liabilities) –** reflects the level of cash that is generated from trading activity that is available for short term cash commitments

10) **Liquidity (Current Assets / Current Liabilities) –** reflects the subject's level of liquid assets that would be available to meet short term cash commitments

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2. General Disclaimer

We have prepared the attached document based on the information obtained from or on behalf of the subject of this assessment. The credit ratings and our recommendations are qualified on the basis of the accuracy, completeness and currency of the information provided to us. As such, subsequent information or changes in the information previously provided could result in changes to our assessment and the recommendations in this report.

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veda applied intelligence Corporate Ratings

Comprehensive Credit Rating Report
Haslin Constructions Pty Ltd

Comprehensive Credit Rating Report

Prepared on:

Haslin Constructions Pty Ltd (ABN: 85 051 102 124)

HASLIN

Prepared for:

Jason Myers

Parkes Shire Council

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Veda Corporate Ratings / Corporate Scorecard Pty Ltd
14 September 2015
AFSL#341391

General Manager

Mayor

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1. Executive Summary

Haslin Constructions Pty Ltd (Haslin)

The purpose of this report is to provide a financial viability assessment on Haslin Constructions Pty Ltd ("Haslin", "the Company" or "the Subject"). Haslin has tendered on a joint and several basis with Aquatec Maxcon Pty Ltd for the design, construction and operation/maintenance of the new Parkes Water & Sewage Treatment Plant projects with the Parkes Shire Council.

Veda Corporate Ratings has assigned Haslin a provisional credit rating of 'B+*' at Jun15 being a sub-prime classification with a moderate level of risk. The rating reflects Haslin's well diversified capabilities, a history of profitable trading and retention of profits, strong level of liquidity and cash reserves, low debt to capital, stable and moderate gearing profile and low exposure to creditors. The rating is, constrained by geographic and client segment concentration which is compounded by the expected weak outlook for demand within the sector. The lack of a strong forward order book and a reliance on the collectability of related party loans adds further risk to the rating.

Key Strengths

- Well diversified across capabilities and project size. Haslin has delivered a broad range of projects ranging from several large commercial infrastructure to many small community and public space supporting facilities.
- History of profitable trading with a satisfactory and improved underlying (excluding management fees) pre-tax profit margin of 3.3% (2014: 2.1%) in FY15.
- Previous experience working on water projects with its JV partner Aquatec Maxcon Pty Ltd including the Ballina Wastewater Treatment Plant ($44.1m).
- Able to withstand a modest slowdown in activity, having a strong level of retained earnings of $4.7m at Jun15.
- Strong capacity to meet current liabilities, having a strong level of cash reserves (109.4% of current liabilities), sound liquidity (1.69 times) and satisfactory cash flow coverage (10.5% of current liabilities) using PATBDA as a proxy.
- Complying with its debt covenants and has the capacity to draw down and service the unused headroom ($1.3m) of its multi-option facility (if required), having a moderate and relatively stable gearing profile at 55.4%, a low level of debt to capital at 17.5%, and sound serviceability metrics.
- Operating within sustainable parameters and its 50.0% share of the proposed contract is within capacity and risk-based thresholds.

Key Challenges

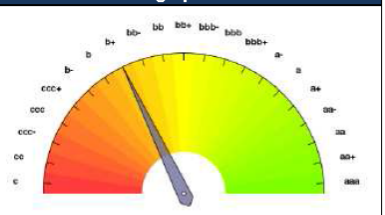
- Geographic concentration with operations mainly in New South Wales for public sector clientel.
- Ability to meet management's FY16 revenue forecast of $57.1m appears to be reliant on securing the proposed and other contracts as Haslin only has $17.4m in unexecuted contracts in hand to be completed in FY16.
- Ultimate client concentration with most contracts emanating from the state government or another government body.
- Relatively high level of client/project concentration risk with Haslin's 50.0% share of the maximum annualised exposure of the proposed contract ($14.0m) representing 30.3% of average annual sales for the past 3 years.
- Concern with Haslin's operating capacity should it be required to take over 100.0% of the proposed contract ($28.0m max annualised) as it would represent 60.5% of average annual revenue for the past 3 years which is considered to be outside capacity and risk-based thresholds. Accordingly, the strength of the liquidity position would be dependent on timely monthly progress payments. Haslin does however have recent experience with large projects including Ballina Wastewater Treatment Plant ($44.1m).
- Low to moderate level of reliance on the collectability of related party loans receivable, representing 25.9% of working capital and 22.1% of net tangible worth at Jun15. In the event that the loans are not recoverable, working capital and net tangible worth would continue to be at an acceptable level for the proposed contract.
- Haslin Plant Hire Pty Ltd (related entity) hold a registered security interest over Haslin's assets, giving it priority over unsecured creditors in the event Haslin is placed into External Administration.

Following our detailed analysis our OPINION is that Haslin Constructions Pty Ltd has a provisional credit rating of 'B+*' at June 2015 and is considered **acceptable** for the purposes of this engagement subject to the risk mitigation strategies outlined overleaf. Refer to the full report for further information.

Assessment Outcome

Acceptable
B+
Point in time only

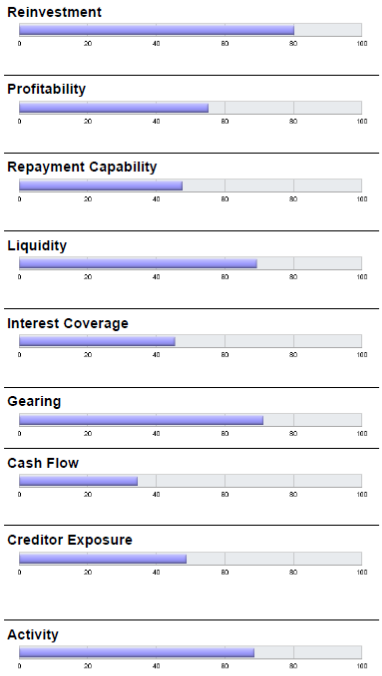
Rating Spectrum



Rating Trend

Risk rating	Sector	Subject
Jun 2013	BB+	B
Jun 2014	BB+	B
Jun 2015	N/A	B+*
Rating Trend	Stable	Improvement

Risk Indicators



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1.1 Recommendations

Following our detailed analysis our OPINION is that Haslin Constructions Pty Ltd has a provisional credit rating of 'B+*' at June 2015 being a sub-prime credit classification with a moderate level of risk. The Company is considered acceptable for the purposes of this engagement, subject to the following recommendations:

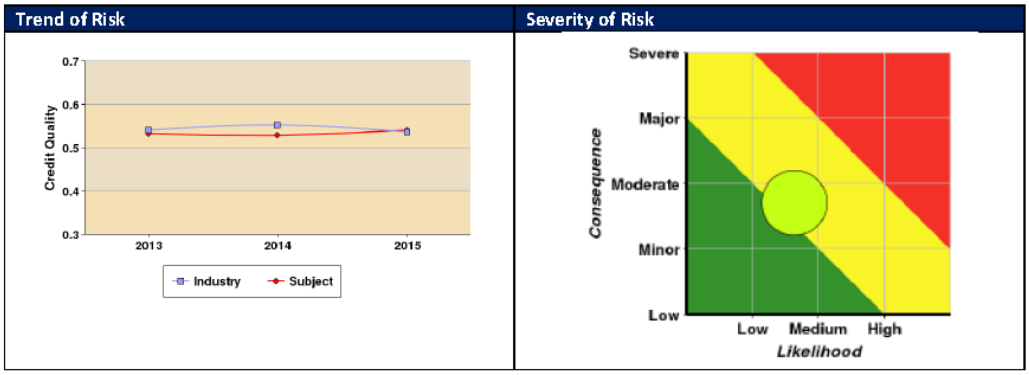
- A Bank Guarantee or Surety Bond to be obtained with a minimum value of 5.0% of the contract value (Haslin's 50.0% project share is $17.5m) from a bank or a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/defects period.

- The contract should include appropriate provisions for the Joint Venture Partners to take over the whole contract in the event of failure by either Partner.

- Prompt payment of monthly progress claims to be made by the Principal to support the liquidity position of Haslin due to the high level of client/project concentration risk.

- Reporting covenant be imposed requiring Haslin to participate in an ongoing financial monitoring regime throughout the course of the project, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).

1.2 Risk Diagnostics



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2. Scope of Report

The purpose of this Credit Rating Report is to provide a financial viability assessment on Haslin Constructions Pty Ltd ("Haslin", "the Company" or "the Subject") which has tendered on a joint and several basis with Aquatec Maxcon Pty Ltd for the design, construction and operation/maintenance of the new Parkes Water & Sewage Treatment Plant projects with the Parkes Shire Council.

We have compiled this report with our rating services guidelines in order to derive the credit rating on Haslin Constructions Pty Ltd, which is similar in form and comparability to ratings provided by other rating agencies. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold or sell any securities or make any other investment decisions. The details pertaining to this report are outlined below:

Report Details	
Date of Report	**14 September 2015**
Request Type	**Non-Issuer (Client Request)**
Assessment Type	**Point-in-Time (Ongoing monitoring required)**
Rating Distribution	**Private Rating (Not for Public Release)**
Report Distribution	**Restricted (Exclusive and Confidential Use)**
Purchased By	**Parkes Shire Council**
Report Fee	**Fixed Price**
Subject Entity	**Haslin Constructions Pty Ltd**
Financial Scope	**Stand-alone entity**
Entity Structure	**Australian Proprietary Limited Company**
Subject Industry	**E – Construction**
Subject Sector	**General Construction**

This Report and the information contained herewith is for the exclusive and internal use of the Parkes Shire Council and shall not be disclosed to any other person or entity without written consent from Corporate Scorecard Pty Ltd. The Report should be taken as a whole and cannot be abridged or excerpted for any reason.

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The corporate credit rating is based on an entity's ability to meet and complete the obligation(s) for which it is being rated. The context of this evaluation is as follows:

Commercial Obligation	
Assessment Purpose	**Procurement Risk**
Contract Name	**Design, construction and operation/maintenance of the new Parkes Water & Sewage Treatment Plant projects**
Joint Venture	**Haslin Constructions Pty Ltd and Aquatec Maxcon Pty Ltd on a joint and several basis**
Contract Role	**Builder (JV partner)**
Total Contract Value	**$35.0m**
Maximum Annualised Commitment	**$28.0m**
Haslin's Share of Total Contract Value (50.0%)	**$17.5m**
Haslin's Share of Annualised Contract Value (50.0%)	**$14.0m**
Contract Duration	**18 months**
Payment terms	**Progress monthly payments in arrears**

We have conducted this assessment on the basis of information provided by Haslin, publicly available information and from our own enquiries. We have derived a credit rating on the subject based on the understanding that Haslin has no contingent liabilities, cross guarantees or other liabilities to any other entity other than as disclosed to us or as detailed in the financial statements. Our duty does not include auditing the financial statements.

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Information Sources	
Financial Statements	**Internal Management Accounts of Haslin Constructions Pty Ltd for the year ended 30 June 2015** **Statutory Financial Statements of Haslin Constructions Pty Ltd for the years ended 30 June 2014 and 2013**
Name of the Auditor	**None appointed**
Other Information Sources	**ASIC, PPSR, Adverse Search, Company Website, Media Articles, Industry Databases, Public Records**
Subject Participation	**Yes**
Material Financial Adjustments	**A dividend of $0.1m representing 20.0% of the net after tax profit has been included as per the proposed pay-out ratio indicated by the Company. A dividend provision of the same amount has also been also raised in current liabilities in order to balance the balance sheet.**
Limitations of Assessment	**Internal management accounts for the year ended June 2015 have been used for the purpose of this assessment, and these may not have included appropriate adjustments required in preparing finalised financial statements.**
Potential Conflict of Interest	**None noted**

This report should be read within the context of Corporate Scorecard's Rating Services Guide.

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3. General Background of the Subject

3.1 Company Overview

Subject Name	Haslin Constructions Pty Ltd
ABN	85 051 102 124
Type of Entity	Australian Proprietary Limited Company
Registered Address	C/- P Liddy & Associates Suite 6, Level 2 64 Croydon Street Cronulla NSW 2230
Head Office Address	Suite 2, 2-4 Merton Street Sutherland NSW 2232 Tel: (02) 9545 1855
Date of Incorporation	14 March 1991
History	Haslin Constructions Pty Ltd was incorporated in March 1991 as Galosi Pty Ltd and adopted its current style in June 1991. Operations were established as a new venture by Colin Woods and John Hastings in 1991 with each holding a 50.0% interest through their family companies Jamsar Pty Ltd (Woods) and John Hastings Construction Services Pty Ltd (Hastings). John Hasting retired from the Company in July 2010 and as a Director in September 2011. The Woods family commenced buying out the Hastings family interest in 2012 and was completed in early 2013.
Principal Activities	Haslin Constructions Pty Ltd operates as a civil and building construction contractor with expertise in government infrastructure, water & wastewater facilities, dams, substations, rail infrastructure, commercial buildings, community facilities and mining infrastructure. The Company is accredited to ISO9001:2008 (Quality Management Systems), ISO14001:2004 (Environmental Management Systems) and AS/NZS4801:2001 (OH&S Management Systems) and is also accredited under the Australian Government Building and

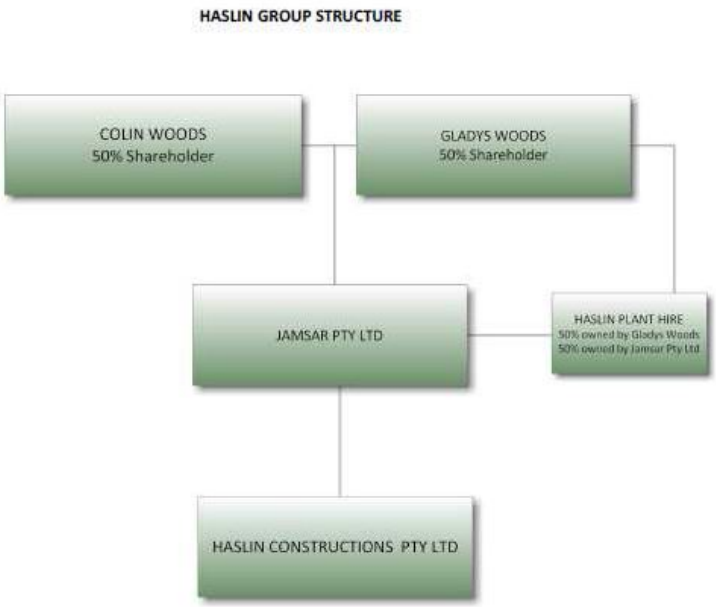
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	Construction WHS Accreditation Scheme by the Federal Safety Commissioner. Haslin is a prequalified contractor with the NSW Department of Finance & Services (Best Practice Contractor), Roads & Maritime Services, RailCorp and various water authorities.
Shareholders	Jamsar Pty Ltd holds 25,002 ORD shares (100.0% of issued share capital)
Ultimate Parent	As above

3.2 Corporate Structure



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3.3 Management Overview

Board of Directors (Haslin Constructions Pty Ltd)

Director	DOB	Appointed	Address	Adverse
Colin John Woods	24/01/1957	23/04/1991	78 The Esplanade, Cronulla NSW 2230	Nil

A search on 31 August 2015 did not reveal any court actions or bankruptcy records against the above Director.

Colin Woods, Managing Director

He holds a Bachelor of Engineering (Civil) from the University of Wollongong and is a Chartered Professional Engineer, a Member of the Institution of Engineers Australia and a Member of the Australian Institute of Project Management. He has considerable experience in the civil contracting industry and was employed as a Project Manager with G. Hawkins & Sons Pty Ltd from 1982 to 1986, a Project Manager with Leighton Contractors Pty Ltd from 1986 to 1988, a Project Manager with Neumann Contractors Pty Ltd from 1988 to 1990 and a Construction Manager with Walker Civil Engineering Pty Ltd from 1990 until 1991. In 1991 he co-founded Haslin Constructions Pty Ltd with John Hastings and has been the Managing Director since then.

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3.4 Project Information

Haslin currently has $28.0m is unexecuted contracts on hand of which $17.4m is due for completion by June 2016 and $10.6m in the year after. Below is a list of major contracts on hand:

Name of Client	Name of Project	Contract Value ($)	Estimated Start Date	Expected Completion Date	Percent Complete (%)
Ballina Shire Council	Ballina WWTP Upgrade	$44.1m	May 2011	Sep 2015	99.0.%
Clarence Valley Council	Yamba STP Upgrade	$22.0m	Jan 2014	Sep 2015	91.0%
Ausgrid	Mascot Zone Substation	$1.0m	Apr 2015	Oct 2015	6.0%
Parkes Shire Council	Lachlan River Pump Station	$1.1m	Jun 2015	Dec 2015	5.0%
Ausgrid	Rockdale Substation	$4.0m	Aug 2015	Jul 2016	1.0%
RMS	Wyong Tumbi Umbi	$18.0m	Oct 2015	Nov 2017	1.0%
Blackwall Property	Pyrmont & Homebush building works	$2.0m	Jul 2015	Dec 2016	5.0%

CONTRACTS IN HAND

Revenue expected from contracts during the current FY16	Revenue expected from contracts during FY2017	Revenue expected from contracts after FY2017
$17.4m	$10.6m	Nil

CONTRACTS TENDERED FOR NOT YET AWARDED

Revenue expected from contracts during the current FY16 to be awarded* & completed	Revenue expected during FY2017 from contracts to be awarded* & completed	Revenue expected after FY2017 from contracts to be awarded* & completed
$40.0m	$60.0m	$60.0m (Projection only)

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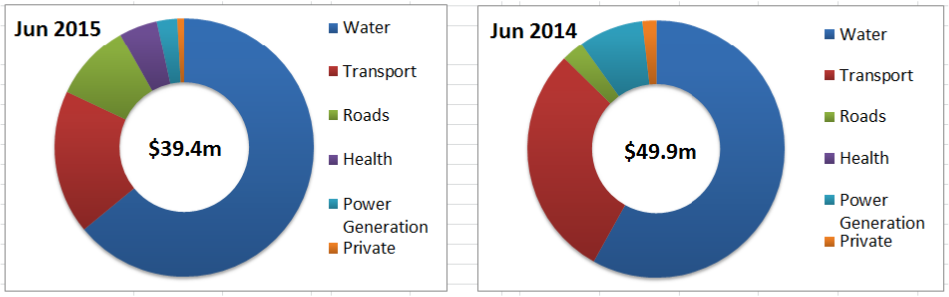
PIPELINE

Pipeline summary	# of bids / opportunities	Gross Value	Expected value of contracts won
Bids submitted	3	$48.0m	$10.0m
Identified opportunities	7	$195.0m	$105.0m

Based on the above details, Haslin's ability to meet its FY2016 revenue forecast of $57.1m appears to be reliant on converting bids and identified opportunities into secured contracts given that the Company only has $17.4m in unexecuted contracts in hand to be completed for the year.

3.5 Segment Information

Revenue by Industry Sector



The chart above reveals that the largest proportion of sales revenue for the June 2015 year was derived from Water related projects which contributed 64.0% (2014: 58.1%) of sales revenue followed by Transport at 18.0% (2014: 29.3%), Roads with 9.8% (2014: 2.7%), Health with 4.8% (2014: nil), Power Generation with 2.5% (2014: 8.1%) and Private sector with 0.9% (2014: 1.8%).

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Commercial-in-Confidence

4. Corporate Analysis

4.1 Financial Information

Revenue	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Sales Revenue	$39.42m	$49.94m	$49.50m	Dec	21.07%
Other Revenue	$0.18m	($0.02m)	$0.19m	Inc	>500.00%
Total Revenue	$39.61m	$49.92m	$49.69m	Dec	20.65%

Expenses	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Cost of Goods Sold	$31.41m	$40.96m	$40.44m	Dec	23.32%
Depreciation and Amortisation	$0.08m	$0.11m	$0.16m	Dec	27.27%
Other Expenses	$7.35m	$8.38m	$8.58m	Dec	12.29%
Total Expenses	$38.84m	$49.44m	$49.17m	Dec	21.44%

Profit	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Gross Profit	$8.02m	$8.98m	$9.07m	Dec	10.69%
Profit after Tax	$0.54m	$0.29m	$0.36m	Inc	86.21%
Profit after Tax & Dividends	$0.43m	($1.71m)	$0.30m	Inc	125.15%
Retained Earnings	$4.70m	$4.28m	$5.99m	Inc	9.81%

Financing	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Interest Income	$0.13m	$0.06m	$0.13m	Inc	116.67%
Dividend Income	$0.01m	$0.003m	Nil	Inc	233.33%
Borrowing Costs	$0.13m	$0.03m	$0.01m	Inc	333.33%
Dividends Paid	$0.11m	$2.00m	$0.06m	Dec	94.50%

Cash flow	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Net Operating Cashflow	Not available	Not available	Not available	N/A	N/A
Net Investing Cashflow	Not available	Not available	Not available	N/A	N/A
Net Financing Cashflow	Not available	Not available	Not available	N/A	N/A
Net Cashflow	Not available	Not available	Not available	N/A	N/A

Haslin Constructions Pty Ltd does not prepare a cash flow statement

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Balance Sheet	Jun 2015	Jun 2014	Jun 2013	Change to Jun 15	% Change
Working Capital	$4.04m	$3.66m	$5.09m	Inc	10.38%
Total Assets	$10.61m	$10.64m	$14.73m	Dec	0.28%
Total Liabilities	$5.88m	$6.34m	$8.53m	Dec	7.26%
Shareholders Equity	$4.73m	$4.30m	$6.20m	Inc	10.00%

Other Items as at June 2015:

Other Information	Type	Jun 2015
Intangibles	Non-Current Assets	<$0.01m
Deferred Tax Assets/Liabilities	Non-Current Assets	Nil
	Non-Current Liabilities	Nil
Income Tax	Current Liabilities	$0.54m
Related Party Receivables/Payables	Current Assets	$1.05m
	Non-Current Assets	Nil
	Current Liabilities	$1.00m
	Non-Current Liabilities	Nil
Interest Bearing Liabilities (including interest bearing Related Party Loans)	Current – Secured	Nil
	Current – Unsecured	Nil
	Non-Current – Secured	Nil
	Non-Current – Unsecured	Nil
Operating Leases Outstanding	< 1 year	Nil
	>1 year but <5 years	Nil
	>5+ years	Nil
Contingent Liabilities	Additional Information	$3.17m*
Registered Charges	Additional Information	Yes**
Court Proceedings / Adverse Check	Additional Information	Clear

* Relates to bank guarantees and insurance bonds issued as security for projects

** A search of PPSR records on Haslin Constructions Pty Ltd on 31/08/2015 reveals that the Commonwealth Bank of Australia holds a registered security interest over the assets of the Company for the multi-option and equipment finance facilities provided. GE Commercial Pty Ltd holds a registered security interest over the assets of the Company for the equipment finance facility provided. Haslin Plant Hire Pty Ltd holds a registered security interest over the assets of the Company for the hire of plant & equipment. A number of trading partners also hold registered security interests for goods and services provided which is part of normal trading.

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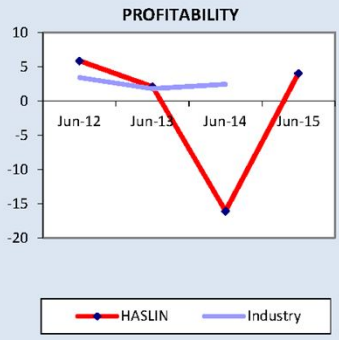
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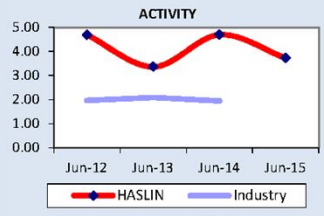
4.2 Financial Indicators

Haslin Constructions Pty Ltd's overall Credit Rating was derived from a detailed analysis of key credit and financial indicators. The subject's performance relating to several of these indicators is provided below. Sector averages have been derived from those entities within a specified sector of the ANZSIC Classification Code "E – Construction".

(i) Profitability

Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the current year's level of profit that remains for reinvestment to fund improvement and future growth.	
Haslin's reinvested profitability improved to 4.0% (2014: -16.1%). While sales decreased by 21.1% to $39.4m (2014: $49.9m), post-tax profit increased by 86.2% to $0.5m (2014: $0.3m) being predominantly supported by an improved gross profit margin and higher interest income while FY14 was also impacted by a -$0.2m loss from the sale of investments (shares). Combined with a significantly lower dividend of $0.1m (2014: $2.0m) representing a pay-out ratio of 20.0% (2014: 699.0%), this supported the 125.2% increase in profit after tax & dividends reported at $0.4m (2014: -$1.7m). Together with the asset base remaining relatively stable (0.3% decrease), this supported the improvement in the indicator. The Company has a sound level of underlying profitability and has retained a strong level of profits to support its current operations and future growth.	**The higher the better**

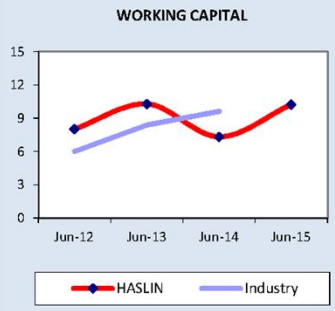
(ii) Activity

Relative to the Sector	Change over the Period
Higher than Average	*Recent Decrease*
This indicator reflects the efficiency of management in generating and growing sales from the asset base of the company.	
Haslin's activity indicator decreased to 3.72 times (2014: 4.69 times) but remained higher than the sector. The indicator was impacted by the 21.1% decrease in sales with the asset base remaining relatively stable. The indicator reflects that Haslin is trading in an efficient manner and may in fact be over-trading relative to its asset base and peers.	**The closer to industry levels the better**

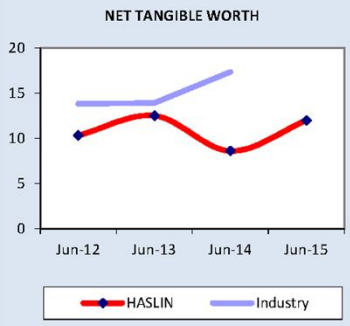
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(iii) Working Capital

Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the working capital position relative to the revenue level of the business.	
Haslin's working capital indicator improved to 10.2% (2014: 7.3%) to be better than the sector average. Working capital increased by 10.4% to $4.0m (2014: $3.7m) predominantly supported by the 7.3% decrease in current liabilities to $5.9m mainly due to lower trade creditors and retentions. Current assets at the same time only decreased by 0.9% to $9.9m predominantly impacted by lower trade debtors. The Company was observed as having a satisfactory level of working capital with an expectation that it will be able to meet its short term commitments as and when they fall due. This is also supported by unencumbered cash reserves of $6.4m covering 109.4% of current and non-current liabilities and representing a very strong cash ratio.	**The higher the better**

(iv) Net Tangible Worth

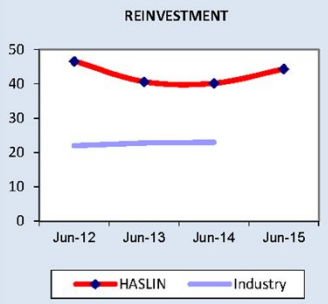
Relative to the Sector	Change over the Period
Worse than Average	*Recent Improvement*
This indicator reflects the net tangible worth position relative to the revenue level of the business.	
Haslin's net tangible worth (NTW) to sales indicator improved to 12.0% (2014: 8.6%) but remained worse than the sector average. With NTW increasing to $4.7m (2014: $4.3m) together with sales decreasing by 21.1%, this supported the improvement in the indicator. While net tangible assets remained relatively stable (decrease of 0.3%), the 7.3% decrease in total liabilities to $5.9m supported the improvement in the indicator. Overall, Haslin is considered to have an adequate level of asset-backing and net tangible worth to support its current operations and future growth.	**The higher the better**

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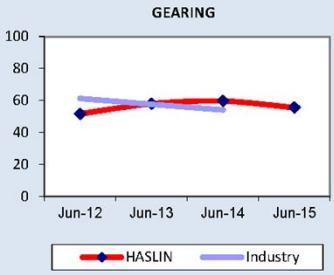
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(v) Reinvestment

Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the accumulated level of profit that has been reinvested into the business over time to fund future growth. It is an important indicator and compares retained earnings relative to the total asset base.	 **The higher the better**
Haslin's reinvestment indicator improved to 44.4% (2014: 40.2%) and remained better than the sector average. The Subject recorded a 125.2% increase in profit after tax & dividends reported at $0.4m (2014: -$1.7m) which resulted in a 9.8% increase in retained earnings to $4.7m (2014: $4.3m). With the total asset base remaining relatively stable at $10.6m (decrease of 0.3%), this supported the improvement in the indicator. Haslin has maintained a history of relatively low dividend pay-outs (apart from 2014) which has contributed to the strong reinvestment levels. The Company is considered to have retained sufficient profits within the business to support its continued operations and future growth.	

(vi) Gearing

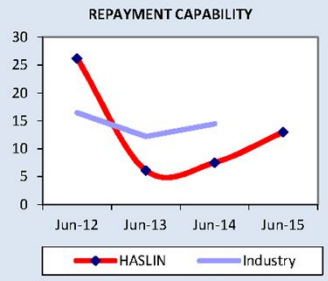
Relative to the Sector	Change over the Period
Marginally Worse than Average	*Recent Improvement*
This indicator reflects the extent of total debt outstanding relative to the Company's total asset pool.	 **The lower the better**
Haslin's gearing indicator improved 55.4% (2014: 59.6%) and remained marginally worse than the sector average. With the Company's total asset base remaining relatively stable at $10.6m (decrease of 0.3%), the 7.3% decrease in total liabilities to $5.9m (2014: $6.3m) mainly due to lower trade creditors and retention supported the improvement in the indicator. Haslin had nil interest-bearing debt on its balance sheet at Jun15 (Jun14: nil) although $2.1m in bank guarantees (off balance sheet) were outstanding at that date. Overall, Haslin is operating with a relatively stable and moderate level of gearing and together with a low level of debt to capital at 17.5%, it is considered to have the capacity to drawn down and service its unused financing facilities (if required).	

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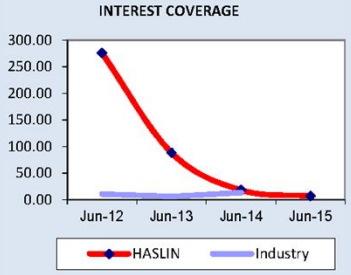
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(vii) Repayment Capability

Relative to the Sector	Change over the Period
Worse than Average	*Recent Improvement*
This indicator reflects the company's ability to meet total outstanding debt and obligations from business profits.	
Haslin's repayment capability indicator improved to 13.0% (2014: 7.5%). The 60.6% increase in pre-tax profit reported at $0.8m (2014: $0.5m), reflecting an improved pre-tax margin of 1.9% (2014: 1.0%) combined with the 7.3% decrease in total liabilities to $5.9m (2014: $6.3m) supported the improvement in the indicator. Although worse than the sector, Haslin's repayment capability is considered sound, particularly in light of the Company's strong cash reserves (109.4% of total liabilities) and history of profitable trading.	**The higher the better**

(viii) Interest Coverage

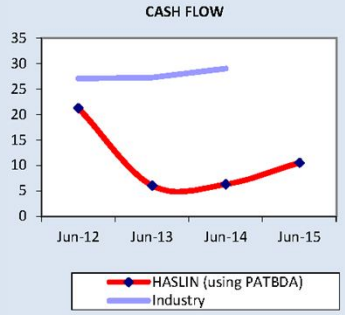
Relative to the Sector	Change over the Period
Worse than Average	*Deterioration*
This indicator reflects the company's level of profits that is available to meet its total interest expense obligations.	
Haslin's interest coverage deteriorated to 6.89 times (2014: 18.04 times). Despite EBIT increasing by 76.5% reported at $0.9m (2014: $0.5m), interest costs increased by 333.3% to $0.1m (2014: $0.03m) and negatively impacted the indicator. Despite being worse than the sector, the indicator is considered to be at a sound level and together with the Company's strong level of cash reserves and history of profitable trading, this supports its capacity to service additional debt if required.	**The higher the better**

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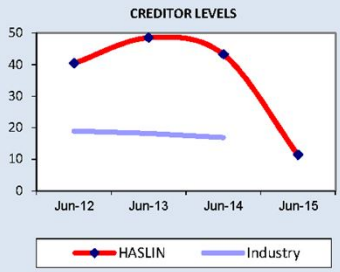
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(ix) Cash Flow Coverage

Relative to the Sector	Change over the Period
Worse than Average	*Recent Improvement*
This indicator reflects the level of cash that is generated from business activity which is available to meet short-term cash commitments. Cash flow is a critical indicator of credit risk.	
Haslin's cash flow coverage improved to 10.5% (2014: 6.3%) of current liabilities using Profit after Tax and before Depreciation & Amortisation as a proxy. The improvement was supported by the increase in net profit and lower depreciation expense. Haslin has been calculated to be generating a positive and acceptable level of net cash flow in order to support its continued business operations and future growth.	**The higher the better**

(x) Trade Creditor Exposure

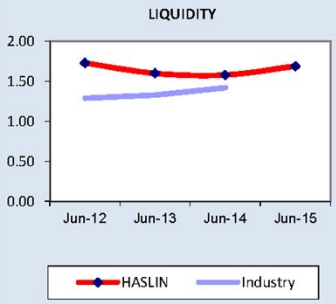
Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the company's ability to manage cash flow and how it uses trade creditors in funding cash flow. Generally the higher the level of outstanding payables the higher the exposure to unsecured creditors.	
Haslin's exposure to trade creditors improved to 11.4% (2014: 43.3%) of total assets to be better than the sector average. With the total asset base remaining relatively stable at $10.6m (decrease of 0.3%), the 73.7% decrease in trade creditors to $1.2m (2014: $4.6m) supported the improvement in the indicator. Overall, the Company's exposure to trade creditors was observed to be at a low level relative to its asset base while creditor days are well-managed at 14 days (2014: 41 days).	**The lower the better**

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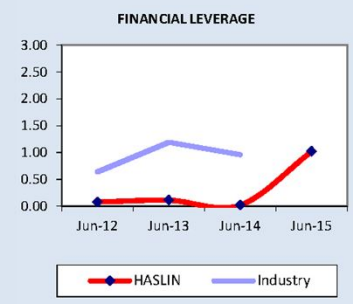
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(xi) Liquidity

Relative to the Sector	Change over the Period
Better than Average	*Recent Improvement*
This indicator reflects the company's level of liquid assets that would be available to meet short-term cash commitments.	
Haslin's current ratio improved to 1.69 times (2014: 1.58 times) and remained better than the sector average. While current assets decreased by a marginal 0.9% to $9.9m (2014: $10.0m), current liabilities decreased by 7.3% to $5.9m (2014: $6.3m) and supported the improvement in the indicator. Overall, the Company's liquidity position is considered to be at a strong level in order to meet its current commitments as and when they fall due. This is also supported by unencumbered cash reserves of $6.4m (2014: $2.3m) covering 109.4% (2014: 36.0%) of current liabilities and representing a very strong cash ratio.	**The higher the better**

(xii) Financial Leverage

Relative to the Sector	Change over the Period
Worse than Average	*Recent Deterioration*
This indicator reflects the subject's level of debt in relation to earnings before interest, tax and depreciation. The level of credit risk increases when this level exceeds five times or is negative.	
Haslin's financial leverage position deteriorated to 1.02 times (2014: 0.02 times) to be worse than the sector average. Despite EBITDA increasing by 58.1% reported at $1.0m (2014: $0.6m), total debt increased to $1.0m (2014: < $0.01m), and contributed to the deterioration in the indicator. The indicator is however considered to be within typical banking benchmarks; the Company advised that it was operating within its banking covenants.	**The lower the better (unless negative)**

Each of the financial indicators shown above has a different weighting in calculating the overall Credit Rating. Some are much more heavily weighted than others when assessing the overall credit quality of the subject. The structure, size and industry sector within which the subject operates also have a strong bearing on the overall Credit Rating.

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4.3 Commentary and Analysis

Sales and Profitability

Management accounts for the year ended June 2015 disclose that Haslin recorded a 21.1% decrease in sales revenue reported at $39.4m (2014: $49.9m) which contributed to the 10.7% decrease in gross profit to $8.0m (2014: $9.0m). This represents a gross profit margin of 20.3% (2014: 18.0%). However, supported by higher other income (mainly interest revenue) and the absence of losses on sale of fixed assets and investments (2014: -$0.2m), net profit after tax increased by 86.2% to $0.5m (2014: $0.3m) for the year ended June 2015.

The Company is proposing to declare a dividend of $0.1m (2014: $2.0m), representing a pay-out ratio of 20.0% of post-tax profit. Retained earnings increased to $4.7m (2014: $4.3m) at June 2015.

It was advised that the lower revenue in FY2015 was impacted by the downturn in the construction industry and fewer projects in Haslin's range released by its government clients.

Financial Indicators

The increase in profit for the ended June 2015 supported the improvement in a number of indicators, namely profitability, reinvestment and repayment capability. The profitability indicator improved to 4.0% (2014: -16.1%) and with 80.0% of the net after tax profit retained, this supported the increase in retained earnings to $4.7m (2014: $4.3m) and the reinvestment indicator to 44.4% (2014: 40.2%). The Company had negative profit retention in 2014 as it declared a $2.0m dividend which exceeded its net after tax profit of $0.3m for the year. Both the profitability and reinvestment levels are better than the sector, and are considered to be at a sound level, with the Company having retained sufficient profit within its business to support continued operations and future growth.

Haslin has a strong capacity to meet its short term commitments, with cash reserves of $6.4m exceeding total liabilities of $5.9m at June 2015. The Company is also operating with a relatively stable and moderate level of gearing at 55.4% and together with a low level of debt to capital at 17.5% and financial leverage of 1.02 times, it is considered to have the capacity to drawn down and service its unused financing facilities (if required).

Haslin paid down its trade creditors during the past year with the outstanding balance at June 2015 representing a low 11.4% (2014: 43.3%) of its asset base, while creditor days were well-managed at 14 days (2014: 41 days).

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Financial Capacity

Haslin's working capital increased by 10.4% to $4.0m (2014: $3.7m) at June 2015 and combined with sales decreasing by 21.1%, this resulted in the improvement in the indicator to 10.2% (2014: 7.3%) of sales. The increase in working capital was predominantly supported by the 7.3% decrease in current liabilities to $5.9m (2014: $6.3m) mainly due to lower trade creditors and retentions. Current assets at the same time only decreased by 0.9% to $9.9m (2014: $10.0m) predominantly impacted by lower trade debtors. The Company was observed as having a satisfactory level of working capital with an expectation that it will be able to meet its short term commitments as and when they fall due. This is also supported by unencumbered cash reserves of $6.4m covering 109.4% of current and non-current liabilities and representing a very strong cash ratio.

The Company's net tangible worth (NTW) increased to $4.7m (2014: $4.3m) and together with sales decreasing by 21.1%, this supported the improvement in the indicator to 12.0% (2014: 8.6%) of sales. While net tangible assets remained relatively stable at $10.6m (decrease of 0.3%), the 7.3% decrease in total liabilities to $5.9m (2014: $6.3m) supported the improvement in the indicator. Overall, Haslin is considered to have an adequate level of asset-backing and net tangible worth to support its current operations and future growth.

The level of credit risk increases as the size of the contractual commitment approaches the financial capacity constraints of the entity. More specifically, once the size of any single annualised commitment exceeds 30% of the average annualised revenue of the entity for the past three years, the level of risk increases. Haslin has averaged annualised sales of $46.3m in the last three years ended June 2015. The maximum annualised exposure of Haslin's 50.0% share of the joint venture ($14.0m) represents 30.3% of average annual revenue and is considered to be within capacity and risk-based thresholds.

In the event that Haslin was required to take over 100.0% of the project, the maximum annualised exposure ($28.0m) would represent 60.5% of average annual revenue over the same period which is considered to be outside capacity and risk-based thresholds.

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Sustainable Growth

An area investigated for credit quality purposes is an entity's ability to sustain growth levels based on their internal resources and reserves. The sustainable growth rate (SGR) refers to the rate at which an entity can grow its revenue base without having recourse to external finance, and is calculated as the retained income divided by opening shareholder funds. If an entity is growing in excess of this rate it will require additional funding or will experience deterioration in its key credit indicators and financial strength. In these situations, high growth entities are likely to face liquidity constraints, increased gearing, lower interest coverage and diminished dividend pay-outs. Haslin operated within sustainable parameters for the year ended June 2015.

Debt Maturity and Funding

At June 2015, Haslin had total debt of $1.0m which comprised of a current loan from its parent Jamsar Pty Ltd which is non-interest bearing.

Haslin provided the following details regarding funding facilities that it has in place at August 2015 with the Commonwealth Bank:

- Multi-option facility with a limit of $4.7m, which is currently split between bank guarantees with a limit of $3.0m (drawn to $2.1m) and commercial bills with a limit of $1.7m (drawn to $1.3m in name of Jamsar Pty Ltd), leaving unused capacity of $1.3m
- Equipment finance facility with a limit of $0.3m (undrawn)

The above facilities are subject to the following covenants which Haslin has complied with since they were introduced in December 2009:

- Bi annual reporting with provision of management accounts within 35 days of June/December month end
- Provision of cash flow forecasts annually within 35 days of prior financial year end
- Provision of aged debtors/creditors half yearly within 35 days of period end

Haslin also has access to the following facilities:

* Insurance bond facility with a limit of $4.0m with Vero drawn to $1.1m, leaving unused capacity of $2.9m
* Equipment finance facility with a limit of $1.0m with GE (undrawn)

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Related Party Information

At June 2015, there was $1.0m in current related party loans receivables, representing 25.9% of working capital and 22.1% of net tangible worth. There is therefore a low to moderate level of reliance on the collectability of these loans to support the Company's financial position. In the event that the loans are not recoverable, working capital and net tangible worth would however continue to be at an acceptable level for the proposed contract.

There was a $1.0m current loan owing to the parent Jamsar Pty Ltd at June 2015.

There were nil non-current related party receivables or payables at June 2015.

Other Financial Items and Information

Haslin had $2.1m in bank guarantees and $1.1m in insurance bonds on issue as security for projects.

There were no actions recorded against the Company at 31 August 2015. Management also advised that there are no court actions, actual or threatened involving the Company.

Accounting Policies: Critical Estimates & Judgements

The Notes to the Accounts for the year ended June 2014 disclose that Haslin is a non-reporting entity and the financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the business. They have been prepared in accordance with APES 315: Compilation of Financial Information. As such, there were no specific issues that have required comment relating to revenue recognition, inventory, provisions, asset valuation / impairment, and any other policies.

The June 2015 Internal Management Accounts have also been utilised for the purposes of this assessment and may not have included all appropriate adjustment entries conducted in preparing statutory accounts. They are not required to include Notes to the Accounts or make reference to Australian Accounting Standards.

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Post Balance Date Events and Subsequent Information

Other than as disclosed elsewhere in this report, there were no other material events subsequent to the end of the financial period.

Recent Media Announcements/News Articles

No media coverage or announcements of note were found.

Credit Risk Migration

Haslin Constructions Pty Ltd's credit quality remained stable at 'B' at June 2013 and June 2014 and improved to a provisional 'B+*' at June 2015. The Company therefore held a sub-prime credit classification at June 2015 which is worse than the sector average level of risk. The increase in net after tax profit and improved margin despite the lower revenue base, combined with the increase in working capital and net tangible worth, improved cash flow coverage and gearing profile and lower creditor exposure supported the improvement in the credit quality in 2015. The rating is however constrained by the lack of a strong forward order book and moderate reliance on the collectability of related party loans receivable.

Current Year Forecast

For the year ending June 2016, the Company is forecasting sales revenue of $57.1m (2015: $39.4m) and a gross profit of $8.8m (2015: $8.0m) representing a gross margin of 15.4% (2015: 20.3%). Profit before tax is forecast at $1.1m (2015: $0.8m), representing a margin of 2.0% (2015: 1.9%) while net profit after tax is forecast at $0.8m (2015: $0.5m), representing a margin of 1.4% (2015: 1.4%).

It was advised that in the face of reduced opportunities in its traditional market areas, management is looking at opportunities with larger projects on a joint venture basis. The Company is also pricing in new markets such as private renewable energy projects. With only $17.4m in unexecuted contracts in hand to complete in the current year, the Company will be reliant on securing the proposed and other contracts in its pipeline in order to achieve its forecast revenue of $57.1m.

The forecast cash flow for the year ending June 2016 reveals expected cash receipts of $57.2m (2015: $42.3m) and cash payments of $56.8m (2015: $40.9m), resulting in a net cash inflow of $0.4m (2015: $1.4m) from operating activities for the year. The closing cash balance at June 2016 is forecast at $7.1m (2015: $6.4m).

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The forecast balance sheet at June 2016 shows working capital of $4.8m (2015: $4.0m) and net tangible worth of $5.5m (2015: $4.7m).

Credit Outlook

Veda Corporate Ratings has assigned Haslin a Rating Watch of 'Evolving' given that its unexecuted contracts in hand due for completion in the current year only represent 30.5% of forecast revenue and hence the reliance on securing additional contracts in order to meet its FY2016 forecast.

Share Price

Haslin is a private company and as such equity price analysis is not applicable.

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5. Credit Opinion

The Corporate Credit Rating for Haslin Constructions Pty Ltd at 30 June 2015 on a stand-alone basis is:

Risk Rating	Haslin	Sector
• Jun 2013	B	BB+
• Jun 2014	B	BB+
• Jun 2015	B+*	N/A
Risk Trend	Improvement	Stable
Probability of Distress / Default		
• Short-term (1 year period)	3.48%	0.88%
• Medium-term (3 year period)	11.20%	3.66%
• Long-term (5 year period)	16.34%	5.93%

* Provisional as based on internal management accounts

Haslin Constructions Pty Ltd's credit quality remained stable at 'B' at June 2013 and June 2014 and improved to a provisional 'B+*' at June 2015. The Company therefore held a sub-prime credit classification at June 2015 (investment grade ranging from 'AAA' to 'BBB-'), indicating, in pure credit rating terms for industrial board companies, a below average position with a moderate level of risk. The short-term probability of default is 3.48% which is worse than the sector average level of financial risk.

In summary, our **key findings** include:

- Reported an 86.2% increase in net profit after tax of $0.5m (2014: $0.3m) despite sales revenue decreasing by 21.1% to $39.4m (2014: $49.9m) for the year ended June 2015. The lower revenue was impacted by the downturn in the construction industry and fewer project opportunities.

- Operating with a satisfactory and improved pre-tax profit margin of 3.3% (2014: 2.1%) and well positioned to support current and future operations, having retained earnings of $4.7m at June 2015.

- Strong capacity to meet short-term commitments as and when they fall due, having a strong level of cash reserves (109.4% of current liabilities), sound liquidity (1.69 times) and satisfactory cash flow coverage (10.5% of current liabilities) using PATBDA as a proxy.

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- A further strength is the Company's capacity to draw down and service the unused headroom ($1.3m) of its multi-option facility (if required), having a moderate and relatively stable gearing profile at 55.4%, a low level of debt to capital at 17.5%, and sound serviceability metrics. The company is in compliance with its debt covenants.

- Reduction in exposure to trade creditors over the past year to 11.4% (2014: 43.3%) of the total asset base with creditor days being well managed at 14 days.

- Haslin is operating within sustainable parameters and its 50.0% share of the proposed contract is within capacity and risk-based thresholds.

- A key challenge is the ability to secure the proposed and other contracts in order to meet management's FY2016 revenue forecast of $57.1m as the Company only has $17.4m in unexecuted contracts in hand to be completed in the current year.

- Relatively high level of client/project concentration risk with Haslin's 50.0% share of the maximum annualised exposure of the proposed contract ($14.0m) representing 30.3% of average annual sales for the past 3 years.

- Concern with Haslin's operating capacity should it be required to take over 100.0% of the proposed contract ($28.0m maximum annualised) as it would represent 60.5% of average annual revenue for the past 3 years which is considered to be outside capacity and risk-based thresholds. Accordingly, the strength of the liquidity position would be dependent on timely monthly progress payments. Haslin does however have recent experience with large projects including Ballina Wastewater Treatment Plant ($44.1m).

- Low to moderate level of reliance on the collectability of related party loans receivable, representing 25.9% of working capital and 22.1% of net tangible worth at June 2015. In the event that the loans are not recoverable, working capital and net tangible worth would continue to be at an acceptable level for the proposed contract.

- Haslin Plant Hire Pty Ltd (related entity) hold a registered security interest over Haslin's assets, giving it priority over unsecured creditors in the event Haslin is placed into External Administration

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Following our detailed analysis our OPINION is that Haslin Constructions Pty Ltd has a provisional credit rating of **'B+*'** at June 2015 being a sub-prime classification with a moderate level of risk. Haslin Constructions Pty Ltd is considered **acceptable** for the purposes of this engagement subject to the following recommendations:

- A Bank Guarantee or Surety Bond to be obtained with a minimum value of 5.0% of the contract value (Haslin's 50.0% project share is $17.5m) from a bank or a suitable Tier 1 issuer with an investment grade credit rating, for the duration of the contract and any warranty/defects period.

- The contract should include appropriate provisions for the Joint Venture Partners to take over the whole contract in the event of failure by either Partner.

- Prompt payment of monthly progress claims to be made by the Principal to support the liquidity position of Haslin due to the high level of client/project concentration risk.

- Reporting covenant be imposed requiring Haslin to participate in an ongoing financial monitoring regime throughout the course of the project, requiring specific confirmations regarding facilities and covenants, together with the provision of financial information to support ongoing credit quality reviews (at the request of Parkes Shire Council).

While credit ratings reflect an opinion of the financial viability and capacity to honour contractual commitments moving forward, they are based on the information available at the time of the assessment. The scope of this report does not include an ongoing review of the credit quality of the entity. It is strongly recommended that regular assessments of the credit quality and financial position of the Company be conducted throughout the course of the engagement.

This report should be read within the context of Corporate Scorecard's Rating Services Guide. The information contained herewith is for the exclusive use of the Parkes Shire Council and shall not be disclosed to any other person or entity without written consent from Corporate Scorecard Pty Ltd. The report should be taken as a whole and cannot be abridged or excerpted for any reason.

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APPENDICES

1. Explanation of the Corporate Scorecard Credit Rating

1.1 What is a rating?

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity, issuer, or counterparty to meet their respective financial commitments. As such, Corporate Scorecard assigns ratings based on the credit worthiness of an entity, commitment or product, and provides probabilistic assessments of default over the short, medium and long-term.

Credit ratings are a critical measure used extensively in commercial, financial and capital markets to support key business decisions. Corporate Scorecard's ratings are used to support debt and bonding decisions, loan origination and recovery, insurance and warranty, funds management, portfolio management, tendering and procurement, counterparty risk assessments and other commercial contracts.

Corporate Scorecard provides credit ratings on government and commercial agencies, international conglomerates, infrastructure consortia, financial institutions, publicly listed entities, private corporations and small-to-medium sized enterprises across a range of industry sectors both domestically and internationally. As such, Corporate Scorecard is also able to provide detailed industry intelligence, benchmarking reports and analysis across a wide range of sectors.

1.2 Corporate Scorecard Credit Rating

Corporate Scorecard and other Credit Rating Agencies all attempt to measure the probability of an entity being able to honour its financial commitments as and when they fall due. The most recognised credit rating is that based on Bond Rating Equivalents (BRE) used over the past eighty years to determine the proximity of an entity's securities to default (non-payment of interest or principal). The accuracy of this method has been extensively tested and is accepted worldwide.

The Corporate Scorecard database contains more than 65,000 financial years of information spanning more than twenty-five years. As such Corporate Scorecard is in a unique position, having developed a large and empirical data source on entities across various industry sectors with long data histories covering a range of economic conditions and one or more complete business cycles. Corporate Scorecard has therefore been able to use a variety of quantitative validation tools and comparisons using this information to adequately verify the stability, accuracy and consistency of its rating models.

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Corporate Scorecard's rating models have been designed to assess the proximity of an entity to defaulting on its financial commitments and obligations. Proprietary risk analytics are used to evaluate the multivariate interrelationship of key risk indicators using scientifically based and empirically derived risk metrics. These models evaluate the financial performance, position and profile of an entity in the context of its industry, size and structure. They have been validated on Australian and International data with the assistance of Professor Edward Altman, an internationally recognised leader in the field of credit risk analysis and bankruptcy prediction.

Corporate Scorecard uses its comprehensive benchmarking database to evaluate the financial position, performance and credit quality of an agency, institution, corporation or entity relative to an industry and its peers. This enables the identification of key sensitivities, trends, cautionary alerts and exception reports based on identified anomalies and/or outliers across key credit indicators of a select benchmarking group.

While there is no single method to discriminate unambiguously between firms that will default and those that will not, Corporate Scorecard can make probabilistic assessments of default. This requires a large database of actual defaults to enable an assessment of default probabilities and actual default rates from empirical evidence. The Australasian market has a comparatively small number of corporate bond issues and a relatively benign credit climate over recent decades, and as such empirical data on Australian default rates is limited. Therefore Corporate Scorecard considers it is more appropriate to apply default probabilities using empirical data from international markets over several economic cycles.

Corporate Scorecard's default statistics have been derived from nearly twenty years' experience analysing mainly US non-financial, non-utility corporate bond issuers. The analysis covered a relatively large number of companies (approximately 1,000 rated each year) and follows the well-established static pool approach used by Credit Rating Agencies to report their default experience. Static pools were created for bond issuers each year by both notch and grade, and the history of these bond issuers was then analysed over the period. The pools were then combined so that long-term average default experience by duration could be calculated, and both annual and cumulative default experience was calculated from the pools.

Corporate Scorecard's risk analytics enable analysts to evaluate the most critical and sensitive financial and risk items through the Risk Assessment Platform by analysing key indicators to derive a definitive credit risk score and Bond Rating Equivalent (BRE), providing Probabilities of Default (PoD) over the short-, medium- and long-term horizon.

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1.3 Rating Definitions

Credit ratings provide an Agency's opinion as to the capacity, viability and willingness of an entity to meet their respective financial and contractual commitments. As such credit ratings are assigned in accordance with the entity, commitment or product's proximity to default. Corporate Scorecard's credit ratings adhere to internationally recognised grades and are similar to other agency classifications, providing ratings across twenty-two credit notches from 'D' (in default) to 'AAA' (extremely strong).

Moody's	Fitch	S&P	Rating	Classification	Risk Level
Aaa	AAA	AAA	AAA	High Grade	Negligible
Aa1	AA+	AA+	AA+		
Aa2	AA	AA	AA		
Aa3	AA-	AA-	AA-		
A1	A+	A+	A+	Investment Grade	Very Low
A2	A	A	A		
A3	A-	A-	A-		
Baa1	BBB+	BBB+	BBB+		Low
Baa2	BBB	BBB	BBB		
Baa3	BBB-	BBB-	BBB-		
Ba1	BB+	BB+	BB+	Near Prime	Low to Moderate
Ba2	BB	BB	BB		
Ba3	BB-	BB-	BB-		
B1	B+	B+	B+	Sub Prime	Moderate
B2	B	B	B		
B3	B-	B-	B-		High
Caa1	CCC	CCC+	CCC+	Credit Watch	Very High
Caa2		CCC	CCC		
Caa3		CCC-	CCC-		
Ca		CC	CC	Distressed	Extremely High
		C	C		
C	D	D	D		

Corporate Scorecard assigns ratings based on the credit worthiness of an entity or a specific financial commitment, and provides probabilistic assessments of default over the short, medium and long-term.

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Every entity or commitment has some probability of default over a period of time, even those assigned with the strongest of ratings. An Investment Grade classification is attributed to credits that exhibit a lower probability of default, while a Sub-Prime classification has a greater expectancy of default.

A Corporate Scorecard Credit Rating may also be assigned additional clarification markers (symbols) to qualify the credit risk assessment. These may include:

Conditional Rating (#)

A Conditional Rating is used where Corporate Scorecard has rated an entity on the basis of significant risk factors and/or report qualifications, with recommendations providing one or more conditions precedent and/or mitigation action(s) to reduce identified uncertainty and risk.

Provisional Rating (*)

A Provisional Rating is used when the most recent financial figures are based on draft management accounts or are deemed out-of-date. Entities with a provisional rating should be re-evaluated as soon as finalised financial statements become available.

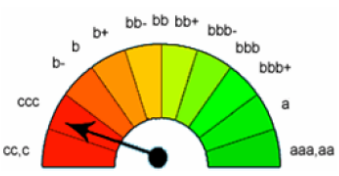
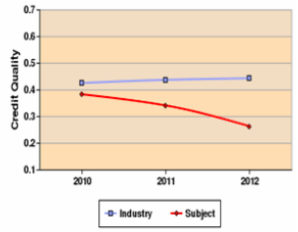
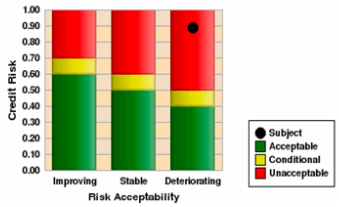
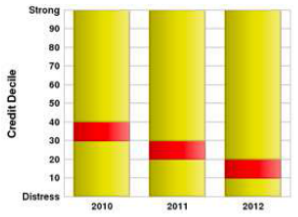
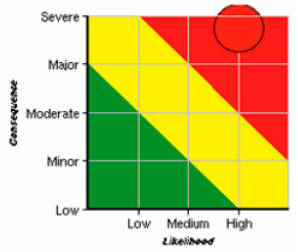
Indicative Rating (^)

An Indicative Rating is used where Corporate Scorecard is engaged to conduct preliminary analysis only, and as such an official rating assignment would require a more detailed and comprehensive investigation and due diligence assessment prior to the provision of our professional opinion.

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1.4 How to interpret the risk rating graphs?

Risk Graph	Description
	**Risk Rating** This graph indicates the current credit quality on the credit rating scale from **c** (imminent default) to **AAA** (extremely strong). Generally, a risk analyst would prefer the credit quality to have investment grade classification (from 'AAA' to 'BBB-'), as represented by the green section on the risk rating odometer. While a sub-prime classification has a higher risk profile, this may continue to be adequate depending on the particular commercial obligation and circumstances.
	**Risk Trend** This graph indicates the trend of risk and credit quality migration over the period assessed. The risk profile of the entity and/or its commitment is displayed relative to the average for the industry. The vertical axis portrays the overall credit quality, with a higher score reflecting a stronger credit quality and lower risk profile. Generally a risk analyst will be more concerned with a trend of risk chart that displays a volatile risk score, one that is lower than the industry average, or one that shows signs of deterioration over time.
	**Risk Level** This graph integrates the current level and trend of risk to derive a projection of risk acceptability. The vertical axis displays the credit risk along an ordinal scale, with a low score implying a low level of risk. The horizontal axis represents the trend of risk and credit migration over time. Generally a risk analyst will be concerned where the trend and/or level of risk would result in an unacceptable risk profile for the purposes of the commercial obligation.
	**Risk Decile** This graph indicates the risk profile of the rated credit relative to the industry sector, and highlights how this has changed over time. The credit quality is assessed over each period of the assessment horizon, and is positioned within the respective credit risk decile. A ranking within the 0-10 decile infers the rated entity or commitment is within the bottom 10% of rated credits for that sector, with 90% of other rated engagements being assigned a stronger credit quality. Generally a risk analyst will be concerned where the risk decile is low or is deteriorating over time relative to other rated credits within the sector.
	**Risk Severity** This graph integrates the size and risk exposure of the commitment (consequence) relative to the likelihood of a default event. The higher the severity and probability of risk, the more likely the risk will be considered to be unacceptable, subject to appropriate recovery and preventative risk mitigation. The colour of the bubble reflects the underlying credit quality, corresponding to the credit rating odometer. The size of the bubble reflects the variability of the risk estimate, with a larger bubble inferring a lower overall confidence index. The level of risk variance is influenced by the quality of the financial information (i.e. audited), the extent of disclosure, interim period adjustments, sustainable growth, inherent complexity, vulnerability to key sensitivities, risk stability ratios, and any potential rating qualifications.

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1.5 Credit Concepts measured

The main credit concepts measured against Australian and New Zealand Standard Industry Classifications (ANZSIC) and specific Peer Groups based on entity size are:

1) **Activity (Sales / Total Assets) –** reflects the efficiency of management in generating and growing sales from the asset base of the subject

2) **Stability (Sales Volatility) –** reflects the ability of management in maintaining the subject's stability and in generating a stable trend of sales performance over time

3) **Profitability (Net Income / Total Assets) –** reflects the current year's level of profit that remains for reinvestment into the business to fund improvement and future growth

4) **Reinvestment (Retained Earnings / Total Assets) –** reflects the cumulated level of profit that has been reinvested into the business over time to fund future growth

5) **Repayment Capability (Profit before tax / Total Liabilities) –** reflects the subject's ability to meet total outstanding debt and obligations from business profits

6) **Gearing (Total Liabilities / Total Assets) –** reflects the extent of total debt outstanding relative to the subject's total asset pool

7) **Interest Coverage (Profit before Tax / Interest Expense) –** reflects the subject's level of profits that are available to meet its interest expense obligations

8) **Creditor Management (Trade Creditors / Total Assets) –** reflects the subject's ability of managing cash flow and how it uses creditors in funding cash flow

9) **Cash Flow (Cash Flow before tax / Current Liabilities) –** reflects the level of cash that is generated from trading activity that is available for short term cash commitments

10) **Liquidity (Current Assets / Current Liabilities) –** reflects the subject's level of liquid assets that would be available to meet short term cash commitments

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2. General Disclaimer

We have prepared the attached document based on the information obtained from or on behalf of the subject of this assessment. The credit ratings and our recommendations are qualified on the basis of the accuracy, completeness and currency of the information provided to us. As such, subsequent information or changes in the information previously provided could result in changes to our assessment and the recommendations in this report.

Whilst Corporate Scorecard has taken proper care in assessing the completeness and accuracy of the information provided to it, it has not conducted an audit of the information or of the subject. The report should therefore not be construed as an audit opinion. Corporate Scorecard cannot and does not express an opinion as to the accuracy or completeness of the information provided, the assumptions made by the parties providing the information, or the conclusions reached by those parties.

This report is prepared for the exclusive use of our Client and is not to be made available to any other person or party. Corporate Scorecard's official ratings release mechanism may be provided for the purpose of providing authorised disclosure of the rating and our report.

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Capital Insight Pty Limited
ABN 76 056 297 100
77 Berry Street
North Sydney NSW 2060
t 02 9955 2300
f 02 9955 5574
www.capitalinsight.com.au

2 November 2015

The Mayor and Councillors
Parkes Shire Council
2 Cecile Street
Parkes NSW 2870

Dear Councillors

Probity Advice in respect of new Parkes STP and WTP Treatment Plants

Parkes Shire Council has undertaken assessments of its current Water Treatment Plant and Sewage Treatment Plant and has determined that both treatment plants have reached the end of their serviceable lives and are no longer able to provide adequate service into the future. In addition, the current plants do not have the capacity to service the local area into the future. As a result, both Water and Sewage Treatment Plants are to be replaced.

Following an earlier Expression of Interest process, Parkes Shire Council shortlisted respondents to proceed to the Request for Tender (RFT) stage and provide fixed lump sum prices to undertake the design development and construction of each plant as well as the provision of operation and maintenance support services for each plant for a fixed period following completion of construction.

In our role as Probity Advisor, we report to Council on the RFT process to date.

Project Procurement Plan

Parkes Shire Council's Procurement and Disposal Policy documents a Procurement Process Strategy for the proposed WTP and STP projects.

That Policy provides that:

- Council is committed to ensuring a fair, transparent and accountable process in the purchase and disposal of goods, the contracting of services, and in the disposal of assets.
- The WTP & STP projects procurement related activities will be conducted in a manner that obtains value for money in the procurement and disposal of goods and services, using open and effective competition wherever practicable.
- Council expects its contractors and suppliers to comply with ethical business standards and practices in its procurement activities. Council shall strictly implement its Code of Conduct, guidelines and other relevant policies on matters relating to its procurement activities.
- All staff are required to consistently apply and implement Council's procurement policies and procedures.
- All communications with potential tenderers will be conducted within strict probity and risk management frameworks to ensure accountability and transparency. The key principles of the Code of Conduct include Integrity, Leadership, Impartiality, Accountability, Openness and Honesty.
- Impartiality and fairness are about being objective, even-handed and reasonable. An impartial person will try objectively to establish criteria for determining best value for money and will work hard to objectively assess each tender against criteria. A fair person would not for

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example change or introduce new selection criteria midway through the tendering process without advising all tenderers.

Probity Plan

As Probity Advisor, we developed a Probity Plan to help the project team ensure the strict probity and risk management frameworks are adopted and maintained.

The application of probity principles generally requires that:

- all tenderers are treated fairly and equitably, consistent with the rules of natural justice and procedural fairness;
- a transparent and appropriately planned and documented tender process is established, including a robust evaluation methodology;
- all confidential information is protected;
- strategies are in place to maintain the integrity of the tendering process when in-house bids may be involved;
- potential and/or actual conflicts of interest are identified and dealt with.

The approved Probity Plan was issued in January 2015 and addressed issues such as:

- probity principles applying
- process requirements, including compliance responsibility, authorised personnel, confidentiality and security, document control and proponent meetings
- project specific procedures, including briefings, workshop protocols, potential Councillor involvement, confidentiality, potential conflicts of interest, reference checks and site visits, and communications and correspondence

Probity is founded on integrity, honesty and uprightness, and is the process by which the right thing is both done and seen to be done (with evidence supporting the process).

The Probity Advisor role comprises three principal elements:

- to ensure the adequacy of plans and processes that will be applied to a procurement process;
- to act as independent observer of procurement processes as they occur; and
- to attest to the processes applied and to the robustness of the outcomes achieved by the procurement process.

The Probity Adviser will provide a reasonable level of assurance:

- that all proposals submitted are assessed against appropriate criteria;
- that all proposals are assessed fairly and equitably and that no proponent has given an unfair advantage;
- of the achievement of accountability and transparency of the process;
- that all contractors, employees and officers of Council act ethically; and
- that all proposals are treated in commercial confidence.

As the independent overseer of the procurement process, the Probity Advisor will report to the elected members of the Council through the General Manager. This letter is that report at the end of the RFT phase.

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RFT Tender Evaluation Plan

An RFT Tender Evaluation Plan was prepared for Council and agreed prior to the opening of tenders.

That Plan addressed the following:

- composition of the Evaluation Committee and Advisory Panels
- time
- risk, confidentiality and probity
- procedures, including Committee and Panel member conflicts of interest identification and declarations, document security and RFT opening processes,
- evaluation criteria (as advised to RFT proponents) and weightings (and which were not advised to RFT respondents)
- evaluation processes and protocols, including possible communications with respondents during the evaluation processes

Specialist advice was received from advisors as required.

Overall, this process was detailed, comprehensive and robust.

Our role in this process has been to observe the processes and protocols from outside the detailed Evaluation Committee deliberations.

AS4120 – 1994 Australian Standard Code of Tendering

In addition, the probity processes have been guided by the provisions of AS4120-1994 Australian Standard Code of Tendering. This Standard addresses issues in tendering such as:

- ethics
- tendering processes
- obligations of the parties

ASAE3100 – 2008 Compliance Engagements

The provision of this Probity Report has been guided by the provisions of ASAE3100-2008 Standard on Compliance Engagements. This Standard addresses issues in compliance engagements such as the assurance practitioner's:

- ethical requirements
- quality control
- materiality and compliance risk

Parkes Shire Council's RFT Evaluation Report

We have reviewed the draft RFT Evaluation Report issued 1 November 2015.

That report addresses key requirements of the antecedent documents referred to above.

The report has been prepared by the RFT Evaluation Committee with appropriate input from Council.

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Our involvement in the RFT process

We have:

- produced and incorporated feedback in a Probity Plan
- reviewed and provided comment on the RFT Tender Evaluation Plan
- reviewed and sighted Conflict of Interest and Confidentiality statements by members of the Evaluation Committee and Advisor Panels
- briefed members of the project team on probity issues
- provided advice, where requested, to Council on probity issues
- produced and updated as required a 'commercial in confidence' Probity Issues Register
- attended the opening of both non-price and price 'envelopes'
- reviewed from a probity perspective, the RFT Evaluation Report

We have not:

- attended Evaluation Committee meetings or its deliberations to ensure that due process was followed in accordance with the agreed Evaluation Plan, but have received assurances from Council about that process
- participated in the preparation of the RFT Evaluation Report, but have provided feedback to Council about some issues that emerged from earlier drafts.

Issues arising out of the Probity Issues Register

Some of the issues identified within the Probity Issues Register are by their nature very confidential. Accordingly we have strongly advised Council that the Register's contents should be treated as 'commercial in confidence' and not distributed beyond a strict 'need to know' circulation list. Once used by key decision makers, hard and soft copies (other than in secure Council files) should be deleted/shredded/destroyed.

Issues identified and recorded within the Probity Issues Register were proactively addressed at the time they were identified. All have been satisfactorily resolved.

Several matters were however identified out of our probity role and involvement that require additional comment:

Council's current Procurement and Disposal Policy stated purposes include:

- 'to assist in ensuring best value for money';
- 'cost effectiveness';
- 'facilitation of a "value for money" judgement'; and
- 'there is the need to get the best possible value for public money'

As is normal practice in most tender evaluations, a scored weighted attribute method was utilised by the Evaluation Committee.

This approach scores non-price attributes and scores likely costs and sums the total.

It is not however a measure of 'value for money' as defined by AS4183-2007 Australian Standard on Value Management

The Standard provides explanation and definition of terms frequently used by those charged with managing value and value assessments.

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The Standard advises that 'value for money' may be expressed generically as a relationship between:

$$\frac{\text{a measure of the value of the entity}}{\text{a measure of the total cost of the entity}}$$

To better assess the robustness of RFT Evaluation Committee's report conclusions, we advised that we would use the Evaluation Committee's scores to:

- test 'value for money' as defined by AS4183-2007; and
- carry out a sensitivity test on the Committee's adopted weightings

Additionally, we have tested the impacts of 'normalising' both non-price and price scores to eliminate any inherent scoring bias.

We report on these issues as follows:

- The 'value for money' assessment in accordance with the provisions of AS4183-2007 reinforces the conclusions determined by use of a weighted attribute scoring model
- Normalisation of scores, in this case, does not change the overall conclusions reached as to preferred tenderer
- Given that two tenders are ranked equal for the WTP Conforming Design Combined Offer only, the scores determined by way of the weighted attribute scoring model may be sensitive to adopted weightings
- The 'value for money' measure for the WTP Conforming Design Combined Offer clearly separates the first and second ranked tenders

Overall, the scores and rankings determined are robust.

Inherent Limitations

Because of the inherent limitations of any compliance procedure and our not being present at all times, it is possible that matters may have occurred of which we are unaware or have not been informed of. While we have made enquiries of team members as appropriate and applied what are thought to be appropriate review procedures, we have not been present to examine every activity and procedure, nor can we be a substitute for management's responsibilities to maintain adequate controls over all aspects of the projects.

Conclusion

Based on our work performed and detailed above, we are not aware of any issues of a probity nature that would lead us to conclude that the processes adopted by Parkes Shire Council in assessing submissions for the Request for Tender phase of the Water and Sewage Treatment Plants have not been conducted in a fair and equitable manner with due regard to probity, specifically that:

- procedures and processes were adequately established and documented for this phase of the project
- RFT evaluation processes and matrices were prepared, finalised and approved prior to receipt and opening of RFTs
- the receipt, opening and evaluation of RFTs was consistent with the defined evaluation processes
- the RFT evaluation has been carried out by experienced evaluators
- the RFT evaluation processes undertaken have been detailed and robust

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- the RFT Evaluation Report is supported by the project team and represents the outcomes of the defined evaluation process

We are happy to discuss any issues arising out of this letter.

Yours faithfully

Brian Farmer
Probity Advisor

General Manager

Mayor

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USER FOOTPRINTS

All TenderLink Australia
Live Server Report

Today (07/10/2015)

Page Requests for JHW Prospects

Account Number : 155682
Organisation : John Holland Pty Ltd
For all websites

07/10/2015

Page Requested	Time	Time since previous request (seconds)
Logon - Visitors (update)	1:04 p.m.	0
Home page for Tenderer	1:04 p.m.	0
Welcome	1:04 p.m.	0
Search Page	1:04 p.m.	2
Welcome	1:04 p.m.	6
View Tenders - Supplier	1:04 p.m.	2
Welcome	1:04 p.m.	13
Logon - Tenderer (update)	1:17 p.m.	781
Home page for Tenderer	1:17 p.m.	0
Welcome	1:17 p.m.	0
Search Page	1:17 p.m.	4
Full Tender Details (update)	1:17 p.m.	4
Submission Details	1:18 p.m.	8
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Home page for Tenderer	1:30 p.m.	0
Welcome	1:30 p.m.	0
Search Page	1:30 p.m.	2
Full Tender Details (update)	1:30 p.m.	3
Submission Details	1:30 p.m.	6
Submission Details (update)	1:31 p.m.	28
Submission Details (update)	1:32 p.m.	47
Submission Details (update)	1:32 p.m.	50
Logon - Tenderer (update)	1:38 p.m.	359
Home page for Tenderer	1:38 p.m.	0
Welcome	1:38 p.m.	0
View All Live Tenders	1:39 p.m.	5
View Tender Details	1:39 p.m.	4
Submission Details	1:39 p.m.	4
Submission Details	1:41 p.m.	124
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Submission Details	1:43 p.m.	43
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Welcome	1:48 p.m.	0
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Home page for Tenderer	1:48 p.m.	0
Welcome	1:48 p.m.	0
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Welcome	1:48 p.m.	2
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Run Date: 07 October 2015 User Footprints Richard Law Page 1 of 2

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USER FOOTPRINTS

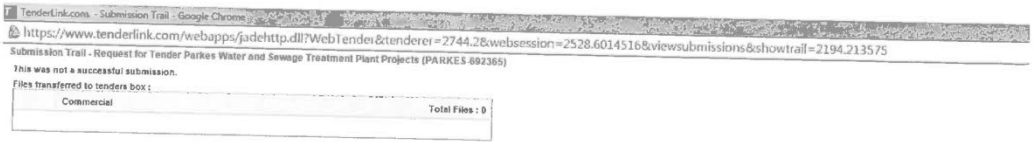
All TenderLink Australia
Live Server Report

Today (07/10/2015)

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Submission Details	1:48 p.m.	3
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Dashboard	1:48 p.m.	5
	1:48 p.m.	6
View All Live Tenders	1:49 p.m.	6
View Tender Details	1:49 p.m.	9
Logon - Tenderer (update)	1:49 p.m.	2
Home page for Tenderer	2:00 p.m.	658
Welcome	2:00 p.m.	0
View All Live Tenders	2:00 p.m.	0
View Tender Details	2:00 p.m.	2
	2:00 p.m.	1
Page requests for 07/10/2015	**59**	
Total Page Requests	**59**	

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TenderLink.com - Submission Trail - Google Chrome

https://www.tenderlink.com/webapps/jadehttp.dll?WebTender&tenderet=2744.2&websession=2528.6014516&viewsubmissions&showtrail=2194.213575

Submission Trail - Request for Tender Parkes Water and Sewage Treatment Plant Projects (PARKES-692365)

This was not a successful submission.

Files transferred to tenders box :

Commercial	Total Files : 0

Actions performed :

Commercial

Description	User	Date
Transferred file _Mp_pkesd_combined.pdf)	(envelope_2... JHV Prospects	07/10/2015 - 1:32 p.m.

Close Window



PARKES SHIRE COUNCIL **COMMERCIAL IN CONFIDENCE**
Water/Sewage Treatment Plants: RFT Probity Issues Register

Date	Issue	Probity Resolution
17 August	**Site inspections during STI Process (raised by Joshua Same)**	
	I understand from the telephone call yesterday that one or both of the 'model' sites to be inspected during the STI Process were constructed by one of the Tenderers. There may be some risk that if that same Tenderer (who constructed the model site) is ultimately selected, then another unsuccessful Tenderer could claim that by highlighting the successful Tenderer's site, Council demonstrated that it was pre-disposed to selecting that Tenderer such that the process lacked fairness. It would be useful to seek advice from Brian as to how that risk may be minimised i.e. to avoid any appearance of bias towards the Tenderer(s) whose site will be visited.	I am not aware of who constructed each/any of the model sites. I believe that processes are in place to address these issues, including comment in my Respondent briefing that: • They are 'model' sites, and nothing more • The 'model' sites might indicate both positive (ie, things considered desirable) and negative (ie, things considered not desirable) • The number of 'model' sites could easily have been increased but was pragmatically minimised as to number to reduce costs and time impacts on Respondents • 'Ownership' of such model sites is not an assessable criteria
19 August 2015	Workshop 1 held 19 August 2015. Workshop 1 Minutes had not issued to Respondents as at 31 August – subsequent to Workshop 2 and issue of Minutes for that Workshop.	Have chased Louise, Jason and David. As far as Respondents are concerned, none have raised any issues. Events have probably overtaken the matter. Assessed risk is low. Understand that they did subsequently issue.
27, 28 and 31 August 2015	On 27 August, Annalisa verbally advised me that she wished to invite John Messenger, a Design Engineer from the John Holland team to present at an Engineers Australia Central West (and of which she was Secretary) forum to be held in either Forbes or Parkes in 3 to 4 week's time. John was a member of the John Holland team being interviewed that day. The suggested timing was to coincide with a future STI related visit by him to Parkes.	Such intended action would have violated many probity principles, eg, being seen to favour one Respondent over another, being seen too close to one Respondent over another, etc. The assessed risk was unacceptably high. I advised her not to proceed at all with any Respondent representatives. If she had a short term time constraint as to a presenter, I suggested she use Jason, Andrew or Mark. Alternately, wait until next year when the successful Respondent would be known and invite a Contractor representative to present then. The assessed risk of this suggested approach would likely be low.
	Workshop 2 held these dates was attended by David and Doug Miller from Council and Larry Greentree and Matt Parmeter from NOW. Confidentiality Declarations not seen for these people.	Larry Greentree and Matt Parmeter from NOW have statutory obligations consequent on their executive positions with Government. Unsure about David and Doug but both are from Council.

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Date	Issue	Probity Resolution
		Assessed risk is low.
	Workshop 2 held on these dates was attended by Paul Thompson from HH2O but he had not signed Confidentiality and Conflict of Interest Declarations. Issue further compounded by fact that all three Respondents (and their consultants) presented and subsequently issued their own material for attachments to the Minutes of those meetings. Such presentation material includes Respondents' intellectual property and which potentially becomes available to Paul. [And David Powell too for that matter.] HH2O works for and advises industry (including contractors and consultants) and competes with the Respondents and their consultants.	1. Louise to get executed Confidentiality and Conflicts of Interest Declarations from Paul. 2. Have suggested to Council that Minutes issue to Respondent and RFT Evaluation Team members ONLY. Assessed risk is real but considered low↑.
2 September	An issue arose out of the John Holland presentation today in that it thought that it could lodge a single (what it thought to be) 'best for project' tender, ie, one based on DAFF technology. Council advised that it 'required' a conforming tender (using Preliminary Design advised Lamella plate technology). Respondents could submit 'alternative' tenders (based on, say, DAFF technology) in addition to a 'conforming' tender at their choice. Questions arising out of this matter include: • What requirements are defined in the RFT tender documents? • Irrespective, what constitutes a 'conforming' tender?	The whole concept of a D&C tender process is that the Principal defines its Principal's Project Requirements (PPRs) and the tenderer submits any tender compliant with those PPRs. The PPRs typically include a Preliminary Design. The tenderer/Contractor is required to warrant performance compliance with the PPRs, including the intent and content of the Preliminary Design. Absent any express condition in the Conditions of Tender, it is not normal however that the tenderer has to comply literally with the Preliminary Design. Council however did have an intention that tenderers would comply with the specific Preliminary Design. It is apparent that the PPR's were not as tightly or clearly documented as was necessary. This matter was clarified by Council in an Addenda that stated in part that a 'conforming' bid that substantially conformed to the Preliminary Design was mandatory. 'Alternatives' could be submitted.
4 September (and multiple subsequent dates)	**'Conforming' vs 'alternative' tenders** Recent workshop sessions have confirmed confusion in the mind of tenderers as to whether Council requires a 'conforming' tender.	
4 September	**Time for lodgement of tenders**	Invitations to respond to the Request for Tender were issued on 13 August. The then advised date for the closing of tenders was 2 October. Multiple Addenda were issued[1] subsequent to the issue of RFT documentation.

[1] Addenda were issued as follows:

Addendum No	Issue Date
1	14 August
2	14 August
3	25 August
4	26 August
5	3 September
6	10 September
7	15 September

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		The Principal has an overarching obligation to ensure that tenderers have adequate time to prepare and complete their tenders. Where matters of significance make it necessary to amend tender documents during the tender period, the amendment shall be advised as in addendum forwarded to all tenderers in sufficient time for all tenderers to consider the addendum properly and fully before tenders close. Where appropriate, the tender period shall be extended when an addendum is issued. In the event, Addendum No 8 advised of an extended time for lodgement of tenders to 7 October.
6 September	**MONADELPHOUS RFI - Commercial in Confidence (raised by Mark Dawson)** Justin has provided an aerial photo with contours and notes to advise the gravity mains into the existing STP. I believe a better submittal would be to provide Monadelphous with Council's GIS files for the town with sewer and contours. Cadastral boundaries should be provided but not land ownership information. In regard to the planned connection between the new WTP and the sewerage system, I believe Justin has this alignment however there is some thought that this line would need to be modified (upsized and connected further downstream). As Larry pointed out, all this information may not be sufficient to determine whether there is sufficient excess sewerage capacity to pass the 2-5 L/s from the new plant to the STP as Monadelphous won't know the existing flows. I am not sure we can give them this information (assisting only one tenderer with their alternate offer) without a request from them	In respect of your comment (highlighted in yellow), the situation is that Council has agreed to treat certain material as 'commercial in confidence'. Monadelphous has asked that its idea of 'WTP waste to STP for treatment' be treated as 'commercial in confidence' and to which Council has agreed. To give effect to Monadelphous's ability to further investigate the option, it has requested 'details of the sewers serving the proposed new water treatment plant and sewers from this point to the wastewater treatment plant including sizes, grades and incoming sewers connecting to these lines'. Council has agreed to supply that information. I believe that that information is a part of the 'commercial in confidence' request and which Council has agreed to keep confidential and not communicate to other Respondents. Monadelphous has not yet sought flow information and I agree that we should not send them that information. Other Respondents may seek such information but to date have not yet done so. Should they seek that information, I believe that under the 'commercial in confidence' protocols, such information could **then** be communicated to the requesting party. The commercial reality is that unilaterally communicating the sewer characteristics requested above to all Respondents would likely destroy the agreed 'commercial in confidence' status of the very idea that Council has agreed to preserve.

8 17 September
9 25 September

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		In short, send the requested material only (ie, pipe data only **without** existing sewage flow information) to the requesting Respondent (ie, Monadelphous) only. If (or when) Monadelphous request flow information **then** send that but not before. And then treat other Respondents' 'commercial in confidence' requests in a similar manner but only **if/when** they ask for information.
11 September	Since the EOI documents were issued (and upon which Respondents based their EOI submissions) including their undertakings to submit a tender price within the EOI-advised upper limit of cost, Council has added additional scope requirements and adjusted the upper budget limits within which the successful RFT Contractor will be required to deliver its projects. This is placing pressure on RFT tenderer's ability to maintain its costs undertakings.	Noted See later comments on this matter on 15 October.
23 September	**Advice from Kanishka Banerjee** Jason As discussed, I'm considering taking up a contract role with John Holland commencing 30th September 2015. My initial involvement will be in interstate projects, but this may lead to a longer term involvement. Due to my involvement with the EOI/ RFT evaluation process at Parkes, I wanted to confirm that I am aware of my obligations to maintain confidentiality with regards to the projects at Parkes. These projects will not be discussed with John Holland and certainly no confidential information on these projects will ever be disclosed. I will also excuse myself from further participation in the evaluation process and the evaluation committee meetings in October. I want to take this opportunity to thank PMO and Council for their support. It was been a rewarding and valuable experience to work with PMO on these projects and I certainly hope to work again with yourself and the team in the future. Regards Kanishka Banerjee Principal | Banerjee & Associates Mobile: 0416 176 467	Kanishka was a technical advisor to Council in the STP/WTP procurement process. The personal commitment given by Kanishka at left was followed up by: • Written advice from Jason to Kanishka advising immediate termination of Kanishka's then current roles with Council • Request to John Holland that it execute an appropriate undertaking that it and people representing it would not approach Kanishka to seek any information about the project. It subsequently gave that written undertaking. • Written advice from Council to Kanishka formally reinforcing the significance of Kanishka's prior signed Confidentiality Agreeement. His advice was prior to the tender closing date so was not in possession of any competing tenderer's offers. He had however sat through some but not all of the STI workshops to that date. While technically complying with the Probity Plan provisions concerning (potential) conflict of interest situations, Kanishka's advice to Council appears to have followed previous discussions with John Holland. His timing was poor. Probity is not only about doing the right thing it is about being able to openly demonstrate transparency of process. Having said that, his advice to Jason was prior to tender closing time and, as far as

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		can be determined, no issues are likely to arise.
7 October (RFT closing date)	**Amended date for lodgement of tenders** **Late submission by one tenderer** **Incorrect formatting by one tenderer**	**Amended date for lodgement of tenders** There were no specific issues concerning the amended date for lodgement of tenders other than the two matters which follow. **Late submission by one tenderer** One tenderer advised Council's Contact Officer about 2.00pm that it had sought to download its submissions but was unable to complete lodgement prior to the closing time of 2.00pm. A record of Tenderlink activity from that tenderer is attached at the rear of this register. It shows significant activity from 1.04pm until 2.00pm at which time Tenderlink automatically closed the site. At 2.37pm Tenderlink advised Council's Contact Officer as follows: I have just been speaking with John Holland Pty Limited re there unsuccessful for PARKES-692365. They have called 5 minutes prior to closure explaining that they were having issues uploading their submission. I can see one file has transferred to the server (see attached report) but this was not submitted. I discussed with them files naming conventions & that they were correct (making sure no illegal characters were present, length of file name etc) and there was no issue that I could gather. There would have been no issue at this end with the uploading that I am aware of, we would have accepted the file(s) as fast as they could send them through (and one file was uploaded at 1.32pm successfully) I hope the report is of help Kind regards Richard Richard Law Client Services – Support TenderLink.com TENDERLINK *Bringing Purchasers and Suppliers Together* After consultation with me, and knowing that file sizes were likely to be very large and that Tenderlink and Council protocols precluded access to confidential material, including not opening tenders at that time, I suggested that Council's Contact Officer advise the tenderer to directly submit to

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		Council via another secure portal. This was confirmed by the tenderer: **From:** fta@jhg.com.au [mailto:fta@jhg.com.au] **Sent:** Wednesday, 7 October 2015 2:39 PM **To:** Louise Peebles **Subject:** John Holland Pty Ltd Secure File Sharing Account Verification At 3.04pm, Council's Contact Officer advised me: I can confirm receipt of both Technical and Commercial envelopes from John Holland and also confirm both envelopes have been password protected. I attach for you correspondence from Rex Taka to verify transmission fault + Richard Law confirming failure from Tenderlink. The RFT Evaluation Plan provides: Any tenders that were received after the closing date and time will be excluded from further assessment unless the Tenderer has demonstrated that the Tender was made prior to the closing date and time or there were extenuating circumstances beyond the control of the Tenderer. The Tenderer will also have to declare that they have no knowledge of any other Tenderer's tender. A late Tender may be allowed to continue through the assessment phase by consensus of the RFT Evaluation Committee and the Probity Advisor. Given that no sensitive/confidential information was available to anyone to give any real or perceived advantage and that the integrity and fairness of the tendering process had not been compromised, I am happy that this tender be accepted. The RFT Evaluation Committee also agreed that the late tender be accepted. This issue is part written up in the RTP Evaluation Report as follows: A tender from John Holland was not received prior to the closing date and time. John Holland contacted both Tenderlink and PSC directly just prior to the close for the tender to advise that they were experiencing difficulties uploading their submission to Tenderlink and the system had crashed on them several times. Tenderlink investigated their system and confirmed that there should have been no technical reason that John Holland could not have submitted their tender however they were able to confirm that they had made several attempts from approximately

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		1.30pm which had failed. John Holland requested approval from PSC to submit their tender to PSC directly. John Holland arranged a secure file transfer to allow PSC to download their tender. Links to the John Holland secure file transfer site were received around 2.10pm and the John Holland tender was received at around 2.20pm approximately 20 minutes after the closing time for the tender. Due to the late tender being received, the circumstance and receipt process was reviewed by the PSC Probity Advisor to ensure that there were no probity or tender process concerns. The PSC Probity Advisor reviewed the issue and advised that there were no significant probity risks associated with the process to receive the late tender. The Conditions of Tender also allowed PSC to accept a late tender. The RFT Evaluation Committee reviewed the issue of the John Holland late tender prior to opening any of the tenders and elected that due to the advice prior to the close of tender, the minimal time that had elapsed before the link to the documents was received and the fact that the final documents were held securely by PSC within 20 minutes of the original closing date and time for the Tender that there was minimal risk and decided to allow the Late tender from John Holland to be accepted and for the tender to proceed to the evaluation phase. As a final precaution John Holland were requested to supply a notice confirming that they had no prior knowledge of the contents on any other tenderer as part of the initial assessment of qualifications and departures. John Holland provided this notice on the 14/10/15. **Incorrect 'envelope' contents by one tenderer** Tenderers were required to submit non-price information in one electronic 'envelope' and pricing information in another electronic 'envelope'. One tenderer submitted two envelopes but with both same non-price and price information in each electronic 'envelope'. Council's Contact Officer noticed this non-compliance while downloading documents from Tenderlink. Following discussions with me, I agreed that the Officer remove price information from the consolidated contents. While in theory this exposed that Officer to pricing information, I accept the Officer's

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		advice that she neither saw nor distributed any of the pricing information until its opening on 12 October. This action restored the integrity of the 'two envelope' system to allow the required non-price assessment by members of the Evaluation Committee before sighting any price information. The risk of this technical non-compliance is deemed low but had to be weighed against the inadvertent consequences of the tenderer's actions.
8 October	Tender evaluation meeting protocols	Prior to the opening of tenders, the Probity Plan requires that: • the Tender Evaluation Plan be formally agreed and signed off including the weightings and scoring mechanisms for price • tender evaluators and advisors sign Confidentiality and Conflicts of Interest Declarations • to the extent that tender evaluators and advisors have previously signed Confidentiality and Conflicts of Interest Declarations, refresh them if required in light of any subsequent events • all meetings are to be minuted with the date, time, place and attendance recorded together with a note of discussions and decisions. Those minutes are to be kept in a secure place The RFT Evaluation Plan also provides that a late tender may be allowed to continue through the assessment phase by consensus of the RFT Evaluation Committee and the Probity Advisor.
8 October	Non-price tender opening	As the matters above had not been previously finalised, a discussion took place prior to the opening of the non-price envelopes. Annalisa was to minute the discussions and decisions made but such minutes have not yet been sighted. Such matters included: • reaffirmation/refresh that no members of the Evaluation Committee or of the Technical Advisor groups had any conflicts of interest • in the absence of Kent Boyd, that Andrew Francis would chair the Evaluation Committee • a re-briefing of Evaluation Committee and Technical Advisors as to the evaluation processes • the late tender received (and which issue is addressed elsewhere) would be accepted • the RFT Tender Evaluation Plan (amended to reflect Kent Boyd's

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		changed status) was formally adopted The non-price tenders were then opened. There were no specific issues dealing with the non-price tender envelopes not elsewhere discussed.
12 October	**Value for Money** Council's current Procurement and Disposal Policy stated purposes include: • 'to assist in ensuring best value for money'; • 'cost effectiveness'; • 'facilitation of a "value for money" judgement'; and • 'there is the need to get the best possible value for public money'	As is normal practice in most tender evaluations, a scored weighted attribute method has been utilised by the Evaluation Committee. This approach scores non-price attributes and scores likely costs and sums the total. It is not however a measure of 'value for money' as defined by AS4183-2007 Australian Standard on Value Management The Standard provides explanation and definition of terms frequently used by those charged with managing value and value assessments. The Standard advises that 'value for money' may be expressed generically as a relationship between: $\frac{\text{a measure of the value of the entity}}{\text{a measure of the total cost of the entity}}$ The Evaluation Committee has made a conscious decision to retain the scored weighted attribute method. I advised that as part of my report to Council as to the robustness of the Evaluation Committee's recommend-ation, that I would use the Evaluation Committee's scores to: • test 'value for money' as defined by AS4183-2007; and • carry out a sensitivity test on the Committee's adopted weightings
12 October	**Normalisation of price and non-price scores**	The Evaluation Plan methodology provides that non-price scores are assessed on a sliding scale. Conceptually, the very best tenderer may possibly score 40 out of a possible 50 points. The Evaluation Plan methodology provides that price scores are assessed inversely on the basis that the lowest measured tender cost scores 50 out of a possible 50 points, ie, the lowest measured tender cost scores 50 and increasing measured tender costs above the lowest tender attract a lower score. To remove the inherent bias towards price scores in using this particular methodology, it is normal to pro-rata increase the non-price score such that the best tenderer scores 50 out of a possible 50 points. While the Evaluation Committee reserved its rights to so normalise the two price scores, it did not commit to doing so.

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		I advised that as part of my report to Council as to the robustness of the Evaluation Committee's recommend-ation, that I would use the Evaluation Committee's scores and 'normalise' such scores to the extent that the Committee did not.
12 October	**Price tender opening**	There were no specific issues dealing with the price tender envelopes
14 October	**STP clarifications (raised by Andrew Chapman)** It seems that Haslin/Aquatech has used its response to the request for clarification as an opportunity to include departures from the Conditions of Contract that were not included in the original tender. We will need to consider whether Council has the ability to consider and evaluate these new departures, given they were issued after the submission of tenders.	Council, in requesting some of its specific Clarifications from tenderers, was effectively requesting tenderers to change their submitted offers. By definition, the Clarifications from ALL of the tenderers seek to change their original submitted offers in one way or another. I don't think the descriptor (eg, the heading at the top of the page) is the determining factor. I am happy from a fairness and probity point of view. All tenderers have changed their position. Some, as pointed out by Andrew, in different ways to others. I suggest you analyse the clarifications submitted on their merits and move on.
15 October	**Compliance with Conditions of Participation (raised by Andrew Chapman)** *The Issue* We understand that there are some concerns arising from potential non-compliance with the Condition of Participation relating to the upper level of price. We also understand that: • John Holland does not meet upper price limit requirements for either of STP or WTP individually, nor for both projects in the aggregate; • Haslin/Aquatec also does not meet upper price limit requirements for either of STP or WTP individually, nor for both projects in the aggregate; and • Monodelphus does meet upper limit price requirements for one of the projects individually but not the other, and does meet upper limit price requirements for both projects in the aggregate. We note, however, that the relevant Condition of Participation applies individually to each of the STP and WTP,	In the EOI stage, Respondents were required (and did) confirm that they were able to deliver each completed project within a Council advised budget limit. The issue is then complicated by the fact that Council not only changed the defined work scope between the EOI and RFT stages but also the upper limit of cost. As Andrew has pointed out, the RFT conditions were written in terms that gave Council the power to interpret its provisions in a manner favourable to itself. Such conditions were advised to and accepted by all RFT tenderers. [While I have not been involved in the tender evaluation detail, it may be that while still maintaining 'fit for purpose' performance obligations, appropriate value engineering efforts might result in the submitted tender prices being adjustable to amounts less than or equal to the upper price limits for either or both of the projects.]

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	and not in the aggregate across both projects. On that basis, compliance with aggregate price requirements across both the WTP and STP is unlikely to be a valid consideration for the purposes of this advice. *Advice and Recommendation* Clause 3.1.1 of the RFT provides that the Conditions of Participation are the minimum standards that PSC "expects" Tenderers to meet. Furthermore, clause 3.1.2 provides that PSC "may" exclude a Tenderer that fails to meet the Conditions of Participation. In our view, the language of clauses 3.1.1 and 3.1.2 reflect the fact that, whilst PSC expects the Conditions of Participation to be met, this is not a mandatory threshold criteria, and that PSC may choose to either exclude or evaluate a Tender that has failed to meet the Conditions of Participation. These provisions are deliberately intended to give PSC flexibility to proceed with the Tender Process – particularly if (as would appear to be the case here – at least in respect of one of either the WTP or STP) all Tenderers fail to strictly comply. Similarly, we believe the flexibility inherent in clauses 3.1.1 and 3.1.2 means that PSC is not obliged to exclude from consideration a Tenderer who has failed to satisfy the Conditions of Participation – even if there are other Tenderers who do satisfy the Conditions of Participation. This, however, must all be considered in light of the overarching requirement for PSC to act fairly in running the Tender Process. On that basis PSC should be very cautious in deciding to exclude one of the Tenderers who did not satisfy Conditions of Participation, but including others who similarly did not satisfy Conditions of Participation. In that situation PSC should determine whether the noncompliance of each tender is such that the tenders should be treated in a materially different manner. It may be that a tender fails to comply with one condition in an inconsequential manner and another tender fails to comply with a number of conditions in a manner that is significant. That situation might justify treating the tenders differently. However, if the tenders fail to comply to a similar extent then PSC would be best advised to treat them in	While (at this point in time) it appears that all tenderers have not strictly complied with the upper price limit requirements for either or both of the projects, it is fair and reasonable that all tenders be retained and considered on their merits.

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	the same manner, ie, consider both tenders or exclude both tenders. In short we believe: • PSC can consider Tenders, notwithstanding that they do not satisfy the Conditions of Participation; • PSC is not obliged to exclude from consideration a Tenderer who has failed to satisfy the Conditions of Participation – even if there are other Tenderers who do satisfy the Conditions of Participation; • for reasons of fairness, if PSC was to exclude a Tenderer for failing to satisfy Conditions of Participation, PSC should exclude all Tenderers who similarly fail to satisfy Conditions of Participation; and • in the face of a statement from at least one Tenderer (John Holland) in its Tender that its inability to satisfy the Conditions of Participation relating to upper limit price has been caused by changes to scope required by PSC, it would be unwise for PSC to exclude Tenderers at this point on the basis of that failure to satisfy Conditions of Participation – particularly given the flexibility afforded to PSC by clauses 3.1.1 and 3.1.2 of the RFT.	
15 October	**Payment of STI Fee (raised by Andrew Chapman)** *The Issue* We understand a question has arisen as to whether PSC can use non-compliance with RFT requirements (including Conditions of Participation) as a means to justify the withholding by PSC of payment of the STI Fee. As noted above, we also understand that at least one Tenderer (John Holland) has alleged in its Tender that its inability to satisfy the Conditions of Participation relating to upper limit price has been caused by changes to scope required by PSC. It is not clear to us whether there is any truth or basis to that allegation. *Advice and Recommendation* We assume that each Tenderer has made a genuine and bona fide effort to submit a Tender which, although perhaps not strictly in accordance with the RFT, nonetheless is worthy of evaluation and consideration by PSC. We also assume that PSC has derived benefit from the participation of each Tenderer in the STI Process – for	It is fair and reasonable that the tenders as submitted be considered on their merits notwithstanding that some of or all of the tenders may not meet the upper price limits. As indicated above, it is likely that any such inability to comply with the upper price limits would be claimed as due in part or in full to the Principal's own actions. From an equity point of view, it is also important to note that a primary reason for Council engaging in the STI process was for it to be able to access the intellectual property from any or all of the tenderers. This was stated and discussed as being the primary reason for Council paying the STI Fee. Council still has the ability to access the intellectual property for any or all of the tenderers Under the circumstances, it would be unreasonable for Council to withhold payment of the STI Fee.

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	example by using feedback from the STI Process to refine PSC's project documentation and to refine its position on commercial risk, etc. On the basis of those assumptions, when faced with an assertion from at least one Tenderer (John Holland) that its inability to satisfy the Conditions of Participation relating to upper limit price has been caused by PSC, we believe refusing to pay a Tenderer the relevant STI Fee on the basis of non-compliance with the strict requirements of the RFT carries with it high risk from Council's perspective. We say this for a number of reasons: • firstly, it would be easy for a Tenderer to dispute non-payment alleging it was prevented from complying by PSC's own acts or omissions – defending itself in any such dispute would itself be a time-consuming, distracting and costly process for PSC; • secondly, assuming our assumptions above are correct, it is likely that PSC has actually already derived the benefit from the Tender Process that it had intended to derive, and that the STI Fee was originally designed to compensate Tenderers for; and • thirdly, there would (in our view) be significant reputational risks for PSC – for example, if word got out in the market that PSC was refusing to pay amounts relating to an STI process, it is likely that the contracting market would be highly reluctant to engage in a meaningful STI process with PSC in future.	
22 October, and various other dates	At various times, tenderers did not submit requested clarification information within the times in which it was requested.	Whether this was by oversight (as it was in some cases) or by the number and volume of requests being made of them by Council (as it was in some cases), a strict interpretation of the tendering framework was tempered by a common sense approach and short, but appropriate, 'extensions of time' where required.
26 October	**John Holland Tender Interview (raised by Andrew Chapman)** There are some issues[2] that Council needs to consider and keep in mind in relation to this "tender interview" proposed for Wednesday. In particular, we need to be very careful we are not straying into negotiation territory by taking this approach – so as to be acting contrary to the Local	Jason summarised Council's intentions as: Confirming Council's intention this Wednesday is to finalise the clarification process with JHG to ensure Council is fully informed in order to make a recommend-ation, discussions will be limited to clarification or explanation of the tender received.

[2] For space reasons, only part of Patrick's email included here

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<table>
<tr><th>Date</th><th>Issue</th><th>Probity Resolution</th></tr>
<tr><td></td><td>Government Act.

In terms of the clarification process:
• The discussion is to clarify what has been put to council in the tender – not to change the tender in a substantial or material way. A clarification is the resolution of something that is unclear, ambiguous, incomplete or inconsistent in the tender;
• Specific issues that need clarification should be identified and the conversation should centre on these points. Ancillary matters will arise and that is alright provided the purpose of clarification not negotiation;
• There should not be a negotiation of price as such. There can be discussion of price but in the context of whether a clarification has an impact on price – not in the context that Council wants the services or works to be cheaper;
• If other tenderers have similar characteristics to those that are varied, every tenderer must be given the same opportunity;
• The distinction between clarification/ explanation and negotiation will be fine. No doubt some issues will be clarified by concessions being made on other issues. This is alright to a point provided the tender is not changed materially without giving other tenderers the chance to make the same changes.</td><td>My response to Jason advised:
You have summarised it succinctly where I have highlighted in yellow.</td></tr>
<tr><td>1 November</td><td>'Value for money' review to accord with approach taken by AS4183-2007
Scores (both non-price and price) normalisation to eliminate inherent scores bias
Sensitivity testing on adopted scores weightings

WTP Conforming Design Combined Offer
<table><tr><th>Respondent</th><th>Monadelphous</th><th>Haslin JV</th><th>John Holland</th></tr><tr><td>Non-price score</td><td>59.2</td><td>57.4</td><td>65.2</td></tr><tr><td>Price score</td><td>94.6</td><td></td><td>93.6</td></tr><tr><td>Total score</td><td>153.8</td><td></td><td>158.7</td></tr><tr><td>Rank[3]</td><td>1</td><td>3</td><td>1</td></tr><tr><td>Normalised 'value'[4] score</td><td>91</td><td>88</td><td>100</td></tr></table></td><td>Given the conclusions of the evaluation process, only analyses of the combined STP/WTP tenders offers follow.</td></tr>
</table>

[3] The RTP Evaluation plan provides that scores assessed within 3% of another are deemed equal

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Date	Issue	Probity Resolution		
	Normalised cost[5] $ measure	100		101
	Value for money index	91		99
	Rank	2	3	1

WTP Alternative Design Combined Offer

Respondent	Monadelphous	Haslin JV	John Holland
Non-price score	59.2	57.4	65.2
Price score	94.2	85.5	92.5
Total score	153.4	143.0	157.7
Rank	1	3	1
Normalised 'value' score	91	88	100
Normalised cost $ measure	100	110	102
Value for money index	91	80	98
Rank	2	3	1

STP Conforming Design Combined Offer

Respondent	Monadelphous	Haslin JV	John Holland
Non-price score			69.5
Price score			100
Total score			169.5
Rank			1
Normalised 'value' score			100
Normalised cost $ measure			100
Value for money index			100
Rank			1

STP Alternative Design Combined Offer

Respondent	Monadelphous	Haslin JV	John Holland[6]
Non-price score	59.8	47.0	69.5
Price score	90.9	73.4	100.0

[4] Using non-price score above as a measure of 'value' normalised to attribute a score of 100 to the highest score. Other scores are scored proportionately in accordance with the processes defined in the RFT Evaluation Plan.

[5] Using price score above as a measure of 'cost' normalised to attribute a score of 100 to the lowest cost. Other scores are scored proportionately in accordance with the processes defined in the RFT Evaluation Plan.

[6] As John Holland did not offer an alternative STP design, these scores are for its conforming offer.

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Date	Issue		Probity Resolution	
	Total score	150.7	120.4	169.5
	Rank	2	3	1
	Normalised 'value' score	86	68	100
	Normalised cost $ measure	110	141	100
	Value for money index	78	48	100
	Rank	2	3	1
	The conclusions include: • The 'value for money' assessment in accordance with the provisions of AS4183-2007 generally reinforces the conclusions determined by use of a weighted attribute scoring model • Normalisation of scores, in this case, does not change the overall conclusions reached as to preferred tenderer • Given that two tenders are ranked equal for the WTP Conforming Design Combined Offer, the scores determined by way of the weighted attribute scoring model in that case only may be sensitive to adopted weightings • The scores determined by way of the 'value for money' measure for the WTP Conforming Design Combined Offer clearly separates the first and second ranked tenders Overall, the scores and rankings determined are robust.			
2 November			I have spoken with senior representatives of each tenderer company and sought confirmation that each had no probity issues with the tender process. All have so confirmed.	

Brian Farmer
Probity Advisor

General Manager

Mayor

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