

# **COUNCIL AGENDA ADDENDUM**

**ORDINARY COUNCIL MEETING**

**28 August 2019**

**LIVERPOOL  
CITY  
COUNCIL**



**FRANCIS GREENWAY CENTRE  
170 GEORGE STREET LIVERPOOL**

## ADDENDUM ITEMS

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### City Infrastructure and Environment Report

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<b>INF 04</b>	<b>Middleton Drive Extension</b>
<b>Strategic Direction</b>	Generating Opportunity Meet the challenges of Liverpool’s growing population
<b>File Ref</b>	210542.2019
<b>Report By</b>	Madhu Pudasaini - Manager Technical Support
<b>Approved By</b>	Raj Autar - Director City Infrastructure and Environment

**EXECUTIVE SUMMARY**

Council has been undertaking various planning tasks to complete the missing section of the collector road between Middleton and Aviation Drives within the M7 corridor in Middleton Grange. The completion of this missing link will provide a much needed alternative arterial road access to the residents of Middleton Grange.

As the necessary extensions will require grade separation of a section of the M7 cycleway and significant works within the M7 road corridor, Council has been in discussions with the Road and Maritime Services (RMS) and North Western Roads (NWR) to secure necessary approvals for access, design and construction of this key road link. While agreements-in-principle have been secured following protracted negotiations, any further technical input by the relevant authorities will only be provided subject to formal acceptance of their fees and charges by way of issue of Council’s Purchase Order.

Details of estimated fees and charges are provided in this report. As can be seen, the total fees for both the authorities exceed \$150,000, and the Local Government Act 1993 requires that formal tenders be sought publicly for expenditures exceeding \$150,000. However, competitive public tenders cannot be called in this instance as the operation and management of the M7 corridor is the sole responsibility of NWR, under a long term contract with the RMS.

Accordingly, this report recommends that Council use the exemption provisions in the Local Government Act 1993 to enter into contracts with RMS and NWR for their services without inviting public tenders.

## **RECOMMENDATION**

That Council:

1. Resolves to not seek public tenders for the engagement of North Western Roads (NWR) for their services associated with the extension of Middleton Drive in accordance with Section 55(3)(i) of the Local Government Act 1993, on the basis that extenuating circumstances exist that prevent competitive tenders being able to be called;
2. Notes that the engagement of Road and Maritime Services (RMS) for their services associated with the extension of Middleton Drive is exempt from the tendering provisions of the Local Government Act 1993 pursuant to Section 55(3)(b), as RMS is a statutory body representing the Crown; and
3. Notes that the Director City Infrastructure and Environment will finalise all details and sign the Letters of Acceptance for such works in accordance with his delegated authority.

## **REPORT**

### **Background and project need**

Although the suburb of Middleton Grange has reached almost full occupation, a critical transport corridor remains incomplete due to the existence of the M7 Motorway, as shown in the picture below.



The extension of Middleton Drive is now crucial to provide a much needed alternative road access for the residents of Middleton Grange. As can be seen from the aerial below, the southern section of Middleton Drive provides the only road access in and out of the suburb. In case of any emergency requiring evacuation, residents will be exposed to high levels of risks due to the limited opportunities for safe and timely evacuation.



Further, recent modelling has also shown that completion of Middleton Drive is critical for the successful operation of the planned town centre, from a transport and accessibility perspective. This would also facilitate a more efficient public transport service to this area.

As the necessary extensions will require grade separation of a section of the M7 cycleway and significant works within the M7 road corridor, Council has been in discussions with the RMS and NWR to secure necessary approvals for access, design and construction of this key road link. While agreements-in-principle have been secured following protracted negotiations, any further technical input by the relevant authorities will only be provided subject to formal acceptance of their fees and charges by way of issue of Council's Purchase Order.

The fees and charges relate to a range of services that both the authorities will need to provide to facilitate access, as well as to facilitate changes to the overall management responsibilities arising from a new Council asset within the M7 corridor. These include:

1. Preparation of Work Interface Deed - this will involve the preparation, review, negotiation, finalisation and the execution of an interface deed to facilitate the initial construction works within the M7 corridor.
2. Preparation of Operating Interface Deed - this will involve the preparation, review, negotiation, finalisation and the execution of an operating interface deed to facilitate the required ongoing operation and maintenance of the assets.

3. Amendments to M7 Asset Documents - works required to prepare necessary amendments to the M7 Asset Documents to reflect the creation of new assets and the corresponding new roles and responsibilities.
4. Technical review and feedback - will involve all necessary technical review of the various stages of the project planning and construction processes to ensure compliance.

**Authority fees and charges**

1. RMS charges associated with legal services, survey and subdivision registration:
 

▪ External legal services	\$220,000
▪ Survey, subdivision and registration	\$50,000
<b>Subtotal 1 (excluding GST)</b>	<b>\$270,000</b>
  
2. NWR charges for review of design, tender and contract documentation, legal and project management services:
 

▪ External legal services	\$235,000
▪ External engineering services	\$250,000
▪ Operation and maintenance agreements	\$50,000
▪ Project Management	\$50,000
<b>Subtotal 2 (excluding GST)</b>	<b>\$585,000</b>

<b>Total</b>	<b>\$855,000</b>
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The above fees and charges are based on pre-selected external service providers that both the authorities currently use for their respective operations. Actual costs will be determined based on the pre-determined hourly rates and the time spent on undertaking the works.

**Discussion and conclusion**

As RMS is a statutory body representing the Crown, a public tender process cannot be undertaken for the services that are the subject of this report. Based on predetermined hourly rates and actual hours of works undertaken, it is considered that Council will be achieving value for money.

With regards to NWR, they are the operator and manager of M7 Motorway, and accordingly is the only authority permitted to control works within the corridor. Consequently, the services required cannot be publicly tendered, and pursuant to Section 55(3)(i) of the Local Government Act 1993, extenuating circumstances exist that prevent competitive tenders being able to be called.

While the value of the range of services required to progress the extension of Middleton Drive exceed the threshold that would normally warrant a public tender process, due to the circumstances discussed above, it is concluded that Council is exempt from the requirement to invite public tenders.

**Budget and program**

At this stage and based on preliminary designs undertaken, the total works are estimated to cost between \$5M and \$6M. While an amount of \$3M is currently available in S7.11 Reserves to facilitate planning and design processes, suitable funding strategies are also being concurrently explored to ensure sufficient funds are available in the planned construction year, which at this stage is anticipated to be 2021/22 Program Year.

**CONSIDERATIONS**

<b>Economic</b>	<p>Deliver and maintain a range of transport related infrastructure such as footpaths, bus shelters and bikeways.</p> <p>Deliver a high quality local road system including provision and maintenance of infrastructure and management of traffic issues.</p>
<b>Environment</b>	<p>Promote an integrated and user friendly public transport service.</p> <p>Support the delivery of a range of transport options.</p>
<b>Social</b>	<p>Deliver high quality transport and infrastructure services for local community.</p>
<b>Civic Leadership</b>	<p>Deliver services that are customer focused.</p> <p>Actively advocate for federal and state government support, funding and services.</p>
<b>Legislative</b>	<p>The recommendation is in accordance to Section 55(3)(b) and Section 55(3)(i) of the Local Government Act 1993.</p>

**ATTACHMENTS**

Nil