

Alliance Agreement
between
Tumut Shire Council
and
Gundagai Shire Council

Table of Contents

The Agreement	3
Background.....	4
Alliance Purpose	5
Alliance Objectives and Scope	5
Alliance Structure.....	6
Charging Structure	6
Standards	7
No Arbitration or Litigation	8
Insurances	8
Intellectual Property	8
Liability under this Agreement.....	9
Document Maintenance and Auditing	9
Confidentiality	9
Conflict of interest	9
Rights to assign or Sub Contract	10
Termination or Change to Agreement.....	10
Signed by the parties	11
Appendix 1 – Works Undertaken	12

The Agreement

- C1. This Agreement is formed between Tumut Shire Council (TSC) and Gundagai Shire Council (GSC) for operational and other purposes that are in both Councils interests.
- C2. In forming the Alliance the participants are agreeing to work collaboratively to deliver agreed projects. This will require the parties to work together in good faith, act with integrity and make best-for-project decisions. The participants will promote and maintain a culture of 'no-blame' in dealing with each other.
- C3. This Agreement is made on this 18th day of June, 2015.

Parties to the Agreement are:

Tumut Shire Council ABN 80 970 406 169 of 76 Capper Street, Tumut NSW 2720

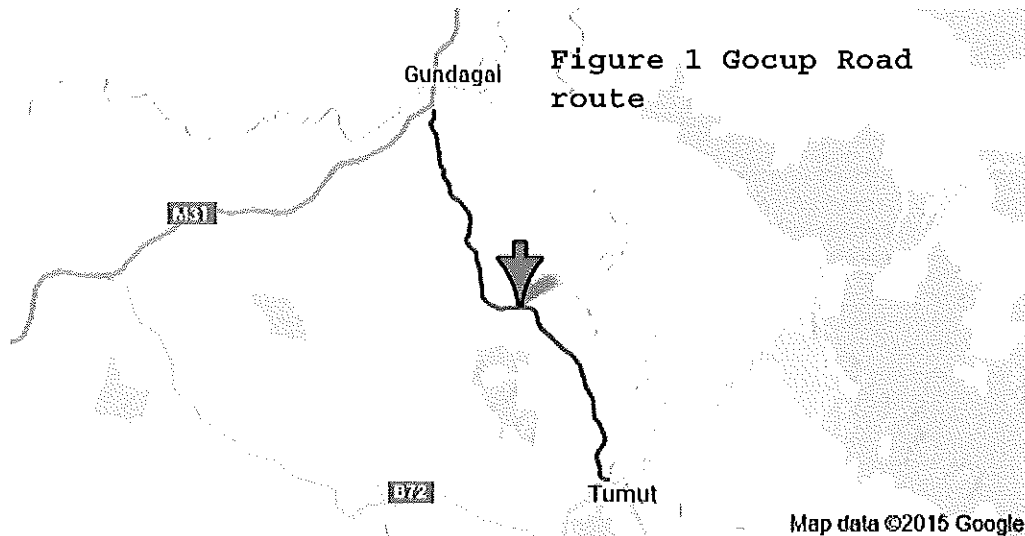
And

Gundagai Shire Council ABN 91 330 041 700 of 255 Sheridan Street, Gundagai NSW 2722.

- C4. The participants will generally be referred to as 'we', 'our' or 'us' in the Agreement, unless the context requires otherwise. The terms 'participant', 'party' and 'Council' are used interchangeably, unless the context requires otherwise.

Background

- C5. Gocup Road, 'the Road', is the main transport link between the townships of Tumut and Gundagai (Reference Figure 1). It is also the main road link from Tumut and surrounding towns to the Hume Highway at Gundagai. It provides farmers and businesses with access to vital markets in Sydney and the Illawarra, including Port Kembla. It is also a main route for vehicles heading to or from Tumut from the north via the Hume Highway. Many of these vehicles service the softwood plantations and the wood/paper products industry, which overall, form part of the largest industry in the region with an estimated \$ 975 m turnover per annum.



- C6. The Gocup Road was declared a State Road in June 2010. The road is referenced as MR 279. The total road length is 32 km, with 16.4 km in Tumut Shire and 15.6 km in the Gundagai Shire. Traffic counts issued by Roads and Maritime Services (RMS) in 2011 indicate an annual average daily traffic (AADT) of 2197 vehicles with 20% heavies. Prior to 2010, as a Regional Road, both Tumut Shire Council and Gundagai Shire Council provided Capital and maintenance work to RMS specifications within their own LGA boundaries.
- C7. In February 2015 the NSW State Government announced an historic funding allocation of \$70 million to complete the full upgrade of Gocup Road. The \$70 million will be invested over 5 years starting in 2015 and is designed to improve safety as well as freight transport. Works will include some road realignments, major widening and strengthening works and may include climbing lanes.
- C8. The \$70 million is additional to some \$10.1 million spent, or being spent, on the road since 2011. These have included \$2.5 million on widening of 1.5 kilometres at Meadow Creek north of Tumut; \$2.1 million to improve road shoulders and alignment at Minjary Creek; and \$5.5 million currently being spent in 2015 on widening, realignment and intersection upgrades near the Gundagai Abattoir.

Alliance Purpose

- C9. Tumut Shire Council and Gundagai Shire Council have continued to develop stronger working relationships, especially at officer level, over the last number of years. In line with the improving relationship, both councils have been looking for projects that are of a common interest.
- C10. With Gocup Road holding State Road classification, works can only be undertaken by organisations holding suitable accreditation and pre-qualification with RMS through the Road Maintenance Council Contract (RMCC) system.
- C11. Tumut Shire Council has an advanced accreditation (held by its business unit SnowyWS) with RMS as a result of a long history in undertaking works associated with State Road maintenance. Whereas, Gundagai Shire Council has never sought such accreditation as it has not undertaken works, to this date, formerly through the RMCC system. As a consequence, works undertaken on Gocup Road since its reclassification to a State Road have been undertaken by Tumut Shire Council through SnowyWS and recently by RMS Road Services for the realignment and intersection upgrades near the Gundagai Abattoir. Gundagai Shire Council has worked as a subcontractor to Tumut Shire Council on previous road maintenance projects since 2010 under an established agreement. This provided a sound basis for anticipated success in moving ahead with a formal Alliance.
- C12. During discussions between staff of each Council regarding the additional funding being allocated to Gocup Road, it has become apparent that there are numerous opportunities that could be explored that would bring benefit to both organisations and communities should the participants to this Agreement be able to undertake a greater share of the foreshadowed work utilising the provision of shared resources.
- C13. To effectively do this, both Councils have agreed to form an Alliance type agreement that outlines how such opportunities will be reviewed, carried out and charged as applicable. The Agreement will be non-binding with easy exit clauses and not requiring extraordinary amounts of effort to administer.
- C14. This implementation of this agreement is viewed as an operational matter, and is a strategic initiative of both councils.

Alliance Objectives and Scope

- C15. This Agreement will facilitate Gundagai Shire Council working as a (sub)contractor to Tumut Shire Council (SnowyWS) on various civil type works associated with Gocup Road maintenance and/or upgrade in accordance with the Tumut Shire Council SnowyWS Integrated Management System (IMS) and RMS prequalification requirements.
 - C16. However, it is acknowledged that the general nature of the Agreement means that there are numerous other activities that could be covered by the terms outlined
-

herein. In fact, it is acknowledged that the number of additional activities is only limited by the ingenuity of the staff and the amount of resources and time available to carry them out.

- C17. Each participant to this Agreement has the unilateral discretion to use or not to use the other party for works mentioned in this Agreement, or contemplated by the formalisation of this Agreement.
- C18. In signing this Agreement, each party acknowledges that there is no guarantee that any works will eventuate either from each other, or as a result of the Agreement being in existence.

Alliance Structure

- C19. The Agreement will be primarily managed at officer level in the first instance. In this way, the Directors and General Managers of each participant organisation would meet quarterly (or as otherwise agreed) to review progress on works being undertaken with a report to each respective Council shortly thereafter.
- C20. At these meetings, the opportunity exists to explore further projects (outside of Gocup Road works) should the desire exist. Should further projects be agreed on, either at this meeting, or in the interim at Director/General Manager level, responsible officers will be assigned. It is their responsibility then to liaise with their counter part and carry out what is required and report quarterly on progress.
- C21. Chairing of the quarterly meetings will be shared between the General Managers. In the absence of the chairing General Manager, his/her appointed representative will chair.
- C22. Secretary for these meetings will be rotated with the chairing General Manager to provide the services at his discretion.
- C23. In carrying out any works, it is not expected that additional staff will be employed on a permanent basis unless there is a formal commitment between the respective parties for the said works.

Charging Structure

- C24. Where payment for services is required; it is the intent that each Council is not in this Agreement to profit from each other. The charging structure will be agreed upon by the General Managers prior to implementation or works commencing, as appropriate. In this way, Councils are not taking on significant risk and the cost should be as low as possible. Where necessary, budgets/estimates would be agreed upon up-front, prior to any works commencing.

- C25. It is a fundamental underlying principle of this Agreement that, except for direct costs, Corporate Overhead and Profit, no Participant will derive any mark up, overhead, profit or unreasonable advantage from the utilisation of their resources for direct works by the other party to the Agreement.
- C26. It is acknowledged, that in some cases, activities may be at the benefit of both Councils and as such no charges will be levied. Charges will be more applicable for 'physical' services provided. Agreement for charges or not charging will primarily be made at officer level and at the time of agreeing to undertake any activity.
- C27. It should be noted that the intent of this Agreement is for the benefit of each community and not necessarily to make significant returns.
- C28. There are tangible benefits to the relationship that are not money orientated and these are more important over and above any surplus generated.
- C29. Each Council agrees to pay all agreed reasonable costs of the service provided and in this way the need for built in risk allowances is significantly reduced for the majority of activities. This does not exclude requesting indicative costs to be provided prior to commencement of work.
- C30. There may exist activities where the General Managers agree to requested works via fixed quotation. In such instances the Council quoting is at liberty to structure charges as they see appropriate.
- C31. Prices prepared for external parties to this Agreement will be structured, as determined by the systems in place for doing such works, by the Participant to the Agreement who has the majority contractual responsibility for undertaking the said works. All plant and labour rates for RMS works would be finally determined by SnowyWS.

Standards

- C32. All works undertaken should be in accordance with current legislation relating to such works and in accordance with Site Specific issues. For Gocup Road, the current standards are covered by the contractual terms of the RMCC contract, RMS Works Orders and specifications, the resultant Integrated Management System (IMS) of Tumut Shire Council, State and National prequalification levels of Tumut Shire Council, and within Project Management System(s) designed for the works. All plant and equipment provided shall be of a type, condition and standard that complies with RMS requirements.
- C33. All works should be undertaken to limit the liability of the participants.

No Arbitration or Litigation

- C34. Except to the extent required by any law, we will attempt to resolve or settle any dispute between us and there will be no arbitration or litigation.
- C35. The participants acknowledge and agree that, if there is any ambiguity, discrepancy or inconsistency in this Agreement and the documents comprising this Agreement, the matter will be reviewed against the wording and intent of the Agreement. The General Managers will meet to discuss how to resolve the ambiguity, discrepancy or inconsistency, in a manner consistent with the commitments given by the participants.
In the event that a dispute exists where the General Managers cannot reach a Agreement, then both parties agree to refer such dispute to an accredited mediator. The appointed mediator is to facilitate communication, promote understanding, assist the parties to identify their needs and interests, and uses creative problem solving techniques to enable the parties to reach their own agreement. The mediator has no advisory or determinative role in regard to the content of the dispute or the outcome of its resolution.

Insurances

- C36. Each participant to the Agreement must effect and maintain relevant insurances to carry out works that they individually perform as envisaged under this Agreement.
- C37. Additionally, where appropriate or necessary, the appropriate participant will effect and maintain separately or through formal contractual agreements, relevant contract works insurance for projects as lead contractor.
- C38. At all times the Participants (to the extent applicable) are responsible for complying with the terms and conditions of the insurance policies taken out under this Agreement, or individually, and must ensure that their officers, employees, agents, Subcontractors and Subcontractors' employees are made aware of, and comply with, those terms and conditions.

Intellectual Property

- C39. Existing Intellectual Property remains with the participant who created it. Each participant to the Agreement grants the other irrevocable, non-exclusive, world-wide, perpetual, transferable, sub-licensable, royalty free licence to use the intellectual property to the extent necessary for the works as envisaged by this Agreement.

Liability under this Agreement

- C40. Each participant to the Agreement must effect and maintain relevant insurances relating to Professional Indemnity, Public Liability, Workers Compensation etc relating to its officers, employees and agents against losses, damages or claims suffered.
- C41. The liability of each Participant to the Agreement is reduced proportionately to the extent that an act or omission of the other Participant, its officers, employees and agents has contributed to the loss, damage or claim.

Document Maintenance and Auditing

- C42. Due to the 'open book' nature of this Agreement, we will maintain for a period, as specified by our respective records legislation, all records associated with the operation of this Agreement. Any request for records associated with the exercise of this Agreement by a signature party will not be unreasonably withheld by the other party, except for those records so classed as 'Commercial in Confidence' and will be available free of charge.
- C43. Each quarter, or as otherwise determined, staff responsible for activities will report to the meeting of Directors and General Managers on progress of works being undertaken. Each report will outline activities undertaken since the last report, who was involved and value of works (either real or estimate) and estimated saving (either real or estimate). A standard format is contained in Appendix 1 for use by staff.
- C44. Following the quarterly meeting of Directors and General Managers, a report will be prepared on alternate basis by General Managers and made to each respective Council shortly thereafter.

Confidentiality

- C45. Except for the efficient performance of the Agreement, we will ensure that each party will not disclose to any non-related person any information except, as required under appropriate legislation.

Conflict of interest

- C46. We acknowledge that given the nature and diversity of our respective business', there exists potential for conflict of interest as part of implementing this Agreement. We undertake to, as far as practically possible, disclose the full particulars if any actual, potential or possible conflict of interest which arises or may arise in connection with this Agreement.

Rights to assign or Sub Contract

C47. We must not assign our rights under this Agreement.

Termination or Change to Agreement

C48. At any stage, the Agreement can be terminated by either party with a 3 month notice period, excepting any contractual agreements agreed to either external to or relating to this Agreement.

C49. At any stage, the Agreement can be added to or amended, by agreement of both parties.

Signed by the parties

C50. Signed for Tumut Shire Council



Signature of Agent

Mr R K Stewart

General Manager

Tumut Shire Council

Date : 18-6-2015.



Signature of Witness

Date : June 18TH 2015

Signed for Gundagai Shire Council

X 

Signature of Agent

Mr Phillip McMurray

General Manager

Gundagai Shire Council

Date : 18/6/2015



Signature of Witness

Date : June 18th 2015

Appendix 1 – Works Undertaken

C51.

Tumut Shire Council and Gundagai Shire Council Project Summary & Benefits Record

To be completed by the Project Manager on completion of a Project or Responsible Officer for collaborative or shared activities associated with the Alliance.

PLEASE SUBMIT TO YOUR DIRECTOR

Project Title:	
Project Manager or Responsible Officer:	
Project Summary: <i>(from Project Brief)</i>	
Project Outcomes: <i>(from Project Brief)</i>	

Deliverables

Milestone <i>(from Project Plan)</i>	Budgeted Cost <i>(from Project Plan)</i>	Final Cost	Scheduled Date <i>(from Project Plan)</i>	Final Date
TOTALS				

Issues and Risks Summary

Summarise here the issues/risks that arose during the lifecycle of the Project and what action was taken to resolve them.

Lessons Learnt

For each project milestone or phase, identify what worked, what didn't work and ways to improve the process next time.

Milestone/Phase	What worked	What didn't work	Ways to improve

Saving or value of project

Identify any cost or efficiency savings from the project or initiative. If possible quantify in dollars. Alternatively list the value of the project or initiative.

Comments:	
Signed: <i>Project Manager or Responsible Officer:</i>	
Date:	