



MINUTES

SPECIAL MEETING OF COUNCIL

Held on
Tuesday 3 April 2012
6.00pm
City of Albany Council Chambers

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TABLE OF CONTENTS

	Details	Page
1.0	Declaration of Opening and Announcement of Visitors	2
2.0	Opening Prayer	2
3.0	Public Question and Statement Time	2
4.0	Record of Attendance/Apologies/Leave of Absence (Previously Approved)	3
5.0	Declaration of Interest	4
6.0	Items for discussion	
6.1	Award Tender for Security Authority and Provider	5-10
6.2	Award Tender for Provision of Security Equipment	11-16
7.0	Closure of Meeting	17

1.0 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Mayor declared the meeting open at 6.00pm.

ITEM 1.0: RESOLUTION

MOVED: COUNCILLOR HOLDEN

SECONDED: COUNCILLOR GREGSON

**THAT Council SUSPEND Standing Order clause 3.1 to allow recording of proceedings;
CARRIED 13-0**

2.0 OPENING PRAYER

The Mayor read the opening prayer.

“Heavenly Father, we thank you for the beauty and peace of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”

3.0 PUBLIC QUESTION AND STATEMENT TIME

Council’s Standing Orders Local Laws provide that each Ordinary Meeting of the Council shall make available a total allowance of 30 minutes, which may be extended at the discretion of Council, for residents in attendance in the public gallery to address clear and concise questions to His Worship the Mayor on matters relating to the operation and concerns of the municipality.

Such questions should be submitted to the Chief Executive Officer, **in writing, no later than 10.00am** on the last working day preceding the meeting (the Chief Executive Officer shall make copies of such questions available to Members) but questions may be submitted without notice.

Each person asking questions or making comments at the Open Forum will be **LIMITED** to a time period of **4 MINUTES** to allow all those wishing to comment an opportunity to do so.

No members of the public or media were present.

4.0 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Mayor

D Wellington

Councillors:

Breaksea Ward	R Hammond
Breaksea Ward	V Calleja
Frederickstown Ward	C Dowling
Frederickstown Ward	G Stocks
West Ward	J Gregson
West Ward	D Dufty
Kalgan Ward	Y Attwell
Kalgan Ward	C Holden
Vancouver Ward	D Bostock
Vancouver Ward	S Bowles
Yakamia Ward	R Sutton
Yakamia Ward	A Hortin

Staff:

Chief Executive Officer	F James
Executive Director Community Services	L Hill
Executive Director Corporate Services	P Wignall
Executive Director Works and Services	S Grimmer

Minutes	J Williamson
	C Crane

Public Gallery and Media:

No members of the media or public were in attendance.

Apologies/Leave of Absence:

Nil.

5.0 DECLARATION OF INTEREST

[Elected members of Council and staff are asked to use the forms prepared for the purpose, aiding the proceedings of the meeting by notifying the presiding member prior to the conduct of the meeting]

Name	Item Number	Nature of Interest
Councillor G Stocks	6.1	Financial. Councillor Stocks is a shareholder of Skillhire, who appear to be the preferred contractor for the recommended tenderer. Councillor Stocks left the Chamber and did not participate in the discussion or vote.

6.1: ALBANY REGIONAL AIRPORT – SCREENING AUTHORITY AND PROVIDER

Land Description	: Albany Regional Aerodrome, Albany, Western Australia
Proponent	: City of Albany
Owner	: City of Albany
Attachments	: Nil
Responsible Officer(s)	: Executive Director Community Services

IN BRIEF

- As a result of Australian Government legislation, effective 1 July 2012, the City of Albany is required to implement security screening at the Albany Regional Airport.
- A legislated requirement of this security upgrade is to appoint an appropriately accredited Security Screening Authority and Security Screening Provider.
- The Screening Authority is the entity responsible for ensuring that security screening occurs in accordance with legislation.
- The Screening Provider is the entity that ensures the physical delivery of the required security screening services.
- At the November 2011 Ordinary Council Meeting, Council supported the recommendation to appoint, through a tender process, a third party to operate as a Screening Authority and Screening Provider at the Airport.

6.02pm Cr Stocks left the Chamber after declaring a financial interest.

**ITEM 6.1: RESOLUTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

**MOVED: COUNCILLOR GREGSON
SECONDED: COUNCILLOR HORTIN**

THAT Council ACCEPT the tender from MSS Security and award contract C11018 to become the screening authority and security screening provider at Albany Regional Airport.

**CARRIED 12-0
ABSOLUTE MAJORITY**

BACKGROUND

1. In order to satisfy the Australian Government's *Aviation Transport Security Regulations 2005* (amended 2010) requirements, the Albany Regional Airport (Airport) must be operationally compliant with the Aviation Security Notice (ASN) issued for the Airport by 1 July 2012.
2. Operational compliance includes the appointment of an Office of Transport Security (OTS) approved Security Screening Authority and accredited Security Screening Provider.
3. The Security Screening Authority is the entity with legal responsibility for ensuring that screening occurs in accordance with legislation. A screening authority must be aware of the relevant sections of the Act, the Regulations and ASN that pertains to screening and clearing of passengers and their baggage.

4. The Security Screening Provider is the entity that ensures the physical delivery of the required security screening services and Aviation security screening is the application of human, technical or other means to identify and/or detect weapons, explosives or other dangerous devices, articles, substances or other prohibited items or behaviours which may be used to commit, or indicate an intention to commit, an unlawful interference against aviation. In providing screening services, the Provide must comply with the Airport's Transport Security Program.
5. The screening authority and screening provider roles can be performed by the same or separate organisations. A review of current best practice within the Australian airport industry reveals no "one size fits all" approach however there appears to be potential operational synergies and potential cost savings if these roles are provided by the one organisation.
6. OTS requirements dictate that a screening authority and provider be qualified and experienced in aviation security, and have demonstrated understanding and capability to comply with all legislative requirements. In Australia this is a highly specialised industry with a small number of dominant players.
7. At the November 2011 Ordinary Council Meeting, Council supported the recommendation to appoint, through a tender process, a third party to operate as a Screening Authority and Screening Provider at the Airport.
8. In considering the recommendation to tender for the Screening Authority and Screening Provider, Council were advised that:
 - Current Airport staff are not specifically trained in aviation security provision,
 - There is a low level of general aviation experience across the City,
 - If the City maintains the function of a screening authority, it will increase the level of risk, liability and legal obligations the City as Airport Operator must manage and resource.
9. After OTS advice received in January 2012, the decision was taken to start work as soon as possible on the submission to apply for a screening authority license. On the basis of time constraints, and as per clause 2.11.4 of the Request for Tender, the City withdrew the component of preparation of the security screening authority submission from Part A of the request for tender.
10. Each company that responded to the original tender was provided with the opportunity to quote for preparing the screening authority submission to the OTS and also to revise their tender pricing for Part A – Screening Authority Role, to reflect this change.
11. MSS Security provided a competitive quote and asked to proceed with preparation of the screening authority submission.

DISCUSSION

12. The City of Albany advertised locally and at a state and national level seeking tenders for the delivery of Security Screening Services (Screening Authority and Screening Provision) at the Airport.
13. Three tenders were received and two (MSS Security and ISS) conformed to all technical requirements of the brief.
14. The tenders (to be appointed as the screening authority and provide screening services) were assessed by a three person panel including an independent aviation industry expert.
15. The panel evaluated the tenders using the weighted criteria methodology. Criteria and weighting provided in table below:

Criteria	% Weight
Cost	20%
Relevant Experience	25%
Key Personal	15%
Tenderers Resources	15%
Demonstrated Understanding	25%
Total	100%

16. The most suitable tenderer is considered MSS Security for the following reasons:

Cost:

- Lowest cost score.

Relevant Experience:

- Demonstrated understanding and capability to comply with all legislative requirements to act as a screening authority.
- Multi-national security firm with a high level of experience in aviation screening, with evidence showing they are one of the largest providers of aviation screening services throughout Australia.
- Evidence of good quality control processes.

Key Personal:

- Highly experienced list of key personnel, including a third part consultant Askew and Partners.
- Recent location of key supervisor role to Albany.
- Currently perform screening provider roles for Perth, Kalgoorlie and Esperance. Albany would be able to potentially take advantage of this regional network of services and staffing.

Tenderers Resources:

- Propose to use experienced staff from other locations and have developed a strategy to recruit from local community to develop a local staff base over time. Additionally, have an indigenous employment strategy and participation plan.

Demonstrated Understanding:

- Professional submission indicating a very high level of understanding in particular the proposed approach of utilising Askew and Associates as consultants.

GOVERNMENT CONSULTATION

17. The City of Albany has ongoing consultation with relevant State and Australian Government agencies.
18. The City is working closely with the Office of Transport Security to illustrate compliance with the ASN, Transport Security Program and all other requirements in order achieve OTS approval for screening from 1 July 2012.
19. Although not directly involved in the operations of airport security screening, the City is consulting with the State Government Department of Transport, regarding necessary terminal upgrades.

PUBLIC CONSULTATION / ENGAGEMENT

20. There is no public consultation required for the appointment of the security screening authority and provider.

STATUTORY IMPLICATIONS

21. Under regulation 4.17 of the *Aviation Transport Security Regulations 2005*, the Secretary of the Department of Infrastructure and Transport has issued an indicative Aviation Screening Notice (ASN) that specifies the methods, techniques and equipment to be used for screening services at the Airport.
22. Appointment of the screening authority and provider roles is an essential requirement in the implementation of the ASN at the Airport. Without this appointment Albany Airport is unable to comply with Federal Legislation and will not be able to operate post 1 July 2012.
23. Regulation 11 of the Local Government (Functions and General) Regulations 1996 (Regulations) requires Council to publicly tender if the contract is, or is expected to be, more, or worth more, than \$250,000.
24. Regulation 18 of the Regulations outlines a number of requirements relating to choice of tender. Council is to decide which of the acceptable tenders is the most advantageous to Council. It may also decline to accept any tender.

STRATEGIC IMPLICATIONS

25. This item directly relates to the following elements of the City of Albany Strategic Plan 2011-2021:

Key Focus Area

Albany's Role as a Regional hub

Community Priority

Albany Regional Airport

POLICY IMPLICATIONS

26. The City of Albany Tender Policy and Regional Price Preference Policy are applicable to this item.

RISK IDENTIFICATION AND MITIGATION

27. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Inability to achieve OTS approval to operate a security screened airport	Possible	Severe	High	Ensure compliance with OTS requirements, including provision of appropriately skilled security screening staff
Delay to approval of tender to appoint security screening authority and provider	Possible	Severe	High	Council approve recommended tenderer.

FINANCIAL IMPLICATIONS

28. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.

29. Security screening services must be applied to every Regular Public Transport (RPT) and open charter flight departing from the Airport from 1 July 2012. The Council has determined that these costs will be fully recovered via an increase to the current Airport passenger levy fee and at the March 2012 Ordinary Council Meeting Council passed the recommendation to increase the Airport passenger levy fee by \$20 on arriving and departing passengers.

30. Although this increased cost will be fully borne by air travellers it is important that it is kept to a minimum so that potential impacts on demand for air travel are minimised. When assessing the tender quotes cost was an important consideration and MSS provided the lowest quote and scored highest in this selection criteria compared to competing tenderers.

LEGAL IMPLICATIONS

31. It is a legislative requirement that the Airport become a security screened airport as of 1 July 2012. In order for this to occur OTS must assess and approve the arrangements in place through the ASN and Transport Security Program. A critical element in achieving compliance with OTS requirements is to demonstrate expertise and capability in the provision of security screening.

ALTERNATE OPTIONS

32. The options are:
- To approve awarding of the roles to the recommended tenderer,
 - Not approve the recommendation and appoint a different tenderer,
 - Not approve any of the tenderers.

SUMMARY CONCLUSION

33. On the basis of cost, expertise and resources the recommended tenderer is MSS Security.

Consulted References	OCM November 2011, Item 3.1 OCM March 2012, Item 16.3
Previous Reference	OCM May 2011, Item 3.2 SCM September 2011, Item 6.2 OCM November 2011, Item 3.1

6.03PM Councillor Stocks returned to the Chamber. Councillor Stocks did not participate in the discussion or vote.

6.2: ALBANY REGIONAL AIRPORT – SECURITY EQUIPMENT TENDER

Land Description	:	Albany Regional Aerodrome, Albany, Western Australia
Proponent	:	City of Albany
Owner	:	City of Albany
Attachments	:	Nil
Responsible Officer(s)	:	Executive Director Community Services

The Responsible Officer would like to advise Council that there is some information relating to this item which is of a Commercial and Confidential nature, and should be discussed behind closed doors.

ITEM 6.2: MOTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY

MOVED: COUNCILLOR CALLEJA
SECONDED: COUNCILLOR BOWLES

THAT Council move behind closed doors to discuss confidential information regarding Item 6.2.

CARRIED 13-0
ABSOLUTE MAJORITY

ITEM 6.2: MOTION
VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR CALLEJA
SECONDED: COUNCILLOR HOLDEN

As officers significantly involved in this project, that Manager of Tourism Development and Manager Asset Planning and Major Projects remain in the Chamber during discussion of the confidential information.

CARRIED 13-0

IN BRIEF

- As a result of Australian Government legislation, effective 1 July 2012, the City of Albany is required to implement security screening at Albany Airport.
- The City of Albany will be accessing Australian Government funding available for the purchase of security screening equipment in order to comply with the incoming legislation.
- This funding reflects the highly specific type and scope of equipment required to operate at the security screening levels designated by the Office of Transport Security.
- From an equipment requirement perspective the Albany Regional Airport has been designated as a Band 4 security screened airport.
- The City of Albany advertised for appropriately qualified equipment suppliers and received three conforming tenders.

ITEM 6.2: MOTION

**MOVED: COUNCILLOR SUTTON
SECONDED: COUNCILLOR GREGSON**

THAT Council come out from behind closed doors.

CARRIED 13-0

The Mayor requested that the minutes reflect the following change to paragraph 24 of Item 6.2:

*Funding of up to **\$350,000** has been made available for Band 4 designated airports under the Australian Government's Regional and Domestic Aviation Security New Entrant Regional Airport Program.*

ITEM 6.2: RESOLUTION

VOTING REQUIREMENT: ABSOLUTE MAJORITY

**MOVED: COUNCILLOR SUTTON
SECONDED: COUNCILLOR DOWLING**

THAT Council ACCEPT the tender from L3 Communications and award C11017 to supply, deliver, install and provide ongoing maintenance of Airport Security Equipment.

**CARRIED 13-0
ABSOLUTE MAJORITY**

BACKGROUND

1. In order to satisfy the Australian Government's *Aviation Transport Security Regulations 2005* (amended 2010) requirements, the Albany Regional Airport (Airport) must be operationally compliant with the Aviation Security Notice (ASN) issued for the Airport by 1 July 2012.
2. The Office of Transport Security (OTS) has recently designated the Airport a minimum Band 5 level from 1 July 2012 and then a Band 4 level no later than February 2014. The banding designation is determined on the weight of the aircraft and the number of departing passengers.
3. The Australian Government Department of Infrastructure and Transport, through OTS, has prescribed the specialised security equipment required under each band classification and will provide funding to purchase the equipment for Band 4 and 5.
4. The City plans to undertake the installation of security screening equipment in a staged approach. In order to comply with required deadlines the Airport will operate to a Band 5 security screening level by mid June 2012 and to a Band 4 security screening level in a timeframe reflecting the completion of any terminal redesign and the availability/delivery timeframes of required passenger baggage X-ray equipment.
5. Aviation security equipment is a highly specialised industry sector and there are only a small number of suitably qualified aviation security equipment providers in Australia.

DISCUSSION

6. The City of Albany advertised locally and at a state and national level seeking tenders for the supply, delivery, installation and ongoing maintenance of security screening equipment (including materials, consumables and any relevant sundry items) to the Airport and training on the specified equipment of contracted security screening staff.
7. Three conforming tenders were received. The tenders were assessed by a three person panel.
8. The panel evaluated the tenders using the weighted criteria methodology. Criteria and weighting provided in table below:

Criteria	% Weight
Cost	25%
Relevant Experience	20%
Key Personal	20%
Project Schedule	35%
Total	100%

9. All three equipment supplier tenders are highly experienced and capable of supplying prescribed equipment that satisfies Australian Government requirements. As such scoring across the various criteria for each tender was highly competitive with only small variations.
10. L3 Communications are the preferred tenderer based on:

Cost:

- Cost for equipment includes equipment supply, delivery, installation and ongoing maintenance.
- Value add offer of five years comprehensive maintenance and breakdown support.
- Ongoing operator training at no extra cost.
- State of the art equipment, including x ray multi-view (three-view version) equipment.

Relevant experience:

- Significant regional experience, with five recent contract awards for airports of a similar scale around Australia.
- Supports check point screening equipment at the Albany Prison Complex.
- Comprehensive and detailed submission presents a very experienced and capable organisation, well suited to meeting the needs of the Airport.
- Detailed financial and insurance documentation provided.

Key Personal:

- Experienced project management team, high service offer.
- Three service engineers based in Perth.
- Detailed CV documents, clear delineation of roles responsibilities.
- Training information provided.

Project Schedule:

- Delivery and full handover of all equipment and services within required timeframe and a flexible approach demonstrated to suit needs of governing authority.
11. L3 Communications scored high on all selection criteria with the major determinants for their preference as the recommended tenderer being value for money and high levels of service standards.

GOVERNMENT CONSULTATION

12. The City of Albany has ongoing consultation with relevant State and Australian Government agencies.
13. The City is working closely with the Office of Transport Security to illustrate compliance with the ASN, Transport Security Program and all other requirements in order achieve OTS approval for screening from 1 July 2012.
14. Although not directly involved in the operations of airport security screening, the City is consulting with the State Government Department of Transport, regarding necessary terminal upgrades.

PUBLIC CONSULTATION / ENGAGEMENT

15. There is no public consultation required for the awarding of the security screening equipment provider.

STATUTORY IMPLICATIONS

16. Under regulation 4.17 of the *Aviation Transport Security Regulations 2005*, the Secretary of the Department of Infrastructure and Transport has issued an indicative Aviation Screening Notice (ASN) that specifies the methods, techniques and equipment to be used for screening services at the Airport.
17. Installation of appropriate screening equipment provider is an essential requirement in the implementation of the ASN at the Airport. Without this appointment the Airport is unable to comply with Australian Government Legislation and will not be able to operate at a Band 4 from 1 July 2012.
18. Regulation 11 of the Local Government (Functions and General) Regulations 1996 (Regulations) requires Council to publicly tender if the contract is, or is expected to be, more, or worth more, than \$250,000.
19. Regulation 18 of the Regulations outlines a number of requirements relating to choice of tender. Council is to decide which of the acceptable tenders is the most advantageous to Council. It may also decline to accept any tender.

STRATEGIC IMPLICATIONS

20. This item directly relates to the following elements of the City of Albany Strategic Plan 2011-2021:

Key Focus Area

Albany's Role as a Regional hub

Community Priority

Albany Regional Airport

POLICY IMPLICATIONS

21. The City of Albany Tender Policy and Regional Price Preference Policy are applicable to this item.

RISK IDENTIFICATION & MITIGATION

22. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Inability to achieve OTS approval to operate a security screened airport	Possible	Severe	High	Ensure compliance with OTS requirements, including installations of approved equipment
Delay to approval of tender to install security equipment	Possible	Severe	High	Council approve recommended tenderer.

FINANCIAL IMPLICATIONS

23. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.
24. Funding of up to \$350,000 has been made available for Band 4 designated airports under the Australian Government's Regional and Domestic Aviation Security New Entrant Regional Airport Program.
25. The funding grant covers only equipment considered eligible in accordance with program guidelines. Funding will not cover other related charges such as delivery, installation, training and ongoing maintenance.
26. The equipment proposed in the L3 Communications tender is eligible under the funding grant program guidelines and the tender price includes the provision of a 5 year equipment warranty.

LEGAL IMPLICATIONS

27. It is a legislative requirement that the Airport become a security screened airport as of 1 July 2012. In order for this to occur OTS must assess and approve the arrangements in place through the ASN and Transport Security Program. A critical element in achieving compliance with OTS requirements is the implementation of eligible equipment.

ALTERNATE OPTIONS

28. The options are:
- To approve awarding of the roles to the recommended tenderer.
 - Not approve the recommendation and appoint a different tenderer.
 - Not approve any of the tenderers.

SUMMARY CONCLUSION

29. On the basis of providing greatest value for money and a higher level of equipment functionality, the recommended tenderer is L3 Communications. Additionally, L3 Communications claim to offer a high standard of ongoing service support.

Consulted References	OCM March 2012, Item 16.2
Previous Reference	OCM May 2011, Item 3.2 SCM September 2011, Item 6.2 OCM November 2011, Item 3.1

7.0 CLOSURE OF MEETING

Mayor Wellington extended his thanks on behalf of Council to Executive Director Community Services, Manager Tourism Development, Manager Asset Planning and Major Projects and the broader team at the City for their hard work on this project.

ITEM 7.1: RESOLUTION

MOVED: COUNCILLOR HOLDEN
SECONDED: COUNCILLOR DUFTY

THAT Standing Order 3.1 be RESUMED to stop recording of proceedings.

CARRIED 13-0

There being no further business, the Presiding Member declared the meeting closed at 6.16PM.

Dennis W Wellington
MAYOR

6.1: ALBANY REGIONAL AIRPORT – SCREENING AUTHORITY AND PROVIDER

Land Description	: Albany Regional Aerodrome, Albany, Western Australia
Proponent	: City of Albany
Owner	: City of Albany
Attachments	: Nil
Responsible Officer(s)	: Executive Director Community Services

IN BRIEF

- As a result of Australian Government legislation, effective 1 July 2012, the City of Albany is required to implement security screening at the Albany Regional Airport.
- A legislated requirement of this security upgrade is to appoint an appropriately accredited Security Screening Authority and Security Screening Provider.
- The Screening Authority is the entity responsible for ensuring that security screening occurs in accordance with legislation.
- The Screening Provider is the entity that ensures the physical delivery of the required security screening services.
- At the November 2011 Ordinary Council Meeting, Council supported the recommendation to appoint, through a tender process, a third party to operate as a Screening Authority and Screening Provider at the Airport.

6.02pm Cr Stocks left the Chamber after declaring a financial interest.

**ITEM 6.1: RESOLUTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

**MOVED: COUNCILLOR GREGSON
SECONDED: COUNCILLOR HORTIN**

THAT Council ACCEPT the tender from MSS Security and award contract C11018 to become the screening authority and security screening provider at Albany Regional Airport.

**CARRIED 12-0
ABSOLUTE MAJORITY**

BACKGROUND

1. In order to satisfy the Australian Government's *Aviation Transport Security Regulations 2005* (amended 2010) requirements, the Albany Regional Airport (Airport) must be operationally compliant with the Aviation Security Notice (ASN) issued for the Airport by 1 July 2012.
2. Operational compliance includes the appointment of an Office of Transport Security (OTS) approved Security Screening Authority and accredited Security Screening Provider.
3. The Security Screening Authority is the entity with legal responsibility for ensuring that screening occurs in accordance with legislation. A screening authority must be aware of the relevant sections of the Act, the Regulations and ASN that pertains to screening and clearing of passengers and their baggage.

4. The Security Screening Provider is the entity that ensures the physical delivery of the required security screening services and Aviation security screening is the application of human, technical or other means to identify and/or detect weapons, explosives or other dangerous devices, articles, substances or other prohibited items or behaviours which may be used to commit, or indicate an intention to commit, an unlawful interference against aviation. In providing screening services, the Provide must comply with the Airport's Transport Security Program.
5. The screening authority and screening provider roles can be performed by the same or separate organisations. A review of current best practice within the Australian airport industry reveals no "one size fits all" approach however there appears to be potential operational synergies and potential cost savings if these roles are provided by the one organisation.
6. OTS requirements dictate that a screening authority and provider be qualified and experienced in aviation security, and have demonstrated understanding and capability to comply with all legislative requirements. In Australia this is a highly specialised industry with a small number of dominant players.
7. At the November 2011 Ordinary Council Meeting, Council supported the recommendation to appoint, through a tender process, a third party to operate as a Screening Authority and Screening Provider at the Airport.
8. In considering the recommendation to tender for the Screening Authority and Screening Provider, Council were advised that:
 - Current Airport staff are not specifically trained in aviation security provision,
 - There is a low level of general aviation experience across the City,
 - If the City maintains the function of a screening authority, it will increase the level of risk, liability and legal obligations the City as Airport Operator must manage and resource.
9. After OTS advice received in January 2012, the decision was taken to start work as soon as possible on the submission to apply for a screening authority license. On the basis of time constraints, and as per clause 2.11.4 of the Request for Tender, the City withdrew the component of preparation of the security screening authority submission from Part A of the request for tender.
10. Each company that responded to the original tender was provided with the opportunity to quote for preparing the screening authority submission to the OTS and also to revise their tender pricing for Part A – Screening Authority Role, to reflect this change.
11. MSS Security provided a competitive quote and asked to proceed with preparation of the screening authority submission.

DISCUSSION

12. The City of Albany advertised locally and at a state and national level seeking tenders for the delivery of Security Screening Services (Screening Authority and Screening Provision) at the Airport.
13. Three tenders were received and two (MSS Security and ISS) conformed to all technical requirements of the brief.
14. The tenders (to be appointed as the screening authority and provide screening services) were assessed by a three person panel including an independent aviation industry expert.
15. The panel evaluated the tenders using the weighted criteria methodology. Criteria and weighting provided in table below:

Criteria	% Weight
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Key Personal	15%
Tenderers Resources	15%
Demonstrated Understanding	25%
Total	100%

16. The most suitable tenderer is considered MSS Security for the following reasons:

Cost:

- Lowest cost score.

Relevant Experience:

- Demonstrated understanding and capability to comply with all legislative requirements to act as a screening authority.
- Multi-national security firm with a high level of experience in aviation screening, with evidence showing they are one of the largest providers of aviation screening services throughout Australia.
- Evidence of good quality control processes.

Key Personal:

- Highly experienced list of key personnel, including a third part consultant Askew and Partners.
- Recent location of key supervisor role to Albany.
- Currently perform screening provider roles for Perth, Kalgoorlie and Esperance. Albany would be able to potentially take advantage of this regional network of services and staffing.

Tenderers Resources:

- Propose to use experienced staff from other locations and have developed a strategy to recruit from local community to develop a local staff base over time. Additionally, have an indigenous employment strategy and participation plan.

Demonstrated Understanding:

- Professional submission indicating a very high level of understanding in particular the proposed approach of utilising Askew and Associates as consultants.

GOVERNMENT CONSULTATION

17. The City of Albany has ongoing consultation with relevant State and Australian Government agencies.
18. The City is working closely with the Office of Transport Security to illustrate compliance with the ASN, Transport Security Program and all other requirements in order achieve OTS approval for screening from 1 July 2012.
19. Although not directly involved in the operations of airport security screening, the City is consulting with the State Government Department of Transport, regarding necessary terminal upgrades.

PUBLIC CONSULTATION / ENGAGEMENT

20. There is no public consultation required for the appointment of the security screening authority and provider.

STATUTORY IMPLICATIONS

21. Under regulation 4.17 of the *Aviation Transport Security Regulations 2005*, the Secretary of the Department of Infrastructure and Transport has issued an indicative Aviation Screening Notice (ASN) that specifies the methods, techniques and equipment to be used for screening services at the Airport.
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STRATEGIC IMPLICATIONS

25. This item directly relates to the following elements of the City of Albany Strategic Plan 2011-2021:

Key Focus Area

Albany's Role as a Regional hub

Community Priority

Albany Regional Airport

POLICY IMPLICATIONS

26. The City of Albany Tender Policy and Regional Price Preference Policy are applicable to this item.

RISK IDENTIFICATION AND MITIGATION

27. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Inability to achieve OTS approval to operate a security screened airport	Possible	Severe	High	Ensure compliance with OTS requirements, including provision of appropriately skilled security screening staff
Delay to approval of tender to appoint security screening authority and provider	Possible	Severe	High	Council approve recommended tenderer.

FINANCIAL IMPLICATIONS

28. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.

29. Security screening services must be applied to every Regular Public Transport (RPT) and open charter flight departing from the Airport from 1 July 2012. The Council has determined that these costs will be fully recovered via an increase to the current Airport passenger levy fee and at the March 2012 Ordinary Council Meeting Council passed the recommendation to increase the Airport passenger levy fee by \$20 on arriving and departing passengers.

30. Although this increased cost will be fully borne by air travellers it is important that it is kept to a minimum so that potential impacts on demand for air travel are minimised. When assessing the tender quotes cost was an important consideration and MSS provided the lowest quote and scored highest in this selection criteria compared to competing tenderers.

LEGAL IMPLICATIONS

31. It is a legislative requirement that the Airport become a security screened airport as of 1 July 2012. In order for this to occur OTS must assess and approve the arrangements in place through the ASN and Transport Security Program. A critical element in achieving compliance with OTS requirements is to demonstrate expertise and capability in the provision of security screening.

ALTERNATE OPTIONS

32. The options are:
- To approve awarding of the roles to the recommended tenderer,
 - Not approve the recommendation and appoint a different tenderer,
 - Not approve any of the tenderers.

SUMMARY CONCLUSION

33. On the basis of cost, expertise and resources the recommended tenderer is MSS Security.

Consulted References	OCM November 2011, Item 3.1 OCM March 2012, Item 16.3
Previous Reference	OCM May 2011, Item 3.2 SCM September 2011, Item 6.2 OCM November 2011, Item 3.1

6.03PM Councillor Stocks returned to the Chamber. Councillor Stocks did not participate in the discussion or vote.

6.2: ALBANY REGIONAL AIRPORT – SECURITY EQUIPMENT TENDER

Land Description	:	Albany Regional Aerodrome, Albany, Western Australia
Proponent	:	City of Albany
Owner	:	City of Albany
Attachments	:	Nil
Responsible Officer(s)	:	Executive Director Community Services

The Responsible Officer would like to advise Council that there is some information relating to this item which is of a Commercial and Confidential nature, and should be discussed behind closed doors.

ITEM 6.2: MOTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY

MOVED: COUNCILLOR CALLEJA
SECONDED: COUNCILLOR BOWLES

THAT Council move behind closed doors to discuss confidential information regarding Item 6.2.

CARRIED 13-0
ABSOLUTE MAJORITY

ITEM 6.2: MOTION
VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR CALLEJA
SECONDED: COUNCILLOR HOLDEN

As officers significantly involved in this project, that Manager of Tourism Development and Manager Asset Planning and Major Projects remain in the Chamber during discussion of the confidential information.

CARRIED 13-0

IN BRIEF

- As a result of Australian Government legislation, effective 1 July 2012, the City of Albany is required to implement security screening at Albany Airport.
- The City of Albany will be accessing Australian Government funding available for the purchase of security screening equipment in order to comply with the incoming legislation.
- This funding reflects the highly specific type and scope of equipment required to operate at the security screening levels designated by the Office of Transport Security.
- From an equipment requirement perspective the Albany Regional Airport has been designated as a Band 4 security screened airport.
- The City of Albany advertised for appropriately qualified equipment suppliers and received three conforming tenders.

ITEM 6.2: MOTION

**MOVED: COUNCILLOR SUTTON
SECONDED: COUNCILLOR GREGSON**

THAT Council come out from behind closed doors.

CARRIED 13-0

The Mayor requested that the minutes reflect the following change to paragraph 24 of Item 6.2:

*Funding of up to **\$350,000** has been made available for Band 4 designated airports under the Australian Government's Regional and Domestic Aviation Security New Entrant Regional Airport Program.*

ITEM 6.2: RESOLUTION

VOTING REQUIREMENT: ABSOLUTE MAJORITY

**MOVED: COUNCILLOR SUTTON
SECONDED: COUNCILLOR DOWLING**

THAT Council ACCEPT the tender from L3 Communications and award C11017 to supply, deliver, install and provide ongoing maintenance of Airport Security Equipment.

**CARRIED 13-0
ABSOLUTE MAJORITY**

BACKGROUND

1. In order to satisfy the Australian Government's *Aviation Transport Security Regulations 2005* (amended 2010) requirements, the Albany Regional Airport (Airport) must be operationally compliant with the Aviation Security Notice (ASN) issued for the Airport by 1 July 2012.
2. The Office of Transport Security (OTS) has recently designated the Airport a minimum Band 5 level from 1 July 2012 and then a Band 4 level no later than February 2014. The banding designation is determined on the weight of the aircraft and the number of departing passengers.
3. The Australian Government Department of Infrastructure and Transport, through OTS, has prescribed the specialised security equipment required under each band classification and will provide funding to purchase the equipment for Band 4 and 5.
4. The City plans to undertake the installation of security screening equipment in a staged approach. In order to comply with required deadlines the Airport will operate to a Band 5 security screening level by mid June 2012 and to a Band 4 security screening level in a timeframe reflecting the completion of any terminal redesign and the availability/delivery timeframes of required passenger baggage X-ray equipment.
5. Aviation security equipment is a highly specialised industry sector and there are only a small number of suitably qualified aviation security equipment providers in Australia.

DISCUSSION

6. The City of Albany advertised locally and at a state and national level seeking tenders for the supply, delivery, installation and ongoing maintenance of security screening equipment (including materials, consumables and any relevant sundry items) to the Airport and training on the specified equipment of contracted security screening staff.
7. Three conforming tenders were received. The tenders were assessed by a three person panel.
8. The panel evaluated the tenders using the weighted criteria methodology. Criteria and weighting provided in table below:

Criteria	% Weight
Cost	25%
Relevant Experience	20%
Key Personal	20%
Project Schedule	35%
Total	100%

9. All three equipment supplier tenders are highly experienced and capable of supplying prescribed equipment that satisfies Australian Government requirements. As such scoring across the various criteria for each tender was highly competitive with only small variations.
10. L3 Communications are the preferred tenderer based on:

Cost:

- Cost for equipment includes equipment supply, delivery, installation and ongoing maintenance.
- Value add offer of five years comprehensive maintenance and breakdown support.
- Ongoing operator training at no extra cost.
- State of the art equipment, including x ray multi-view (three-view version) equipment.

Relevant experience:

- Significant regional experience, with five recent contract awards for airports of a similar scale around Australia.
- Supports check point screening equipment at the Albany Prison Complex.
- Comprehensive and detailed submission presents a very experienced and capable organisation, well suited to meeting the needs of the Airport.
- Detailed financial and insurance documentation provided.

Key Personal:

- Experienced project management team, high service offer.
- Three service engineers based in Perth.
- Detailed CV documents, clear delineation of roles responsibilities.
- Training information provided.

Project Schedule:

- Delivery and full handover of all equipment and services within required timeframe and a flexible approach demonstrated to suit needs of governing authority.
11. L3 Communications scored high on all selection criteria with the major determinants for their preference as the recommended tenderer being value for money and high levels of service standards.

GOVERNMENT CONSULTATION

12. The City of Albany has ongoing consultation with relevant State and Australian Government agencies.
13. The City is working closely with the Office of Transport Security to illustrate compliance with the ASN, Transport Security Program and all other requirements in order achieve OTS approval for screening from 1 July 2012.
14. Although not directly involved in the operations of airport security screening, the City is consulting with the State Government Department of Transport, regarding necessary terminal upgrades.

PUBLIC CONSULTATION / ENGAGEMENT

15. There is no public consultation required for the awarding of the security screening equipment provider.

STATUTORY IMPLICATIONS

16. Under regulation 4.17 of the *Aviation Transport Security Regulations 2005*, the Secretary of the Department of Infrastructure and Transport has issued an indicative Aviation Screening Notice (ASN) that specifies the methods, techniques and equipment to be used for screening services at the Airport.
17. Installation of appropriate screening equipment provider is an essential requirement in the implementation of the ASN at the Airport. Without this appointment the Airport is unable to comply with Australian Government Legislation and will not be able to operate at a Band 4 from 1 July 2012.
18. Regulation 11 of the Local Government (Functions and General) Regulations 1996 (Regulations) requires Council to publicly tender if the contract is, or is expected to be, more, or worth more, than \$250,000.
19. Regulation 18 of the Regulations outlines a number of requirements relating to choice of tender. Council is to decide which of the acceptable tenders is the most advantageous to Council. It may also decline to accept any tender.

STRATEGIC IMPLICATIONS

20. This item directly relates to the following elements of the City of Albany Strategic Plan 2011-2021:

Key Focus Area

Albany's Role as a Regional hub

Community Priority

Albany Regional Airport

POLICY IMPLICATIONS

21. The City of Albany Tender Policy and Regional Price Preference Policy are applicable to this item.

RISK IDENTIFICATION & MITIGATION

22. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Inability to achieve OTS approval to operate a security screened airport	Possible	Severe	High	Ensure compliance with OTS requirements, including installations of approved equipment
Delay to approval of tender to install security equipment	Possible	Severe	High	Council approve recommended tenderer.

FINANCIAL IMPLICATIONS

23. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.
24. Funding of up to \$350,000 has been made available for Band 4 designated airports under the Australian Government's Regional and Domestic Aviation Security New Entrant Regional Airport Program.
25. The funding grant covers only equipment considered eligible in accordance with program guidelines. Funding will not cover other related charges such as delivery, installation, training and ongoing maintenance.
26. The equipment proposed in the L3 Communications tender is eligible under the funding grant program guidelines and the tender price includes the provision of a 5 year equipment warranty.

LEGAL IMPLICATIONS

27. It is a legislative requirement that the Airport become a security screened airport as of 1 July 2012. In order for this to occur OTS must assess and approve the arrangements in place through the ASN and Transport Security Program. A critical element in achieving compliance with OTS requirements is the implementation of eligible equipment.

ALTERNATE OPTIONS

28. The options are:
- To approve awarding of the roles to the recommended tenderer.
 - Not approve the recommendation and appoint a different tenderer.
 - Not approve any of the tenderers.

SUMMARY CONCLUSION

29. On the basis of providing greatest value for money and a higher level of equipment functionality, the recommended tenderer is L3 Communications. Additionally, L3 Communications claim to offer a high standard of ongoing service support.

Consulted References	OCM March 2012, Item 16.2
Previous Reference	OCM May 2011, Item 3.2 SCM September 2011, Item 6.2 OCM November 2011, Item 3.1

7.0 CLOSURE OF MEETING

Mayor Wellington extended his thanks on behalf of Council to Executive Director Community Services, Manager Tourism Development, Manager Asset Planning and Major Projects and the broader team at the City for their hard work on this project.

ITEM 7.1: RESOLUTION

**MOVED: COUNCILLOR HOLDEN
SECONDED: COUNCILLOR DUFTY**

THAT Standing Order 3.1 be RESUMED to stop recording of proceedings.

CARRIED 13-0

There being no further business, the Presiding Member declared the meeting closed at 6.16PM.



Dennis W Wellington
MAYOR