
PDG-42781-1 AND PDG-42782-1 DELEGATED AUTHORITY TO CHIEF EXECUTIVE OFFICER FOR REVETMENT WALL REMEDIATION WORKS

Objective Reference: A2573435
Reports and Attachments (Archives)

Authorising Officer: Peter Best
General Manager Infrastructure & Operations

Responsible Officer: David Katavic
Acting Group Manager Project Delivery Group

Report Author: Nivedita Patel
Senior Tender and Contract Officer PDG

PURPOSE

The purpose of this report is to seek Council resolution to delegate authority to the Chief Executive Officer (CEO) to make, vary and discharge the contracts associated with the two individual projects below which together may total more than \$2,000,000 (including GST):

Project number	Project name
42781 (SP1)	Revetment wall upgrade at 19 Seacrest Court (Lot 359) – Cleveland (Raby Bay)
42782 (SP2)	Revetment wall upgrade at 37 Piermont Place (Lot 798) – Cleveland (Raby Bay)

These two individual projects have been combined as separable portions to increase strategic procurement opportunities, efficiency and project cost savings with advertising, contractor establishment, disestablishment, preparation of management plans, on-site logistical and availability requirements with plant and equipment.

Approving the delegation sought prior to the completion of the tender evaluation will assist Council by reducing Project Delivery Group (PDG) procurement timeframes as they would not be dependent on Council meeting dates and resolution timeframes. Award of the contracts would be expedited to the CEO once relevant internal stakeholders have reviewed and endorsed documentation.

BACKGROUND

Procurement for this project is being undertaken in accordance with section s226 Large-sized contractual arrangement-tenders needed first of the *Local Government Regulation 2012*, and Council's Corporate Policy POL-3043 Corporate Procurement.

Council invited tenders from contractors for the design, supply and installation/ construction of revetment wall stabilisation works at the following locations:

Project number	Project name
42781 (SP1)	Revetment wall upgrade at 19 Seacrest Court (Lot 359) – Cleveland (Raby Bay)
42782 (SP2)	Revetment wall upgrade at 37 Piermont Place (Lot 798) – Cleveland (Raby Bay)

Table 1: 2017/2018 financial year individual revetment wall stabilisation projects combined for procurement

These two individual projects have been combined as separable portions to increase strategic procurement opportunities, efficiency and project cost savings with advertising, contractor establishment, disestablishment, preparation of management plans, on-site logistical and availability requirements with plant and equipment.

The tender was advertised in the Redland City Bulletin on 2 August 2017 and closed on 5 September 2017. Tenders received through QTender will be under evaluation at the time of presentation of this report to Council.

ISSUES

Should Council decide not to delegate authority to the CEO, it will result in time delays with the procurement (Council resolution, contract award and construction of the projects) which could lead to additional costs to Council.

STRATEGIC IMPLICATIONS

Legislative Requirements

Procurement for this project will be undertaken in accordance with section 228 Tender process of the *Local Government Regulation 2012*, and Council's Corporate Policy POL-3043 Corporate Procurement which establish clear standards for financial management and the changes outlined in this report do not put Council at risk of non-compliance.

Risk Management

Non-delivery or deferral of projects would put Council at risk of not meeting Council's annual remediation targets and potentially receiving negative publicity from the Raby Bay property owners.

Contractor risk

All construction risks will be identified through the PDG risk assessment process. Proposed construction methodology, site-based management plans, traffic management plans and environmental management plans and any other evaluation criterion identified by PDG officers will be requested at the time of procurement.

Appropriate Corporate scorecard Financial & Performance Assessment reports will be sought to ensure suppliers have financial capacity to undertake contracts.

Council's risk of liability and measures will also be taken to mitigate any risk (where possible). Risk mitigation includes two contractor bank cheques/bank guarantees and a full-time on-site Council appointed superintendent, validating payment claims and contractor performance.

Financial

The Coordination Committee Meeting Minutes dated 23 October 2013 recommended that, under Section 257 of the *Local Government Act 2009*, Council delegate authority to the CEO, power to authorise expenditure on behalf of Council up to \$2,000,000.00 if the expenditure is:

- a. in accordance with all legislative requirements;
- b. in accordance with all policy requirements;
- c. is funded from Council's approved annual budget.

The total contract amount for the two separable portions may exceed \$2,000,000.00 including GST, which will be above the CEO's financial delegation limits and conditions, and may therefore require submissions to Council being made. Council report and resolution timeframes will impact on and delay actual contract award, construction and project completion.

FY17/18 CAPEX project budget allocated for the two projects by Council under the Raby Bay Revetment Wall Program is as follows:

Project number	Project name	Estimated tender value 2017/2018
42781 (SP1)	Revetment Wall Upgrade at 19 Seacrest Court (Lot 359) – Cleveland (Raby Bay)	
42782 (SP2)	Revetment Wall Upgrade at 37 Piermont Place (Lot 798) – Cleveland (Raby Bay)	

Table 2: 2017/2018 financial year revetment wall stabilisation projects (separable portions) combined for procurement

People

Workload is reduced for the Project Delivery Group procurement officer if the recommendations of this report are adopted. This procurement activity process is more efficient.

Environmental

There are no implications.

Social

Nil.

Alignment with Council's Policy and Plans

This report is in line with Council's Procurement Policy and legislative requirements.

The outcomes of recommendations in this report are supported by Council's Corporate Plan 2015-2020 vision outcome areas:

3. Embracing the bay (3.4 and 3.5);
5. Wise planning and design (5.4);
6. Support and vibrant economy (6.1, 6.2, 6.6); and
8. Inclusive and ethical governance.

CONSULTATION

Consultation has been undertaken with the following:

- General Manager Infrastructure & Operations;
- Acting Group Manager Project Delivery Group;
- Service Manager Project Management Services;
- Service Manager Construction Projects;
- Solicitor Legal Services Unit; and
- Finance Business Partnering Unit.

All are supportive of the recommendations.

OPTIONS

Option One

That Council resolves to:

1. Delegate authority to the Chief Executive Officer, under s.257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary, and discharge the two design and construction projects as separable portion contracts and all associated documentation as part of the FY 17/18 approved Capex budget.
2. That this report remains confidential until the contracts for PDG-42781-1 and PDG-42782-1 are signed and awarded to the successful contractor/s.

Option Two

That Council resolves to not delegate authority to the Chief Executive Officer which will result in delays with the awarding of contracts and the construction of projects, with possibility of project and budget carry overs and Council not meeting their FY 17/18 capital works commitment.

OFFICER'S RECOMMENDATION

That Council resolve as follows:

1. **To delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary, and discharge the two design and construction projects as separable portion contracts and all associated documentation as part of the FY17/18 approved Capex budget.**
2. **That this report remains confidential until the contracts for PDG-42781-1 and PDG-42782-1 are signed and awarded to the successful contractor/s.**