

19.2 PROJECT DELIVERY GROUP - DELEGATED AUTHORITY REPORT TO CHIEF EXECUTIVE OFFICER FOR AWARD OF CONTRACTS OVER \$2M FOR FINANCIAL YEAR 2020/2021

Objective Reference:

Authorising Officer: Dr Nicole Davis, General Manager Infrastructure & Operations

Responsible Officer: Anthony Burrows, Group Manager Project Delivery

Report Author: Tracey Justice, Senior Adviser Tender and Contracts

Attachments: Nil

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

(e) *contracts proposed to be made by it.*

PURPOSE

To seek Redland City Council (Council) resolution to delegate authority to the Chief Executive Officer (CEO), under s.257(1)(b) of the *Local Government Act 2009* to make, vary and discharge contracts associated with the individual projects detailed in Table 1 of this report, which may total more than \$2,000,000 (including GST), in financial year 2020-2021.

BACKGROUND

Council adopted the 2020/2021 Annual Budget at the Special Budget meeting 25 June 2020. The individual projects detailed in Table 1 were endorsed as part of Councils Capital Works Program for the financial year 2020/2021.

Table 1 – Proposed contracts over \$2m for financial year 2020/2021

Project Name	Capital Works Budget (2020/2021)
Roads – consisting of the following programs: <ul style="list-style-type: none"> • 40519 Roads to Recovery [REDACTED] • 41634 Resurfacing Program [REDACTED] • 42612 Roundabout Rehabilitation Program [REDACTED] • 42750 Regional Road Alliance Program [REDACTED] 	[REDACTED]
Bus Shelters – consisting the following programs: <ul style="list-style-type: none"> • 80010 Bus Shelter and Seat Renewals [REDACTED] • 80332 Bus Stop Upgrades and Expansions [REDACTED] • 42403 Bus Shelter Cleveland Rail/Bus Station [REDACTED] • 42404 Bus Shelter CBD Renewal 41 Middle Street, Cleveland [REDACTED] • 42405 Bus Shelter 43 Middle Street, Cleveland [REDACTED] • 42610 SMBI Waiting Sheds and Bus Shelter Upgrades Program [REDACTED] 	[REDACTED]
<ul style="list-style-type: none"> • Paths and Cycleways – consisting of the following programs: • 43262 Weippin Street, Cleveland Footpath - [REDACTED] • 43542 Footpath – Allan Day Drive, Wellington Point - [REDACTED] • 43790 Laurette Avenue Thornlands Footpath - [REDACTED] • 43793 84-86 Thornlands Road Footpath - [REDACTED] 	[REDACTED]

Project Name	Capital Works Budget (2020/2021)
<ul style="list-style-type: none"> • 43794 Kerb Ramps - Cnr Kensington Place & Collingwood Road - [REDACTED] • 43796 Footpath - Boundary Street, Redland Bay - [REDACTED] • 43865 Serpentine Creek Road, Redland Bay - [REDACTED] • 43866 Frontage of 676 Old Cleveland Road East, Wellington Point - [REDACTED] • 43867 Hardy Road, Birkdale - [REDACTED] • 43877 Kerb Ramp Rehab - Capalaba Library, Noeleen Place, Capalaba - [REDACTED] • 43879 Footpath Rehab - Cnr Counihan St. And Wellington St., Ormiston - [REDACTED] • 43880 Kerb Ramp Rehab - Haggup St, Cleveland - [REDACTED] • 43882 Footpath Rehab - Cnr. Sandalwood And Colthouse Drive - [REDACTED] • 46384 Kerb Ramps - Cnr Exeter St & Panorama Dr & Moselle Dve, Thornlands - [REDACTED] • 46385 Footpath Rehab - Cnr Raymond & Loraine Sts, Capalaba - [REDACTED] • 46386 Footpath Rehab - Bay St to Fitzroy St, Cleveland - [REDACTED] • 43269 Haig Road, Birkdale from Collingwood Road to Bryce Place - [REDACTED] • 43272 Makaha Drive, Birkdale - [REDACTED] • 43315 Ziegenfusz Road to Moselle Drive footpath - [REDACTED] • 43545 Kerb Ramp & Crossing Point - Gordon Rd, Redland Bay - [REDACTED] • 43667 Orchid Drive, Mount Cotton - [REDACTED] • 43671 Sycamore Parade Footpath, Victoria Point - [REDACTED] • 43709 Weippin St, Cleveland footpath - [REDACTED] • 43791 Manning Esplanade Thornlands, Footpath - [REDACTED] • 43795 Cayman Crescent to end of Grenoble Place, Ormiston - [REDACTED] • 43797 Section of Path between Brindabella Circuit and Opposite 36 - [REDACTED] • 43798 Footpath – Wellington Street Ormiston – [REDACTED] • 43799 Whepstead Avenue from Crossley Drive Park to Marlborough - [REDACTED] • 43800 Island Street, Cleveland from Cricket Oval to Coburg Street - [REDACTED] • 43801 Princess Street, Cleveland from Passage Street to Riordan St - [REDACTED] • 43803 LGIP TR-L-317 Cycle Path Meissner/Moores Intersection - [REDACTED] • 43807 LGIP TR-L-389 Cycle Path Pelican Street and Carter Street - [REDACTED] • 43809 LGIP TR-L-390 Cycle Path Boat Street and Thompson Street - [REDACTED] 	

Project Name	Capital Works Budget (2020/2021)
<ul style="list-style-type: none"> • 43814 LGIP TR-L-356 Cycle Path Musgrave Street and Roberts Street - [REDACTED] • 43887 Kerb Ramp Rehab - 36 Middle Street (GWH Dental) - [REDACTED] • 46379 Footpath Rehab - Killarney Cres, Capalaba - [REDACTED] 	
Open Spaces – consisting of the following programs: <ul style="list-style-type: none"> • 43853 Azure Park - Redland Bay - [REDACTED] • 43850 Cleveland Point Recreation Reserve - [REDACTED] • 43648 Hanover Drive Park - Alexandra Hills - [REDACTED] • 43858 Stage 2A Apex Park - Wellington Point - [REDACTED] • 43654 Headland Park - Point Lookout - [REDACTED] 	[REDACTED]

All project tender activity is currently under development and procurement for these projects will be undertaken in accordance with section 228 *Tender process* of the *Local Government Regulation 2012*, and Council's Corporate Policy LSV-001-P Corporate Procurement Policy.

ISSUES

Approving the delegation sought prior to the completion of the tender evaluations will assist Council by reducing Project Delivery Group (PDG) procurement timeframes, as the tender evaluation outcomes would not be dependent on Council meeting dates and resolution timeframes.

Expenditure is over the CEO financial delegation and so a resolution is required to allow the CEO to approve the contract award documentation. Procurement due process will be followed until the contracts are awarded.

Should Council decide not to delegate authority to the CEO, it will result in procurement time delays which could lead to additional time based costs to Council and delays to project commencement and completion.

STRATEGIC IMPLICATIONS

Legislative Requirements

Under Section 257 of the *Local Government Act 2009*, Council has delegated the authority to the CEO the power to authorise expenditure on behalf of Council up to \$2,000,000.00.

The estimated total contract amounts for these projects may exceed \$2,000,000.00 including GST, which is above the CEO's financial delegation limits and conditions, and therefore requires submission to Council for approval.

Risk Management

Non delivery or deferral of projects budgets and other scheduled projects may put Council at risk of carrying over projects into financial year 2021-2022.

Appropriate Corporate Scorecard Financial and Performance Assessment reports will be sought to ensure shortlisted tenderers have financial capacity to undertake the contracts. Council's risk of liability and measures will also be taken to mitigate identified risks.

Risk mitigation will also include two contractor bank cheques/bank guarantees and a Council appointed superintendent to validate 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 estimated total contract amounts for these projects may exceed \$2,000,000.00 including GST, which is above the CEO's financial delegation limits and conditions, and therefore requires submission to Council for approval

People

There are no implications.

Environmental

There are no implications.

Social

There are no implications.

Human Rights

There are no implications.

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 2018-2023 vision outcome areas:

2. Green Living (2.5)
3. Embracing the bay (3.4 and 3.5)
5. Wise Planning and Design (5.1)
7. Strong and Connected Communities (7.1 and 7.2)
8. Inclusive and ethical governance

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Service Manager Project and Contractor Management Unit	12 June 2020	Reviewed draft report and provided budget assistance
Group Manager Project Delivery Group	12 June 2020	Reviewed report.
Program Manager Infrastructure & Operations	1 July 2020	Reviewed Program and Budget figures for financial year 2020-2021.
Group Manager City Infrastructure Group	1 July 2020	Reviewed report.

Consulted	Consultation Date	Comments/Actions
Business Partnering Unit	1 July 2020	Reviewed capital and operational budget figures for financial year 2020-2021.
Legal Services	1 July 2020	Reviewed report with respect to legislation and authority (Legal Case Management no: 9046).

OPTIONS

Option One

That Council resolves 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 contracts associated with the individual projects detailed in Table 1 of this report, which may total more than \$2,000,000 (including GST), in financial year 2020-2021.
2. That this report remains confidential until the contract is awarded and details published in accordance with legislative requirements, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.

Option Two

That Council resolves as follows:

1. To not approve funding in advance of the final budget approval for financial year 2020-2021 and not delegate authority to the Chief Executive Officer to enter into a contract in accordance with Financial Delegations.
2. To not delegate authority to the Chief Executive Officer to negotiate, make, vary and discharge the contracts as listed within Table 1 of this report and all associated documentation which may exceed \$2,000,000 (including GST).
3. That this report remains confidential, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information

OFFICER'S RECOMMENDATION

That Council resolves 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 contracts associated with the individual projects detailed in Table 1 of this report, which may total more than \$2,000,000 (including GST), in financial year 2020-2021.
2. That this report remains confidential until the contract is awarded and details published in accordance with legislative requirements, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information