

## 19.7 PDG-40015-2 MORETON BAY CYCLEWAY SECTION 1 (CAMERON COURT TO SCHOOL ROAD) - VICTORIA POINT - AWARD OF CONTRACT OVER \$2M

### Objective Reference:

**Authorising Officer:** Peter Best, General Manager Infrastructure & Operations

**Responsible Officer:** Bradley Salton, Group Manager City Infrastructure

**Report Author:** Stefanie Taylor, Tender and Contracts Officer  
Nivedita Patel, Senior Tender and Contracts Officer

**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

The purpose of this report is to seek Council resolution to;

- award a construction contract over \$2,000,000 (including GST)
- to delegate authority to the Chief Executive Officer (CEO) to make, vary and discharge the contract for project PDG-40015-2 Moreton Bay Cycleway Section 1 (Cameron Court to School Road) – Victoria Point.

### BACKGROUND

Procurement for this project was undertaken in accordance with section 228 *Tender process* of the *Local Government Regulation 2012*, and Council's Corporate Policy POL-3043.

Council invited tenders from the open market for the supply, delivery and construction of the Moreton Bay Cycleway Section 1 (Cameron Court to School Road) at Victoria Point.

The tender was advertised in the Redland City Bulletin on Wednesday 6 March 2019 and closed on Tuesday 9 April 2019. The Evaluation process is nearing completion with the final due diligence checks due early May 2019.

This report recommends that Council accepts the tender and make, vary and discharge a contract up to the value of [REDACTED] for project PDG-40015-2.

### ISSUES

It is essential that Section 1 of the MBC Victoria Point (Cameron Court to School Road) commences construction in the FY 18/19 as this is an approved CAPEX commitment and forms part of the Agreement Cycle Network Local Government Grants Program between Redland City Council and the Department of Transport and Main Roads (DTMR).

### STRATEGIC IMPLICATIONS

#### Legislative Requirements

Procurement for this project has been 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 the funding agreement with DTMR for this project.

### Contractor risk

All construction risks have been identified through Council's risk assessment process, managed by Project Delivery Group (PDG). Proposed Workplace Health and Safety (WHS) and traffic management plans and other evaluation criterion identified by PDG officers were requested at the time of procurement. The preferred Contractor has met the criterion.

Appropriate Corporate Scorecard Financial and Performance Assessment reports have been sought to ensure Alder Constructions Pty Ltd have financial capacity to undertake the contract. Council's risk of liability and measures will also be taken to mitigate any risk (where identified).

Risk mitigation includes 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 total contract amount exceeds \$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.

The FY18/19 and FY19/20 CAPEX project budget allocated for the project by Council under the Moreton Bay Cycleway (MBC) Program is as follows:

## People

There are no implications.

## Environmental

There are no implications.

## Social

Completion of this cycleway will enable cyclists to ride from Cleveland to Victoria Point uninterrupted along the Moreton Bay Cycleway. The new link will make it easier and safer for families to connect with parks, sporting facilities and foreshores within the city, taking in the natural beauty on offer in the Redlands Coast.

## 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 & Design (5.1);
7. Strong and Connected Communities (7.2); and
8. Inclusive and ethical governance.

## CONSULTATION

Consulted	Consultation Date	Comments/Actions
Service Manager Project and Contractor Management Unit	On-going	Reviewed draft report and provided budget assistance
Group Manager Project Delivery Group	On-going	Reviewed draft report and provided budget assistance
Group Manager City Infrastructure Group	30/04/2019	Advised report to council is required as proposed contract is over \$2m
Program Manager Infrastructure & Operations	30/04/2019	Budget figures for 18/19 and 19/20 as well as discussed delegation to CEO as proposed contract over \$2m
Roadside Asset Engineer	30/04/2019	Received copy of draft report to council that was previously prepared
Business Partnering Unit	30/04/2019 and 1/05/2019	BPU provided current budget allocation figures
Division 4 Councillor	14/05/2019	

## OPTIONS

### Option One

That Council resolves to:

1. accept the tender (PDG-40015-2) from and enter into a contract with Alder Constructions Pty Ltd for up to the value of \$1,833,875.00 excluding GST, (\$2,017,262.50 including GST);
2. 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 contract and all associated documentation;
3. approve the funding submitted for the Moreton Bay Cycleway (section 1) project within the FY2019/20 Capital Works Program, to enable Council to enter into a contract during FY2018/19 for whole of works for section 1 of the project; and

4. maintain this report as 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 to:

1. not approve funding in advance of the final budget approval for FY2019/20 and not delegate authority to the Chief Executive Officer to enter into a contract; and
2. retain this report as confidential until the contract is awarded and details published in accordance with legislative requirements, subject to maintaining the confidentiality of legally privileged and commercial in confidence information.

### **OFFICER'S RECOMMENDATION**

That Council resolve to:

1. accept the tender (PDG-40015-2) from and enter into a contract with Alder Constructions Pty Ltd for up to the value of \$1,833,875.00 excluding GST, (\$2,017,262.50 including GST);
2. 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 contract and all associated documentation;
3. approve the funding submitted for the Moreton Bay Cycleway (section 1) project within the FY2019/20 Capital Works Program, to enable Council to enter into a contract during FY2018/19 for whole of works for section 1 of the project; and
4. maintain this report as 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.