

Late Addendum Report

REPORTS THROUGH THE GENERAL MANAGER

REPORTS FROM THE DIRECTOR COMMUNITY AND NATURAL RESOURCES

a31 [CNR-CM] EC2011-013 Pottsville Beach Neighbourhood Centre

ORIGIN:

Community and Cultural Services

SUMMARY OF REPORT:

This report outlines the tender for the Construction of the New Administration Building at the Pottsville Beach Neighbourhood Centre.

Council at its meeting of 19 October 2010 resolved to:

1. Decline to accept any of the Tenders received for EC2010-141 Pottsville Beach Neighbourhood Centre as no tender represents value for money.
2. Complete the design component of the work.
3. Enter into direct negotiations, in accordance with the Independent Commission Against Corruption (ICAC) Guidelines, with any person for the construction component of the work to ensure project timeframes are met and to provide best value for money.

All actions from the October report have now been completed and this report provides a recommendation on the preferred tenderer.

Attachment B is **CONFIDENTIAL** in accordance with section 10A(2)(d) of the Local Government Act 1993, because it contains commercial information in relation to the tenders, the disclosure of which would be likely to prejudice the commercial position of the tenders if it was provided. The information identifies the tenderers in relation to the tender price and the evaluation of products offered by each tender. If disclosed, the information would be likely to prejudice the commercial position of the tenderers in terms of market competitiveness, by giving their competitors an advantage. Accordingly, disclosure of the information is not in the public interest.

RECOMMENDATION:

That:

1. **Council accepts the tender from Anthony Adams Building Services P/L for EC2011-013 Pottsville Beach Neighbourhood Centre to the value of \$1,079,750 exclusive of GST.**

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2. **Council accepts the revised project budget listed in this report.**
3. **Council votes the expenditure of \$20,000 from the Access Reserve.**
4. **Council considers the allocation of an additional \$45,000 to fund the project in the March quarterly budget review.**
5. **The General Manager be given delegated authority to approve variations up to \$150,000 (inclusive of GST) above the initial tender price and those variations reported to Council following completion of works.**
6. **ATTACHMENT B is CONFIDENTIAL in accordance with Section 10A(2)(c) and Section 10A(2)(d) of the Local Government Act 1993, because it contains commercial information of a confidential nature that would, if disclosed:-**
 - (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business
 - (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it,
or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret

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REPORT:

Background

As part of the Procurement Plan and prior to entering into the direct negotiation process, tenders were called for the Construction of New Administration Building at Pottsville Beach Neighbourhood Centre, Incorporating the Youth Mentoring and Recycling Shed (EC2011-013).

The following selection criteria and weightings were determined prior to the issuing of the Tender:

No	Criteria	Weighting
1	Price	90%
2	Non – Price Total (10%) <ul style="list-style-type: none"> • Benefit to local employment • A summary of work performed in the last five years • Three referees from past clients 	5% 2.5% 2.5%

Further details of procurement methodology are outlined in the Procurement Plan and Addenda to Procurement Plan which is provided in Attachment A of this report.

Tender Evaluation

Three tenders were received as below:

- Anthony Adams Building Services P/L
- CT Edmed Constructions P/L
- Glenzeil P/L

The tender evaluation was conducted and endorsed by Council's Tender Assessment Panel. The full Tender Recommendation is provided as Attachment B to this report.

The preferred tenderer from the tender evaluation process was identified as being Anthony Adams Building Services P/L.

The preferred tenderers price was over budget and further negotiations have taken place with the preferred tenderer resulting in the a revised tender price that meets budget constraints as detailed below. Refer to confidential Attachment B for all details. All negotiations were undertaken in accordance with the Procurement Plan as provided in attachment A.

Previous project budget (October Council Report) and revised project budget is detailed below:

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Item	Description	October 2010 Budget	Revised Budget (March 2011)
1	Demolition of Existing Administration Building	22,000	22,000
2	Design of new Administration Building	26,000	42,000
3	Construction of new Administration Building	870,000	1,080,000
4	Provision of additional parking on site	42,000	26,000
5	Provision of temporary office accommodation	21,000	21,000
6	Project and Management Services	68,000	88,000
7	Contingency	47,000	20,000
8	Development costs (Construct Certificate, Section 64 and 96 contributions)		41,000
	Total Project Costs	1,096,000	1,340,000
9	Funding (State)		-119,000
10	Funding (Pottsville Neighbourhood Centre)		-60,000
11	Funding (TSC Access Reserve)		-20,000
12	Quarterly Budget Review Funding		-45,000
	Tweed Council Contribution	1,096,000	1,096,000

Note all costs are GST exclusive.

In the October Council report, funds were voted for a project total of \$1,096,000. The NSW State Government has confirmed funding to the Pottsville Beach Neighbourhood Centre Inc. who have in turn committed \$119,000 to the project. In addition, the Pottsville Beach Neighbourhood Centre Inc. has committed a further \$60,000 to ensure this project proceeds.

An amount of \$20,000 is also available from Council Access Reserve funds for the disabled ramp and access across the site which forms part of the work.

An additional \$45,000 of funding is required to ensure the project proceeds. It is proposed that this money be funded through the March quarterly budget review.

Project management costs have increased due to the change in procurement strategy which involved re-tendering and negotiation with preferred tenderer.

A shared car park with the adjacent development (Health Centre-NSW Health) has been agreed upon to best utilise space between both developments and a Council contribution has not yet been finalised. An estimate for the cost of this work is provided in the car park allowance in the table above.

Note the contingency provided in the proposed budget is a minimal amount and unforeseen cost may impact the total budget.

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LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

This tender process is in accordance with Section 55 of the Local Government Act 1993 and Part 7 (Tendering) of the Local Government (General) Regulation 2005. Financial implications are contained within the report.

POLICY IMPLICATIONS:

The recommendations in this report are consistent with Council's Procurement Policy, Procurement Procedure, Contracts Management Process document and Tenders Procedure.

UNDER SEPARATE COVER/FURTHER INFORMATION:

To view any "non confidential" attachments listed below, access the meetings link on Council's website www.tweed.nsw.gov.au (from 8.00pm Wednesday the week before the meeting) or visit Council's offices at Tweed Heads or Murwillumbah (from 8.00am Thursday the week before the meeting) or Council's libraries (from 10.00am Thursday the week of the meeting).

1. **Attachment A** The Procurement Plan for Construction of the New Administration Building at the Pottsville Beach Neighbourhood Centre (ECM 30083616)
 2. **Confidential Attachment B** Tender Recommendation for EC2011-013 Construction of the New Administration Building at the Pottsville Beach Neighbourhood Centre (ECM 30082539)
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