

**Late Addendum Report**

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**ORDINARY ITEMS FOR CONSIDERATION**

**REPORTS THROUGH THE GENERAL MANAGER**

**REPORTS FROM THE DIRECTOR COMMUNITY AND NATURAL RESOURCES**

a19 [CNR-CM] EC2012-251 Margaret Olley Tweed River Art Gallery Extension

**SUBMITTED BY:** Contracts

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**Supporting Community Life**

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**SUMMARY OF REPORT:**

Tender EC2012-251 Margaret Olley Tweed River Art Gallery Extension was called to engage a suitably qualified and experienced building contractor to provide building design and construction works for the proposed extension to the existing Art Gallery.

Tenders were officially invited in accordance with the provisions of the Local Government Act 1993 and the NSW Local Government (General) Regulation 2005. Tender submissions closed at 4.00pm (local time) on 23 January 2013 in the Tender Box located in the foyer at the Tweed Shire Council Civic and Cultural Centre, Murwillumbah.

**RECOMMENDATION:**

**That:**

1. **Council awards the Contract EC2012-251 Margaret Olley Tweed River Art Gallery Extensions to Alder Constructions Pty Ltd for the amount of \$2,725,152.00 (inc GST) subject to a financial assessment of Alder Constructions Pty Ltd.**
2. **The General Manager be given delegated authority to approve variations up to \$150,000 above the initial tender price and those variations reported to Council following completion of works.**
3. **ATTACHMENT A is CONFIDENTIAL in accordance with Section 10A(2)(d) of the Local Government Act 1993, because it contains 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:

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The design and construction services are sought from a suitable qualified and experienced building contractor with expertise in the design and construction of a climate controlled building as detailed in the concept plans prepared by Bud Brannigan Architects.

The subject site is located in Murwillumbah, at the existing Art Gallery site.

Works under this Tender include Design and Construct the following elements:

- Artists in Residence Studio
- Art Gallery extension
- Alterations to existing driveway entrance and bus parking bay
- Minor pavement repairs to front asphalt entrance
- Café Extension
- Margaret Olley Studio
- Upgrade of Gallery's existing mechanical ventilation system to meet industry standards
- Internal renovations to retail outlet and offices.

### Evaluation Criteria

The tender evaluation was conducted by the tender assessment Panel.

Tenders were evaluated based on the criteria items extracted from clause 8.1 of the Conditions of Tendering.

Note - that specific criteria and weightings were not detailed to potential tenderers during the tender period.

Item	Criterion	Weighting %
	Tender Price (Total Normalised Score)	60
	Sustainable Practices in Design and Construction	5
	Quality in Design and Construction Management	10
	Environmental Management System/Plan	5
	WHS Management System/Plan	5
	Construction History	10
	Program and Methodology	5
	<b>Total</b>	<b>100</b>

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### Tender Evaluation

The evaluation was conducted by Council's Tender Assessment Panel, consisting of Council's Senior Contracts Engineer, Contracts Engineer, Tweed River Art Gallery Director and Manager of Design.

The general terms of reference for the Assessment Panel were as follows:

- Assess the tenders submitted in accordance with the specified criteria;
- Undertake an individual initial assessment of the tender price and non-price data;
- Identify and seek further clarifications (as required) from the tenders and review any qualifications and departures; and
- Score all responses against the specified price and non-price assessment criteria and agreed assessment criteria weightings.

**ATTACHMENT A** is **CONFIDENTIAL** in accordance with Section 10A(2)(d) of the Local Government Act 1993, as it contains 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.

### OPTIONS:

1. Council resolves to award the tender to Alder Constructions Pty Ltd.
2. Council does not award the tender.

### CONCLUSION:

#### Tender Recommendation

Council accepts the recommendation as detailed in the tender evaluation confidential **Attachment A** for the tender EC2012- 251 Margaret Olley Tweed River Art Gallery Extension

### COUNCIL IMPLICATIONS:

#### a. Policy:

Procurement Version 1.4.

#### b. Budget/Long Term Financial Plan:

The total budget required to complete this project is estimated at \$4,012,840 ex GST. Present funding available for the project is identified below.

The following funds have been confirmed from the various sources:

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Margaret Olley Art Trust	\$1,000,000
Federal Government - Community Infrastructure Grant	\$1,000,000
State Government - Arts NSW	\$200,000
Tweed River Art Gallery Foundation Ltd.	\$620,000
Friends of the Tweed River Art Gallery Inc.	\$80,000
Council - 2011/12 budget	\$50,000
- 2012/13 budget	\$150,000
<b>Total</b>	<b>\$3,100,000</b>

The above summary presents a short fall of **\$912,840** between the total budget and present funding that has been committed for the project.

Preliminary expenditure, by Council of \$124,122 has been incurred on this project, to date.

There is the potential to source funds from the following programs which are unallocated or unspent.

Each year Council allocates grant funds from the NSW Government Waste and Sustainability Improvement Payments (WASIP). These grant funds are derived from the Waste Levy and are allocated to projects within the Shire which provide a positive sustainability outcome. As such there is the potential to allocate \$100,000 towards the improvement of the air conditioning and climate control system.

As previously reported to Council, Tweed Valley Respite Service (Lifebridge East) has advised that it no longer wishes to utilise an approved \$495,000 loan. Council has previously allocated \$195,000 of these funds to the Murwillumbah Museum extension. It is proposed to allocate the remaining \$300,000 from these loan funds. Funding of this loan is included in the current budget and long term financial plan.

The 7 Year Plan identified a project to improve economic development which was funded from the business rate increase. Nominally, this was to go towards the enhancement of the World Heritage Rainforest Centre (WHRC) building in Murwillumbah. To date, \$512,840 remains unspent and unallocated from the original \$620,000 budget. As the Margaret Olley Art Centre will be a primary driver of economic stimulus within the region, there is a nexus with this funding source and a strong argument for its reallocation to this project.

#### Additional Funding Sources

Waste and Sustainability Improvement Payments	\$100,000
Loan funds previously allocated to Tweed Valley Respite Service	\$300,000
7 Year Plan reallocation of World Heritage Rainforest Centre	\$512,840
<b>Total:</b>	<b>\$912,840</b>

The revised funding sources will be taken into account in the March 2013 Quarterly Budget Review, with the revoting of these funds recommended to Council for adoption.

**c. Legal:**  
Not Applicable.

**d. Communication/Engagement:**  
**Inform** - We will keep you informed.

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### **LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:**

- 2 Supporting Community Life
- 2.3 Provide well serviced neighbourhoods
- 2.3.6 Provide conveniently placed and well equipped parks, sporting, recreational, cultural and community facilities
- 2.3.6.1 Provide conveniently placed well equipped community facilities
- 2.3.6.1.3 Maintain and improve the Tweed River Art Gallery's physical and built environment through the provision of additional educational and family friendly facilities
- 2.3.6.1.6 Develop purpose-built extension to Tweed River Art Gallery as the Margaret Olley Art Centre

### **UNDER SEPARATE COVER/FURTHER INFORMATION:**

*(Confidential)* Attachment 1. Tender Evaluation Report (ECM 63300214)

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