

Item 11: Community

11.1 Procurement of the Mudgee Valley Park Amenities Building

REPORT BY THE DIRECTOR COMMUNITY

TO 21 APRIL 2021 ORDINARY MEETING

GOV400088, FIN300299

RECOMMENDATION

That Council:

1. **receive the report by the Director Community on the Procurement of the Mudgee Valley Park Amenities Building;**
2. **accept the quote from Marathon Modular for the supply and installation of the amenities block at the Mudgee Valley Park for the price of \$XXX;**
3. **delegate authority to the Director Community to approve variations to an accumulative total of +/-10% of the finalised contract sum; and**
4. **authorise exemption from tendering for the procurement and construction of a new amenities building at Mudgee Valley Park, in accordance with Clause 55(3)(i) of Local Government Act 1993, due to the reasons listed below, should the variations exceed the tendering threshold:**
 - i. **unavailability of competitive suppliers; and**
 - ii. **the extenuating circumstances where two separate request for quote processes have already been undertaken.**

Executive summary

This report seeks to provide an update on the procurement process undertaken for the Mudgee Valley Park amenities building. This process has led to Council receiving quotations where the price is still below the tender threshold but close enough for there to be some risk and concerns that the limit could be reached. We would then be in a situation where Council could breach legislation.

Disclosure of Interest

Nil

Detailed report

Council has received funding to replace an amenities building at the Mudgee Valley Park. Over the past six months staff have worked through a number of processes to receive quotes for the establishment of a new pre-fabricated amenities building that will meet requirements. Ultimately, this process has led to a preferred supplier, Marathon Modular, who can provide the building within

budget. The cost of this, however, is reasonably close to the threshold by which Council would need to undertake a tender process. While variations to the contract are not expected to be significant, there is a small risk that unknowns may lead to the need to increase the cost above \$250,000 (the tender threshold). This could lead to a breach of the Local Government Act by Council.

The difficulties that we have had in securing appropriate quotes for this project (and other similar projects) have demonstrated that a tender process will not assist us in getting a better result for the community on this project. It has been difficult to find suppliers who have been able to quote on this project and this has led to us examining the quotes we have been able to secure and selecting a preferred supplier through our normal processes.

As a result of these factors, staff are seeking to put in place an exemption from tender for this project.

Community Plan implications

Theme	Looking After Our Community
Goal	Effective and efficient delivery of infrastructure
Strategy	Provide infrastructure and services to cater for the current and future needs of our community

Strategic implications

Council Strategies

Community Plan

Council Policies

Procurement Policy

Legislation

Local Government Act

Financial implications

Budget is already in place for this project.

Associated Risks

This recommendation will mitigate the risk that Council could breach its tendering requirements.

SIMON JONES

DIRECTOR COMMUNITY

25 March 2021

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM

GENERAL MANAGER