

**WARREN SHIRE COUNCIL**  
Report of the General Manager  
to the Ordinary Meeting of Council to be held at  
Council Chambers, Warren, on Wednesday 17<sup>th</sup> April 2019

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**ITEM 1            TENDER -ADMINISTRATION BUILDING**

**(S1-1.15/1)**

**RECOMMENDATION:**

That Council does not accept the Tender from Brownrite Building Group P/L.

**PURPOSE**

This report has been prepared in response to a Tender process undertaken for an extension to Councils Administration Building.

**BACKGROUND**

Council over many years has discussed and designed a building to meet its long-term needs for administration and for community meeting needs. A tender process was initiated to seek prices to undertake and complete the works required under the tender.

**REPORT**

Council issued a Tender for the construction and redevelopment of its administration area and community building.

One tender has been received that exceeds the cost of the Councils budget.

A confidential attachment has been provided to councillors as to the costs of the building works under this tender.

It is considered that due to the tender price being well outside the cost estimates of the architect, the quantity surveyor and the staff that no further negotiation be undertaken with the tenderer.

Council may wish to discuss the phasing of this project and upgrade the current administration building by undertaking component parts using local trades and staging the staff areas at a later date.

**FINANCIAL AND RESOURCE IMPLICATIONS**

The proposed tender is well in excess of the Council's budget and to accept the tender would limit Council's ability to undertake other community works.

**LEGAL IMPLICATIONS**

Under the Local Government Tendering Regulations, the Council must determine the acceptance or refusal of this tender. It is considered that Council has followed due process by the use of an external tender organisation.

**RISK IMPLICATIONS**

The refusal of this tender in accordance with the Local Government Act 1993 does not have any risk. The acceptance of this tender or negotiation of the tender to reduce costs will have associated risks and it is the officer's advice that these risks would place council in a position where financial impacts could be experienced.

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**ITEM 1                    TENDER -ADMINISTRATION BUILDING                    CONTINUED**

**STAKEHOLDER CONSULTATION**

No stakeholder consultation is required.

**OPTIONS**

Council has the option to refuse the tender, to accept the tender as is or to negotiate the tender price subject to variations. It is advised that this tender should be rejected as it is outside the budget of Council.

**CONCLUSION**

A tender has been received after an extended tendering process. The tender is well above the Councils estimates of cost and outside its budget allocation. A recommendation has been prepared to reject the tender.

**LINK TO POLICY AND / OR COMMUNITY STRATEGIC PLAN**

5.2.2 Timely and accurate reporting for efficient management and accountability

**SUPPORTING INFORMATION /ATTACHMENTS**

A confidential attachment has been submitted to Councillors detailing the tendered price. Subject to Councils decision, this information could be used by other persons to submit a price and disadvantage the tenderer.