

**Management report to Council**

**Agenda item 14.3**

**Contractual Matters**

**Council**

**Authorise the Chief Executive Officer to approve expenditure above \$2 million**

**26 November 2019**

**Presenter:** Rob Adams, General Manager City Design

**Purpose and background**

1. Council's delegation policy currently prohibits the Chief Executive Officer from approving budgeted expenditure above \$2 million.
2. Hence, the purpose of this report is to seek authorisation for the Chief Executive Officer to approve expenditure up to a value of \$2.7 million, and enter into Contract 8638A on behalf of Council, for the Melbourne Town Hall Administration Building Reimagining Ground Floor Fitout project.

**Confidentiality**

3. The information contained in this report has been designated as confidential information by the Chief Executive Officer because it contains information about contractual matters.

**Key issues**

4. An invitation to tender for the Melbourne Town Hall Administration Building Reimagining Ground Floor Fitout is underway. If authorisation is granted to the Chief Executive Officer, Contract 8638A can be executed as soon as the tender evaluation process is complete, mitigating a delay to construction commencement.
5. The expenditure is provided for within Council's approved 2019-2020 annual budget.
6. A briefing paper will be issued to Councillors notifying of the successful tenderer, final cost and confirmed construction timeline, once the contract is executed.

**Recommendation from management**

7. That Council:
  - 7.1. Authorise the Chief Executive Officer to approve expenditure up to a value of \$2.7 million, and award Contract 8638A for the Melbourne Town Hall Administration Building Reimagining Ground Floor Fitout project:
  - 7.2. Following execution of the contract documentation:
    - 7.2.1. notes a briefing paper will be issued advising Councillors of the successful tenderer, final cost and confirmed construction timeline
    - 7.2.2. approves the key details of Contract 8638A being made public.

**Attachment:**

1. Supporting attachment (Page 1 of 2)

## Supporting Attachment

---

### Legal

1. The report accurately identifies the relevant legal issues.

### Finance

2. These works are fully budgeted - the 2019-2020 budget for the Town Hall Restoration and Refurbishment project is \$4.2 million.

### Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

### Health and Safety

4. City of Melbourne's procurement process incorporates a mandatory requirement for each tenderer to be registered and compliant with Council's Smartek system (which includes submitting details of their OH&S policy, systems and processes for pre-qualification), before a tender can be accepted.

### Stakeholder consultation

5. This is a confidential contractual matter, therefore no external stakeholder consultation was required, or undertaken.

### Relation to Council policy

6. Council's procurement policy applies, as does Council's general delegation policy. Council approval is required to authorise expenditure in excess of \$2 million.
7. This Project facilitates a 2019-2020 Annual Plan Initiative (major initiative) - API 7.1: Deliver Melbourne City DNA engagement and participation hub on the ground floor of the Melbourne Town Hall.

### Environmental sustainability

8. The tender evaluation criteria include a requirement for the social, environmental and economic sustainability principles and practices of all tenderers, be considered as part of the overall evaluation process.