

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Wood to the Minister for Infrastructure:

Tender for New Houses on Galiwin'ku

Recently tenders were awarded to two companies to build two lots of 20 new houses on Galiwinku. The tender was won by DRG Industries and by Ngarda Civil and Mining Pty Ltd. Both contracts were awarded following the one tender process. There was only one tender advertised.

1. *Could you please say why this second tender was not advertised?*

One tender was advertised for the reconstruction of 20 houses, as the first package works, to reconstruct 80 homes in total.

During the tender and evaluation process, at the request of Galiwin'ku leaders, the Northern Territory Government committed to a rebuilding program delivered at two speeds; a fast build program which would deliver 40 houses over 6-9 months, and a slower build program to reconstruct a further 40 houses over the next 3-4 years to maximise Indigenous development.

The tender for the first package received a field of strong bids and represented an opportunity to raise two identical contracts for 20 houses each. In turn this will accelerate delivery of housing reconstruction, to minimise the impact of cyclone Lam and Nathan on the Galiwin'ku community.

The terms of the initial tender were closely examined to determine whether there were any issue with awarding two contracts under the one tender process. As the tender was for the construction of 20 houses without identifying the lots on which those houses were to be constructed, it was determined there was no probity issue in issuing two contracts for 20 houses each.

2. *How did Ngarda win the tender if it was not advertised?*

The tender was advertised. Ngarda Civil and Mining submitted a tender as one of a strong field of 14 tenderers. Based on the tender assessment criteria, Ngarda Civil and Mining along with DRG Industries were the top two tenders submitted and the contracts were awarded pursuant with that assessment.

3. *Why was the tender for the second tranche of houses \$ 3.5m cheaper than the first tranche?*

Price is not the only factor in the tender assessment process for determining the best value for government in awarding contracts to successful tenderers. The first and second ranked tenders were awarded the contracts.

Both tenderers bring varied strengths to the program. DRG Industries have experience delivering works across east Arnhem Land and will further build regional capacity and Yolngu employment through truss making using locally harvested and milled timber. Ngarda Civil and Mining bring a strong track record of delivering remote housing construction projects expediently.