

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Higgins to the Minister for Infrastructure, Planning and Logistics:

Tenders scope

- 1. We have been given an example of where a local small business tendered for a piece of landscaping work which subsequently went to a competitor. When the unsuccessful tenderer saw the result of the work, he observed it had not been done according to the specifications in the original tender. Information from the Minister's office was that the scope changed. At what point does a job go back to tender when the scope changes?**

If the tender is still at market and ambiguities or errors are identified, an addendum can be issued to clarify or amend requirements.

If the tender has been awarded and site conditions become apparent, then variations can be proposed by the principal or by the contractor. Defined process of quotation and acceptance have applicable delegations depending on the value of works included in the variation.

- 2. Who would make that call in the Department?**

During the tender period, the delegate can approve an addendum. After award, the Superintendent or Superintendent's Representative are the decision maker, depending on the value of the change identified.

3. How many tenders changed scope after they were awarded in the period between 1 July 2017 and 31 March 2018? What were those changes and why?

Tenders are a method of seeking a price in a fair and transparent manner, allowing Government to compare “apples with apples”. Once a contract is in place, a method of minimising cost to the taxpayer is to vary the contract if the client agency requires a change in scope due to operational considerations or if latent conditions drive a scope change. This is a legitimate contract management tool. Noting that not every variation is a change in scope, for example, remediation of asbestos during construction that was not quantifiable during design is one example of a variation that would not be considered a change in scope. A response to this question cannot be provided without unnecessary burden on departmental resources.