



## **ARGYLE CORPORATE ADVISERS**

### **IPSWICH CITY COUNCIL IPSWICH CENTRAL CIVIC PROJECT PROBITY ADVICE IN THE PROCUREMENT OF DESIGN AND CONSTRUCTION SERVICES – NICHOLAS STREET RETAIL PROJECT**

#### **PROBITY STATEMENT**

Origin Securities Pty Limited as Trustee for the Origin Securities Trust trading as Argyle Corporate Advisers (Argyle), in its role as Probity Advisor to Ipswich City Council (Council) in the Ipswich Central Civic Project (the Project), has been requested to provide probity advice regarding the negotiations of a lump sum design and construction (D&C) delivery of the project works for the Nicholas St, Ipswich Central Retail Project by Hutchinson Builders (Hutchinson).

Ipswich City Council (ICC) engaged Hutchinson under a lump sum, D&C contract for the delivery of the Civic Project in August earlier this year.

The contract was specifically drafted with a special clause to facilitate the addition of the retail precinct works – 'Clause 36.7 Proposed Retail Variations'.

It is proposed that Hutchinson as the existing head contractor for the Civic Project undertake a 2-stage D&C process for the delivery of the Retail Project within the Nicholas St, Ipswich CBD precinct.

Stage 1 was approved to proceed by Council on Monday 28 October 2019, and Hutchinson are underway with progressing design works and sourcing trade pricing, in order to prepare a lump sum price submission for the D&C delivery of the Retail Project works.

Subject to Council approval of Hutchinson Builder's submitted design and pricing the Stage 2 delivery of the retail works are proposed to be a contract variation to the existing Civic project contract.

Council has sought our advice that the process to negotiate additional project management services for the project is consistent with:

- ICC procurement principles;
- The intent of Clause 36.7 Proposed Retail Variations in the existing Hutchinson contract; and
- the sound contracting principles, including value for money, as set out in Section 104 (3) of the Local Government Act, 2009.

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Further, it is critical for Council that it achieves Value for Money in the Retail Development and that this is capable of verification. *Argyle believes the procurement process is sound and it includes appropriate measures to achieve this outcome.*

Argyle has undertaken this Process and Probity Review with information and assistance from representatives of Ranbury and Council who have provided significant information including documents and information in discussions.

A detailed Probity Report is being issued on the above matters on 12 November 2019.

### PROBITY OPINION

*Council has, or plans to, implement measures which Argyle believes ensures that adherence to Council's procurement policy 2018 – 2019, the intent of Clause 36.7 and sound contracting principles as set out in Section 104 (3) of the Local Government Act 2009, will have been achieved.*

**Peter Bruton**  
**Probity Advisor**  
12 November 2019