

**ITEM 18. EXEMPTION FROM TENDER - 2015-2017 SYDNEY NEW YEAR'S
EVE - ELECTRICAL AND DISTRIBUTION SERVICES**

FILE NO: X000601

QUOTATION NO: 5515

SUMMARY

This report seeks an exemption from tender for the engagement of services for the 2015-2017 Sydney New Year's Eve electrical and distribution services.

Sydney New Year's Eve is one of the biggest annual celebrations in the world, attracting one million spectators along the Sydney Harbour foreshore and a global audience of one billion. It is Australia's largest public event and features one of the largest, most technologically advanced fireworks displays in the world. The event has a direct economic impact on NSW of more than \$133 million.

During the lead up to the Sydney New Year's Eve celebrations, all electrical equipment is rigorously tested prior to installation across seven specific event sites for Sydney New Year's Eve. Testing of all electrical equipment ensures that performance safety is maintained in line with Australian Standards across every event site managed by the City. To undertake this work, the City engages a provider of electrical and distribution services with demonstrated experience of outdoor events.

A Request for Quotation was conducted through advertisement in two publications, with two submissions received. The small number of submissions received indicates only a handful of organisations are capable of delivering this highly specific service for such a large scale event.

As this has been advertised and evaluated accordingly, the Tendering requirements of the Local Government Act 1993 have been met.

This report recommends that Council accept the offer of Bidder 'A' to supply the electrical and distribution services for 2015-2017 Sydney New Year's Eve, with the option to extend the agreement to cover the 2018 and 2019 events.

RECOMMENDATION

It is resolved that:

- (A) Council approve an exemption from tender, in accordance with section 55(3)(i) of the Local Government Act 1993, to accept offer of Bidder 'A' to supply the Sydney New Year's Eve electrical and distribution services for a period of three years, with the option of an extension of two years, if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the quotation;
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate; and

- (D) Council note that the reason for seeking an exemption from tender is that, because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders due to:
- (i) the highly specific electrical and distribution service requirements for such a large scale event; and
 - (ii) the Request for Quotation was conducted with all the requirements of a Request for Tender as per the Local Government Act 1993.

ATTACHMENTS

Attachment A: Quotation Evaluation Summary (Confidential)

Attachment B: Schedule of Prices for Additional Equipment and Services
(Confidential)

(As Attachments A and B are confidential, they will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. Sydney New Year's Eve is one of the biggest annual celebrations in the world, attracting one million spectators along the Sydney Harbour foreshore and a global audience of one billion. It is Australia's largest public event and features one of the largest, most technologically advanced fireworks displays in the world. The event has a direct economic impact on NSW of more than \$133 million.
2. As part of the Sydney New Year's Eve celebrations, Council engages a provider for electrical and distribution services with demonstrated experience of outdoor events.
3. A Request for Quotation was publicly advertised for the supply of electrical and distribution services for Sydney New Year's Eve to be held on 31 December 2015, 2016 and 2017, with the option to extend the agreement to cover the 2018 and 2019 events.
4. Bidders were invited for the provision of electrical and distribution services which included:
 - (a) test and tag approximately 700 items owned or supplied by the City for the Event, including provision of a final statement of all testing and tagging completed in accordance with Australian Standards;
 - (b) provide turnkey electrical distribution solutions, including installation, removal and equipment, for seven specific Event sites in or around the inner city (including North Sydney);
 - (c) provide stand-by staff to respond to call-outs during the period 27 December to 2 January; and
 - (d) provide additional equipment or services, additional to the test and tag, turnkey electrical distribution solution and stand-by staff for specific projection sites.
5. Bidders were requested to provide a lump sum price and to include all equipment, labour, call-out fees, and administrative costs.
6. Bidders were also requested to submit a price list for all electrical distribution equipment, services, and cost per item to test and tag for any additional equipment or services requested by the City.
7. It was not foreseen at the time of launching the RFQ that the market prices would be above the threshold amount of \$150,000.00, as it was based on engagement of services in previous years.

INVITATION TO QUOTE

8. The Request for Quotation was advertised in The Sydney Morning Herald, The Daily Telegraph and via the City's online eTendering portal on Tuesday 12 May 2015. The closing date for submissions was 11am, Tuesday 2 June 2015.

QUOTATION SUBMISSIONS

9. Two submissions were received via Tenderlink from the following organisations:

- JEC Electrical Pty Ltd
- Ryan Wilks Pty Ltd

10. No late submissions were received.

QUOTATION EVALUATION

11. All members of the Quotation Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
12. The relative ranking of bids as determined from the total weighted score is provided in the confidential Quotation Evaluation Summary – Attachment A.
13. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) the lump sum price and schedule of prices;
 - (b) demonstrated relevant experience providing comparable services on other outdoor events and/or on-location film/television shoots;
 - (c) proposed methodology to deliver the scope of services, in particular the turnkey electrical distribution solution for the Event sites;
 - (d) capability to provide the stand-by call-out services required as part of the scope of services;
 - (e) financial and commercial trading integrity including Insurances; and
 - (f) Work Health & Safety.
14. Each of the mandatory evaluation criteria listed above is considered to be critical to this quotation. They are not of equal weight for evaluation and are not listed in order of priority.

PERFORMANCE MEASUREMENT

15. Key Performance Indicators were set out in the Request for Quotation documentation as follows:
- (a) deliverables as detailed in the quotation specification;
 - (b) quality of work;
 - (c) time;
 - (d) reporting;
 - (e) communication; and
 - (f) WH&S compliance.
16. Performance of contractors will be evaluated regularly, at least annually, and always upon completion of the contract. Each assessment will form the basis of the individual contractors Performance Review.

FINANCIAL IMPLICATIONS

17. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

RELEVANT LEGISLATION

18. The quotation has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
19. Attachments A and B contain confidential commercial information of the bidders and details of Council's quotation evaluation and contingencies which, if disclosed, would:
- (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
20. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

21. To enable the service provider to have sufficient time to test and deliver crucial event electrical and distribution services for 2015 Sydney New Year's Eve, executed contracts must be in place by Monday 5 October 2015.
22. Deferral of a decision would impact on the supplier's ability to deliver the 2015 Sydney New Year's Eve event in a manner consistent with the City's mandatory requirements. This would be due to the reduced lead times involved in arranging licences, consents and approvals.

OPTIONS

23. Not proceeding with the electrical and distribution services would put the City's ability to safely operate the seven specific event sites across Sydney New Year's Eve at serious risk. This is because all electrical equipment must be rigorously tested prior to installation to ensure they are in line with Australian Standards.
24. To readvertise as a Request for Tender. However, this is not recommended as it would not achieve a different result from the process already undertaken. Nor would it meet the critical dates and time frames to successfully execute the delivery of this crucial event infrastructure.

ANN HOBAN

Director City Life

Aneurin Coffey, Producer Sydney New Year's Eve
Lana Zegura, Business Operations Manager Sydney New Year's Eve