

ITEM 13. TENDER – CITY RECITAL HALL – CHILLER UPGRADE PROJECT

FILE NO: S123367

TENDER NO: 1555

SUMMARY

This report provides details of the tenders received for the City Recital Hall – chiller upgrade project.

Opened in 1999, the City Recital Hall is a purpose-built venue with the capacity for 1,200 guests seated over three tiers of sloped seating for the presentation of fine music. Located in Angel Place in the heart of Sydney's Central Business District, the venue is available for hire and is regularly used by other performing arts organisations, independent concert promoters, chamber ensembles, contemporary bands, popular music as well as talks and debates.

In 2012, it was identified that the City Recital Hall's two chillers were at the end of their economic life. Funding was allocated to upgrade the chillers to more efficient systems that also ran on R134a (replacing the ozone-depleting R22 refrigerant gas that is currently being phased out).

This report recommends that Council accept the offer of Tenderer 'A' for the City Recital Hall – chiller upgrade project.

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the City Recital Hall – chiller upgrade project; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender.

ATTACHMENTS

Attachment A: Tender Evaluation Summary (Confidential)

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. The City Recital Hall is a purpose-built venue with the capacity for 1,200 guests seated over three tiers of sloped seating for the presentation of fine music. Located just off Martin Place in the heart of Sydney's Central Business District, the venue is available for hire and is regularly used by other performing arts organisations, independent concert promoters, chamber ensembles, contemporary bands, popular music as well as talks and debates.
2. Opened in 1999, the City Recital Hall is the first specially designed concert venue to be built in the City since the Opera House in 1973. The role of the City Recital Hall is to provide a high quality venue of international standing, renowned for its quality of sound and elegant design.
3. In 2012, it was identified that the City Recital Hall's two chillers would reach the end of their economic life within two to three years. Funding was allocated to upgrade the chillers to more efficient systems that also ran on R134a (replacing the ozone-depleting R22 refrigerant gas that is currently being phased out).
4. In preparation for these upgrade works, a Condition Audit was prepared in 2014 to firstly support the need for the works, and also identify any other parts of the supporting infrastructure that required upgrading at the same time. The Condition Audit concluded that the chillers had reached the end of their lifecycle, were experiencing more frequent breakdowns, and were now due for replacement.
5. The non-conventional design of the air-conditioning system meant that, once the chillers were upgraded, none of its supporting infrastructure would work with the new chillers. After considering other potential options, such as water cooled chillers with a heat rejection system provided by open circuit cooling towers, it was recommended to proceed with a like-for-like replacement of the existing chillers and infrastructure.

INVITATION TO TENDER

6. The tender was advertised in The Daily Telegraph, The Sydney Morning Herald and on Council's E-Tender website on 29 September 2015 and closed on 20 October 2015.

TENDER SUBMISSIONS

7. Two submissions were received from the following organisations (listed alphabetically):
 - Goldman Energy Pty Ltd
 - RCR Infrastructure (Corporate) Pty Ltd
8. No late submissions were received.

TENDER EVALUATION

9. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.

11. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) financial and commercial trading integrity, including insurances;
 - (b) the lump sum price and schedule of prices;
 - (c) relevant work experience of the head contractor and any subcontractor;
 - (d) demonstrated managerial capability, qualifications, experience and number of personnel;
 - (e) capacity to achieve the required project program;
 - (f) the proposed methodology, plant & equipment, materials & warranties, and environmental management;
 - (g) site management plan; and
 - (h) demonstrated capacity to fulfill the Work Health & Safety requirements of the project.

PERFORMANCE MEASUREMENT

12. The City will monitor key performance indicators to measure the performance level of the successful contractor during the works. Performance results will be used to determine the suitability of contractors for future works.

FINANCIAL IMPLICATIONS

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

RELEVANT LEGISLATION

14. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
15. Confidential Tender Evaluation Summary, Attachment A, contains confidential commercial information of the tenderers and details of Council's tender 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.
16. 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

17. Following Council approval, the project is currently tracking to commence in April 2016. A lead time of 16 weeks is anticipated to supply equipment and mobilise resources, and a further 16 weeks to complete the chiller upgrade works. Expected completion date for the project is mid-August 2016.

AMIT CHANAN

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