

**ITEM 21. CANCELLATION OF TENDER - CUSTOMS HOUSE LIFTS UPGRADE**  
**FILE NO: S126766**  
**TENDER NO: 1569**

**SUMMARY**

This report provides details of the outcome of the public tender for the Customs House lifts upgrade.

Customs House has three lifts (two passenger lifts and one goods lift) which are not achieving optimum performance or reliability. The City of Sydney is proposing to upgrade these lifts to ensure performance standards meet operational requirements.

This report recommends that Council cancel the public tender for the Customs house lift upgrade as only one non-conforming bid was received.

**RECOMMENDATION**

It is resolved that:

- (A) Council cancel Tender 1569 for Customs House lift upgrade; and
- (B) Council will invite fresh tenders based on a post review of the scope of works.

**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. Customs House is an historic landmark building that features two restaurants, a library and houses the City's planning model. The building is open to the public and attracts significant visitors.
2. City Property has the responsibility of ensuring the building meets operational performance for tenants and visitors. The necessity of reliable and efficient vertical transport is crucial, as the building is fully occupied and must remain operational while any upgrade works are undertaken.
3. The three lifts (two passenger lifts and one goods lift) are not meeting performance standards and require extensive upgrade to meet the building's operational requirements.
4. Based on the tender submission, a further review of the scope of works will be undertaken.

**INVITATION TO TENDER**

5. Request for Tenders were advertised in The Daily Telegraph, The Sydney Morning Herald and on the City's eTendering website on Friday 16 October 2015. Three site visits were held: on Thursday 22 October 2015, Thursday 29 October 2015 and Monday 2 November 2015.

**TENDER SUBMISSIONS**

6. One submissions was received from ThyssenKrupp Elevators Australia Pty Ltd.
7. No late submissions were received.

**TENDER EVALUATION**

8. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
9. The relative ranking of the tenderer as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.
10. The submission was assessed in accordance with the approved evaluation criteria being:
  - (a) demonstrated experience of the organisation in providing similar services within heritage buildings and operating commercial sites;
  - (b) demonstrated capacity and technical ability of the specified personnel and sub-contractors;
  - (c) proposed program;
  - (d) suitability and detail of proposal methodology, including proposed pedestrian and traffic management plan, maintaining suitable lift access throughout the project, and schedule of plant, materials, equipment and warrant and environmental management;

- (e) demonstrated capacity to fulfil the Work Health and Safety requirements of the project;
- (f) financial and commercial trading integrity including insurances; and
- (g) lump sum price and schedule of fees.

### **PERFORMANCE MEASUREMENT**

11. It was intended that Brookfield Global Integrated Solutions would manage and monitor key performance indicators to measure the performance level of the successful tenderer during the works. Performance results will be used to determine the suitability of contractors for future works.

### **FINANCIAL IMPLICATIONS**

12. There are sufficient funds in the 2015/16 capital works budget and future years' forward estimates to complete this project, based on the current estimated cost of works. If, following negotiations with suitably qualified contractors, additional funds are required, they will be sought in a future quarterly financial report.

### **RELEVANT LEGISLATION**

13. 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.
14. Attachment A contains confidential commercial information of the tenderer 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.
15. 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**

16. The work specified in the Tender was forecast for completion in September 2017.

### **OPTIONS**

17. Council has the following options in regard to this Tender:
- (a) cancel the Tender and re-advertise - this option is recommended based on the post review of the scope of works; or
  - (b) reject the Tender and negotiate with suitably qualified contractors with demonstrated capacity to carry out the work and delegate authority to the Chief Executive Officer to enter into a lump sum contract – this option is not recommended.

**PUBLIC CONSULTATION**

18. No public consultation has been undertaken in relation to the upgrade works.

**AMIT CHANAN**

Director City Projects and Property

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