

**ITEM 12. TENDER - MECHANICAL PLANT ROOM BOILER AND CHILLER
REPLACEMENT - 343 GEORGE STREET SYDNEY**

FILE NO: S126848

TENDER NO: 1564

SUMMARY

This report provides details of the tenders received for the mechanical plant room boiler and chiller replacement at 343 George Street, Sydney.

343 George Street is one of Sydney's heritage landmark buildings, constructed in 1925. The boilers and chillers have reached the end of their useful lifecycle and require replacement. Tenders were called for experienced contractors to provide design, removal and installation of the existing boilers and chillers.

This report recommends that Council reject the tender and enter into negotiations with suitably qualified contractors for the mechanical plant room boiler and chiller replacement at 343 George Street, Sydney.

RECOMMENDATION

It is resolved that:

- (A) Council reject all tenders for the mechanical plant room boiler and chiller replacement at 343 George Street, Sydney for the reasons set out in confidential Attachment A to the subject report;
- (B) Council not invite fresh tenders, as it is considered that inviting fresh tenders would be unlikely to deliver a better result;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with contractors that are suitably qualified and demonstrate a capability to fully undertake the scope of works;
- (D) authority be delegated to the Chief Executive Officer to enter into a contract, subject to the conclusion of negotiations, with suitable companies for the delivery of the mechanical plant room boiler and chiller replacement at 343 George Street, Sydney; and
- (E) Council be informed of the successful contractor by the CEO Update.

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. 343 George Street is one of Sydney's heritage landmark buildings, completed in 1925 as the headquarters for the Commercial Banking Company in Sydney. The property is a 13-level heritage retail and office building within the Sydney CBD.
2. The replacement of the chiller and boiler systems at 343 George Street is necessary as they are beyond their design life span and require replacement. The inefficiency of both the boilers and chillers results in an increase in maintenance cost and energy consumption.
3. The replacement of these systems will provide energy efficient hot and chilled water production and is part of the City's 2030 sustainability goals.

INVITATION TO TENDER

4. Tenders were advertised in The Daily Telegraph, The Sydney Morning Herald and on the City eTendering website on Tuesday 6 October 2015. A site visit was held on Wednesday 14 October 2015. The tender closed on Wednesday 28 October 2015.

TENDER SUBMISSIONS

5. Four submissions were received from the following organisations (listed alphabetically):
 - Goldman Energy Pty Ltd;
 - Katopa Holdings Pty Ltd t/as CBD Mechanical Electrical Services;
 - RCR Infrastructure; and
 - Tempest Solutions Air & Mechanical Pty Ltd.
6. No late submissions were received.

TENDER EVALUATION

7. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
8. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.
9. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) schedule of prices;
 - (b) demonstrated experience of the organisation in providing comparable services within heritage significant buildings and operating commercial sites;
 - (c) demonstrated capacity and technical ability of the specified personnel and sub-contractors;
 - (d) proposed program;

- (e) suitability and detail of proposed methodology including, but not limited to proposed pedestrian and traffic management plan, environmental management, maintaining current onsite operations and schedule of plant, materials, equipment and warranty;
- (f) Work Health and Safety; and
- (g) financial and commercial trading integrity including insurances.

PERFORMANCE MEASUREMENT

10. Brookfield Global Integrated Solutions will manage and monitor key performance indicators to measure the performance level of the successful tenderer during the works.

FINANCIAL IMPLICATIONS

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

RELEVANT LEGISLATION

12. 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.
13. 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.
14. 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

15. The works are forecast for completion in January 2017.

PUBLIC CONSULTATION

16. No public consultation has been undertaken on this project.

AMIT CHANAN

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