

**ITEM 13. TENDER - CUSTOMS HOUSE - BUILDING MANAGEMENT
CONTROL SYSTEM UPGRADE**

FILE NO: S126767

TENDER NO: 1565

SUMMARY

This report provides details of the tenders received for Customs House, building management control system upgrade.

Customs House, constructed in 1845, is a State Heritage building, located at 31 Alfred Street, Circular Quay and is a multi-function space. In February 1998, the City entered into a 60 year lease over Customs House, with the Attorney General's Department, Commonwealth of Australia, and this lease was granted to enable the City (the lessee) to provide a substantial cultural facility for the City of Sydney. In addition to establishing cultural and community services in Customs House, the City entered into a number of commercial and retail subleases.

The current building management control system is outdated and does not provide accurate data. The introduction of a new building management control system will ensure:

- accurate reportable site data;
- optimal plant utilisation;
- minimisation of energy costs; and
- that the City's Green House Gas Emissions targets are supported.

This report recommends that Council accept the tender offer of Tenderer 'A' for Customs House, building management control system upgrade.

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for Customs House, building management control system upgrade; 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. Customs House, constructed in 1845, is a State Heritage building, located at 31 Alfred Street, Circular Quay and is a multi-function space. In February 1998, the City entered into a 60 year lease over Customs House, with the Attorney General's Department, Commonwealth of Australia, and this lease was granted to enable the City (the lessee) to provide a substantial cultural facility for the City of Sydney. In addition to establishing cultural and community services in Customs House, the City entered into a number of commercial and retail subleases.
2. Customs House was refurbished prior to the 2000 Sydney Olympic Games. The building houses a variety of facilities, including a library, café, restaurant and the City's planning model.
3. The City Property Unit has the responsibility of ensuring the building's performance, while also providing an optimal work environment for tenants and visitors.
4. The current building management control system is outdated and does not provide identification of equipment failure, or consistent monitoring of the building's energy usage.
5. The introduction of a new functional building management control system would provide data trends on site temperatures, and user friendly interface to adjust settings as required, including remote connectivity, to enable the building to operate at maximum energy efficiency.

INVITATION TO TENDER

6. The tender was advertised in The Daily Telegraph, The Sydney Morning Herald and on the City's 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

7. Four submissions were received from the following organisations (listed alphabetically):
 - Automated Logic New South Wales
 - Control My Building Pty Ltd
 - Katopa Holdings Pty Ltd trading as CBD Mechanical Electrical
 - Oberix Group 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) demonstrated experience of the organisation in providing comparable services with Heritage significant 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 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;
 - (e) Workplace Health and Safety;
 - (f) schedule of prices; and
 - (g) financial and commercial trading integrity, including insurances.

PERFORMANCE MEASUREMENT

12. The City will monitor key performance indicators to measure the performance level of the successful tenderer during the works.

FINANCIAL IMPLICATIONS

13. There are sufficient funds allocated for this project within the current year's capital works budget.

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. 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. The works are to meet the following key dates:

- | | |
|-----------------------------|------------|
| (a) Appoint head contractor | March 2016 |
| (b) Site establishment | April 2016 |
| (c) Completion of the works | June 2016 |

PUBLIC CONSULTATION

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

AMIT CHANAN

Director City Projects and Property

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