

ITEM 7. TENDER – BAY STREET DEPOT UPGRADE

FILE NO: S117120

TENDER NO: 1601

SUMMARY

This report provides details of the tenders received for construction of the Bay Street Depot upgrade at 10-16 Bay Street, Ultimo.

The City currently utilises two major depots to provide operational services (including waste and cleansing, road, park, stormwater drainage maintenance, fleet services and material storage) across the local government area. Both depots are ageing. The long term financial plan proposes that the southern depot at Epsom Road in Zetland be replaced by a new depot at 67 Bourke Road, Alexandria. It also proposes that the northern depot at Bay Street, Ultimo have major upgrade works to bring it up to current standards.

The upgrade program includes renewal of the site's electrical supply, refurbishment of staff amenities, consolidation of trades workshops into one location, a new meeting and training room, replacement of the 'Stables' building roof, removal of redundant structures, renewal of pavement surfaces and formalising vehicle exit onto William Henry Street.

This upgrade program for Bay Street Depot will significantly improve workplace safety, operational efficiency and staff amenity.

This report recommends that the tender offers be rejected and that Council enter into negotiations with suitable companies for the construction of Bay Street Depot upgrade at 10-16 Bay Street, Ultimo as set out in confidential Tender Evaluation Summary, Attachment B.

RECOMMENDATION

It is resolved that:

- (A) Council reject the tenders received for the construction of Bay Street Depot upgrade at 10-16 Bay Street, Ultimo, for the reasons set out in confidential Tender Evaluation Summary, Attachment B to the subject report;
- (B) Council not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable contractors over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations and contracts with a suitably qualified contractor to undertake the scope of works and execute and administer the contracts relating to the works; and
- (D) Council be informed of the successful contractor by way of a CEO Update.

ATTACHMENTS

Attachment A: Scope and Staging Plans

Attachment B: Tender Evaluation Summary (Confidential)

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

BACKGROUND

1. The Council owned site is located at 10-16 Bay Street, Ultimo, and is bound by Bay Street, Macarthur Street, Wattle Street and William Henry Street.
2. The site has been in continuous use as the City's Depot since 1908. No significant upgrade works have been undertaken since 1988 and the site services, buildings and pavement are now in need of major refurbishment.
3. A Development Consent (D/2014/1807) was received on 19 January 2015 for reroofing the 'Stables' building. A Development Application (D/2015/1724) was submitted on 30 November 2015 for the new construction associated with the refurbishment works.
4. A consultant team has been engaged and documentation prepared to assist with achieving compliance with the National Construction Code.
5. The scope of works will include the improvement of:
 - (a) site safety by renewing the electrical service;
 - (b) workplace efficiency by fitting out the 'Central Stores' building to provide a combined trades workshop;
 - (c) staff amenity by refurbishing the male amenities, the provision of new female amenities and accessible toilets and a new fit-out for a meeting and training room;
 - (d) vehicle circulation by demolishing redundant structures, renewing the pavement and formalising vehicle exit onto William Henry Street; and
 - (e) site capacity and heritage by replacing the roof to the 'Stables' building and applying remediation measures to its structural timber framing.

INVITATION TO TENDER

6. The tender was advertised on Council's tender website and in The Daily Telegraph and The Sydney Morning Herald on Thursday, 21 January 2016. The tender closed on Tuesday, 23 February 2016.

TENDER SUBMISSIONS

7. Two submissions were received from the following organisations (listed alphabetically):
 - Camporeale Holdings Pty Ltd T/a Michael Camporeale Builders
 - Structus 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 B.
11. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) the lump sum price and schedule of prices;
 - (b) demonstrated recent experience in carrying out work of a similar size and nature required by the contract, including demolition/restoration of heritage buildings;
 - (c) personnel allocation, qualifications, experience and capacity, including sub-contractors proposed.
 - (d) capacity to achieve the required project program;
 - (e) construction methodology;
 - (f) site management plan covering traffic and pedestrian, plant and equipment management;
 - (g) Work Health & Safety and environmental management systems; and
 - (h) 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. Performance results will be used to determine the suitability of contractors for future works.

FINANCIAL IMPLICATIONS

13. The scope of work has been documented and a cost estimate prepared by a quantity surveyor.
14. Based on the cost estimate, there are sufficient funds allocated for this project within the current year's capital works and future years' forward estimates.

RELEVANT LEGISLATION

15. 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.
16. Attachment B 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.
17. 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

18. The works are planned to commence in May 2016, and will take place over 20 months.
19. The works are to target the following key dates (refer to Attachment A for Scope and Staging Plans):
- | | |
|--|----------------|
| (a) Appoint head Contractor | May 2016 |
| (b) Target Commencement of Works on Site | June 2016 |
| (c) Target Completion of Stage 1 Works | September 2016 |
| (d) Target Completion of Stage 2 Works | February 2017 |
| (e) Target Completion of Stage 3 Works | December 2017 |

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