

**ITEM 15. EXEMPTION FROM TENDER - SUPPLY EVENT STRUCTURES AND
FURNITURE WITH OPTION TO EXTEND TO 2016 AND 2017 EVENTS**

FILE NO: 2015/404345

SUMMARY

Following a competitive procurement process the City entered into a contract with Pillingers Hire Service Pty Ltd on 3 September 2015 to supply event structures and furniture for the Sydney Christmas Concert series 2015, with an option to extend for 2016 and 2017.

Subsequent to issuing the contract, the City engaged a scenic designer who introduced a scenic treatment to the event structures. It is necessary to vary the contract to supply event structures and furniture to accommodate the design changes.

In order to complete the design changes for the 2016 concert series, the City must make an additional variation taking the total value of the contract to in excess of \$150,000.

The benefits of this proposal to the City and its clients are:

- A high quality product
- Consistency of suppliers and materials for operational and logistical benefits
- Ability to implement and complete the design specifications for the look and feel of the Sydney Christmas Concerts infrastructure.

RECOMMENDATION

It is resolved that:

- (A) Council approve an exemption from tender, in accordance with section 55(3)(i) of the Local Government Act 1993, for the contract 'Supply event structures and equipment', noting that, because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reasons why a satisfactory reason would not be achieved by inviting tenders are:
 - (i) a contractor to supply event structures and furniture has already been appointed in accordance with the City's procurement processes;
 - (ii) at the time the contract to supply event structures and furniture was entered into, it was not anticipated that there would need to be a scenic treatment to the event structures and furniture;
 - (iii) because the manufacturing techniques and the scenic paint finishes need to be consistent with the infrastructure already in place, it is not considered feasible to not undertake the work; and

- (iv) the additional cost to prepare the scenic treatment is considered value for money. If the work were separately contracted, it is not considered that better value for money would be achieved for Council;
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation of the contract to supply event structures and furniture; and
- (D) authority be delegated to the Chief Executive Officer to exercise the option for 2016 and 2017, if appropriate, and negotiate the price to extend the contract accordingly.

ATTACHMENTS

Attachment A: Financial Implications (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. A Request for Quote was issued through the procurement department in July 2015, seeking submissions to supply event marquees, furniture and associated event equipment. Following this competitive procurement process, the City entered into a contract with Pillingers Hire Service Pty Ltd on 3 September 2015 to supply event structures and furniture for the Sydney Christmas Concert series for 2015, with an option to extend for 2016 and 2017.
2. Subsequent to issuing the contract, and on the direction of the City's Creative Director, Events, the City engaged a scenic designer through a competitive procurement process to introduce a creative theme across the event sites incorporating all the elements from staging, lighting, event structures and set dressing. This task was out of scope from the original contract and required specialist design skills. The new theme was sought to give the event sites a unique festive look, to differentiate them from previous year's designs and enhance the experience of the audiences at the events.
3. A major element of this new theme was the decoration of the event sites marquees utilised for children's activities, food stalls, Santa's place and activity stalls. A variation to the contract with the supplier Pillingers Hire Pty Ltd was required to accommodate these first round of design changes in 2015.
4. In order to complete the remaining design changes for the 2016 concert series, the City must make an additional variation, taking the total value of the contract to in excess of \$150,000.

FINANCIAL IMPLICATIONS

5. There are sufficient funds allocated for this project within the draft 2016/17 year's operating budget.

RELEVANT LEGISLATION

6. Local Government Act (NSW) 1993.
7. Attachment A contains confidential information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposed to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
8. 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

9. A decision by July 1 2016 is requested in order to meet the supplier's deadline for manufacturing approval.
10. The manufacturing period is July 1 2016 – 12 August 2016. Beyond this period, the suppliers manufacturing plant shuts down for the organisations busy period through until March 2017.

OPTIONS

11. Not proceeding with the variation to contract will result in the design elements not being realised for the Hyde Park Concert on the Green and Village Christmas Concerts. This outcome is not desirable from a City image and reputational position.

ALEX BOWEN

Acting Director City Life

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