

**ITEM 7. TENDER - MANAGEMENT AND OPERATION OF GOULBURN  
STREET PARKING STATION**

**FILE NO: X003169.031**

**TENDER NO: 1625**

**SUMMARY**

This report provides details of the tenders received for the management and operation of the Goulburn Street Parking Station.

The City has a 99 year lease from Railcorp for the use of the Goulburn Street parking station building. That lease expires in 2070. The City uses the services of a specialist car park contractor to manage and operate the multi-deck car park. The City receives all parking revenue and pays a monthly management contract fee to the car park operator which is the subject of this tender.

The proposed management contract is for an initial period of two years and seven months, plus two option periods of one year each, subject to performance. The term provides flexibility for the City to tender the management and operation of both its car parks together in the future, should it choose to do so. The services are currently being provided through a contract awarded in 2011.

This report recommends that Council accept the tender offer of Tenderer 'C' for the management and operation of Goulburn Street Parking Station.

**RECOMMENDATION**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'C' for the management and operation of the Goulburn Street Parking Station for a period of two years and seven months, plus two option periods of one year each, subject to performance;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the options referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

**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. Council leases the Goulburn Street Parking Station building (Car Park) located at 101 Goulburn Street, Haymarket. The property is owned by Railcorp and has been leased for 99 years, expiring in 2070. The Car Park is a contemporary, purpose-built, multi-level public car park with a capacity of approximately 733 cars.
2. The proposed Car Park management and operation period is for two years and seven months, plus two option periods of one year each. Options are at Council's sole discretion. The initial term period of just under three years allows the City to align contract terms with its other car park at Kings Cross, and tender the management and operation of both contracts together, should it choose to do so in future.
3. The terms include a fixed price service fee based contract incorporating all contractor direct and indirect costs. In addition, there is a performance based incentive fee available if key performance indicators are above agreed levels.
4. Council is responsible for all property and building outgoings inclusive of cash collections, cleaning and overnight security patrols. Costs incurred by the operator that are not included in the fixed price service fee will be reimbursed subject to prior approval by Council, ie, agreed works or ad-hoc marketing campaigns.
5. Reasons to re-tender for the services provided include:
  - (a) the existing service provider is operating under a contract awarded in 2011 which, together with options, expires on 31 August 2016; and
  - (b) the value of the services over the expected term of a contract (being two years and seven months, with two options of one year each) is in excess of \$150,000. Accordingly, there is a statutory requirement in the Local Government Act to tender for the services.

## **INVITATION TO TENDER**

6. The tender was advertised in The Sydney Morning Herald, The Daily Telegraph and Tenderlink on Tuesday 7 June 2016 and closed on Wednesday 29 June 2016.

## **TENDER SUBMISSIONS**

7. Four submissions were received from the following organisations (listed alphabetically):
  - CarePark Pty Ltd;
  - InterPark Australia Pty Ltd;
  - Secure Parking Pty Ltd; and,
  - Wilson Parking Australia 1992 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) financial and commercial trading integrity including insurances;
  - (b) the lump sum price and schedule of prices;
  - (c) demonstrated capacity and technical ability to carry out the work under the contract;
  - (d) demonstrated managerial capability, qualifications, experience and number of personnel;
  - (e) demonstrated ability to meet the reporting requirements;
  - (f) the proposed operational plans;
  - (g) the proposed marketing plan; and
  - (h) Workplace Health and Safety.

**PERFORMANCE MEASUREMENT**

12. The performance of the service provider will be measured against Key Performance Indicators set out in the proposed contract:
  - (a) permanent parking volume in numbers;
  - (b) car park occupancy in casual monthly vehicle volume;
  - (c) operating costs compared to budget;
  - (d) daily car park operations checklist;
  - (e) car park attendant performance;
  - (f) reporting accuracy; and
  - (g) permanent parking accounts – aged debtors (more than 30 days from date of invoice).
13. If the service provider performs above agreed levels based on an assessment using the Key Performance Indicators, an incentive fee may be payable to the service provider.

**FINANCIAL IMPLICATIONS**

14. There are sufficient funds allocated for this project within the current year's operating budget 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 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 proposals 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. **Critical dates** – the existing contract expires on 31 August 2016.
19. **Time frames** – if approved, the proposed contract would commence on 1 September 2016.

**OPTIONS**

20. The City has the option to reject all tender offers and start a fresh tender process. However, this may jeopardise the delivery of services at the Car Park, as the current contract cannot be extended beyond 1 September 2016. This option is not recommended.

**PUBLIC CONSULTATION**

21. No public consultation has been undertaken in relation to this tender.

**GEORGE ANGELIS**

Acting Director City Operations

Quintin Lawrence, Contract Coordinator