

**ITEM 12. TENDER – TOWN HALL HOUSE LEVEL 4 UPGRADE**

**FILE NO: S127167**

**TENDER NO: 1654**

**SUMMARY**

This report provides details of the tenders received for the Town Hall House Level 4 upgrade.

The project will deliver the refurbishment of Town Hall House Level 4, works to include a new accessible bathroom, upgrade of existing bathrooms, compliance works and selected works to the commercial kitchen and upgrading the Marconi Room, Southern Function Room and lobby and circulation space. Works are also to include selected external elements, and upgrading of fire services and air-conditioning systems.

The upgrade to Town Hall House Level 4 continues the City's program of upgrading workspace and asset renewal to address deterioration, compliance requirements and provide equitable, accessible and contemporary facilities. Consultation has been carried out with regard to scope and delivery timing in preparation of the project plan and concept. The proposed solution, which reflects a priority-based approach, will ensure Level 4 is able to meet corporate and commercial needs into the future.

This report recommends that Council accept the tender offer of Tenderer 'A' for the Town Hall House Level 4 upgrade. An increase in budget costs is required as detailed in the confidential Attachment B of this report.

**RECOMMENDATION**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for Town Hall House Level 4 upgrade;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) Council approve an increase in budget costs as detailed in confidential Attachment B to the subject report.

**ATTACHMENTS**

**Attachment A:** Sketch design and Marconi Room Floor 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 upgrade to Town Hall House Level 4 continues the City's program of upgrading workspace and asset renewal to address deterioration, compliance requirements and provide equitable, accessible and contemporary facilities.
2. The project will deliver the refurbishment of Town Hall House Level 4. The proposed solution will ensure Level 4 is able to meet corporate and commercial needs into the future.
3. The project will deliver the refurbishment of Town Hall House Level 4 works to include a new accessible bathroom, upgrade of existing bathrooms, compliance works and selected works to the commercial kitchen and upgrading the Marconi Room, Southern Function Room and lobby and circulation space.
4. Works also include an upgrade of fire services and air-conditioning systems in both function rooms, a discrete entry with air-curtain to the kitchen, services to allow for future servery area, replacing the kitchen floor to ensure leaks into Level 3 are eliminated as well as a pre-function space to the Southern Function Room, the location of an operable wall and location of a pre-function space and secondary wall in the Marconi Room to maximise flexibility and commercial opportunity.
5. A Conservation Management Plan for Town Hall House was prepared as part of this project in 2016. The recommendations for Level 4 have been included in the scope of works, which include, for example, retention and restoration of the existing timber ceilings.
6. The delivery methodology for this project is a Design and Construct Contract to shorten the delivery time of the project.
7. Construction works on Level 4 will commence in January 2017 with works complete by the end of May 2017. Level 4 will not be accessible during that time. The entry to Sydney Town Hall Level 4 will be closed. The Marconi Terrace will be accessible from Sydney Town Hall only.
8. The closure of the commercial kitchen has been negotiated with the current kitchen operators. Most of their operation will move into temporary facilities in Sydney Town Hall for the duration of the construction.

## **INVITATION TO TENDER**

9. The tender was open to the public from 19 July 2016 to 23 August 2016.
10. It was advertised in The Sydney Morning Herald and The Daily Telegraph and Council's E-tender website on 19 July 2016.

## **TENDER SUBMISSIONS**

11. Three submissions were received from the following organisations (listed alphabetically):
  - Built Pty Ltd
  - Intermain Pty Ltd
  - Trinity Quality Interiors Pty Ltd

12. One late submission was received.

**TENDER EVALUATION**

13. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
14. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment B.
15. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) the lump sum price and schedule of price;
  - (b) demonstrated capacity and technical ability in design and construct contracts;
  - (c) demonstrated experience in design and construct works of a similar nature and size;
  - (d) specified personnel, qualifications and sub-contractors;
  - (e) capacity to achieve the required project program;
  - (f) proposed methodology including site management plan, environmental management plan and pedestrian and traffic management plan;
  - (g) Work Health and Safety; and
  - (h) financial and commercial trading integrity including insurances.

**PERFORMANCE MEASUREMENT**

16. The City will ensure that performance standards are monitored during construction by:
- (a) monitoring key performance indicators to measure the performance of the successful tenderer during the works. Performance results will be used to determine the suitability of contractors for future works;
  - (b) reviewing and monitoring the Contractor's program and assessing monthly progress claims;
  - (c) reviewing work method statements, samples, submissions, hold points and product data;
  - (d) attending regular inspections of the works and conducting weekly site meetings with the Head Contractor; and
  - (e) ensuring the works are in accordance with the contract documents such as architectural and contract drawings, specifications, contract preliminaries and general requirements.

**FINANCIAL IMPLICATIONS**

17. Additional funds are required for this project due to the preferred tender exceeding pre-tender estimate. Acceptance of the recommended tender will therefore require Council to increase the budget, as detailed in confidential Attachment B.

**RELEVANT LEGISLATION**

18. 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.
19. 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.
20. 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**

21. The following details the program to be followed for the refurbishment works:
- |  |                 |
|--|-----------------|
| (a) Contract Award   | November 2016   |
| (b) Commence Design Process  | November 2016   |
| (c) Commence Construction<br>(Level 4 will be closed for all staff and public) | January 2017    |
| (d) Construction Completed   | End of May 2017 |

**OPTIONS**

22. Council has the following options in regard to this tender:
- (a) accept the tender and award the contract to Tenderer 'A', which is recommended; or
  - (b) reject all tenders and re-advertise, which is not recommended as it will impact on the closure time of the commercial kitchen on Level 4. The closure has been scheduled for January to the end of May 2017; or
  - (c) reject and negotiate with suitably qualified contractors with demonstrated capacity to carry out the works and delegate authority to the Chief Executive Officer to enter into a lump sum contract, which is not recommended as this will delay the delivery of the project; or

- (d) not proceeding with this project by resolving not to accept an offer from any of the tendering parties. The impact of not proceeding with these works would be that the upgrade of Level 4 cannot go ahead as the kitchen will not be available for construction works. This option is not recommended as the floor will further deterioration, compliance requirements will not be met and the floor will not provide equitable, accessible facilities.

**PUBLIC CONSULTATION**

- 23. The concept plans have been discussed with several internal stakeholders.

**AMIT CHANAN**

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