

**ITEM 15. TENDER - BAY STREET DEPOT UPGRADE**

**FILE NO: S119435**

**TENDER NO: 1676**

**SUMMARY**

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

The capital works program included in this tender is focused on key elements of the site, is supported by a maintenance program, and has been developed pending approval of a strategy for the whole depot site.

The works include maintenance works to the heritage listed Stables, electrical safety and efficiency of vehicle movement, replacement of the roof and upgrading the amenities to the Stables building, replacing old switchboards across the site and installing a second access point to the site.

This report recommends that Council accept the tender offer of Tenderer 'A' for the Bay Street Depot upgrade at 10-16 Bay Street, Ultimo.

**RECOMMENDATION**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the Bay Street Depot upgrade at 10-16 Bay Street, Ultimo; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender.

**ATTACHMENTS**

**Attachment A:** Site Plan (showing areas for scope of works)

**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 bounded 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 elements of the site, including a heritage building, electrical safety and efficient vehicle access, require urgent attention.
3. The depot is located on a major stormwater overland flow path. The current configuration of the buildings is not optimal for modern depot operations and also serves to potentially exacerbate the flood risk. Many of the buildings are at the end of their economic and / or physical life. A strategic analysis is underway to determine the most effective use of the site, including appropriate depot configuration for the future.
4. The capital works program included in this tender is focused on key elements of the site, is supported by a maintenance program, and has been developed pending approval of a strategy for the whole depot site.
5. The scope of works will include the improvement of:
  - (a) site safety by replacing the electrical switchboards;
  - (b) staff amenity by refurbishing the male amenities and the provision of new female and accessible amenities in the Stables building;
  - (c) vehicle circulation by formalising vehicle exit onto William Henry Street; and
  - (d) 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 etender website and in The Daily Telegraph and The Sydney Morning Herald on Tuesday 22 November 2016. The tender closed on Tuesday, 20 December 2016.

## **TENDER SUBMISSIONS**

7. Submissions were received from the following organisations (listed alphabetically):
  - Camporeale Holdings Pty Ltd T/a Michael Camporeale Builders
  - Matrix Group Co Pty Ltd
  - 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 proposed 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 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 work;
  - (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**

13. There are sufficient funds allocated for this project within the current year capital works/operating budget and future years' forward estimates.

**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 B contains confidential commercial information of the tenders 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 planned to commence in April 2017 and will take place over eight months.
  - (a) Appoint Head Contractor March 2017
  - (b) Commencement of Works on Site April 2017
  - (c) Completion of Works December 2017

**OPTIONS**

18. The impact of not proceeding with the works includes the following:
  - (a) ongoing structural deterioration of the Stables building, leading to structural failure. This building has a local heritage listing;
  - (b) potential for failure of the electrical service to the site and ongoing opportunity for electrocution due to lack of suitable circuit breakers; and
  - (c) ongoing difficulty of vehicle movement on site at peak times due to limited access.

**PUBLIC CONSULTATION**

19. Surrounding property owners will be notified of the works.
20. An internal communications strategy has been developed to ensure staff at the depot are kept informed of the works and progress throughout the construction period.

**AMIT CHANAN**

Director City Projects and Property

Graham Brideson, Project Manager