

**ITEM 13. TENDER – BARGES AND TUGS FOR 2017 AND 2018 SYDNEY NEW YEAR’S EVE**

**FILE NO: X008402.001**

**TENDER NO: 1722**

**SUMMARY**

This report provides details of the tenders received for the provision of barges and tugs for 2017 and 2018 Sydney New Year’s Eve (with an option to extend for 2019 – 2021).

Sydney New Year’s Eve is one of the biggest annual celebrations in the world, attracting one million spectators along the Sydney Harbour foreshore and a global audience of one billion. The event is recognised as a Hallmark Event by the NSW Government and has an annual direct economic impact on NSW of more than \$133 million.

The event includes two fireworks displays and a Welcome to Country ceremony on Sydney Harbour, lighting and projections on the Sydney Harbour Bridge, and on-water displays on Sydney Harbour. The City also operates a number of publicly accessible vantage points.

Barges are required as the main firing platforms for the fireworks displays on Sydney Harbour, along with tugs to move the barges to and from their allocated positions. These firing positions are in addition to the use of the Sydney Harbour Bridge and Sydney Opera House.

A tender was conducted for the supply of barges and tugs for the event for the next two years, with an option to extend for a further three years. The scope of works includes the provision of barges to meet specified firing platform dimensions, tugs to move the barges, a coordinator during the event to oversee operations, and required moorings.

This report recommends that Council accept the tender offer of Tenderer ‘A’ for the provision of barges and tugs for 2017 and 2018 Sydney New Year’s Eve (with an option to extend for 2019 – 2021).

**RECOMMENDATION**

It is resolved that:

- (A) Council accept the tender offer of Tenderer ‘A’ for the provision of barges and tugs for a period of two years to cover 2017 and 2018 Sydney New Year’s Eve, with the option of an extension of three years (to cover the event in 2019, 2020 and 2021);
- (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 option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

**ATTACHMENTS**

**Attachment A:** Tender Evaluation Summary (Confidential)

## **BACKGROUND**

1. Sydney New Year's Eve is one of the world's biggest annual celebrations, and a Hallmark Event for NSW. The event includes two main fireworks displays and a Welcome to Country ceremony on Sydney Harbour, and lighting and projections on the Sydney Harbour Bridge. In addition, the City provides a number of free vantage points and services for the general public, and produces two invitation-only events at outdoor locations.
2. To provide the necessary platforms from which to fire the fireworks displays, the City requires a number of barges, configured into specific firing platforms, as well as tugs and coordination services to move the barges into position, and ensure their correct placement during the event as conditions change (eg, wind, tides).
3. Tenders were invited for the supply of barges and tugs for the event for the next two years (2017 and 2018), with an option to extend for a further three years (covering 2019, 2020 and 2021). The term, and optional extension term, mirrors the terms for the recently awarded contract for fireworks displays for the event.
4. Tenderers were required to demonstrate relevant experience, capacity and capability to carry out the scope of work, and provide a suitable methodology to achieve the required firing platforms and tug services for the event.
5. The scope of work in the Request for Tender included:
  - (a) The provision of a total of seven firing platforms of minimum dimensions;
  - (b) Sufficient tugs and labour to manoeuvre the barges for loading, unloading, and firing during the event;
  - (c) Moorings required for the firing platforms;
  - (d) A coordinator to oversee barge and tug operations during the event; and
  - (e) The provision of planning, approval, and WHS documentation.
6. The City will pay a lump sum for the provision of the scope of work for each Sydney New Year's Eve event.
7. In recent years, the City has been able to secure the use of two barges from the Royal Australian Navy, free of charge. Should the City secure any such barges for any event during the term, the lump sum fee paid by the City will be reduced by a specified amount per barge. The availability of Navy barges depends on its operational commitments and can only be confirmed close to each annual event.

## **INVITATION TO TENDER**

8. The Request for Tender was advertised in The Sydney Morning Herald, The Daily Telegraph and via the City's online eTendering portal on Tuesday 16 May 2017. The closing date for submissions was 11am Tuesday 6 June 2017.

**TENDER SUBMISSIONS**

9. Two submissions were received from the following organisations:
  - Ausbarge Marine Services Pty Ltd; and
  - Polaris Marine Pty Ltd.
10. No late submissions were received.

**TENDER EVALUATION**

11. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
12. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
13. All submissions were assessed in accordance with the approved evaluation criteria, being:
  - (a) demonstrated relevant experience, capacity and capability to carry out the work under the contract;
  - (b) demonstrated qualifications and experience of the Specified Personnel;
  - (c) suitability of the proposed methodology to achieve the Specification;
  - (d) Work Health and Safety; and
  - (e) financial and commercial trading integrity, including insurances.

**PERFORMANCE MEASUREMENT**

14. Key Performance Indicators were set out in the Request for Tender documentation as follows, and will be included in any resultant contract:
  - (a) delivery of all elements of the services;
  - (b) quality of work;
  - (c) time;
  - (d) reporting;
  - (e) communication; and
  - (f) Work Health and Safety compliance.
15. Performance of the contractor will be evaluated regularly, at least annually following each Sydney New Year's Eve event, and always upon completion of the contract.

**FINANCIAL IMPLICATIONS**

16. There are sufficient funds allocated for this project within the 2017/18 operating budget and future years' forward estimates.

**RELEVANT LEGISLATION**

17. 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.
18. 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 proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
19. 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**

20. To enable the contractor sufficient lead time to deliver barges and tugs for 2017 Sydney New Year's Eve, including necessary consultation with the City's supplier for the fireworks displays, contracts must be signed by the end of August 2017.
21. Deferral of a decision would impact on the contractor's ability to deliver the services for 2017 Sydney New Year's Eve to a high standard or, in the event of a significant delay, the ability to deliver the services at all.

**OPTIONS**

22. Not proceeding with engaging a contractor to provide barges and tugs would put the City's ability to deliver the Sydney New Year's Eve fireworks displays at risk.

**ANN HOBAN**

Director City Life

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