

## **Exemption from Tender - Provision and Installation of GSM Wireless Enabled Dual SIM Cards to All City Lifts**

**File No: S100529.006**

### **Summary**

This report requests an exemption from tender for the provision and installation of wireless enabled dual SIM cards to all City lifts. This is required as the current emergency phones are reliant on the legacy copper communication network, currently being decommissioned through the National Broadband Network (NBN) roll out.

Australia's fixed line telecommunications infrastructure is being progressively upgraded as the NBN is rolled out across the country. Whilst the current copper network is equipped with an independent low voltage power supply, making the system operational during a mains power failure, the new NBN digital network has no such redundancy. To mitigate against this risk, telecommunication redundancy can be achieved through wireless technology.

Building owners, including the City of Sydney, are required to provide and maintain emergency phones in all lifts, to be used in case of emergencies and lift entrapments. These emergency phones are required to remain operational during a mains power failure.

The industry recommended approach to resolving this is through the installation of a Global System for Mobile (GSM) Dual Sim 4G Wireless Communication Gateway, installed by the lift service provider.

The City has been made aware of the NBN program commencing in the local government area which will start to impact City-owned and operated buildings over the next three months.

The City has contracted with Ventia Pty Ltd for the provision of Facility Management Services. The contract term is for ten years from May 2018 (an initial four year term, with three two-year extension options).

This report seeks approval to engage the City's incumbent lift maintenance provider, ThyssenKrupp, under the Facility Management Services Agreement with Ventia Pty Ltd, to provide the GSM provision for the City's lift portfolio. This will ensure continued compliance for the City.

The City's incumbent lift maintenance provider has significant knowledge of the City's portfolio and the vertical transport equipment installed, and is therefore best placed to carry out these works as the NBN is rolled out.

A tender process is not recommended as it will result in delayed implementation, resulting in non-compliant lifts, and will not achieve further savings as the industry recommended approach is being adopted by the City.

## Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for the provision of the GSM wireless communication gateway provision, across all lifts located in buildings owned or operated by the City, noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reasons why a satisfactory outcome would not be achieved by inviting tenders are:
  - (i) the incumbent lift service provider has significant knowledge of the City's portfolio and the vertical transport equipment installed, and is therefore best placed to carry out these works as the NBN is rolled out;
  - (ii) multiple service contracts would be required if a tender was invited;
  - (iii) the likelihood of uncertainty of fault location during an emergency and / or maintenance call out would increase if a tender was invited (i.e. multiple contractors indicating the issue is with the other contractor's system / equipment);
  - (iv) compatibility of lift and Dual SIM provision is enhanced if the incumbent lift service provider is engaged; and
  - (v) as the industry recommended approach is preferred, requesting further quotations through a tender process is not likely to achieve any further value for money for the City;
- (C) Council approve the provision of the GSM wireless communication gateway provision, across all lifts located in buildings owned or operated by the City, under the existing Facility Management Agreement with Ventia Pty Ltd for the amount set out in Confidential Attachment A to the subject report; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the exemption from tender (including any variations to the Facility Management Agreement with Ventia Pty Ltd if necessary) for the provision of the GSM wireless communication gateway provision with the incumbent lift maintenance provider.

## Attachments

**Attachment A.** Financial Implications (Confidential)

## Background

1. Australia's fixed line telecommunications infrastructure is being progressively upgraded as the NBN is rolled out across the country. The City has been made aware of the NBN program commencing in the local government area, which will start to impact City-owned and operated buildings over the next three months. A list of the impacted buildings is set out at Attachment A.
2. This upgrade from a copper-based network to a digital network will have an effect on lift emergency phones. Due to these changes, building owners have a responsibility to ensure their lift emergency communication system operates in the event of power outage.
3. While the current copper network is equipped with an independent low voltage power supply making the system operational during a mains power failure, the new NBN digital network has no such redundancy. To mitigate against this risk, telecommunication redundancy can be accessed through wireless technology.
4. The industry recommended approach to resolving this is through the installation of a Global System for Mobile (GSM) Dual Sim 4G Wireless Communication Gateway, installed by the lift service provider.
5. The City's incumbent lift maintenance provider has significant knowledge of the City's portfolio and the vertical transport equipment installed, and is therefore best placed to carry out these works as the NBN is rolled out.
6. The City has contracted with Ventia Pty Ltd for the provision of Facility Management Services. The contract term is for ten years from May 2018 (an initial four year term, with three two-year extension options).
7. This report seeks approval to engage the City's incumbent lift maintenance provider, ThyssenKrupp, under the Facility Management Services Agreement with Ventia Pty Ltd, to provide the GSM provision for the City's lift portfolio. This will ensure continued compliance for the City.
8. This approach will eliminate multiple service contracts being required, and reduce the likelihood of uncertainty of fault location during an emergency and / or maintenance call out (i.e. multiple contractors indicating that the issue is with the other provider's system / equipment).
9. The compatibility of lift and Dual SIM provision will be enhanced.
10. As the industry recommended approach is being opted for by the City, requesting further quotations through a tender process is not likely to achieve any further value for money for the City.

## Financial Implications

11. The cost of the works is outlined in Confidential Attachment A.
12. There are sufficient funds allocated for this project within the 2019/20 operating budget and future years' forward estimates.

### Relevant Legislation

13. Attachment A contains confidential commercial information of the incumbent Facility Management provider and lift contractor 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.
14. 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

15. The properties which will be affected by the roll out of the NBN are only provided to the City approximately two to three months in advance. This significantly limits the ability to establish timeframes and critical dates for the project.
16. The estimated time to roll out the NBN program has been advised to be approximately two years.

### Options

17. The impact of not proceeding with the exemption from tender, would be that the City has no approved procurement option for the installation of the GSM provisions for approximately three months (whilst an open tender exercise is undertaken). For any affected buildings switched over to NBN during this period, the City will have to install ad hoc GSM provisions, to ensure the emergency phones are available for lift users, or the lift will have to be taken out of service.
18. In addition, it is highly unlikely value for money would be achieved by tendering the provision. If an alternative provider to the incumbent contractor is selected, this will add a layer of complexity during maintenance and breakdowns repairs, which may impact service delivery in the future.

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