

**Tender - Reject and Negotiate – T-2021-564 - Lift Replacement/Upgrade Project
- Various Locations**

File No: X021558

Tender No: T-2021-564

Summary

This report provides details of the tenders received for the Lift Replacement/Upgrade Project at various locations.

An investigation of the City of Sydney's lift assets was carried out by the City's asset management contractor. Lifts in this package, the subject of this report, were found to be approaching the end of their asset lifecycle and require upgrading and/or replacement.

Technical specifications for each lift were prepared by lift design consultants, the specifications documented with standardisation options where possible. The recommended upgrade/replacement intends to significantly extend the life of the lifts and to bring the lifts to the standard required by relevant Australian Standards, National Construction Code 2019, legislative and local government requirements.

The work required under this tender involves the design and construction of five lifts at the nominated sites, including required modifications to the structural elements, electrical, mechanical, fire services and associated building works.

This report recommends that Council decline to accept the tender offers received for the Lift Replacement/Upgrade Project and enter into negotiations with suitable vendors for the Lift Replacement/Upgrade Project as the tender offers were non-compliant.

Recommendation

It is resolved that:

- (A) Council decline to accept the tender offer/s for Lift Replacement/Upgrade Project for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable tenderers over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract on terms that are appropriate in relation to the subject matter of the tender;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract with the preferred contractor following completion of the negotiations; and
- (E) Council be informed of the successful contractor via CEO Update.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The City invited tenders for the Lift Replacement / Upgrade Project at various locations.
2. An investigation of the City's lift assets was carried out by the City's asset management contractor. The lifts in this stage are part of a larger program of lift upgrades being undertaken in stages.
3. The lifts were given an asset condition ratings of 4 or 5, which indicates the lifts and their associated equipment are approaching the end of their asset lifecycle.
4. The scope of works for each building includes detailed site inspections, design documentation, replacements of lifts components, decommissioning, installation, testing and commissioning, defects liability and maintenance of five lifts, their components and associated fittings and fixtures.
5. This stage includes the following sites:
 - (a) Corporation Building – 181-187 Hay Street Haymarket;
 - (b) Alexandria Town Hall – 73 Garden Street Alexandria;
 - (c) Redfern Town Hall – 73 Pitt Street Redfern;
 - (d) Waterloo Library – 770 Elizabeth Street Waterloo; and
 - (e) Pittsway Arcade – 303-305 Pitt Street Sydney.
6. All work will be undertaken to current relevant Australian Standards, National Construction Code 2019, and legislation, inclusive of all associated building, structural, electrical, mechanical, hydraulic and fire services.

Invitation to Tender

7. The Tender was advertised for seven weeks on the City's E-tender website from 24 September 2021, closing at 11am on 12 November 2021.

Tender Submissions

8. Two submissions were received from the following organisations:
 - Electra Lift Company Pty Ltd; and
 - Liftronic Pty Ltd.
9. A letter of decline to tender was also received from Thyssen Krupp 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) Lump Sum Price and Schedule of Prices.
 - (b) Current company commitments and specified personnel & sub-contractors including key project team members demonstrated managerial capability, qualifications, percentage of time on the project and experience.
 - (c) Proposed program for the 5 Separable Portions and capacity to achieve the program/deliverables.
 - (d) Proposed methodology for the 5 Separable Portions, including staging, traffic management, site management, construction environmental management, material, plant, and equipment management.
 - (e) Work Health & Safety.
 - (f) Financial and commercial trading integrity, including insurances.

Financial Implications

14. There are sufficient funds allocated for this project within the current year's capital works 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 2021 and the City's Procurement and Contract Management Policy.
16. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
17. 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.

18. 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

19. The following key dates apply to this project:
- | | |
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| (a) Negotiate with suitable suppliers: | April / May 2022 |
| (b) Contract award: | June 2022 |
| (c) Place order for lift components: | July 2022 |
| (d) Anticipated practical completion: | August 2023 |

Options

20. An alternative option is available to Council in the form of cancelling the tender and going back out to the market with another open tender. This option is not recommended after considering the following:
- (a) The time impacts on the project to prepare a revised tender package and manage the tender process will result in a four to six-month delay.
 - (b) The cost to prepare a revised tender package and manage the tender process.
 - (c) This was an open tender, re-tendering is unlikely to result in additional conforming tender responses.
21. Cancelling the works under this tender is not recommended as the current asset condition of these lifts will require the lifts to be removed from service.

Public Consultation

22. Public consultation was not relevant for the scope of works outlined in this tender. Consultation has been undertaken with key internal stakeholders to finalise the scope.
23. Prior to construction further consultation will be undertaken with the tenants and operators to coordinate access and services shutdowns.

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