

Item 9.

Tender - T-2023-953 - Pyrotechnical Services for Sydney New Year's Eve

File No: X092284.002

Tender No: T-2023-953

Summary

This report provides details of the tenders received for Pyrotechnic Services for 2024 and 2025 Sydney New Year's Eve (with two additional options to extend to cover the 2026 and 2027 events, and further 2028 and 2029 events).

The City invited tenders for the provision of pyrotechnic services for Sydney New Year's Eve for an initial period of two-years to cover the 2024 and 2025 Sydney New Year's Eve events, with two 24-month options for extension to cover the 2026 and 2027 events (first further term), and further 2028 and 2029 events (second further term). The decision to exercise the further term options will be at the City's sole discretion.

Owned and produced by the City of Sydney, Sydney New Year's Eve is a local and global celebration that reaches an audience of more than 425 million people worldwide and is attended by more than 1 million people around the harbour foreshore. Research conducted in 2019 found that Sydney New Year's Eve has a direct economic impact of \$280 million to Sydney.

The Event includes two main fireworks displays – the midnight fireworks and the 9pm Calling Country fireworks, which includes a smoking ceremony on Sydney Harbour, a Welcome to Country display in addition to lighting and projections on the Sydney Harbour Bridge.

This report recommends that Council accept the tender offer of Tenderer A for Pyrotechnic Services for 2024 and 2025 Sydney New Year's Eve (with two additional options to extend to cover the 2026 and 2027 events, and further 2028 and 2029 events).

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer A for Pyrotechnic Services for 2024 and 2025 Sydney New Year's Eve (with two additional options to extend to cover the 2026 and 2027 events, and further 2028 and 2029 events);
- (B) Council note that the total contract sum and contingency for Pyrotechnic Services for 2024 and 2025 Sydney New Year's Eve (with two additional options to extend to cover the 2026 and 2027 events, and further 2028 and 2029 events) is outlined in Confidential Attachment A to the subject report;
- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender; and
- (D) authority be delegated to the Chief Executive Officer to exercise the options referred to in clause (A), if appropriate.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Attachment B. Price and Schedule of Rates (Confidential)

Background

1. The focus of the Sydney New Year's Eve event is the two main fireworks displays. The displays are broadcast live nationally and internationally, and feature heavily in media coverage both prior to and following the event.
2. Historically the City has tendered/contracted the provision of pyrotechnic services for Sydney New Year's Eve as its own contract.
3. Following a review of event operational processes, the City decided to merge barge and tug services, along with pyrotechnic services and support vessel hire into one contract under a single delivery model to mitigate risk and streamline delivery efficiencies.
4. In late 2022, tender T-2022-755 was released for the provision of fireworks displays (pyrotechnic; barge and tug services; and support vessels) as a single-delivery model. The term of the new contract was intended to cover the 2023 and 2024 events, with 2x 24-month options to extend to cover the 2025 and 2026 events, and further 2027 and 2028 events.
5. On close of the tender in January 2023, no conforming responses were received. As a result, Council resolved to cancel the tender.
6. To ensure services were in place for delivery of the 2023 event, extension of the two existing contracts for the provision of pyrotechnic services, and barge and tug services was approved by Council. The two contracts have a new expiry date of 30 June 2024.
7. In the development and research of appropriate engagement models for the delivery of Pyrotechnics Services for Sydney New Year's Eve, supplier consultation was undertaken with key pyrotechnic and barge and tug suppliers.
8. Following market research and reconsideration of the proposed contract model, the new pyrotechnic services tender was released to the market on 31 May 2023. The tender for barge and tug services will be finalised and released following the appointment of a supplier for the pyrotechnics services contract.
9. The Service Provider will provide world class pyrotechnic services for the Midnight Fireworks Display and 9pm Calling Country Display as well as providing site management services and control of the fireworks loading area.
10. Resolution of Council, Item 6.7 - Cancellation of Tender - T-2022-755 - Exemption from Tender and Contract Variations for Sydney New Year's Eve, on 20 February 2023 requests that the City "investigate... opportunities to mitigate the environmental impact of the fireworks..., prior to the granting of a tender for future New Year's Eve Fireworks". To address this point, the current tender required respondents to provide additional information on initiatives to continue reducing the environmental impact of the event over the course of the contract period.
11. In addition, in the coming months, the City will release a Request for Information for Big Creative Ideas for the City's public events, which will aim to identify other alternative effects with improved environmental outcomes which could be introduced into the City's events over the coming years.

Invitation to Tender

12. The Request for Tender was released on the City's eTendering portal, Tenderlink, on Monday 31 May 2023. The closing date was 11am on Friday 30 June 2023.

Tender Submissions

13. Two submissions were received from the following organisations:
 - Foti International Fireworks Pty Ltd (ABN 52 092 767 765)
 - Howard and Sons Pyrotechnic (Displays) Pty Ltd (ABN 25 001 297 481)
14. No late submissions were received.

Tender Evaluation

15. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
16. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
17. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) Demonstrated company experience relating to large-scale fireworks design and delivery in a collaborative working environment, which is of a comparable nature to the City's requirements.
 - (b) Innovation, creativity and strategic thinking demonstrated in the Strategic Plan.
 - (c) Proposed key personnel and their demonstrated capacity, relevant experience and technical ability to carry out the work/service under the contract.
 - (d) Proposed methodology and details of materials.
 - (e) Demonstrated commitment to Work Health and Safety, including proposed systems, policies and procedures to ensure the safe delivery of the Event.
 - (f) Demonstrated commitment to environmental management, risk management, corporate social responsibility, modern slavery and quality assurance requirements.
 - (g) The lump sum price and schedule of prices.
 - (h) Financial and commercial integrity including insurances.
 - (i) Material acceptance of the City's standard form contract.

Performance Measurement

18. Key Performance Indicators are set out in the contract as follows:
19. Delivery of all elements of the services:
 - (a) Timely completion of the services as outlined in the Key Dates and Deliverables.
 - (b) Offer year on year innovations and improvement on show presentation.
20. Quality of work:
 - (a) Deliver a fireworks show displaying artistic excellence, innovation and in line with creative direction of the show as per City direction.
21. Time:
 - (a) Work was delivered in an efficient and timely manner.
 - (b) Comply with the timeline as per the Key Dates and Deliverables.
22. Reporting:
 - (a) Timely and constructive delivery of each report.
23. Communication:
 - (a) Staff were courteous, professional, and responded to emails and phone calls in a timely manner. During event period staff were prompt and maintained good communications during the event in and around high-risk times in control rooms and on sites with the City.
24. WH&S compliance:
 - (a) Comply with WHS Legislation, Australian Standards, relevant Codes of Practice and the City's WHS Policy.
 - (b) Staff held and provided evidence of qualifications as required.
 - (c) Risk assessments and WHS documents for the project delivered on time.
 - (d) Response to WHS planning and implementation mirrors high risk nature of the event.
25. Sustainability:
 - (a) Met the sustainability requirements outlined in this agreement. Actively progressed in delivering additional initiatives to make year on year improvement. Reported carbon emissions with accuracy.
26. Performance will be evaluated regularly, at least annually following each Sydney New Year's Eve event, and on completion of the contract.

Financial Implications

27. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.
28. The total contract sum and contingency for Pyrotechnic Services for 2024 and 2025 Sydney New Year's Eve (with options to extend to cover the 2026 and 2027 events, and further 2028 and 2029 events) is detailed in Confidential Attachment B.

Relevant Legislation

29. 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.
30. 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.
31. Attachment A and Attachment B contain 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.
32. 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

33. In order to ensure fireworks are secured for the 2024 Sydney New Year's Eve event, an executed contract needs to be in place by 30 September to allow the Pyrotechnics Service Provider sufficient time to place an order of pyrotechnics for the 2024 fireworks display.

Options

34. An alternative option is to not proceed with engaging these services. This option is not recommended because it would result in not having a Pyrotechnics display for Sydney New Year's Eve. The fireworks displays are the most significant creative element of the show delivered on Sydney Harbour.

EMMA RIGNEY

Director, City Life

Stephen Gilby, Producer - Major Events and Festivals