

Item 5.

Tender - T-2023-1008 - City Recital Hall Refurbishment Works Stage 2

File No: X030208.001

Tender No: T-2023-1008

Summary

This report provides details of the tenders received for the City Recital Hall Refurbishment Works Stage 2.

The City leases City Recital Hall from AMP, with the lease commencing 27 October 1999 for a term of 99 years. The City subleases the Hall to City Recital Hall Limited with the current sublease ending 30 June 2025. Under the terms of the lease, the City is responsible for the asset management of the building.

The City Recital Hall Upgrade works project will assist to improve the aesthetic look of the City Recital Hall, with the aim of attracting more clients, generating additional hiring opportunities and improving the functionality of the venue. Additionally, the upgrade works will provide a much-needed refresh after more than 20 years of usage as a recital venue. The upgrade works are across all four levels of the City Recital Hall venue.

City Recital Hall Refurbishment Works Stage 2 include the front of house and back of house works to be delivered over the next two financial years.

The construction of these works is dependent on available access periods within the venue's extensive scheduling. The venue has an annual shutdown period between December and January each year where access can be facilitated for these construction works. Smaller works can also be delivered throughout the year where suitable periods are identified within the venue management calendar.

Stage 1 construction works included the refurbishment of the ground floor bathrooms, digital poster screens and the Green Room upgrade. These works were completed during the venue's annual shutdown period between December 2022 to January 2023. Some minor works were completed during available access periods up to April 2023.

This report recommends that Council accept the tender offer of Tenderer P for City Recital Hall Refurbishment Works Stage 2.

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer P for City Recital Hall Refurbishment Works Stage 2 for the price and contingency outlined in Confidential Attachment A to the subject report;
- (B) Council note that the total contract sum and contingency for City Recital Hall Refurbishment Works Stage 2 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) Council approve additional funds for the City Recital Hall Refurbishment Works Stage 2 as outlined in Confidential Attachment A to the subject report.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The City Recital Hall is a purpose-built concert venue with the capacity for an audience of 1,238 people seated, located at 2 Angel Place in the City Centre near Martin Place.
2. The City Recital Hall opened in 1999 as a purpose-built chamber music venue, the only such venue in Sydney, serving companies such as Musica Viva Australia, Australian Chamber Orchestra, Sydney Symphony Orchestra, Pinchgut Opera and Australian Brandenburg Orchestra.
3. The City leased the Hall from AMP commencing 27 October 1999 for a term of 99 years. The City subleases the Hall to City Recital Hall Limited with the current sublease ending in 2025.
4. The scope of works subject to this report meets the City's obligations and commitments to City Recital Hall Limited under the leasing agreements for the venue. City Recital Hall Limited are aware of their obligations under the leasing agreement and are actively seeking sponsorship grants to meet these obligations.
5. The City Recital Hall Upgrade works project will assist to improve the aesthetic look of the City Recital Hall, with the aim of attracting more clients, generating additional hiring opportunities and improving the functionality of the venue. Additionally, the upgrade works will provide a much-needed refresh after more than 20 years of usage as a recital venue. The upgrade works are across all four levels of the City Recital Hall venue.
6. The Head Design Consultant was engaged in January 2021 to provide a full design package including design style guideline, documentation, construction and post construction stage services.
7. Stage 1 construction works included the refurbishment of the ground floor bathrooms, digital poster screens and the Green Room upgrade. These works were completed during the venue's annual shutdown period between December 2022 to January 2023. Some minor works were completed during available access periods up to April 2023.
8. Stage 2 construction works include the front of house and back of house works and are as follows:
 - (a) The Front of House upgrade works under Stage 2 includes foyers, Ash Street rooms, function room, hallways, cloak room, staff room, bars, entries and accessibility lift upgrade and auditorium lighting upgrades.
 - (b) The Back of House upgrade works under Stage 2 includes dressing rooms, ensuites, control room, orchestra room and performer locker rooms.
9. The construction of these works is dependent on available access periods within the venue's extensive scheduling. The venue has an annual shutdown period between December and January each year where access can be facilitated for these construction works.

10. Currently three shutdown periods are scheduled for delivery of Stage 2 works:
 - (a) Shutdown 1: 1 October 2023 - 6 October 2023;
 - (b) Shutdown 2: 14 December 2023 – 14 January 2024; and
 - (c) Shutdown 3: 15 December 2024 – 28 February 2025.
11. Smaller works can also be delivered throughout the year where suitable periods are identified by City Recital Hall in the venue management calendar.
12. The report is recommending engagement of Tenderer P for delivery of refurbishment works under Stage 2 within above nominated shutdown periods.

Invitation to Tender

13. The request for tender was advertised on the City's e-Tendering portal on 28 June 2022 and closed 28 July 2023.
14. The request for Tender was also made available on the Supply Nation and NSW Indigenous Chamber of Commerce websites.

Tender Submissions

15. Six submissions were received from the following organisations:
 - Baseline Projects Pty Ltd (ABN 48 626 079 847)
 - Corporate Interior Projects Pty Ltd (ABN 85 167 255 870)
 - Innovatus Projects Pty Ltd (ABN 84 621 857 841)
 - Maxam & Co Pty Ltd (ABN 61 165 615 976)
 - Rapid Construction Pty Ltd (ABN 35 003 963 620)
 - The Walsh Group Construction Pty Ltd (ABN 94 600 477 978)
16. No late submissions were received.

Tender Evaluation

17. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
18. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

19. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) The lump sum price and schedule of prices.
 - (b) Company profile, current commitments and licences indicate capacity, capability to complete the works. Provision of good examples of quality documentation prepared by the Tenderers. Aboriginal and Torres Strait Islander involvement. Local Buy and economic sustainability demonstrated commitment to child safety and meeting fair works requirements.
 - (c) Previous experience and specified personnel and sub-contractors: relevant experience in similar scope, complexity and scale of projects. Personnel allocation, organisational structure contains all proposed resources, qualifications, experience, technical ability, and percentage of time on project; identified sub-contractors and their experiences.
 - (d) Proposed program including: capacity to achieve the program/deliverables, program duration, sequencing and appropriately detailed breakdown of work tasks; and consideration of contract requirements including hold/witness points and milestones. Consideration of City Recital Hall venue performance calendar.
 - (e) Proposed construction methodology including: demonstrated understanding of site-specific requirement and constraints and relevant risk management strategy. Detailed schedule of plant, equipment and any long lead-time item are identified and warranties. Demonstrated construction and operational waste management. Provision of quality and site specific Site Management Plan and Pedestrian and Traffic Management Plan.
 - (f) WHS Management System.
 - (g) Financial and commercial trading integrity including insurances.

Performance Measurement

20. The City will ensure that performance standards are achieved during construction through regular assessment of the following Key Performance Indicators:
- (a) Safety and Environment - works performed safely and in accordance with the approved site-specific management plans; to avoid incidents and non-conformances, ensure the safety of staff and visitors, reflect planning conditions, and align with the City's waste targets.
 - (b) Quality Assurance - works performed in accordance with the Quality Management Plan that captures the project objectives, Inspection and Test Plan, witness points, hold points and monitoring and auditing procedures to manage any non-conforming work.
 - (c) Programming and Resources - works performed in accordance with the approved construction program to ensure the approach and construction methodology aligns with the City's objectives and operational requirements, while maximising the efficient and effective use of resources and materials and ensuring all documentation and contract requirements are submitted on time.

- (d) Communication - weekly site meetings and daily project correspondence; and Cost Variations - all efforts made to mitigate a variation to the contract with negative cost implications so as not to exceed the approved contract contingency.
21. The City will ensure the works are in accordance with the contract documents including the General Conditions of Contract, Preliminaries, Specifications and Schedules.
 22. At the end of construction, the City will assess the contractor and complete a performance review and any lessons learnt shared and utilised in future projects.

Financial Implications

23. Additional funds are required for this project due to market responses to the tender exceeding the budget allocation. Acceptance of the recommended tender will therefore require Council to increase the budget, as detailed in Confidential Attachment A.
24. The total contract sum and contingency for City Recital Hall Refurbishment works Stage 2 is detailed in Confidential Attachment A.

Relevant Legislation

25. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
26. 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.
27. 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.
28. 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

29. The following key dates apply to this project:

- | | |
|----------------------------------|----------------|
| (a) Contract award and execution | September 2023 |
| (b) Site establishment | October 2023 |
| (c) Commence works on site | October 2023 |
| (d) Date for completion on site | February 2025 |

Options

30. An alternative option is to defer or not proceed with the tendered works. This option is not recommended because it would not align with the City Recital Hall Limited business strategy. This would significantly impact the potential opportunities for the venue's future development. This would also delay completion of the capital works upgrades as part of the lease agreement with City Recital Hall Limited.

Public Consultation

31. The proposed design for the Stage 2 works including front of house and back of house have been developed through ongoing consultation with key stakeholders from City Recital Hall Limited.

KIM WOODBURY

Chief Operating Officer

Sepi Habibipour, Project Manager