

## Item 4.

### **Tender - Reject and Negotiate - T-2023-1144 - Lift / Escalator Upgrade at Kings Cross Library, Andrew Boy Charlton Pool and Railway Square**

**File No: X099721**

**Tender No: T-2023-1144**

### **Summary**

This report provides details of the tenders received for the Lift / Escalator Upgrade at Kings Cross Library, Andrew Boy Charlton Pool and Railway Square.

An investigation of the City of Sydney's vertical transport assets (lifts and escalators) was carried out by the City's asset management contractor. The lifts and escalators which are the subject of this report, were found to be approaching the end of their asset lifecycle and require upgrading and/or replacement.

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

The work required under this tender involves the design and construction of three lifts and four escalators 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 / Escalator Upgrade at Kings Cross Library, Andrew Boy Charlton Pool and Railway Square, and enter into negotiations with suitable vendors for the Lift / Escalator Upgrade at Kings Cross Library, Andrew Boy Charlton Pool and Railway Square as the tender offers were non-compliant.

## **Recommendation**

It is resolved that:

- (A) Council decline to accept the tender offers for the Lift / Escalator Upgrade at Kings Cross Library, Andrew Boy Charlton Pool and Railway Square 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 the CEO Update.

## **Attachments**

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

## Background

1. The City invited tenders for the Lift / Escalator Upgrade at Kings Cross Library, Andrew Boy Charlton Pool and Railway Square.
2. An investigation of the City's vertical transport assets (lifts and escalators) 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 and escalators were given an asset condition rating of 4 or 5, which indicates the lifts and escalators and their associated equipment are approaching the end of their asset lifecycle.
4. The scope of works for each site includes detailed site inspections, design documentation, replacement of lift components, decommissioning, installation, testing and commissioning, defects liability and maintenance of three lifts and four escalators, their components and associated fittings and fixtures.
5. This stage includes the following sites:
  - (a) Kings Cross Library - 1/50-52 Darlinghurst Road, Potts Point;
  - (b) Andrew Boy Charlton Pool - 1C Mrs Macquaries Road, Sydney NSW 2000; and
  - (c) Railway Square - George Street, Chippendale NSW 2008.
6. All work will be undertaken to current relevant Australian Standards, the 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 on the City's E-tender website from 10 November 2023, closing at 11am on 25 January 2024.

## Tender Submissions

8. Two submissions were received from the following organisations:
  - Kako Civil & Construction Pty Ltd (ABN 55 667 776 212)
  - Liftronic Pty Ltd (ABN 99 002 886 213)
9. Letters of decline to tender were also received from TK Elevator Pty Ltd and Schindler Group 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.
  - (b) Current company information and current company commitments and relevant experience in similar projects.
  - (c) Specified personnel and sub-contractors, including key project team members demonstrated managerial capability, qualifications.
  - (d) Proposed program and capacity to achieve the program/deliverables and managing and controlling risks associated with the project.
  - (e) Proposed methodology including staging, pedestrian and traffic management, site management, construction waste management, modern slavery compliance, and material, plant and equipment management.
  - (f) Work Health and Safety.
  - (g) 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 and the Local Government (General) Regulation 2021.
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:

(a) Negotiate with suitable suppliers:	April / May 2024
(b) Contract award:	June 2024
(c) Place order for lift and escalator components :	July 2024
(d) Anticipated practical completion:	March 2025

### 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 and escalators 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.

**KIM WOODBURY**

Chief Operating Officer

Andy Healey, Delivery Manager

Marwan Zraika, Project Manager