

Item 13.**Tender - T-2023-1015 - Management and Operation of the Kings Cross and Goulburn Street Parking Stations**

File No: X099251

Tender No: T-2023-1015

Summary

This report provides details of the tenders received for the Management and Operation of the Kings Cross and Goulburn Street Parking Stations.

The City of Sydney owns the Goulburn Street and Kings Cross Parking Station buildings. The car parks are purpose-built, multi-level parking stations with a combined capacity of approximately 1,116 car spots. Together, these assets generate approximately \$10 million in gross revenue annually, for a total estimated revenue of \$50 million over the life of this contract and all options.

Council requires business-specific and experienced organisations for the management of the car park operations. The proposed new contract will ensure the car park operation at both locations remain staffed, operated, and managed appropriately.

This report recommends that Council accept the offer of "Tenderer C" for the Management and Operation of the Kings Cross and Goulburn Street Parking Stations.

Recommendation

It is resolved that:

- (A) Council accept the offer of Tenderer C for the Management and Operation of the Kings Cross and Goulburn Street Parking Stations for the Schedule of Rates outlined in Confidential Attachment B to the subject report, for a period of three years, with two optional extension periods of one year each if appropriate;
- (B) Council note that the total contract sum and contingency for the Management and Operation of the Kings Cross and Goulburn Street Parking Stations is outlined in Confidential Attachment B 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 option(s) referred to in clause (A) above, if appropriate.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Attachment B. Price and Schedule of Rates (Confidential)

Background

1. The City of Sydney owns the Goulburn Street and Kings Cross Parking Station buildings. The car parks are purpose-built, multi-level parking stations with a combined capacity of approximately 1,116 car spots. Together, these assets generate approximately \$10,000,000 in gross revenue annually. If all options are exercised this would be an estimated \$50 million in gross revenue over the life of the contract.
2. Council requires business-specific and experienced organisations for the management and operation of the car park. The current major service contract in place expires on 31 May 2024.
3. The proposed contract is for a three-year period, with two optional extension periods of one year each, subject to performance.
4. The proposed new contract will ensure the car park operation at both locations remains staffed, operated, and managed appropriately.

Invitation to Tender

5. The tender was advertised in Tenderlink on Wednesday 10 January 2024 and closed on Thursday 1 February 2024.

Tender Submissions

6. Four submissions were received from the following organisations:
 - Kako Civil & Construction Pty Ltd (ABN - 55 667 776 212)
 - Point Parking Pty Ltd - (ABN - 87 160 943 911)
 - Secure Parking Pty Ltd - (ABN - 94 108 043 689)
 - Wilson Parking Australia 1992 Pty Ltd - (ABN - 67 052 475 911)
7. No late submissions were received.

Tender Evaluation

8. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
9. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
10. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) The lump sum price and schedule of prices.
 - (b) Demonstrated experience and technical ability in carrying out services of a similar size and nature.
 - (c) Personnel allocation and capacity, qualifications, experience, including sub-contractors.
 - (d) Proposed Operational and Management Plans.
 - (e) Proposed Marketing Plans.
 - (f) Demonstrated ability to meet the reporting requirements.
 - (g) Environmental management.

Performance Measurement

11. The performance of the service provider will be measured against Key Performance Indicators as set out in the proposed contract. Areas to be evaluated include:
 - (a) Permanent Parking Volumes.
 - (b) Car Park Occupancy.
 - (c) Car Park Revenue.
 - (d) Operating Costs compared to Budget.
 - (e) Daily Car Park Operations Checklist.
 - (f) Car Park Attendant Performance.
 - (g) Reporting Accuracy.
 - (h) Permanent Parking Accounts (Aged Debtors).

Financial Implications

12. There are sufficient funds allocated for the operation of these car parking stations within the current year's operating budget and future years' forward estimates.
13. The total contract sum and contingency for the Management and Operation of the Kings Cross and Goulburn Street Parking Stations is detailed in Confidential Attachment B.

Relevant Legislation

14. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021.
15. 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.
16. Attachment A and B 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.
17. 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

18. The existing contracts expires on 31 May 2024.
19. If approved, the proposed contract would commence on 1 June 2024.

Public Consultation

20. No public consultation has been undertaken in relation to this tender.

VERONICA LEE

Director City Services, City Services Management

Quintin Lawrence, Contract Coordinator Parking and Fleet Services