

**ITEM 9. TENDER - SYDNEY TOWN HALL - SUPPLY AND INSTALLATION  
OF A ROOFTOP SOLAR POWER (PHOTOVOLTAIC) SYSTEM**

**FILE NO: S052971**

**TENDER NO: 0916**

**SUMMARY**

This report provides details of the tenders received for the supply and installation of a rooftop solar power (photovoltaic) system for the Sydney Town Hall. One tender (Part A) was for the supply and installation of a solar power system and the other tender (Part B) was for the supply and installation of supporting structure for the solar panels.

The supply and installation of such a system would provide over 50 megawatt hours of renewable energy per year, which is approximately 4% of the property's annual consumption. It has a carbon payback period of 3.5 years and a financial payback of 22 years. It aligns with the Council's Environmental Management Plan and provides an educational tool and leadership in the retrofitting of renewable energy generation to an historic building.

This report recommends that Council rejects and negotiates with conforming tenderers for Part A and rejects all tenders for Part B.

**RECOMMENDATION**

It is resolved that:

- (A) Council reject all tenders for Parts A and B, the supply and installation of the solar power (photovoltaic) system, for the reasons set out in the subject report;
- (B) Council not invite fresh tenders or applications as it is considered that would not attract additional suitable contractors over and above those that have responded to this tender;
- (C) Council enter into negotiations with conforming tenderers that are suitably qualified and demonstrate a capability to undertake the scope of works for Part A based on a simplified fixing mechanism;
- (D) authority be delegated to the Chief Executive Officer to enter into a contract, subject to the conclusion of negotiations with suitable contractors for the scope of works in tender Part A; and
- (E) Tender Evaluation Summary, Attachment A to the subject report, remain confidential in accordance with Section 10A(2)(d) of the Local Government Act 1993.

**ATTACHMENTS**

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

## **BACKGROUND**

1. Following consideration of a progress report to Council on Sydney Town Hall – Phase 1 Essential Services Upgrade – October 2008 Report, and a feasibility study prepared by the Department of Commerce, Council at its meeting of 24 November 2008 resolved that:
  - “(B) combined solar panel location options 1, 2, and 3 as detailed in paragraph 15 of the subject report, and in Attachment C to the subject report, be approved in principle subject to a detailed heritage assessment being undertaken and a development application being prepared for consideration by the Sydney Town Hall Advisory Committee prior to lodgement;
  - “(C) the estimated total costs (allowing for design, fees, supervision and project contingency) of approximately \$635,000 be financed from the Capital Works Contingency;”
2. The Sydney Town Hall Advisory Committee reviewed the heritage assessment and the development application and the DA was subsequently lodged.
3. The development application was approved on 17 June 2009.
4. The supply and installation of such a system was considered to provide over 50 megawatt hours of renewable energy per year, which is approximately 4% of the property’s 06/07 annual consumption (last annual year of measurement, consuming 1,260,219kwh and costing \$106,156).
5. The system was considered to have a life expectancy of 30 years and a financial payback of 22 years (based on the budget and expected increases in the cost of grid supplied electricity.) The system also has a carbon payback period of 3.5 years. The carbon payback period is defined as the length of time taken for the system to recover the energy and associated generation of pollution and CO<sub>2</sub> that went into manufacturing it.
6. Design documents were prepared. Because of the design of the proposal it was decided to call two tenders at the same time: Part A for the supply and installation of the solar power (photovoltaic) system and Part B for the supply and installation of supporting structure for the solar panels.
7. Tenderers were invited to submit for either or both options.

## **INVITATION TO TENDER**

8. Tenders were advertised in The Sydney Morning Herald and The Australian, opening on Tuesday 7 April 2009 and closing on Tuesday 28 April 2009.

## **TENDER SUBMISSIONS**

9. For Part A, the supply and installation of the solar power (photovoltaic) system, nine tenders were received, from the following organisations:
  - BP Solar;
  - Downer EDI Engineering;

- Earth Utility;
  - Kell and Rigby;
  - LJW Solar;
  - Modern Roof Restoration;
  - QMC Group;
  - Solgen Energy; and
  - Stowe Australia.
10. For Part B, the supply and installation of supporting structure for the solar panels. two tenders were received, from the following organisations:
- Kell and Rigby; and
  - QMC Group.
11. No late submissions were received.

#### **TENDER EVALUATION**

12. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
13. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
14. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) tendered price;
  - (b) allocation of adequate resources and experience in works of a similar nature;
  - (c) product technical quality;
  - (d) proposed program;
  - (e) proposed methodology;
  - (f) environmental management;
  - (g) Occupational Health and Safety; and
  - (h) financial and commercial trading integrity / insurances
15. During the tender period, a simplified method of supporting the panels was discovered which better suits Council's needs. For this reason it is recommended that Council reject all tenders for Parts A and B of the tender and enter into negotiations with conforming tenderers that are suitably qualified and demonstrate a capability to undertake the scope of works for Part A based on a simplified fixing mechanism.

### **PERFORMANCE MEASUREMENT**

16. The City will ensure that performance standards are monitored during construction by:
- (a) attending weekly site meetings and regular inspection of the works with the Contractor;
  - (b) undertaking Quality Assurance inspections with the City's Design Consultants at critical points in the construction;
  - (c) ensuring that the Contractor delivers all necessary OH&S plans, work method statements, inspection and test plans and certificates of compliance as specified in the tender documents for Council review; and
  - (d) monitoring the Contractor's program and assessing monthly progress claims.

### **FINANCIAL IMPLICATIONS**

17. There are sufficient funds allocated for this project within the current Corporate Plan, based on adopting the option of rejecting all tenders and utilising a simplified method of supporting the panels as outlined in the Confidential Tender assessment attached.

### **HERITAGE IMPLICATIONS**

18. The amended proposal is considered appropriate for the following reasons:
- (a) the panels will be visually unobtrusive, of very low reflectivity and of similar colour to the existing slates;
  - (b) the proposal is of very low profile and will not disrupt views of other roof elements;
  - (c) the solar panels and support structure originally proposed for the lower northern roof will be removed. This makes the overall system neater in appearance, reduces the additional weight and components and reduces the risk of damage to existing roof membranes by fixings or construction damage;
  - (d) the proposal facilitates access for inspection and replacement of roof slates when required;
  - (e) the risk of damage such as cracking of slates during construction is minimal;
  - (f) the proprietary clips proposed mean that all existing slates will remain in place. The clips themselves will be installed by roof slaters and any installation damage will be repaired at the time of installation;
  - (g) the clip system adds minimal weight to the existing structure and is fully reversible; and
  - (h) the proposed lightweight system poses no risk of major roof damage during construction or future demolition as no craning of substantial steel members is necessary.

**RELEVANT LEGISLATION**

19. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
20. Information provided by tenderers, which is commercial-in-confidence, has been protected and will not be disclosed in accordance with section 10A(2)(d) of the Local Government Act 1993. A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer.

**CRITICAL DATES / TIME FRAMES**

21. It is desirable to have the solar array installed and working in December 2009. The project should take 5 to 6 months from placement of orders to completion.

**OPTIONS**

22. The Confidential Tender evaluation concludes that Council should reject all tenders for both Parts A and B, and negotiate with complying tenderers for the supply and installation of the solar panels using a simplified support system. The option of calling fresh tenders is not recommended as it is considered that no additional suitable contractors would emerge.

**PUBLIC CONSULTATION**

23. Public consultation has been carried out through the submission and notification of the Development Application.

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