

**ITEM 10. TENDER - FIREWORKS DISPLAYS FOR 2017 AND 2018 SYDNEY  
NEW YEAR'S EVE (WITH OPTION TO EXTEND FOR 2019 – 2021)**

**FILE NO: X003641.003**

**TENDER NO: 1704**

**SUMMARY**

This report provides details of the tenders received for the provision of fireworks displays for 2017 and 2018 Sydney New Year's Eve (with an option to extend for 2019 – 2021).

Sydney New Year's Eve is one of the biggest annual celebrations in the world, attracting one million spectators along the Sydney Harbour foreshore and a global audience of one billion. The event is recognised as Hallmark Event by the NSW Government and has an annual direct economic impact on NSW of more than \$133 million.

The event includes two fireworks displays and a Welcome to Country ceremony on Sydney Harbour, along with lighting and projections on the Sydney Harbour Bridge.

The provision of the fireworks displays is an essential element of the event. The most recent contract for the services expired following 2016 Sydney New Year's Eve.

A tender was conducted for the supply of fireworks displays for the event for the next two years, with an option to extend for a further three years. The scope of works includes all fireworks and pyrotechnics effects for the displays, as well as associated services including management of the fireworks loading site, and media and promotion activities.

This report recommends that Council accept the tender offer of Tenderer 'C' for the provision of fireworks displays for 2017 and 2018 Sydney New Year's Eve (with an option to extend for 2019 – 2021).

**RECOMMENDATION**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'C' for the provision of fireworks displays for a period of two years to cover 2017 and 2018 Sydney New Year's Eve, with the option of an extension of three years to cover the event in 2019 – 2021;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

**ATTACHMENTS**

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

**(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)**

## **BACKGROUND**

1. Sydney New Year's Eve is one of the world's biggest annual celebrations, and a Hallmark Event for NSW. The event includes two main fireworks displays and a Welcome to Country ceremony on Sydney Harbour, and lighting and projections on the Sydney Harbour Bridge. In addition, the City provides a number of free vantage points and services for the general public, and produces several invitation-only events at outdoor locations.
2. The focus of the annual event is the fireworks displays. The displays are broadcast live nationally and internationally, and feature heavily in media coverage both prior to and following the event.
3. The appointment of a supplier for the fireworks displays was last put out to tender in 2012. The most recent contract expired following 2016 Sydney New Year's Eve.
4. Tenders were invited for the supply of fireworks displays for the event for the next two years (2017 and 2018), with an option to extend for a further three years (covering 2019 – 2021). The scope of works includes all fireworks and pyrotechnics effects for the displays, as well as associated services including management of the fireworks loading site, and media and promotion activities.
5. Tenderers were required to demonstrate experience providing fireworks displays and associated services at major world recognised events or iconic locations, and provide a five-year strategic plan for the displays demonstrating creative, technological, operational and environmental innovation to ensure sustainability of the event.
6. The scope of work in the Request for Tender included:
  - (a) provision of the fireworks displays;
  - (b) site management of the fireworks loading site and other locations associated with the displays;
  - (c) creative deliverables including an annual concept plan in response to the City's creative brief;
  - (d) command and coordination of the displays during the event;
  - (e) media and promotion activities; and
  - (f) reporting.

## **INVITATION TO TENDER**

7. The Request for Tender was advertised in The Sydney Morning Herald, The Daily Telegraph and via the City's online eTendering portal on Tuesday 31 January 2017. The closing date for submissions was 11am Tuesday 28 February 2017.

**TENDER SUBMISSIONS**

8. Three submissions were received from the following organisations:
  - Fireworks Australia Importers Pty Ltd
  - Foti International Fireworks Pty Ltd
  - Howard & Sons Pyrotechnics.
9. No late submissions were received.

**TENDER EVALUATION**

10. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
11. In accordance with the Request for Tender documents, the panel met with each tenderer on 3 April 2017 for a presentation of the tenderer's strategic plan and the opportunity for the panel to ask questions relating to the tender submissions.
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) demonstrated relevant experience, capability and technical ability to carry out the work under the contract;
  - (b) demonstrated capability, qualifications and experience of the specified personnel;
  - (c) the innovation, creativity and strategic thinking demonstrated in the strategic plan;
  - (d) environmental management;
  - (e) Work Health and Safety;
  - (f) financial and commercial trading integrity; and
  - (g) provision of insurances.

**PERFORMANCE MEASUREMENT**

14. Key Performance Indicators were set out in the Request for Tender documentation as follows, and will be included in any resultant contract:
  - (a) deliverables as detailed in the tender specification;
  - (b) quality of work;
  - (c) time;
  - (d) reporting;

- (e) communication; and
  - (f) Work Health and Safety compliance.
15. Performance of the contractor will be evaluated regularly, at least annually following each Sydney New Year's Eve event, and always upon completion of the contract.

**FINANCIAL IMPLICATIONS**

16. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

**RELEVANT LEGISLATION**

17. 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.
18. 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.
19. 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**

20. To enable the contractor sufficient lead time to deliver the fireworks displays for 2017 Sydney New Year's Eve, contracts must be signed by the end of May 2017. This is principally to allow sufficient time for the design and manufacture of the fireworks.
21. Deferral of a decision would impact on the contractor's ability to deliver the services for 2017 Sydney New Year's Eve to a high standard or, in the event of a significant delay, the ability to deliver the services at all.

**OPTIONS**

22. Not proceeding with engaging a contractor to provide the fireworks displays would put the City's ability to deliver the Sydney New Year's Eve event at risk. The fireworks displays are the most significant creative element of the show delivered on Sydney Harbour.

**ANN HOBAN**

Director City Life

Anna McInerney, Executive Producer Major Events and Festivals