4.1 TENDER FOR COMPREHENSIVE LIFT MAINTENANCE SERVICES  
(CF2013010:RR)

Responsible Director:  Ossie Martinz

**RECOMMENDATION**

That Council:

1. Accepts the tender from Schindler Lifts Australia Pty Ltd to provide Comprehensive Lift Maintenance Services, for a period of three years with two, three year extensions for the annual sum of up to $48,280 including GST and an annual contingency sum of $15,000, with a total estimated expenditure over the nine year contract term of $569,520;

2. Authorise the Chief Executive Officer to execute the contract agreement; (and)

3. Authorise the Chief Executive Officer to approve each of the two extension option(s), subject to satisfactory performance.

**INTRODUCTION**

As part of Council’s statutory building maintenance obligations, lifts in Council buildings require regular preventative maintenance and safety checks that can only be performed by competent lift mechanics.

**BACKGROUND**

Council has a total of twelve (12) lifts across nine (9) buildings. The lifts currently in service are maintained by eight (8) contractors; OTIS, Shindler, Lift Shop, KONE, United Lift Services, ARJO Huntleigh, P.R. King and Tieman Scissor Hoist. A comprehensive service and maintenance agreement with one service provider is required to cover all regular servicing including replacement of all components such as motors and door mechanisms that fail as part of normal wear. There is an opportunity to simplify the internal administration costs and procedures.

**CONTRACT PERIOD**

The longer the term of the maintenance agreement the greater the opportunity for contractors to amortise major costs and thus reduce the overall cost of the contract.

The Chief Executive Officer approved tender documentation be prepared for a contract term of three (3) years with two (2), three (3) year extensions, for a total of nine (9) years, subject to satisfactory performance.

**NOTIFICATION**

Advertisements were placed in ‘The Age’ newspaper, calling for tender submissions. Six (6) submissions were received by the advertised closing date.
**TENDERS RECEIVED**

The six (6) tenders received are listed below:
- Schindler Lifts Australia Pty Ltd
- OTIS Elevator Company Pty Ltd
- KONE Elevators Pty Ltd
- Sanscord Pty Ltd (TA, Independent Lifting Services)
- United Lifting Services Pty Ltd
- Liftronic Pty Ltd

**TENDER EVALUATION**

**Basic Compliance Checklist:**

The submissions were subjected to a compliance test. This test ensured that all the submitted tenders complied with the basic tender conditions and fell within the allocated budget.

The six (6) submissions received ranged from $39,941 to $56,060 per annum including GST. Of those received, three (3) were deemed non-compliant or their fees submitted did not fall within Councils allocated budget.

The remaining three contractors to undergo a detailed evaluation were:
- Schindler Lifts Australia Pty Ltd
- OTIS Elevator Company Pty Ltd
- Sanscord Pty Ltd (TA, Independent Lifting Services)

**Evaluation Panel:**

The evaluation panel consisted of:
- Ross Kaplan       Facility Services Coordinator
- Rob Renshaw       Manager Asset Services
- Derek Naylor      E Con Strategic – (Independent)

**Evaluation Criteria:**

The tenders received were assessed according to the following criteria listed in the tender documentation:

- OHS Management system
- Financial viability
- Resources and capacity
- Company profile, management, supervision and structure
- Qualifications and experience
- Methodology and execution of services
- Sustainable work practices & environmental protection
- References
- Price
DISCUSSION

The evaluation panel undertook a detailed assessment of the documentation provided and invited the best two performing contractors for an interview. Reference checks were undertaken to verify the contractor performance for similar size contracts.

The tenderer with the highest overall evaluation score and with the second lowest lump sum was Schindler Lifts Australia Pty Ltd. This contractor has a strong reputation in the industry for responsive service delivery and quality. Schindler Lifts Australia Pty Ltd is a current provider of services to Council and has demonstrated over time a strong service ethic and a willingness to work with council to achieve value for money outcomes.

The second highest scoring tender was from OTIS Elevator Company Pty Ltd who hold a strong market presence in Australia. OTIS Elevator Company Pty Ltd is a current contractor to council and have demonstrated inconsistent levels of service performance.

The third lowest price and score was submitted by Sanscord Pty Ltd (TA, Independent Lifting Services).

The 3 other submissions were nonconforming or considered to be outside Councils available budget.

FINANCIAL IMPLICATIONS

The current annual expenditure for regular maintenance is $60,400, the tender submitted by Schindler Lifts Australia Pty Ltd for $48,280 represents an annual saving of approximately $12,000. The lump sum submitted is to provide comprehensive maintenance services, this excludes repairs required due to external causes ie vandalism, for that reason a contingency amount of $15,000 per annum has been allowed.

Some of the lifts have existing maintenance agreements that will progressively be rolled into this contract over the first few years. It is projected that the contract value will commence at $30,000 per year rising to $48,280 when all lifts are migrated.

A financial check was carried out on behalf of Council by Dunn and Bradstreet and reported that Schindler Lifts Australia Pty Ltd represented a low financial risk.

Expenditure for this contract is budgeted for in the 2012-13 recurrent budget. Rise and Fall is calculated annually based on the Melbourne All Groups CPI.

CONCLUSION

The evaluation panel recommends the appointment of Schindler Lifts Australia Pty Ltd to provide Comprehensive Lift Maintenance Services with an annual value of $63,280 and a projected value of $570,000 over nine year contract term, with an initial period of three years and two, three year extensions options subject to demonstrated performance.