

ITEM 8 TENDER T1000187 - WOLLONGONG TOWN HALL AND ART GALLERY UPGRADES

The Wollongong Town Hall and Art Gallery hold significant arts, cultural, historical, and civic importance for the city of Wollongong and the broader Illawarra region. The Town Hall is the city's key civic and community venue with a large auditorium, multiple performance and meeting spaces. The Art Gallery is home to a diverse, permanent collection featuring Australian, Aboriginal, Asian and contemporary art. The Gallery is central to Council's commitment to arts access and cultural enrichment and offers creative workshops, artist talks, and residencies, fostering artistic development and public interaction.

The tender proposes the renewal and upgrade of building components for the Town Hall and Art Gallery that are at the end of their useful lives or are no longer fit for purpose, including roofing and roof drainage systems, heating, ventilation and air conditioning systems, fire protection systems, electrical systems, and the installation of new solar panels on the Town Hall.

The Tender Evaluation Panel has concluded that none of the tenders are recommended for acceptance, and it is anticipated that negotiations with the tenderers or any other party in relation to the scope of works will result in a satisfactory outcome being achieved.

This report recommends that Council decline to accept any of the tenders submitted for Tender T1000187 – Wollongong Town Hall and Art Gallery Upgrades, in accordance with Section 178(1)(b) of the *Local Government (General) Regulation 2021*.

RECOMMENDATION

- 1 In accordance with Section 178(1)(b) of the *Local Government (General) Regulation 2021*, Council decline to accept any of the tenders received for T1000187 – Town Hall and Art Gallery Upgrades.
- 2 In accordance with Regulation 178 (3)(e) of the *Local Government (General) Regulation 2021*, Council resolve to enter into negotiations with one or all of the tenderers or any other party with a view to entering into a contract in relation to the subject matter of the tender as inviting fresh tenders may delay the project and it is anticipated that a satisfactory outcome can be achieved with one of the parties who demonstrate a capacity and capability to undertake the works.
- 3 Council delegate to the General Manager the authority to undertake and finalise the negotiations, with one or all of the tenderers or any other party, with a view to entering into a contract in relation to the subject matter of the tender.
- 4 Council grant authority for the use of the Common seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Jeremy Morgan, Manager Project Delivery
 Authorised by: Joanne Page, Director Infrastructure + Works

ATTACHMENTS

There are no attachments for this report.

ACRONYMS USED IN REPORT

Abbreviation	Meaning
HVAC	Heating, Ventilation and Air Conditioning

BACKGROUND

Tenders were invited for the Wollongong Town Hall and Art Gallery upgrades, including:

- Replacement roofing and roof drainage system;
- Renewal and upgrade of mechanical and heating, ventilation and air conditioning systems;
- Fire protection upgrades to the Art Gallery and a new fire booster system to service the building;

- Upgraded electrical board and systems to current standards; and
- Installation of solar panels to the roof of the Town Hall.

The works will improve temperature-controlled conditions for storing and displaying art works, to reduce the impacts of climate related degradation of pieces and enable the Wollongong Art Gallery to attract higher calibre exhibitions.

The Wollongong Town Hall and Art Gallery buildings are both significant buildings in Wollongong's landscape, holding significant local heritage value. In recent years, the buildings have experienced significant roof leaks during rain events. Additionally, the mechanical and air conditioning systems have reached their end of life and need replacement for the buildings to continue operating efficiently and effectively.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 19 June 2025.

Four (4) tenders, from the organisations listed below, were received by the close of tenders and all tenders have been scrutinised and evaluated by a Tender Evaluation Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of the Project Delivery, City Works and Community, Culture & Engagement Divisions:

- AirMaster Corporation Pty Ltd
- Batmac Constructions Pty Ltd
- Climax Air Conditioning Pty Ltd
- Makki Constructions Pty Ltd

The Tender Evaluation Panel evaluated all tenders in accordance with the following Evaluation criteria and weightings as set out in the formal tender documents:

Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope
- 2 Financial evaluation acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works
- 3 Evidence of accreditations in: Certified WHS Management System (AS/NZS ISO 45001:2018), certified Quality Management System (AS/NZS ISO9001:2016), Environmental Management System (AS/NZS ISO14001:2016)
- 4 Tender Programme submitted confirms to contract milestone dates
- 5 Tenderers must submit completed GC21 Tender Schedules
- 6 Attendance at site inspection
- 7 Tenderer's must confirm they have downloaded and can view the provided building 3D survey

Evaluation Criteria

1. Cost to Council – 45%
2. Appreciation of scope of works and construction methodology – 15%
3. Demonstrated experience and satisfactory performance in undertaking projects of similar size, scope and risk profile, including staff qualifications and experience – 10%
4. Proposed sub-contractors – 5%
5. Project Schedule including minimising shutdown timeframes to operational areas – 10%
6. Demonstrated strengthening of local economic capacity – 10%
7. Accredited workplace health and safety management system and environmental management policies and procedures – 5%

Council considered reports relating to Tender 1000187 – Wollongong Town Hall and Art Gallery Upgrades at its meeting of 25 August 2025 in conjunction under Item 13 and Item 20. In relation to these items, Council resolved as follows:

1. *That this item be considered in conjunction with Item 13.*
2. *That Item 13 - Tender T1000187 - Wollongong Town Hall and Art Gallery HVAC and Refurbishment Works be deferred to enable further review of the tenders received.*
3. *That a further report be provided at a future meeting of Council to consider the outcomes of the review of tenders for T1000187 - Wollongong Town Hall and Art Gallery HVAC and Refurbishment Works*

A review has now been undertaken, and this report provides a revised recommendation.

PROPOSAL

The Tender Evaluation Panel has concluded that none of the tenders is acceptable and has recommended that all tenders be declined. The *Local Government (General) Regulations* includes the following provision under Regulation 178 (3)(e):

(e) by resolution of the council, enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender

It is recommended that negotiations be undertaken with one or all of the tenderers, or any other party, with a view to entering into a contract for the subject matter of the tender.

The planned works require the temporary closure of the facilities and advanced notice provided to enable planning for the shutdown including rescheduling of any bookings for events, exhibitions and productions during the planned construction period. Inviting fresh tenders for the works may result in delays to the construction works and would impact the planned reopening of the facilities.

Based on the tenders evaluated, the Panel anticipates that a satisfactory outcome can be achieved through a negotiation process conducted in accordance with Council's Procurement Policies and Procedures as some tenderers satisfactorily demonstrated their capability to under the works.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Evaluation Panel
- 2 Nominated Referees

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong Our Future 2035 Goal 3 – “We foster a diverse economy, and we value innovation, culture, and creativity”. It specifically delivers on the following:

Community Strategic Plan 2035		Delivery Program 2025-2029	
Strategy		Service	
1.5	Work together to achieve net zero greenhouse gas emissions and mitigate the impacts of climate change.	Environmental Services	
2.3	Deliver high quality, fit for purpose and sustainable infrastructure to support a growing and resilient city	Infrastructure Strategy and Delivery	
2.7	Develop and implement programs and projects that achieve proactive heritage management, education and promotion.	Community Programs	
3.12	Promote museums and galleries as part of the cultural landscape	Arts and Culture	
4.2	Provide a variety of quality and accessible public spaces and opportunities for sport, play, leisure, recreation, learning and cultural activities in the community.		

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the *Local Government Act 1993*. The risk of the project works or services is considered medium based upon Council's risk assessment matrix and appropriate risk management strategies will be implemented.

SUSTAINABILITY IMPLICATIONS

Sustainability implications have been considered as follows:

- Sustainable procurement by providing open tender to give local companies the opportunity to tender for the work.
- Weighting in tender assessment provided for using local services, labour and materials.
- Introduction of renewable energy source to the Town Hall through installation of solar panels
- Modernised HVAC systems will operate with improved energy efficiency
- Removal of gas services to the Town Hall Building
- Fit for purpose building materials to resist the coastal environment in which the building is located.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Operational Plan –

2025/26 Capital Budget

2026/27 Capital Budget

An application for funding under the NSW Government Electrification grant program is pending assessment, with the outcome anticipated to be advised in October 2025.

CONCLUSION

The proposed renewal and upgrade work to the Town Hall and Art Gallery Buildings is aligned with the strategic direction and key actions within Council's Delivery Program and Operational Plan. Whilst the recommendation of the report is to decline all tenders, it is anticipated that a satisfactory outcome can be achieved through a negotiation process conducted in accordance with Council's Procurement Policies and Procedures, to ensure this much need work proceeds. On this basis, it is recommended that Council endorse the recommendations of this report.