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Our ref.:10562-11-L01

**The Owners Corporation of Strata Plan 47991
C/- Bright & Duggan
Level 1, 37-43 Alexander Street
CROWS NEST, NSW 2150**

Attention: Mr Bart Jaworski

**41 ROCKLANDS ROAD, WOLLSTONECRAFT
LIFT SERVICES**

Four (4) lift companies, Otis Elevators, ThyssenKrupp Elevator, Schindler Lifts and Kone Elevators were invited to tender for, Option 1 – the upgrade works for the six (6) lifts and Option 2 – the replacement of the six (6) lifts with new Machineroomless lifts (MRL's), together with the on-going maintenance.

We received tenders from all the lift companies however some tenders provided comments and/or deviations which required further clarification.

We have now received sufficient responses and advise accordingly.

Schindler Lifts and Kone Elevators were not able to provide an upgrade offer, therefore two (2) upgrade offers were received from ThyssenKrupp Elevators and Otis Elevators. The offer made by Otis Elevators to upgrade Lift Nos. 1 to 6 was the most cost effective to the sum of \$ 1,500,000.00 exclusive of GST.

Otis Elevators also provided the most cost effective upgrade offer to upgrade Lift Nos. 2 and 5 only to the sum of \$ 470,000.00 exclusive of GST.

Replacement offers were received from the four (4) tendering companies with the best offer from a cost perspective being made by Schindler Lifts to the sum of \$1,249,026.54 exclusive of GST.

Kone Elevators and Otis Elevator provided the next best offers to sums of \$ 1,256,000.00 exclusive of GST and \$ 1,280,756.00 exclusive of GST respectively.

From the offers made, the lift replacement option was significantly more cost competitive. We would recommend that the replacement option be considered as the Owners would benefit not only in having new lift systems installed but also the removal of the existing redundant basement drive lift systems.

LONG TERM OWNERSHIP COMPARISONS - OPTION 1 (LIFT UPGRADE)

The following cost summary compares Option 1 from the lift companies for the offers made.

The summary is in order of capital cost magnitude and is in simple form, **exclusive** of GST and the effect of inflation and is based on:

- .1 The base upgrade works which includes a Prime Cost sum of \$30,000.00 per lift car for interiors.
- .2 Owning cost based on the capital cost and the three year fixed maintenance price which commences at the end of the twelve months defects liability.

OPTION 1 – LIFT UPGRADE – LIFT NOS. 1 TO 6

Tenderer	Upgrade Works \$	Maintenance per Annum \$	Owning Cost (4 years) \$
Otis Elevators	1,500,000.00	30,600.00	1,591,800.00
ThyssenKrupp Elevator	1,517,500.00	36,000.00	1,625,500.00

Tenderers were also requested to provide an optional price to upgrade Lift Nos. 2 and 5 only.

OPTION 1 – LIFT UPGRADE – LIFT NOS. 2 AND 5 ONLY

Tenderer	Upgrade Works \$	Maintenance per Annum \$	Owning Cost (4 years) \$
Otis Elevators	470,000.00	30,600.00	561,800.00
ThyssenKrupp Elevator	549,600.00	44,000.00	681,600.00

LONG TERM OWNERSHIP COMPARISONS - OPTION 2 (LIFT REPLACEMENT)

The following cost summary compares Option 2 from the lift companies for the offers made.

The summary is in order of capital cost magnitude and is in simple form, **exclusive** of GST and the effect of inflation and is based on:

- .1 Owning cost based on the capital cost and the three year fixed maintenance price which commences at the end of the twelve months defects liability.

OPTION 2 – LIFT REPLACEMENT – LIFT NOS. 1 TO 6

Tenderer	New MRL's \$	Maintenance per Annum \$	Owning Cost (4 years) \$
Schindler Lifts	1,249,026.54	39,372.00	1,367,142.50
Kone Elevators	1,256,000.00	38,500.00	1,371,500.00
Otis Elevators	1,280,756.00	30,600.00	1,372,556.00
ThyssenKrupp Elevator	1,662,800.00	36,000.00	1,770,800.00

Tenderers were also requested to provide an optional price to replace Lift Nos. 2 and 5 only.

OPTION 2 – LIFT REPLACEMENT – LIFT NOS. 2 AND 5 ONLY

Tenderer	New MRL's \$	Maintenance per Annum \$	Owning Cost (4 years) \$
Otis Elevators	426,918.00	30,600.00	518,718.00
Schindler Lifts	411,342.18	39,372.00	529,458.18
Kone Elevators	418,333.00	38,500.00	533,833.00
ThyssenKrupp Elevator	590,800.00	44,000.00	722,800.00

The tenderers were requested to provide an optional price to provide all six (6) lifts being capable of a contract speed of 1.6 metres per second in lieu of 1.0 metres per second.

Tenderer	New 1.6m/s MRL's Lift Nos. 1 to 6 \$	New 1.6m/s MRL's Lift Nos. 2 and 5 Only \$
Otis Elevators	Included in Base Tender	Included in Base Tender
Schindler Lifts	Included in Base Tender	Included in Base Tender
Kone Elevators	Included in Base Tender	Included in Base Tender
ThyssenKrupp Elevator	15,000.00	5,000.00

DELIVERY AND INSTALLATION

The following indicative time periods were offered by the lift companies as the minimum time period from receipt of order to completion of the works. The installation times do not include for Public holidays, RDO's, etc.

OPTION 1 – LIFT UPGRADE – LIFT NOS. 1 TO 6

Tenderer	Delivery	Installation	Total Time
Otis Elevators	24 weeks	58 weeks	82 weeks
ThyssenKrupp Elevator	28 weeks	57 weeks	85 weeks

OPTION 1 – LIFT UPGRADE – LIFT NOS. 2 AND 5 ONLY

Tenderer	Delivery	Installation	Total Time
Otis Elevators	24 weeks	21 weeks	45 weeks
ThyssenKrupp Elevator	28 weeks	20 weeks	48 weeks

OPTION 2 – LIFT REPLACEMENT – LIFT NOS. 1 TO 6

Tenderer	Delivery	Installation	Total Time
Otis Elevators	18 weeks	69 weeks	87 weeks
Kone Elevators	21 weeks	69 weeks	90 weeks
ThyssenKrupp Elevator	26 weeks	69 weeks	95 weeks
Schindler Lifts	23 weeks	75 weeks	98 weeks

OPTION 2 – LIFT REPLACEMENT – LIFT NOS. 2 AND 5 ONLY

Tenderer	Delivery	Installation	Total Time
Otis Elevators	18 weeks	23 weeks	41 weeks
Kone Elevators	21 weeks	23 weeks	44 weeks
Schindler Lifts	23 weeks	25 weeks	48 weeks
ThyssenKrupp Elevator	26 weeks	24 weeks	50 weeks

DEVIATIONS AND COMMENTS

Some of the tenderers offered some deviations and comments and below are only the relevant points we highlight.

ThyssenKrupp Elevator

- They have not received an Asbestos Register to review for this building. In the event the lift installation may contain asbestos they have not made allowance for the removal of any asbestos.
- They require a minimum of three (3) car parking spaces for the duration of the lift replacement project for site storage.
- They have provided their standard amendments to the AS4000 Contract and if ThyssenKrupp Elevators are to be considered these would need to be reviewed by the Owners.

Schindler Lifts

- They require a minimum of two (2) car parking spaces for the duration of the lift replacement project for site storage.
- They requested that the lift full replacement project be based on mutually agreed terms and conditions from previous projects.

Kone Elevators

- They have provided their standard amendments to the AS4000 Contract and if Kone Elevators are to be considered these would need to be reviewed by the Owners.

Otis Elevators

- They have provided their standard amendments to the AS4000 Contract and if Otis Elevators are to be considered these would need to be reviewed by the Owners.
- They have provided their standard amendments to the Owners Comprehensive Maintenance Agreement and if Otis Elevators are to be considered these would need to be reviewed by the Owners.

CONCLUSIONS AND RECOMMENDATIONS

There are two Options being considered here, firstly Option 1, upgrade of the existing lifts and secondly, Option 2, replacement of the existing lifts with new MRL's.

From the pricing received for the upgrade options the best offer for the upgrade of Lift Nos. 1 to 6 was provided by Otis Elevators to the sum of \$ 1,500,000.00 excluding GST.

Otis Elevators also provided the most cost effective upgrade offer to upgrade Lift Nos. 2 and 5 only to the sum of \$ 470,000.00 exclusive of GST.

The pricing received however for the lift replacement option was far more cost competitive and from the pricing received for the replacement option the best offer was provided by Schindler Lifts to the sum of \$ 1,249,026.54 excluding GST.

Kone Elevators and Otis Elevators provided the next best offers at \$ 1,256,000.00 exclusive of GST and \$ 1,280,756.00 exclusive of GST respectively.

The Owners will need to decide which option they would like to undertake, however based on the tenders received we would recommend in favour of the lift replacement option.

If the lift replacement option is accepted, new deeper lift cars will be installed to comply with the current Building Code of Australia and an option for faster lifts could be considered.

If the Owners were to proceed at this time with the lift replacement project, we would recommend that the tenderers be short listed and further negotiations take place.

Attached with this report are copies of the tender submissions from the lift companies.

We trust that this is satisfactory however should you have any queries, please do not hesitate to contact the undersigned.

JCA LIFT CONSULTANTS



Colin Boswarva
Director