

**ITEM 11. TENDER - ALEXANDRA CANAL DEPOT DESIGN AND
CONSTRUCTION**

FILE NO: S121404

TENDER NO: 1518

SUMMARY

This report provides details of the tenders received for Alexandra Canal Depot project.

The proposed scope of works is the design and construction of a new southern area works depot as described in the scoping report endorsed by Council on 3 November 2014.

The new facility will accommodate 140 staff and house the fleet services, waste services, civil maintenance, construction services and cleansing services sections of the City.

The City's Depot Strategy recommends the consolidation of three works depots in the southern part of the City of Sydney Local Government Area, being Epsom Road, Zetland, Marian Street, Redfern and Gerard Street, Alexandria. Amalgamation of these services to one depot site will result in greater service efficiency and enable the redevelopment of the three existing sites, in particular, the City's current major southern depot at Epsom Road. This depot is within the Green Square and Epsom Park urban renewal areas, and must be relocated to enable the major trunk drainage improvement works and Gunyama Park to be constructed.

This report recommends that Council accept the tender offer of Tenderer 'A' for the design and construction of the Alexandria Canal Depot Project.

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for Alexandra Canal Depot project;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract relating to the tender; and
- (C) additional funds be sought from future years' property capital works related program.

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. The City of Sydney has a substantial commitment to the Green Square Urban Renewal Area and the surrounding southern suburbs, in terms of the current and future development of these precincts.
2. In order to facilitate the delivery of the Green Square Town Centre and surrounding infrastructure and public recreation areas, the City recognised the need to identify an alternative location for the City's Epsom Road Depot and to collaborate with Waverley Council in co-ordinating their relocation from the Green Square Town Centre.
3. In 2012, Council resolved to buy land for the new Depot at Lots 4 to 11 / 67 Bourke Road and part Lot 6B Huntley Street, Alexandria.
4. A new multi-purpose operational depot in the southern part of the City Local Government Area will enable the consolidation of operations from three existing depot sites, namely:
 - (a) Epsom Road, Zetland – Fleet Services, Garbage Services and Civil Maintenance;
 - (b) Gerard Street, Alexandria – Construction Services; and
 - (c) Marian Street, Redfern – Cleansing Services.
5. The consolidation enables the co-location of several complementary works and maintenance functions, which presently serve the southern areas of the City Local Government Area from multiple locations.
6. In July 2014, the City invited expressions of interest for the project. There were 13 submissions and the following shortlist of contractors was selected to invite to tender on this project:
 - (a) Cockram Construction Ltd;
 - (b) Hansen Yuncken;
 - (c) Haslin Constructions;
 - (d) Kane Constructions Pty Ltd;
 - (e) Lipman Pty Ltd; and
 - (f) Taylor Constructions.
7. Two parties subsequently declined to tender (being Haslin Constructions and Taylor Constructions).
8. On 3 November 2014, Council endorsed the project scope for the Alexandra Canal Depot, as described in the subject report and shown at Attachment A to the subject report, and endorsed the calling of a design and construction tender for the delivery of the works.

9. The tender process was delayed slightly by changes to the Draft Sydney Local Environment Plan and the Draft Sydney Development Control Plan, approved by Council on 30 March 2015 and by the State Government on 12 June 2015.

INVITATION TO TENDER

10. Tenders were issued to shortlisted parties on 13 April 2015 and closed on 23 June 2015.

TENDER SUBMISSIONS

11. Four tender submissions were received from the following organisations:

- Cockram Construction Ltd
- Hansen Yuncken
- Kane Constructions Pty Ltd
- Lipman Pty Ltd

12. No late submissions were received.

TENDER EVALUATION

13. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.

14. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.

15. All submissions were assessed in accordance with the approved evaluation criteria being:

- (a) project methodology and demonstrated understanding of project requirements;
- (b) understanding of program elements and ability to achieve the required completion date;
- (c) experience, capacity and qualifications of nominated project team and companies;
- (d) tender qualifications and assumptions;
- (e) demonstrated design excellence including planning compliance and innovative design solutions;
- (f) Workplace Health & Safety;
- (g) financial and commercial trading integrity including insurances; and
- (h) lump sum price and schedule of prices.

PERFORMANCE MEASUREMENT

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

FINANCIAL IMPLICATIONS

17. Additional funds are required for this project due to higher than expected project costs. Acceptance of the recommended tender will therefore require Council to increase the budget, as detailed in confidential Attachment A.

RELEVANT LEGISLATION

18. 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.
19. Other legislation applying is the Environmental Planning and Assessment Act 1979 covering general planning and environmental legislation.
20. 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
21. 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

22. Due to the development of Green Square infrastructure requirements (including drainage amplification and the creation of Gunyama Park next to the future aquatic centre), it is desirable that the City's depot operations vacate the Epsom Road site by mid-2017. Allowing 3½ months for development consent, and a month for weather delays to construction, the current forecast completion date for the new depot is mid-August 2017.

OPTIONS

23. As the City's main southern depot at Epsom Road needs to be closed, the impact of not proceeding with the facility could mean unacceptable disruptions to essential services provided by the City to residents and businesses in the southern half of the local government area.
24. There are no other viable alternative options for the design and construction of a depot that can be delivered within the available timeframe.

PUBLIC CONSULTATION

25. All surrounding land uses are non-residential. It is intended that residents will continue to receive a seamless transition of service from the old depot to the new.
26. The City has held ongoing discussions with adjoining land owners, including Waverley Council, Ausgrid and a private owner at 6A Huntley Street. In due course, other neighbours will also be notified and a development application lodged.
27. On 13 March 2015, the Office of Local Government confirmed its determination that Council had satisfactorily addressed the capital expenditure criteria for the project.

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