

**ITEM 9. TENDER - ARGYLE STREET UPGRADE – KENT STREET TO
LOWER FORT STREET, MILLERS POINT SYDNEY**

FILE NO: S110346

TENDER NO: 1558

SUMMARY

This report provides details of the tenders received for Argyle Street Upgrade Project.

The project will deliver an improved link between The Rocks, Sydney and the new Headland Park at Barangaroo, giving pedestrians greater priority. It will also provide improved community facilities at the Abraham Mott Community Centre and Harry Jensen Centre.

The improvements include reclaiming the bus layover area to create a new park, regrade and resurface the main footpath, provide new street trees and street furniture, provide new community playground equipment and improve accessibility into the Harry Jensen Centre.

The scoping report for the design was approved by Council on 17 March 2014. The Local Pedestrian, Cycling and Traffic Committee endorsed the proposed traffic changes on 15 April 2015.

This report recommends that Council accept the tender offer of Tenderer 'A' for Argyle Street upgrade – Kent Street to Lower Fort Street, Millers Point Sydney.

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for Argyle Street upgrade – Kent Street to Lower Fort Street, Millers Point Sydney;
- (B) authority be delegated to the Chief Executive Officer (CEO) to negotiate, execute and administer the contracts relating to the tender, including staging of the construction works;
- (C) Council approve the bringing forward of funds from the project's future year estimates, as outlined in confidential Attachment C to the subject report;
- (D) Council endorse additional scope of works in Argyle Place, described as Option 1 in the subject report, for progression to design development and community consultation; and
- (E) authority be delegated to the CEO to finalise the license agreement with the State Transit Authority.

ATTACHMENTS

Attachment A: General Arrangement Plan.

Attachment B: Options Analysis for Argyle Place Improvements

Attachment C: Tender Evaluation Summary (Confidential)

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

BACKGROUND

1. The Argyle Street Upgrade Project, between Lower Fort Street to Kent Street, was identified as one of the priority projects within the Harbour Village North Study. The Harbour Village North Study sets ideas for improving the public domain of this City precinct.
2. The City undertook a series of three community workshops in 2011 to inform the development of the Harbour Village North Study. Feedback from these workshops and submissions received from the exhibition were used to prioritise a number of projects.
3. The revised Draft Harbour Village North Study was exhibited in February 2012, and was endorsed by Council in May 2012.
4. A concept for the Argyle Street Upgrade Project was developed based on the Harbour Village North Study objectives, including:
 - (a) to improve pedestrian priority, amenity and legibility along Argyle Street which forms the main route between The Rocks and Barangaroo;
 - (b) to create more local open space in an area of reclaimed road space, formerly the tram turning circle / bus layover; and
 - (c) to improve access and the community playground for the Abraham Mott and Harry Jensen Centre.
5. Community consultation was carried out in November 2013. Feedback from the community was reported to Council and suggested amendments incorporated in the design.
6. On 17 March 2014, Council endorsed the scope of works which includes:
 - (a) improved accessibility to the Harry Jensen Centre via a new ramp from Watson Road to the Centre;
 - (b) improved community playground facilities outside the Abraham Mott Community Centre;
 - (c) removal of the unused bin store at the front of the building;
 - (d) removal of parking spaces in front of the Abraham Mott Centre to allow for the community play area;
 - (e) shared zone across Watson Road where it meets Argyle Street with a speed bump ahead of the shared zone on Watson Road;
 - (f) regrading of the footpath along the southern side of Argyle Street from The Cut to Kent Street to become accessibility compliant;
 - (g) kerb extensions on the eastern and western sides of Lower Fort Street where it intersects with Argyle Street to reduce the crossing distance for pedestrians;
 - (h) new City of Sydney Street lighting;

- (i) demolition of brick shelter in Watson Road Reserve, opposite Lower Fort Street; and
 - (j) reclamation of the former tram turning circle/ bus layover, which is part owned by the State Transit Authority, to improve the pedestrian amenity. Works to the State Transit Authority land include:
 - (i) regrading and turfing the land;
 - (ii) introducing a low sandstone hob wall;
 - (iii) planting two trees; and
 - (iv) relocating the existing tram shelter from the back of the land to the front to meet the new footpath and service bus passengers.
7. Following Roads and Maritime Services' approval of a Shared Zone in November 2014, the Local Pedestrian, Cycling and Traffic Calming Committee in April 2015 unanimously endorsed:
- (a) installation of a Shared Zone on Watson Road between the points 0 metres and 27 metres east of Argyle Street;
 - (b) installation of a speed hump on Watson Road 47 metres east of the intersection with Argyle Street; and
 - (c) installation of footway widening on Lower Fort Street between Argyle Street and Argyle Place in Millers Point.
8. Due to the State significance of Millers Point, the project was required to undergo Development Consent Approval. The Development Application was on exhibition in February 2015 and approval was granted in August 2015 with conditions.
9. The works require Section 60 Heritage Office approval prior to works commencing on site.

Works on State Transit Authority Owned Property

- 10. The City has been in discussions with State Transit Authority since October 2013 regarding redevelopment of the former tram turning circle/ bus layover in Argyle Street into a new park.
- 11. The Argyle Street upgrade project retains a bus stop located in front of Abraham Mott and Harry Jensen Centre, which has sufficient space for two buses to store. There will be no changes to the existing bus zone east of Watson Road, where both State Transit Authority and non-State Transit Authority buses can layover.
- 12. The City has completed consultation on behalf of the State Transit Authority to provide new bus stop and kerbside storage space for buses on Hickson Road. This coincided with the changes to public transport and buses being removed from George Street on 4 October 2015. The new bus facilities on Hickson Road are now operational.
- 13. The State Transit Authority has agreed in principle to the City acquiring their land. A licence agreement is proposed to allow the City to build on their land. Conditions will include:

- (a) zero rent payable by the City;
 - (b) licence expiry date of 30 June 2018; and
 - (c) no penalty for holdover so long as acquisition process has commenced by 30 June 2018.
14. Should the State Transit Authority licence be delayed, the City could continue with Stage 1 works, which include all works to the Community Centre's forecourts and accessibility, until such a time as the State Transit Authority land can be compulsorily acquired.

Argyle Place Improvements

15. The Resolution of Council of 17 March 2014 requires:
- "further investigation be carried out on options to increase the size of Argyle Street Park and improve pedestrian safety at the eastern and western ends";*
16. The investigation into options to improve Argyle Street Park has been undertaken and is summarised in Attachment B. Some options would require significant funding and re-routing of State Transit Authority (STA) buses. All options will require removal of parking, further community consultation, traffic committee approval, Development Application and heritage approvals.
17. It is recommended that Option 1, identified in Attachment B, proceed to design and consultation as part of the Argyle Street Improvement works project. This option will address concerns in relation to pedestrian safety at Argyle Place and can be funded within the existing budget. Subject to approvals, the works could be undertaken in 2016.

INVITATION TO TENDER

18. The tender was advertised on 6 October 2015 in The Sydney Morning Herald and The Daily Telegraph. Tenders closed on 3 November 2015.

TENDER SUBMISSIONS

19. Three submissions were received from the following organisations (listed alphabetically):
- Ford Civil Contracting Pty Ltd
 - Glascott Landscape and Civil Pty Ltd
 - Quality Management & Construction Pty Ltd T/as QMC Group
20. No late submissions were received.

TENDER EVALUATION

21. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
22. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment C.

23. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) lump sum price and schedule of prices;
 - (b) demonstrated capacity and technical ability to carry out the work under the contract. Clearly identify how the organisation will approach the multi-disciplinary nature of the project;
 - (c) demonstrated managerial capability, qualifications, experience and number of project personnel. Identify personnel to meet the trades required to achieve the works under contract and experience of the site-based personnel;
 - (d) capacity to achieve the required project program – demonstrate that proposed time for overall completion is achievable. Incorporates lead times, and allows for the required 2 stage delivery of the contract;
 - (e) proposed construction methodology - demonstrated understanding of the heritage requirements and key stakeholder constraints, and a well-articulated sequencing of work. Evidence of Environmental Plan;
 - (f) Workplace, Health and Safety; and
 - (g) financial and commercial trading integrity including insurances.
24. Key performance deliverables are as follows:
- (a) key objectives / deliverables;
 - (b) quality of work;
 - (c) time;
 - (d) reporting;
 - (e) communication; and
 - (f) WH&S compliance.

FINANCIAL IMPLICATIONS

25. There are sufficient capital funds allocated for the proposed works within the 2015/16 capital budget, and future years' forward estimates.
26. The revised delivery program requires funds to be brought forward from future years, as set out in confidential Attachment C.
27. Operational funds are required in the 2016/17 financial year, as set out in confidential Attachment C.
28. The value of the works proposed on State Transit Authority land is detailed in confidential Attachment C.

RELEVANT LEGISLATION

29. 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.
30. Attachment C 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.
31. 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

32. The dates for project delivery are:
- (a) Letter of Acceptance to approved Tenderer Mid December 2015
 - (b) Section 60 approval January 2016
 - (c) Construction Certificate February 2016
 - (d) Approval of Traffic Management Plans Mid February 2016
 - (e) Construction commence Early March 2016
 - (f) Construction complete November 2016

PUBLIC CONSULTATION

33. The Argyle Street Upgrade Project has evolved through extensive public consultation:
- (a) Community workshops to develop the Harbour Village North Study (HVNS) 2011
 - (b) Draft HVNS exhibited February 2012
 - (c) Concept design for Argyle Street exhibited November 2013
 - (d) Argyle Street Development Application exhibited February 2015
 - (e) Shared zone traffic treatment consultation March 2015

34. Future consultation will include:
- (a) contractor commencement letter; and
 - (b) ongoing community liaison during construction.

AMIT CHANAN

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