

**ITEM 10. GREEN SQUARE TRUNK STORMWATER DRAIN - ADDITIONAL
SCOPE**

FILE NO: S121015

SUMMARY

The Green Square Trunk Stormwater Drain Project is intended to deliver key enabling infrastructure that will mitigate flood risks in the Green Square urban renewal area, particularly around Joynton Avenue, Zetland, where storms in April 2015 caused severe flooding and facilitate the continued development of the Green Square Town Centre as a major new residential, retail and cultural hub. The Project involves the construction of a new 2.5 kilometre trunk stormwater drain from Link Road, Zetland to the Alexandra Canal that is being jointly delivered by the City and Sydney Water Corporation.

On 7 April 2014, Council approved the substantive terms of a Project Agreement between the City and Sydney Water Corporation. On 8 December 2014, Council approved the formation of an Alliance between the City and Sydney Water Corporation as Owner Participants and UGL Engineering Pty Ltd, Seymour Whyte Constructions Pty Ltd, Parsons Brinckerhoff Australia Pty Ltd, RPS Manidis Roberts Pty Ltd as the Non-Owner Participants to deliver the Green Square Trunk Stormwater Drain.

Works commenced in February 2015 and are progressing in accordance with the project schedule for completion in late December 2017.

Additions to the original scope of works are now proposed for:

- the drainage works within the Epsom Park precinct; and
- a new shared pedestrian and cycle path beside Alexandra Canal open channel between Maddox Street and south of Huntley Street.

This report seeks Council approval for an increase to the existing contingency allowance for the above additions and exemption from inviting tenders for the construction of the Alexandra Canal shared path.

Additions to the drainage works will assist in timely completion of the trunk drainage project in the Epsom Park precinct, given that two development sites will not be demolished before the new drain is installed.

Construction of a proposed shared pedestrian and cycle path in conjunction with the widening of the open channel will achieve better efficiencies in respect of time, cost and interface risks.

RECOMMENDATION

It is resolved that:

- (A) Council approve an increase to the Risk and Contingency Allowance for Green Square Trunk Stormwater Drain Project as outlined in the confidential Financial Implications, Attachment B to the subject report;
- (B) Council approve the proposed additional funds to be brought forward from the future years as detailed in confidential Attachment B;

- (C) Council approve the scope for the Alexandra Canal shared pedestrian and cycle path adjacent to the Sydney Water owned open channel between Maddox Street and south of Huntley Street as indicated in Attachment A to the subject report;
- (D) Council approve an exemption from inviting tenders for the construction of the Alexandra Canal shared path in accordance with section 55(3)(i) of the Local Government Act 1993 as a result of the following extenuating circumstances:
- (i) better efficiencies will be achieved in respect of time and monies by constructing the shared path as a variation to the Trunk Drain works through:
 - (a) ability to incorporate design requirements of the shared path to provide the best possible public amenity into the channel widening design and avoiding major rework;
 - (b) avoiding major rework to canal piling, capping beam and area created for shared path beside the upgraded open channel;
 - (c) reduction of preliminary costs for construction of shared path through part utilisation of contract administration, site supervision, site establishment, environmental management and off-site overheads for channel widening works; and
 - (d) best utilisation of current resources by avoiding tender and contract process separately by the City at a later date;
 - (ii) potential risks associated with working adjacent to an operating channel are best managed by construction of the shared path by the Non-Owner Participants who are widening the open channel;
 - (iii) the community will derive an environmental benefit in that the noise and traffic impacts associated with construction of the shared path will be minimised if the works are completed concurrently with the channel widening works; and
 - (iv) benefits of the current approach of the competitive alliance through assured value for money outcome is utilised by firming up all costs as lump sum through an independent Quantity Surveyor assessment and Council approval; and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer an agreement with the Sydney Water Corporation to enable construction and maintenance of the proposed Alexandra Canal shared pedestrian and cycle path for public use for which Council will have ongoing operational and maintenance control.

ATTACHMENTS

Attachment A: Proposed Scope for Alexandra Canal Shared Path

Attachment B: Financial Implications (Confidential)

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

BACKGROUND

1. Significant works are underway to transform the Green Square urban renewal area from an old industrial precinct to a new commercial, retail and residential centre. The City has commenced extensive planning and design works to deliver new community infrastructure and public domain works, which include new roads, services, library and plaza, aquatic centre and open recreational spaces.
2. The Green Square urban renewal area is located on a floodplain and, during periods of heavy rainfall, experiences significant flooding problems. The current stormwater system allows stormwater flows to be conveyed through a series of underground pipe networks; however, when flows exceed the capacity of the existing pipe networks, these are conveyed on ground, along streets, open spaces and, in some instances, private property.
3. Key trapped low points within the Green Square urban renewal area have been identified at Botany Road and Joynton Avenue and, during high rainfall events, these sag points have been known to reach flood levels of over 1.1 metres and 2.3 metres, respectively.
4. The Green Square Town Centre is located within the boundaries of these two known sag points and therefore the development of the new town centre is dependent on a flood solution being implemented. Without a flood solution, the delivery of the proposed retail, commercial and residential developments will be delayed.
5. On 7 April 2014, Council approved the substantive terms of a Project Agreement between the City and Sydney Water Corporation and endorsed proceeding with the delivery of the Green Square Trunk Stormwater Project.
6. On 8 December 2014, Council delegated authority to the Chief Executive Officer to negotiate, execute and administer the Project Alliance Agreement between the City Sydney Water Corporation as Owner Participants and UGL Engineering Pty Ltd, Seymour Whyte Constructions Pty Ltd, Parsons Brinckerhoff Australia Pty Ltd, RPS Manidis Roberts Pty Ltd as the Non-Owner Participants to deliver the Green Square Trunk Stormwater Drain. Council approved the City's share of the project cost including a Risk and Contingency Allowance as outlined in confidential Attachment B.
7. The Project Alliance Agreement includes for a level area to be created beside the open channel between Maddox Street and south of Huntley Street for construction of a shared pedestrian and cycle path. Better efficiencies will be achieved through a reduction in re-work to the open channel and its surrounds by constructing the shared path in conjunction with the channel widening works rather than constructing it after the channel works are complete.
8. Due to following extenuating circumstances, a satisfactory result would not be achieved by inviting tenders:
 - (a) achievement of efficiencies in respect of time and monies by constructing the shared path as a variation to the Trunk Drain works through:
 - (i) ability to incorporate design requirements of the shared path to provide the best possible public amenity into the channel widening design and avoiding major rework;

- (ii) avoiding major rework to canal piling, capping beam and area created for shared path beside the upgraded open channel;
 - (iii) reduction of preliminary costs for construction of shared path through part utilisation of contract administration, site supervision, site establishment, environmental management and off-site overheads for channel widening works; and
 - (iv) best utilisation of current resources by avoiding tender and contract process separately by the City at a later date;
- (b) potential risks associated with working adjacent to an operating channel are best managed by construction of the shared path by the Non-Owner Participants who are widening the open channel;
 - (c) the community will derive an environmental benefit in that the noise and traffic impacts associated with construction of the shared path will be minimised if the works are completed concurrently with the channel widening works; and
 - (d) benefits of the current approach of the competitive alliance through assured value-for-money outcome is utilised by firming up all costs as lump sum through an independent Quantity Surveyor assessment and Council approval.
9. The shared pedestrian and cyclepath path along the Alexandra Canal is a long term plan of both the state and local governments. This shared path is identified in the following plans and strategies:
- (a) South Sydney Council Document Control Plan 1997;
 - (b) Alexandra Canal Masterplan 2001 (by South Sydney Development Corporation, an agency of the NSW Department of Planning which included Sydney Water corporation);
 - (c) City of Sydney Access Development Control Plan 2004;
 - (d) Cycle Strategy and Action Plan 2007-2017 (adopted by City of Sydney Council in April 2007);
 - (e) Inner Sydney Regional Bike Network;
 - (f) Sustainable Sydney 2030;
 - (g) Employment Lands Urban Strategy; and
 - (h) Sydney Development Control Plan 2012.
10. The shared path along the Alexandra Canal will provide important recreational and commuting links between the Cooks River, Sydney Airport and recreational destinations such as Sydney Park, Perry Park and Centennial Park to the existing cycleway network into the city. As an off-road path it will be attractive to the two-thirds of the population of Sydney who report that they want to ride, but only separate from traffic.

11. The design of the shared path between Maddox Street and Alexandra Canal Head to south of Huntley Street has been developed in coordination with the ongoing design of the upgrade of existing open channel (refer Attachment A). This shared path will in future continue the cycleway network further to the south connecting to the new cycleway and pedestrian bridge proposed by WestConnex over the Alexandra Canal at Campbell Street.
12. As Sydney Water Corporation is the land owner of the lands adjacent to the open channel reserve, it is proposed to develop and enter into a formal contractual agreement with Sydney Water to enable the City to construct and maintain the shared path and to enable ongoing public access to these facilities. The agreement will be developed on the basis that the Council will have the operational control of the shared pedestrian and cyclepath and will maintain this infrastructure for the benefit and enjoyment of the community.
13. Further design development of the Green Square Trunk Stormwater Project has identified following additions to the scope of drainage works for satisfactory and timely completion of the project:
 - (a) Micro-tunnelling in place of open trench installation in Epsom Park Precinct - the original project scope envisaged that the trunk stormwater within the Epsom Precinct would be installed using open cut method on the basis that the redevelopment of properties would be either completed or the property sites vacant during the trunk drain construction. However, two of these properties will still be in operation during trunk stormwater construction and hence micro-tunnelling is now the preferred option in these locations to ensure that full extent of the project is completed.
 - (b) Demolition of 140 Joynton Avenue – is required for construction of Aquatic Centre. This demolition was therefore excluded from the Project Alliance Agreement due to marginal impact from trunk drain works. Demolition of 140 Joynton Avenue is now required as an addition to the project scope to mitigate risks of delay to project completion.
 - (c) Relocation of 840mm diameter water main and installation of gross pollutant traps - the approved project budget included an Out of Scope Item for the relocation of the 840mm water main traversing the Aquatic Centre site. The relocation of the water main is required to allow the development of the Green Square Aquatic Centre and Gunyama Park. The approved project budget also allowed a provisional amount for the installation of two Gross Pollutant Traps to improve the quality of stormwater. Design Development of the trunk drain has informed the additions to the scope of these items over and above that were stipulated in the Project Alliance Agreement.
14. These scope changes will require additional costs to be borne by Sydney Water and the City. The initial estimates of the additional costs are contained in confidential Attachment B.

KEY IMPLICATIONS

Strategic Alignment

15. The proposed shared path along the Alexandra Canal aligns with the Sustainable Sydney 2030 strategic directions and objectives as below:

- (a) Direction 2 - A Leading Environmental Performer – The drainage works will mitigate the flooding risks in the Alexandra Canal catchment area.
- (b) Direction 4 - A City for Walking and Cycling – The proposed shared path will allow high quality pedestrian connection and cycle network links in developing regional cycle network.

Organisational Impact

- 16. Design and delivery of the proposed shared path in conjunction with the upgrading of Alexandra Canal open channel will provide efficient use of financial and human resources.
- 17. The shared path is constructed on Sydney Water Corporation's land and will be their asset. A separate agreement will be developed with Sydney Water Corporation for the City to control and maintain the shared path.

Risks

- 18. The risk profile of the project from the additional scope remains substantially unchanged as identified in the Risk Management Plan for the project. The additional scope is considered appropriate to be included in the project work and an independent review of costings will be undertaken when final designs are completed.

Social / Cultural / Community

- 19. The Community will receive a benefit from the proposed pedestrian and cycleway infrastructure as outlined in this report.

BUDGET IMPLICATIONS

- 20. This project is jointly funded by the City and Sydney Water Corporation. To date, both the City and Sydney Water have committed funds to contribute towards the delivery of the project. The City's current budget allocation for the project will need to be revised and additional funds will need to be allocated in the capital works program as identified in confidential Attachment B. These additional funds need to be brought forward from future years.
- 21. The proposed increase to Risk and Contingency Allowance will be funded as below:
 - (a) addition to the scope of drainage works will be funded from Drainage Improvements Program; and
 - (b) Alexandra Canal Shared Path will be funded from Cycle Network Improvements program.

RELEVANT LEGISLATION

- 22. Local Government Act 1993 Sections 10A(2)(c) and 10A(2)(d)(i).
- 23. The Green Square Stormwater Trunk Drain project was approved under State Environmental Planning Policy (Infrastructure) 2007 and Part 5 of the Environmental Planning and Assessment Act 1979 through the Review of Environmental (REF) process undertaken by Sydney Water Corporation in 2014. Amendment to the existing REF will need to be undertaken for the subject additional scope.

24. Attachment B contains confidential commercial information of the estimates, budgets 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.
25. 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

26. The project was scheduled to be complete and operational by December 2017. The key delivery milestones are:
- (a) Rose Valley Way to Alexandra Canal January 2017 – Project is on-track for this section.
 - (b) Rose Valley Way to Link Road December 2017 – It is anticipated that this section will now be delivered by mid-2017.

OPTIONS

27. Not proceeding with the additional scope items would substantially delay the project completion until after redevelopment of adjacent sites in the Epson Precinct. The construction of the shared path, as part of current contract works, represents a value-for-money outcome for the City, and would be significantly below the cost of constructing the shared path separately at a later date. If this work were not to proceed, the realisation for an immediate public benefit and an achievement of the City's strategic direction would be delayed.

PUBLIC CONSULTATION

28. Further to the consultation in 2014 for the Review of Environmental Factors, the community is informed on project progress and upcoming works through the City's communications and engagement program, including regular face-to-face events, the City of Sydney website, SydneyYourSay.com.au and the Green Square Community Update newsletter. Key face to face events in 2015 included the Green Square 'Have Your Say' Day at East Village Shopping Centre on Saturday 2 May, the monthly Infohub at the Green Square Markets, and a Green Square Community Information Session on Thursday 26 November 2014.
29. The DG Alliance has a dedicated communications and stakeholder engagement team from RPS Manidis Roberts working closely with the City of Sydney and Sydney Water. This team implements the overarching Community and Stakeholder Engagement Plan and site specific community relations plans. This includes regular newsletters, notifications of works, as well as liaison with directly impacted stakeholders, and enquiry and complaints management.
30. The concept design for the shared path will be an opportunity for further communications and community engagement to showcase the design and obtain feedback from the community and stakeholders. This will be undertaken by the DG Alliance in partnership with the City's Cycleways team and Sydney Water.

31. Further public consultation will be undertaken as part of amendment of the existing REF (Review of Environmental Factors) for all the additional scope items.

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