

ITEM 14. TENDER - KENT STREET UNDERPASS UPGRADE

FILE NO: S46596664

TENDER NO: 1579

SUMMARY

This report provides details of the tenders received for Kent Street Underpass upgrade project.

The Kent Street Underpass was identified as a priority project in the Harbour Village North Public Domain Study endorsed by Council in 2012. The site is owned by Roads and Maritime Services and is currently maintained by the City of Sydney under an existing lease agreement.

The Underpass is a key pedestrian and cycle link connecting the city with Harbour Village North and Barangaroo. It is a network of underground pathways and spaces under the Western Distributor, between Grosvenor and Kent Streets.

The improvements will address the following challenges:

- (a) the look and feel of the place;
- (b) the ease with which people can find their way around; and
- (c) attracting people to the space and people feeling safe to be there.

This report recommends that Council accept Tenderer 'A' offer for the construction work of Kent Street Underpass.

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for Kent Street Underpass upgrade project; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender.

ATTACHMENTS

Attachment A: Tender Drawings, General Arrangement Plans, Developed Design Package

Attachment B: Tender Evaluation Summary (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. The Kent Street Underpass was identified as a priority project in the Harbour Village North Public Domain Study endorsed by Council in 2012. The site is owned by Roads and Maritime Services (RMS) and is currently maintained by the City of Sydney under a lease agreement.
2. The Underpass is a key pedestrian and cycle link connecting the city with Harbour Village North and Barangaroo. It is a network of underground pathways and spaces under the Western Distributor between Grosvenor and Kent Streets. The site includes three main pocket spaces (York Street Pocket, Middle Pocket, Kent Street Pocket) connected by a network of pathways below street level.
3. This project seeks to address the following challenges:
 - (a) the look and feel of the place;
 - (b) the ease with which people can find their way around; and
 - (c) attracting people to the space and people feeling safe to be there.
4. On 29 June 2015, Council endorsed the developed design of the Kent Street Underpass, which included:
 - (a) removal of some of the raised planters and terraces to 'open up' the space, improve sightlines and reduce the dominance of concrete elements;
 - (b) high-quality stone paved pedestrian surfaces. The cycle route is defined by a kerb (150mm) and set down. The cycleway will be similarly paved to create a cohesive environment and signal slower speeds. Transitions to the cycleway will be calmed with graded ramps to footpath level;
 - (c) a palette of robust and richly textured low ground covers and high canopy trees to provide scale and glimpses of the sunken landscape from the surrounding streets. All planting beds will be irrigated;
 - (d) a new staircase from Kent Street to the underpass;
 - (e) clusters of palm trees throughout the site; and
 - (f) incorporation of dynamic lighting in to the tunnel spaces.
5. Following community feedback, the musical chimes were deleted from the design.

INVITATION TO TENDER

6. The tender for the Kent Street Underpass project was advertised in The Sydney Morning Herald, The Daily Telegraph and Council's eTender website on 24 November 2015. The tender closed on 18 December 2015.

TENDER SUBMISSIONS

7. Six submissions were received from the following organisations (listed alphabetically):
- CA&I Pty Ltd
 - Ford Civil Pty Ltd
 - Quality Management & Construction Pty Ltd T/A QMC Group
 - Sam the Paving Man Pty Ltd
 - Structus Pty Ltd
 - Sydney Civil Pty Ltd
8. No late submissions were received.

TENDER EVALUATION

9. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment B.
11. All submissions were assessed in accordance with the approved evaluation criteria, being:
- (a) demonstrated organisational capacity, current commitments, technical ability and previous experience on similar works, to carry out the work under the contract;
 - (b) demonstrated project team skills managerial capability, qualifications, experience and number of personnel, allocated site resources and subcontractors;
 - (c) proposed program identifying key elements such as long lead items and contractor delay allowance;
 - (d) the proposed construction methodology including staging and traffic management plans (pedestrian, cyclists and vehicle); site amenities and allocated plant and equipment;
 - (e) lump sum price and schedule of prices;
 - (f) Workplace Health & Safety; and
 - (g) financial and commercial trading integrity including insurances.

PERFORMANCE MEASUREMENT

12. The City will ensure that performance standards are achieved during construction through regular assessment of the following Key Performance Indicators:
- (a) safety and environment - works are carried in a safe manner, to not only avoid incidents but have no non-conformances. All means will be used to reduce the undue impact on environment;
 - (b) communication - day-to-day liaison (including weekly site meetings) and inspections with contractor;
 - (c) planning - works are carried out in a planned manner and with proactive rather than reactive approach to reduce technical and community issues;
 - (d) program and resources - including timely completion of each stage and monitoring of project resources to mitigate delays;
 - (e) quality assurance inspections undertaken by head consultant; and
 - (f) cost variations - all efforts made to reduce the number and value of variations. Variation amounts and options provided in a timely manner to give the City the opportunity to mitigate the impact of variations.

FINANCIAL IMPLICATIONS

13. There are sufficient funds allocated for this project within the current year's capital works budget and future years' forward estimates.

RELEVANT LEGISLATION

14. 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.
15. Attachment B 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.
16. 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

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| 17. Letter of Acceptance to approved tenderer | March 2016 |
| 18. Commencement of construction | March/April 2016 |
| 19. Completion of construction work | March 2017 |

PUBLIC CONSULTATION

20. The first stage of community consultation was carried out between 26 June and 27 July 2014, when community feedback was sought on the draft concept design. One hundred and five people participated in the intercept survey, 24 completed the survey online and 25 submissions were received. A comprehensive report on the outcomes of consultation was prepared and the design revised in response to issues raised.
21. Public exhibition of the Kent Street Underpass Developed Design was carried out over two weeks between 27 April and 10 May 2015. The consultation activities included:
 - (a) a consultation letter sent out to 2,500 local businesses and residents informing them of the project and submission details;
 - (b) a webpage on sydneyoursay.com.au where submissions could be made;
 - (c) a webpage on the City of Sydney website;
 - (d) email notification of the consultation and invitation to comment to key stakeholders in the area, including the Barangaroo Delivery Authority, Fort Street Public School, the Millers Point Residents Action Group and the Millers Point Leaseholders Group. An offer was made for the project team to visit these groups to discuss the design;
 - (e) displays of the concept design at two locations on-site, the One Stop Shop in Town Hall House and the Harry Jensen Community Centre in Millers Point; and
 - (f) a presentation by the project team of the concept design to the Executive Committee of the Body Corporate for the Observatory Towers.
22. On the Sydney your say page, the project was viewed by 337 individual users and the plans were downloaded 86 times. Overall, seven submissions were received for the proposal.

AMIT CHANAN

Director City Projects and Properties

Gabriella Monagle, Project Manager Streetscape