

**ITEM 11. TENDER - DESIGN AND CONSTRUCTION OF THE GREEN SQUARE  
LIBRARY AND PLAZA**

**FILE NO: S105203**

**TENDER NO: 1577**

**SUMMARY**

This report provides details of the tenders received for the design and construction of the Green Square Library and Plaza.

On 17 March 2014, Council endorsed the scope of works for the Green Square Library and Plaza for the purpose of design development and lodgement of a Development Application.

On 23 February 2015, Council resolved that consent be granted to a Development Application for the Green Square Library and Plaza as detailed in the Planning Assessment Report.

Construction of the Green Square Library and Plaza is being procured in two stages: Stage 1 (Early Works) and Stage 2 (Main Works).

Procuring Early Works separately allowed for the in-ground works to be undertaken while detailed design and documentation of the plaza and library building is completed.

On 27 April 2015, Council accepted the tender offer of Ford Civil Contracting for the Early Works. These works included library basement shoring, bulk excavation, plaza subgrade compaction and remediation and interior foundation piling to the library basement floor slab. Early Works commenced on site in July 2015 and are anticipated to be completed by the end of May 2016.

The scope of works for this tender is the Main Works comprising design finalisation and construction of the Green Square Library and Plaza.

Following an open Expression of Interest during September-October 2015, two select contractors were invited to tender through a collaborative Early Contractor Involvement procurement process. This involved a 10 week period of workshops with the contractors and the City's design consultants to clarify scope of work while focusing on risk allocation. Tenderers were provided the opportunity, through the workshops, to suggest alternatives they believed could improve project outcomes and to identify risk from their perspectives prior to submitting a lump sum offer.

This report recommends that Council rejects the tender offers for the design and construction of the Green Square Library and Plaza for the reasons set out in confidential Attachment A.

**RECOMMENDATION**

It is resolved that:

- (A) Council reject all tender offers for the design and construction of the Green Square Library and Plaza for the reasons set out in confidential Attachment A to the subject report;
- (B) authority be delegated to the Chief Executive Officer to enter into negotiations with suitably qualified parties to undertake the scope of works as detailed in the Request for Tender, execute and administer the contracts relating to the tender;
- (C) authority be delegated to the Chief Executive Officer to enter into contracts, subject to the conclusion of negotiations with the successful parties;
- (D) Council approve the additional funds sought from the Future Community and Recreational Facilities budget as outlined in confidential Attachment A to the subject report;
- (E) Council note that the unsuccessful conforming tenderer will be paid a nominal fee of \$100,000 (including GST) for their participation in the RFT process. Payment will only be made after submission of a complying tender and award to the successful tenderer; and
- (F) Council be informed of the successful parties via CEO Update.

**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 site of the Green Square Library and Plaza is across two lots at 303 and 355 Botany Road, Zetland and will form the heart of the new Green Square Town Centre, a major new mixed used area to be developed over the next 10 years. The City is responsible for design and delivery of the essential services, roads and infrastructure and public facilities including a new library, aquatic and leisure centre, child care centre and multi-purpose community buildings.
2. The site was previously owned by Landcom / Urban Consortium, except for a small portion in the west that was previously owned by the Crown Group. Under a Voluntary Planning Agreement, the majority of the land was dedicated to the City in September 2014.
3. The Green Square Library and Plaza were conceived as a new civic heart to the future Town Centre, to provide essential public space and amenity to the planned adjacent residential towers.
4. On 7 November 2011, Council approved the use of an architectural design competition to procure design services for the Green Square Library and Plaza.
5. On 25 February 2013, Council endorsed the design and scope of the Green Square Library and Plaza and accepted the tender offer of the jury's winning scheme by Stewart Hollenstein in association with Colin Stewart Architects.
6. The Stewart Hollenstein and Colin Stewart Architects design redefines the traditional idea of a library, fusing a range of innovative buildings with the outdoor plaza to create multiple sites for play, work and rest. The design includes an amphitheatre, a storytelling garden, water play zone and wide open spaces for festivals.
7. The project is targeting a 5-star design and operational rating under the Green Building Council of Australia's Public Building tool. This requires the implementation of a number of sustainable design and construction initiatives, including appropriate site remediation and recycled material strategies.
8. On 17 March 2014, Council endorsed the scope of works for the Green Square Library and Plaza for the purpose of design development and lodgement of a Development Application.
9. On 23 February 2015, Council resolved that consent be granted to a Development Application for basement shoring, bulk excavation and remediation works for Green Square Library and Plaza as detailed in the Planning Assessment Report for the project.
10. Construction of the library plaza is in two stages: Early Works and Main Works. The Early Works package allowed for the in-ground works to commence while detailed design and documentation of the plaza and library building were completed.
11. Stage 1 Early Works include:
  - (a) construction of secant piling, temporary anchors and capping beam to entire perimeter of library basement;
  - (b) bulk excavation of the library basement area;

- (c) sub-grade improvement and compaction works for plaza pavements;
  - (d) construction of temporary batters to adjacent sites;
  - (e) remediation, waste classification and validation of site earthworks in accordance with a site specific Remediation Works Plan and Validation Sampling Plan;
  - (f) de-watering during excavation and until the Main Works contractor is granted site possession; and
  - (g) interior foundation piling to library basement floor slab.
12. On 27 April 2015, Council accepted the tender offer of Ford Civil Contracting for the Green Square Library and Plaza Early Works. Works commenced on site in July 2015 and are anticipated to be completed by end of May 2016.
13. The Stage 2 Main Works, the subject of this tender, includes design finalisation and construction of:
- (a) fully tanked concrete basement library structure within the excavated existing secant pile retaining wall structure;
  - (b) an above ground steel framed fully glazed entrance and café structure;
  - (c) a slender, seven-storey concrete-framed tower structure with closed cavity façade with clear glazing system housing community venue rooms for hire: multi-purpose room with kitchenette, music room, technology lab and reading room;
  - (d) multiple circular skylights and void penetrations in the suspended concrete roof slab forming part of the plaza;
  - (e) all plaza public domain and civil works including paving, lighting, water feature, soft landscaping, tree pits, sumps and tanks and in-ground services connections to new Green Square infrastructure (to be delivered by others);
  - (f) 5-star design and operational rating under the Green Building Council of Australia's Public Building tool;
  - (g) furniture fit-out and fixed equipment throughout the library and community rooms; and
  - (h) integration of two public artworks – one internal and one external (designed, fabricated and installed by others subject of a separate report to this meeting).
14. The Stage 2 Main Works are being procured using a two stage Early Contractor Involvement tender process and a Design and Construct Contract. The Main Works contemplate novation of the City's head design consultant to the Main Works contractor after the Main Works contractor executes the Design and Construct Contract. The structured tender process was overseen by an external Probity Advisor and a Commercial Facilitator. This procurement strategy was a new process for the City and was selected to mitigate project risks identified including:

- (a) the complex nature of the site and ground conditions;
  - (b) buildability of an underground habitable building and associated waterproofing requirements; and
  - (c) unique elements of the winning design including a closed cavity façade with a clear glazing system.
15. Early Contractor Involvement aims to resolve design ambiguities and clarify scope of work while focusing on risk allocation. It allows the tenderers an opportunity through the workshops to suggest alternatives they believed could improve project outcomes, to identify construction risks from their perspectives and to offer suggestions for best defining and allocating risks in the final contract.
  16. The Early Contractor Involvement process typically engages shortlisted contractors with substantial construction experience. Their participation in the Early Contractor Involvement workshops allows for reduction in the development risk through robust documentation analysis and review.
  17. Early Contract Involvement workshops involve input from selected contractors who provide their Intellectual Property to optimise design within the framework of the defined Principal's Project Requirements.
  18. The two main phases of the Main Works procurement process are:
    - (a) Expression of Interest phase resulting in two shortlisted tenderers; and
    - (b) Request for Tender phase including briefings, workshops, clarifications and addendums and final tender pricing.

#### **EXPRESSION OF INTEREST AND INVITATION TO TENDER**

19. Expressions of Interest for design and construction of the Green Square Library Plaza - Early Contractor Involvement were advertised on 29 September 2015 in The Sydney Morning Herald and The Daily Telegraph.
20. Six submissions were received on 20 October 2015 from the following organisations (listed alphabetically):
  - ADCO Constructions Pty Ltd;
  - Icon Co NSW Pty Ltd;
  - John Holland Pty Ltd;
  - Lend Lease Building Pty Limited;
  - Lipman Pty Ltd; and
  - WATPAC Construction NSW Pty Ltd.
21. No late submissions were received.

22. Based on Expression of Interest submissions, a shortlist of two prospective contractors were issued with Request for Tender documents on 17 December 2015. These documents included the Principal's Project Requirements (to form part of the Design and Construct Contract) and detailed construction documentation and specifications. The two prospective contractors were invited to participate in a series of workshops to review those documents with the City and its design consultants and provide input on design optimisation (innovations for elements of the design), constructability, program and identification of risk and opportunities.
23. Following a period of consultation and clarifications, the two tenderers submitted their final lump sum tender for evaluation on 18 March 2016.
24. The unsuccessful conforming tenderer will be paid a nominal fee of \$100,000 (including GST) for their participation in the Request for Tender process. Payment will only be made after submission of a complying tender and award to the successful tenderer.

### **TENDER SUBMISSIONS**

25. Submissions were invited and received from the two following organisations (listed alphabetically):
  - John Holland Pty Ltd
  - Lend Lease Building Pty Limited
26. No late submissions were received.

### **TENDER EVALUATION**

27. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
28. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.
29. All submissions were assessed in accordance with the conditions of tender and approved evaluation criteria being:
  - (a) the lump sum price and schedule of rates and prices;
  - (b) experience, capacity and qualifications of nominated project team including consultants and sub-contractors;
  - (c) proposed program demonstrating an understanding of project specific objectives and requirements;
  - (d) proposed methodology demonstrating an understanding of project specific objectives and requirements;
  - (e) proposed site management and pedestrian and traffic management;
  - (f) acceptance of Existing Design or proposed alternatives allowing for construction innovations or cost saving solutions;

- (g) environmental management; and
- (h) degree of contract compliance.

**PERFORMANCE MEASUREMENT**

30. The City will ensure that performance standards are monitored during construction by:
- (a) attending site meetings and reviewing progress of the project regularly;
  - (b) attending quality inspections with consultant team, including Structural Engineer, Civil Engineer and Architect and checking relevant test plans, material certificates, or any other quality assurance documents the Main Works contractor needs to provide;
  - (c) reviewing and ensuring, in conjunction with the City's WH&S Officer, that the Main Works contractor delivers all necessary WHS plans, work method statements, inspection and test plans and certificates of compliance as specified in the tender documents for City review; and
  - (d) monitoring the Main Works contractor's program and assessing monthly progress claims.

**FINANCIAL IMPLICATIONS**

31. There are insufficient funds in the current year and forward estimate project budgets for a tender to be awarded. Confidential Attachment A recommends that additional funds be sourced from the Future Community and Recreational Facilities budget to enable the negotiations to be undertaken.

**RELEVANT LEGISLATION**

32. 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.
33. Tender Evaluation Summary, 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.
34. 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**

35. It is anticipated that the negotiation phase will be concluded within four weeks, as it will only require final clarification of issues raised through the Early Contractor Involvement process.

36. The following details the program to be followed for the works:
- |                                   |                  |
|-----------------------------------|------------------|
| (a) Execute Contract              | by end June 2016 |
| (b) Commencement of works on site | July 2016        |
| (c) Construction work complete    | early 2018       |
37. The commissioning and handover of the Green Square Library and Plaza is dependent on the completion of adjacent roads and connections to new main services infrastructure in the Green Square Town Centre, including sewer, power, water, stormwater drainage and communications cabling. These works are not part of this tender and are to be supplied and installed by others. Any delays to provision of these services will impact on the completion of the Green Square Library and Plaza. Contingency plans will be developed well in advance with the successful Contractor in the event that these are not available at the required time.

### **PUBLIC CONSULTATION**

38. Extensive consultation with the community has been undertaken during design development under the Green Square Community Consultation Plan. This involved participation at community information days and consultation through Green Square Info-hub, Sydney Your Say and the Development Approval process.
39. Ongoing consultation with adjacent property owners is required due to the significant constraints and concurrent construction activities in the Green Square Town Centre.
40. The City is leading a coordinated community relations program in the Green Square Town Centre which aims to mitigate and manage the impacts of the construction for the surrounding community. The construction of the Town Centre is occurring over a five year period in an established residential and commercial area, with impacts on residents, businesses, workers and visitors. New residents will be moving into the new residential buildings in the Town Centre in early 2016, while it is an active construction zone. The partners in the community relations program are the City, Mirvac Green Square, UrbanGrowth NSW and Crown Group. Elton Consulting is the provider of the community relations service from November 2015 to October 2017.
41. The successful tenderer is required to have a Community Liaison Officer as part of their team to issue work notifications and respond to all community concerns raised through the community relations provider, Elton Consulting.

### **AMIT CHANAN**

Director City Projects and Property

Lise Morgan, Senior Project Manager