

**ITEM 8. EXEMPTION FROM TENDER - EXTENSION OF TEMPORARY
HOARDING HIRE AND NEW HOARDING AND HIRE 14-26 WATTLE
STREET, ULTIMO**

FILE NO: S098888.004

SUMMARY

The City-owned property at 14-26 Wattle Street, Ultimo is a 12,000 square metre site bounded by Jones, Fig and Wattle Streets, with the light rail station to its northern boundary. The depot operations conducted from the property since the turn of the century have changed considerably overtime and ceased in 1990. The site is currently used to store sandstone and, more recently, smartpoles displaced through the construction works in George Street for the light rail.

In the mid 1990's the site was cleared with the exception of six brick buildings of varying age fronting Fig and Wattle Streets and subsequent demolition work carried out over the years has removed unstable sections and/or materials containing asbestos. The existing buildings contained on the site are in poor condition both structurally and diagnostically.

This report seeks Council's endorsement for the continued hire of the current Class B hoarding along Wattle Street and construction of a new Class B Hoarding to the Fig Street façade.

Consulting engineers have advised on these buildings since 2012 and continue to regularly conduct inspections. The most recent, September 2016, recommends suitable temporary rectification to each building to ensure their structural stability.

The existing hoarding along Wattle Street must be retained and a new hoarding to Fig Street constructed until more permanent solutions are reviewed and assessed. These investigations will be supported by an updated heritage assessment of the site.

The hiring of the current and new hoarding through Cooper Commercial Construction Pty Ltd represents a value for money outcome in these particular circumstances. If the City were to seek competitive quotes from other providers for this service, additional costs for the removal and reconstruction of the hoarding would need to be paid, in addition to the hire fee.

RECOMMENDATION

It is resolved that:

- (A) Council approve exemption from tender and engagement of Cooper Constructions for the sum set out in confidential Attachment B to the subject report for:
 - (i) a variation to extend the current hire contract for hoarding to Wattle Street for 18 months (highlighted in red on Attachment A to the subject report);
 - (ii) the construction of a Class B safety hoarding to Fig Street; and

- (iii) a variation to the current contract to include the hire fee for Fig Street for 18 months (highlighted in yellow on Attachment A t the subject report); and
- (B) Council note that the exemption is sought under section 55, Chapter 6, Part 3 of the Local Government Act 1993, because a satisfactory result would not be achieved by inviting such tenders, given the extenuating circumstances as outlined in the subject report.

ATTACHMENTS

Attachment A: Site Plan Existing and additional Hoarding Wattle and Fig Street, Ultimo

Attachment B: Financial Information (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 City's property at 22-26 Wattle Street, Ultimo consists of a number of dilapidated brick buildings which are vacant and of varying age form the frontage to Wattle and Fig Street.
2. Demolition work carried out over the years has removed unstable sections and/or materials containing asbestos. The existing buildings contained on the site are in poor condition both structurally and diagnostically.
3. The City's consultants, Henry & Hymas Consulting Engineers Pty Ltd, initially inspected the structures in July and October of 2012. A report specifically on the brick façade to Wattle Street dated 9 November 2012 made recommendations to stabilise the structures for two-five years.
4. The City entered into a contract with Coopers Commercial Construction Pty Ltd for the urgent construction and hire of a B Class hoarding to protect pedestrians and vehicular traffic on Fig and Wattle Streets, for a hire period of three months, expiring in 30 March 2014. Council subsequently extended the hire contract 6 months to 30 September 2014, then 9 months to 30 June 2015 and a further 12 months until 30 June 2016.
5. The extension to 30 June 2015 was to coincide with the proposed sale of the site to the Department of Education. The terms agreed in December 2014 required the City to give vacant possession by the July 2015 and was subsequently brought forward to 10 June to facilitate the Department's timeline.
6. In June 2015, the Department of Education publicly notified it would abandon the acquisition of the Fig and Wattle site in favour of redeveloping their current Ultimo School site and temporarily relocating to Wentworth Park. At the time of the Department's notification, the City had already given termination notices to existing tenants, resulting in the loss of in excess of \$100K revenue, which had previously been used to cover site holding costs, including the existing hoardings.

New Class B Hoarding – Fig Street

7. Henry & Hymas Engineers inspected the buildings on 29 August 2016 and recommended a new hoarding to temporarily support the façade fronting the Fig Street frontage.
8. Cooper Constructions has provided a new quote for the hire fee for an additional 18 month period (from September 2016 until April 2018), as outlined in confidential Attachment A. This rate is a 6% increase on the previous quote approved by Council and is considered fair and reasonable

Future Options

9. A previous heritage assessment of the buildings found the level of heritage significance to be low due to the continual development of the site over time. The existing buildings are typically utility buildings of the period and do not demonstrate any remarkable or innovative design, construction methods or detailing. They have been continually altered to accommodate their change in use over time.
10. The remnant cliff face from the former quarrying of the site does have moderate heritage significance, as it demonstrates the former use of the site.

11. The City is currently investigating alternative methods of permanently securing the safety of the wall, including demolition or part demolition, alternative reinforcing systems or purchase of a permanent hoarding system.
12. These investigations will be supported by an updated heritage assessment of the site.

BUDGET IMPLICATIONS

13. The continued hoarding hire and road fees along Wattle Street and construction of new hoarding along Fig Street, plus hoarding hire fees and road fees, have not been provided for in the 2016/17 budget.
14. This additional expenditure will be included in the overall operating expenditure of Property Services. Note there are a number of additional cost pressures which are impacting the division this year. As is standard practice, expenditure will be closely monitored. If additional funds are required, these will be sought in a future Council report.

RELEVANT LEGISLATION

15. The proposed extension and variation of the current contract is in accordance with the Local Government Act 1993, and the Local Government (General) Regulations 2005.
16. Attachment B contains confidential commercial information of Coopers Commercial Construction Pty Ltd which, if disclosed, would prejudice the commercial position of the person who supplied it.
17. 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.

OPTIONS

18. In the short term, there are no alternative options other than the recommendations herein.
19. The City is currently investigating alternative methods of permanently securing the safety of the wall, including demolition or part demolition, alternative reinforcing systems or purchase of a permanent hoarding system.

AMIT CHANAN

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