

**ITEM 16. TENDER - JOYNTON AVENUE, ZETLAND STORMWATER
DRAINAGE UPGRADE**

FILE NO: S126006

TENDER NO: 1637

SUMMARY

This report provides details of the tenders received for the Joynton Avenue stormwater drainage upgrade project.

The project involves the construction of a stormwater drainage pipeline to reduce flood risk, improve water quality and improve stormwater drainage performance in the Lachlan Precinct and the Green Square Town Centre.

These works were identified in the Alexandra Canal Floodplain Risk Management Study and Plan and will link recently constructed stormwater infrastructure upstream and downstream to ensure the surrounding urban renewal precincts are resilient to flooding.

This report recommends that Council reject all the tender submissions for the Joynton Avenue stormwater drainage upgrade project and enter into negotiations with suitably qualified companies.

RECOMMENDATION

It is resolved that:

- (A) Council reject the tenders received for the Joynton Avenue stormwater drainage upgrade project, for the reasons set out in confidential Attachment B to the subject report;
- (B) Council not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable companies over and above those that have responded to this tender;
- (C) Council note that entering into negotiations with suitably qualified companies will result in a value for money outcome for Council;
- (D) authority be delegated to the Chief Executive Officer to enter into negotiations and contract with suitably qualified companies to undertake the scope of works and administer the contract relating to the works; and
- (E) Council be informed of the successful company by way of a CEO Update.

ATTACHMENTS

Attachment A: Project Site Locations

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 Joynton Avenue stormwater drainage upgrade project is a flood mitigation action identified in the Alexandra Canal Flood Risk Management Plan.
2. These works provide an important stormwater drainage link between O’Dea Avenue and the Green Square stormwater drains.
3. The project sites are located within Joynton Avenue from O’Dea Avenue to south of Elizabeth Street, and O’Dea Avenue on the western side of the intersection with Joynton Avenue, Zetland.
4. Specialist studies from arborists, geotechnical engineers and environmental scientists have been used to inform the design and construction of the proposed drain, which includes preparation of the Review of Environmental Factors.
5. The work includes micro-tunnelling for the installation of 765 metres of concrete pipes, construction of large stormwater pits at connection points, installation of gross pollutant traps and service relocations.
6. Micro-tunnelling involves the use of a tunnel boring machine under the road to install the pipes. Micro-tunnelling is the most suitable construction methodology due to the high water table, traffic volumes, heritage-listed trees and existing services along the pipe alignments.

INVITATION TO TENDER

7. The tender was advertised in The Sydney Morning Herald, The Daily Telegraph and the City of Sydney’s E-Tendering portal on 17 May 2016, and closed on 3 August 2016.

TENDER SUBMISSIONS

8. Four submissions were received from the following companies (listed alphabetically):
 - Abergeldie Contractors Pty Ltd
 - Byrne Civil Engineering Constructions Pty Ltd as a member of Byrne Bothar Joint Venture (BBJV)
 - DJ MacCormick Contractors Pty Ltd
 - Rob Carr Pty Ltd
9. No late submissions were received.

TENDER EVALUATION

10. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
11. All submissions were assessed in accordance with the approved evaluation criteria being:

- (a) demonstrated capacity and technical ability to carry out the work under the contract;
- (b) demonstrated managerial capability, qualifications, experience, and number of personnel;
- (c) capacity to achieve the required project program;
- (d) proposed methodology, including environmental management;
- (e) Work Health and Safety;
- (f) financial and commercial trading integrity including insurances; and
- (g) the lump sum price and schedule of prices.

PERFORMANCE MEASUREMENT

- 12. The City will monitor key performance indicators to measure the performance level of the successful tenderer during the works. Performance results will be used to determine the suitability of contractors for future works.
- 13. In entering into the contract, the City will ensure that performance standards are met and monitored during the project by:
 - (a) carrying out regular inspections to ensure the company remains on track with regard to the program and the quality of work; and
 - (b) ensuring the company completes the project as specified in the tender documents.

FINANCIAL IMPLICATIONS

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

RELEVANT LEGISLATION

- 15. 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.
- 16. 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.
- 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.

CRITICAL DATES / TIME FRAMES

18. The work is planned to commence in March 2017, if negotiations are successful.
19. The work is expected to take one year to complete.
20. The construction work will be coordinated with other Green Square developments, including the Green Square Trunk Main, Aquatic Centre, the Community and Cultural Centre, and the road raising works on Joynton Avenue.

OPTIONS

18. Council could invite fresh tenders, but it is considered that inviting fresh tenders would not attract additional suitable companies over and above those that have responded to this tender.

PUBLIC CONSULTATION

21. A Review of Environmental Effects was publicly advertised for comment from 23 May 2016 until 14 June 2016. Public notices were placed in the Southern Courier and Sydney Central Magazine, public display at Town Hall House, the Green Square Neighbourhood Service Centre and the Sydney Your Say website. Notification letters were also sent to surrounding residents and land owners and key stakeholders were informed. No submissions were received during the public exhibition period.
22. Work site management will include:
 - (a) appropriate site signage, and
 - (b) notification letters for residents and commercial businesses outlining construction impacts, duration of works and community liaison contact details.

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