

**ITEM 11. TENDER – BURTON AND PALMER STREETS INTERSECTION
UPGRADE**

FILE NO: S124098

TENDER NO: 1713

SUMMARY

This report provides details of the tenders received for the upgrade works of the Burton and Palmer Streets intersection, East Sydney.

Council endorsed the concept design for the Burton and Palmer Streetscape Upgrade, Darlinghurst on 14 December 2015.

The Local Pedestrian, Cycling and Traffic Calming Committee endorsed the proposal for improvement on 17 August 2016.

This report recommends that Council accept the tender offer of Tenderer 'A' for the Burton and Palmer Streetscape intersection upgrade.

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the Burton and Palmer Streets intersection upgrade;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) Council approve an increase in budget as shown in confidential Attachment B to the subject report.

ATTACHMENTS

Attachment A: Documentation drawings for Burton and Palmer streetscape intersection upgrade

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. Burton and Palmer Streets are important Darlinghurst local roads and pedestrian routes. Burton Street runs from Oxford Square eastward to Darlinghurst Road and on to Paddington. Palmer Street runs north-south between Oxford and William Streets. Palmer Street is one of the four north-south streets, including Riley, Crown, Palmer and Bourke Streets, running from Surry Hills north to Woolloomooloo and the harbour. Both the Eternity Playhouse and East Sydney Community and Arts Centre are located at the intersection of Burton and Palmer streets.
2. The intersection of Burton and Palmer Streets has a record of traffic safety issues and the need to address these as well as improving pedestrian safety and amenity is the basis for this project.
3. The design proposes a traffic calmed, more pedestrian-friendly street, with two new raised pedestrian crossings, widened footpaths, a new forecourt area and new shade trees, planting, raingardens, improved street lighting and street furniture.
4. Council endorsed the refined concept design for the Burton and Palmer Streetscape Upgrade, Darlinghurst on 14 December 2015.
5. The Local Pedestrian, Cycling and Traffic Calming Committee endorsed the proposal for improvement on 17 August 2016.

INVITATION TO TENDER

6. The tender for the Burton and Palmer Streets intersection upgrade was advertised in The Sydney Morning Herald, The Daily Telegraph and Council's E-tender website on 17 March 2017. The tender period lasted three weeks and closed on 7 April 2017.

TENDER SUBMISSIONS

7. Four submissions were received from the following organisations:
 - Ford Civil Pty Ltd
 - Quality Management Constructions Pty Ltd
 - Starcon Group 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) experience in works of a similar nature;

- (b) demonstrated managerial capability, qualifications, experience and number of personnel;
- (c) the proposed methodology, including environmental management;
- (d) capacity to achieve the required project program;
- (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 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 the contractor;
 - (c) Planning – works are carried out in a planned manner and with a proactive rather than reactive approach to reduce technical and community issues;
 - (d) Program and Resources – timely completion of separate phases in a co-ordinated manner, reducing the overlapping of various phases. The resources allocated to the project to manage time, plus the capacity of the contractor to add resources, when required, 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 Principal the opportunity to mitigate the impact of variation.

FINANCIAL IMPLICATIONS

13. Additional funds are required for this project due to the preferred tender exceeding the pre-tender estimate. The acceptance of the recommended tender will therefore require Council to increase the project budget as detailed in confidential Attachment B.

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

17. The time frame for this project is as follows:
- (a) Start Construction early August 2017; and
 - (b) Practical Completion late March 2018.

PUBLIC CONSULTATION

18. Public exhibition of the concept design plans for the Burton and Palmer Streetscape Upgrade was carried over three weeks between 28 September and 18 October 2015, including:
- (a) a consultation letter sent out to 1,000 local residents and businesses informing them of the project and submission details;
 - (b) a webpage on sydneyoursay.com.au where submissions could be made;
 - (c) the concept design was displayed at the One Stop Shop in Town Hall House; and
 - (d) an on site meeting with residents of 32a-37 Burton Street.

AMIT CHANAN

Director City Projects and Property

Luan Trinh, Project Manager