

**ITEM 8. TENDER - GUNYAMA PARK AQUATIC AND RECREATION CENTRE**  
**FILE NO: 120089.025 – 2017/284629**  
**TENDER NO: 1701**

## **SUMMARY**

This report provides details of the tenders received for the design and construction of Gunyama Park Aquatic and Recreation Centre.

The City of Sydney's vision for the project is to provide a sustainable, all-inclusive physical activity hub to provide active and passive recreational opportunities. The project combines a district recreation park with a state-of-the-art aquatic and recreation facility with the overriding aim of enhancing the health, fitness and recreational needs of the large and diverse local community of residents and workers in and around Green Square. It will be a place where people of all abilities and interests are welcome to participate, socialise and enjoy activity. The project will be located in the Epsom Park Precinct, within the Green Square Urban Renewal Area, and will be a key focal point for the precinct, providing space for active sports and passive recreation. The project will deliver a significant and unique recreation facility that will include a district park, an aquatic and recreation centre and public domain improvements.

On 29 February 2016, Council endorsed the scope of works in the project scoping report for the purposes of proceeding with design development, any relevant planning approvals, documentation and tender for construction of the works. On 11 May 2017, the development application was determined by the Central Sydney Planning Committee and was granted consent, subject to the conditions and terms of approval detailed in the Notice of Determination issued by the City of Sydney on 24 May 2017.

Construction of Gunyama Park Aquatic and Recreation Centre will be delivered in two stages, as the City does not currently own all portions of the land proposed for Gunyama Park. Stage 1 will deliver the full aquatic centre and multi-purpose community sports field, together with landscape areas. Stage 2 will deliver an expanded sports field, playground and further landscape areas when the Stage 2 land becomes available as a result of private development occurring. The contract for the design and construction of Gunyama Park Aquatic and Recreation Centre will cover the design and construction of Stage 1 and the design (but not the construction) of Stage 2.

Following an open Expression of Interest process concluding in October 2016, two tenderers were invited to tender under a Request for Tender involving a collaborative Early Contractor Involvement (ECI) procurement process. This involved a 16 week period of workshops with each of the tenderers, the City's design consultants and the City's project staff to clarify scope of work and risk allocation. Tenderers were provided the opportunity, through the ECI workshops, to investigate the City's requirements, to offer innovations they believed could improve project outcomes, and to identify risk from their perspectives prior to submitting a lump sum offer. Tenders closed on 9 June 2017.

This report recommends that Council accept the tender offer of Tenderer 'A' for the Design and Construction of Gunyama Park Aquatic and Recreation Centre.

**RECOMMENDATION**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the design and construction of Gunyama Park Aquatic and Recreation Centre;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender;
- (C) Council approve the additional funds being sought from the Future Community and Recreational Facilities, Future Open Space – New Parks and the Water Master Plan LGA provisional project budgets as outlined in confidential Attachment C to the subject report;
- (D) Council note that, in accordance with the request for tender, 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 be made after award of contract to the successful tenderer; and
- (E) Council note the staged requirement for the park delivery and that the scope of the contract for the Design and Construction of Gunyama Park Aquatic and Recreation Centre includes the design and construction of Stage 1 and the design for the Stage 2 works, but not the construction of Stage 2.

**ATTACHMENTS**

**Attachment A:** Site Plan

**Attachment B:** Photo Montage, Gunyama Pool Hall and Outdoor Pool

**Attachment C:** Tender Evaluation Summary (Confidential)

**(As Attachment C is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)**

**BACKGROUND**

1. The project site is approximately 2.86 hectares (28,693m<sup>2</sup>) and is located to the east of the Green Square Town Centre Development and immediately east of the former South Sydney Hospital Site across Joynton Avenue. It has frontages to Joynton Avenue to the west, future Zetland Avenue to the north, future George Julius Avenue to the east and future Rose Valley Way to the South. The land is relatively flat and slopes gently from east to west.
2. The site is generally covered with asphalt and concrete pavement and is largely devoid of vegetation. There are established trees along the frontage with Joynton Avenue.
3. The site is part of the identified Epsom Park Urban Renewal Procurement, which will see the area transition from light industrial to a mixed use residential area. In the immediate vicinity of the site there are pre-existing industrial uses remaining. There is a significant amount of residential and commercial development proceeding in the surrounding area. To the immediate north, the site is adjoined by newly constructed medium density residential apartment buildings. To the south and east the site is adjoined by industrial development (car sales and maintenance centres).
4. The project site is made up of five land parcels. Most of the land is owned by the City of Sydney, however, two areas in the north east are owned by a private developer and Ausgrid, respectively. The privately held portion of the Gunyama Park site is zoned so that it will be dedicated to the City of Sydney when the landowner develops its adjacent land parcels. The developer has not yet confirmed when the land will be developed.
5. The City of Sydney will gain access to parts of the site currently owned by the private developer and Ausgrid at a later date which requires that the project be delivered in two stages. Construction of Gunyama Park Aquatic and Recreation Centre in two stages was included in the original design competition brief and the development application.
6. On 29 July 2013, Council endorsed the use of an open competitive design competition to procure design services for the project.
7. On 18 November 2013, Council endorsed the master plan (site layout) for the project, and that planning and preliminary design works progress to enable a design competition to commence in early 2014.
8. On 15 September 2014, Council endorsed cogeneration for this project to heat the pools and supply electricity to the park and aquatic centre, as well as the City's buildings and facilities located on the former South Sydney Hospital site connected to the private wire network.
9. On 3 November 2014, Council endorsed the competition winning design and scope for Gunyama Park Aquatic and Recreation Centre following the design competition jury's recommendation: 'The jury was unanimous in its decision and recommends the Andrew Burges (with Grimshaw and TCL) scheme as the winner of the Green Square Gunyama Park & Aquatic Centre Competition. The jury believe that this scheme will be a world class exciting new project for the City of Sydney, further enhancing its reputation as a leader and a patron of architectural excellence.'

10. In December 2014, the City entered into a consultancy contract for head design consultancy services for Gunyama Park Aquatic and Recreation Centre with Grimshaw, and Grimshaw engaged Andrew Burges (ABA) and TCL as sub-consultants.
11. The construction of Gunyama Park Aquatic and Recreation Centre will be in two stages: Stage 1 and Stage 2.
12. Stage 1 (design finalisation and construction under this tender) includes:
  - (a) 50m heated outdoor pool;
  - (b) heated outdoor leisure pool;
  - (c) 25m heated indoor program pool with moveable floor;
  - (d) indoor heated hydrotherapy pool;
  - (e) crèche and indoor play area;
  - (f) health and fitness centre;
  - (g) multi-purpose synthetic sports field;
  - (h) sports field change rooms, public toilets and storage facilities;
  - (i) lighting, footpaths and landscaping; and
  - (j) public art.
13. The multi-purpose synthetic sports field will be suitable for community sports use, such as soccer, junior or modified forms of rugby, AFL and field hockey. It will also be available for informal recreational use, such as small groups playing ball games, and the occasional large-scale community event (up to 2,000 – 3,000 people). The field will be 55m wide by 90m long. It will be extended to 65m wide, by 65m wide as part of Stage 2 works.
14. Aboriginal artist Jonathan Jones will create the public artwork in collaboration with Aboriginal elder Aunty Julie Freeman.
15. The Stage 1 works must achieve a 5 Star Green Star Design and As Built rating from the Green Building Council of Australia.
16. Stage 2 (design only under this tender) includes:
  - (a) an expanded multi-purpose sports field;
  - (b) new landscaped areas with picnic facilities and BBQ areas;
  - (c) places to skate (including skate bowl);
  - (d) playground;
  - (e) natural turf area; and
  - (f) enhanced amenities building for the multi-purpose sports field.

17. In October 2015, the procurement method used for this project was through Expression of Interest (EOI) and an ECI tender process
18. The ECI aims to resolve design ambiguities and clarify scope of work with a focus on risk allocation. It allows the tenderers an opportunity through the workshops to suggest alternatives they believe could improve project outcomes, to identify construction risks from their perspective and to offer suggestions for best defining and allocating risks in the final contract. This includes buildability of unique elements of the winning design, including the deep concrete box beams, the timber beams over the indoor pool and the proposed roofing system.
19. As part of the design and construction contract structure and in order to maintain continuity in the design during the construction phase, the City's head design consultant, Grimshaw, will be engaged by the contractor under a separate agreement after the contractor executes the design and construction contract, and the City's agreement with the head design consultant will terminate at that time. ABA and TCL will be engaged as subconsultants to Grimshaw under the new arrangement.
20. The two main phases of the design and construction works procurement were:
  - (a) Expressions of Interest phase, resulting in two shortlisted tenderers; and
  - (b) Request for Tender / ECI phase, including briefings, workshops, clarifications and tender addenda, and submission of tenders by the tenderers.

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

21. Expressions of Interest for the design and construction of the Gunyama Park Aquatic and Recreation Centre – Early Contractor Involvement – were advertised in The Sydney Morning Herald and The Daily Telegraph on 16 August 2016.
22. Four submissions were received from the following organisations (listed alphabetically) by the closing date of 6 September 2016:
  - Bouygues Construction Australia Pty Ltd
  - Cockram Construction Ltd
  - CPB Contractors Pty Ltd
  - John Holland Group Pty Ltd.
23. No late submissions were received.
24. Based on Expressions of Interest submissions, a shortlist of two tenderers was compiled and these companies were issued with Request for Tender documents on 10 January 2017. The two tenderers were invited to participate in a series of workshops to review documentation with the City and its design consultants and provide input on design optimisation (innovation for elements of the design), constructability, program and identification of risks and opportunities.
25. Following a period of consultation and clarifications, the two tenderers submitted their final lump sum tender for evaluation on 9 June 2017.

26. Separate post tender interviews were conducted with each tenderer on 4 August 2017.
27. 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 award of contract to the successful tenderer.

### **TENDER SUBMISSIONS**

28. Submissions were invited and received from the following two organisations (listed alphabetically):
  - Bouygues Construction Australia Pty Ltd
  - CPB Contractors Pty Ltd

### **TENDER EVALUATION**

29. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
30. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
31. All submissions were assessed in accordance with the approved evaluation criteria, being:
  - (a) experience, capacity and qualifications of the nominated project team including consultants and subcontractors;
  - (b) proposed program demonstrating an understanding of project specific objectives and requirements;
  - (c) proposed methodology demonstrating an understanding of project specific objectives and requirements;
  - (d) proposed site management and pedestrian and traffic management plans;
  - (e) acceptance of existing design or proposed alternatives allowing for construction innovations or cost saving solutions;
  - (f) proposed construction environmental management plan; and
  - (g) the lump sum price.
32. The above criteria are not in order of priority and each is not given equal weight in evaluation.

### **PERFORMANCE MEASUREMENT**

33. 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 the contractor's consultant team, including structural engineer, civil engineer, aquatics engineer, mechanical engineer and architect and checking relevant test plans, material certificates, or any other quality assurance documents the contractor needs to provide;
- (c) reviewing and ensuring, in conjunction with the City's WHS Officer, that the Contractor delivers all necessary WHS plans, work method statements, inspection and test plans and certificates of compliance as specified in the contract documents for City review; and
- (d) monitoring the Contractor's program and assessing monthly progress claims.

### **FINANCIAL IMPLICATIONS**

34. Additional funds are required for this project due to higher than expected tendered costs. This is due to the current high demand for construction services and increased costs of trade packages for items such as concrete works, steel reinforcement and formwork as determined by the market. Other additional costs include provisional sums for recycled water storage tanks and increased percentages for contractor's overheads. Acceptance of the recommended tender will therefore require Council to increase the budget, as detailed in Confidential Attachment A.

### **RELEVANT LEGISLATION**

35. 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.
36. 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.
37. 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**

38. Current program dates for the works are as follows:
- |  |               |
|--|---------------|
| (a) execute contract                           | November 2017 |
| (b) commence construction documentation        | December 2017 |
| (c) commence works for Stage 1 on site         | early 2018    |
| (d) construction works for Stage 1 complete    | late 2019     |
| (e) submission of Stage 2 design documentation | late 2019     |

**PUBLIC CONSULTATION**

39. Extensive consultation with the community was undertaken during design development under the Green Square Community Consultation Plan. This involved participation at community information days and consultation through the Green Square Info-hub, Sydney Your Say and the Development Approval process.
40. Ongoing consultation with adjacent property owners is required due to the significant constraints and concurrent construction activities in the Green Square Town Centre.
41. 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. Residents started moving into the new residential buildings in the Town Centre in early 2016, while it is an active construction zone. The scope of the community relations program includes Gunyama Park Aquatic and Recreation Centre, Drying Green Park, Green Square Roads and Infrastructure, including Joynton Avenue upgrade, construction of Zetland Avenue and upgrade of Portman Street. A consultant will be appointed to provide the community relations service from late 2017 to early-mid 2020.
42. 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 City's community relations provider.
43. A comprehensive consultation and engagement program was undertaken throughout competition design, schematic design and design development. This included a range of events for local residents and community members, as well as targeted consultations with key stakeholders and user groups.
44. Adjoining property owners were notified of the Development Application and were invited to discuss the application with the City's project staff.

**AMIT CHANAN**

Director City Projects and Property

John O'Shea, Senior Project Manager