

Item 10.

Contract Variation – Construction Contract for the Green Square to Ashmore Connector Road

File No: X010057.001

Summary

This report recommends approval of additional contract contingency for the construction contract and an increase in project budget for the Green Square to Ashmore Connector project.

The Green Square to Ashmore Connector project is a transport initiative to improve the east-west connection between the Ashmore Precinct, Erskineville and Green Square Town Centre for pedestrians, cyclists, buses and local vehicles. Construction of the road is essential to facilitate the renewal of adjoining lands for affordable housing and for employment-based land uses.

The connection runs from Botany Road to Bourke Road via O'Riordan Street and allows direct pedestrian and cycling (and future bus) access from Geddes Avenue within the Green Square Town Centre to Bowden Street in Alexandria and onto the Ashmore Precinct and Erskineville. It also allows limited vehicle access for adjoining sites.

In October 2021, the City entered into a contract with Ford Civil Contracting Pty Ltd (Ford Civil) for construction of the Green Square to Ashmore Connector project, which is being delivered as 3 separable portions. Separable portion 1, from Botany Road to O'Riordan Street, is complete, as is separable portion 2A, from O'Riordan Street up to the Bourke Road intersection. Separable portion 2B, the Bourke Road intersection, is currently under construction.

Completion of separable portion 2B of the project has been delayed due to relocations of third-party services and additional contingency is required to complete the works.

This report recommends that Council approve additional contract contingency for the construction contract with Ford Civil Pty Ltd and that Council approve additional funds to increase the project budget.

Recommendation

It is resolved that Council:

- (A) approve additional contract contingency for the construction contract with Ford Civil Contracting Pty Ltd for construction of the Green Square to Ashmore Connector Road and Associated Works, as outlined in Confidential Attachment A to the subject report
- (B) note the revised contract value and contingency for the construction contract with Ford Civil Pty Ltd, as outlined in Confidential Attachment A to the subject report
- (C) approve the additional funds sought for the Green Square to Ashmore Connector Road project as detailed in Confidential Attachment A to the subject report.

Attachments

Attachment A. Financial implications (Confidential)

Background

1. The Green Square to Ashmore Connector project is a transport initiative to improve the east-west connection between the Ashmore Precinct, Erskineville and Green Square Town Centre for pedestrians, cyclists, buses and local vehicles. Construction of the road is essential to facilitate the renewal of adjoining lands for affordable housing and for employment-based land uses.
2. The connection runs from Botany Road to Bourke Road via O'Riordan Street and allows direct pedestrian and cycling (and future bus) access from Geddes Avenue within the Green Square Town Centre to Bowden Street in Alexandria and onto the Ashmore Precinct and Erskineville. It also allows limited vehicle access for adjoining sites.
3. In October 2021, the City entered into a construction contract with Ford Civil Contracting Pty Ltd (Ford Civil) for construction of the Green Square to Ashmore Connector Road.
4. In October 2022, Council approved a variation to the construction contract to manage latent conditions and restaging of the project due to delays in completion of land acquisitions.
5. The section of the road between Botany Road and O'Riordan Street was completed and opened in July 2024, along with the road up to, but not including, the Bourke Road intersection.
6. Works at the Bourke Road intersection were subsequently delayed due to required relocations of third-party authority assets (gas and electricity) and latent conditions of groundwater contamination. As a result, additional contingency for the contract with Ford Civil was approved by the Chief Executive Officer in June 2025.
7. Forecast project costs have increased due to:
 - (a) delays in Ausgrid outages and completion of required relocations of third-party assets (gas and electricity)
 - (b) additional investigations and decommissioning of redundant third-party assets and
 - (c) latent conditions, such as groundwater contamination, which required dewatering during in-ground construction and concrete encased undergrounds services which required deeper piers for traffic signal posts.

Key implications

Strategic alignment - Sustainable Sydney 2030-2050 Continuing the Vision

8. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
 - (a) Direction 5 - A city for walking, cycling and public transport - The road features a single traffic lane in each direction to be dedicated as a public transport corridor (bus lanes) with local traffic access to adjoining properties. The road also features wide footpaths and an on-road 2-way cyclepath that connects to the existing east-west cyclepaths on Bowden Street and Geddes Avenue. It also provides interchange with the existing north-south cyclepath on Bourke Road.
 - (b) Direction 9 - A transformed and innovative economy - Construction of the road is essential to facilitate the renewal of adjoining lands for employment-based land uses.
 - (c) Direction 10 - Housing for all - Construction of the road is essential to facilitate the renewal of adjoining lands for affordable housing including the proposed St George Community Housing development at 338 Botany Road and the proposed City West Housing development at 330-338 Botany Road / 20 O'Riordan Street.

Financial implications

9. Additional funds are required for this project due to higher than expected project costs as detailed in Confidential Attachment A.

Relevant legislation

10. Local Government Act 1993 - Sections 10A and 10B provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
11. Attachment A contains confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business
 - (b) prejudice the commercial position of the person who supplied it.
12. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest. The reasons supporting this are that disclosure of the confidential information would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers. In addition, disclosure of the information provided in the course of the variation process and the assessment of that information would prejudice the commercial position of the participants in the process.

Critical dates / Time frames

13. The main works construction contract commenced on site in March 2022.
14. Separable Portion 1, from Botany Road to O'Riordan Street, and Separable Portion 2A, from O'Riordan Street up to the Bourke Road intersection, were completed in July 2024.
15. Separable Portion 2B, the Bourke Road intersection, is currently under construction, with completion expected in late 2026.

Options

16. Tenders could be sought from alternative construction contractors to complete the works. This is not recommended as it will further delay the project and it is anticipated that costs would increase beyond the value of the contract variation that is being sought under this report.

Public consultation

17. The project scope was publicly exhibited as part of the Review of Environmental Factors (REF) approval process in 2018 and again in 2021 following changes to the design.
18. During construction, there will continue to be close liaison between property owners, businesses, City staff and the contractors to minimise disruption to properties in the area. The contractor has a Community Liaison Officer in place for the project.

KIM WOODBURY

Chief Operating Officer

Sam Wheatley, Delivery Manager