

**Item 10.****Exemption from Tender and Request for Extension - Supply and Installation of Hoardings for Stockton House, Fig and Wattle Streets Depot and The Bulk Store at Bay Street Depot****File No: S101696****Summary**

The City of Sydney Property Division and its service providers undertake periodic reviews of the structural integrity of the facades and awnings for all the buildings in the City's property portfolio. Currently there are three buildings that require hoardings in place as a temporary control measure to ensure public and stakeholder safety. Hoardings have been installed at Stockton House (William and Riley Streets: 73-75 William Street, Darlinghurst, 2010), Fig and Wattle Street Depot (14-26 Wattle Street, Pyrmont, 2009) and The Bulk Store at Bay Street Depot (10-16 Bay Street Ultimo, 2007).

This report recommends maintaining the current temporary control measures, being the ongoing installation of these hoardings, through an extension of the current hoarding contract until 30 April 2019. The hoarding hire rates are the same as the original agreed fees, providing value to the City.

This extension will permit the strategic review for the future of Stockton House to be completed; the negotiations for the facilitation of the sale of the Fig and Wattle Street Depot to be completed; and the capital works project for the next stage of structural reinforcement works to commence for The Bulk Store at Bay Street Depot.

## Recommendation

It is resolved that:

- (A) Council note that due to extenuating circumstances, a satisfactory result would not be achieved by inviting tenders for the installation of hoarding at Stockton House (William and Riley Streets: 73-75 William Street, Darlinghurst, 2010), Fig and Wattle Street Depot (14-26 Wattle Street, Pyrmont, 2009) and The Bulk Store at Bay Street Depot (10-16 Bay Street Ultimo, 2007);
- (B) Council note that the reasons a satisfactory result would not be achieved by inviting tenders for the hoarding installations at Stockton House, Fig and Wattle Streets and Bay Street, are:
  - (i) if the City were to seek an alternate supplier, additional costs for removal of the existing structure would be incurred;
  - (ii) reconstruction costs for the hoarding would need to be paid; and
  - (iii) value for money for Council is achieved through retaining the existing hoardings;
- (C) Council approve an exemption from tender for the hire of B Class Hoarding at Stockton House (William and Riley Streets: 73-75 William Street, Darlinghurst, 2010), Fig and Wattle Street Depot (14-26 Wattle Street, Pyrmont, 2009) and The Bulk Store at Bay Street Depot (10-16 Bay Street Ultimo, 2007), for a period until 30 April 2019 and for the sum noted in Confidential Attachment A to the subject report;
- (D) authority be delegated to the Chief Executive Officer to negotiate, finalise and enter into any documentation necessary to give effect to this approval and to administer the contracts; and
- (E) Council note the financial implications, as outlined in Confidential Attachment A to the subject report.

## Attachments

**Attachment A.** Supply and Installation of Hoarding - Financial Summary (Confidential)

## Background

1. The City of Sydney and its service providers undertake periodic reviews of the structural integrity of the facades and awnings for all the buildings in the City's property portfolio. Currently there are three buildings that require hoardings in place as a temporary control measure to ensure public and stakeholder safety. Hoardings have been installed at Stockton House (William and Riley Streets: 73-75 William Street, Darlinghurst, 2010), Fig and Wattle Street Depot (14-26 Wattle Street, Pyrmont, 2009) and The Bulk Store at Bay Street Depot (10-16 Bay Street Ultimo, 2007).
2. This report recommends maintaining the City's temporary control measures, i.e. the ongoing installation of these hoardings, through an extension of the current hoarding contract until 30 April 2019.
3. This extension will permit:
  - (a) the strategic review for the future of Stockton House to be completed;
  - (b) the negotiations for the sale of Fig and Wattle Street Depot to be completed; and
  - (c) the capital works project for the next stage of structural reinforcement works to commence for The Bulk Store at the Bay Street Depot.
4. The hoarding is needed to be retained at all three buildings to ensure the ongoing safety of the public and stakeholders. If the City were to seek an alternate supplier, additional costs for removal of the existing structures would be incurred and reconstruction costs for the hoarding would need to be paid at each site respectively. Value for money for Council is achieved through retaining the existing hoarding arrangement at all three buildings until the future strategic measures have been completed because the hoarding hire rates are the same as the original agreed fees.
5. The continuation of the three hoarding installation projects is required to ensure public safety and heritage preservation.

## Stockton House

6. Located at William Street and Riley Street, Stockton House has been identified as having poor structural integrity in the building's awning, presenting a safety risk to the public.
7. A structural engineer was appointed in 2017 and undertook an inspection and found that the awning structure, originally constructed in 1930's-40's had begun to hold water and leak from the awning linings. The report recommended that Temporary Control Measures be put in place.
8. Based on the findings of the engineers report, a Class B Hoarding was immediately erected around the entire awning, as it was deemed a public risk. Based on Structural Engineers, Lahiff Consulting Pty Ltd, scope of works, a detailed cost estimate to replace the awning was issued.
9. While Stockton House is not heritage listed, it is located in a Heritage Conservation Area and therefore the awning must be repaired or replaced and not totally removed.
10. The City has identified this building as being a possible divestment opportunity and as such it is recommended that the temporary hoarding is maintained as an interim measure until the future of the building is decided.

11. The future works on this awning will be guided by the strategic review on the future of this asset. The hoardings will need to remain in place until the proposed structural repairs are completed.

#### **Fig and Wattle Street Depot**

12. 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 have changed considerably over time and ceased in 1990. The site is currently used to store sandstone and smart-poles displaced through the construction works in George Street for the light rail.
13. In the mid 1990's the site was cleared with the exception of six brick buildings of varying age fronting on 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 structural condition.
14. Structural engineers regularly inspect the premises and have deemed that the current hoardings are necessary to ensure structural stability and staff safety.

#### **Bay Street Depot – The Bulk Store**

15. The Bulk Store is a heritage listed building and is located on the Bay Street side of the Bay Street Depot. Due to the age and condition of the building, structural engineers periodically inspect the building and recommend remedial works to ensure structural stability and staff safety.
16. In 2017, a façade inspection was undertaken and it was recommended that works are required on The Bulk Store façade, as well as installation of Temporary Control Measures (hoarding) protecting street frontages to ensure public and City staff safety.
17. The City is currently preparing a scope for structural integrity works including new footings and bracing for tender. The hoardings will need to remain in place until these works are completed which is expected to be in October 2020.
18. The future use of The Bulk Store will be informed by the strategic review of the Bay Street Depot site being undertaken by the City.

### **Key Implications**

#### **Strategic Alignment - Sustainable Sydney 2030 Vision**

19. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. 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 9 - Sustainable development, renewal and design.

#### **Risks**

20. Continuation of the hoarding is critical to ensuring the safety of City staff and the public at the three abovementioned locations.

**Social / Cultural / Community**

21. Continuation of the hoarding is critical to the ongoing safety management of pedestrians and vehicles, accessing areas around the Stockton House, Fig and Wattle and Bay Street Depots.

**Budget Implications**

22. There are sufficient funds allocated for this project within the City Projects and Property Services Division's current year's operating budget and future years' forward estimates.

**Relevant Legislation**

23. 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; and
  - (b) prejudice the commercial position of the person who supplied it.
24. 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.

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