

**Item 5.****Contract Variation - Customs House Facade Upgrade - Head Consultant****File No: X002105.001****Summary**

On 23 March 2016, Council endorsed the engagement of Head Design Consultant, Jackson Teece Architects, to provide heritage architect consultancy services for Customs House façade restoration.

Base survey work and the initial scope have now been completed and the project is ready to proceed to final design followed by construction.

This report seeks approval for a variation to the existing Head Design Consultant contract to complete multidisciplinary design and documentation services required for the scope of works based on the building survey completed by the heritage architect in 2016.

**Recommendation**

It is resolved that:

- (A) Council approve variations to the existing Head Design Consultant contract to complete additional multidisciplinary design and documentation consultancy services as described in the subject report;
- (B) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any documentation required to give effect to the variation as approved by Council; and
- (C) Council note the financial and contractual implications detailed in Confidential Attachment A to the subject report.

**Attachments**

**Attachment A.** Financial Implications (Confidential)

## Background

1. The Customs House building at Circular Quay was designed by Mortimer Lewis and originally built between 1843 and 1845. It was extended by James Barnet in 1889 and later extended and altered again several times.
2. The Customs Department occupied the building until 1990.
3. In 1998, the City leased the building from the owner, the Commonwealth of Australia, for a period of 60 years. Between 1995 and 1998, the City remodelled the interior for use as required under the lease and carried out repairs to the façade. Further internal works were undertaken from 2003 to 2004.
4. The external façade has been shedding small pieces of sandstone, causing safety concerns. Regular local inspections with removal of loose stone ("makesafes") have been undertaken since 2014 to mitigate safety concerns.
5. In March 2016, Council approved a design tender to appoint a Heritage Architect to provide full Architectural Services (including façade survey, scope and document the project, assist with construction tender review and provide construction services).
6. Base survey work and initial scope have now been completed. The scope of work required to address the condition of the sandstone masonry and sandstone balustrades was significantly more than anticipated.
7. The restoration needs to incorporate preventative measures to reduce the shedding of small pieces of façade sandstone and address poorly fixed sandstone balustrades.
8. A review of proposed scope has been carried out in an attempt to reduce the impact of scaffolding on the public and prioritise high-risk items. This has entailed some additional survey work and peer group reviews. Further survey work and seismic investigations are required prior to the construction tender to adequately and sympathetically document the structural requirements for approval by the Heritage Council.
9. Jackson Teece Architects was asked to provide a fee proposal to vary its existing contract and complete design, documentation and construction stage services for the increased project scope arising from the base survey.
10. It is recommended that Council approve a variation to the Head Design Consultant contract as outlined in Confidential Attachment A so that the increased project scope can be undertaken.
11. There is a separate report seeking a resolution on the scope of the works for this facility on the agenda to be considered by the Council on 10 December 2018.

**Budget Implications**

12. An independent quantity surveyor has verified the total forecast project construction cost based on the preliminary investigation.
13. Additional funding is required to deliver full conservation works. A summary of the financial implications is included in Confidential Attachment A.

**Relevant Legislation**

14. Local Government Act 1993.
15. 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.
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. Key dates for the project are as follows:

(a) Design Development and Construction Documentation	March 2019 to August 2019
(b) Tender Period	September 2019 to February 2020
(c) Construction	April 2020 to September 2021

**AMIT CHANAN**

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