

Contract Variation - Roadworks for Gunyama Park Aquatic and Recreation Centre

File No: X010924.001

Summary

This report seeks approval to vary the contract for the design and construction of Gunyama Park Aquatic and Recreation Centre (GPARC).

On 16 October 2017, Council resolved to award the tender to CPB Contractors Pty Ltd to deliver the design and construction of Gunyama Park Aquatic and Recreation Centre.

The contract for the surrounding roadwork, including the upgrade of Joynton Avenue and the construction of Zetland Avenue (East), originally awarded by Resolution of Council on 19 June 2017, was terminated in July 2018 (as noted in the CEO Update of 3 August 2018). The delivery of these surrounding roadworks has strong interdependencies with the construction and the eventual opening of Gunyama Park Aquatic and Recreation Centre, as Joynton and Zetland Avenue are surrounding the Aquatic Centre and Park, and the entrance to the aquatic centre is located from Zetland Avenue.

This report recommends that Council vary the contract for the design and construction of Gunyama Park Aquatic and Recreation Centre to include the Joynton Avenue upgrade and Zetland Avenue (East) construction.

Recommendation

It is resolved that:

- (A) Council approve a variation to the existing contract with CPB Contractors Pty Ltd for the Design and Construct of Gunyama Park Aquatic and Recreation Centre to include the additional scope relating to the following:
 - (i) Joynton Avenue upgrade and Zetland Avenue (East) construction;
- (B) authority be delegated to the Chief Executive Officer to negotiate, and enter into any documentation required to vary the existing contract relating to Design and Construction of Gunyama Park Aquatic and Recreation Centre; and
- (C) Council endorse the contract budget for Gunyama Park Aquatic and Recreation Centre as allocated in Confidential Attachment B to the subject report; and
- (D) Council note the source of additional funding required to complete the project as set out in Confidential Attachment B.

Attachments

- Attachment A.** Gunyama Park Aquatic and Recreation Centre and Joynton and Zetland Avenue Drawing
- Attachment B.** Financial Implications of Roadwork Package of Joynton and Zetland East Avenue (Confidential)

Background

1. The Gunyama Park Aquatic and Recreation Centre (GPARC) project is approximately 2.86 hectares (28,693 square metres) 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 frontage 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.
2. 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 and 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.'
3. On 16 October 2017, Council resolved to award the tender to CPB Contractors Pty Ltd to deliver the design and construction of Stage 1 of the Gunyama Park Aquatic and Recreation Centre and design of Stage 2 of the Gunyama Park Aquatic and Recreation Centre. The works commenced on site in early 2018.
4. The contract for the surrounding roadwork, including the upgrade of Joynton Avenue and the construction of Zetland Avenue (East) ('Joynton and Zetland Avenue roadwork package'), was awarded to a separate contractor by Resolution of Council on 19 June 2017. The Joynton and Zetland Avenue roadwork package key dates:
 - (a) Works started on site on 29 January 2018.
 - (b) Original project completion date was December 2019.
 - (c) Contract was terminated on 31 July 2018 (as notified to Council in CEO Update of 3 August 2018).
5. The Gunyama Park Aquatic and Recreation Centre forecast completion date is April 2020.

Opportunity

6. CPB Contractors Pty Ltd has extensive experience delivering roadwork around the city and therefore has the capability to ensure the timely delivery of this package of work. CPB Contractors Pty Ltd is currently delivering major road projects around Sydney, including the WestLink M7 projects, a 40km dual carriageway connecting the M2, M4 and M5 motorways, and a 33km motorway linking Sydney West with the airport.
7. CPB Contractors Pty Ltd is currently contracted to deliver the Gunyama Park Aquatic and Recreation Centre project between Joynton Avenue and the future Zetland Avenue. Engaging the same contractor to deliver the roadwork will facilitate access to Gunyama Park Aquatic and Recreation Centre construction site from Joynton Avenue and Zetland Avenue when required. This will help mitigate risk (including possible delays) and ensure that the most appropriate methodology is implemented to deliver the two projects on time for the opening of Gunyama Park Aquatic and Recreation Centre.

8. This delivery model would provide opportunity for the contractor to stage the road works in alignment with Gunyama Park Aquatic and Recreation Centre works, because the roadworks contractor need to provide entry into the Aquatic Centre site. This potential conflict could be best managed by one entity managing both projects.

Social / Cultural / Community

9. The consequences of not delivering the adjacent roadwork (Joynton Avenue and Zetland Avenue (East)) concurrently with the Gunyama Park Aquatic and Recreation Centre project would include the following:
 - (a) The community not being able to access Gunyama Park Aquatic and Recreation Centre for a protracted period while adjoining roadworks are being constructed.
 - (b) A safety concern to the City in managing the impact of Joynton Avenue being incomplete with only one through-lane for traffic while the roadwork package is re-procured
 - (c) Joynton Avenue being partially closed for another year which will have a detrimental impact on the lives of the residents, on traffic, public transport and on adjoining development.

Risk

10. Refer to Confidential Attachment B.

Budget Implications

11. Refer to Confidential Attachment B.

Relevant Legislation

12. Attachment B 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.
13. 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

14. The contract date for Practical Completion is currently at 7 April 2020 for the delivery of Gunyama Park Aquatic and Recreation Centre (Stage 1).
15. CPB Contractors Pty Ltd's estimated programme to deliver Joynton and Zetland Avenue is March 2020.

Options

16. Council has the following options

- (a) The upgrade of Joynton Avenue and construction of Zetland Avenue (East) could be tendered out to market. This option is not recommended as:
 - (i) this will push out the start of the construction by at least five months and therefore impact the opening of Gunyama Park Aquatic and Recreation Centre;
 - (ii) the program of another contractor could potentially not be as efficient as it will not have the benefit of the land access with Gunyama Park Aquatic and Recreation Centre; and
 - (iii) the roads will not be delivered before 2021 which will cause a significant delay to the opening of Gunyama Park Aquatic and Recreation Centre and will impact on the delivery of other projects in the Green Square precinct.
- (b) Approve a variation to the existing contract with CPB Contractors Pty Ltd for the Design and Construct of Gunyama Park Aquatic and Recreation Centre to include upgrade of Joynton Avenue and construction of Zetland Avenue (East). This option is recommended.

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