

Contract Variation – Hyde Park South Café and Landscape Master Plan Works

File No: S122016

Summary

This project will deliver a new Hyde Park South Cafe (excluding fit out), paved outdoor seating for 90 people and two unisex toilets, with one open to the park. Works include the integration of the Transport for NSW easy access upgrade to Museum Station lift lobby, to the new café, and landscape integration of the cafe into the surrounding parklands.

In 2014, head design consultants, Andrew Burns Architects, and Turf Design Studio & Environmental Partnerships, were engaged to design and document the Hyde Park Café and associated landscape works respectively. Turf Design Studio & Environmental Partnerships' engagement also included the broader Hyde Park Master Plan works of which the Hyde Park South Café landscape works were a part.

In 2017, Structus Pty Ltd were appointed as the head contractor to deliver the Hyde Park Café and associated landscape project. Construction commenced in March 2018, however, works have been delayed as a result of Transport for NSW construction management and design requirements, additional heritage approvals and the adjacent Anzac Memorial integration works temporarily restricting site access in order to complete their works prior to the Invictus Games in October 2018.

This report seeks to increase the project budget and contract contingencies of the existing design consultants and contractor due to the extended period and additional services for public domain integration works required to complete the project.

Recommendation

It is resolved that:

- (A) Council endorse the project scope for the required additional accessible path, as described in the subject report and shown in the drawings at Attachment A to the subject report;
- (B) Council note the financial implications detailed in Confidential Attachment B to the subject report;
- (C) Council approve the increased budget and contract contingency to the existing head contractor and head consultants to cover the completion of the additional services and works and the source of funds to address the budget shortfall as outlined in Confidential Attachment B to the subject report; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation of the contracts with the head contractor and head consultants.

Attachments

Attachment A. Plan of New Access Path from Museum Station to the Anzac Memorial

Attachment B. Financial Implications (Confidential)

Background

1. Hyde Park is Australia's oldest park and culturally significant heritage landscape. It is Sydney's most significant park, used by over three million local, interstate and international visitors each year and hosting many significant events.
2. Hyde Park is owned by the NSW Government (Crown Land), with the City of Sydney appointed as Reserve Trust Manager for its care, control and management.
3. On 18 November 2013, Council endorsed the City entering into a deed with Transport for NSW, granting it access to Hyde Park South to undertake the Museum Station Easy Access Upgrade Project. The project aimed to improve accessibility to the station and involved the installation of lifts connecting the station entry, concourse and platforms.
4. In April 2015, a deed between the City and Transport for NSW was executed and the latter commenced construction works at Museum Station. The works required the demolition of the small café owned by the City of Sydney. In accordance with the deed, the City is required to design and deliver a new café to replace the former café and provide a new lift lobby to the newly installed Museum Station lift. Transport for NSW's Easy Access Upgrade work was completed in 2017.
5. In 2014, head design consultants, Andrew Burns Architects, and Turf Design Studio & Environmental Partnerships, were engaged separately to design and document architectural and landscape architectural works. Turf Design Studio & Environmental Partnerships were also engaged to implement the broader Hyde Park Master Plan works of which the Hyde Park South Café landscape works were a part.
6. The Hyde Park South Café site is located in the south west corner of Hyde Park, at the rear of the Museum Station entry building. The project site is located on top of the Museum Station City Circle underground line and associated pedestrian tunnels.
7. The Hyde Park South Café and Landscape project includes work to the new café and lift lobby areas within Museum Station, together with landscaping works around the station building at ground level.
8. In July 2017, Council endorsed the engagement of head contractor, Structus Pty Ltd, to undertake the construction of the Hyde Park South Cafe and surrounding environs.
9. Construction works commenced in March 2018 after securing required approvals from Transport for NSW for outstanding design matters.
10. During the execution of the works, delays were encountered arising from additional construction management and design requirements from Transport for NSW, additional heritage approvals required to retain significant heritage fabric, and the adjacent Anzac Memorial integration works which temporarily restricted site access in order to complete works in time for the Invictus Games in October 2018.

11. An existing accessible path connection from Museum Station through the park to the Anzac Memorial was removed as part of the Anzac Memorial Education Centre works. The reinstatement of this accessible path and integration with the Hyde Park South Café landscape works is proposed to be delivered through this project. This will require additional services and works to be performed by the consultants and contractor.
12. Expressions of Interest for a suitable café tenant / operator will be conducted in early/mid 2019. The successful operator will be required to seek relevant approvals and fit out the café for their specific use.

Head Contractor Service Contract

13. In July 2017, subsequent to an open tender process, Structus Pty Ltd were appointed as the head contractor for the project.
14. There is now a requirement for additional funds in the construction contract due to delays in the program and to deliver the revised scope for public domain works. These works include the new accessible path from the café to the Anzac Memorial, turf, planting and paving make good works. We have also included allowances for Transport for NSW construction management requirements related to monitoring tunnel vibration impacts and associated supervision, including updating the Construction Management Plan(s).
15. It is recommended that Council increase the value of the contractor contract contingency due to the extended contract period and additional services required to complete the project.

Head Consultants Contracts

16. In 2014, subsequent to an Expression of Interest, select tender and competitive quotation process, Andrew Burns Architects were engaged to deliver the Hyde Park South Café project. Concurrently, Turf Design Studio & Environmental Partnerships were engaged to deliver the associated Hyde Park Café landscape works. Both these engagements included service provision throughout the concept design, design development, tender and construction phases of the project. Turf Design Studio & Environmental Partnerships were also engaged to implement the broader Hyde Park Master Plan works of which the Hyde Park South Café landscape works were a part.
17. There is now a requirement for additional funds in both design consultancy contracts to provide additional services due to project delays and extension of time. Additional fees are also required for Turf Design Studio & Environmental Partnerships to provide additional consultancy services (design and construction review) to implement the new accessible path from Hyde Park South Café to the Anzac Memorial through the park.
18. It is recommended that Council increase the value of the design consultancy contract contingency for both head consultants due to the extended period and additional services required to complete the project.

Budget Implications

19. The current project budget is insufficient to complete the required additional works as outlined in Confidential Attachment B.
20. The requested source of funds to address budget shortfall is outlined in Confidential Attachment B.
21. It is recommended that Council approve these additional funds so that the works can be completed in a timely manner.

Relevant Legislation

22. Local Government Act 1993.
23. Attachment B contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
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.

Critical Dates / Time Frames

25. Program critical dates:
 - (a) Construction recommencement - March 2019.
 - (b) Complete construction - November 2019.
 - (c) Café operator to fit out café - November 2019 (separate contract).
 - (d) Café operator complete fit out - March 2020 (separate contract).
26. The fit out of Hyde Park South Café will be undertaken by a separate contractor engaged by the yet to be appointed café tenant / operator. The internal café fit out can only commence once Practical Completion of the Hyde Park Café and associated landscape works have been reached.

Public Consultation

27. Public notification of the works was carried out between 13 and 27 October 2015. Notification activities included:
 - (a) a new webpage on sydneyyoursay.com.au, including detailed information and designs, where submissions could be made;
 - (b) notification signs with the design and concept plan on display within Hyde Park; and

- (c) the concept design was displayed at the One Stop Shop in Town Hall House.
28. The sydneyyoursay.com.au project page was viewed by 27 individual users and the plans were downloaded 13 times.
29. In accordance with the deed with Transport for NSW to undertake the Museum Station Easy Access Upgrade Project, consultation and liaison with Transport for NSW has been undertaken throughout the life of the project to ensure impact on the public, station operations and access is minimised.
30. As Hyde Park and Museum Station are state heritage listed items, regular consultation has been undertaken with the City's heritage specialists and the Heritage Council of NSW.
31. Public submissions have been received in regards to recent updates for the recommencement of works.
32. Project boards remain on display at key locations around the construction site which provide a project overview (scope and program) and a contact number for community members who may have queries. Community notification letters have been issued periodically providing updates on project progress and reasons for delay.

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