

Item 10.

Tender - Reject and Negotiate – Joynton Avenue Stormwater Drainage Upgrade Geotechnical Investigation

File No: X021533.007

Tender No: 1944

Summary

The Joynton Avenue Stormwater Drainage Upgrade is the final project to connect recently completed upstream drainage infrastructure within the Lachlan and Victoria Park Precincts to the downstream network, as part of the overall Green Square Trunk Drain Project.

The sensitive area surrounding Joynton Avenue, combined with heritage listed significant trees, and buried utilities directly above the pipe alignment, demands an innovative method of construction for the trunk drain. Trenchless construction, namely microtunnelling, has been identified as the preferred construction method for the project.

The project involves microtunneling under the fig trees using a tunnel boring machine in the footpath of Joynton Avenue, to install 765 metres of 1.8 metre diameter pipes, the construction of major stormwater pits at junctions, the installation of gross pollutant traps and associated service relocations.

Design and construction works tenders were previously advertised on 17 May 2016 and closed on 3 August 2016. As there were no conforming tenders, Council resolved to reject and negotiate the tenders in December 2016. Negotiations were undertaken with two companies that submitted tenders, which resulted in ceasing negotiation without success in July 2018. This was reported to the Council via CEO update in July 2018.

During the reject and negotiate process, a tunneling specialist was engaged to review the initial tender documents and specification, and assist the City's project team with tunneling technical issues.

Following recommendations from the tunneling specialist, a further site geotechnical investigation and update of Review of Environmental Factors (REF) has been completed using all the available information. The use of the Tunnel Boring Machine under the mature trees on Joynton Avenue poses a risk to the project. Further risks were identified during this process, including identifying concrete footing obstructions on the drilling alignment as well as potentially uncontrolled fill at the northern end of the works. To address these risks, a tender was called for further detailed geotechnical investigation of the alignment.

The tender for geotechnical investigation (HDD) was advertised on 25 June 2019 and closed on 16 July 2019. No conforming submissions were received.

Recommendation

It is resolved that:

- (A) Council reject the tender received for the Joynton Avenue Stormwater Drainage Upgrade Geotechnical Investigation for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders may not attract additional suitable suppliers over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (D) Council note the financial details of the project contained in Confidential Attachment A to the subject report;
- (E) authority be delegated to the Chief Executive Officer to execute and administer a contract with the suitable service provider following completion of the negotiations.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The project site is located within Joynton Avenue between O'Dea Avenue and just south of Elizabeth Street, Zetland. Joynton Avenue functions as a key local collector road and carries about 12,500 vehicles bi-directional per day. Joynton Avenue is also a transport corridor for a number of regional and local bus services which provide access north to the City and south towards Mascot, Botany and Kensington.
2. The project site is experiencing significant land use change for mixed resident uses in areas such as Victoria Park, Epsom Park, and also Waterloo in the Lachlan Precinct.
3. Adjoining uses on Joynton Avenue include mostly high density residential and parks at the northern end, and government service land at the southern end, which include the Ausgrid Depot and former Royal South Sydney Hospital site (subject to redevelopment).
4. The street has generally a wide reservation with kerbside parking and also street trees extending down either side creating a boulevard appearance.
5. The City of Sydney has completed a preliminary hydraulic design for the project. The trunk drain will be installed at depths up to 4 metres from the surface level to the top of pipe and consists of approximately 750m lineal metres of 1.8m diameter reinforced concrete pipe, as well as a shorter length of reinforced concrete box culverts and smaller diameter pipes.
6. There were lessons learnt from an adjacent project (Green Square) wherein the Tunnel Boring Machine required extractions on many occasions because of buried obstructions. As the Joynton Avenue Trunk Drainage site conditions are similar to that of the Green Square Trunk Drainage site, the risks of the tunneling operation interfering with buried objects is high.
7. Consequently, the City has called open tenders for site investigation to further identify and quantify the risks associated with obstructions to a microtunneling operation.
8. Since there was no conforming tender response received, it is recommended that the Council reject the tender submission for Joynton Avenue Stormwater Drainage Upgrade Geotechnical Investigation, and as it is considered that inviting fresh tenders may not attract additional suitable suppliers over and above those that have responded to this tender, enter into direct negotiations with suitable consultants to optimise financial, commercial and legal outcomes.

Invitation to Tender

9. The tender was advertised in The Sydney Morning Herald and The Daily Telegraph, and on the City's eTendering website, on Tuesday 25 June 2019, and closed on Tuesday 16 July 2019.

Tender Submissions

10. One submission was received from GBG Australia Pty Ltd.
11. No late submissions were received.

Tender Evaluation

12. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.

Performance Measurement

13. The City will ensure that the performance measures are met and monitored by:
 - (a) reviewing the program, Work, Health and Safety, and Environmental Management Plan and work methods statements;
 - (b) reviewing Safe Work Method Statements and progress reports;
 - (c) attending regular inspections of the works;
 - (d) conducting regular site meetings as required; and
 - (e) ensuring the works are in accordance with the contract documents, such as the technical specification and site management plan.

Financial Implications

14. There are sufficient funds allocated for this project within the current year's capital works budget and future years' forward estimates.

Relevant Legislation

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
16. 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.
17. 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

18. The proposed program comprises the following activities:
 - (a) Contract with successful contractor/consultant - November 2019
 - (b) Commence site investigation works - January 2020
 - (c) Complete site investigation - May 2020
 - (d) Call Design and Construct contract - July 2020
 - (e) Finalise tender evaluation and award contract - October 2020
 - (f) Construction Commence - November 2020
 - (g) Practical Completion - June 2022

Options

19. Reject the tender and negotiate with suitable service providers to carry out the work and delegate authority to the Chief Operating Officer to enter into a contract. This option is recommended.
20. Cancel the tender and re-advertise. This option is not recommended as it is considered this will not attract additional submissions.

Public Consultation

21. There has been no public consultation regarding the tender.

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