

Item 12.

Exemption from Tender - Variation to Existing Consultancy Services Contract for Green Square Town Centre Essential Infrastructure and Public Domain

File No: S105606

Tender No: 1299

Summary

This report seeks approval to vary the contract for consultancy services for additional design works for Green Square Town Centre Essential Infrastructure and Public Domain.

Green Square is one of the largest urban renewal redevelopment sites in Australia. It comprises 278 hectares, will home 61,000 residents and 21,000 workers, and the value of residential and commercial development will exceed \$13 billion.

The Green Square Town Centre Essential Infrastructure project is intended to deliver key enabling infrastructure that will facilitate the development of Green Square Town Centre, by constructing infrastructure to create streets networks permeating the large blocks of land.

On 29 October 2018, Council approved an exemption from tender and variation to the contract with AECOM Australia Pty Ltd for Green Square Town Centre Essential Infrastructure and Public Domain.

Additional works and services have been required to be carried out by AECOM including:

- rectification works to Geddes Street East required due to damage by adjacent land owners; and
- prolongation of testing and validation services in support of the termination process for Ertech Pty Ltd and the re-engagement process of a new contractor.

This report recommends that Council vary the contract for the existing consultancy services with AECOM for Green Square Town Centre Essential Infrastructure and Public Domain.

Recommendation

It is resolved that:

- (A) Council approve a variation to the existing contract with AECOM Australia Pty Limited to include additional scope relating to design services in the development, design, documentation and administration of the delivery of Green Square Town Centre Essential Infrastructure and Public Domain;
- (B) authority be delegated to the Chief Executive Officer to negotiate, and enter into any documentation required to vary the existing contract relating to consultancy services for Green Square Town Centre Essential Infrastructure and Public Domain; and
- (C) Council endorse the contract budget as allocated in Confidential Attachment A to the subject report.

Attachments

- Attachment A.** Financial and Contractual Implications to the Existing AECOM Services Contract - Green Square Town Centre Essential Infrastructure and Public Domain (Confidential)

Background

1. This project is part of the City's Green Square Town Centre development program, which is the heart of the Green Square urban renewal area. The Green Square renewal area, incorporating the suburbs of Zetland, Beaconsfield and parts of Roseberry, Alexandria and Waterloo, is located within the most important economic corridor in the country.
2. The Green Square Town Centre is primarily located in the suburb of Zetland and covers an area of 13.74 hectares, including land bounded by Botany Road, Bourke Street, Portman Street, Portman Lane, Joynton Avenue, Hansard Street and Tosh Lane.
3. Significant works are underway to transform the Green Square urban renewal area from an old industrial precinct to a new commercial, retail and residential centre. The City of Sydney has commenced extensive design works to deliver new infrastructure and public domain works.
4. On 29 October 2018, Council approved an exemption from tender and variation to the contract with AECOM Australia Pty Ltd for Green Square Town Centre Essential Infrastructure and Public Domain.
5. During the period of design consultancy services, the following additional works have been identified and are added to the original scope as being required to deliver the Green Square Town Centre Essential Infrastructure and Public Domain:
 - (a) Bridgehill Rectification Design Package, Associated Studies, Coordination and Construction Supervision Services for Geddes Avenue:
 - (b) Post construction works for Geddes Avenue, it was discovered that a portion of these newly completed street works had been damaged due to basement sheet piling undertaken on the adjoining BridgeHill development site. As such, additional AECOM design and site supervision services were required.
 - (c) Environmental Management Requirement for Allotment Batter Testing Interface to Paul Street, Geddes Avenue and Botany Road. This scope of work is for validation of the soils which were used in the creation of the batter slope areas onto the adjoining land under licence. This additional sampling was required to enable AECOM to validate the material used for construction of these batters in accordance with the licence arrangement.
 - (d) Extensive Assessment of Ertech Pty Ltd Variations - Paul Street, Geddes Avenue and Botany Road:
6. During construction, Ertech Pty Ltd claimed a number of variations and other major variation costs were incurred during and post termination of Ertech's contract. AECOM's engagement was necessary to aid in the review, assessment and the verification of these variation claims to the main contract.
7. In addition, the City's two major projects, namely South Sydney Hospital site and Gunyama Park Aquatic and Recreation Centre, have significant frontage along Joynton Avenue and both needed sophisticated design and staging advice to allow integration with the future state of the Joynton Avenue. AECOM is best placed to provide staging and design advice on the progression of this site.

Risk

13. The impacts of not proceeding with the currently engaged design consultancy services would result in the following:
 - (a) loss of existing project knowledge and less value for money – the design services can be provided by a supplier already engaged on the specific project. The continuum of service will provide value for money through the retention of existing project knowledge and experience, gained over the past five years of project service; and
 - (b) delay in the rate of delivery and programme synergy for the street design documentation, construction works delivery and thus key project milestones – currently, the rate of streets design delivery is in synergy with overall staging programmes for both private and public realms. Any design consultant service delays would contribute to time variances and result in programme delays and project construction cost increases.

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