

Head Contractor - The Crescent Lands at Johnstons Creek, Annandale - Additional Contingency

File No: S123802

Tender No: 1868a

Summary

This report seeks approval to increase contract contingency for the Head Contractor for the delivery of The Crescent Lands at Johnstons Creek project.

Johnstons Creek parklands is new open green space on the western edge of Glebe foreshore parks, located between The Crescent, Johnstons Creek and the Light Rail viaduct adjacent to Federal Park. The works will open up the five archways of the Glebe railway viaduct, create a large play area near Federal Park playing field, and create a new open space.

On 18 May 2020, Council resolved to engage Ford Civil Contracting for the construction of the Crescent Lands at Johnstons Creek, Annandale.

During construction, there have been several events that have generated additional works under the contract, including latent conditions and additional contamination scope required to progress the delivery of this project.

This report recommends Council approve an increase to the budget for the construction works under contract as outlined in Confidential Attachment A.

Recommendation

It is resolved that Council:

- (A) approve an increased contract contingency to the existing Head Contractor for the construction of The Crescent Lands at Johnstons Creek, Annandale, project to cover works associated with remediation and works to assets owned by third parties; and
- (B) approve the additional funds sought as outlined in Confidential Attachment A to the subject report to be sourced from the 2020/21 Capital Works Contingency.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. The proposed scope of works at The Crescent Lands will deliver new green open space and constitutes a significant step towards realising the long term Johnstons Creek Parklands Masterplan adopted by Council on 26 August 2013.
2. The project will deliver new recreational open space and a skate space with related works in Federal Park, including refurbished playground and picnic facilities. It will create a freestanding mini skate ramp to replace the existing mini ramp at Chapman Road, a fitness hub located adjacent Federal Park Oval, modifications to Chapman Road south to improve parking arrangements, and path and cycle connections from Chapman Road.
3. On 21 January 2020, following the liquidation of the previously appointed contractor, the City entered into discussions with the next preferred supplier (Tenderer A) from the 2018 tender and discussed their capacity and interest to complete the balance of the works remaining on the project.
4. On 18 May 2020, Council resolved to approve an exemption from tender for the provision of construction services and delegated authority to the Chief Executive Officer to negotiate, execute and administer the contract with Tenderer A, Ford Civil Contracting, for the construction of The Crescent Lands at Johnstons Creek, Annandale, after the previous supplier had gone into liquidation in early 2020.
5. On 7 July 2020, Ford Civil commenced works on site.
6. During construction, additional remediation work and costs associated with management of contamination, as well as work required to assets owned by third parties, including RailCorp, Transport for NSW and Sydney Water, has led to increased cost variations to the contract.
7. The works to third party assets include the installation of a new Sydney Water watermain, and the approval and requirements of Transport for NSW for the non-destructive excavation required around and for the location of their electrical high voltage lines.
8. There are additional works associated with latent conditions to manage remediation requirements that were more extensive than known prior to entering into the contract.
9. The variations to the contract require additional construction contract contingency be approved by Council.

Performance Measurement

10. An independent quantity surveyor is engaged to review all variations against current market rates and their methodology cost effectiveness.
11. A Hygienist and Site Auditor have been appointed to this project to monitor construction methodologies, confirm contamination extent and validate remediation.

Financial Implications

12. Additional funds are required, as detailed in Confidential Attachment A.

Relevant Legislation

13. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
14. Attachment A 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.
15. 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

16. Construction is scheduled to be complete early in 2021.

Options

17. The impact of not proceeding with this option would mean the construction of the project would stop. It is not feasible from a time or cost perspective to complete this scope of works later. Continuing with the current contractor who is currently undertaking the works, provides the best value for money.
18. Any option that explores removing these works from this project for completion later, is not recommended due to the additional time and cost that later delivery would require. Delay would extend the impacts on the community in terms of access to existing and improved facilities in the park.

Public Consultation

19. The community has been updated through the City's website, on-site signage and contractor's notifications of the works.

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