

Contract Variation and Exemption from Tender - Head Design Consultant - 119 Redfern Street, Redfern

File No: X025821

Summary

This report seeks an exemption from tender for the head design consultancy services for 119 Redfern Street, Redfern, and requests Council approve a contract variation for the head design consultant.

The City purchased 119 Redfern Street, Redfern, to upgrade as a local Aboriginal knowledge and culture centre. The initial stage of these works is the installation of a lift and accessible entry to ensure all members of the community have access to the building.

During the preliminary investigations for the lift and accessible entry, issues relating to building services, latent conditions and design outcomes were identified that require additional services from the head design consultant to resolve.

The fee variation proposal from the current head design consultant for these additional services increases the total amount of the contract to an amount that requires the approval of Council to proceed if tenders are not invited. Inviting tenders for these additional services from other consultants would not achieve a satisfactory result.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for 119 Redfern Street, Redfern, for head design consultancy services;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
 - (i) the current head design consultant has in-depth knowledge of the project and the concept design to be documented;
 - (ii) the fee variation proposal from the current head design consultant has been assessed by the project Quantity Surveyor as fair and reasonable for the work involved; and
 - (iii) the lengthy time periods required for a tender process would delay access to the building for members of the community; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute, administer and vary the head design consultant contract relating to 119 Redfern Street, Redfern.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. In November 2018, the City purchased the former Redfern Post Office for use as a local Aboriginal knowledge and culture centre. The building is state heritage listed and level 1 is currently only accessible by stairs.
2. In June 2019, a project for the installation of a lift and related accessibility works at 119 Redfern Street, Redfern (i.e. former Redfern post office), was approved to proceed to implementation.
3. In November 2019, the existing tenant vacated the building and City staff commenced part-time occupation of the building. Penetration of traffic and pedestrian noise to the building interior was found to be a considerable impediment to the use of the building.
4. Investigations of the building services also determined that the existing electrical supply is insufficient to operate a lift and upgrade of the supply is required.
5. In February 2020, the head design consultant was engaged for architectural and associated services for the project following the competitive Request for Quotation process detailed in the confidential attachment.
6. At the time of engagement, it was believed that the lift would be located internally within the existing building envelope.
7. Shortly after engagement, additional scope was approved to incorporate acoustic works into the project to mitigate penetration of traffic and pedestrian noise to the building interior, and the investigation of applying thermal insulation to doors and windows.
8. The head design consultant assessed nine potential locations for the installation of the new lift and accessible entry. The preferred location of the new lift and accessible entry:
 - (a) replaces an existing 1-storey addition on the south-west corner of the building, whose roof is currently occupied by multiple air-conditioning condensers;
 - (b) is located away from traffic and pedestrian noise generated on Redfern and George Street on the existing right of way to the east of the building; and
 - (c) ensures continuing use of the four major rooms within the existing building by the community.
9. Due to the location of the new lift and accessible entry on the exterior of the building in response to significant heritage elements, unforeseen additional works will have to be documented by the head design consultant, including:
 - (a) incorporating waterproofing into building elements, such as the lift shaft;
 - (b) relocation and upgrade of mechanical plant;
 - (c) design and specification of new bathrooms; and
 - (d) regrading and repaving of the existing right of way.

10. The head design consultant will have to engage additional sub-consultants to design and document these additional works including civil, hydraulic and mechanical services engineers.
11. Additional building elements were also incorporated that will have to be documented by the head design consultant including a flagpole, banners and additional signage.
12. In September 2020, the City requested the head design consultant provide a fee variation proposal to document the additional works required. The amount of the fee variation takes the total amount of the contract, with the head design consultant, inclusive of GST, above the tender threshold of \$250,000.
13. Approval of the exemption from tender and contract variation will allow the head design consultant to prepare construction documentation and provide construction stage services for the additional works for which they have already prepared concept design and development approval documentation.
14. Timely preparation of construction documentation and provision of construction stage services will ensure the entire facility at 119 Redfern Street is accessible to all members of the community.
15. A satisfactory result would not be achieved by inviting tenders for this work because:
 - (a) the current head design consultant has in-depth knowledge of the project and the concept design to be documented;
 - (b) the fee variation proposal from the current head design consultant has been assessed by the project Quantity Surveyor, VG Consulting, as fair and reasonable for the work involved; and
 - (c) the lengthy time periods required for a tender process would delay access to the building for members of the community.

Financial Implications

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

Relevant Legislation

17. The request for quotation process was conducted in accordance with relevant sections of the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy. The exemption from tender is sought in accordance with the Local Government Act 1993.
18. 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.
19. 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.
20. 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

21. The following key dates apply to this project:

(a) Construction documentation prepared	Late 2020 - April 2021
(b) Project scope endorsement	Early 2021
(c) Construction tender and contract execution	April - August 2021
(d) Construction phase	Late 2021 - mid 2022
(e) Completion	Mid 2022

Options

22. The City could invite tenders for the preparation of construction documentation and construction stage services for the installation of the lift and accessible entry at 119 Redfern Street, Redfern. However, other consultants would have less knowledge of the project and concept design to be documented than the current head design consultant. This is likely to cause delays to the delivery of the project.
23. Work on the project could be stopped at the end of concept design. This will mean that some members of the community will not have access to all parts of the building and will limit the utility of the building as issues such as acoustics and installation will not be attended to.

Public Consultation

24. Presentations on the installation of the lift and accessible entry at 119 Redfern Street, Redfern, were made to the City's Aboriginal and Torres Strait Islander Advisory Panel on 12 August and 23 September 2020.

AMIT CHANAN

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