

Item 12.

Contract Variations – Construction Contract and Design Consultancy Contract for the Green Square to Ashmore Connector Road

File No: X010049

Summary

This report seeks variations to two existing contracts and additional funds to increase the project budget for the Green Square to Ashmore Connector (GS2AC) road project.

The connector road is a transport initiative to improve the east-west connection between the Ashmore Precinct, Erskineville and Green Square Town Centre for pedestrians, cyclists, buses and local vehicles. Construction of the road is essential to facilitate the renewal of adjoining lands for affordable housing and for employment-based land uses.

The road runs from Botany Road to Bourke Road via O’Riordan Street and allows direct pedestrian and cycling (and future bus) access from Geddes Avenue within the Green Square Town Centre to Bowden Street in Alexandria and onto the Ashmore Precinct and Erskineville. It also allows limited vehicle access for adjoining sites.

The City entered into a contract with AECOM Australia Pty Ltd (AECOM) in October 2018 to provide design and construction stage services for the Green Square to Ashmore Connector project. This contract has been significantly prolonged due to restaging of the project because of land acquisition delays. As a result, additional design works and consultancy services have been ongoing.

In October 2021, the City entered into a contract with Ford Civil Contracting Pty Ltd (Ford Civil) for construction of the Green Square to Ashmore Connector road in two separable portions. Separable portion 1, from Botany Road to O’Riordan Street, is currently under construction and construction of separable portion 2, from O’Riordan Street and Bourke Road, is required to be coordinated with land acquisition currently in progress.

Due to latent conditions encountered during construction and restaging of the project to allow for the land acquisition process, additional contingency is required for the contracts with Ford Civil and AECOM.

This report recommends that Council approve additional contract contingency for the contracts with AECOM and Ford Civil and that Council approve additional funds to increase the project budget.

Recommendation

It is resolved that Council:

- (A) approve additional contract contingency for the consultancy contract with AECOM Australia for additional design and construction stage services for the Green Square to Ashmore Connector, as outlined in Confidential Attachment A to the subject report;
- (B) approve additional contract contingency for the construction contract with Ford Civil Contracting Pty Ltd for construction of the Green Square to Ashmore Connector Road and Associated Works, as outlined in Confidential Attachment A to the subject report; and
- (C) approve the additional funds sought for the Green Square to Ashmore Connector Road project as detailed in Confidential Attachment A to the subject report.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. The Green Square to Ashmore Connector (GS2AC) is a transport initiative to improve the east-west connection between the Ashmore Precinct and Green Square Town Centre for pedestrians, cyclists, buses and local vehicles. Construction of the road is essential to facilitate the renewal of adjoining lands for affordable housing and for employment-based land uses.
2. The Green Square to Ashmore Connector will comprise a new road that runs from Botany Road to Bowden Street via O'Riordan Street and Bourke Road, with two new signalised intersections and upgrade works to the existing Botany Road / Geddes Avenue signalised intersection. The western section of Green Square to Ashmore Connector between O'Riordan Street and Bourke Road has required the recent acquisition of land from the Ausgrid site at 15 O'Riordan Street and requires the acquisition of part of the site at 13 O'Riordan Street, currently still in progress.
3. In 2017, the City prepared a Review of Environmental Factors (REF) for the then concept design of the proposed road. Following exhibition and consideration of issues raised in submissions, the 2017 Review of Environmental Factors was determined by the City under Division 5.1 of the Environmental Planning and Assessment Act in December 2018.
4. In October 2018, AECOM were awarded the design consultancy contract for detailed design of the Green Square to Ashmore Connector. This contract also included construction stage consultancy services. Based on the 2017 Review of Environmental Factors concept design, AECOM completed the design of an early works package including building demolition and remediation works and bulk earthworks to subgrade level.
5. A construction contract for the early works package was subsequently awarded to Delta Pty Ltd in April 2019, comprising of 2 separable portions. Separable portion 1 early works between Botany Rd and O'Riordan St were completed in December 2019. Separable portion 2 early works between O'Riordan St and Bourke Rd commenced in October 2021 (following grant of a construction licence by Ausgrid) and were completed September 2022.
6. In parallel to the early works and prior to commencing detailed design, the concept design developed by AECOM was presented to the City's Design Advisory Panel in April 2019, who made several design recommendations requiring amendments to the concept design presented in the 2017 Review of Environmental Factors. The Design Advisory Panel advice was subsequently incorporated into the redesign of the works
7. The detailed road design was completed by AECOM in September 2021 and a road construction contract comprising of 2 separable portions to align with the early works, was awarded to Ford Civil Contracting in October 2021 by Council. Separable portion 1 (between Botany Road and O'Riordan Street) is currently under construction and forecast for completion early 2023. Separable portion 2 between O'Riordan Street and Bourke Road is now required to be further staged in coordination with the land acquisition process currently in progress for the land at 13 O'Riordan Street (currently under negotiation). There are likely to be works required by the owner of 13 O'Riordan Street following the acquisition process and the ultimate timing for construction of this portion will be dependent on the finalisation of those works.

8. To accommodate the staging, additional design and construction services will need to be provided by AECOM and additional demolition and construction works will need to be carried out by Ford Civil Contracting, including:
 - (a) design adjustments to existing road design and additional construction stage consultancy services to accommodate staging;
 - (b) design and construction of alternative access to 13 O'Riordan Street;
 - (c) demolition of Ausgrid telecommunications tower;
 - (d) temporary construction works to accommodate staging.
9. Additionally, during recent bulk excavation works, unexpected finds were encountered which require a groundwater contamination investigation to be carried out. Pending results of this investigation, contamination source location and removal may need to be carried out as well as further remediation works in the surrounding area.
10. The forecast cost to complete the additional works outlined above and as detailed in Confidential Attachment A exceeds the available contract amounts previously approved. Additional funds will also be required to increase the project budget to allow for these extra works.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

11. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
 - (a) Direction 5 - A city for walking, cycling and public transport - The road features a single traffic lane in each direction to be dedicated as a public transport corridor (bus lanes) with local traffic access to adjoining properties. The road also features wide footpaths and an on-road 2-way cyclepath that connects to the existing east-west cyclepaths on Bowden Street and Geddes Avenue. It also provides interchange with the existing north-south cyclepath on Bourke Road.
 - (b) Direction 9 - A transformed and innovative economy - Construction of the road is essential to facilitate the renewal of adjoining lands for employment-based land uses including the proposed Markham commercial development at 22 O'Riordan Street and future development of the site at 13 O'Riordan Street.
 - (c) Direction 10 - Housing for all - Construction of the road is essential to facilitate the renewal of adjoining lands for affordable housing including the proposed St George Community Housing development at 338 Botany Road and the proposed City West Housing development at 330-338 Botany Road / 20 O'Riordan Street

Financial Implications

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

13. The City has received a funding offer from the NSW Government as part of the Transport for NSW Active Transport Program to partially fund the cycleway and walking component of the project only, as detailed in confidential Attachment A. The remainder of the project is to be funded by the City

Relevant Legislation

14. The original tenders were conducted in accordance with the Local Government Act 1993 and the then Local Government (General) Regulation 2005.
15. 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.
16. Attachment A contains confidential commercial information of the contractor and contingencies which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom the 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 the City's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

18. Roadworks construction commenced on site in March 2022.
19. Separable Portion 1 works from Botany Road through to O'Riordan is forecast for completion in March 2023.
20. Separable Portion 2 works from O'Riordan Street through to Bourke Road are forecast for completion in late 2023 (with timing pending finalisation of the acquisition of part of 13 O'Riordan Street and undertaking of associated works).

Public Consultation

21. The project scope was publicly exhibited as part of the Review of Environmental Factors (REF) approval process in 2018 and again in 2021 following changes to the design.
22. During construction, there will continue to be close liaison between property owners, businesses, City staff and the contractors to minimise disruption to properties in the area. The contractor has a Community Liaison Officer in place for the project.

KIM WOODBURY

Chief Operating Officer

Peter Calantzis, Senior Project Manager