

Contract Variation - Design Consultants for the Bike Network Program

File No: X026113

Tender No: 1970

Summary

The Bike Network Program contract for design consultancy services was awarded to AECOM Australia Pty Ltd by the Chief Executive Officer following endorsement by the Tender Review Group, in accordance with the Register of Delegations from Council to the Chief Executive Officer in November 2019. The consultancy contract scope is for design and documentation for safe cycleways between existing kerbs and minimising impacts to the existing infrastructure.

The Bike Network Program includes six cycleway projects:

- Castlereagh Street Cycleway,
- Gadigal Avenue, Potter Street and Crystal Street Cycleway,
- Bridge Street, Railway Parade and Henderson Road Cycleway,
- Ashmore and Harley Streets Cycleway,
- Mitchell Road and Huntley Street Cycleway, and
- Alexandria Shared Paths.

In March 2020, the scope for the Castlereagh Street North Cycleway was changed by Council to include a full public domain upgrade alongside and integrated into the full length of the four-block cycleway. This change in project outcome significantly increased the design scope of the contract, with additional contingency for the head design consultant approved via the Chief Executive Officer.

Some design changes have also been necessary for each of the other cycleways due to advice from service authorities or the discovery of latent conditions.

The estimated cost to complete this additional scope will exceed the available contract contingency amount previously approved by the Chief Executive Officer.

This report recommends approval for an increased contingency value for the existing Head Consultant Contract for the Bike Network Program to cover the proposed additional services as described in Confidential Attachment A. There are sufficient funds allocated for each of the six projects to cover the increased design consultancy contract contingency within the current year's capital works budgets and future years' forward estimates.

Recommendation

It is resolved that:

- (A) Council approve an increased contingency value for the existing Head Consultant Contract with AECOM Australia Pty Ltd for the Bike Network Program to cover additional services as described in Confidential Attachment A to the subject report; and
- (B) Council note the financial implications detailed in Confidential Attachment A to the subject report.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. As part of the City's Strategic Bicycle Network Plan, cycleways are proposed on Castlereagh Street; Crystal Street, Potter Street and Gadigal Avenue; Henderson Road; Ashmore Street, Harley Street; Mitchell Road and Huntley Street; Swanson Street, Buckland Street and Mitchell Road.
2. Following a tender process, in November 2019 AECOM was awarded the Head Design Consultancy Contract (Contract) for the six cycleway projects.
3. In March 2020, the scope for the Castlereagh Street North cycleway was increased to include a full public domain upgrade. The additional public domain scope will be designed and built as an integrated project with the cycleway for the full five-block length.
4. In January 2021, the City directed AECOM to undertake additional works to its scope to reduce the design and delivery risk of Castlereagh Street, in the form of underground services investigations including ground penetrating radar and potholing works.
5. Consultation with stakeholders and the community undertaken in March, April and May 2022 for Castlereagh Street has resulted in re-design works at some locations on Castlereagh Street, in particular at the NSW Fire and Rescue Building.
6. There have been scope increases and changes to signalised intersections for Castlereagh Street and other sites in this contract as requested by Transport for New South Wales.
7. Design staging and coordination with major works projects on Castlereagh Street, such as the Sydney Metro and the David Jones Building, have added design scope and will likely need additional assistance from the designers during construction.
8. Underground latent conditions uncovered during construction have required redesign and additional flood modelling in order to deliver stormwater infrastructure for the Ashmore and Harley Streets Cycleway, Bridge Street, Railway Parade and Henderson Road Cycleway and the Alexandria Shared Paths. Changes requested by Transport for NSW during the approvals process for traffic signals have also led to additional design costs.
9. The additional variation works for design requirements, latent conditions and authority approvals have impacted the cost to complete the Contract through to construction for Castlereagh Street, Mitchell Road and Huntley Street Cycleway, Ashmore and Harley Streets Cycleway and the Bridge Street, Railway Parade and Henderson Road Cycleway. This report recommends a variation to the contract with AECOM to increase the contingency amount to cover the additional costs.
10. There are sufficient funds allocated for each of the six projects to cover the increased design consultancy contract contingency within the current year's capital works budgets and future years' forward estimates.

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. These cycleway projects will complete the missing links in the bike network, providing a safe, sustainable and active transport option for people travelling across and throughout the city.

Financial Implications

12. There are sufficient funds allocated for each of the six projects to cover the increased design consultancy contract contingency within the current year's capital works budgets and future years' forward estimates. Refer to Confidential Attachment A.

Relevant Legislation

13. The original tender process was conducted in accordance with the Local Government Act 1993 and the then Local Government (General) Regulation 2005.
14. 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.
15. 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.
16. 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

17. Castlereagh Street construction works are scheduled to commence early 2023 and have a construction period forecast of up to 18 months.
18. Mitchell Road and Huntley Street Cycleway construction works are scheduled to commence October 2022 for a period of 18 weeks.
19. Construction is underway for Ashmore and Harley Streets Cycleway with completion forecast for November 2022.
20. Construction is underway for Bridge Street, Railway Parade and Henderson Road Cycleway with completion forecast for February 2023.
21. Construction works for Gadigal Avenue, Potter Street, Crystal Street and Alexandria Shared Paths were completed in August 2022.

Options

22. An alternative option is to terminate the existing contract with AECOM and re-tender for design consultancy to complete the works remaining in this contract. This option is not recommended as it would cause significant delays on projects already under construction. It would delay the design progress on Castlereagh Street, impact construction commencement and risk higher costs engaging a new consultant to take over the design and construction phase support without having background on the project. .

Public Consultation

23. Consultation with internal and external stakeholders been undertaken throughout the design and construction phases of these projects.

KIM WOODBURY

Chief Operating Officer

James Kidd, Design Manager