

Tender - T-2021-616 - Reject and Negotiate - Revitalisation of Perry Park: Park Upgrade, Synthetic Sportsfield, Amenities and Associated Works and Contract Variation - Head Design Consultant

File No: X020986.001

Tender No: T-2021-616

Summary

This report provides details of the tenders received for Revitalisation of Perry Park: Park Upgrade, Synthetic Sportsfield, Amenities and Associated Works.

Perry Park is located on the corner of Bourke Road and Maddox Street, Alexandria and is surrounded by industrial and commercial land uses. The Park is within 700 metres of Green Square station and within walking distance of the new Green Square residential area.

The park has been progressively developed with Perry Park Recreation Centre multipurpose indoor sports stadium recently completed on the western side of the park.

The works that are the subject of this tender are the construction of a new FIFA sized multipurpose synthetic sports field, lighting, new amenities building, landscaping, shared way, parking, new accessible circulation path and associated services, in order to provide external sports facilities, to complete the revitalisation works to the remainder of the park.

Council resolved to endorse the Perry Park Revitalisation Project for progression to design, tender and construction, at its meeting on 17 May 2021.

This report recommends that no tender be accepted as all tenders received were non-compliant, and the City enter into negotiations with suitably qualified companies for the construction of the Revitalisation of Perry Park: Park Upgrade, Synthetic Sportsfield, Amenities and Associated Works.

This report also seeks a variation to the contract with Aspect Studios Pty Ltd for additional Head Design Consultant services and requests Council approve an increase in contingency for the reasons outlined in Confidential Attachment A.

Recommendation

It is resolved that:

- (A) Council decline to accept the tender offers for Revitalisation of Perry Park: Park Upgrade, Synthetic Sportsfield, Amenities and Associated Works, for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable contractors over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract on terms that are appropriate in relation to the subject matter of the tender;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender;
- (E) Council be informed of the successful contractor via the CEO Update;
- (F) Council approve a variation to the existing contract for Aspect Studios Pty Ltd for Head Design Consultant services on the terms contained in Confidential Attachment A to the subject report;
- (G) Council approve the increased amount and increased contingency to the existing head design consultants' contract as outlined in Confidential Attachment A to the subject report; and
- (H) Council approve additional project funding as outlined in Confidential Attachment A to the subject report.

Attachments

Attachment A. Tender Evaluation Summary and Financial Implications (Confidential)

Background

1. The City's residential and worker population is increasing and becoming more active. Correspondingly, there are increasing demands on City facilities, particularly sporting facilities. The City's Sports Facilities Demand Study 2016 (the Study) was adopted by Council in November 2016. It identified an emergent and increasing deficiency in the capacity of City's sporting facilities to meet the identified demand.
2. The City approved a Sportsfield Development Program in 2017, which aims to address the increasing demand on the capacity of the City's sporting facilities. The objective of the program is to increase playable hours and offer a variety of playing surfaces for different sports across the local government area. Perry Park was identified as a site suitable for active sports and a multipurpose synthetic surface because of the surrounding non-residential land uses, proximity to Green Square Station and possible connections to the Alexandra Canal open space network.
3. The existing site is approximately 16,000m². Positioned on the corner of Maddox Street and Bourke Road Alexandria, Perry Park is located within an industrial area within close proximity to Green Square. The site is bound by a Sydney Water easement to the north and contains an existing trunk drain underneath the southern section. The site is Crown Land with Council the delegated management authority.
4. Perry Park is uniquely connected to active transport linkages with the Bourke Road cycleway and the Maddox Street shared way defining its park edges.
5. Perry Park initially formed part of a low-lying area associated with Shea's Creek Swamp, before forming part of a larger sewage farm for the disposal of sewage in the late 1800s. The site and parts of the wider surrounds were subsequently utilised as a municipal rubbish tip through the early to mid-1900s and were redeveloped in the late 1970s when a number of landscaping mounds were constructed, and trees were planted.
6. Various investigations undertaken at the site have identified soil impacted by contaminated material. The premise for remediating the site is based around capping the fill/soil beneath appropriate (clean) capping layers. The proposed capping system requires consideration during the design of the multipurpose synthetic sports field, pavements and landscaping. Given this was a former tip site and there are issues with constructing on uncontrolled fill, piling will be required to all structures and beneath the sportsfield slab.
7. Perry Park has recently undergone significant upgrades with the completion of the new indoor basketball facilities, final stage completed November 2021. The surrounding public domain has also been upgraded around Maddox Street and Bourke Road, with new civil and landscape works around the Bourke Road cycleway in response to the significant water issues associated with the high-water table and flood prone surrounds.
8. The works that are the subject of this tender include a multipurpose synthetic sports field, new amenities building, landscaping, shared way and associated services. These works will complete the proposed Perry Park Revitalisation works.
9. Council resolved to endorse the Perry Park Revitalisation Project, design by Aspect Studios Pty Ltd, for progression to design, tender and construction, at its meeting dated 17 May 2021.

10. This report recommends that no tender be accepted as all tenders received were non-compliant, and the City enter into negotiations with suitably qualified companies for the construction of the Revitalisation of Perry Park: Park Upgrade, Synthetic Sportsfield, Amenities and Associated Works.
11. Approval is sought to increase the contract contingency for the Head Design Consultant, Aspect Studios Pty Ltd. The original consultancy contract sum and all previously approved contingencies for the Head Design Consultant have now been allocated and a further extension of the contract is required for additional construction stage services necessary for project completion. Further detail relating to this is outlined in Confidential Attachment A.

Invitation to Tender

12. An Expression of Interest was issued to the market on 11 October 2021 and closed on the 8 November 2021 for the engagement of a Principal Contractor to deliver the works.
13. Twelve companies made submissions. Four companies, who meet the evaluation criteria of capability, experience, proposed program and methodology, were invited to submit a formal tender.
14. The formal Request for Tender for the works was issued on 28 September 2022 with the tender closing on 4 November 2022.

Tender Submissions

15. Three tender submissions were received from the following organisations:
 - Ford Civil Contracting Pty Ltd (ABN: 24002542814);
 - Grindley Construction Pty Limited (ABN: 42003586687); and
 - J Hutchinson Pty. Ltd. (ABN: 52009778330).
16. One late submission was received from Lloyd Constructions Pty Ltd (ABN: 67000931528).

Tender Evaluation

17. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
18. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

19. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) demonstrated understanding of project scope captured in the Materials Schedule and Schedule of Prices;
 - (b) company profile, demonstrated current capacity to carry out works and references;
 - (c) personnel allocation, qualifications and experience including sub-contractors and warranties;
 - (d) proposed program demonstrating sequence of activities and timelines;
 - (e) proposed construction methodology, risk management, IT and reporting systems, site management plan, pedestrian and traffic management plan and environmental management plan;
 - (f) Work Health and Safety;
 - (g) financial and commercial trading integrity including insurances; and
 - (h) lump sum price.
20. All tenders received were assessed as non-compliant, details of which are included in Attachment A.

Performance Measurement

21. Key Performance Indicators were identified in the Request for Tender document. Performance will be assessed at each project stage and at the completion of the contract, with each assessment forming the basis of the Performance Review Results.

Financial Implications

22. Additional funds are required for this project due to higher than expected project costs. Council will be required to increase the budget for this project, as detailed in Confidential Attachment A.

Relevant Legislation

23. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
24. 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.

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.
26. 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

27. Current Program dates:
 - (a) Council approval to reject and negotiate - 12 December 2022
 - (b) Chief Executive Officer approval to execute contract - April 2023
 - (c) Contractor site establishment - May 2023
 - (d) Practical completion, pending tender negotiations

Options

28. Council has the following options in regard to the tenders:
 - (a) Reject the tenders and re-advertise. This option is not recommended because the market has already been tested and no suitable contractor was identified through the process. A re-tender will take additional time with a similar response likely, together with potential cost increase due to ongoing escalation.
 - (b) Reject and negotiate with suitably qualified contractors, including current tenderers. This option is recommended.

Public Consultation

29. Future public consultation updates on the project will be given via the following channels:
- (a) updates on the sydneyyoursay.com.au and City of Sydney web pages; and
 - (b) during construction, the selected contractor will be required to provide a community liaison officer on-site to assist all stakeholders with day-to-day operational construction related issues.

KIM WOODBURY

Chief Operating Officer

Terry Byrnes, Specialist Project Manager

Damon La'Rance, Delivery Manager