

**Item 10.****Tender - T-2020-287 - Construction of Castlereagh Street Cycleway and Public Domain Upgrade****File No: X026107.003****Tender No: T-2020-287****Summary**

This report provides details of the tenders received for the construction of the Castlereagh Street Cycleway and Public Domain Upgrade, between Liverpool and King Streets in the city centre.

The Castlereagh Street Cycleway and Public Domain Upgrade project will connect the existing cycleway on Castlereagh Street south of Liverpool Street to the existing cycleway on King Street. The project will also widen the footpath on the western side of Castlereagh Street along the cycleway, improve access for pedestrians, provide additional trees, and increase opportunities for outdoor dining.

In June 2022, Council approved the scope for the project. The Local Pedestrian, Cycling, and Traffic Calming Committee endorsed the proposed changes in September 2022.

The first stage of the tendering process for the Castlereagh Street Cycleway and Public Domain Upgrade was an Expression of Interest (EOI) process. Following the EOI, the Request for Tender was released to the successful EOI contractors for a period of five weeks and two days.

This report recommends that Council accept the tender offer of Tenderer A for the construction of the Castlereagh Street Cycleway and Public Domain Upgrade and approve additional funding as outlined in Confidential Attachment A.

## **Recommendation**

It is resolved that:

- (A) Council accept the tender offer of Tenderer A for the construction of the Castlereagh Street Cycleway and Public Domain Upgrade for the price and contingency outlined in Confidential Attachment A to the subject report;
- (B) Council note that the total contract sum and contingency for the construction of the Castlereagh Street Cycleway and Public Domain Upgrade is outlined in Confidential Attachment A to the subject report;
- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender; and
- (D) Council approve the additional funds as outlined in Confidential Attachment A to the subject report.

## **Attachments**

**Attachment A.** Tender Evaluation Summary (Confidential)

## Background

1. As part of the NSW Government's December 2013 Sydney City Centre Access Strategy, a cycleway on Castlereagh Street south of King Street was identified as part of a Strategic Cycleway Network.
2. In November 2018, Council endorsed the Cycling Strategy and Action Plan 2018-2030, for incorporation into the City's community strategic plan Sustainable Sydney 2030. Priority 1 of the Strategy and Action Plan is to connect the bike network, with a target to complete 80 per cent of the regional route network by 2024 and 100 per cent by 2030. Currently, the regional route network is 55 per cent complete. The completion of the Castlereagh Street Cycleway and Public Domain Upgrade will add a further 1.25 per cent to the regional route network. The Cycling Strategy and Action Plan includes an overall proposed Bike Network which is being implemented over time.
3. The Cycling Strategy and Action Plan designates Castlereagh Street as a north-south bike network link through the central part of the city centre. It will connect:
  - (a) The existing section of Castlereagh Street between Liverpool and Hay Streets.
  - (b) The existing cycleway on Liverpool Street between Castlereagh Street and Darling Harbour.
  - (c) The proposed cycleway on Liverpool Street and Oxford Street between Castlereagh Street and Taylor Square, and the King Street Cycleway between Pitt and Phillip Streets. It will then connect, via King Street, to the Pitt Street Cycleway to Circular Quay.
4. The Castlereagh Street Cycleway and Public Domain Upgrade is also consistent with the Town Hall Public Domain Plan that Council adopted in October 2021 and with the NSW Government's Movement and Place Framework, its Road User Space Allocation Policy and its hierarchy of road users, which prioritises people walking.
5. In December 2021, Transport for NSW consolidated most bus routes onto Elizabeth Street with the result that only a small number of evening peak express buses now use Castlereagh Street.
6. Council consulted residents and businesses in the area over six weeks between 25 March and 6 May 2022. The majority were supportive of the cycleway works, with several suggestions made to improve the designs.
7. In July 2022, the City accepted grant funding from the NSW Government for the proposed cycleway on Castlereagh Street.
8. Council endorsed the design at the 27 June 2022 Council meeting. The Local Pedestrian, Cycling, and Traffic Calming Committee endorsed the proposed changes at its September 2022 meeting.
9. Developer works are currently being undertaken at two locations within the area of the Castlereagh Street Cycleway and Public Domain Upgrade; Sydney Metro works on the corner of Park and Castlereagh Streets, and mixed commercial / residential works on the corner of Market and Castlereagh Streets (former David Jones site). Developers have advised that access to each of these areas is expected in March 2024, and the

contractor will be required to stage their program accordingly. Productive planning and coordination between the parties is ongoing.

### Invitation to Tender

10. An open Expression of Interest for suitable contractors was opened on 20 September 2022 and closed on 18 October 2022. The Expression of Interest process resulted in the selection of five contractors to be invited to tender.
11. The Request for Tender was released to the shortlisted contractors through TenderLink on 10 February 2023 for a period five weeks and two days. Submissions closed on 21 March 2023. An online and on-site briefing was held during the tender.

### Tender Submissions

12. Five submissions were received from the following organisations:
  - CA&I Pty Ltd (ABN 40 158 442 436)
  - Ford Civil Contracting Pty Ltd (ABN 24 002 542 814)
  - Haslin Constructions Pty Ltd (ABN 85 051 102 124)
  - Mack Civil Pty Ltd (ABN 94 163 885 943)
  - Sydney Civil Pty Ltd (ABN 90 078 474 665)
13. No late submissions were received.

### Tender Evaluation

14. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
15. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
16. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) The lump sum price and schedule of prices.
  - (b) Project understanding and methodology including a clear understanding of project issues and risks, considered methodology for the coordination and delivery of the project including staging, proposed site management, and traffic and pedestrian management.
  - (c) Company Information including technical capability and relevant experience in projects of similar complexity and nature.

- (d) Demonstrated managerial capability, qualifications, experience and number of personnel including: Project team structure, per cent of allocation, experience and capacity of key project team members, including site staff and subcontractors.
- (e) Project program including the ability to meet completion dates. Demonstrated understanding of program issues, including activities or approvals prior to site establishment and hand over activities at Completion.
- (f) Work, Health and Safety, including Chain of Responsibility.
- (g) Financial and commercial trading integrity including insurances.

### **Performance Measurement**

17. The City will ensure that performance standards are achieved during construction through regular assessment of the following Key Performance Indicators:
- (a) Safety and Environment - works performed safely, to avoid incidents and non-conformances. The site management plan is to be developed and implemented in such a way as to ensure the safety of all personnel.
  - (b) Communication - weekly site meetings and daily online / phone correspondence.
  - (c) Programming and Resources - approach and methodology strategically planned to maximise the efficient and effective use of resources and materials while ensuring all documentation and contract requirements are submitted on time.
  - (d) Quality Assurance - inspections, witness and hold points as necessary to meet the quality standards set out by the City.
  - (e) Cost Variations - all efforts made to mitigate a variation to the contract with negative cost implications.
  - (f) The City will ensure the works are in accordance with the contract documents including the General Conditions of Contract, Preliminaries, Specifications, and Schedules.
  - (g) At the end of construction, the City will assess the Contractor and complete a performance review including any lessons learnt to be shared and utilised in future projects.

### **Financial Implications**

18. Additional funds are required for this project due to significant market price increases in the construction industry since the current project budget was approved. A larger project contingency is also recommended for potential risks through the construction phase. Acceptance of the tender will require Council to increase the project budget, as detailed in Confidential Attachment A.
19. The total contract sum and contingency for the Castlereagh Street Cycleway and Public Domain Upgrade is detailed in Confidential Attachment A.

## Relevant Legislation

20. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
21. 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.
22. 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.
23. 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

24. The following key dates will apply to this project if approved:
  - (a) Contract execution June 2023
  - (b) Site Possession July 2023
  - (c) Estimated Practical Completion October 2024

## Options

25. Alternative options have been considered and include:
  - (a) Not proceeding or deferring the tendered works. This option is not recommended because it would not support Priority 1 of the City of Sydney's Cycling Strategy Action Plan 2018-2030, which is to connect the network. This option may also have implications to the availability of funding grants provided by the NSW government.
  - (b) Undertaking further value engineering in addition to that undertaken prior to tender. This option is not recommended as the opportunity for further value engineering is limited without large reductions in scope, resulting in the project not fulfilling its objectives. This option would delay the project substantially and incur additional consultant costs for redesign. Continuation of the current market volatility will likely mean that potential costs savings will be minimal despite reducing scope.
26. No other viable options have been identified during the tender evaluation process.

**Public Consultation**

27. Key stakeholders and the broader community were consulted from 25 March to 6 May 2022. Activities included a Sydney Your Say page that was visited 1,560 times during the consultation period and a notification letter sent to 3,420 properties. The majority were supportive of the cycleway works, with several suggestions made to improve the designs.
28. NSW Fire and Rescue have been consulted and will continue to be consulted as a key stakeholder.
29. The Castlereagh Boutique Hotel have been consulted and the design has been amended based on their feedback. They will continue to be consulted as a key stakeholder.
30. The Taxi Council have been consulted and the design amended based on their feedback. They will continue to be consulted as a key stakeholder.
31. The Sydney Metro development on the north-west corner of Park and Castlereagh Streets, and the building development on the south-west corner of Market and Castlereagh Streets (former David Jones site), have been consulted and will continue to be consulted as a key stakeholder.
32. Notification letters will be sent to property owners and businesses prior to construction.
33. During construction, there will be close liaison between property owner, businesses, City staff and the contractor to minimise disruption to properties in the area.

**KIM WOODBURY**

Chief Operating Officer

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