

Item 10.**Exemption from Tender and Contract Variation - T-2020-443 - Head Design Consultant - City Recital Hall Upgrade Works**

File No: X030208.001

Tender No: T-2020-443

Summary

This report seeks an exemption from tender for City Recital Hall Upgrade works for the Head Design Consultant services and requests Council approve an increase in contingency.

The consultant was first engaged in January 2021 for the full design services for the City Recital Hall Upgrade works. The consultant has completed the design style guideline for the City Recital Hall which will provide the material palette and design aesthetics for these upgrade works and any future works at City Recital Hall. The design documentation has been completed and design package prepared for tendering of the construction works.

The construction of these works is dependent on available access periods within the venue's extensive scheduling. The venue has an annual shutdown period between December and January each year where access can be facilitated for these construction works. Smaller works can also be delivered throughout the year where suitable periods are identified within the schedule.

Stage 1 construction works included the refurbishment of the ground floor bathrooms and the Green Room upgrade. These works were completed during the venue's annual shutdown period between December 2022 and January 2023. Some minor works were completed during available access periods up to April 2023.

Stage 2 construction works include the front of house and back of house works to be delivered over the next two financial years. The City is reviewing with CRH Limited an extended shutdown period of the venue from December 2024 to May 2025 to complete remaining works.

The upgrade works were programmed for a multi-staged delivery. The impact of limited access periods, prioritisation of the scope and age of the material finishes has increased the construction phase, resulting in additional construction stage services from the Head Design consultant.

This report recommends that Council grant an exemption from tender for City Recital Hall Upgrade works for the extended Head Design Consultant services and approve a contract variation for the completion of the project scope.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for City Recital Hall Upgrade works for the Head Design Consultancy;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
 - (i) the consultant is already engaged, and work is well underway; and
 - (ii) the time and cost implications to tender and potentially contract with another head design consultant will not provide value for money for the Council;
- (C) authority be delegated to the Chief Executive Officer to vary the contract with the Head Design Consultant relating to City Recital Hall Upgrade works to give effect to this approval; and
- (D) Council note that the total contract sum and contingency is outlined in Confidential Attachment A to the subject report.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. The City Recital Hall is a purpose-built concert venue with the capacity for an audience of 1,238 people seated, located at 2 Angel Place in the City Centre near Martin Place.
2. The City Recital Hall opened in 1999 as a purpose-built chamber music venue, the only such venue in Sydney, serving companies such as Musica Viva Australia, Australian Chamber Orchestra, Sydney Symphony Orchestra, Pinchgut Opera and Australian Brandenburg Orchestra.
3. The City leased the Hall from AMP commencing 27 October 1999 for a term of 99 years. The City subleases the Hall to City Recital Hall Limited and recently renewed the lease for a further five years, ending in 2025.
4. The scope of works subject to this report, meets the City's obligations and commitments to City Recital Hall Limited under the leasing agreements for the venue. City Recital Hall Limited are aware of their obligations under the leasing agreement and are actively seeking sponsorship grants to meet these obligations.
5. The City Recital Hall Upgrade works project will assist to improve the aesthetic look of the City Recital Hall, with the aim to attract more clients, generate additional hiring opportunities and improve the functionality of the venue. Additionally, the upgrade works will provide a much-needed refresh after more than 20 years of usage as a Recital venue. The upgrade works are across all four levels of the City Recital Hall venue.
6. The Head Design Consultant was engaged in January 2021 to provide a full design package including design style guideline, documentation, construction and post construction stage services.
7. The consultant has completed the design style guideline for the City Recital Hall which will provide the material palette and design aesthetics for these upgrade works and any future works at City Recital Hall. The design documentation has been completed and design package prepared for tendering of the Stage 2 construction works.
8. The construction of these works is dependent on available access periods within the venue's extensive scheduling. The venue has an annual shutdown period between December and January each year where access can be facilitated for these construction works. Smaller works can also be delivered throughout the year where suitable periods are identified within the schedule.
9. Stage 1 construction works included the refurbishment of the ground floor bathrooms and the Green Room upgrade. These works were completed during the venue's annual shutdown period between December 2022 and January 2023. Some minor works were completed during available access periods up to April 2023.
10. Stage 2 construction works include the front of house and back of house works to be delivered over the next two financial years. The City is reviewing with CRH Limited an extended shutdown period of the venue from December 2024 to May 2025 to complete remaining works.
11. The upgrade works were programmed for a multi-staged delivery. The impact of limited access periods, prioritisation of the scope and age of the material finishes has increased the construction phase, resulting in additional construction stage services from the Head Design consultant.

12. It is necessary to amend the Head Design Consultant fees to align with the revised delivery program. The report is recommending an exemption from tender and contract variation to facilitate the prolongation of construction stage services.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

13. 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 3 - Public places for all - the City Recital Hall contributes to the city centre's iconic status by providing the only purpose-built facility for recitals and chamber music. In doing so, it creates a mature and diverse night-time culture by attracting a unique demographic interested in a specific cultural form; and
 - (b) Direction 8 - A thriving cultural and creative life -the City Recital Hall supports cultural activity, participation and interaction by providing specialised cultural infrastructure appropriate to a global city. This ensures audiences can access the work of leading international and Australian performing artists in a building with the appropriate facilities and acoustic standards.

Financial Implications

14. There are sufficient funds allocated for this project within the current year's capital works budget and future years' forward estimates for the requested increased contract contingency.

Relevant Legislation

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 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.
17. 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

- 18. If approved by Council, the timeframe for the delivery of the Stage 2 construction stage services is:
 - (a) Staged Construction services - completion of construction works 2023/24: November 2023 - February 2024.
 - (b) Staged Construction services - completion of construction works 2024/25: December 2024 - May 2025.

Options

- 19. An alternative option is to retender the construction stage services. This option is not recommended as the consultant successfully completed the design style guide, design documentation for the Stage 1 and 2 works in preparation for the construction phase. It would not present value for money to tender and engage someone else to do the construction stage services. The time taken to undertake a new tender process could further delay completion of the project.
- 20. Completion of the project without a head design consultant is not recommended as continuation of consultancy services is necessary to ensure the design integrity of the built outcome and compliance with architectural documentation and specifications.

KIM WOODBURY

Chief Operating Officer

Ira Butzner, Design Manager