

## **Tender - T-2023-1028 - Loftus Street Upgrade**

**File No: X089947.006**

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### **Summary**

This report provides details of the tenders received for the Loftus Street Upgrade project.

The streetscape improvement works contribute towards the City of Sydney's Sustainable Sydney 2030-2050 Continuing the Vision by:

- delivering approximately 1,230 m<sup>2</sup> of additional public space for pedestrians, with associated accessibility improvements;
- planting of additional trees to help the City reach its canopy cover targets and cooling of our City; and
- providing accessible parking on Loftus Street and retaining the existing bus layover parking on Loftus Street South.

Refer to Attachment A for details on the project's scope.

Once completed, these pedestrian-friendly streetscape upgrades will create more footfall for businesses and provide more space for people to gather, continuing the activation of the City North.

This report recommends that the Council accept the tender offer of Tenderer D for the Loftus Street Upgrade project.

The report also recommends increasing in project budget due to:

- escalation in civil construction prices that have occurred since the budget for the project was established in 2021;
- increased scope of work at the Bridge Street / Loftus Street intersection; and
- additional safety and accessibility footpath improvement works.

## **Recommendation**

It is resolved that:

- (A) Council note the changes to project scope as set out in Attachment A to the subject report;
- (B) Council accept the tender offer of Tenderer D for the design and construction of the Loftus Street Upgrade project;
- (C) Council note the total contract sum and contract contingency for the Loftus Street Upgrade project as outlined in Confidential Attachment B to the subject report;
- (D) Council note the tendered rates provided in Confidential Attachment C to the subject report;
- (E) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender; and
- (F) Council approve the additional funding for the project, as outlined in Confidential Attachment B to the subject report.

## **Attachments**

- Attachment A.** Project Scope and Additional Scope Items
- Attachment B.** Financial and Contractual Implications (Confidential)
- Attachment C.** Schedule of Rates (Confidential)

## Background

1. The City North Public Domain Plan (PDP) was first endorsed by Council in December 2015, then reviewed in 2022 and further endorsed (as amended) on 13 March 2023, identified the upgrade of Loftus Street and Reiby Place as priority projects to improve safety and amenity for pedestrians using the precinct.
2. Loftus Street, at the intersection with Alfred Street, was permanently closed to traffic in the first half of 2018 due to the Sydney Light Rail (SLR) construction.
3. The closure of Alfred Street created a new traffic circulation pattern in the precinct, resulting in increased traffic through Reiby Place and an opportunity for a primarily pedestrianised space in Loftus Street, north of Reiby Place.
4. On 27 June 2022, Council approved the concept design for the Loftus Street, Reiby Place and Customs House Lane Upgrade project.
5. The Loftus Street Upgrade project seeks to capture opportunities created by changes to local traffic flows and improve the public domain of Loftus Street and the surrounding area.
6. Transport for NSW's (TfNSW) approval of the project restricts the implementation of the work proposed for Reiby Place. The Reiby Place improvement will be delayed until after the developments in Pitt Street are complete and as a result has been removed from the scope of this project. Refer to Attachment A for more information on the project scope.
7. The project will create more pedestrian space in response to the increasing pressure on the streets in the city's north due to the expanding population and footfall from numerous large-scale commercial, residential and hotel developments underway in the precinct. It will also support the expanding role of Circular Quay as a destination and transport interchange with the new Sydney Light Rail and future redevelopment by Transport for NSW .



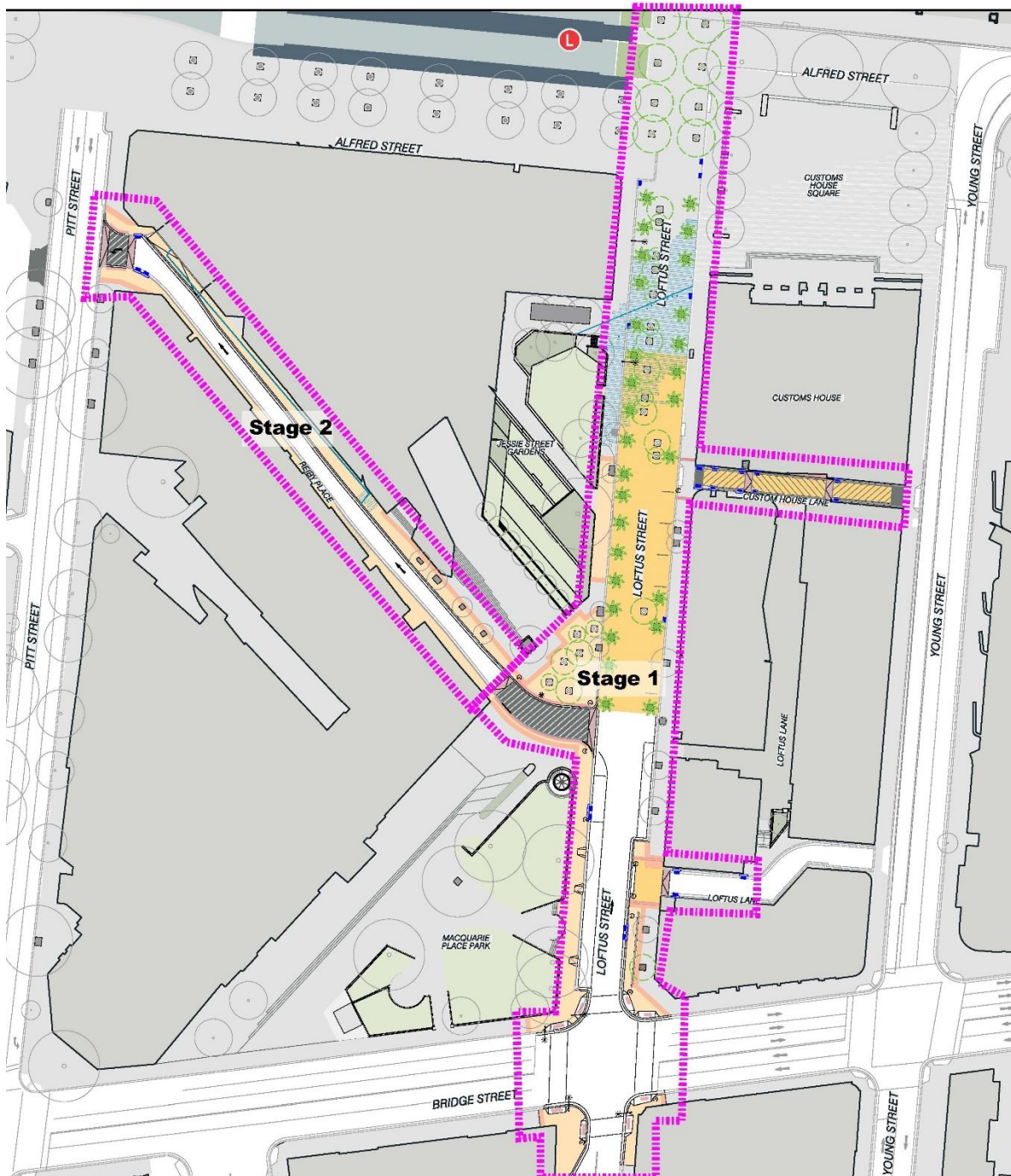
Artist impression - Loftus Street looking south towards Macquarie Place

8. The project requires the successful tenderer to undertake the detailed design and construction of the following packages of work:
  - (a) timed closure and pedestrianisation of Loftus Street, north of Reiby Place;
  - (b) timed shared zone with new paving in Customs House Lane, including raised road level between Loftus Lane and the rear entry to Customs House;
  - (c) continuous footpath treatment to the intersection of Reiby Place and Loftus Street;
  - (d) footpath extension to the east side of Loftus Street (between Bridge Street and Loftus Lane), including a continuous footpath treatment at Loftus Lane; and
  - (e) public domain and traffic signal improvements to the Loftus/ Bridge Street intersection.
9. Transport for NSW's approval of the project prevents the construction of the work proposed for Reiby Place (Stage 2), until after the private developments in Pitt Street are complete. For this reason, Stage 2 will not be designed or constructed as part of this contract and may be delivered as part of a future project, subject to required approvals being granted.

### **Scope of Work**

10. The City has developed a design and construction methodology for the project delivery. In summary, the following design and construct activities are to be undertaken:
  - (a) site investigation and detailed design work to confirm the viability of the City's Preliminary Design for the project;
  - (b) liaison with authorities to obtain 'approval in principle' for the contractor's developed preliminary design;
  - (c) update construction methodology and sequencing;
  - (d) preparation of 'for construction' design drawings - to be completed in stages;
  - (e) re-measure of quantities from the 'for construction drawings' to establish an updated forecast of construction cost for the staged implementation based on the approved contract rates;
  - (f) design services during construction to provide quality assurance, ensuring that the design intent is achieved; and
  - (g) completion and handover of construction work and opening areas to the public in stages.
11. The detailed design components include, but are not limited to, stormwater modelling and design, traffic design (including Traffic Control Signal (TCS)) plan preparation and approval, electrical and lighting design, public domain design (including paving, street tree planting and street furniture), utility services design, Smartpole foundations (including reports, calculations and certifications), and road and pavement design.

12. In addition, the project aims to plant approximately 50 new advanced canopy trees and palm trees, subject to feasibility due to the need for resolution of clashes with underground services.



Scope of work extent

13. Refer to Attachment A for a more detailed description of the scope of work for the Loftus Street upgrade.

### Invitation to Tender

14. The City issued a Request for Tender to appoint a suitably experienced design and construction contractor to undertake the project.
15. The tender was advertised on Tender Link on 24 August 2023 and closed on 3 October 2023, allowing tenderers nine weeks to finalise submissions.

### Tender Submissions

16. Five submissions were received from the following organisations:
  - (a) CA&I Pty Ltd - ABN 40 158 442 436
  - (b) Ford Civil Contracting Pty Ltd - ABN 24 002 542 814
  - (c) Mack Civil Pty Ltd - ABN 94 163 885 943
  - (d) Quality Management & Construction Pty Ltd - ABN 29 067 829 323
  - (e) Sydney Civil Pty Ltd - ABN 90 078 474 665
  - (f) Ward Civil & Environmental Engineering Pty Ltd - ABN 65 098 942 459
17. No late submissions were received.

### Tender Evaluation

18. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
19. The Confidential Tender Evaluation Summary- Attachment A provides the relative ranking of tenders as determined from the total weighted score.
20. All submissions were assessed in accordance with the approved evaluation criteria:
  - (a) Schedule of Rates.
  - (b) Company profile with demonstrated experience in carrying out detailed design and construction works of a similar size, complexity, scale and in a similar environment (dense commercial city centre with complex utilities & servicing requirements), proven capacity to deliver high-quality public spaces, robust company quality management system and commitment to sustainability, corporate social responsibility, modern slavery and Aboriginal and Torres Strait Islander involvement.
  - (c) Personnel allocation, qualifications, technical ability, proven capacity and experience to design and deliver high-quality public domain, and percentage of time on the project; identified sub-contractors/suppliers and their experience.
  - (d) The Bidder's ability to achieve the proposed program and deliverables based on their current commitments. A well-developed program with staging shown to achieve the project with a clear overall construction duration.

- (e) Proposed methodologies:
  - (i) Design - methodology to ensure high-quality public domain outcomes, accounting for all stages of the project, including prompt and efficient integration of all necessary design services throughout the construction process to resolve unforeseen site conditions.
  - (ii) Construction - including staging of works, pedestrian and traffic management, and environmental management.
  - (iii) Supply - include the Bidders proposal for sourcing and securing items not supplied by the City under this Contract. Suppliers are to be nominated and are to have demonstrated capacity and ability to meet the committed timeframes.
- (f) Work, Health and Safety.
- (g) Financial and commercial trading integrity, including insurances.
- (h) Heavy Vehicle National Law Chain of Responsibility, Supplier Code of Conduct and Fair Work requirements for Subcontractors.
- (i) Material acceptance of the City's standard form of contract.

### **Financial Implications**

- 21. The combination of the increased scope and the recent significant increases in market prices for construction works has led to the need for extra funding for the project.
- 22. The acceptance of the recommended tender will therefore require Council to increase the current budget for the project, as detailed in Confidential Attachment B.
- 23. Transport for NSW's approval of the project prevents the construction of the work proposed for Reiby Place (Stage 2), until after the private developments in Pitt Street are complete. Stage 2 has been descoped from this project and may proceed as part of a separate project if or when the necessary agreement has been reached with Transport for NSW.
- 24. The total contract sum and contract contingency for the Loftus Street Upgrade project are detailed in Confidential Attachment B.

### **Relevant Legislation**

- 25. The tender process and evaluation have been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
- 26. 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.

27. Attachments B and C contain confidential commercial information about 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.
28. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

### **Critical Dates / Time Frames**

29. Key dates for the project are as follows:
- |   |                |
|---|----------------|
| (a) Appointment of Design and Construction Contractor | November 2023. |
| (b) Contract Execution                                | December 2023. |
| (c) Detail Design Commencement                        | January 2024.  |
| (d) Construction Commencement                         | Mid 2024.      |
| (e) Construction Completion                           | Mid 2025.      |

### **Options**

30. An alternative option is to defer or not proceed with the tendered works. This option is not recommended because it would not align with the City North Public Domain Plan (PDP).

### **Public Consultation**

31. During the concept design phase, consultation was undertaken to inform the community about the City's proposed upgrade, including:
- (a) Transport for NSW;
  - (b) private sector property owners;
  - (c) business operators
  - (d) residents; and
  - (e) developers/ construction companies working on upgrade projects in the vicinity.



The City sought community feedback on three documents that were available on the Sydney Your Say webpage, all of which contained information about different aspects of the proposed changes. The documents were:

- (a) Concept design – proposed plan for the new pedestrian areas.
  - (b) Local access plan – proposed traffic and access arrangements.
  - (c) Review of environmental factors (REF) – addresses the proposal's impacts and how they will be managed.
33. The relevant changes to traffic were also unanimously supported by the Local Pedestrian, Cycling and Traffic Calming Committee on 8 December 2022.

**KIM WOODBURY**

Chief Operating Officer

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