

Tender - T-2023-1033 and Contract Variation - 343 George Street Façade Remediation Stage 2

File No: X011030.001

Tender No: T-2023-1033

Summary

This report provides details of the tenders received for 343 George Street Façade Remediation and Lighting Project - Stage 2 and contract variations for the Head Design Consultant.

The City purchased 343 George Street, Sydney in 2011 as an investment property. The building is a state heritage item and occupies a prominent site at the western end of Martin Place.

A Conservation Management Plan update in 2018 identified the need to undertake remediation works to the roof, windows, sandstone facades and concrete and render facades to ensure the long-term viability of this state heritage listed item. In September 2018, a Head Design Consultant was engaged to document the required works.

Stage 1 remediation works to Barrack Lane Façade commenced in July 2022 and were completed in November 2023. The Stage 2 remediation works were tendered in late 2023 and include façade remediation works to stonework, roof capping works, steel and bronze window repairs and façade lighting.

This report recommends that Council accept the tender of Tenderer B, approve additional contract contingency for the Head Design Consultant, and approve additional funds to increase the project budget.

Recommendation

It is resolved that:

- (A) Council accept the tender of Tenderer B for 343 George Street Façade Remediation and Lighting Project - Stage 2 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 343 George Street Façade Remediation and Lighting Project - Stage 2 is outlined in Confidential Attachment A to the subject report;
- (C) Council approve additional contract contingency for the Head Design Consultancy Contract for additional design services during the construction stage of 343 George Street Façade Remediation and Lighting Project - Stage 2 as outlined in Confidential Attachment A to the subject report;
- (D) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender and contract variation for 343 George Street Façade Remediation and Lighting Project - Stage 2; and
- (E) Council approve the additional funds required for the delivery of 343 George Street Façade Remediation and Lighting Project - Stage 2 as outlined in Confidential Attachment A to the subject report.

Attachments

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

Background

1. The City purchased 343 George Street, Sydney in 2011 as an investment property. The building is a state heritage item and occupies a prominent site at the western end of Martin Place.
2. The building is historically significant as an early example of the Commercial Palazzo style and as the former headquarters of one of the leading banks in New South Wales, the Commercial Banking Company of Sydney Ltd, which had occupied this site since the 1850's until its merger with the National Bank in the 1980's.
3. The façades, ground floor, lower Ground Floor Safe Deposit Vault, and surviving original interiors of the executive areas are exceptionally fine and rare examples of design and craftsmanship.
4. A Conservation Management Plan update in 2018 identified the need to undertake remediation works to the roof, windows, sandstone facades and concrete and render facades to ensure the long-term viability of this state heritage listed item.
5. Lucas Stapleton Johnson & Partners Pty Ltd were engaged as Head Design Consultant for the whole project through an RFT process (tender reference T-2018-1834) with approval by the Chief Executive Officer following the recommendation of the Tender Review Group (TRG) on 19 September 2018.
6. The full scope of façade remediation and lighting works was tendered as a single contract in 2020, with only one tender submission received. On 24 August 2020, Council resolved to cancel the tender. Following the resolution of cancel a decision was made to complete the remediation works in two stages:
 - (a) Stage 1 – Barrack Lane Façade Remediation Works; and
 - (b) Stage 2 – Barrack and George Street Façade Remediation Works and Lighting.
7. Stage 1 remediation works to Barrack Lane Façade commenced in July 2022 and were completed in November 2023. The Stage 2 remediation works were tendered in late 2023 and include façade remediation works to stonework, roof capping works, steel and bronze window repairs and façade lighting.
8. Due to this staged delivery approach, additional Head Design Consultant construction stage services are required. This report seeks approval for additional contingency required to undertake the remainder of Stage 2 as detailed in Confidential Attachment A.

Invitation to Tender - Head Contractor

9. An open request for tender was undertaken for the construction work for 343 George Street Façade Remediation - Stage 2 on George Street and Barrack Street.
10. The Request for Tender was advertised through Tenderlink on 2 November 2023. The tender closed 12 December 2023.

Tender Submissions - Head Contractor

11. Five submissions were received from the following organisations:
 - Belmadar Pty Ltd (ABN 53156053351)
 - HBS Group Pty Ltd (ABN 58117976164)
 - Rapid Constructions Pty. Limited (ABN 35003963620)
 - RJC Group Pty Ltd (ABN 81613665482)
 - Traditional Restoration Company Pty Ltd (ABN 84152188602)
12. No late submissions were received.

Tender Evaluation - Head Contractor

13. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
14. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
15. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) the schedule of rates and lump sum price;
 - (b) company information and demonstrated previous experience in company delivering heritage façade remediation works within multi-storey occupied/leased heritage buildings;
 - (c) specified project team personnel and sub-contractors skills and qualifications including position, percentage of time on the project, and relevant experience of personnel including working in tenanted buildings within the Sydney CBD or similar locations;
 - (d) program including proposed progression or staging of works to minimise impact of tenancies internally across each elevation of George Street and Barrack Street / duration of works for each elevation;
 - (e) proposed delivery of methodology including the proposed staging, minimisation of impact on tenants, site access and set up, building facade access methods, TMP and site management plan;
 - (f) Work Health and Safety; and
 - (g) financial and commercial trading integrity including insurances.

Performance Measurement - Head Contractor

16. The performance of the Head Contractor under the 343 George Street Façade Remediation and Lighting Project - Stage 2 contract will be evaluated and measured by:
 - (a) reviewing the contractor's program and methodology;
 - (b) reviewing the contractor's samples and submissions;
 - (c) attending regular inspections of the works including safety inspections;
 - (d) conducting regular site meetings with the contractor; and
 - (e) ensuring the works are in accordance with the contract documents, such as the drawings and specifications, preliminaries and general conditions of contract.

Financial Implications

17. Additional funds are required for this project for the 343 George Street Façade Remediation and Lighting Project - Stage 2 for the reasons set out in the Confidential Attachment. The total contract sum and contingency for 343 George Street Façade Remediation and Lighting Project - Stage 2 is detailed in Confidential Attachment A.
18. An increase to the contract sum and additional contract contingency is sought for the Head Design Consultancy contract for additional design services during the construction stage due to the staged delivery of the project, the refined methodology and design issues identified in Stage 1.
19. Additional funds for the project will be sought from the Future Year Properties Renewal Budget.

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

24. The contract must be executed by mid-April 2024.
25. Construction commencement is anticipated in June 2024.
26. Construction completion is anticipated in December 2025. Works will be staged to minimise impact on tenancies.
27. Head Design Consultant Construction Stage Services will be required for the duration of the construction period nominated above, June 2024 to December 2025.

Options

28. The City could go to tender for the remaining Head Design Consultant construction stage services. This option is not recommended as the current Head Design Consultant is well underway and is most familiar with the project. It would not present value for money to undertake a new tender to engage someone else to do this work. The time taken to undertake a new tender process would delay the commencement of the Stage 2 works and the vast project knowledge of the current Head Design Consultant team would be lost.
29. Completion of the project without a Head Design Consultant is not recommended as a heritage architect is required to ensure compliance with the consent conditions, architectural drawings and specifications.
30. It is recommended that the additional construction stage services be undertaken by the current Head Design Consultant as they are most familiar with the project and works required to an important heritage asset. Their involvement will ensure better value for money and all the project to meet critical timelines.

Public Consultation

31. Tenants within the 343 George Street property have been consulted regarding Stage 2 - Barrack Street and George Street façade works. Tenants will be regularly informed and consulted throughout the construction period to ensure clear communication. The Head Contractor will have a nominated tenant liaison officer who will work in collaboration with the City's managing agent to provide a program work schedule, outline of construction activities and define access requirements to help minimise disruption to tenants.
32. Site compound will be set up on Barrack Street within the Public Domain area. Clear access at ground level to allow safe access of pedestrians and emergency vehicles will be maintained throughout the construction period and the adjoining property owners will be regularly informed of relevant scheduled works.

KIM WOODBURY

Chief Operating Officer

Peter Volos, Project Manager