

**Tender - T-2021-609 - Construction - Recreation Centre - Huntley Street, Alexandria and Contract Variation - Head Design Consultant**

**File No:** X023780

**Tender No:** T-2021-609

**Summary**

This report provides details of the tenders received for construction of the Huntley Street Recreation Centre, Alexandria.

The Huntley Street Recreation Centre is located at 6-8 Huntley Street, Alexandria. The site contains a 1980s large volume, tilt-up concrete warehouse, and is surrounded by a mix of land uses, including industrial, commercial, and public, and is located directly adjacent to Shea's Creek and a proposed public shared cycleway.

The City will develop the site for active recreation and community use by converting the existing warehouse into a fit for purpose, accessible, safe and vibrant, multi-purpose indoor sports and recreation centre with four indoor courts, a rejuvenated external recreation area fronting on to Huntley Street, front of house facilities and community space supporting the sports facility.

Council resolved to endorse the Huntley Street Recreation Centre Project for progression to design, tender and construction, at its meeting on 24 August 2020.

This report recommends that Council accept the tender offer of Tenderer B for the Huntley Street Recreation Centre Project, and approve the additional funding as outlined in Attachment A.

This report also seeks a variation to the head design consultant contract for additional services and requests Council approve an increase in contingency for the reasons outlined in Confidential Attachment A.

## **Recommendation**

It is resolved that:

- (A) Council accept the tender of Tenderer B for the Huntley Street Recreation Centre project 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 Huntley Street Recreation Centre project 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;
- (D) Council approve additional contract contingency for the Head Design Consultant services as outlined in Confidential Attachment A to the subject report;
- (E) 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 Huntley Street Recreation Centre is located at 6-8 Huntley Street, Alexandria. The site contains a 1980s large volume, tilt-up concrete warehouse, and is surrounded by a mix of land uses, including industrial, commercial, and public, and is located directly adjacent to Shea's Creek and a proposed public shared cycleway.
2. The City of Sydney identified a need for increased sporting facilities as part of the City's Sport Facilities Demand Study 2016, endorsed by Council in 2016. In mid-2018, the City acquired the site on Huntley Street for the purpose of conversion into an indoor recreation centre.
3. The City will develop the site for active recreation and community use by converting the existing warehouse into a fit for purpose, accessible, safe and vibrant, multi-purpose indoor sports and recreation centre with 4 indoor courts, a rejuvenated external recreation area fronting on to Huntley Street, front of house facilities and community space supporting the sports facility.
4. The works will upgrade and adapt the existing building for accessibility and National Construction Code compliance, and will include solar panels to the roof and water tanks to the southern side of the site.
5. In December 2019, Collins and Turner Architects were engaged by competitive tender to undertake the design for the proposed works.
6. The investigations and recommended concept design were presented to the Design Advisory Panel in April 2020 and received positive endorsement with recommendation for additional adaptive recreation areas on the first floor.
7. Council resolved to endorse the Huntley Street Recreation Centre Project for progression to design, tender and construction, at its meeting on 24 August 2020.

## Invitation to Tender

8. The City invited submissions through an open Expression of Interest via Tenderlink on 17 October 2023, closing on 14 November 2023. The Expression of Interest was listed with Supply Nation and NSW Indigenous Chamber of Commerce.
9. Seven companies made submissions. Four companies were shortlisted to submit a tender.
10. The Request for Tender was issued on 11 March 2024 with the tender closing on 16 May 2024.

## Tender Submissions

11. Three tender submissions were received from the following organisations:
  - (a) Taylor Construction Pty Ltd (ABN: 25 067 428 344);
  - (b) Kane Constructions Pty Limited (ABN: 49 007 354 396); and

- (c) J Hutchinson Pty. Ltd. (ABN: 52 009 778 330).
- 12. Buildcorp Pty Ltd withdrew from the tender process and did not submit.
- 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 average qualitative 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) **Company Capacity:** Demonstrated current capacity to deliver the project works, project commitments of current work load. Demonstrated commitment to fair work requirements, corporate social responsibility, modern slavery act compliance and supplier code of conduct.
  - (b) **Personnel Capability:** Company's personnel allocation for the project including details of roles, skills, qualifications, percentage of time on this project and relevant experience. Review of the company's nominated sub-contractor team for the project including role, relationship, accreditation and experience.
  - (c) **Proposed Methodology:** Proposed construction methodology including logic for proposed sequencing of works and access. Include schedule of plant, equipment and materials, site specific considerations related to site use plan, traffic and pedestrian management plans. Outline risk management and mitigation strategies. Quality of project delivery, example construction and operational waste.
  - (d) **Program for project:** Including program duration, sequencing and appropriately detailed breakdown of work tasks, consideration of contract and administration requirements including hold points, witness points, milestones, lead times, operation, maintenance and handover requirements.
  - (e) **Demonstrated Project understanding:** Demonstrated understanding of project scope, project risk and associated costs through the assessment of the schedule of prices, and requested rates.
  - (f) **Financial and commercial trading integrity.**
  - (g) **Insurances.**
  - (h) **Lump sum price.**

## Performance Measurement

17. The City will ensure that performance standards are achieved during construction through regular assessment of the following Key Performance Indicators:
  - (a) Quality of work: Quality control of trade contractors with evidence of supervision and attention to defective works.
  - (b) Time: Progress in accordance with program with four-week tracking and progressive attention to program delays. Monthly program status as per contract.
  - (c) Reporting: Meet contract reporting requirements including monthly PCG meetings, site meetings, quality control, waste and environmental management requirements.
  - (d) Communication: Communicate effectively with all stakeholders, including neighbouring properties and community, regarding progress of works and liaison for access, noisy works etc. and engage a communications officer as per contract requirements.
  - (e) WH&S compliance: Comply with all contract and statutory WHS requirements. Engage with the superintendent in monthly safety site walks. Maintain a safe and clean project site.
18. The City will ensure the works are carried out in accordance with the contract documents including the General Conditions of Contract and Contract Preliminaries, Specifications, and Schedules.
19. At the end of construction, the City will assess the contractor and complete a performance review and any lessons learnt shared and aligned on future projects.

## Financial Implications

20. Additional funds are required for this project due to higher than expected project costs. Acceptance of the recommended tenderer will therefore require Council to increase the budget for this project, as detailed in Confidential Attachment A.

### Relevant Legislation

21. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.
22. 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.
23. 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.
24. 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

25. The following key dates apply to this project:
  - (a) Construction commencement                      Late 2024
  - (b) Construction completion                              Mid 2026

### Options

26. Council has the following options in regard to the tenders:
  - (a) Proceed with the recommendation.
  - (b)** Not proceed with the recommendation.

### Public Consultation

27. A public exhibition of detailed design plans was undertaken between 24 January 2022 and 15 February 2022 as part of the Development Application (DA) planning approval process.

28. Additional public, community and property owner consultation will be undertaken throughout the project as it progresses:
- (a) Prior to construction, notification letters will be sent to adjoining property owners and businesses.
  - (b) During construction, the contractor will include a nominated community liaison officer to ensure ongoing communication and coordination with all stakeholders.
  - (c) There will be regular updates on the City of Sydney website.

**KIM WOODBURY**

Chief Operating Officer

Terry Byrnes, Specialist Project Manager