

**ITEM 22. EXEMPTION FROM TENDER - NON-RESIDENTIAL REGISTER AND
ROLLS OCCUPIER CONTACT**

FILE NO: 2015/619951

SUMMARY

This report seeks an exemption from inviting tenders for the supply of information to enable contact with occupiers of business-rated property within the City of Sydney Local Government Area. This exemption is sought due to the extenuating circumstances outlined in the report.

The *City of Sydney Amendment (Elections) Act 2014* commenced on 6 February 2015 and imposes obligations on the City's Chief Executive Officer to create and maintain a register and rolls of eligible non-residential voters.

On 10 August 2015, Council endorsed a Methodology and Program Plan to deliver the Non-residential Register and Rolls. Implementation of the Program Plan has progressed since August 2015 in accordance with the endorsed Methodology and Program Plan.

In order to deliver the Non-residential Register and Rolls, the City must identify all eligible owners, occupiers and rate-paying lessees of rateable property within its boundaries and inform them about their potential new obligations for non-residential enrolment and voting. The Program Plan to identify occupiers described visiting every business-rated property within the City together, with writing to all known occupiers.

Since adoption of the methodology, a service provider has been identified who can supply contact details for all occupiers of business-rated property within the City's boundaries. These contact details will be obtained from an existing data set coupled with supplementary visits to business rateable properties. Using this supplier will achieve the required outcomes at a significantly lower cost than initially estimated.

Subsequent research has been unable to identify other possible suppliers of this service. Legislated deadlines and the endorsed Methodology and Program Plan require the City to deliver this activity before enrolment letters are sent on 3 May 2016. As such, activity to contact occupiers must begin in January 2016.

RECOMMENDATION

It is resolved that:

- (A) Council approve exemption from tender for the provision of services which enable direct contact with all occupiers of business-rated properties in the City of Sydney in accordance with section 55, Chapter 6, Part 3 of the Local Government Act 1993, as only one service provider has been identified and the timeframe for the direct contact to commence does not allow for a tender to be undertaken;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a contract with the organisation nominated in confidential Attachment A to the subject report for the provision of services which enable direct contact with all occupiers of business-rated properties in the City of Sydney;

- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer variations to the contract, if required; and
- (D) Council note the financial implications detailed in confidential Attachment A to the subject report.

ATTACHMENTS

Attachment A: Nominated Organisation and Financial Implications (Confidential)

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. The Council Elections Unit is newly established within the Office of the CEO. The Unit has responsibility for establishing and maintaining the non-residential register and rolls in order to comply with changes to the City of Sydney Act 1988.
2. A proposed Methodology and Program Plan to establish the non-residential register and rolls in time for the 2016 Local Government elections was endorsed by Council on 10 August 2015.
3. A critical activity in the Methodology is to contact all owners, occupiers and rate-paying lessees to inform them of their new obligations and request enrolments and nominations. Occupiers of business-rated property are one of the largest groups of people with potential entitlements, but one for which there is the least available data. The Program Plan described writing to all known occupiers together with visiting every business-rated property and leaving a pack of educational material and forms. The 'door-to-door' visits were planned to occur from January to April 2016 to ensure information could be returned to the City for inclusion on the Register before enrolment letters were required to be sent on 3 May 2016.
4. During the detailed planning of the door-to-door activity, it has been established that a larger data-base of occupier contact details is available than originally envisaged. This data-base, of 90% of the business-rated properties within the local government area, is established and updated by an external service provider, through desk research and visits to every property on a six-monthly cycle. Using this data-base will allow the majority of occupier contact to occur through direct mailing to identified business owners. Where information is not available, those properties will be visited by the service provider to identify the business owner who will then receive the information pack by direct mail.
5. This approach ensures a more targeted and effective process of occupier contact as we will reach a higher percentage of individual business owners directly, as opposed to employees who do not have eligibility.
6. Direct contact by mail is seen as more effective than visiting, as business-owning occupiers may not be present or easily identified during visits and employees may not pass the information pack onto business owners. Direct contact by mail also matches the way in which we have contacted property owners.
7. Research by the City has identified a single supplier of the contact details required. A call by the City for expressions of interest to deliver the non-residential register and rolls earlier this year resulted in no suitable submissions. Calls for tenders to deliver a similar service in 2011 (the floor space and employment survey) received few submissions, none of which were able to fully deliver the requirements. Extensive research has only been able to identify one organisation with the ability to meet the timelines required under the Legislation.
8. Given the contact with occupiers needs to commence in January 2016, there is not time to undertake a tender process. Previous expression of interest and tender processes, as well as the research which has been undertaken, indicates that a tender process is unlikely to achieve a different outcome.

FINANCIAL IMPLICATIONS

9. Confidential Attachment A gives details of the expected cost of supplying contact details for business-owners of occupied business-rated properties within the City.
10. This cost is significantly lower than the estimate for the door-to-door activity included in the Methodology and Program Plan endorsed by Council on 10 August 2015.

RELEVANT LEGISLATION

11. Local Government Act 1993 and the Local Government (General) Regulation 2005 and the City's Contracts Policy.
12. The exemption from tender is sought in accordance with section 55(3)(i) of the Local Government Act 1993.
13. City of Sydney Amendment (Elections) Act 2014.
14. Attachment A contains confidential commercial information of the quotation 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.
15. 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

16. In addition to only a single supplier being identified, the timeframes outlined within the endorsed Methodology and Program Plan could not be met if the tender process was followed. A requirement of the Legislation is that enrolment letters are sent 130 days before any local government election. For the upcoming election on 10 September 2016, this date will be 3 May 2016. The City must contact occupiers in time to generate responses which can be entered onto the Register before enrolment letters are sent.

MONICA BARONE

Chief Executive Officer

Sally Aves, Manager Council Elections