

**ITEM 6. NEW STREET FURNITURE CONTRACT**

**FILE NO: X003033**

**SUMMARY**

The City's existing three contracts for the design, manufacture, supply and maintenance of an integrated suite of street furniture with the current service provider JCDecaux are due to expire progressively from 31 December 2018 to 30 June 2019. The furniture covered under these contracts includes seating benches, public bins, bus shelters, kiosks, automatic public toilets, freestanding advertising bollards, and payphones. The furniture is required to be maintained at high standard to meet the needs of the 1.2 million residents, workers and visitors who use the City daily.

The existing contracts allow for the installation of advertising panels on specific types of street furniture, subject to development consent on a site by site basis.

The supply and maintenance of the street furniture items are funded by advertising sales revenue with the remaining portion being shared between the JCDecaux and the City. The City receives a guaranteed minimum annual payment as part of the revenue share.

The street furniture items supplied under the existing contracts are owned by the JCDecaux. The offered price for the City to purchase these furniture items upon expiry of these contracts has been assessed as not financially advantageous for the City. It will, therefore, be necessary to transition from the old to new furniture over a defined period. Transition deeds will be in place to coordinate the incoming and outgoing furniture and minimise disruption.

The amount of furniture under the new contract will take into account recent development in the south urban renewal areas and updates of bus stop patronage and pedestrian volumes within the Local Government Area.

The City has also been rolling out the newly adopted Tzannes designs for public bins, seating benches, fixed bollards, bubblers, tree guards, lights and dining barriers and will continue to do so up until 2019, when the responsibility for further installation and maintenance of the public bins and seating benches are proposed to be assigned to the new street furniture provider. The Tzannes designed suit has also been install by State Agencies at Barangaroo and Darling Harbour, and in the future, George Street as part of the Light Rail project.

It is recommended that the City go to the market for a new contract to design, manufacture, supply, install, and maintain an integrated suite of street furniture that complements and includes the City's adopted (Tzannes designed) street furniture suite.

**RECOMMENDATION**

It is resolved that Council:

- (A) Note that the current contracts with JCDecaux expire progressively from 31 December 2018 to 30 June 2019;

- (B) Note that the revenue from any advertising goes towards the supply, installation and maintenance public furniture within the Local Government Area;
- (C) Endorse the City going to market with an Expression of Interest and subsequent Tender for the design, manufacture, supply, installation, and maintenance of a new integrated suite of street furniture for a ten year period with one option to extend for a five year period subject to good performance by the new street furniture provider;
- (D) Note that:
  - (1) The suite of street furniture items to be designed under the new contract will comprise the following items:
    - (a) bus shelters
    - (b) kiosks
    - (c) automatic public toilets
    - (d) freestanding advertising bollards
    - (e) payphones, subject to negotiations with Telstra; and
  - (2) The suite of street furniture items already designed will comprise:
    - (a) City of Sydney (current adopted Tzannes design) benches; and
    - (b) City of Sydney (current adopted Tzannes design) bins.
- (B) Note that the CEO will submit a report to Council with a preferred organisation to be appointed as the new street furniture provider following the completion of a two stage Expression of Interest and tender process in mid-2018.

## **ATTACHMENTS**

**Attachment A:** Photos of Existing Furniture Types

**BACKGROUND**

1. The City entered into a contract with JCDecaux in 1998 for the design, manufacture, supply, and maintenance of an integrated suite of street furniture including bus shelters, kiosks, automatic public toilets, free standing advertising bollards and non-advertising benches and rubbish bins.
2. The contract allowed for the installation of advertising panels on the street furniture, excluding benches and bins, subject to development consent on a site by site basis.
3. The supply and maintenance of the street furniture items was funded by the advertising sales revenue, with the remaining portion of advertising sales revenue being shared between the service provider and the City. As part of the revenue sharing arrangement, the City receives a guaranteed minimum annual payment.
4. In 2004 the former City of Sydney Council, former South Sydney City Council and a portion of the former Leichhardt Municipal Council were amalgamated. The amalgamated Councils all had existing street furniture contracts with JCDecaux.
5. The existing contracts with JCDecaux have different expiry dates. The expiry dates contracts are:
  - (a) Former City of Sydney Council – 31 December 2018
  - (b) Former Leichhardt Municipal Council – 30 April 2019; and
  - (c) Former South Sydney City Council – 30 June 2019.
6. There is a mix of styles and ownership of street furniture items within the Local Government Area. The majority of the street furniture items within the public domain have been supplied by JCDecaux under the existing contracts referred to above.
7. The City has assessed the anticipated long term cost to supply, install and maintain new street furniture items to be less than the long term cost to purchase the existing items of street furniture from JCDecaux.
8. In 2012 the City entered into a contract with Tzannes Associates Pty Ltd and ABUD to design and supply a coordinated suite of contemporary public furniture. The items included fixed bollards, benches, bins, bubblers, tree guards, lights and dining barriers.
9. Furniture items supplied from the Tzannes suite do not carry advertising panels and are purchased by the City and installed on a project by project basis. The new contract will have flexibility for the City to add new technologies to the existing City designed furniture (bins and benches).
10. The supply of a new suite of street furniture provides an opportunity to have a coordinated suite of furniture items within the public domain that includes the Tzannes benches and bins. It also provides an opportunity to incorporate new innovations.
11. Approval is recommended to go to market for a new contract to design, manufacture, supply, install, and maintain an integrated suite of street furniture to replace the existing street furniture contracts.

## **KEY IMPLICATIONS**

### **Strategic Alignment - Sustainable Sydney 2030 Vision**

12. *Sustainable Sydney 2030* is a vision for the sustainable development of the City to 2030 and beyond. 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 1 - A Globally Competitive and Innovative City – The provision of a new suite of furniture will transform the City. A new integrated and unified suite of street furniture throughout the Local Government Area will improve the amenity of the public domain and assist with building the City's reputation as a globally competitive and innovative City.
  - (b) Direction 2 provides a road map for the City to become A Leading Environmental Performer – A new suite of furniture will provide an opportunity for the incorporation of sustainable materials and renewable energy supply.
  - (c) Direction 3 - Integrated Transport for a Connected City – new technologies can be incorporated into the furniture items to provide real time information on transport and events throughout the Local Government Area.
  - (d) Direction 4 - A City for Walking and Cycling –A well designed and coordinated suite of furniture will improve the amenity of the public domain for residents and visitors to the City. Strategic placement of benches and shelters will provide respite throughout the Local Government Area.
  - (e) Direction 5 - A Lively and Engaging City Centre – The selected use of advertising panels within the furniture items can provide information, colour and life throughout the City
  - (f) Direction 7 - A Cultural and Creative City – A portion of advertising will be reserved for cultural events to support the arts and encourage participation in cultural and creative endeavours throughout the Local Government Area.
  - (g) Direction 9 - Sustainable Development, Renewal and Design – The design of the furniture will provide the opportunity to incorporate sustainable design principles and practices in the both the design of the items and the selection and use of materials.
  - (h) Direction 10 - Implementation through Effective Governance and Partnerships – The successful delivery and ongoing management of the new street furniture contract will require good governance by both the service provider and the City. Relationships with third party providers will need to be established to ensure accurate real time information is incorporated into the furniture such as requirements from Transport for NSW within bus shelters.

## **BUDGET IMPLICATIONS**

13. It is proposed that the service provider will fund the design, manufacture, supply, installation, and maintenance of the street furniture items via advertising sales.

14. Surplus revenue generated from the sale of advertising would be shared with the City on an annual basis with an annual minimum guarantee to be provided to the City.
15. The existing street furniture contract is almost 20 years old and revenue received under the existing contract is expected to increase under the new contract.
16. The removal costs of the existing furniture to be removed at the end of the current contracts will be borne by JCDecaux.

#### **RELEVANT LEGISLATION**

17. Section 55(1) of the *Local Government Act 1993* states that:  
  
‘A council must invite tenders before entering into any of the following contracts:  
  
(e) a contract for the provision of goods or materials to the council (whether by sale, lease or otherwise),  
  
(f) a contract for the provision of services to the council (other than a contract for the provision of banking, borrowing or investment services),  
  
(h) a contract requiring the payment of instalments by or to the council over a period of 2 or more years.’

#### **CRITICAL DATES / TIME FRAMES**

18. The existing JCDecaux contracts will expire progressively from 31 December 2018 to 30 June 2019 and the street furniture items that are owned by JCDecaux will be removed on the expiry of the contracts.
19. The transition out of the existing contracts with JCDecaux will need to be aligned with the transition in of a new street furniture contract.
20. The following dates are targeted:
  - (a) Expression of Interest – November 2017
  - (b) Tender including Early Contractor Involvement – January to June 2018
  - (c) Award Contract – July 2018
  - (d) Transition out of existing contract – January 2019 to January 2020
  - (e) Transition in to new contract – January 2019 to July 2020

#### **PUBLIC CONSULTATION**

21. The Design Advisory Panel will be involved with the concept design and performance specification for inclusion with the Expression of Interest documents.
22. Consultation with relevant stakeholders and the public will take place during the prototyping of the selected furniture items. This will take place prior to manufacture and installation.

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