

**ITEM 11. EXTENSION TO CONTRACT – ROMTECK FIRE MONITORING  
SERVICE CONTRACT**

**FILE NO: S072015.004**

**SUMMARY**

Brookfield Global Integrated Services (BGIS) and the City entered into the Property Services Agreement on 26 June 2008. Under this agreement BGIS requires the City's approval to enter into sub-contracts for the Services.

This report provides details of a proposed extension to the existing Fire Monitoring Service sub-contract (Sub-Contract) between BGIS and Romteck Grid Pty Ltd (Romteck).

On 14 May 2012, Council approved the tender of Fire Monitoring Services for the City's properties. In May 2012, BGIS entered into the Sub-Contract for Fire Monitoring Services with Romteck for five years (3+1+1).

On 27 February 2017, Council resolved to extend the Property Services Agreement by eight months to 28 January 2018, with a further option to extend the term by five months to 28 June 2018. To align with this extension, the City proposes to extend the term of the Sub-Contract to expire on 28 June 2018. Due to the extension of this contract by another 12 months from 1 July 2017 to 30 June 2018, the contract sum will vary by 18.79 per cent and requires Council approval.

This report seeks approval to increase the total contract fee and also to extend the term of the Fire Monitoring Services Agreement until 28 June 2018. This extension allows for continuation of critical fire monitoring services, while the new facility management services provider is appointed.

**RECOMMENDATION**

It is resolved that:

- (A) Council approve an increase in the contract fee to the incumbent Romteck (see confidential Attachment A to the subject report for details);
- (B) Council note that Brookfield Global Integrated Services will negotiate, execute and administer a variation to the Fire Monitoring Services Agreement to provide for the extension of the term and increased fee in accordance with Council's approval; and
- (C) Attachment A to the subject report remain confidential in accordance with Section 10A(2)(d) of the *Local Government Act 1993*.

**ATTACHMENTS**

**Attachment A:** Variation Summary (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. On 14 May 2012, Council approved the tender of Fire Monitoring Services for the City's properties. In May 2012, BGIS (Property Service Provider to the City of Sydney) entered into a Sub-Contract Agreement for Fire monitoring Services with Romteck for five years (3+1+1).
2. The existing contract between BGIS and Romtek Grid Pty Ltd expired on 30 June 2017, and is currently being carried forward on a month by month basis pending the resolution of the Facility Management Services Contract.
3. The scope of the fire monitoring services includes:
  - (a) alarm monitoring and response;
  - (b) continuous monitoring of building alarms;
  - (c) provision of after-hours telephone answering and message service and maintenance of an after-hours contact list;
  - (d) provision of an electronic connection to central monitoring station and fire brigade;
  - (e) maintenance of alarm log; and
  - (f) action alarms in accordance with the agreed procedures.
4. The services of Romteck have been monitored by BGIS regularly since commencement of the contract on 1 May 2012, measuring against KPIs. Performance has been more than satisfactory.
5. On 27 February 2017, Council resolved to extend the Property Services Agreement by eight months to 28 January 2018, with a further option to extend the term by five months to 28 June 2018. To align with this extension, the City proposes to extend the term of the Sub-Contract to expire on 28 June 2018. Due to the extension of this contract by another 12 months from 1 July 2017 to 30 June 2018, the contract sum will vary by 18.79 per cent and requires Council approval.

**BUDGET IMPLICATIONS**

6. Funding is available through the City Property Services Facilities Management Services operating budget. The 2017/18 budget has allowed for the proposed contract variations.

**RELEVANT LEGISLATION**

7. Relevant legislation for the requested increase includes:
  - (a) *Local Government Act 1993, Local Government (General) Regulation 2005, GIPA Government Information Public Access Act 2009, State Records Act 1998.*
8. As the Property Services Agreement is in the process of re-tendering, Attachment A contains confidential commercial information 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.
- 9. Section 55(3)(i) of the *Local Government Act 1993*.
- 10. 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.

**OPTIONS**

- 11. Proposals could be sought from the market to provide interim property contract solutions until the tender process is completed. However, sourcing a provider for a period of between eight and nine months has significant pricing and integration risks.

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