

ITEM 6. REPORT OF THE CORPORATE, FINANCE, PROPERTIES AND TENDERS COMMITTEE - 18 JULY 2016

ITEM 6.1

DISCLOSURES OF INTEREST

No Councillors disclosed any pecuniary or non-pecuniary interest in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee.

The Committee recommends the following:-

ITEM 6.2

INVESTMENTS HELD AS AT 30 JUNE 2016 (X005604)

It is resolved that the Investment Report as at 30 June 2016 be received and noted.

Speakers

Dr Jason Wu addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 6.2.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Green and carried unanimously.)

The Committee recommends the following:-

ITEM 6.3

PROPOSED LAND CLASSIFICATION – COMMUNITY STRATUM LOT, TRAM SHEDS, HAROLD PARK (S120438)

It is resolved that Council:

- (A) endorse the public notification of the proposed resolution “It is resolved to classify the proposed transfer of lot 2 in Deposited Plan 1207279 being a community stratum freehold lot as operational land in accordance with section 31 of the Local Government Act 1993”; and
- (B) note that a further report, to inform the outcomes of public notification and recommendation on land classification, will follow the notification period.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by the Chair (the Lord Mayor) and carried unanimously.)

The Committee recommends the following:-

ITEM 6.4

COMPULSORY ACQUISITION OF CITY'S FREEHOLD INTEREST IN MARTIN PLACE SHOPPING CIRCLE BY TRANSPORT FOR NSW (METRO) (X003497)

It is resolved that Council:

- (A) endorse the compulsory acquisition by Transport for NSW of the City's freehold stratum containing the Martin Place Shopping Circle;
- (B) endorse the negotiated compensation amount and the commercial terms detailed within confidential Attachment B to the subject report and delegate authority to the Chief Executive Officer to finalise these terms, including amendments and additions as suitable to protecting the City's interests;
- (C) note that, in the event that a negotiated outcome cannot be reached to the satisfaction of the City or within the timeframes required by the Metro project, then Transport for NSW will acquire the City's interest by way of a compulsory process; and
- (D) endorse that proceeds from this sale are to be restricted to the Commercial Properties Reserve for future reinvestment.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Green and carried unanimously.)

The Committee recommends the following:-

ITEM 6.5

CITY-OWNED CRANE LANE – LAND TRANSFER AND SALE OF FLOOR SPACE TO LEND LEASE, CIRCULAR QUAY SITE (X000578)

- (A) Council endorse the transfer of 176.6m² of City-owned, operational classified land being Lot 2 in Deposited Plan 880891, known as Crane Lane and referred to as 178a George Street, to Lend Lease;
- (B) Council endorse the sale of development floor space attributable to Crane Lane to Lend Lease at an agreed price of \$6M plus GST as supported by independent market valuation;
- (C) Council approve the subdivision of the Crane Lane land as may be required to facilitate the preceding resolutions; and
- (D) authority be delegated to the Chief Executive Officer to enter into all necessary documentation as may be required to facilitate:
 - (i) the transfer of 176.6m² of City-owned, operational classified land being Lot 2 in Deposited Plan 880891, known as Crane Lane and referred to as 178a George Street, to Lend Lease; and
 - (ii) the sale of development floor space attributable to Crane Lane to Lend Lease at an agreed price of \$6M plus GST.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by the Chair (the Lord Mayor) and carried unanimously.)

The Committee recommends the following:-

ITEM 6.6

TENDER - DIXON STREET CATENARIES AND HEAVEN LIGHTING ARTWORK RESTORATION PROJECT (S065510.001)

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for Dixon Street catenaries and Heaven lighting artwork restoration;
- (B) Council approve the additional funds to be brought forward from future years' public art capital works budget as outlined in confidential Attachment B to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by the Chair (the Lord Mayor) and carried unanimously.)

The Committee recommends the following:-

ITEM 6.7

TENDER - COMMERCIAL WASTE COLLECTION SERVICES (S072015.034)

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the commercial waste collection services contract for a period of 12 months commencing 1 October 2016, with two options to extend for a further 12 months;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts and exercise any options relating to the tender;
- (C) authority be delegated to the Chief Executive Officer to exercise the options referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly; and
- (D) Council note that the schedule of rates provided by Tenderer 'A' will be used to calculate any changes in contract price as a result of properties being added to or removed from the contract.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Green and carried unanimously.)

The Committee recommends the following:-

ITEM 6.8

**EXEMPTION FROM TENDER – GREEN SQUARE CHILD CARE CENTRE -
ADDITIONAL CONTINGENCY FOR HEAD CONTRACTOR CONTRACT (S117320.010)**

It is resolved that Council:

- (A) approve an exemption from tender, in accordance with section 55(3)(i) of the Local Government Act 1993, for the contract 'additional hazardous and contaminated material removal', noting that, due to extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) note the reasons why a satisfactory outcome would not be achieved by tenders are:
 - (i) a contractor for the construction works has already been appointed in accordance with the City's procurement processes;
 - (ii) within the current contract, a remediation subcontractor is to complete contract remediation works; and
 - (iii) the additional cost required to establish another remediation contractor on site is not considered value for money. If the work were separately contracted, it is not considered that better value for money or suitable timeframes would be achieved for Council;
- (C) approve increased contract contingency to the existing Head Contractor to cover extended construction work as described in confidential Attachment A to the subject report; and
- (D) note the financial and contractual implications detailed in confidential Attachment A to the subject report.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by the Chair (the Lord Mayor) and carried unanimously.)

The Committee recommends the following:-

ITEM 6.9

EXEMPTION FROM TENDER – PLANNING AGREEMENT AT 13-21 LACHLAN STREET, 2-4 BRUCE STREET AND 7-19 AMELIA STREET, WATERLOO (VPA/2015/23)

It is resolved that Council:

- (A) approve an exemption from tender, in accordance with section 55(3)(i) of the Local Government Act 1993, for the City to contribute \$1,372,218.91 to the Planning Agreement for 13-21 Lachlan Street, 2-4 Bruce Street and 7-19 Amelia Street Waterloo, noting that, because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) note the reasons why a satisfactory result would not be achieved by inviting tenders are:
 - (i) the developer will be delivering community infrastructure in the form of portions of the road infrastructure, adjacent to the City owned land as works-in-kind (required by Clause 6.14 of Sydney Local Environmental Plan 2012);
 - (ii) the infrastructure works will be co-ordinated and delivered as one project in a timely manner as part of the development to the adjacent site at 13-17 Lachlan Street and 2-4 Bruce Street, Waterloo;
 - (iii) delivery as one project will facilitate completion of the Gadigal Avenue works approximately two years earlier through access to the respective parcels of land, which will also reduce disruption to the local community as works on City-owned land could not commence until the Developer's Works were completed;
 - (iv) the physical constraints prevent the delivery of the road infrastructure in separate stages in a cost efficient manner, as Bruce Street requires substantial level changes necessitating temporary and redundant works such as retaining walls;
 - (v) delivering the remaining infrastructure separately would restrict the pedestrian and vehicle access to the new development, necessitating a lengthy and expensive construction methodology by the City; and
 - (vi) the contribution provides value for money to the City as the offer by Mirvac Ping An Residential Developments Pty Limited provides financial savings when compared to the detailed costs estimates prepared by the City's quantity surveyor, including through elimination of temporary works and the existing knowledge, resources and experience associated with the project site;
- (C) endorse the delivery of the road infrastructure at 13-21 Lachlan Street, 2-4 Bruce Street and 7-19 Amelia Street Waterloo by Mirvac Ping An Residential Developments Pty Limited as set out in the Public Benefit Offer in confidential Attachment B to the subject report; and
- (D) endorse the City's contribution of \$1,372,218.91 from a forthcoming capital works budget to the Developer's Works for the construction of road infrastructure as part of the Planning Agreement for 13-21 Lachlan Street, 2-4 Bruce Street and 7-19 Amelia Street Waterloo.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Green and carried unanimously – as part of an in globo motion.)

The Committee recommends the following:-

ITEM 6.10

TENDER – THE DOMAIN CAR PARK LAWNS BRIDGE REMEDIATION (S118429)

It is resolved that:

- (A) Council reject the tenders received for the Domain Car Park Lawns Bridge remediation, for the reasons set out in the confidential Attachment B to the subject report;
- (B) Council not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable companies over and above those that have responded to this tender;
- (C) Council note that entering into negotiations with suitably qualified companies will result in a value-for-money outcome for Council;
- (D) authority be delegated to the Chief Executive Officer to enter into negotiations and contract with suitably qualified companies to undertake the scope of works and administer the contract relating to the works; and
- (E) Council be informed of the successful company by way of a CEO Update.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Green and carried unanimously – as part of an in globo motion.)

The Committee recommends the following:-

ITEM 6.11

**TENDER – TRUSS STRUCTURES FOR 2016 – 2018 SYDNEY NEW YEAR’S EVE
(OPTION TO EXTEND TO 2019 AND 2020) (X003641.002)**

It is resolved that:

- (A) Council accept the tender offer of Tenderer ‘E’ to supply truss structures for Sydney New Year’s Eve for a period of three years, with the option of an extension of two years, if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Green and carried unanimously – as part of an in globo motion.)

The Committee recommends the following:-

ITEM 6.12

TENDER – LIGHTING FOR 2016 – 2018 SYDNEY NEW YEAR’S EVE (WITH OPTION TO EXTEND FOR 2019 AND 2020) (X003641.002)

It is resolved that:

- (A) Council accept the tender offer of Tenderer ‘F’, for the lump sum and the schedule of rates, to supply lighting for Sydney New Year’s Eve for a period of three years, with the option of an extension of two years, if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Kok, seconded by Councillor Green and carried unanimously – as part of an in globo motion.)

The Sub-Committee recommends the following:-

ITEM 6.13

KNOWLEDGE EXCHANGE SPONSORSHIP – GENERAL ASSEMBLY (X003414.005)

It is resolved that:

- (A) Council approve a cash sponsorship of \$20,000 cash (excluding GST) to General Assembly Australia Pty Ltd for the General Assembly Event Series 2016; and
- (B) authority be delegated to the Chief Executive Officer to negotiate and enter into a sponsorship agreement with General Assembly Australia Pty Ltd.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Vithoukias, seconded by Councillor Scott and carried unanimously.)