

**ITEM 6. REPORT OF THE CORPORATE, FINANCE, PROPERTIES AND TENDERS COMMITTEE - 20 FEBRUARY 2017****ITEM 6.1****DISCLOSURES OF INTEREST**

Councillor Angela Vithoukas disclosed a less than significant, non-pecuniary interest in Item 6.9 on the agenda, in that she is a business owner on George Street on part of the light rail path.

Councillor Linda Scott disclosed a significant non-pecuniary interest in Item 6.18 on the agenda, in that one of the candidates she ran with during the Local Government Elections owns a business on that strip. Councillor Scott stated that she would not be present for discussion or voting on this item.

No other 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**

**2016/17 QUARTER 2 REVIEW - DELIVERY PROGRAM 2014-2017 (S096187)**

It is resolved that Council:

- (A) note the financial performance of Council for the second quarter, ending 31 December 2016, including the Quarter 2 Net Surplus of \$73.4M and the full year Net Surplus forecast of \$82.9M, as outlined in the subject report and summarised in Attachment A to the subject report;
- (B) note the Quarter 2 Capital Works expenditure of \$91.2M, a revised full year forecast of \$259.9M and approve the proposed adjustments to the adopted budget, including the transfer of \$0.4M from capital works contingency as detailed in Attachment B to the subject report;
- (C) note the Information Services capital expenditure of \$4.3M, net of disposals, and a full year forecast of \$11.1M;
- (D) note the Quarter 2 Plant and Assets expenditure of \$4.8M, net of disposals, and full year forecast of \$17.7M;
- (E) note the operational performance indicators and Quarter 2 achievements against the Operational Plan 2016/17 objectives, as detailed in Attachment C to the subject report;
- (F) note the supplementary reports, including contracts issued over \$50,000, major legal issues and the Quick Response, Banner Pole and Reduced Rate Grant Programs in Quarter 2, as detailed in Attachment D to the subject report; and
- (G) note the Environmental Sustainability Progress Report at Attachment E to the subject report.

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

The Committee recommends the following:-

**ITEM 6.3**

**INVESTMENTS HELD AS AT 31 DECEMBER 2016 (X005605)**

It is resolved that the Investment Report as at 31 December 2016 be received and noted.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Phelps, seconded by Councillor Miller and carried unanimously – as part of an in globo motion with Item 6.4.)

The Committee recommends the following:-

**ITEM 6.4**

**INVESTMENTS HELD AS AT 31 JANUARY 2017 (X005605)**

It is resolved that the Investment Report as at 31 January 2017 be received and noted.

(At the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Phelps, seconded by Councillor Miller and carried unanimously – as part of an in globo motion with Item 6.3.)

The Committee recommends the following:-

**ITEM 6.5**

**DRAFT DIGITAL STRATEGY (S118878)**

It is resolved that:

- (A) Council approve the draft Digital Strategy, as shown at Attachment A to the subject report, to go on public exhibition for a period of six weeks; and
- (B) the Chief Executive Officer report back to Council after the exhibition period.

(Note – this matter was dealt with by the Corporate, Finance, Properties and Tenders Committee as follows:

Moved by the Chair (the Lord Mayor), seconded by Councillor Kok –

That the officer's recommendation be adopted.

Amendment. Moved by Councillor Chung, seconded by Councillor Forster –

That the motion be amended such that it read as follows –

It is resolved that:

- (A) Council note the Draft Digital Strategy, as shown at Attachment A to the subject report; and
- (B) the Draft Digital Strategy be referred to the Chief Technology and Digital Services Officer and the Chief Data and Information Management Officer.

The amendment was lost on the following show of hands –

Ayes (2) Councillors Chung and Forster.

Noes (8) The Lord Mayor, Councillors Kok, Miller, Phelps, Scott, Scully, Thalys and Vithoukias.

Variation. At the request of Councillor Vithoukias, and by consent, the motion was amended such that it read as follows:

It is resolved that:

- (A) Council approve the draft Digital Strategy, as shown at Attachment A to the subject report, to go on public exhibition for a period of six weeks; and
- (B) the Chief Executive Officer report back to Council after the exhibition period.

The motion, as varied by consent, was carried unanimously.)

The Committee recommends the following:-

**ITEM 6.6**

**LAND CLASSIFICATION - 303-305 PITT STREET, SYDNEY (X006753)**

It is resolved that Council classify 303-305 Pitt Street, Sydney, being the whole of the land contained in Lot 1 in Deposited Plan 66011, as operational land in accordance with section 31 of the Local Government Act 1993.

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

The Committee recommends the following:-

**ITEM 6.7**

**LEASE - APPROVAL FOR LEASE VARIATION OF STRATUM TUNNEL (PIPELINE) LEASE, 33 ALFRED STREET SYDNEY (S104857)**

It is resolved that:

- (A) Council approve a variation of the stratum tunnel pipeline lease at 33 Alfred Street, Sydney (registered lease O582165) with AMP Capital Investors Limited and AMP Capital Funds Management Limited. The variation will introduce a Bank Guarantee for an amount equal to 12 months gross rent and GST and an increase in Public Liability Insurance to \$20 million; and
- (B) authority be delegated to the Chief Executive Officer to finalise the terms of the lease variation.

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

The Committee recommends the following:-

**ITEM 6.8**

**CANCELLATION OF TENDER - EORA JOURNEY REDFERN TERRACE (S110604.003)**

It is resolved that:

- (A) Council cancel Tender 1650 for the Eora Journey Redfern Terrace;
- (B) Council not invite fresh tenders on the basis that it is unlikely a more satisfactory result would be achieved;
- (C) in accordance with section 55(3)(i) of the Local Government Act 1993, due to extenuating circumstances, being the unavailability of tenderers, authority be delegated to the Chief Executive Officer to enter into negotiations and contracts with suitably qualified artist teams to undertake the project; and negotiate, execute and administer the contracts relating to the tender; and
- (D) Council be informed of the successful contractor by CEO Update.

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



The Committee recommends the following:-

**ITEM 6.9**

**EXEMPTION FROM TENDER – ENGINEERING SUPPORT – LIGHT RAIL  
(S124621.005)**

It is resolved that Council:

- (A) approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 noting that, a satisfactory result would not be achieved by inviting tenders;
- (B) note that the reason why a satisfactory result would not be achieved by inviting tenders is due to the fact that going to tender would not deliver a competitive process. The selected candidate has undertaken the works and the fee has marginally exceeded the tender threshold; and
- (C) Council approve the additional expenditure for the backfill costs of replacing the specialist engineer for the light rail project as outlined 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 Phelps, seconded by the Chair (the Lord Mayor) and carried unanimously – as part of an in globo motion.)

The Committee recommends the following:-

**ITEM 6.10**

**EXEMPTION FROM TENDER AND CONTRACT EXTENSION - BOARD PORTAL SYSTEM SERVICE AGREEMENT (S117550.002)**

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993, to extend the term of the Diligent Board Service Agreement by 12 months to 31 January 2018, with a further option to extend the term by no more than 12 months to 31 January 2019;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a variation to the Diligent Board Service Agreement to provide for the extension of the term under clause (A);
- (C) authority be delegated to the Chief Executive Officer to extend the variation by no more than 12 months to 31 January 2019, if required;
- (D) Council note that, because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders; and
- (E) Council note the reasons why a satisfactory result would not be achieved by inviting tenders are:
  - (i) the City will shortly commence a process to procure a board portal system as a component of the broader Council and committee paper management system tendering process with expected implementation in 2018;
  - (ii) given the primacy of meetings of Council and committee within the City's governance framework, the maintenance of business continuity by way of secure electronic distribution of meeting papers while that tender process is underway is essential; and
  - (iii) the contract extension costs are considered fair and reasonable.

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

The Committee recommends the following:-

**ITEM 6.11**

**EXEMPTION FROM TENDER - REQUEST FOR EXTENSION TO PROPERTY SERVICES CONTRACT (X007845)**

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993, to extend the term of 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;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a variation to the Property Services Agreement to provide for the extension of the term under clause (A);
- (C) authority be delegated to the Chief Executive Officer to extend the variation by a further five months to 28 June 2018, if required;
- (D) Council note that, because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders; and
- (E) Council note the reasons why a satisfactory result would not be achieved by inviting tenders are:
  - (i) sourcing a provider for a period of between eight to 13 months introduces a significant financial risk to Council due to the short engagement period;
  - (ii) due to the size and complexity of Council's Core property management portfolio, introducing a new supplier would result in an unacceptable level of operational risk; and
  - (iii) limited time is available from now to end of contract to achieve a robust tender process.

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

The Committee recommends the following:-

**ITEM 6.12**

**TENDER - BOURKE STREET SHARED PATH STAGE 3 (S104583)**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the Bourke Street shared path;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) the project operational budget be increased to engage Tenderer 'A' and to deliver the full scope of works as outlined 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 Phelps, seconded by Councillor Miller and carried unanimously.)

The Committee recommends the following:-

**ITEM 6.13**

**TENDER – ALEXANDRIA TOWN HALL - FAÇADE, ROOF AND INTERIOR RESTORATION (S121245)**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for Alexandria Town Hall – façade, roof and interior restoration;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract and exercise any options relating to the tender; and
- (C) Council approve an increase in budget costs for this financial year, as shown in Attachment A to the subject report.

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

The Committee recommends the following:-

**ITEM 6.14**

**TENDER – JOYNTON AVENUE AND SOUTH SYDNEY HOSPITAL SITE HERITAGE WALL RAISING (S105612)**

It is resolved that:

- (A) Council accept the tender offer from Tenderer 'A' for the Joynton Avenue and South Sydney Hospital site heritage wall raising project;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) Council note the financial implications detailed in confidential Attachment C to the subject report.

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

The Committee recommends the following:-

**ITEM 6.15**

**TENDER - BAY STREET DEPOT UPGRADE (S119435)**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the Bay Street Depot upgrade at 10-16 Bay Street, Ultimo; and
- (B) 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 Phelps, seconded by the Chair (the Lord Mayor) and carried unanimously – as part of an in globo motion.)

The Committee recommends the following:-

**ITEM 6.16**

**TENDER – 110-122 OXFORD STREET ROOF UPGRADE (X006220)**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the 110-122 Oxford Street roof upgrade; and
- (B) 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 Phelps, seconded by Councillor Thalís and carried unanimously – as part of an in globo motion.)



The Committee recommends the following:-

**ITEM 6.17**

**TENDER – SYDNEY CHRISTMAS 2017 - 2021 – SUPPLY AND INSTALL CHRISTMAS TREES, DECORATIONS AND INSTALLATIONS (S126946.001)**

It is resolved that:

- (A) Council reject tenders received for supply and install Christmas trees, decorations and installations for Christmas 2017 – 2021 for the reasons set out in confidential Attachment A to the subject report;
- (B) Council not invite fresh tenders for the Sydney Christmas 2017 – 2021 – supply and install Christmas trees, decorations and installations, 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) 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 contracts relating to the works; and
- (D) Council be informed of the successful company for the Sydney Christmas 2017 – 2021 – supply and install Christmas trees, decorations and installations by way of a CEO Update.

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

The Committee recommends the following:-

**ITEM 6.18**

**TENDER - APPOINTMENT OF AN OPERATOR FOR THE CHINATOWN NIGHT MARKETS IN DIXON STREET MALL (X005131.001)**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the operation of the Chinatown Night Markets, Dixon Street Mall for an initial term of one year, with two additional 24 month options to be granted at the City's sole discretion (a maximum of five years total);
- (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 options 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 matter was dealt with as follows:

Councillor Scott left the meeting of the Corporate, Finance, Properties and Tenders Committee at 3.16pm prior to discussion on Item 6.18.

It was then moved by Councillor Phelps, seconded by the Chair (the Lord Mayor) –

That the officer's recommendation be adopted.

During discussion on this item, the Corporate, Finance, Properties and Tenders Committee agreed to defer consideration of this matter to the end of the meeting to discuss confidential Attachment A in closed session.

Councillor Scott returned to the meeting of the Corporate, Finance, Properties and Tenders Committee at 3.17pm, following deferral of the item.

**Closed Meeting**

At a later stage of the meeting, at 3.27pm, it was moved by the Chair (the Lord Mayor), seconded by Councillor Phelps –

That the meeting be closed in accordance with the provisions of sections 10A(2)(c) and (d)(ii) of the Local Government Act 1993 to discuss confidential Attachment A to Item 6.18 on the agenda as this matter comprised:

- information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business; and
- commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor the council; and

it was further resolved that the meeting be closed for this item on the basis that discussion of this matter in open session would, on balance, compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Carried unanimously.

Councillor Scott left the meeting of the Corporate, Finance, Properties and Tenders Committee at 3.29pm prior to discussion on Item 6.18 and did not return to the meeting.

Confidential Attachment A was then discussed while the meeting was closed to the public.

At the resumption of the meeting of the Corporate, Finance, Properties and Tenders Committee in open session, at 3.35pm, the motion, as previously moved by Councillor Phelps and seconded by the Chair (the Lord Mayor), was put to the vote and was carried unanimously.)

The Committee recommends the following:-

**ITEM 6.19**

**TENDER - THE SUPPLY OF DUMPED ASBESTOS RESPONSE AND REMOVAL SERVICES (X005702.006)**

It is resolved that:

- (A) Council accept the tender offers of Tenderers 'A', 'B' and 'C' for dumped asbestos response and removal services for a period of two years, with the option of three extensions of one year each, 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 approve the option referred to in clause (A), if appropriate, and the price negotiated by SSROC to extend the contract accordingly.

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

The Committee recommends the following:-

**ITEM 6.20**

**TENDER - INFORMATION TECHNOLOGY QA AND TEST MANAGEMENT SERVICES (X006445.001)**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for Information Technology QA and Test Management Services for a period of three years, with the option of two extensions of one year, 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 Phelps, seconded by the Chair (the Lord Mayor) and carried unanimously – as part of an in globo motion.)

The Committee recommends the following:-

**ITEM 6.21**

**TENDER - EMPLOYEE ASSISTANCE PROGRAM (X006479.001)**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the provision of an employee assistance program for a period of three years, with the option of an extension of two years, if appropriate;
- (B) authority be delegated do 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 Phelps, seconded by the Chair (the Lord Mayor) and carried unanimously – as part of an in globo motion.)

The Committee recommends the following:-

**ITEM 6.22**

**TENDER – PANEL OF INVESTIGATION SERVICE PRACTITIONERS (S084563)**

It is resolved that:

- (A) Council accept the following tender offers for a period of three years, with the option for a further two year extensions:
  - (i) in respect of Tier one investigations, Tenderers 'A', 'B' and 'C'; and
  - (ii) in respect of Tier two Investigations, Tenderers 'A', 'B' and 'K';
- (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 the Chair (the Lord Mayor), seconded by Councillor Kok and carried unanimously.)

The Sub-Committee recommends the following:-

**ITEM 6.23**

**KNOWLEDGE EXCHANGE SPONSORSHIP - NEWCO BUSINESS INNOVATION FESTIVAL - USUAL SUSPECTS CREATIVE PTY LTD (S112458.012)**

It is resolved that:

- (A) Council approve a cash sponsorship of \$12,000 (excluding GST) to Usual Suspects Creative Pty Ltd for the Sydney NewCo event in March 2017; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a sponsorship agreement with Usual Suspects Creative Pty Ltd.

**Speakers**

Ms Shani Langi addressed the meeting of the Corporate, Finance, Properties and Tenders Committee (Economic Development and Business Sub-Committee) on Item 6.23.

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