

4 March 2019

At 2.00 pm



Corporate, Finance, Properties and Tenders Committee

Sydney 2030 / Green Global Connected

Agenda

- 1. Disclosures of Interest**
- 2. Investments Held as at 31 January 2019**
- 3. Public Exhibition - Code of Meeting Practice**
- 4. Tender - Landscape, Sports Field and Park Turf Works - Schedule of Rates**
- 5. Tender - Reject and Negotiate - Utility Management**
- 6. Exemption from Tender - Provision of Short-Term Staff Through Agencies**
- 7. Exemption from Tender - Confidential**

Guidelines for Speakers at Council Committees



As part of our democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

To enable the Committee to hear a wide range of views and concerns within the limited time available, we encourage people interested in speaking at Committee to:

1. Register to speak by calling Council's Secretariat on 9265 9310 before 12.00 noon on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.
6. Before speaking, turn on the microphone by pressing the button next to it and speak clearly so that everyone in the Council Chamber can hear.
7. Be prepared to quickly return to the microphone and respond briefly to any questions from Councillors, after all speakers on an item have made their presentations.

Committee meetings can continue until very late, particularly when there is a long agenda and a large number of speakers. This impacts on speakers who have to wait until very late, as well as Council staff and Councillors who are required to remain focused and alert until very late. At the start of each Committee meeting, the Committee Chair may reorder agenda items so that those items with speakers can be dealt with first.

Committee reports are on line at www.cityofsydney.nsw.gov.au, with printed copies available at Sydney Town Hall immediately prior to the meeting. Council staff are also available prior to the meeting to assist.

Item 1.

Disclosures of Interest

Pursuant to the provisions of section 451 of the Local Government Act 1993, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee in accordance with the relevant clauses of the Code of Conduct – February 2016.

In both cases, the nature of the interest must be disclosed.

Written disclosures of interest received by the Chief Executive Officer in relation to items for consideration at this meeting will be laid on the table.

Item 2.

Investments Held as at 31 January 2019

File No: X020701

Summary

This report provides details of the City's investment portfolio and performance to 31 January 2019.

The City's total Investment and Cash position was \$602.7M at the end of January, with investments earning interest of \$1.5M for the month.

The majority of the City's cash and investments portfolio is held as internally restricted (\$309.6M) or externally restricted (\$126.7M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represent working capital and funding required for the City's operating and capital expenditure commitments.

The City achieved an annualised monthly return of 2.84 per cent for January, significantly above the 30 Day Bank Bill Rate (BBR) of 2.01 per cent, the AusBond Bank Bill Index (published by Bloomberg) of 2.18 per cent and the enhanced benchmark of 2.46 per cent (BBR + 0.45 per cent) as endorsed in October 2018 as part of the Investment Strategy.

The City's annual rolling return of 2.81 per cent also continues to exceed the 12 month average 30 Day BBR of 1.87 per cent, the AusBond Bank Bill Index of 1.95 per cent and the enhanced benchmark of 2.32 per cent (BBR + 0.45 per cent) as endorsed in October 2018 as part of the Investment Strategy.

The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions. The policy and strategy also maintain Council's commitment to sustainable investments where returns and risks are equivalent by changing the word 'desirable' to 'preferred' under the environmentally and socially responsible investment criteria.

Recommendation

It is resolved that the Investment Report as at 31 January 2019 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 31 January 2019

Attachment B. Investment Performance as at 31 January 2019

Background

1. In accordance with the principles of financial management, cash that is surplus to the City's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.
2. Surplus cash is only invested in authorised investments that comply with governing legislation and Council's Investment Policy and Strategy.
3. The benchmark performance goal of Council's Investment Policy and Strategy is to surpass the 30 Day Bank Bill Rate by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. The City's total Investment and Cash position as at 31 January 2019 was \$602.7M, a decrease of \$12.9M from the \$615.6M reported at 31 December 2018, reflecting operating income offset by capital works expenditure and other operational payments. A schedule detailing all of the City's investments as at the end of January is provided at Attachment A.
5. The majority of the City's cash and investments portfolio is held as internally restricted (\$309.6M) or externally restricted (\$126.7M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. The City achieved an annualised monthly return of 2.84 per cent for January, significantly above the 30 Day Bank Bill Rate of 2.01 per cent, the AusBond Bank Bill Index (published by Bloomberg) of 2.18 per cent and the enhanced benchmark of 2.46 per cent (BBR + 0.45 per cent) as endorsed in October 2018 as part of the Investment Strategy.
8. The City's annual rolling return of 2.81 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 1.87 per cent, the AusBond Bank Bill Index of 1.95 per cent and the enhanced benchmark of 2.32 per cent (BBR + 0.45 per cent) as endorsed in October 2018 as part of the Investment Strategy.
9. The RBA last adjusted the official cash rate in August 2016, when it was reduced to 1.50 per cent. The market responded accordingly, and lower yields on investments have had a sustained adverse impact on the City's portfolio return. This trend is anticipated to continue, though in recent periods some improvement in longer-term interest rates has been noted.
10. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions.

11. As noted in previous investment reports, the downgrade of 23 financial institutions' global ratings by Standard and Poors in May 2017 incorporated a downgrade of both Bank of Queensland and Bendigo & Adelaide Bank long-term rating from an A- to a BBB+. As the City's Investment Policy limits the maximum amount that may be invested with sub 'A' rated institutions to \$10M each, the policy's "grandfathering" provisions have been applied to allow the existing investments to be maintained or divested in accordance with all regular investment considerations.
12. While no further investment in their long-term products will be permissible, unless the credit risk rating reverts back up, these bank's short-term credit risk profiles and rating remain unaffected, and their short-term products are still appropriate for consideration within the City's investment portfolio.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

13. The City's investments accord with all legislative and policy requirements, as detailed below, and continue to achieve returns above minimum benchmark rates.

Financial Implications

14. The City's investments earned interest of \$1.5M for the month of January 2019, against budgeted earnings of \$1.1M. Investment earnings for the full year are forecast to be \$17.6M, against a budget of \$13.5M.

Relevant Legislation

15. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
16. The Local Government (General) Regulation 2005 (clause 212) requires the City to provide a written monthly report of all monies invested, under Section 625 of the Act.
17. The Investment Policy and Strategy was revised in October 2018, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments. The revision also maintained the broadening of the definition of environmentally harmful activities to include specific reference to coal, gas and oil.
18. The City's investments accord with the Minister's Investment Order, the Office of Local Government's Investment Policy Guidelines, and the City's own Investment Policy and Strategy as adopted by Council on 29 October 2018.

Critical Dates / Time Frames

19. A monthly investment report must be submitted for Council's information and review within the following month.

Public Consultation

20. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure that the City continues to maximise its investment return within appropriate risk parameters.
21. City staff meet regularly with representatives of each of the 'Big 4' banks and NSW TCorp. At these meetings, City staff actively advocate for Socially Responsible Investment (SRI) opportunities.
22. To date, feedback from these meetings has been that there is a well-known appetite in the market for these products and they are investigating the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet both the credit risk and maturity profile requirements of Council. In a recent positive development, Westpac has been able to bring a Green Tailored Bond product to market. Between November and January, the City invested \$25 million in three tranches, for five years in this bond. The City had funds available to invest and the product offered a rate of return commensurate with other investment offerings in the market.

BILL CARTER

Chief Financial Officer

James Legarse, Financial Accountant

Attachment A

**Register of Investments and Cash
as at 31 January 2019**

REGISTER OF INVESTMENTS AND CASH AS AT 31 JANUARY 2019

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Call Account								
Westpac Bank	AA	43,207,280	0.15%	1.75%	1.75%	1-Feb-19	22-May-12	0
Total		43,207,280	0.15%	1.75%	1.75%			
Term Deposits (TD)								
Bankwest	AA	5,000,000	0.21%	2.50%	2.50%	1-Feb-19	3-Dec-18	2
Credit Union Australia Ltd	A	5,000,000	0.23%	2.80%	2.80%	1-Feb-19	8-May-18	9
Credit Union Australia Ltd	A	5,000,000	0.22%	2.67%	2.67%	8-Feb-19	12-Feb-18	12
Credit Union Australia Ltd	A	5,000,000	0.22%	2.67%	2.67%	12-Feb-19	21-Feb-18	12
Commonwealth Bank	AA	5,000,000	0.19%	2.25%	2.25%	15-Feb-19	15-Jan-19	1
ME Bank	A	5,000,000	0.22%	2.63%	2.63%	15-Feb-19	14-Nov-18	3
ME Bank	A	5,000,000	0.21%	2.52%	2.52%	18-Feb-19	20-Dec-18	2
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	22-Feb-19	31-Aug-18	6
National Aust Bank	AA	5,000,000	0.22%	2.67%	2.67%	28-Feb-19	29-Nov-18	3
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	8-Mar-19	8-Aug-18	7
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	12-Mar-19	3-Sep-18	6
ME Bank	A	5,000,000	0.24%	2.83%	2.83%	15-Mar-19	4-Jul-18	8
Westpac Banking Corporation (Fixed Rate , interest paid qaterly)	AA	5,000,000	0.22%	2.68%	2.68%	19-Mar-19	19-Mar-18	12
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	29-Mar-19	29-Aug-18	7
Commonwealth Bank	AA	5,000,000	0.22%	2.62%	2.62%	4-Apr-19	21-Jan-19	2
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	5-Apr-19	9-Aug-18	8
Commonwealth Bank	AA	10,000,000	0.22%	2.63%	2.63%	5-Apr-19	18-Jan-19	3
IMB	A	5,000,000	0.23%	2.75%	2.75%	12-Apr-19	16-Aug-18	8
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	19-Apr-19	3-Sep-18	7
ME Bank	A	5,000,000	0.23%	2.72%	2.72%	25-Apr-19	25-Jan-19	3
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	26-Apr-19	10-Aug-18	8
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	3-May-19	14-Aug-18	9
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	6-May-19	10-Jul-18	10
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	17-May-19	22-Aug-18	9
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	28-May-19	31-Aug-18	9
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	31-May-19	31-Aug-18	9
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	4-Jun-19	5-Jul-18	11
Credit Union Australia	A	5,000,000	0.24%	2.90%	2.90%	6-Jun-19	6-Jul-18	11
Bankwest	AA	5,000,000	0.23%	2.75%	2.75%	7-Jun-19	3-Sep-18	9
Bank of Queensland	A	5,000,000	0.24%	2.85%	2.85%	11-Jun-19	11-Dec-18	6
Suncorp Bank	A	5,000,000	0.23%	2.81%	2.81%	14-Jun-19	7-Dec-18	6
ME Bank	A	5,000,000	0.23%	2.80%	2.80%	21-Jun-19	09-Jul-18	11
Bankwest	AA	5,000,000	0.23%	2.70%	2.70%	28-Jun-19	31-Oct-18	8
Bendigo & Adelaide Bank	A	5,000,000	0.24%	2.83%	2.83%	3-Jul-19	4-Jul-18	12
Credit Union Australia	A	5,000,000	0.24%	2.90%	2.90%	5-Jul-19	6-Jul-18	12
Suncorp Bank	A	4,000,000	0.23%	2.75%	2.75%	12-Jul-19	14-Nov-18	8
AMP Bank	A	5,000,000	0.24%	2.85%	2.85%	20-Aug-19	20-Aug-18	12
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.75%	2.75%	30-Aug-19	3-Dec-18	9
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.75%	2.75%	6-Sep-19	4-Dec-18	9
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	10-Sep-19	10-Sep-18	12
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	27-Sep-19	28-Nov-18	10
National Aust Bank	AA	5,000,000	0.23%	2.74%	2.74%	9-Oct-19	9-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	14-Oct-19	12-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	18-Oct-19	15-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	25-Oct-19	17-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.72%	2.72%	31-Oct-19	31-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.73%	2.73%	5-Nov-19	5-Nov-18	12
National Aust Bank	AA	5,000,000	0.23%	2.73%	2.73%	6-Nov-19	6-Nov-18	12
Credit Union Australia Ltd	A	5,000,000	0.23%	2.77%	2.77%	28-Nov-19	29-Nov-18	12
Credit Union Australia Ltd	A	5,000,000	0.24%	2.85%	2.85%	6-Dec-19	7-Dec-18	12
ANZ Bank (90 days BBSW + 98 points) quarterly reset and payment of coupon	AA	10,000,000	0.24%	2.93%	2.88%	28-Aug-20	28-Aug-15	60
ANZ Bank (90 days BBSW + 95 points) quarterly reset and payment of coupon	AA	10,000,000	0.24%	2.91%	2.87%	31-Aug-20	1-Sep-15	60
Westpac Banking Corporation(2.80% fixed 1 year & 90 days BBSW +82 points)	AA	5,000,000	0.23%	2.80%	2.80%	20-Sep-21	21-Sep-18	36
Westpac Banking Corporation (2.90% Fixed 2 years & 90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.90%	2.90%	11-Oct-21	12-Oct-17	48
Westpac Banking Corporation (2.94% Fixed 2 years & 3 months BBSW + 82 points 3years)	AA	5,000,000	0.23%	3.35%	3.06%	8-Nov-21	7-Nov-18	36
Westpac Banking Corporation (3% Fixed 2 years & 90 months BBSW + 133 points 3 years)	AA	5,000,000	0.25%	3.00%	3.00%	15-Dec-21	15-Dec-16	60
Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3years)	AA	5,000,000	0.23%	2.80%	2.80%	31-Aug-22	31-Aug-17	60
Westpac Banking Corporation(2.80% fixed 1 year & 90 days BBSW +85 points)	AA	5,000,000	0.25%	2.94%	2.94%	27-Sep-22	28-Sep-18	48
Westpac Banking Corporation (2.98% Fixed 2 years & 3 months BBSW + 82 points 2 years)	AA	5,000,000	0.23%	2.98%	2.98%	21-Nov-22	21-Nov-18	48
Term Deposits (TD) 'Green Tailored Deposits'								
Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW+ 93 bps)	AA	10,000,000	0.23%	2.87%	2.87%	27-Nov-23	26-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (2.97% Fixed 2 years & 3 months BBSW + 93 points 3 years)	AA	5,000,000	0.23%	2.97%	2.97%	29-Nov-23	30-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (3% Fixed 1 years & 3 months BBSW + 105 points 4 years)	AA	10,000,000	0.23%	3.00%	3.00%	24-Jan-24	25-Jan-19	60
Total		334,000,000	0.23%	2.79%	2.78%			
Floating Rate Notes (FRN)								
National Australia Bank (90 days BBSW + 98 points)	AA	5,000,000	0.24%	2.92%	2.89%	25-Feb-19	25-Feb-16	36
Westpac Banking Corporation (Fixed 4.50% semi annual)	AA	5,000,000	0.38%	4.50%	4.50%	25-Feb-19	26-Mar-14	59
Newcastle Permanent Building Society (90 days BBSW + 160 points)	BBB	4,500,000	0.31%	3.68%	3.60%	22-Mar-19	22-Mar-16	36
Credit Union Australia (90 days BBSW + 160 points)	A	5,000,000	0.31%	3.67%	3.59%	1-Apr-19	1-Apr-16	36
Westpac Bank (90 days BBSW + 100 points)	A	5,000,000	0.25%	2.94%	2.91%	10-May-19	11-Mar-16	38
Commonwealth Bank (90 days BBSW + 98 points)	AA	5,000,000	0.25%	3.04%	2.96%	18-Jul-19	18-Apr-16	39
ME Bank (90 days BBSW + 145 points)	BBB	5,000,000	0.29%	3.51%	3.43%	18-Jul-19	18-Jul-16	36

REGISTER OF INVESTMENTS AND CASH AS AT 31 JANUARY 2019

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	10,000,000	0.25%	2.98%	2.87%	22-Jan-20	22-Jan-15	60
Royal Bank of Canada (90 days BBSW + 95 points)	A	5,000,000	0.24%	2.90%	2.86%	10-Feb-20	10-Feb-15	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	5,000,000	0.25%	2.99%	2.95%	12-Feb-20	12-Feb-15	60
Greater Bank (90 days BBSW + 145 points)	A	5,000,000	0.28%	3.39%	3.35%	24-Feb-20	24-Feb-17	36
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	5,000,000	0.28%	3.41%	3.34%	7-Apr-20	7-Apr-15	60
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	7,500,000	0.28%	3.41%	3.34%	7-Apr-20	18-Jul-16	45
National Australia Bank (90 days BBSW + 80 points)	AA	5,000,000	0.23%	2.77%	2.72%	3-Jun-20	3-Jun-15	60
Commonwealth Bank (90 days BBSW + 90 points)	AA	10,000,000	0.25%	2.97%	2.88%	17-Jul-20	17-Jul-15	60
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	5,000,000	0.25%	2.97%	2.85%	28-Jul-20	28-Jul-15	60
Bendigo & Adelaide Bank (90 days BBSW + 110 points)	A	5,000,000	0.25%	3.04%	3.00%	18-Aug-20	18-Aug-15	60
AMP Bank (90 days BBSW + 75 points)	A	5,000,000	0.23%	2.81%	2.74%	6-Oct-20	6-Oct-17	36
Suncorp Bank (90 days BBSW + 125 points)	A	5,000,000	0.28%	3.33%	3.22%	20-Oct-20	20-Oct-15	60
Westpac Banking Corporation (90 days BBSW + 108 points)	AA	15,000,000	0.26%	3.15%	3.03%	28-Oct-20	28-Oct-15	60
National Australia Bank (90 days BBSW + 108 points)	AA	10,000,000	0.25%	3.02%	3.00%	5-Nov-20	5-Nov-15	60
ME Bank (90 days BBSW + 125 points)	BBB	2,250,000	0.27%	3.18%	3.15%	9-Nov-20	9-Nov-17	36
Commonwealth Bank (90 days BBSW + 115 points)	AA	5,000,000	0.27%	3.21%	3.13%	18-Jan-21	20-Jan-16	60
Heritage Bank (90 days BBSW + 123 points)	BBB	3,500,000	0.28%	3.32%	3.27%	29-Mar-21	29-Mar-18	36
ANZ Bank (90 days BBSW + 118 points)	AA	5,000,000	0.27%	3.24%	3.17%	7-Apr-21	7-Apr-16	60
Suncorp Bank (90 days BBSW + 138 points)	A	5,000,000	0.29%	3.44%	3.36%	12-Apr-21	12-Apr-16	60
ME Bank (90 days BBSW + 127 points)	BBB	2,500,000	0.28%	3.33%	3.29%	16-Apr-21	17-Apr-18	36
Bendigo & Adelaide Bank (90 days BBSW + 146 points)	A	5,000,000	0.30%	3.54%	3.43%	20-Apr-21	20-Apr-16	60
Bank of China - Sydney Branch (90 days BBSW + 103 points)	A	4,500,000	0.25%	2.97%	2.97%	15-Nov-21	15-Nov-18	36
Commonwealth Bank (90 days BBSW + 85 points)	AA	4,600,000	0.23%	2.79%	2.75%	17-Nov-21	17-Nov-16	60
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000	0.24%	2.91%	2.86%	16-Aug-22	16-Aug-17	60
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000	0.24%	2.91%	2.90%	16-Aug-22	31-Oct-18	45
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000	0.25%	2.99%	2.98%	3-Feb-23	5-Feb-18	60
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000	0.23%	2.81%	2.79%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.83%	2.85%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.84%	2.84%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000	0.24%	2.87%	2.88%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	AAA	4,500,000	0.23%	2.76%	2.73%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000	0.25%	3.02%	2.92%	26-Sep-23	26-Sep-18	60
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000	0.25%	3.01%	3.01%	6-Dec-23	6-Dec-18	60
Floating Rate Notes (FRN) 'Green/Climate Bonds'								
ANZ Bank Green Bond (Fixed rate @ 3.25% semi annual)	AA	5,000,000	0.27%	3.25%	3.25%	3-Jun-20	3-Jun-15	60
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000	0.25%	3.01%	2.94%	31-Mar-22	31-Mar-17	60
Total		221,350,000	0.26%	3.13%	3.07%			
Total Investments		598,557,280	0.24%	2.84%	2.81%			
Benchmark: 30 Day Bank Bill Index			0.17%	2.01%	1.87%			
Benchmark: Bloomberg AusBond Bank Bill Index			0.18%	2.18%	1.95%			
City of Sydney's available bank balance as at 31 January 2019		4,135,869						
TOTAL INVESTMENTS & CASH		602,693,149						

Summary of Net Investment Movements - January 2019

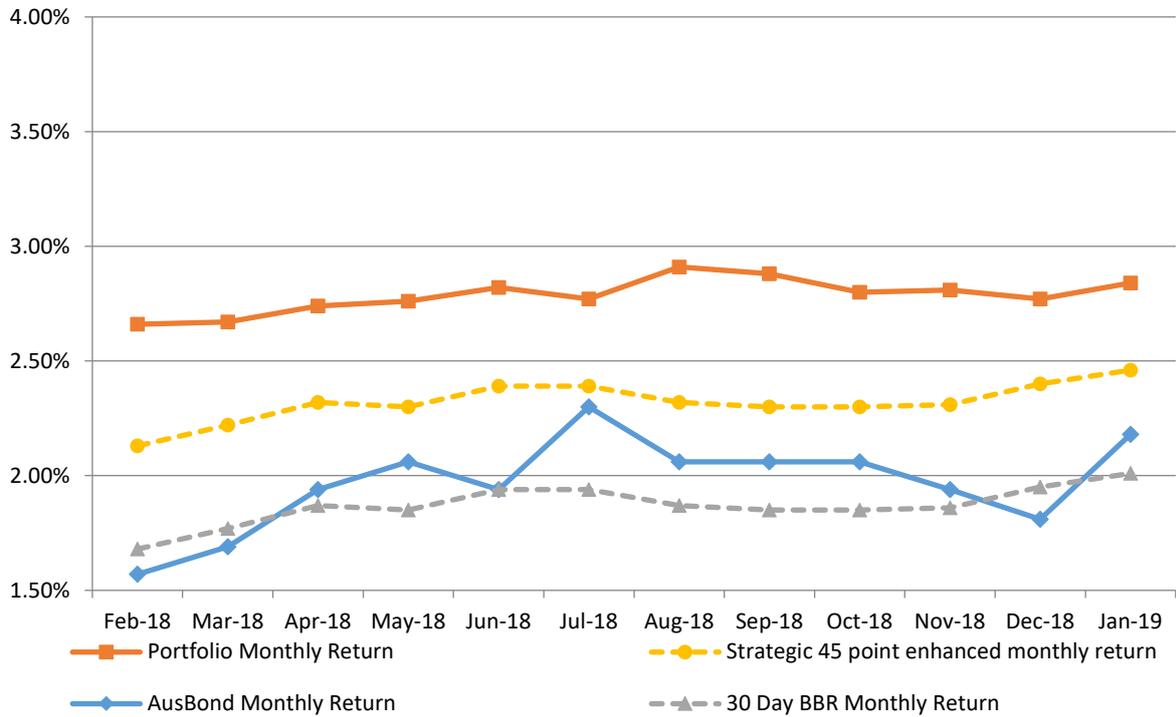
Financial Institution	Fund Rating	Invest/(Recall) Amount \$	Commentary
Call Account Westpac Banking Corporation	AA	(26,000,000)	Utilised funds from Call Account for operational use and placement of short-term investments to fund the fifth instalment of the Light Rail Contribution - moved to April-2019.
Term Deposits (TDs) Commonwealth Bank ME Bank	AA A/BBB	20,000,000 5,000,000	Utilised matured investments and placed in higher yielding term deposit.
Bankwest Bank of Queensland Credit Union Australia Ltd	AA AA A/BBB	(5,000,000) (5,000,000) (5,000,000)	Redeemed matured Term Deposits to place in higher yielding investments.

Attachment B

**Investment Performance
as at 31 January 2019**

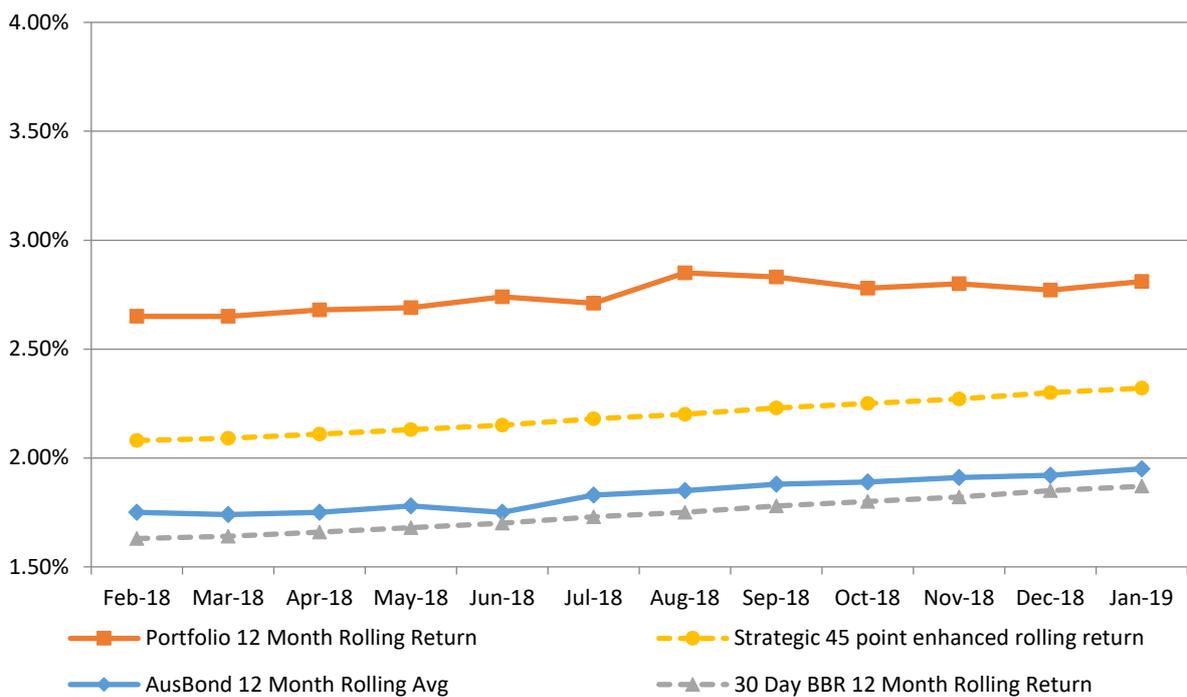
Monthly Results

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
January 2019**



12 Month Rolling Averages

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
January 2019**



Item 3.

Public Exhibition – Code of Meeting Practice

Document to Follow

Item 4.

Tender - Landscape, Sports Field and Park Turf Works - Schedule of Rates

File No: X018302.003

Tender No: 1896

Summary

This report provides details of the tenders received for the Landscape, Sports Field and Park Turf Works Schedule of Rates Tender.

The City's parks and open space network covers 211 hectares and is one of the City's most important social, economic and environmental assets.

These important community assets cater for a wide range of active and passive recreational activities. Facilities include playgrounds, sports fields, community gardens, water features and park furniture. The network is diverse, with parks and open spaces ranging in size from local pocket parks, to neighbourhood parks, up to large, high profile iconic parks.

The City is dedicated to providing best practice, internationally recognised park services. It aims to deliver the Sustainable Sydney 2030 Strategy and the Greening Sydney Plan to ensure it provides parks of the highest quality to the community.

Landscape and turf renewal and upgrade works are undertaken to support maintenance services. The schedule of rates contract will include design work, demolition, earthworks, paving, concreting, brickwork, stonework, carpentry, installation of furniture, planting and soft landscaping, park turf works, and establishment of turf and planting.

The tender is divided into separable portions, Part A and Part B. Part A works include turfing and landscape works in parks and open space areas. Part B works include specialist sports field turfing works.

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderers C and F for Part A works, and Tenderer G for Part B works, 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;
- (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; and

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Attachment B. Schedules of Rates (Confidential)

Background

1. The City's parks and open space network of over 211 hectares is one of the City's most important social, economic and environmental assets, with an asset value of over \$441 million.
2. The park and open space network is an important community asset and caters for a wide range of active and passive recreational activities. Facilities include playgrounds, sports fields, community gardens, water features and park furniture. The network is diverse, with parks and open spaces ranging in size from local pocket parks, to neighbourhood parks, up to large, high profile iconic parks. The parks have varied characters spanning historically significant Victorian parks, contemporary parks, native habitat and wetland areas.
3. The City is dedicated to providing best practice, internationally recognised park services. It aims to deliver the Sustainable Sydney 2030 Strategy and the Greening Sydney Plan to ensure it provides parks of the highest quality to the community.
4. The Landscape, Sports Field and Park Turf Works Schedule of Rates Tender will contribute to a high quality, attractive, accessible, safe and green park and open space network.
5. Landscape and turf renewal and upgrade works are undertaken to support both in-house and contract maintenance teams in parks and open spaces. The Contract will enable ongoing improvement and will ensure the City's parks adapt to future challenges and demands.
6. The Contract is based on a Schedule of Rates and is divided into two separable portions, Part A – Landscape Works and Part B – Sports Field Turf Works.
7. It is recommended that two tenderers are engaged to deliver Part A works, including the following activities: design work, demolition, earthworks, paving, concreting, brickwork, stonework, carpentry, installation of furniture, planting and soft landscaping, park turf works, and establishment of turf and planting.
8. It is recommended that one tenderer is engaged to deliver Part B works, which includes specialist sports field turf works.
9. The term of the Contract will be for a period of three years. Subject to satisfactory performance and at the City of Sydney's discretion, the Contract may be extended for an additional period of two years.

Invitation to Tender

10. The tender was advertised in The Sydney Morning Herald and The Daily Telegraph on 20 November 2018 and closed on 18 December 2018.

Tender Submissions

11. Six submissions were received from the following organisations for Part A works:
 - Beasy Pty Ltd;
 - Green Options;
 - Kyora Landscapes;
 - Landscape Solutions;
 - The Gardenmakers; and
 - Waratah Lawn Care Pty Ltd.
12. Seven submissions were received from the following organisations for Part B works:
 - Beasy Pty Ltd;
 - Green Options;
 - Kyora Landscapes;
 - Landscape Solutions;
 - Nuturf Pty Ltd;
 - Renworx Pty Ltd; and
 - The Green Horticulture Group.
13. No late submissions were received.

Tender Evaluation

14. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
15. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
16. All submissions were assessed in accordance with the approved evaluation criteria being:
 - schedule of rates;
 - demonstrated experience in carrying out services of a similar size and nature;
 - personnel allocation, qualifications, experience and capacity, including sub-contractors and fair work requirements;
 - organisational plans and methodology;

- Work Health and Safety; and
- financial and commercial trading integrity, including insurance.

Performance Measurement

17. Performance measurement criteria includes:
 - undertaking quality assurance inspections at hold points nominated in the specification;
 - ensuring that all items installed meet the requirements of the technical specification;
 - attending site meetings and inspection of works with the service provider; and
 - monitoring the service provider's program, work method statements and assessing progress claims.
18. Formal performance reviews will be conducted half yearly in accordance with the City's standard contract management practices.

Financial Implications

19. There are sufficient funds allocated for these services within the current year's operating and capital budgets and future years' forward estimates.

Relevant Legislation

20. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
21. Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation 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.
22. 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

23. If approved, the contract would be for an initial period of three years, commencing April 2019 and finishing in April 2022.

24. Subject to performance and at the City's discretion, there is an option for a two year extension commencing April 2022 and finishing in April 2024.

Options

25. Landscape and turf renewal and upgrade works are an essential part of park maintenance and ensuring the City's parks are in a safe condition and fit for use by the community. The absence of renewal and upgrade works in parks would lead to unacceptable levels of risk in parks and unsafe conditions for the public.
26. Delivery of these works as separate small procurement packages would lead to inefficient and longer project delivery timeframes.

Public Consultation

27. Site signage will be installed to notify and inform the community of minor works being undertaken.
28. Public consultation will be undertaken by the City on larger packages of work, when there is a significant change in park use or potential impacts on the community.
29. The successful Tenderers will be required to build and maintain a strong connection with the community during works and appropriately respond to any feedback received.

DAVID RIORDAN

Director City Services

Jacqui Brooks, Parks Assets and Services Manager

Joel Johnson, Manager City Greening and Leisure

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By virtue of the Local Government Act 1993 Section 10A Paragraph 2

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Item 5.

Tender - Reject and Negotiate - Utility Management

File No: X019254.007

Tender No: 1895

Summary

Property Services manages the provision of and payment of all utility services inclusive of electricity, gas, water and waste for the City. The total annual spend for these services exceeds \$13 million. These services were previously consolidated within the scope of the former property services provider.

As part of the new property model, utility management was identified as an area requiring a specialist service provider.

The key functions of the utility management contract is broken into two components: financial management of electricity, gas, water and property waste accounts, and consulting services within these areas. Financial management services include validating bills against contractual rates and historical usage patterns, providing relevant reports to evaluate performance and validating usage data. Consulting services include market advice on energy optimisation, procurement timing and conducting utility optimisation audits.

Consequently, the City has conducted a tender to select an appropriate supplier. The City was able to attract three bids as an outcome of this exercise. Based on the bid responses, this report recommends that Council reject and negotiate the tender offers for Tender - Utilities Management Services.

Following the expiry of the previous service provider's agreement on 30 June 2018, the City has engaged an interim service provider to conduct utility management services.

Due to the additional time required for the reject and negotiate process, this report also recommends an extension of the interim contract with the existing vendor for four months, from 1 March 2019 to 30 June 2019.

Recommendation

It is resolved that:

- (A) Council reject the tender offers from all tenderers for Tender 1895 Utilities Management Services;
- (B) due to the lack of conforming tenders received, Council enter into negotiations with suitably qualified suppliers for the provision of Utilities Management Services to the City;
- (C) authority be delegated to the Chief Executive Officer to approach suitably qualified suppliers to negotiate, execute and administer the contracts relating to the tender; and
- (D) Council approve an extension of the current contract to provide utility bill validation and associated financial management services with Energetics Pty Ltd for four months, from 1 March 2019 to 30 June 2019.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. Property Services manages the provision of and payment of all utility services inclusive of electricity, gas, water and waste for the City. The total annual spend for these services exceeds \$13 million. These services were previously consolidated within the scope of former property services provider.
2. In February 2017, Council endorsed a new property model which moved away from a consolidated model to a specialist model. As part of the new property model, utility management was identified as an area requiring a specialist service provider.
3. The key functions of the utility management contract is broken into two components:
 - (i) financial management of electricity, gas, water and property waste accounts The contract term is for nine (9) years. This is broken down to an initial term of four (4) years with two additional options of three (3) and two (2) years respectively.
 - (ii) consulting services include market advice on energy optimisation, procurement timing and conducting utility optimisation audits.
4. Consequently, the City has conducted a tender to select an appropriate supplier. The City was able to attract three bids as an outcome of this exercise.
5. Based on the tender evaluation panel, all bids were deemed as non-conforming as outlined in Confidential Attachment A. Since there were no conforming tender responses received, it is recommended that Council reject all tender submissions for Utility Management Services Tender, and enter into direct negotiations with suitable service providers to optimise financial, commercial and legal outcomes.
6. Given the previous consolidated Property supplier agreement expired on 30 June 2018 and the complexity of transitioning to the new property model, the City has engaged an interim specialist service provider to conduct utility management services.
7. Due to the additional time now required for the reject and negotiate process, this report also recommends an extension of the interim contract with the existing vendor for four months, from March 2019 to June 2019.

Invitation to Tender

8. The tender was put on exhibition in The Sydney Morning Herald and The Daily Telegraph, and on the City's eTendering website on Tuesday 20 November 2018, and closed on 14 December 2018 (24 days).

Tender Submissions

9. Three submissions were received from the following organisations:
 - Energetics Pty Ltd;
 - Energy Action (Australia) Pty Ltd; and

- Smart Power Utilities Pty Ltd.
10. No late submissions were received.

Tender Evaluation

11. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
12. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
13. All submissions were assessed in accordance with the approved evaluation criteria being:
- demonstrated capacity and technical ability to carry out the work under the contract;
 - demonstrated experience utilising the Primary System (Envizi or similar);
 - the proposed methodology as outlined in the draft Service Delivery Plan;
 - demonstrated managerial capability, qualifications, experience and number of personnel;
 - Work, Health and Safety;
 - finance and commercial trading integrity, including insurances; and
 - the lump sum price and Schedule of Rates.
14. Preliminary evaluation of Utility Management Services Tender submissions by the panel have concluded that the submissions are deemed non-conforming. Please see Confidential Attachment A for details.

Performance Measurement

15. The performance measurement criteria is as follows:
- Completion and delivery of all Utilities Financial Management Services
 - Delivery of an accurate utility budget with minimal variance to actuals
 - Delivery of an accurate utility forecast with minimal variance to actuals
 - Data Capture, Administration, Validation and Reporting
 - Tenant Invoicing

Financial Implications

16. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

Relevant Legislation

17. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
18. Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation 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.
19. 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

20. The transition period between service providers is a minimum of two months. The transition period will begin five days after contract execution. It is therefore critical that the contract is executed two months before the expiration of the proposed extension of the current engagement as of 30 June 2019.
21. The anticipated contract award and start of the transition phase is targeted for early April 2019.
 - (a) Council approval to reject and negotiate tender - March 2019
 - (b) The City negotiates the contract with suitable providers - March 2019 through April 2019
 - (c) Complete negotiations and execute contract with service provider - May 2019

Options

22. Cancel the tender and re-advertise. This option is not recommended as it is considered this will not attract additional submissions.
23. Reject the tender and negotiate with suitable service providers to carry out the work and delegate authority to the Chief Executive Officer to enter into a contract. This option is recommended.

Public Consultation

24. There has been no public consultation regarding the tender.

AMIT CHANAN

Director City Projects and Property

Kunal Johri, Manager Utilities

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Item 6.

Exemption from Tender – Provision of Short-Term Staff Through Agencies

File No: S118310

Summary

Short-term staff are engaged by the City to backfill leave and other temporary vacancies, to staff specific projects and to provide expertise for capital projects. The City engages short-term labour at fixed rates from a panel of 39 agencies across 10 occupational groups.

The agency panel was procured by tender in 2012. The contracts for the supply of temporary labour were made in 2013 for a period of three years, plus two one-year options, each of which were exercised. The last one-year option finished on 31 March 2018.

Council approved an exemption from tender to continue the supply of temporary labour to the City while a review of new methods of procuring temporary staff and a tender process were completed, firstly in March 2018 (until December 2018), and again in December 2018 (until March 2019).

Council approved the successful tenderer for the acquisition and management of contingent labour, Comensura, in December 2018. Comensura has been appointed and has indicated that implementation of the new operating model is likely to take approximately five months, necessitating a further extension of the current agency panel.

This report seeks approval for an exemption from tender for the extension of the existing short-term labour panel for the period between the existing agreements expiring and the replacement temporary labour arrangement being ready for use. The exemption would allow existing agency contracts to continue to maintain service and business continuity before transitioning to the new provider.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for the extension of the existing short-term labour agency panel for a period of three months;
- (B) Council note that the reason an exemption from tender has been sought is to allow for the implementation of the new temporary labour supply arrangements; and
- (C) authority be delegated to the Chief Executive Officer to execute and administer the variation of the contracts with the 39 agencies for the purpose of continuing the supply of temporary labour for a period of three months to 30 June 2019.

Attachments

Nil.

Background

1. In March 2012, a request for tender was issued for the supply of short-term labour to the City of Sydney. On 12 November 2012, Council approved the establishment of a short-term labour agency panel for a three-year period with two 12-month options. Agreements were subsequently made with 39 agencies that responded to the request for tender for the supply of temporary labour.
2. Short-term staff are engaged by the City when additional resources are required to meet peak demands and cover absences, including maternity leave and sick leave. The City engages short-term labour at fixed rates from a panel of 39 agencies across 10 occupational groups.
3. The short-term labour agency panel agreements commenced 1 April 2013, for a period of three years. The two 12-month options were exercised. The last option expired on 31 March 2018.
4. Exemptions from tender to extend the panel were approved by Council in March 2018 and December 2018 to allow sufficient time for the tender process to take place. The Tender - Managed Supplier for Acquisition and Management of Contingent Labour - was approved by Council in December 2018.
5. The City has now appointed Comensura to manage temporary labour hire for the City. Comensura have indicated that the implementation of the new operating model will take approximately five months.

Key Implications

Organisational Impact

6. The extension of the current short-term labour agency panel agreements will allow hiring managers to continue to access temporary labour, and maintain existing temporary labour arrangements.

Financial Implications

7. There are sufficient funds allocated within the current year's operating and capital works budgets and future years' forward estimates.
8. The annual expenditure on temporary labour utilised in delivering the City's operations and services and the capital works program is approximately \$20 million.

Relevant Legislation

9. Local Government Act 1993.
10. Local Government (General) Regulation 2005.
11. The City's Contracts Policies.

Critical Dates / Time Frames

Initial implementation discussions	January 2019
Current extension of tender expires	31 March 2019
Expected implementation date for replacement temporary labour arrangements	June 2019

SUSAN PETTIFER

Director - People, Performance and Technology

Rodney Waterson, Manager Recruitment and HR Systems

Item 7.

Exemption from Tender – Confidential

File No: X022793

Summary

The City of Sydney entered into a Major Services Agreement in 2017 and has now terminated this agreement effective immediately.

This report seeks approval to engage an alternate supplier on a 12-month agreement as outlined in Confidential Attachments A and B, whilst an evaluation of the current contract model is undertaken and the services are taken back to market and retendered.

Attachments A and B contain confidential commercial information which, if disclosed, would:

- (a) confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business; and
- (b) prejudice the commercial position of the person who supplied it.

Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Recommendation

It is resolved that Council adopt the recommendation contained in Confidential Attachment A to the subject report.

Attachments

Attachment A. Exemption from Tender (Confidential)

Attachment B. Financial Implications (Confidential)

Background

1. Attachments A and B contain confidential information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
2. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

ANN HOBAN

Director City Life

Emma Rigney, Executive Manager Creative City

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