

12 August 2019

At 2.00 pm



Corporate, Finance, Properties and Tenders Committee

Sydney 2030 / Green Global Connected

Agenda

1. **Disclosures of Interest**
2. **2018/19 Quarter 4 Review – Delivery Program 2017–2021**
3. **Investments Held as at 30 June 2019**
4. **Owner's Consent - 14-26 Wattle Street, Ultimo**
5. **International Travel – 2019 Smart China Expo, Chongqing and 2019 Seoul Friendship Festival**
6. **Contract Variation - Data Network Services**
7. **Cancellation of Tender - Project Management of City of Sydney Heritage Study of Activity Street Precincts S1 to S9**
8. **Tender - Southern Sydney Regional Organisation of Councils (SSROC) Incorporated: Cleaning and Inspection of Gross Pollutant Traps and Ancillary Services**
9. **Tender - Reject and Negotiate - Appointment of an Operator for the Joynton Park Market, Zetland**
10. **Tender - Reject and Negotiate - Joynton Avenue Stormwater Drainage Upgrade Geotechnical Investigation**
11. **Tender - Reject and Negotiate - Provision of Virtual Customer Assistant and Live Chat Solution**
12. **Exemption from Tender - Variation to Existing Consultancy Services Contract for Green Square Town Centre Essential Infrastructure and Public Domain**
13. **Exemption from Tender and Contract Extension - Environmental Monitoring, Analysis and Reporting**

Economic Development and Business Sub-Committee

14. **Commercial Creative and Business Events Sponsorship - Vivid Sydney 2020-2022**
15. **Knowledge Exchange Sponsorship - Tech Start Ups Action Plan Initiatives**

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 the Code of Meeting Practice – May 2019 and the Code of Conduct – May 2019, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting.

This will include receipt of reportable political donations over the previous four years.

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.

2018/19 Quarter 4 Review – Delivery Program 2017–2021

Document to Follow

Item 3.

Investments Held as at 30 June 2019

File No: X020701

Summary

This report provides details of Council's investment portfolio and performance to 30 June 2019.

Council's total Investment and Cash position was \$621.5M at the end of June, with investments earning interest of \$1.3M for the month.

The majority of the City's cash and investments portfolio is held as internally restricted (\$241.2M) or externally restricted (\$120.3M) 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.

Council achieved an annualised monthly return of 2.50 per cent for June, significantly above the 30 Day Bank Bill Rate (BBR) of 1.30 per cent, the AusBond Bank Bill Index (published by Bloomberg) of 1.57 per cent and the enhanced benchmark of 1.75 per cent (BBR + 0.45 per cent) as endorsed in October 2018 as part of the Investment Strategy.

Council's annual rolling return of 2.64 per cent compared to a return of 2.74 per cent for the same period last year. It also continues to exceed the 12 month average 30 Day Bank Bill Rate of 1.80 per cent, AusBond Bank Bill Index of 1.99 per cent and the enhanced benchmark of 2.25 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2018.

In the 2018/19 Financial Year, a revised accounting standard relating to 'Financial Instruments' (AASB 9) became effective. For the Council, this revised standard simplifies the accounting for the valuation of investments. The requirement to continually revalue all of Council's investments that could be sold in a secondary market (i.e. floating rate notes) falls away, as all investments held by the City will now always be recorded at their face value, with any premium or discount paid at acquisition amortised over the life of the investment.

This change requires a one off accounting adjustment to write-back any unrealised cumulative valuation gains or losses, which had been recognised for the City's floating rate notes under the previous accounting standard, rather than incrementally adjusting these values back to face value over the life of the investment.

The report also includes graphs which demonstrate that Council's liquidity profile continues to satisfy the requirements of the Policy, and charts that identify the distribution of Council's portfolio across credit ratings, investment product types and financial institutions. Separate charts depicting the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond and 30 day Bank Bill Rate benchmarks for the past eight years have also been included to provide further insight into the City's total investment portfolio performance.

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 the City's commitment to sustainable investments where returns and risks are equivalent, under the environmentally and socially responsible investment criteria.

Recommendation

It is resolved that the Investment Report as at 30 June 2019 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 30 June 2019

Attachment B. Investment Performance as at 30 June 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 the City's Investment Policy and Strategy.
3. The benchmark performance goal of the City's Investment Policy and Strategy is to surpass the 30 Day Bank Bill Rate (BBR) 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 30 June 2019 was \$621.5M, a decrease of \$4.4M from the \$625.9M reported at 31 May 2019, reflecting operating income offset by capital works expenditure, a significant property acquisition (Customs House) and other operational payments. A schedule detailing all of the City's investments as at the end of June is provided at Attachment A.
5. The majority of the City's cash and investments portfolio is held as internally restricted (\$241.2M) or externally restricted (\$120.3M) 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. Council achieved an annualised monthly return of 2.50 per cent for June, significantly above the 30 Day Bank Bill Rate (BBR) of 1.30 per cent, the AusBond Bank Bill Index (published by Bloomberg) of 1.57 per cent and the enhanced benchmark of 1.75 per cent (BBR + 0.45 per cent) as endorsed in October 2018 as part of the Investment Strategy.
8. Council's annual rolling return of 2.64 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 1.80 per cent, AusBond Bank Bill Index of 1.99 per cent and the enhanced benchmark of 2.25 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2018.
9. The RBA last adjusted the official cash rate in June 2019, when it was reduced to 1.25 per cent. The market subsequently 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. In the 2018/19 Financial Year, the Australian Accounting Standard Board released an amendment to AASB 9 'Financial Instruments' (AASB 9). Under AASB 9, the classification of investments held is determined with reference the entity's 'business model' in relation to investing activity. On the basis of Council's Investment Policy and historical experience, the City's business model is typically to hold investments to maturity, for the purposes of earning interest and redemption of principal.

11. All investments held by the City will now be recorded at Amortised Cost (i.e. face value), with any premium or discount paid at the time of acquisition amortised over the life of the investment. Quarterly market valuation movements will therefore no longer be recognised within the City's Income Statement or Balance Sheet.
12. As part of the transition to AASB 9, the City has needed to make a one-off accounting adjustment in 2018/19 to write-back a total unrealised gain of \$1.3M. This cumulative gain reflected market valuations of our floating rate note (FRN) holdings, as required by the old accounting standard, gains that would previously have been incrementally written back as the individual investments progressed towards maturation.
13. The change to recognition and valuation of investments does not alter our expected cash flows from interest, nor expected return of principal at maturity. All investments (comprising term deposits, FRNs and at-call deposits) are now held at face value, adjusted for minor premiums or discounts on acquisition.
14. The report also includes graphs demonstrating that the City's liquidity profile continues to satisfy the requirements of the Policy, and charts that identify the distribution of the City's portfolio across credit ratings, investment product types and investment institutions. Separate charts depicting the City's portfolio returns over and above both the 90 day Bloomberg AusBond and 30 day Bank Bill Rate benchmarks for the past ten years have also been included to provide further insight into the City's total investment portfolio performance.
15. 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.
16. 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.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

17. 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

18. Council's investments earned interest of \$1.3M for the month of June 2019, against budgeted earnings of \$1.1M. Earnings for the full year were \$16.8M, ahead of the annual budget of \$13.5M, reflecting higher than anticipated cash balances and the improved interest rate returns above benchmark.

Relevant Legislation

19. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
20. The Local Government (General) Regulation 2005 (Clause 212) requires Council to provide a written monthly report of all monies invested, under Section 625 of the Act.
21. 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.
22. 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

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

Public Consultation

24. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure the City continues to maximise its investment return within appropriate risk parameters.
25. 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.
26. 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.
27. In a recent positive development, Westpac has been able to bring a Green Tailored Deposit product to market. Between November 2018 and June 2019, the City invested \$40 million in six tranches, for five years in this instrument. 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 30 June 2019**

Register of Investments and Cash as at 30 June 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	33,482,881	0.10%	1.25%	1.25%	1-Jul-19	22-May-12	0
Total		33,482,881	0.10%	1.25%	1.25%			
Term Deposits (TD)								
Bendigo & Adelaide Bank	A	5,000,000	0.24%	2.83%	2.83%	3-Jul-19	4-Jul-18	12
Bankwest	AA	10,000,000	0.16%	1.95%	1.95%	5-Jul-19	5-Jun-19	1
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
ME Bank	A	5,000,000	0.23%	2.75%	2.75%	26-Jul-19	18-Feb-19	5
Bankwest	AA	5,000,000	0.17%	2.05%	2.05%	30-Jul-19	31-May-19	2
ME Bank	A	5,000,000	0.20%	2.43%	2.43%	30-Jul-19	2-May-19	3
National Aust Bank	AA	5,000,000	0.20%	2.40%	2.40%	31-Jul-19	2-May-19	3
Bankwest	AA	5,000,000	0.17%	2.05%	2.05%	2-Aug-19	3-Jun-19	2
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	5-Aug-19	5-Feb-19	6
Bankwest	AA	5,000,000	0.17%	2.05%	2.05%	6-Aug-19	6-Jun-19	2
Commonwealth Bank	AA	10,000,000	0.17%	2.05%	2.05%	6-Aug-19	7-Jun-19	2
National Aust Bank	AA	5,000,000	0.20%	2.35%	2.35%	6-Aug-19	8-May-19	3
Bankwest	AA	11,000,000	0.17%	2.05%	2.05%	9-Aug-19	11-Jun-19	2
National Aust Bank	AA	5,000,000	0.20%	2.35%	2.35%	12-Aug-19	14-May-19	3
ME Bank	A	5,000,000	0.20%	2.38%	2.38%	14-Aug-19	16-May-19	3
National Aust Bank	AA	5,000,000	0.20%	2.35%	2.35%	15-Aug-19	17-May-19	3
Bankwest	AA	5,000,000	0.16%	1.95%	1.95%	19-Aug-19	19-Jun-19	2
Bendigo & Adelaide Bank	A	5,000,000	0.19%	2.30%	2.30%	19-Aug-19	21-May-19	3
AMP Bank	A	5,000,000	0.24%	2.85%	2.85%	20-Aug-19	20-Aug-18	12
Suncorp Bank	A	5,000,000	0.20%	2.35%	2.35%	20-Aug-19	22-May-19	3
Suncorp Bank	A	5,000,000	0.19%	2.27%	2.27%	26-Aug-19	27-May-19	3
Suncorp Bank	A	5,000,000	0.19%	2.27%	2.27%	26-Aug-19	28-May-19	3
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	0.18%	2.20%	2.20%	30-Aug-19	4-Jun-19	3
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.75%	2.75%	6-Sep-19	4-Dec-18	9
Suncorp Bank	A	5,000,000	0.18%	2.18%	2.18%	9-Sep-19	11-Jun-19	3
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	10-Sep-19	10-Sep-18	12
IMB	A	5,000,000	0.18%	2.15%	2.15%	13-Sep-19	12-Jun-19	3
ME Bank	A	5,000,000	0.23%	2.75%	2.75%	17-Sep-19	19-Feb-19	7
ME Bank	A	5,000,000	0.17%	2.00%	2.00%	24-Sep-19	27-Jun-19	3
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
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	12-Nov-19	15-Feb-19	9
Credit Union Australia	A	5,000,000	0.23%	2.77%	2.77%	28-Nov-19	29-Nov-18	12
Credit Union Australia	A	5,000,000	0.24%	2.85%	2.85%	6-Dec-19	7-Dec-18	12
ME Bank	A	5,000,000	0.21%	2.55%	2.55%	10-Dec-19	29-Mar-19	8
Bank of Queensland	A	5,000,000	0.23%	2.70%	2.70%	13-Dec-19	25-Feb-19	10
Bendigo & Adelaide Bank	A	5,000,000	0.21%	2.55%	2.55%	20-Dec-19	25-Mar-19	9
ME Bank	A	5,000,000	0.23%	2.75%	2.75%	20-Jan-20	21-Feb-19	11
Credit Union Australia	A	5,000,000	0.23%	2.78%	2.78%	10-Feb-20	11-Feb-19	12
Westpac Banking Corporation (3 months BBSW + 80 points)	AA	5,000,000	0.20%	2.44%	2.66%	13-Feb-20	12-Feb-19	12
Bank of Queensland	A	5,000,000	0.23%	2.70%	2.70%	6-Mar-20	8-Mar-19	12
ME Bank	A	5,000,000	0.22%	2.65%	2.65%	16-Mar-20	18-Mar-19	12
National Aust Bank	AA	5,000,000	0.21%	2.55%	2.55%	31-Mar-20	1-Apr-19	12
ANZ Bank (90 days BBSW + 98 points) quarterly reset and payment of coupon	AA	10,000,000	0.20%	2.42%	2.87%	28-Aug-20	28-Aug-15	60
ANZ Bank (90 days BBSW + 95 points) quarterly reset and payment of coupon	AA	10,000,000	0.20%	2.38%	2.84%	31-Aug-20	1-Sep-15	60
Westpac Bank (3 months BBSW + 88 points)	AA	5,000,000	0.21%	2.52%	2.52%	14-May-21	16-May-19	24
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	0.25%	2.94%	2.94%	8-Nov-21	6-Nov-18	36
Westpac Banking Corporation (3% Fixed 2 years & 90 months BBSW + 133 points 3 years)	AA	5,000,000	0.22%	2.63%	3.10%	15-Dec-21	15-Dec-16	60
Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3years)	AA	5,000,000	0.25%	3.00%	3.00%	31-Aug-22	31-Aug-17	60
Westpac Banking Corporation(2.80% fixed 1 year & 90 days BBSW +85 points)	AA	5,000,000	0.23%	2.80%	2.80%	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	0.25%	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 points)	AA	10,000,000	0.23%	2.36%	2.72%	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 AA points 4 years)	AA	10,000,000	0.23%	3.00%	3.00%	24-Jan-24	25-Jan-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.85% Fixed 1 years & 3 months BBSW + 100 points 4 years)	AA	5,000,000	0.23%	2.85%	2.85%	28-Feb-24	1-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.75% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000	0.23%	2.75%	2.75%	11-Mar-24	13-Mar-19	60
Westpac Banking Corporation - Green Tailored Deposit (2.65% Fixed 1 year & 3 months BBSW + 100 points 4 years)	AA	5,000,000	0.23%	2.65%	2.65%	22-Mar-24	25-Mar-19	60
Total		369,000,000	0.21%	2.54%	2.58%			

Register of Investments and Cash as at 30 June 2019

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<u>Floating Rate Notes (FRN)</u>								
Commonwealth Bank (90 days BBSW + 98 points)	AA	5,000,000	0.22%	2.68%	2.91%	18-Jul-19	18-Apr-16	39
ME Bank (90 days BBSW + 145 points)	BBB	5,000,000	0.26%	3.15%	3.38%	18-Jul-19	18-Jul-16	36
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	10,000,000	0.21%	2.58%	2.82%	22-Jan-20	22-Jan-15	60
Royal Bank of Canada (90 days BBSW + 95 points)	AA	5,000,000	0.22%	2.60%	2.87%	10-Feb-20	10-Feb-15	60
Bank of Queensland (90 days BBSW + 105 points)	A	5,000,000	0.22%	2.69%	2.96%	12-Feb-20	12-Feb-15	60
Greater Bank (90 days BBSW + 145 points)	BBB	5,000,000	0.24%	2.88%	3.30%	24-Feb-20	24-Feb-17	36
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	5,000,000	0.26%	3.06%	3.30%	7-Apr-20	7-Apr-15	60
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	7,500,000	0.26%	3.06%	3.30%	7-Apr-20	18-Jul-16	45
National Australia Bank (90 days BBSW + 80 points)	AA	5,000,000	0.18%	2.20%	2.70%	3-Jun-20	3-Jun-15	60
Commonwealth Bank (90 days BBSW + 90 points)	AA	10,000,000	0.22%	2.58%	2.83%	17-Jul-20	17-Jul-15	60
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	5,000,000	0.21%	2.47%	2.78%	28-Jul-20	28-Jul-15	60
Bendigo & Adelaide Bank (90 days BBSW + 110 points)	A	5,000,000	0.22%	2.67%	2.99%	18-Aug-20	18-Aug-15	60
AMP Bank (90 days BBSW + 75 points)	A	5,000,000	0.21%	2.46%	2.70%	6-Oct-20	6-Oct-17	36
Suncorp Bank (90 days BBSW + 125 points)	A	5,000,000	0.24%	2.93%	3.17%	20-Oct-20	20-Oct-15	60
Westpac Banking Corporation (90 days BBSW + 108 points)	AA	15,000,000	0.22%	2.65%	2.96%	28-Oct-20	28-Oct-15	60
National Australia Bank (90 days BBSW + 108 points)	AA	10,000,000	0.22%	2.62%	2.99%	5-Nov-20	5-Nov-15	60
ME Bank (90 days BBSW + 125 points)	BBB	2,250,000	0.24%	2.90%	3.16%	9-Nov-20	9-Nov-17	36
Commonwealth Bank (90 days BBSW + 115 points)	AA	5,000,000	0.24%	2.85%	3.08%	18-Jan-21	20-Jan-16	60
Heritage Bank (90 days BBSW + 123 points)	BBB	3,500,000	0.20%	2.43%	3.14%	29-Mar-21	29-Mar-18	36
ANZ Bank (90 days BBSW + 118 points)	AA	5,000,000	0.24%	2.89%	3.13%	7-Apr-21	7-Apr-16	60
Suncorp Bank (90 days BBSW + 138 points)	A	5,000,000	0.26%	3.07%	3.31%	12-Apr-21	12-Apr-16	60
ME Bank (90 days BBSW + 127 points)	BBB	2,500,000	0.25%	2.95%	3.20%	16-Apr-21	17-Apr-18	36
Bendigo & Adelaide Bank (90 days BBSW + 146 points)	A	5,000,000	0.26%	3.14%	3.38%	20-Apr-21	20-Apr-16	60
Bank of China - Sydney Branch (90 days BBSW + 103 points)	A	4,500,000	0.22%	2.67%	2.91%	15-Nov-21	15-Nov-18	36
Commonwealth Bank (90 days BBSW + 85 points)	AAA	4,600,000	0.20%	2.41%	2.73%	17-Nov-21	17-Nov-16	60
ANZ Bank (90 days BBSW + 88 points)	AA	4,000,000	0.21%	2.53%	2.74%	8-Feb-22	8-Feb-19	36
Credit Union Australia (90 days BBSW + 123 points)	BBB	1,500,000	0.22%	2.63%	2.99%	4-Mar-22	4-Mar-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000	0.21%	2.55%	2.85%	16-Aug-22	16-Aug-17	60
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000	0.21%	2.55%	2.83%	16-Aug-22	31-Oct-18	45
Bank of Queensland (90 days BBSW + 105 points)	A	4,000,000	0.22%	2.60%	2.97%	3-Feb-23	5-Feb-18	60
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000	0.18%	2.20%	2.73%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000	0.20%	2.44%	2.79%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000	0.21%	2.48%	2.78%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000	0.21%	2.51%	2.81%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	AAA	4,500,000	0.17%	2.07%	2.63%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000	0.18%	2.12%	2.80%	26-Sep-23	26-Sep-18	60
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000	0.20%	2.40%	2.86%	6-Dec-23	6-Dec-18	60
National Australia Bank (90 days BBSW + 104 points)	AA	4,000,000	0.21%	2.47%	2.74%	26-Feb-24	26-Feb-19	60
National Australia Bank (90 days BBSW + 92 points)	AA	3,200,000	0.18%	2.16%	2.16%	19-Jun-24	20-Jun-19	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA	4,000,000	0.20%	2.46%	2.46%	16-Aug-24	16-May-19	63
<u>Floating Rate Notes (FRN) 'Green/Climate Bonds'</u>								
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	0.18%	2.12%	2.83%	31-Mar-22	31-Mar-17	60
Total		213,550,000	0.22%	2.63%	2.94%			
Total Investments		616,032,881	0.21%	2.50%	2.64%			
Benchmark: 30 Day Bank Bill Index			0.11%	1.30%	1.80%			
Benchmark: Bloomberg AusBond Bank Bill Index			0.13%	1.57%	1.99%			
City of Sydney's available bank balance as at 30 June 2019		5,476,451						
TOTAL INVESTMENTS & CASH		621,509,332						

Summary of Net Investment Movements - June 2019

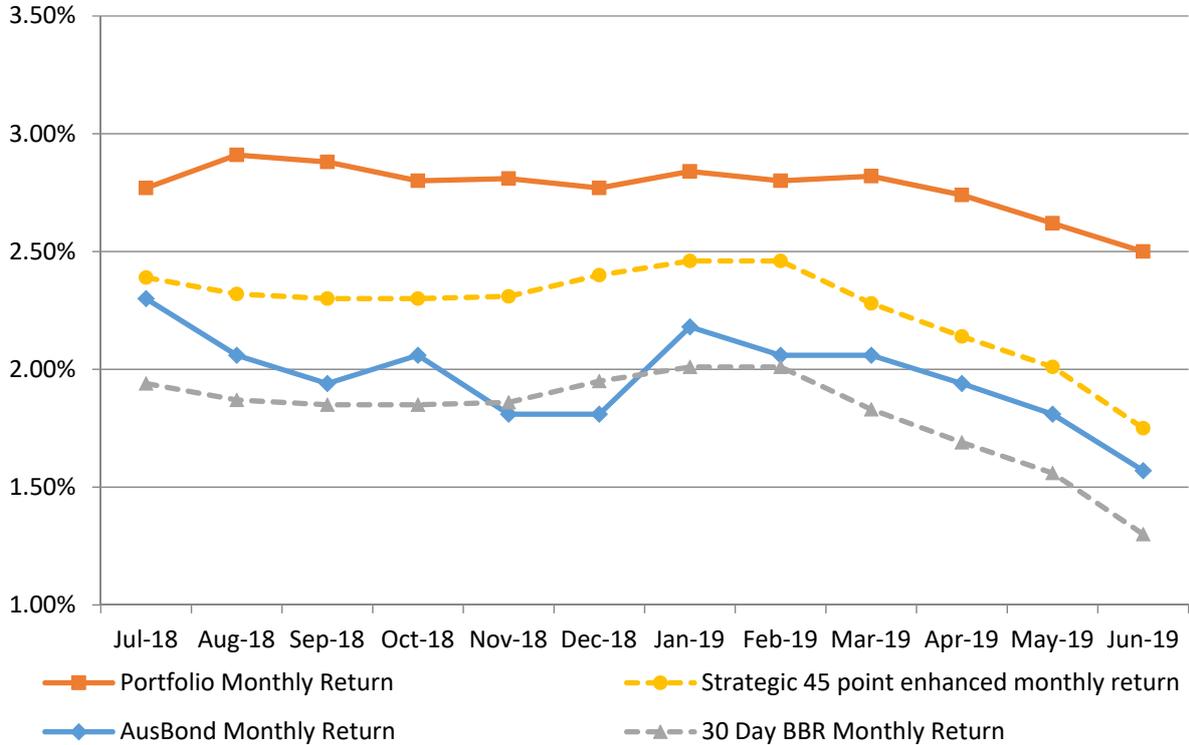
Financial Institution	Fund Rating	Net Invest/(Recall) Amount \$	Commentary
<u>Call Account</u>			
Westpac Banking Corporation	AA	2,000,000	Utilised the fourth instalment of rates income to increase the Call Account level for future operational activities.
<u>Term Deposits (TDs)</u>			
Bankwest	AA	20,000,000	} Redeemed Term Deposits that have matured to place in higher term deposit rates.
IMB	A/BBB	5,000,000	
Commonwealth Bank Australia	AA	(20,000,000)	} Redemption of matured Term Deposits for operational purposes and reinvestment on a higher yielding product.
Bank of Queensland	A/BBB	(5,000,000)	
Credit Union Australia	A/BBB	(5,000,000)	Redeemed matured investment for operational purposes.
<u>Floating Rate Notes (FRNs)</u>			
National Australia Bank	AA	3,200,000	Utilised the fourth instalment of rates income for the settlement of this high yielding FRN.

Attachment B

**Investment Performance
as at 30 June 2019**

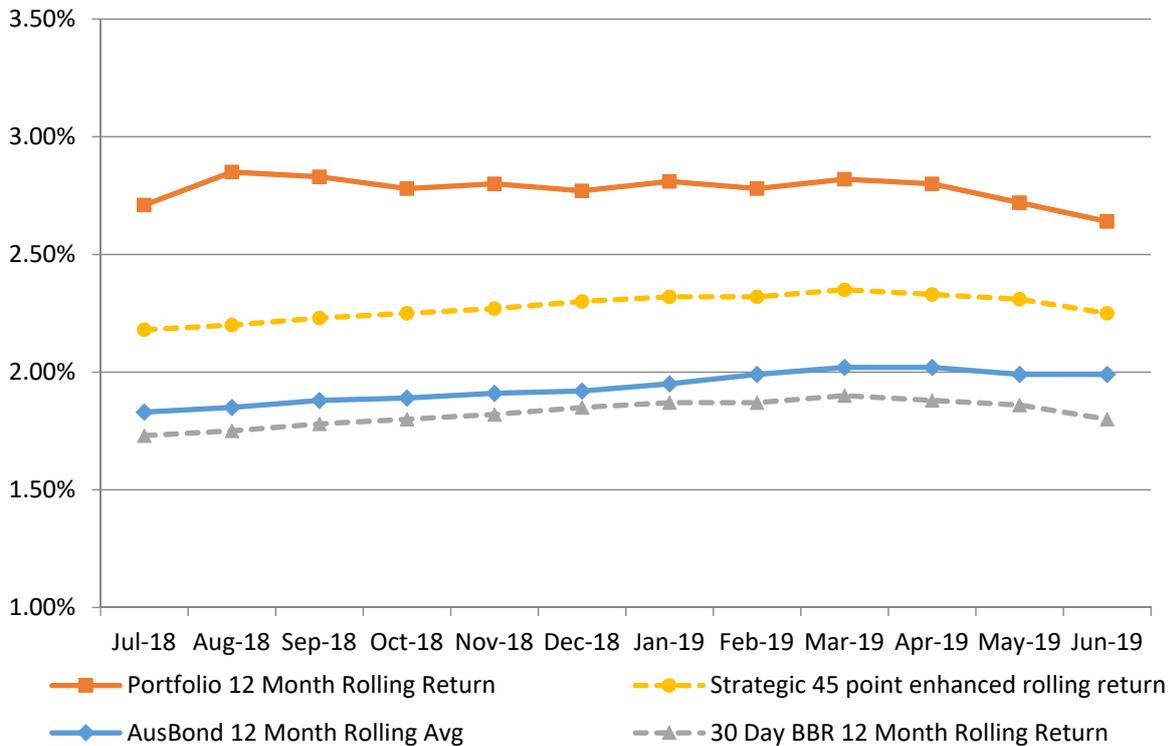
Monthly Results

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

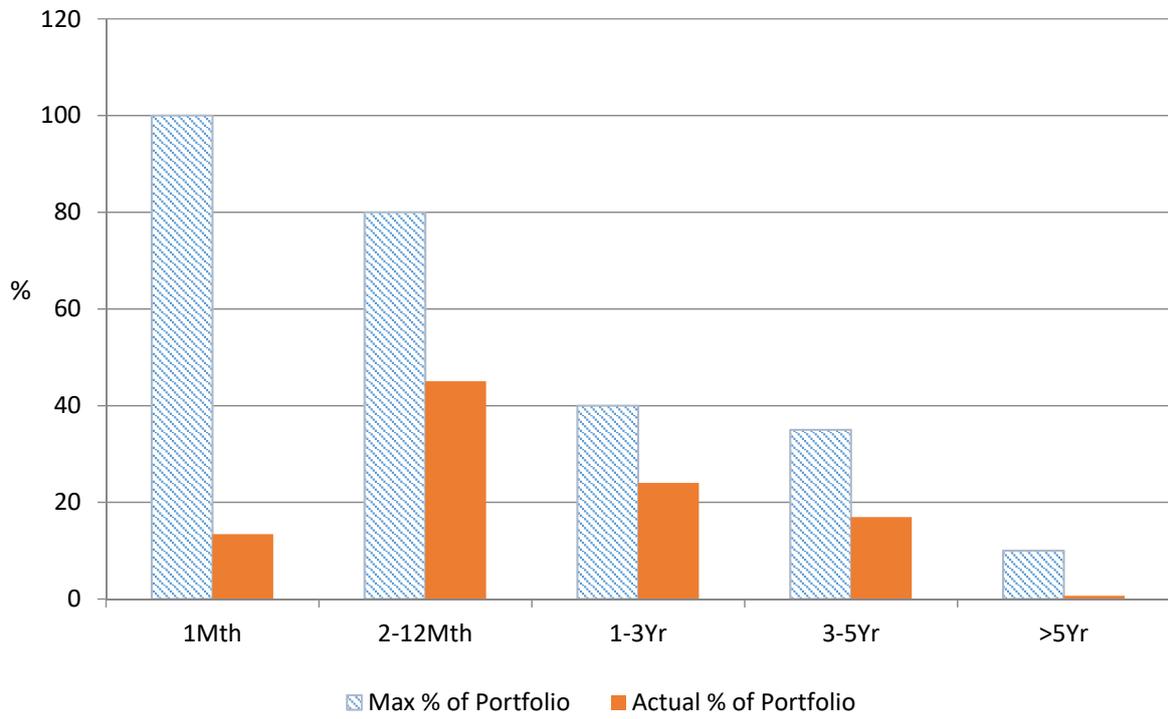


12 Month Rolling Averages

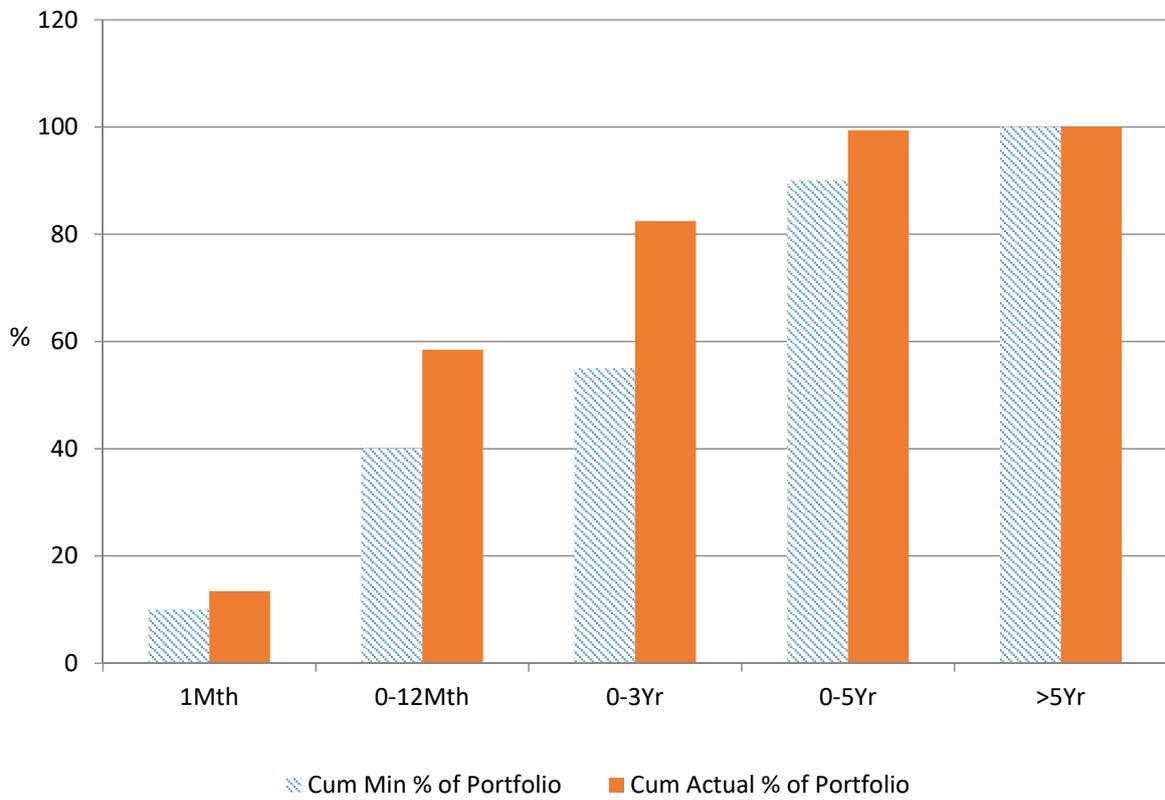
**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
June 2019**



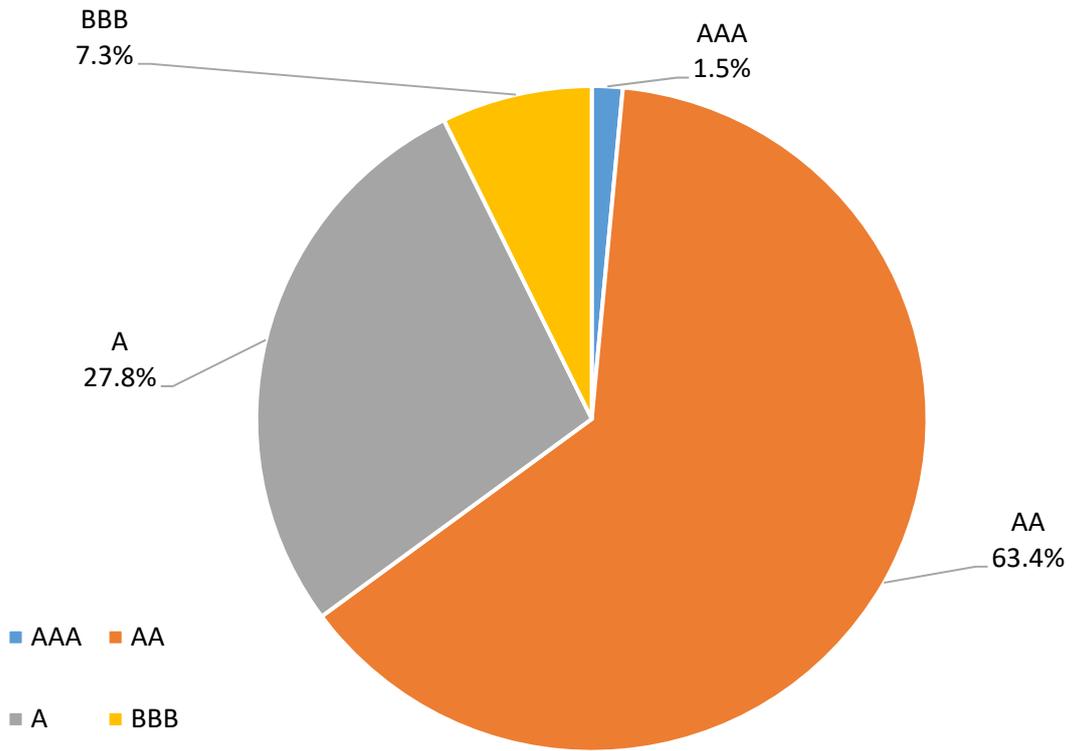
% Liquidity - Maximum Allowances as at 30 June 2019



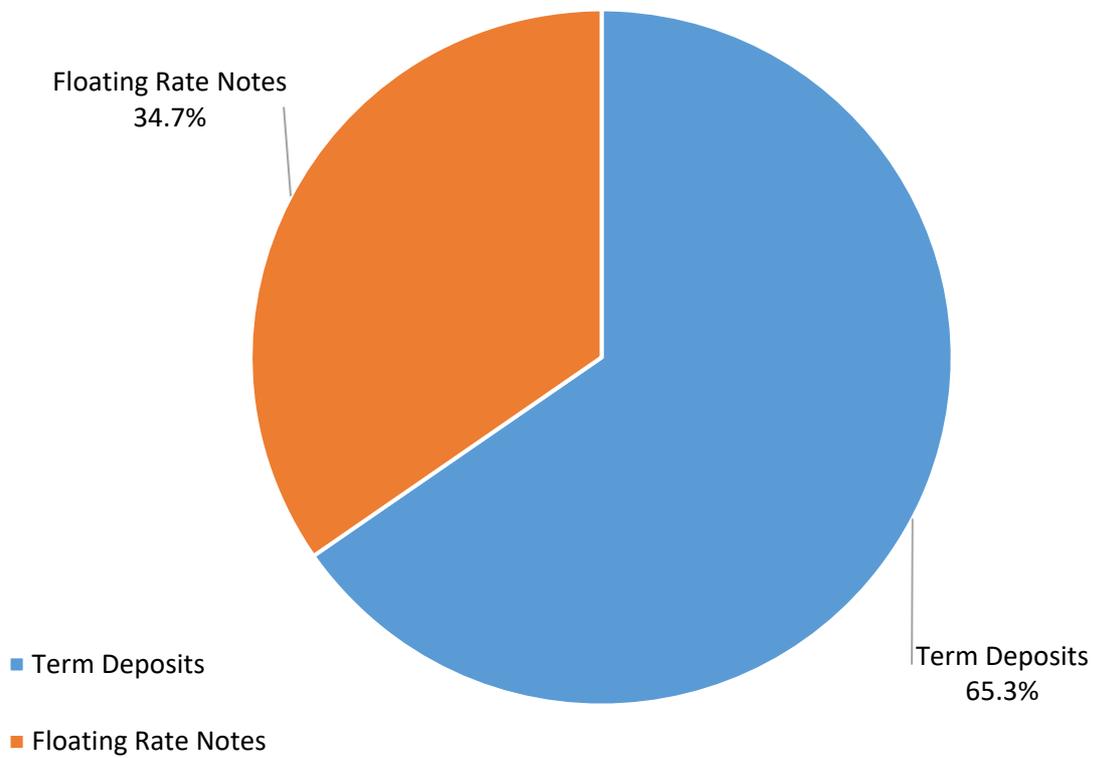
% Liquidity - Minimum Allocations as at 30 June 2019



Risk Profile as at 30 June 2019



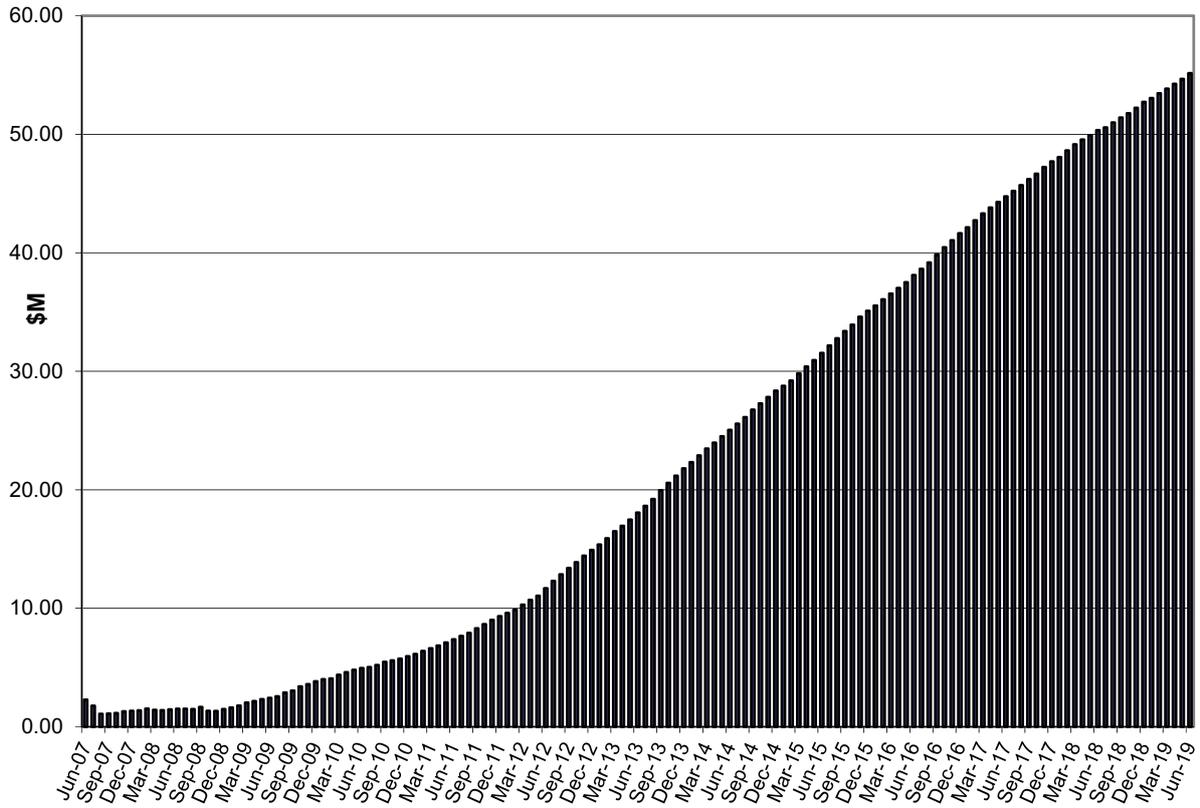
Investment Product Profile as at 30 June 2019



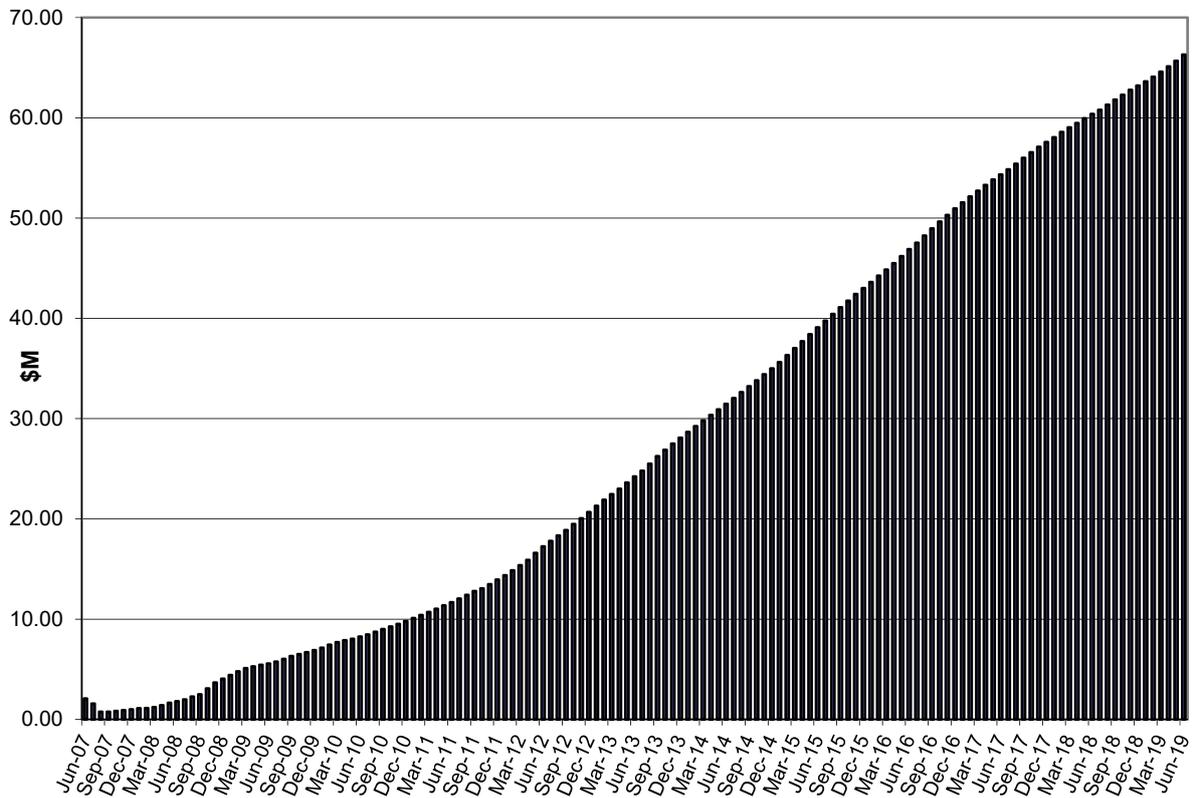
**Investment and cash distribution by financial institution as at
30 June 2019**

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	44.0	7.2	
	Commonwealth Bank-related:	83.1	16.8	
	<i>Bankwest</i>	<i>40.0</i>	<i>8.1</i>	
	<i>Commonwealth Bank</i>	<i>43.1</i>	<i>8.6</i>	
	National Australia Bank	95.7	11.0	
	Westpac Banking Corporation	162.9	25.2	
Big 4 Total		385.7		62.1
Other Australian ADIs and Australian subsidiaries of foreign institutions	AMP Bank Ltd	10.0	1.6	
	Bank of China – Sydney	4.5	0.7	
	Bank Of Queensland	34.0	7.2	
	Bendigo and Adelaide Bank	40.0	6.5	
	CUA Limited	21.5	5.1	
	Greater Bank	5.0	0.8	
	Heritage Bank	3.5	0.6	
	IMB	5.0	0.8	
	Members Equity Bank	49.8	8.1	
	Newcastle Permanent Building Society	12.5	2.0	
	Royal Bank of Canada - Sydney	5.0	0.8	
	Suncorp Bank	45.0	5.7	
Other ADI Total		235.8		37.9
Grand Total		621.5	100.0	100.0

**Cumulative Outperformance over AusBond Benchmark
2007-2019**



**Cumulative Outperformance over 30 Day BBR Benchmark
2007-2019**



Item 4.

Owner's Consent - 14-26 Wattle Street Pyrmont

File No: X025362

Summary

On 19 February 2018, Council resolved to sell the former Council depot at 14-26 Wattle Street, Pyrmont, with a requirement for the purchaser to build for the City an 80-place child care centre, a multi-purpose, two court indoor recreation facility and a through-site link from Wattle Street to Jones Street.

Following a competitive Expression of Interest and Best and Final Offer process, a sale of the property on the above terms was contracted with Landream Pyrmont Pty Limited (Landream) on 21 December 2018.

The contracts provide that the sale to Landream is to be completed within seven months of the Stage 2 Development Consent. The planning approval stages for the site's redevelopment include a Concept (Stage 1) Development Consent, Design Competition and Stage 2 Development Consent. The Stage 2 Development Consent is currently forecasted for December 2021.

In order for the City to fulfil its obligations under the contracts, owner's consent must be provided so that Landream is able to lodge Development Applications.

This report seeks Council's endorsement to delegate authority to the Chief Executive Officer to grant owner's consent to Landream lodging the Concept (Stage 1) Development Application for its redevelopment of the entire site and all future applications required to allow Landream to progress its redevelopment of the entire site.

The granting of owner's consent to lodge any development applications does not fetter Council's discretion as consent authority to determine any development applications lodged by Landream, or as landowner to submit an objection to any development applications lodged by Landream.

The endorsement of this recommendation will ensure the City and Landream continue to meet their contract obligations.

Recommendation

It is resolved that Council delegate authority to the Chief Executive Officer to grant owner's consent to Landream Pymont Pty Limited lodging all applications required under the Environmental Planning and Assessment Act 1979 to allow Landream to progress its redevelopment of the entire site.

Attachments

Attachment A. Resolution of Council Dated 19 February 2018

Background

1. On 19 February 2018, Council endorsed the disposal of the surplus property at 14-26 Wattle Street with a requirement that the purchaser:
 - (a) build an 80-place childcare centre and a multi-purpose two-court indoor recreational centre on the site, and transfer stratum ownership of these facilities back to the City;
 - (b) build a through-site link from Wattle Street to Jones Street that complies with Disability Discrimination Act requirements; and
 - (c) where practicable, supply any sandstone to be removed from the site, cut into blocks, for future use by the City.
2. On 21 December 2018, following a two-stage competitive Expression of Interest and Best and Final Offer process, a sale of the property on the above terms was contracted with Landream.
3. The planning approval stages for the site's redevelopment include a Concept (Stage 1) Development Consent, Design Competition and Stage 2 Development Consent. The Stage 2 Development Consent is currently forecasted for December 2021.
4. The contracts provide that the sale to Landream is to occur within seven months of the Stage 2 Development Consent.
5. City staff and Landream meet monthly to manage Landream's obligations to deliver the above facilities and to ensure timelines are met. Landream requires owner's consent from the City to make development applications on the site.
6. The granting of owner's consent on a significant property or land (including road) owned or managed by Council is a function which is not delegated to the CEO.
7. To manage the City's contractual obligations, the most practical and expeditious approach is for the Council to delegate authority to the CEO to provide owner's consent to Landream's lodgement of:
 - (a) its Concept (Stage 1) Development Application for its redevelopment of the entire site; and
 - (b) all future applications required to allow Landream to progress its redevelopment of the site.
8. The granting of owner's consent does not fetter Council's discretion:
 - (a) as consent authority to determine any development applications lodged by Landream; or
 - (b) as landowner to submit an objection to any development applications lodged by Landream.
9. The granting of owner's consent will ensure that the City and Landream continue to meet their contractual obligations.

Budget Implications

10. There are no budget implications directly related to the report.

Relevant Legislation

11. Environmental Planning and Assessment Act 1979.
12. Local Government Act 1993.

Critical Dates / Time Frames

13. Council's adoption of the recommendations will ensure that the City, in its capacity as owner, and Landream, in its capacity as developer and purchaser, will meet their obligations under the contracts.

Options

14. Council could determine not to delegate authority to the Chief Executive Officer to give owner's consent for the lodgement of applications as required by legislation. Such action could delay the purchaser/developer and impact Landream's obligations under the contracts. In this situation, Landream could choose to apply to the court for any order to grant land owner's consent.

Public Consultation

15. There is no public consultation required for the City in its capacity as a property owner to authorise the lodgement of an application.

AMIT CHANAN

Director City Projects and Property

Nicholas Male-Perkins, Commercial Manager, Development and Strategy

Attachment A

**Resolution of Council
Dated 19 February 2018**

Resolution of Council

19 FEBRUARY 2018

ITEM 6.6

PROPERTY DISPOSAL OF SURPLUS OPERATIONAL LAND – FORMER DEPOT AT FIG AND WATTLE STREETS

(S111009)

The Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter be deferred to the meeting of Council on 19 February 2018.

At the meeting of Council, it was moved by Councillor Kok, seconded by Councillor Thalys -

It is resolved that:

- (A) in respect of the former Fig and Wattle Street Depot located at 14-26 Wattle Street, Council:
 - (i) note the Wattle Street Depot became surplus when operations at this depot were decommissioned in 1990 and consolidated to the City's Bay Street complex;
 - (ii) note the efforts made by the City to finalise negotiations with the Department of Education and Communities to acquire the Wattle Street Depot and their decision to redevelop the site of the current school;
 - (iii) note the site is located within the Ultimo Pymont Affordable Housing Levy area which enables the City to impose an affordable housing levy contribution on any development which may occur on the site; and
 - (iv) endorse the disposal of the surplus property at 14-26 Wattle Street (former Fig and Wattle Depot site), with a requirement that the purchaser:
 - (a) build an 80-place childcare centre and a multi-use two-court indoor recreational centre on the site, and transfer stratum ownership of these facilities back to the City;
 - (b) build a through-site link from Wattle Street to Jones Street that complies with Disability Discrimination Act requirements; and

- (c) where practicable, supply any sandstone to be removed from the site, cut into blocks for future use by the City;
- (B) Council endorse the proceeds from the sale being allocated to the funding of the City's 10 year capital works program; and
- (C) authority be delegated to the Chief Executive Officer to develop due diligence material for the sale, including, but not limited to, a disposal plan, including implementing opportunities to leverage value, determining the optimum method of sale, negotiating with interested parties as required, and entering into all necessary documentation to effect the sale and further stratum transfer back to the City at a price to be supported by an independent valuation.

Motion carried.

Speakers

Ms Elizabeth Elenius, Ms Mary Mortimer, Mr Bill d'Anthes and Mr Saul Deane addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 6.6.

Item 5.

International Travel – 2019 Smart China Expo, Chongqing and 2019 Seoul Friendship Festival

Document to Follow

Item 6.

Contract Variation - Data Network Services

File No: S076625

Summary

The City of Sydney has 42 sites, external to Town Hall House (THH), that are connected to decentralised data centres in Silverwater and Rosebery via dedicated data links. This arrangement is known as a Wide Area Network (WAN). The WAN allows these sites, including the City's depots, neighbourhood service centres, libraries and community centres, to link with the City's corporate systems and support local community services.

In November 2011, Via IP Pty Ltd was awarded a contract for the supply of data telecommunications and internet links for the City of Sydney WAN. The contract had an initial term of three years, with an option for an additional term of three years. The option for the additional term was exercised under delegation and expired on 17 November 2017. A further variation was approved by Council for an 18-month extension through to May 2019, to allow time for a detailed review of the WAN infrastructure and design, and to prepare an appropriate specification of technical and service requirements, and conduct a new tender for future network services.

Throughout 2018, Technology and Digital Services conducted a review of the City's existing WAN infrastructure and emerging technologies. The results of the review were incorporated into a tender specification, and the Tender - Data and Internet Services (RFT 1867) was issued in September 2018 and closed on 2 October 2018. The recommended tenderer for these services was approved by Council on 10 December 2018.

This report seeks Council's approval to extend the existing contract by a further nine months, to 29 February 2020. This period is required to allow time to complete the migration to the new provider. The new provider will commence in August 2019 and the migration is expected to take six months.

Recommendation

It is resolved that:

- (A) Council approve a variation of the Data Network Services contract to provide for an increase to the overall contract price for the extension of the contract term; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation of the Data Network Services contract to provide an increase to the overall contract price for the extension of the contract term.

Attachments

Attachment A. Variation Costs – Data Network Services Contract (Confidential)

Background

1. The City of Sydney has 42 sites, external to Town Hall House (THH), that are connected to decentralised data centres in Silverwater and Rosebery via dedicated data links. This arrangement is known as a Wide Area Network (WAN). The WAN allows these sites, including the City's depots, neighbourhood service centres, libraries and community centres, to link with the City's corporate systems and support local community services.
2. In November 2011, following a Request for Tender, Council approved a contract for Via IP Pty Ltd to supply Data Network Services to deliver the WAN for a period of three years, with one option to extend for a further period of three years.
3. The option to extend this contract to November 2017 was then exercised in November 2014.
4. A further extension of 18 months was approved by Council to allow for a review of WAN services and technology and to conduct an Request for Tender.
5. The City's reliance on these Links and Services to deliver the day-to-day operations of the City has increased substantially over the last few years, as use of internet-based cloud services and data storage increases. The City's range of online services have also expanded substantially to meet operational needs and customer expectations for 24/7 availability.
6. Throughout 2018, Technology and Digital Services conducted a review of the City's existing WAN infrastructure and emerging technologies. The results of the review were incorporated into a tender specification, and the Tender - Data and Internet Services (RFT 1867) was issued in September 2018 and closed on 2 October 2018. The recommended tenderer for these services was approved by Council on 10 December 2018.
7. Council's approval to vary the contract to extend for a period of nine months is sought, to allow time for the migration to the new WAN and Internet service provider.
8. The existing service provider will continue under existing arrangements to ensure continuity of service for local sites and the community.

Key Implications

Organisational Impact

9. This proposal will allow continued operation of the City's WAN until new services are established under the new provider, and a smooth transition.

Risks

10. If the current contract with ViaIP is discontinued, the City will be exposed to possible changes in services and pricing.

Budget Implications

11. There are sufficient funds allocated in the 2019/20 operating budget and forward estimates to vary the contract.
12. Vendor fees are payable on a month-by-month basis. The terms of the contract provide for the City to terminate the contract during that time with written notice.

Relevant Legislation

13. Attachment A contains confidential commercial information of the supplier 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.
14. 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

15. Critical dates:
 - New provider awarded: December 2018
 - New contract execution: February 2019
 - Planning and network design: March to June 2019
 - Transition: August 2019 to February 2020

SUSAN PETTIFER

Director, People, Performance and Technology

Adam Major, Manager IT Technical Services

Document is Restricted

Item 7.

**Cancellation of Tender - Project Management of City of Sydney Heritage Study
of Activity Street Precincts S1 to S9**

Document to Follow

Item 8.**Tender - Southern Sydney Regional Organisation of Councils (SSROC)
Incorporated: Cleaning and Inspection of Gross Pollutant Traps and Ancillary
Services****File No: X021976****Tender No: SSROC 2018-02****Summary**

This report provides details of the tenders received by Southern Sydney Regional Organisation of Councils (SSROC) for Cleaning and Inspection of Gross Pollutant Traps (GPTs) and ancillary services, to participating SSROC councils.

SSROC is an association of 11 councils in the southern region of Sydney. SSROC provides a forum for the councils to deal with common issues, particularly those that cross boundaries and achieve economies of scale. Key issues include procurement, planning, environment, transport, sustainability and waste management.

The SSROC Supply Management Group's work plan identified that a collective approach between member councils for the provision of a service to clean and inspect Gross Pollutant Traps and various ancillary services would be beneficial to all member councils, in terms of meeting environmental initiatives, and cost savings due to economies of scale.

The City owns and is responsible for the maintenance of 76 Gross Pollutant Traps.

This report recommends that Council accept the tender offers of Tenderers A, D and F for this service contract.

The contract aims to achieve continual quality improvements, gain efficiencies, provide value-for-money and ensure the GPT assets are maintained in a timely manner.

Recommendation

It is resolved that:

- (A) Council accept the tender offers of Tenderers A, D and F to provide the City with the cleaning and inspection of Gross Pollutant Traps (GPTs) and ancillary services for a period of three years, with the option of a further two extensions of one year each, subject to satisfactory performance;
- (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 contracts accordingly.

Attachments

- Attachment A.** Tender Evaluation Summary (Confidential)
- Attachment B.** Schedules of Rates from Recommended Tenderers (Confidential)
- Attachment C.** SSROC Tender Recommendation Report (Confidential)

Background

1. The City owns and is responsible for the maintenance of 76 Gross Pollutant Traps (GPTs).
2. There are several types of Gross Pollutant Traps currently in use across the Southern Sydney Regional Organisation of Councils (SSROC) region located in urban catchments including gully baskets, in-ground GPTs, trash racks and pipe nets.
3. The City of Sydney is a member of SSROC, an association of 11 local councils, established in 1986.
4. One of SSROC's roles is to act as a facilitator of procurement activities to enable individual councils to benefit from the available economies of scale.
5. This is the second SSROC GPT tender following conclusion of the current tender in March 2019.
6. Gross Pollutant Traps are designed to catch stormwater pollution, greater than five millimetres in diameter, before it has a chance to enter waterways.
7. All forms of development and land use generate gross pollutants (litter and debris). Gross pollutants are a threat to aquatic habitats, reduce environment aesthetics, create unpleasant odour and are known to attract vermin.
8. The tender is for a three year period with two optional 12-month extensions, subject to satisfactory performance.
9. Tenderers had the option of tendering for inclusion on a panel to provide services for one or more of the following categories of works:
 - (a) Category 1 – Design and Construct / Install GPT Units;
 - (b) Category 2 – Supply only of GPT Units;
 - (c) Category 3 – GPT cleaning and maintenance;
 - (d) Category 4 – Removal of GPT;
 - (e) Category 5 – Auditing of GPT units: Civil, Structural, Hydraulics, Performance and Maintenance;
 - (f) Category 6 – Stormwater Inspection, Treatment and Harvesting;
 - (g) Category 7 – Stormwater pipe, repairs, patching and point lining;
 - (h) Category 8 – CCTV investigation of stormwater pipes;
 - (i) Category 9 – Non-destructive digging;
 - (j) Category 10 – Pipe and Pit jetting, root cutting;
 - (k) Category 11 – Recycling and processing or Disposal of waste collected;
 - (l) Category 12 – Clean-up of open water bodies like ponds and lakes, creeks and all other waterways;

- (m) Category 13 – Auditing of gross pollutant traps and biological components of waste and water;
- (n) Category 14 – Reporting and all other auxiliary services associated with the contract on as required basis; and
- (o) Ancillary Services - Traffic Management / Control and Crane Hire.

Invitation to Tender

10. The tender was publicly advertised in The Sydney Morning Herald and Daily Telegraph, and on the SSROC website and the Inner West Council E-Tendering Portal on 16 October 2018, and closed on 7 November 2018.

Tender Submissions

11. Seven submissions were received from the following organisations:

- Alford Point Drain Inspections;
- Bell Environmental;
- Ecosol Wastewater Filtration Services;
- Optimal Stormwater Pty Ltd;
- Pipe Management Australia;
- Total Drain Services; and
- Tox Free Australia Pty Ltd.

12. No late submissions were received.

Tender Evaluation

13. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
14. The Tender Evaluation Panel was comprised of representatives from several SSROC member councils, and SSROC was represented by their Contract Manager.
15. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Recommendation Report – Attachment C.
16. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) any serious non-conformity to tender;
 - (b) Work Health & Safety;

- (c) tendered price and rates;
- (d) tenderer profile / staff, including:
 - (i) capability and capacity to perform required services;
 - (ii) staff - qualifications, licences, experience;
 - (iii) size / history of organisation; and
 - (iv) quality assurance program;
- (e) competency / relevant experience, including:
 - (i) previous experience relevant to specification; and
 - (ii) written references / referee contact detail;
- (f) service standards and methodology, including:
 - (i) technology - systems, data collection, etc;
 - (ii) reporting / invoicing; and
 - (iii) implementation plan; and
- (g) sustainability, including:
 - (i) demonstrated environmental management system; and
 - (ii) relevant documentation / accreditation.

17. Tenderers were advised that a single supplier, or multiple suppliers, may be selected to satisfy the requirements of the SSROC group of councils.

Performance Measurement

18. The City will ensure that the successful tenderers meet the required performance standards by:
- (a) conducting regular meetings with the contractor;
 - (b) carrying out regular reviews and monitoring key outputs to ensure the contractor remains on track with regards to the program and the quality of works; and
 - (c) ensuring the delivery of outputs in accordance with the specification and program.

Financial Implications

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

Relevant Legislation

20. The tender has been conducted in accordance with the Department of Local Government's Tendering Guidelines, the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
21. Attachments A, B and C contain 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. The proposed contract period is for three years with two optional 12 month extensions, based on performance.

Options

24. The impact of not proceeding with the service works is increased risks of gross pollutants (litters and debris) discharging into the environment within the City's local government area due to Gross Pollutant Traps not being cleaned and maintained. This would result in increased risks to wildlife and aquatic habitats and reduced environment aesthetics.
25. There is an option to engage service providers via separate quotations to perform the required service works. However, the City will not benefit from the available economies of scale received by SSROC.

Public Consultation

26. No public consultation is required.

DAVID RIORDAN

Director City Services

George Angelis, Chief Engineer

Peter Garland, Principal Engineer Water Assets

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Item 9.**Tender - Reject and Negotiate - Appointment of an Operator for the Joynton Park Market, Zetland****File No: X005131.004****Tender No: 1835****Summary**

This report provides details of the tenders received for the appointment of an operator for the Joynton Park Markets, Zetland.

The former Joynton Park Markets (known previously as the Green Square Market) commenced operation in 2014 and operated weekly on a Saturday. The market ceased operation in July 2017.

Two market operators expressed an interest in running a market at Joynton Park.

The City is seeking a diversity of markets, both in size and goods offered, across the Local Government Area, with Green Square being one of the fastest growing and most diverse areas in Sydney.

The Request for Tender (RFT) was advertised from 26 June 2018 and closed on 17 July 2018. The tender was open for three weeks.

All current City of Sydney market operators, as well as any operator who had approached the City with an enquiry about establishing a market on City land, were emailed on 26 June 2018 and advised that the tender was live on Tenderlink.

All tenders received were non-compliant, therefore this report recommends that Council reject and negotiate the tender offer of 1835 for the appointment of an operator for the Joynton Park Markets, Zetland.

Recommendation

It is resolved that:

- (A) Council decline to accept any of the tenders received for the appointment of an operator for the Joynton Park Markets, Zetland, for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (C) Council note the reason for determining to enter into the negotiations contemplated in item (B) above is as follows:
 - (i) none of the tenderers satisfactorily addressed the tender criteria and Council needs to negotiate with appropriate providers to understand what the barriers to service are; and
- (D) authority be delegated to the Chief Executive Officer to:
 - (i) undertake the negotiations referred to in (B) above; and
 - (ii) execute and administer any contract resulting from the negotiations contemplated by item (B) above.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The City is seeking a diversity of markets, both in size and goods offered, across the Local Government Area, with Green Square being one of the fastest growing and most diverse areas in Sydney
2. The Joynton Park Market (known previously as the Green Square Market) was operated by the Rotary Club of South Sydney, commenced operation in 2014 and operated weekly on a Saturday.
3. On 11 July 2017, the Club notified the City that it was no longer viable for them to operate the Market and requested the cancellation of their Licence Over Public Reserve.
4. Subsequently, two applications to run a Market at Joynton Park were received.

Invitation to Tender

5. The Request for Tender (RFT) was advertised in The Sydney Morning Herald, The Daily Telegraph, Markets and Fairs, and on Tenderlink from 26 June 2018 and closed on Tuesday 17 July 2018. The tender was open for three weeks.
6. All current City of Sydney market operators, as well as any operator who had approached the City with an enquiry about establishing a market on City land, were emailed on 26 June 2018 and advised that the tender was live on Tenderlink.

Tender Submissions

7. Submissions were received from the following three organisations:
 - (a) Choulartons Australia Pty Ltd;
 - (b) Cloud 9 Promotions; and
 - (c) Markets and Events Australia.
8. No late submissions were received.

Tender Evaluation

9. All members of the Tender Evaluation Panel signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
11. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) demonstrated managerial capability, qualifications, experience and number of personnel;

- (b) the tenderer's overall vision and proposal for the market and how it meets the City's objectives;
 - (c) demonstrated business and operational capacity to deliver the proposed market;
 - (d) the quality and details of the operational management plans;
 - (e) ability to maintain high levels of presentation and quality products;
 - (f) conformance with the tender requirements and / or acceptance of non-conformities or amendments (if applicable);
 - (g) confirmation that the tenderer is holding the necessary insurance levels;
 - (h) the tenderer's financial viability and the understanding of their capacity to support the financial offer; and
 - (i) demonstrated mature Work, Health and Safety and Risk Management systems and procedures, and a commitment to continuous improvement.
12. In addition, the RFT stated 'the City is seeking a diversity of markets, both in size and goods offered, across the Local Government Area. Preference will be given to a small to medium size market operator who can demonstrate innovation and diversity in the type of market proposed. The City will look favourably on a market operator who can:'
- (a) demonstrate a diversity of goods and service to be offered for sale;
 - (b) offer a clear point of difference to the existing market offering within the local government area;
 - (c) complement the surrounding area and existing businesses; and
 - (d) demonstrate a clear commitment to sustainability through:
 - (i) a ban on single use plastic bags issued by stallholders;
 - (ii) a commitment to use biodegradable containers including, but not limited to beverage, takeaway containers and cutlery within the market; and
 - (iii) a commitment to working with the City of Sydney on options for food waste reduction or recycling – perhaps through utilising services food rescue organisations for unsold food or food waste collection for recycling.

Performance Measurement

13. Tenderer performance was to be assessed against the following criteria:
- (a) operation of the market as an interesting and vibrant destination, focusing on creative and cultural experience;
 - (b) operation of a market that sells products and or services of good quality and represents value for money;
 - (c) maintains high standards of presentation and quality;

- (d) ensures that the market's operation complements and adds value to the existing businesses in the area;
- (e) professionally organises and manages the market;
- (f) meets regularly with the City and submits performance reports as part of the ongoing review of the market; and
- (g) ensures compliance with the requirements of the license, as well as any other applicable legislative or planning obligations.

Financial Implications

- 14. There are no financial implications for rejecting the tender and entering into negotiations with suitable operators.

Relevant Legislation

- 15. 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.
- 16. 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.
- 17. 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.

Public Consultation

- 18. No consultation has been undertaken.

DAVID RIORDAN

Director City Services

Melanie Penicka-Smith, Markets and Busking Coordinator

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Item 10.**Tender - Reject and Negotiate – Joynton Avenue Stormwater Drainage Upgrade Geotechnical Investigation**

File No: X021533.007

Tender No: 1944

Summary

The Joynton Avenue Stormwater Drainage Upgrade is the final project to connect recently completed upstream drainage infrastructure within the Lachlan and Victoria Park Precincts to the downstream network, as part of the overall Green Square Trunk Drain Project.

The sensitive area surrounding Joynton Avenue, combined with heritage listed significant trees, and buried utilities directly above the pipe alignment, demands an innovative method of construction for the trunk drain. Trenchless construction, namely microtunnelling, has been identified as the preferred construction method for the project.

The project involves microtunneling under the fig trees using a tunnel boring machine in the footpath of Joynton Avenue, to install 765 metres of 1.8 metre diameter pipes, the construction of major stormwater pits at junctions, the installation of gross pollutant traps and associated service relocations.

Design and construction works tenders were previously advertised on 17 May 2016 and closed on 3 August 2016. As there were no conforming tenders, Council resolved to reject and negotiate the tenders in December 2016. Negotiations were undertaken with two companies that submitted tenders, which resulted in ceasing negotiation without success in July 2018. This was reported to the Council via CEO update in July 2018.

During the reject and negotiate process, a tunneling specialist was engaged to review the initial tender documents and specification, and assist the City's project team with tunneling technical issues.

Following recommendations from the tunneling specialist, a further site geotechnical investigation and update of Review of Environmental Factors (REF) has been completed using all the available information. The use of the Tunnel Boring Machine under the mature trees on Joynton Avenue poses a risk to the project. Further risks were identified during this process, including identifying concrete footing obstructions on the drilling alignment as well as potentially uncontrolled fill at the northern end of the works. To address these risks, a tender was called for further detailed geotechnical investigation of the alignment.

The tender for geotechnical investigation (HDD) was advertised on 25 June 2019 and closed on 16 July 2019. No conforming submissions were received.

Recommendation

It is resolved that:

- (A) Council reject the tender received for the Joynton Avenue Stormwater Drainage Upgrade Geotechnical Investigation for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders may not attract additional suitable suppliers over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (D) Council note the financial details of the project contained in Confidential Attachment A to the subject report;
- (E) authority be delegated to the Chief Executive Officer to execute and administer a contract with the suitable service provider following completion of the negotiations.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The project site is located within Joynton Avenue between O'Dea Avenue and just south of Elizabeth Street, Zetland. Joynton Avenue functions as a key local collector road and carries about 12,500 vehicles bi-directional per day. Joynton Avenue is also a transport corridor for a number of regional and local bus services which provide access north to the City and south towards Mascot, Botany and Kensington.
2. The project site is experiencing significant land use change for mixed resident uses in areas such as Victoria Park, Epsom Park, and also Waterloo in the Lachlan Precinct.
3. Adjoining uses on Joynton Avenue include mostly high density residential and parks at the northern end, and government service land at the southern end, which include the Ausgrid Depot and former Royal South Sydney Hospital site (subject to redevelopment).
4. The street has generally a wide reservation with kerbside parking and also street trees extending down either side creating a boulevard appearance.
5. The City of Sydney has completed a preliminary hydraulic design for the project. The trunk drain will be installed at depths up to 4 metres from the surface level to the top of pipe and consists of approximately 750m lineal metres of 1.8m diameter reinforced concrete pipe, as well as a shorter length of reinforced concrete box culverts and smaller diameter pipes.
6. There were lessons learnt from an adjacent project (Green Square) wherein the Tunnel Boring Machine required extractions on many occasions because of buried obstructions. As the Joynton Avenue Trunk Drainage site conditions are similar to that of the Green Square Trunk Drainage site, the risks of the tunneling operation interfering with buried objects is high.
7. Consequently, the City has called open tenders for site investigation to further identify and quantify the risks associated with obstructions to a microtunneling operation.
8. Since there was no conforming tender response received, it is recommended that the Council reject the tender submission for Joynton Avenue Stormwater Drainage Upgrade Geotechnical Investigation, and as it is considered that inviting fresh tenders may not attract additional suitable suppliers over and above those that have responded to this tender, enter into direct negotiations with suitable consultants to optimise financial, commercial and legal outcomes.

Invitation to Tender

9. The tender was advertised in The Sydney Morning Herald and The Daily Telegraph, and on the City's eTendering website, on Tuesday 25 June 2019, and closed on Tuesday 16 July 2019.

Tender Submissions

10. One submission was received from GBG Australia Pty Ltd.
11. No late submissions were received.

Tender Evaluation

12. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.

Performance Measurement

13. The City will ensure that the performance measures are met and monitored by:
 - (a) reviewing the program, Work, Health and Safety, and Environmental Management Plan and work methods statements;
 - (b) reviewing Safe Work Method Statements and progress reports;
 - (c) attending regular inspections of the works;
 - (d) conducting regular site meetings as required; and
 - (e) ensuring the works are in accordance with the contract documents, such as the technical specification and site management plan.

Financial Implications

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

Relevant Legislation

15. 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.
16. 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.
17. 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

18. The proposed program comprises the following activities:
 - (a) Contract with successful contractor/consultant - November 2019
 - (b) Commence site investigation works - January 2020
 - (c) Complete site investigation - May 2020
 - (d) Call Design and Construct contract - July 2020
 - (e) Finalise tender evaluation and award contract - October 2020
 - (f) Construction Commence - November 2020
 - (g) Practical Completion - June 2022

Options

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

Public Consultation

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

AMIT CHANAN

Director City Projects and Property

Nava Jeyachandran, Senior Project Manager

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Item 11.

Tender – Reject and Negotiate – Provision of Virtual Customer Assistant and Live Chat Solution

File No: X019245

Tender No: 1886

Summary

The Virtual Customer Assistant and Live Chat Solution aims to improve the City's service capability for our community. The initiative will enable the City to provide information services to its residents and businesses 24 hours a day, seven days a week, as well as set the foundations to address the growing needs of a digitally literate and increasingly multilingual community.

Digital services are now the preferred method of interaction for people who use our services. Many of the City's residents, businesses, workers and visitors wish to transact with the City online and expect to be able to find information quickly

The proposed digital services will improve the digital experience for the community by enabling staff to interact with those who prefer digital conversational mediums. The services will also improve the time it takes to respond by providing immediate automated responses to frequently asked, selected queries. In the future the solution will be capable of supporting multilingual interactions.

The proposed digital services will complement the City's existing services. The City will continue to provide phone and face to face services for those who prefer this, or are unable to access the City's digital services.

Key benefits for the City's residents, businesses, workers and visitors include:

1. Improving the experience by making it easy to locate the information quickly and easily when navigating the City's digital services.
2. Meeting the needs and increasingly sophisticated expectations of our digitally literate community where new norms of communication around messaging and chat have developed.
3. Developing a robust 24 hour, seven day a week digital service that will help manage the shift from telephony services.
4. Developing a digital service presence that has the ability to support individuals where English is not their spoken language.

Conversational technology is an established technology and has already been introduced by many government organisations such as the Australian Tax Office, IP Australia, the NSW Department of Education, NSW Transport and the City of Adelaide, as well as in many large commercial organisations such as the Commonwealth Bank and Jetstar.

A tender was conducted to select a technology platform and implementation supplier. The City proposed to enter into an initial three-year agreement with two optional one-year extensions for a possible total of five years. Based on the evaluation, this report recommends that Council reject all of the tender submissions for Tender - Provision of Virtual Customer Assistant and Live Chat Solution and enter into negotiations with suitably qualified suppliers.

Recommendation

It is resolved that:

- (A) Council reject all tenders received for the Provision of a Virtual Customer Assistant and Live Chat solution for the reasons set out in the Tender Evaluation Summary, Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders may not attract additional suitable suppliers over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (D) authority be delegated to the Chief Executive Officer to execute and administer a contract with the suitable vendor following completion of the negotiations;
- (E) authority be delegated to the Chief Executive Officer to execute and administer two optional extensions to the contract, if appropriate, the first for one year and the second for one year; and
- (F) Council be informed of the successful supplier by CEO Update.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The City has a commitment to developing and expanding its digital services and programs.
2. Recent research undertaken by the City indicates that digital is the preferred medium of interaction, with 79 per cent of respondents saying they want access to Council services in one online place. The research also identified the need to find information more easily and quickly.
3. Currently, the City does not provide a digital conversational service for our community. Large segments of the City's residents are digitally literate. Analysis indicates that more than fifty per cent of customers use a chat medium to communicate and share information every day.
4. The proposed digital conversational service will complement the City's existing customer services. The City will continue to provide phone and face to face services for those who prefer those services or who are unable to access the City's digital services.
5. The City has a large community of residents and visitors who were born overseas who may require or prefer to receive services in languages other than English. In the future this solution will be capable of supporting multilingual interactions.
6. Conversational technology is an established technology and has already been introduced by many government organisations such as the Australian Tax Office, IP Australia, the NSW Department of Education, NSW Transport and the City of Adelaide, as well as in many large commercial organisations such as the Commonwealth Bank and Jetstar..
7. The proposed solution will support the following:
 - (a) provide a preferred means of communication to the community;
 - (b) enable 24/7 immediate response to targeted queries;
 - (c) provide an on-demand digital capability to help intelligently guide interactions with the City;
 - (d) provide the capability to better service the community's multilingual needs through capabilities in natural language processing; and
 - (e) provide a capability to extend digital services across additional conversational services into the future.
8. As a platform that will deliver key services into the future, it is essential that the City acquires a supplier with the capability to ensure the initiative is set up for future success.
9. The City has conducted a tender to select an appropriate supplier. The City proposed to enter into an initial three-year agreement with two optional one-year extensions for a possible total of five years. The scope of the tender was designed for broad market coverage and wide appeal.

10. Based on the tender evaluation, it is recommended that Council reject all tender submissions for the Provision of a Virtual Customer Assistant and Live Chat solution, and enter into negotiations with suitable providers.

Invitation to Tender

11. The tender was advertised in The Sydney Morning Herald, The Daily Telegraph and on the City's e-Tender portal on Tuesday 27 November, 2018 with final submissions closing on Friday 18 January, 2019.

Tender Submissions

12. Eight submissions were received from the following organisations:
 - Carrington Associates Asia Pacific Pty Ltd, IBM and LivePerson;
 - Deloitte Consulting Pty Ltd;
 - Fujitsu Australia Limited;
 - IP Soft Australia Pty Ltd;
 - Tridant Pty Ltd;
 - VERSA Voice Labs Pty Ltd;
 - Virtual Knowledge Pty Ltd (Trading as Creative Virtual); and
 - YGSoftware Pty Ltd.
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:
 - (a) proposed solution:
 - (i) alignment of the product / solution with the City of Sydney functional requirements; and
 - (ii) alignment of the product / solution with the City of Sydney non-functional requirements;

- (b) organisation and industry experience:
 - (i) company profile;
 - (ii) resources (including sub-contractors / third parties); and
 - (iii) reference projects;
- (c) implementation approach including:
 - (i) implementation plan;
 - (ii) methodology;
 - (iii) project schedule / timeframe; and
 - (iv) methodology and approach to maintaining and upgrading the solution;
- (d) training and support:
 - (i) training plan;
- (e) value add:
 - (i) proposed innovations that will add value to the project for the Council; and
 - (ii) other modular or included functions not specifically requested but which the City may require in the future;
- (f) Work Health and Safety;
- (g) financial and commercial trading integrity, including insurances;
- (h) quality management; and
- (i) price.

Performance Measurement

17. The tender required that the proposed solution will need to comply with support and service levels as specified in the tender contracts.

Financial Implications

18. There are sufficient funds allocated for this project within the current year's capital works budget.

Relevant Legislation

19. 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.

20. 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.
21. 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.
22. By resolution dated 7 August 2017, Council delegated to the Chief Executive Officer authority to approve entering into contracts involving estimated expenditure or receipt of less than \$5 million, in consultation with the Chief Financial Officer.

Critical Dates / Time Frames

23. Council approval to reject and negotiate tender - August 2019.
24. It is anticipated that the City will complete negotiations and execute a contract with a suitable service provider by December 2019.

Options

25. Cancel the tender and re-advertise. This option is not recommended as it is considered this will not attract additional submissions that will meet the City's product, quality, implementation capability and support requirements.
26. Reject the tender and negotiate with suitable service providers to provide and implement the solution and delegate authority to the Chief Executive Officer to enter into a contract. This option is recommended.

Public Consultation

27. No public consultation has been undertaken
28. Internal stakeholders have been consulted during the procurement process.

SUSAN PETTIFER

Director - People, Performance and Technology

Stuart Wong, IT Project Manager

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Item 12.**Exemption from Tender - Variation to Existing Consultancy Services Contract for Green Square Town Centre Essential Infrastructure and Public Domain**

File No: S105606

Tender No: 1299

Summary

This report seeks approval to vary the contract for consultancy services for additional design works for Green Square Town Centre Essential Infrastructure and Public Domain.

Green Square is one of the largest urban renewal redevelopment sites in Australia. It comprises 278 hectares, will home 61,000 residents and 21,000 workers, and the value of residential and commercial development will exceed \$13 billion.

The Green Square Town Centre Essential Infrastructure project is intended to deliver key enabling infrastructure that will facilitate the development of Green Square Town Centre, by constructing infrastructure to create streets networks permeating the large blocks of land.

On 29 October 2018, Council approved an exemption from tender and variation to the contract with AECOM Australia Pty Ltd for Green Square Town Centre Essential Infrastructure and Public Domain.

Additional works and services have been required to be carried out by AECOM including:

- rectification works to Geddes Street East required due to damage by adjacent land owners; and
- prolongation of testing and validation services in support of the termination process for Ertech Pty Ltd and the re-engagement process of a new contractor.

This report recommends that Council vary the contract for the existing consultancy services with AECOM for Green Square Town Centre Essential Infrastructure and Public Domain.

Recommendation

It is resolved that:

- (A) Council approve a variation to the existing contract with AECOM Australia Pty Limited to include additional scope relating to design services in the development, design, documentation and administration of the delivery of Green Square Town Centre Essential Infrastructure and Public Domain;
- (B) authority be delegated to the Chief Executive Officer to negotiate, and enter into any documentation required to vary the existing contract relating to consultancy services for Green Square Town Centre Essential Infrastructure and Public Domain; and
- (C) Council endorse the contract budget as allocated in Confidential Attachment A to the subject report.

Attachments

- Attachment A.** Financial and Contractual Implications to the Existing AECOM Services Contract - Green Square Town Centre Essential Infrastructure and Public Domain (Confidential)

Background

1. This project is part of the City's Green Square Town Centre development program, which is the heart of the Green Square urban renewal area. The Green Square renewal area, incorporating the suburbs of Zetland, Beaconsfield and parts of Roseberry, Alexandria and Waterloo, is located within the most important economic corridor in the country.
2. The Green Square Town Centre is primarily located in the suburb of Zetland and covers an area of 13.74 hectares, including land bounded by Botany Road, Bourke Street, Portman Street, Portman Lane, Joynton Avenue, Hansard Street and Tosh Lane.
3. Significant works are underway to transform the Green Square urban renewal area from an old industrial precinct to a new commercial, retail and residential centre. The City of Sydney has commenced extensive design works to deliver new infrastructure and public domain works.
4. On 29 October 2018, Council approved an exemption from tender and variation to the contract with AECOM Australia Pty Ltd for Green Square Town Centre Essential Infrastructure and Public Domain.
5. During the period of design consultancy services, the following additional works have been identified and are added to the original scope as being required to deliver the Green Square Town Centre Essential Infrastructure and Public Domain:
 - (a) Bridgehill Rectification Design Package, Associated Studies, Coordination and Construction Supervision Services for Geddes Avenue:
 - (b) Post construction works for Geddes Avenue, it was discovered that a portion of these newly completed street works had been damaged due to basement sheet piling undertaken on the adjoining BridgeHill development site. As such, additional AECOM design and site supervision services were required.
 - (c) Environmental Management Requirement for Allotment Batter Testing Interface to Paul Street, Geddes Avenue and Botany Road. This scope of work is for validation of the soils which were used in the creation of the batter slope areas onto the adjoining land under licence. This additional sampling was required to enable AECOM to validate the material used for construction of these batters in accordance with the licence arrangement.
 - (d) Extensive Assessment of Ertech Pty Ltd Variations - Paul Street, Geddes Avenue and Botany Road:
6. During construction, Ertech Pty Ltd claimed a number of variations and other major variation costs were incurred during and post termination of Ertech's contract. AECOM's engagement was necessary to aid in the review, assessment and the verification of these variation claims to the main contract.
7. In addition, the City's two major projects, namely South Sydney Hospital site and Gunyama Park Aquatic and Recreation Centre, have significant frontage along Joynton Avenue and both needed sophisticated design and staging advice to allow integration with the future state of the Joynton Avenue. AECOM is best placed to provide staging and design advice on the progression of this site.

Risk

13. The impacts of not proceeding with the currently engaged design consultancy services would result in the following:
 - (a) loss of existing project knowledge and less value for money – the design services can be provided by a supplier already engaged on the specific project. The continuum of service will provide value for money through the retention of existing project knowledge and experience, gained over the past five years of project service; and
 - (b) delay in the rate of delivery and programme synergy for the street design documentation, construction works delivery and thus key project milestones – currently, the rate of streets design delivery is in synergy with overall staging programmes for both private and public realms. Any design consultant service delays would contribute to time variances and result in programme delays and project construction cost increases.

AMIT CHANAN

Director City Projects and Property

Dean Arnold, Design Manager

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Item 13.**Exemption from Tender and Contract Extension - Environmental Monitoring, Analysis and Reporting****File No: S119487****Tender No: 1417****Summary**

This report provides details of a variation to extend the existing option of the current Environmental Monitoring, Analysis and Reporting contract (No. 1417) with GHD Pty Ltd for 12 months.

The variation to the existing option of the current contract will include:

- (a) an increase in monitoring frequency and preparation of a Sampling Analysis and Quality Plan (SAQP) for landfill gas surface emissions at Sydney Park; and
- (b) continuation of water quality monitoring of groundwater, lake and wetland surface water, and harvested stormwater.

Sydney Park covers an areas of approximately 44 hectares bounded by Sydney Park Road, Euston Road, Campbell Road, Barwon Park Road and the Princess Highway. Prior to being established as a park, the area was used as a quarry and landfill.

The City has prepared a Voluntary Management Proposal for the Environmental Protection Authority. The Voluntary Management Proposal requires the City of Sydney to monitor landfill gas surface emissions at Sydney Park monthly, and to complete additional landfill gas investigations, a landfill gas risk assessment, a landfill gas remedial action plan, and a landfill gas site management plan, to define any required landfill gas mitigation and ongoing monitoring.

This variation is required to address select requirements of the City's Voluntary Management Proposal within the required timeframes. It will also allow for ongoing monitoring to effectively manage environmental risks while data is collected to inform future environmental management requirements.

Recommendation

It is resolved that:

- (A) Council note that because of extenuating circumstances a satisfactory result would not be achieved by inviting tenders for the services currently provided under the existing Environmental Monitoring, Analysis and Reporting contract that expires on 31 July 2019;
- (B) Council note the reasons why a satisfactory result would not be achieved by inviting tenders for the services referred to in (A) above are:
 - (i) it would result in a gap in landfill gas monitoring at Sydney Park; and
 - (ii) the City would be unable to gather data and meet the timeframes set out in the Voluntary Management Plan submitted to the EPA;
- (C) Council approve a variation to extend the option of the current Environmental Monitoring, Analysis and Reporting contract to 31 July 2020 and increase the frequency of monitoring being conducted at the price outlined in Confidential Attachment A to the subject report;
- (D) Council approve the GHD Amended Schedule of Rates outlined in Confidential Attachment B to the subject report; and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation to the contract under clause (C).

Attachments

- Attachment A.** City of Sydney Parks and Reserves - Summary of Proposed Variation (Confidential)
- Attachment B.** Amended Schedule of Rates as of 14 June 2019 (Confidential)

Background

1. The City of Sydney entered into a consultancy agreement with GHD Pty Ltd in July 2014 to provide environmental monitoring and analysis services. This agreement was to expire on 31 July 2019, with an option to extend which expires on 31 July 2019. The option to extend for the further term was exercised on 31 July 2017.
2. Services that the contract delivers include:
 - (a) annual ground water (bore) monitoring across the City;
 - (b) quarterly landfill gas (LFG) emissions monitoring at Sydney Park ;
 - (c) quarterly lakes and wetland water quality monitoring across the City;
 - (d) annual harvested storm water monitoring and inspections across the City; and,
 - (e) from time to time, the City may request quotations from the consultant to carry out maintenance works to ensure the accurate reading of water quality and gas emissions.
3. Sydney Park covers an areas of approximately 44 hectares bounded by Sydney Park Road, Euston Road, Campbell Road, Barwon Park Road and the Princess Highway. Prior to being established as a park, the area was used as a quarry and landfill.
4. The City detected elevated methane levels in monitoring bores on, and adjacent to, Sydney Park in July 2016 and reported it to the Environment Protection Authority. The main components of landfill gas are methane and carbon dioxide.
5. In 2018, an independent accredited contaminated site auditor was appointed by the City to conduct a non-statutory site audit of Sydney Park. The auditor recommended further investigation of landfill gas emissions, an assessment of the risk related to potential landfill gas emissions, and ongoing monitoring and mitigation of landfill gas emissions.
6. On 25 February 2019, the Environmental Protection Authority declared Sydney Park as 'significantly contaminated land' under Section 11 of the Contaminated Land Management Act 1997, because of the 'potential for offsite migration of methane and carbon dioxide via preferential pathways due to the geology of the site'.
7. The City used the site audit report to prepare a Voluntary Management Proposal for the Environmental Protection Authority. The Voluntary Management Proposal requires the City of Sydney to monitor landfill gas surface emissions at Sydney Park monthly, and to complete additional landfill gas investigations, a landfill gas risk assessment, a landfill gas remedial action plan, and a landfill gas site management plan, to define any required landfill gas mitigation and ongoing monitoring.
8. Under the contract, GHD conducts routine monitoring of levels of landfill gas at Sydney Park. Through the proposed variation extension, GHD is best placed to undertake monthly monitoring of landfill gas surface emissions at Sydney Park for the next 12 months.

9. The Voluntary Management Plan for Sydney Park submitted to the Environmental Protection Authority requires continued monitoring of landfill gas surface emissions at Sydney Park. The results of the landfill gas surface emissions monitoring will determine the location of landfill gas monitoring wells and bores that will monitor any landfill gas production and migration.
10. Extending the existing contract ensures there is no gap in testing and that this task is completed in a timely manner in line with the Voluntary Management Plan timeframes and to inform future procurement activities. During the current contract period, GHD have acquired extensive knowledge of the site and have provided good service with regards to landfill gas monitoring.
11. Other Voluntary Management Plan requirements (additional landfill gas investigations, and a landfill gas risk assessment, remedial action plan and site management plan) will be subject to a separate procurement process which is currently being prepared. Findings from this will inform the future environmental management approach of Sydney Park.
12. GHD also monitors water quality of groundwater from abstraction bores, surface water in lakes and wetlands, and harvested stormwater, at Sydney Park and other parks. GHD is best placed to continue water quality monitoring for the next 12 months as they have knowledge and have been performing well under the contract. The independent site auditor was also engaged to audit the methods and results of water quality monitoring in wetlands and of water used to irrigate City Parks. As a result of the audit, the site auditor recommended the frequency of water quality monitoring of groundwater and harvested stormwater used for irrigation increase from annual to quarterly to manage risks.

Financial Implications

13. The cost to extend the current Environmental Monitoring, Analysis and Reporting contract (No. 1417) with GHD consultants for 12 months is included in Confidential Attachment A.
14. The original tender for contract 1417 was conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
15. There are sufficient funds allocated for this project within the current financial year's operating budget and future year forward estimates.

Critical Dates / Time Frames

16. The option for the existing contract with GHD expires on 31 July 2019.
17. It is proposed to extend the existing option for a further 12 months, until 31 July 2020.

Options

18. If the variation is not approved, the City would fail to meet the requirements of the Voluntary Management Plan. It would also lead to a gap in monitoring while procurement activities take place, potentially increasing risks to the City.

DAVID RIORDAN

Director City Services

Rob Dobinson, Parks Environmental Engineer

Joel Johnson, Manager City Greening and Leisure

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Item 14.

Commercial Creative and Business Events Sponsorship - Vivid Sydney 2020-2022

File No: X024914

Summary

In December 2013, Council adopted the City's Economic Development Strategy which aims to strengthen the city economy and support business. Under this Strategy, the Retail and Tourism Action Plans recognise the important contribution that major events play in the City's economy, cultural and sporting life.

Large-scale events have the potential to attract audiences from regional NSW, interstate and overseas. The City's hospitality, tourism and retail businesses in particular are beneficiaries of major events and cultural tourism. Major events can also be the catalyst for participation and engagement, enhance a city's liveability and encourage ongoing investment in infrastructure. Cities compete for the rights to major events in an increasingly competitive market and the cities in which levels of government and private enterprise work together are often more successful.

The City's Commercial Creative and Business Events Sponsorship Program is a key mechanism through which the City can support the development of major events, secure new events to Sydney and encourage the growth, success and retention of existing events. This report recommends a \$100,000 cash and \$300,000 value-in-kind (VIK) sponsorship each year, for Vivid Sydney 2020 - 2022, produced by Destination NSW.

The City's value-in-kind support will ensure the large-scale event can be effectively executed in the public domain, including the provision of the necessary waste and cleansing services, outdoor venue hire waiver, street closures, venue hire, customer service and marketing support. The proposed cash contribution will support the continued growth and expansion of the successful Vivid X/Celerate music program into the villages. This funding level is consistent with the previous sponsorship agreement from 2017-2019.

Vivid Sydney is the largest event of its kind in the southern hemisphere and showcases Sydney as a global hub of art, technology and innovation. In 2018, Vivid Sydney attracted more than 2.25 million people across the 23 days of the festival. Overnight expenditure has grown over the past ten years and the economic impact of visitor spend last year was \$172 million. Vivid Sydney provides a strong economic driver for Sydney businesses during the event period. In 2018 overall, business experienced an additional 970,000 transactions during the event period, which equates to approximately 42,000 extra transactions per day.

Over the next three years, the City will work Destination NSW closely on the expansion of the Vivid X/Celerate and Vivid Ideas programming to identified villages within the local government area and will activate its own promotional networks to encourage a mix of businesses to participate in the program.

The request for sponsorship for 2020, 2021 and 2022 has been evaluated against the criteria for the Commercial Creative and Business Events Sponsorship Program and cash and VIK sponsorship of the event is recommended.

Recommendation

It is resolved that:

- (A) Council approve a cash and value-in-kind (VIK) sponsorship of \$100,000 (excluding GST) cash per annum in 2020, 2021 and 2022 to support and grow the Vivid X/Celerate live music program and up to a maximum value \$300,000 (excluding GST) VIK per annum in 2020, 2021 and 2022 in support of Vivid Sydney; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a sponsorship agreement with Destination NSW in support of this event in 2020, 2021 and 2022.

Attachments

Nil.

Background

1. On 9 December 2013, Council adopted an Economic Development Strategy which aims to strengthen the city's economy and support business. The Strategy sets out a course of action designed to build on the city economy's strong foundations for success; create opportunities for individuals, businesses and the community; and address the challenges that might limit Sydney's potential growth as a global city.
2. The Strategy identifies a number of priority industry or economic sectors or locations for which detailed Action Plans will be developed. The Action Plans provide more detail on the specific challenges and opportunities faced by that sector or location, and include projects and programs designed to address those.
3. The actions for the City and its partners in the Retail Action Plan include those which address the need to:
 - (a) create great experiences for city workers, residents and visitors to Sydney to ensure they choose to shop in central Sydney and the villages;
 - (b) build capacity and resilience to ensure the city has a diverse range of sustainable, innovative retail businesses;
 - (c) remove barriers, clarify regulatory processes and assist, in particular, new retailers and small businesses to more efficiently and effectively interact with the City and other levels of government; and
 - (d) engage with the sector to encourage closer cooperation between retailers and more efficient interactions with the regulatory processes of government.
4. The focus for the City and its partners under the Tourism Action Plan include:
 - (a) destination development – encouraging the development of product and infrastructure;
 - (b) destination management – enhancing the quality of the visitor experience; and
 - (c) destination marketing – strengthening partnerships to maximise visitation potential.
5. The Live Music and Performance Action Plan, adopted by Council in March 2014, contains a number of short, medium and long-term commitments in four areas including:
 - (a) audience and sector development – building audiences for live music and performance and supporting industry sustainability;
 - (b) development controls and noise - development assessment processes, urban planning controls and noise management;
 - (c) building construction standards - meeting Building Code of Australia requirements, including fire and safety and disability access; and
 - (d) liquor licensing – the assessment and issuing of liquor licenses and regulation of licensed venues.

6. Major events are a significant driver of demand in the visitor economy and a key strategic priority for tourism organisations and all levels of government as partners working towards the NSW Government Tourism 2020 target of doubling overnight visitor expenditure.
7. Vivid Sydney is owned, managed and produced by Destination NSW. Now having completed its 11th year, it takes place over 23 nights in May and June and attracted over 2.25 million visitors in 2018, positioning itself as Australia's largest event.
8. Vivid Sydney provides a strong economic driver for Sydney businesses during the event period. In 2018 overall, business experienced an additional 970,000 transactions during the event, which equates to approximately 42,000 extra transactions per day.
9. More than half of retail businesses located within the Vivid Sydney footprint increased staffing to cater for extra trade generated by visitors. The volume of business transactions in Sydney CBD increased by 52 per cent compared to a non-Vivid period. Research commissioned by Destination NSW showed the average value of debit and credit card transactions during the 23-day Vivid Sydney period was 38 per cent higher than pre and post Vivid periods, particularly in spend on food categories including Fast Food, Food Retailers and Cafes, Restaurants and Pubs.
10. The Circular Quay Foreshore and The Rocks precincts enjoyed the greatest increase in spend (40 per cent) followed by Darling Harbour (30 per cent). The most significant rise occurred in Fast Food (84 per cent) followed by Cafes (71 per cent) then Restaurants and Pubs (45 per cent).
11. In 2018, more than 800 retail activation kits were distributed to key retailers in the event footprint.
12. Vivid Sydney positions Sydney as the creative hub of Australia and the Asia-Pacific region, and delivers both innovative live entertainment and creative inspiration on a grand scale. It has three pillars - music, light and ideas.
13. In 2019, Vivid Music produced 73 music performances and collaborations at 29 venues across Sydney, including the Sydney Opera House, Carriageworks, Recital Hall and X/Celerate. Vivid Ideas featured 60 events across 15 venues including talks, workshops and industry-shaping forums.
14. In 2019, Vivid Light included more than 50 light installations and projections created by 100 artists from 17 countries. The Vivid Sydney Light Walk comprises light sculptures and installations, with the highlight being the lighting of the Opera House Sails. The City of Sydney worked closely with the producers to ensure these installations reflected our global positioning of being green, global and connected.
15. In 2019, Vivid Ideas featured more than 60 events across 15 venues including talks, workshops and industry-shaping forums.
16. The City is recommending a cash contribution of \$100,000 for the years 2020, 2021, and 2022 to support the expansion of Vivid X/Celerate program with a specific focus of supporting music venues in the villages. This program has been developed in collaboration with the City of Sydney to increase the representation of Sydney's local industry in Vivid Music, including local artists and local venues. In addition to investment in the local industry, the expanded Vivid Music program has provided professional development and business to business/artist to business opportunities for emerging artists, promoters, venue and related product and service providers.

17. 2019 marked X/Celerate's third year and partnership between the City of Sydney and Destination NSW supporting the ongoing growth of Sydney's thriving music scene. Twenty three inner city venues including a hair salon, church and brewery showcased emerging grassroots acts across every genre with acts like The Catholics, Set Mo, Carlotta and I Know Leopard, and Heaps Gay returned for the Queen's Ball at Town Hall.
18. In 2018, X/Celerate featured a showcase of events featuring local bands, artists and grass-roots talent with 107 events over 15 venues. A total of 20,715 people attended the X/Celerate events. On average each City of Sydney venue held 6.5 shows with 8.3 artists per show. The demographic breakdown of the performers were 66 per cent from Sydney and nine per cent from regional NSW. Thirteen per cent were from interstate, while 12 per cent were from overseas. Most performers were young in age, with 68 per cent aged 18-34. A larger proportion of performers were male; 58 per cent male, 34 per cent female and eight per cent gender diverse.
19. The request for sponsorship for 2020, 2021 and 2022 has been evaluated against the criteria for the Commercial Creative and Business Events Sponsorship Program and cash and VIK sponsorship of the event is recommended.
20. The recommended sponsorship package for the new period is equal value to the event sponsorship for the previous three years (2017-19).
21. The sponsorship package offered is designed to provide access to City assets and services, and includes cash to the value of \$100,000 (ex GST) and VIK/revenue foregone to the maximum value of \$300,000 (ex GST). The proposed package includes:
 - (a) outdoor venue hire for key public domain locations including, but not limited to, Martin Place, Customs House exterior building, Customs House Square and surrounds, Pitt Street Mall and Walsh Bay (subject to availability and conditions of use);
 - (b) street closure fees including, but not limited to, Alfred Street, Hickson Road, Bridge Street, Pitt Street, Young Street, Loftus Street and Phillip Street;
 - (c) indoor venue hire fee waiver for use of, but not limited to, Sydney Town Hall for marquee Vivid Ideas events and Customs House Library. Applicable for venue hire only (subject to availability);
 - (d) provision of cleansing and waste services across the entire event program;
 - (e) marketing support including social, digital and print assets;
 - (f) support through provision of services at relevant visitor information kiosks; and
 - (g) financial support for Vivid X/Celerate program in collaboration with City of Sydney.
22. The cash portion of the City's investment is directed toward the X/Celerate live music program to continue support of Sydney's thriving music scene with a particular focus on programming events in the villages. The investment in the program will also focus on diversity of venues, business type, artists and programming, audience reach and collection of data to assist with program evaluation.

23. The City's sponsorship of Vivid Sydney will be subject to a range of performance indicators as determined under the Commercial Creative and Business Events Sponsorship Program. These indicators include continued growth of the event footprint, increase in audience participation, economic contribution measured through visitor nights and spend, increased recognition of Sydney as a major event city, and capacity for businesses to benefit from and leverage event audiences.
24. The City will receive recognition as a sponsor of this event including logo acknowledgment across all media platforms and other promotional materials. The Lord Mayor, Councillors and appropriate City staff will be invited to attend the events held within the event scope. Key benefits will be negotiated directly with Destination NSW commensurate with the value of the sponsorship agreement.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

25. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This sponsorship is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City - Vivid Sydney helps to position Sydney as Australia's premier international tourism and business gateway.
 - (b) Direction 5 - A Lively and Engaging City Centre - Vivid Sydney expects to attract over 2.3 million visitors across 23 nights. The event footprint extends from the CBD and across multiple iconic tourists locations.
 - (c) Direction 6 - Vibrant Local Communities and Economies - Vivid Sydney will bring the city to life annually in the public domain through dressing and lighting of the city and streets. It is expected that local food and beverage, hospitality and accommodation providers will significantly benefit from attendees at the event.
 - (d) Direction 7 - A Cultural and Creative City - Vivid Sydney showcases Sydney to the rest of the world as a major creative hub in the Asia-Pacific region and celebrates the diversity of our creative industries. It provides a platform for Sydney to host a significant number of industry conferences and events.

Organisational Impact

26. The City will be required to provide a range of services to support the event, including liaison and coordination with event organisers, cleansing and waste services, marketing support, customer service support, venue management support, planning services, and liaison with the business community to maximise leveraging opportunities. Details of the services to be provided will be negotiated and determined in the sponsorship agreement

Risks

27. The City of Sydney works closely with all agencies across this event to manage pedestrian safety and road closures. This is led by the NSW Government Traffic Management Committee and Destination NSW.

Social / Cultural / Community

28. Vivid Light is a free public event with significant community participation levels. Destination NSW has developed a strong social justice program working closely with Indigenous groups and access and inclusion groups to ensure accessibility across the event. In addition, the Vivid X/Celerate program addresses key objectives of the Live Music and Performance Action Plan.
29. Vivid Sydney 2018 held over 150 accessible events including:
 - (a) over 50 light installations;
 - (b) over 50 musical events; and
 - (c) 57 Vivid talks.
30. There were also 55 audio described installations and events, 8 Auslan interpreted events and 22 companion-card friendly events where people with disability could bring along a support worker at no cost.

Environmental

31. Vivid Sydney works closely with the Banksia Foundation to measure and manage sustainability opportunities. Where possible, 100 per cent renewable GreenPower is used.

Economic

32. This event is designed to deliver economic benefits to the hotel, retail, hospitality and tourism sectors and in 2018, this event injected \$172 million into Sydney's economy.

Budget Implications

33. Funds for the cash sponsorship fee are available within the 2019/20 Grants and Sponsorship budget in support of the Vivid X-Celerate program. Provision will be made in the 2020/21 and 2021/22 budgets for the costs incurred in those financial years.

Relevant Legislation

- 34. Section 356 of the Local Government Act 1993.
- 35. Sections 10A(2)(c) and 10A(2)(d)(i) of the Local Government Act 1993.
- 36. Attachment A contains confidential information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
- 37. 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

- 38. The event will be held in May/June annually.

ANN HOBAN

Director City Life

Kylie Wiik, City Business Coordinator

Item 15.

Knowledge Exchange Sponsorship - Tech Startups Action Plan Initiatives

File No: 2019/302132

Summary

Three applications have been received for sponsorship under the Knowledge Exchange Sponsorship Program from organisations seeking to deliver initiatives that support the City's objectives and commitments in the Tech Startup Action Plan.

Indigi Lab Pty Ltd provides education, training, and opportunities for First Nations communities in the science, technology and digital innovation space. Indigi Lab is seeking support for a three day hackathon called Indigi Hack. Indigi Hack will bring together Indigenous entrepreneurs and thought leaders across three days to develop prototype solutions to an identified challenge. Initiatives created through IndigiHack will contribute to the growing startup market. The application has been evaluated and support of \$40,000 cash (excluding GST) is recommended.

Launched in 2016, Spark Festival is Australia's largest event for startups, innovators and entrepreneurs taking place in October every year. In 2018 Spark Festival grew to a two week program of more than 160 events attracting over 13,000 attendees. Spark Festival is seeking support to run the Sydney Innovators Expo, a one day interactive showcase and demonstration day of future-focused startups and innovative projects. The application has been evaluated and support of \$40,000 cash (excluding GST) and value in kind of \$8,450 (excluding GST) for venue hire is recommended.

Cicada Innovations Pty Ltd is one of Australia's leading tech startup incubators founded in 2000 by four of Australia's top universities – the Australian National University, University of Technology Sydney, University of New South Wales and University of Sydney. Cicada Innovations Pty Ltd is seeking support to run the 2019 EMERGE STEM Careers and Tech Expo, an event that showcases alternative career pathways for graduate students and university researchers. The application has been evaluated and support of \$20,000 cash (excluding GST) is recommended.

The recommended projects in this report have been assessed as contributing towards the City's commitments in the Tech Startups Action Plan, Eora Journey Economic Development Plan and Economic Development Strategy.

The applications have been assessed under the City's Grants and Sponsorship Policy and its Knowledge Exchange Sponsorship Program. Sponsorship to each applicant is recommended.

Recommendation

It is resolved that:

- (A) Council approve a cash sponsorship of \$40,000 (excluding GST) to Indigi Lab Pty Ltd to produce the Indigi Hack hackathon event;
- (B) Council approve a cash sponsorship of \$40,000 (excluding GST) and value in kind of \$8,450 (excluding GST) for venue hire fee waiver to Spark Festival Limited, to produce the Sydney Innovators Expo;
- (C) Council approve a cash sponsorship of \$20,000 (excluding GST) to Cicada Innovations Pty Ltd for the 2019 EMERGE STEM Careers and Tech Expo; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer sponsorship agreements with each of the applicants.

Attachments

Nil.

Background

1. In December 2013, Council adopted the Economic Development Strategy, a 10-year plan that aims to strengthen the city economy and support business. The Tech Startups Action Plan endorsed by Council in June 2016, focuses on creating a local tech startup ecosystem that enables knowledge-based, innovation-driven businesses to flourish. The Eora Journey Economic Development Plan endorsed by Council in November 2016, outlines the City's role in supporting business ownership and employment opportunities for Aboriginal and Torres Strait Islander people.
2. Sponsorship of the Indigi Lab Pty Ltd, Spark Festival Limited and Cicada Innovations Pty Ltd programs meet the objectives of the City of Sydney's Economic Development Strategy, Tech Startups Action Plan and Eora Journey Economic Development Plan.
3. The City's Economic Development Strategy recognises that supporting entrepreneurs is integral to its vision for the city's economy. Entrepreneurs are agents of change and supporting entrepreneurs as they become employers is an effective way to grow jobs and job diversity in the economy.
4. The strategy states that the City will explore ways in which it can influence the success of entrepreneurs and small business operators whether through capacity building initiatives, making it easier to do business or the development of programs to assist startup and small business to scale into the future.
5. The Tech Startups Action Plan is consistent with this strategy, and importantly adds a focus on tech startups, recognising that their needs are very different to those of small businesses.
6. Sydney's tech startup ecosystem is in the early stages of development. The barriers to its growth include the low number of entrepreneurs starting high-growth businesses; limited access to investment, talent and a skilled support network; and a fragmented ecosystem.
7. The recommended programs support the City's efforts to encourage more people to become entrepreneurs, build a strong and diverse entrepreneurial community, and provide support for entrepreneurs to start and grow successful global businesses.
8. Key focus areas of the Eora Journey Economic Development Plan are ensuring greater access to economic opportunities for Aboriginal and Torres Strait Islander people within all sectors of the economy, as well as building knowledge-based and entrepreneurial skills among Aboriginal and Torres Strait Islander communities. Sponsorship of the Indigi Lab Pty Ltd program aligns with both areas of focus.

Indigi Lab Pty Ltd - Indigi Hack

9. Indigi Lab Pty Ltd provides education, training, and opportunities for First Nations communities in the science, technology and innovation space. They work across a range of educational, policy and employment projects that support a more inclusive STEM sector, and manage the STREAMS network which brings together First Nation and non-Indigenous scientists, environmentalists and policy makers to develop thought leadership on sustainable sciences.

10. Indigi Lab Pty Ltd will be hosting a hackathon called Indigi Hack in March 2020. It is open to all Indigenous people and businesses that are 51 per cent Indigenous owned and operated. This hackathon is aligned with the work of the STREAMS network and will also provide Indigenous led solutions to the UN Global Sustainable Development Goals. The Indigi Hack program is strongly committed to the sustainable development goals, in particular goal 10 on reducing inequalities.
11. Indigi Hack will put Indigenous people at the forefront of hacking solutions to global issues like climate change and poverty. The event will run across three days, in three stages, where the practice of design thinking is used to generate solutions through a process that translates understanding and ideas into tangible outcomes.
12. Businesses and projects created through Indigi Hack will contribute to the growing start up market. Furthermore, it will enable Indigenous people to lead in an knowledge-based economy.
13. Indigi Lab Pty Ltd seeks funding of \$40,000 under the City of Sydney's Knowledge Exchange Sponsorship program to produce the Indigi Hack three day hackathon.

Spark Festival Limited – Sydney Innovators Expo

14. Spark Festival is an entrepreneur-led, community-focused week of events that seeks to enable and encourage emerging and established entrepreneurs to share resources and acquire new knowledge and skills. It also aims to raise the profile of the local tech startups ecosystem and encourage the wider community to get involved and learn more about the ecosystem.
15. The Sydney Innovators Expo will be a one day interactive showcase with presentations and a demo day of future-focused startups and innovative projects, accessible and open to the wider community. Scheduled to take place on 19 October 2019 it will be a featured event as part of Spark Festival 2019 (October 10 to 27).
16. The objective of the event is to share the knowledge of the startups and innovators and their passion for the power of technology with the wider community. The event will:
 - (a) gather together local startups and other innovative initiatives;
 - (b) showcase their thinking, achievements, products and expertise;
 - (c) connect these startups and innovators to the wider community; and
 - (d) encourage the wider community to see technology as an enabler, rather than a threat.
17. Spark Festival seeks funding of \$40,000 and value in kind of \$8,450 for venue hire under the City of Sydney's Knowledge Exchange Sponsorship program to produce the event.

Cicada Innovations Pty Ltd - 2019 EMERGE STEM Careers Expo

18. Cicada Innovations Pty Ltd has recently been named the 2018 world's top incubator by the international peak body for entrepreneurship, International Business Innovation Association (inBIA) with over 2,200 global industry peers.

19. Cicada's EMERGE STEM Careers and Tech Expo is a catalyst to strengthen linkages between research and tertiary institutions, industry and startups, to develop and grow the local STEM knowledge-base capability and to fuel the jobs and industries of the future for long term economic and social benefit.
20. The free event will include keynote and plenary sessions alongside the exhibition covering both practical career advice for working in the sector and the cutting-edge technologies that will shape the world over the next 20 years.
21. In addition to bringing together many of the future stakeholders in the Sydney technology sector, the event also provides:
 - (a) an opportunity for meaningful engagement between the research and start-up communities;
 - (b) an insight into potential career pathways with advanced technology startups;
 - (c) a platform to inspire and influence the next wave of tech entrepreneurs; and
 - (d) a qualified pool of local STEM educated candidates seeking internships and employment.
22. Cicada Innovations Pty Ltd seeks funding of \$20,000 under the City of Sydney's Knowledge Exchange Sponsorship program to produce the EMERGE STEM Careers and Tech Expo.
23. These applications have been assessed under the City's Grants and Sponsorship Policy and Knowledge Exchange Sponsorship program. The Knowledge Exchange Sponsorship program recognises that, for the city to thrive, we must support and create an environment that fosters collaboration and learning.
24. The applications have been assessed as contributing to the following program outcomes:
 - (a) adoption and implementation of best practice approaches by organisations and individuals;
 - (b) strong networks where participants share resources and acquire new knowledge and skills;
 - (c) improved capacity in organisations and individuals to develop and maintain sustainable business ventures; and
 - (d) increased recognition of Sydney as an innovative and creative city.
25. Evaluation of each sponsorship will include a report containing results from a participant survey, participant feedback, website analytics and media mentions. The evaluation requirements will be included as part of the City's standard sponsorship agreement.

26. Sponsorship benefits to be negotiated include acknowledgement of the City of Sydney in media releases, on social media platforms, in blogs and on-line advertisements, and on signage at the opening or closing event; the City of Sydney logo included in all marketing materials including direct mail, t-shirts, bags, videos and website; and invitations to attend as guests opening and closing events associated with the program.
27. Under the Knowledge Exchange Sponsorship program, not-for-profit and for-profit organisations, as well as social enterprises, are eligible to apply. Spark Festival is a not-for-profit organisation. Cicada Innovations Pty Ltd and Indigi Lab Pty Ltd are both for-profit organisations.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

28. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This sponsorship is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City - supporting entrepreneurs to start and grow innovative businesses will potentially create more employment, boost Sydney's economy, strengthen global connections and make the city a more desirable place to live, work and visit.
 - (b) Direction 6 - Vibrant Local Communities and Economies - innovative businesses can grow into global businesses, resulting in swift economic and employment benefits locally.
 - (c) Direction 7 - A Cultural and Creative City - supporting entrepreneurs is supporting the expression of innovation and creativity, which in turn, contributes to a cosmopolitan, vibrant and active city.

Budget Implications

29. This report recommends a total sponsorship amount of \$100,000 cash (excluding GST) and \$8,450 (excluding GST) value in kind for venue hire fee waiver.
30. There are sufficient funds available within the Knowledge Exchange Grants and Sponsorship 2019/20 budget.

Relevant Legislation

- 31. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to person for exercising its functions.
- 32. Section 356(3)(a) - (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
 - (a) the funding is part of the Knowledge Exchange Sponsorship program;
 - (b) the details of this program have been included in Council's draft operational plan for financial year 2019/20;
 - (c) the program's proposed budget does not exceed five per cent of Council's proposed income from ordinary rates for financial year 2019/20; and
 - (d) this program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

- 33. Subject to Council approval, the recommended projects are scheduled to commence in September 2019 and be undertaken over 2019 and 2020.

ANN HOBAN

Director City Life

Alice Chatwood, City Business Coordinator