

17 August 2020

At 2.00 pm

**Corporate, Finance, Properties and
Tenders Committee**

Agenda

1. **Disclosures of Interest**
2. **2019/20 Quarter 4 Review - Delivery Program 2017-2021**
3. **Investments Held as at 31 July 2020**
4. **Public Exhibition - Naming Proposal - Allsorts Park and Honeykiss Park, Rosebery**
5. **Lease Approval and Variation - 343 George Street Sydney - Atlassian Pty Limited**
6. **Exemption from Tender and Contract Variation - Head Design Consultant - Hyde Park South Cafe**
7. **Cancellation of Tenders - Joynton Avenue Stormwater Drainage Upgrade**
8. **Cancellation of Tender - Property Portfolio Long-Term Plan for the Community and Service Portfolios**
9. **Cancellation of Tender - Facade Remediation and Lighting - 343 George Street, Sydney**
10. **Property Matter (Confidential)**

Disclaimer, Terms and 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.

Webcast

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Guidelines

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 Secretariat on 9265 9310 or emailing secretariat@cityofsydney.nsw.gov.au before 10.00am 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.

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 City 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 available at www.cityofsydney.nsw.gov.au

Item 1.

Disclosures of Interest

Pursuant to the provisions of the City of Sydney Code of Meeting Practice and the City of Sydney Code of Conduct, 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.

Item 2.

2019/20 Quarter 4 Review – Delivery Program 2017-2021

Document to follow

Item 3.

Investments Held as at 31 July 2020

File No: X020701

Summary

This report provides details of the City's investment portfolio and performance to 31 July 2020.

The City's total Investment and Cash position was \$628.0M at the end of July, with investments earning interest of \$0.5M for the month.

The Covid-19 pandemic has created significant uncertainty in financial markets. One of the measures the Reserve Bank of Australia (RBA) has used to respond to the crisis is by reducing the official cash rate downward. It was reduced first on 3 March 2020, to 0.50 per cent and again on 20 March 2020 when it was further reduced to 0.25 per cent. The market has responded by reducing the rates on offer and the resultant lower investment yields continue to have a sustained adverse impact on the City's portfolio return.

The City's cash inflows have been negatively impacted as the economic consequences of the pandemic affect major revenue streams including parking services, commercial property income and the timely payment of rates and annual charges. Lower cash balances combined with lower rates of returns on financial investments will continue to affect the City's interest revenue.

The majority of the City's cash and investments portfolio is held as internally restricted (\$305.7M) or externally restricted (\$116.1M) 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, including the Covid-19 relief grants program.

The City achieved an annualised monthly return of 1.02 per cent for July, above the 30 Day Bank Bill Rate (BBR) of 0.09 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.12 per cent and the enhanced benchmark of 0.54 per cent (BBR + 0.45 per cent) as endorsed in October 2019 as part of the Investment Strategy.

The City's annual rolling return of 1.26 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.61 per cent, the latest AusBond Bank Bill Index of 0.73 per cent and the enhanced benchmark of 1.06 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2019.

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 31 July 2020 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 31 July 2020

Attachment B. Investment Performance as at 31 July 2020

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 31 July 2020 is \$628.0M, a decrease of approximately \$2.4M from the \$630.4M reported as at 30 June 2020 reflecting operating income offset by capital works expenditure and other operational payments. A schedule detailing all of the City's investments as at the end of July is provided at Attachment A.
5. The majority of the City's cash and investments portfolio is held as internally restricted (\$305.7M) or externally restricted (\$116.1M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. The City achieved an annualised monthly return of 1.02 per cent for July, above the 30 Day Bank Bill Rate (BBR) of 0.09 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.12 per cent and the enhanced benchmark of 0.54 per cent (BBR + 0.45 per cent) as endorsed in October 2019 as part of the Investment Strategy.
8. The City's annual rolling return of 1.26 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.61 per cent, the latest AusBond Bank Bill Index of 0.73 per cent and the enhanced benchmark of 1.06 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2019.
9. In response to the global Covid-19 pandemic, the Reserve Bank of Australia (RBA) adjusted the official cash rate on 3 March 2020, when it was reduced to 0.50 per cent. That rate was further reduced on 20 March 2020 to 0.25 per cent. The market is responding by reducing the rates on offer, and the resultant lower investment yields continue to have a sustained adverse impact on the City's portfolio return. The low interest rates are anticipated to continue for the foreseeable future given the current challenging economic conditions.

10. The City's cash inflows, whilst reasonably resilient and showing signs of recovery, have been negatively impacted as the economic consequences of the pandemic affect major revenue streams including parking services, commercial property income and timely payment of rates and annual charges. Lower cash balances combined with lower rates of returns on financial investments will continue to affect the City's interest revenue.
11. 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.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

12. 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

13. The City's investments earned interest of \$0.5M for the month of July 2020 against budgeted earnings of \$0.4M. The 2020/21 interest revenue budget anticipates a lower interest rate environment over the coming year. Diminished investment returns were offset by a higher than forecast cash balance for the month. For the same month in 2019 the City earned interest of \$1.3M on a similar cash balance.

Economic

14. The extent of the local and global economic impact resulting from Covid-19 has created significant uncertainty in financial markets. Many Governments and central banks, including the Australian Government and the Reserve Bank of Australia (RBA), are implementing large scale responses to the economic crisis including coordinated stimulus measures involving significant increases in government spending and borrowing combined with large scale buying of bonds by central banks.
15. The RBA reduced the official cash rate downward twice in March. It was reduced first on 3 March 2020, to 0.50 per cent and again on 20 March 2020 when it was further reduced to 0.25 per cent.
16. The RBA has continued to indicate that the 0.25 per cent official cash rate is unlikely to be lifted until it is confident the economy has recovered sufficiently to lift annual inflation inside its target 2 per cent to 3 per cent range.
17. Historically, returns on cash (i.e. "at call" accounts) and short term investments have been quite strong. However, with the low official cash rate, market variability in monthly returns may mean the short to medium term investment returns could be flat or potentially slightly negative. The capacity for City staff to invest in a manner that meets liquidity requirements whilst achieving the "enhanced" benchmark returns (as detailed in the Investment Policy) may be limited.
18. On occasion, financial institutions will not offer term deposit rates, due to their own liquidity requirements being adequately filled. Since the beginning of the Covid-19 pandemic, this has occurred with increased frequency, further limiting the available range of institutions able to offer adequate returns at an acceptable credit risk under the City's Investment Policy

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 the City 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 2019, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments. The revision also maintained the broadened definition of environmentally harmful activities which includes 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 28 October 2019.

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. The banks acknowledge the appetite in the market for these products and they continue to investigate the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet the credit risk and maturity profile requirements of the City.
27. As noted in previous Investment Reports, Westpac were able to bring a Green Tailored Deposit product to market, which delivers a comparable return while achieving the City's preferred outcomes. Since November 2018, the City has invested \$70M in twelve tranches with this Green Tailored deposit.
28. In January 2020, the City invested \$5M in a Floating Rate Note (FRN) / Sustainability Bond issued by Bank Australia, based on an investment framework that meets the main guidelines for issuance of Green, Social and Sustainability Bonds in the global capital markets. This Socially Responsible investment opportunity met both the credit risk and maturity profile requirement of the City.

29. Since February 2020, the City has invested in three tranches, totalling \$20M, in Climate Bond-certified Green Term Deposits with the Commonwealth Bank of Australia (CBA), whilst also meeting the City's risk / return profile. This is the current maximum-per-investor threshold set by CBA for this Green Deposit product.
30. It is evident from these recent opportunities that the market is endeavouring to respond to demand and meet investors need to satisfy their financial risk / return requirements, while at the same time promoting their preferred investment profile outcomes.

BILL CARTER

Chief Finance Officer

Attachment A

**Register of Investments and Cash
as at 31 July 2020**

Register of Investments and Cash for July 2020 period

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Call Account									
Westpac Bank	AA	46,809,447.27	46,809,447.27	0.04%	0.50%	0.50%	1-Jul-20	22-May-12	0
Commonwealth Bank	AA	48,022,365.09	48,022,365.09	0.05%	0.65%	0.65%	1-Jul-20	11-Jun-20	0
Total		94,831,812	94,831,812	0.02%	0.25%	0.25%			
Term Deposits (TD)									
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.13%	1.55%	1.55%	7-Aug-20	10-Feb-20	6
ME Bank	A	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	14-Aug-20	16-Jun-20	2
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.13%	1.55%	1.55%	14-Aug-20	17-Feb-20	6
ME Bank	A	5,000,000.00	5,000,000.00	0.07%	0.85%	0.85%	24-Aug-20	24-Jun-20	2
ANZ Bank (90 days BBSW + 98 points)	AA	10,000,000.00	10,000,000.00	0.09%	1.08%	1.74%	28-Aug-20	28-Aug-15	60
ANZ Bank (90 days BBSW + 95 points)	AA	10,000,000.00	10,000,000.00	0.09%	1.05%	1.73%	31-Aug-20	1-Sep-15	60
ME Bank	A	5,000,000.00	5,000,000.00	0.07%	0.80%	0.80%	1-Sep-20	2-Jul-20	2
Credit Union Australia Ltd	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	4-Sep-20	2-Dec-19	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	8-Sep-20	12-Feb-20	7
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	11-Sep-20	27-Feb-20	6
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	15-Sep-20	28-Feb-20	7
Macquarie Bank Ltd	A	5,000,000.00	5,000,000.00	0.14%	1.65%	1.65%	18-Sep-20	5-Mar-20	6
ME Bank	A	5,000,000.00	5,000,000.00	0.12%	1.38%	1.38%	18-Sep-20	10-Mar-20	6
Credit Union Australia	A	5,000,000.00	5,000,000.00	0.13%	1.55%	1.55%	22-Sep-20	24-Feb-20	7
Credit Union Australia Ltd	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	25-Sep-20	2-Dec-19	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.08%	0.92%	0.92%	28-Sep-20	27-May-20	4
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.09%	1.05%	1.05%	29-Sep-20	28-May-20	4
Macquarie Bank Ltd	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	30-Sep-20	2-Mar-20	7
National Aust Bank	AA	10,000,000.00	10,000,000.00	0.08%	0.91%	0.91%	1-Oct-20	1-Jun-20	4
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.08%	0.91%	0.91%	2-Oct-20	2-Jun-20	4
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.08%	0.91%	0.91%	5-Oct-20	3-Jun-20	4
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	7-Oct-20	9-Jun-20	4
ME Bank	A	5,000,000.00	5,000,000.00	0.14%	1.63%	1.63%	9-Oct-20	7-Apr-20	6
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.10%	1.20%	1.20%	13-Oct-20	18-May-20	5
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.08%	0.96%	0.96%	16-Oct-20	20-May-20	5
ME Bank	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	16-Oct-20	22-Jan-20	9
Credit Union Australia Ltd	A	5,000,000.00	5,000,000.00	0.13%	1.58%	1.58%	23-Oct-20	29-Jan-20	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.13%	1.55%	1.55%	3-Nov-20	4-Feb-20	9
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.13%	1.55%	1.55%	13-Nov-20	28-Feb-20	8
ME Bank	A	2,000,000.00	2,000,000.00	0.11%	1.30%	1.30%	16-Nov-20	18-May-20	6
Macquarie Bank Ltd	A	5,000,000.00	5,000,000.00	0.06%	0.75%	0.75%	1-Dec-20	2-Jul-20	5
Macquarie Bank Ltd	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	4-Dec-20	3-Mar-20	9
Suncorp Bank	A	5,000,000.00	5,000,000.00	0.06%	0.73%	0.73%	8-Dec-20	6-Jul-20	5
IMB	A	5,000,000.00	5,000,000.00	0.07%	0.80%	0.80%	8-Dec-20	30-Jun-20	5
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.06%	0.75%	0.75%	11-Dec-20	14-Jul-20	5
Macquarie Bank Ltd	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	11-Dec-20	3-Mar-20	9
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	15-Dec-20	16-Jun-20	6
Macquarie Bank Ltd	A	5,000,000.00	5,000,000.00	0.13%	1.60%	1.60%	18-Dec-20	3-Mar-20	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.06%	0.74%	0.74%	4-Jan-21	3-Jul-20	6
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.06%	0.75%	0.75%	8-Jan-21	6-Jul-20	6
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.06%	0.75%	0.75%	11-Jan-21	14-Jul-20	6
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.06%	0.75%	0.75%	12-Jan-21	6-Jul-20	6
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.07%	0.80%	0.80%	15-Jan-21	9-Jul-20	6
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.12%	1.40%	1.40%	22-Jan-21	29-Jan-20	12
Westpac Bank (3 months BBSW + 88 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.98%	1.62%	14-May-21	16-May-19	24
Westpac Banking Corporation (2.80% Fixed 1 year & 90 days BBSW + 82 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.92%	1.63%	21-Sep-21	21-Sep-18	36
Westpac Banking Corporation (2.90% Fixed 2 years & 90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.09%	1.02%	1.70%	11-Oct-21	12-Oct-17	48
Westpac Banking Corporation (2.94% Fixed 2 years & 3 months BBSW + 82 points 3 years)	AA	5,000,000.00	5,000,000.00	0.25%	2.94%	2.94%	8-Nov-21	6-Nov-18	36
Westpac Banking Corporation (3% Fixed 2 years & 90 days BBSW + 133 points 3 years)	AA	5,000,000.00	5,000,000.00	0.12%	1.42%	2.12%	15-Dec-21	15-Dec-16	60
Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3 years)	AA	5,000,000.00	5,000,000.00	0.11%	1.34%	2.17%	31-Aug-22	31-Aug-17	60
Westpac Banking Corporation (2.80% Fixed 1 year & 90 days BBSW + 85 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.95%	1.69%	27-Sep-22	28-Sep-18	48
Westpac Banking Corporation (2.98% Fixed 2 years & 3 months BBSW + 82 points 2 years)	AA	5,000,000.00	5,000,000.00	0.25%	2.98%	2.98%	21-Nov-22	21-Nov-18	48
Term Deposits (TD) 'Green Tailored Deposits'									
Westpac Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.12%	1.47%	1.47%	4-Aug-20	5-Feb-20	6
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.12%	1.41%	1.41%	22-Sep-20	25-Feb-20	7
Westpac Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.12%	1.42%	1.42%	4-Feb-21	5-Feb-20	12
Commonwealth Bank- Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.07%	0.78%	0.78%	15-Jan-21	13-Jul-20	6
Commonwealth Bank- Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.74%	0.74%	29-Jan-21	24-Jul-20	6
Westpac Banking Corporation- Green Tailored Deposit- Quaterly payments	AA	5,000,000.00	5,000,000.00	0.07%	0.83%	0.83%	13-Jul-21	13-Jul-20	12
Westpac Bank - Green Tailored Deposit (90 days BBSW + 75 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.85%	0.85%	26-Aug-20	27-Aug-19	12
Westpac Bank - Green Tailored Deposit (90 days BBSW + 75 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.85%	0.85%	27-Aug-20	28-Aug-19	12
Westpac Bank - Green Tailored Deposit (90 days BBSW + 75 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.84%	0.84%	2-Sep-20	2-Sep-19	12
Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW + 93 points)	AA	10,000,000.00	10,000,000.00	0.09%	1.03%	1.03%	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	5,000,000.00	5,000,000.00	0.25%	2.97%	2.97%	29-Nov-23	30-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (3.00% Fixed 1 years & 3 months BBSW + 105 points 4 years)	AA	10,000,000.00	10,000,000.00	0.10%	1.15%	1.15%	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	5,000,000.00	5,000,000.00	0.08%	1.01%	1.01%	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	5,000,000.00	5,000,000.00	0.09%	1.09%	1.09%	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	5,000,000.00	5,000,000.00	0.09%	1.10%	1.10%	22-Mar-24	25-Mar-19	60
Total		362,000,000	362,000,000	0.10%	1.19%	1.28%			

Register of Investments and Cash for July 2020 period

Institution	Rating	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
Floating Rate Notes (FRN)									
Bendigo & Adelaide Bank (90 days BBSW + 110 points)	BBB	5,000,000.00	5,000,000.00	0.10%	1.20%	1.94%	18-Aug-20	18-Aug-15	60
AMP Bank (90 days BBSW + 75 points)	A	5,000,000.00	5,000,000.00	0.07%	0.85%	1.54%	6-Oct-20	6-Oct-17	36
Suncorp Bank (90 days BBSW + 125 points)	A	5,000,000.00	5,000,000.00	0.11%	1.35%	1.95%	20-Oct-20	20-Oct-15	60
Westpac Banking Corporation (90 days BBSW + 108 points)	AA	15,000,000.00	15,000,000.00	0.10%	1.18%	1.81%	28-Oct-20	28-Oct-15	60
National Australia Bank (90 days BBSW + 108 points)	AA	10,000,000.00	10,000,000.00	0.10%	1.18%	1.94%	5-Nov-20	5-Nov-15	60
ME Bank (90 days BBSW + 125 points)	BBB	2,250,000.00	2,250,000.00	0.11%	1.35%	2.10%	9-Nov-20	9-Nov-17	36
Commonwealth Bank (90 days BBSW + 115 points)	AA	5,000,000.00	5,000,000.00	0.10%	1.25%	1.90%	18-Jan-21	20-Jan-16	60
Heritage Bank (90 days BBSW + 123 points)	BBB	3,500,000.00	3,500,000.00	0.11%	1.33%	2.05%	29-Mar-21	29-Mar-18	36
ANZ Bank (90 days BBSW + 118 points)	AA	5,000,000.00	5,000,000.00	0.11%	1.28%	1.96%	7-Apr-21	7-Apr-16	60
Suncorp Bank (90 days BBSW + 138 points)	A	5,000,000.00	5,000,000.00	0.13%	1.50%	2.14%	12-Apr-21	12-Apr-16	60
ME Bank (90 days BBSW + 127 points)	BBB	2,500,000.00	2,500,000.00	0.11%	1.37%	2.02%	16-Apr-21	17-Apr-18	36
Bendigo & Adelaide Bank (90 days BBSW + 146 points)	BBB	5,000,000.00	5,000,000.00	0.13%	1.56%	2.21%	20-Apr-21	20-Apr-16	60
Bank of China - Sydney Branch (90 days BBSW + 103 points)	A	4,500,000.00	4,500,000.00	0.10%	1.14%	1.89%	15-Nov-21	15-Nov-18	36
Commonwealth Bank (90 days BBSW + 85 points)	AAA	4,600,000.00	4,600,000.00	0.08%	0.95%	1.69%	17-Nov-21	17-Nov-16	60
ANZ Bank (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.96%	1.74%	8-Feb-22	8-Feb-19	36
Credit Union Australia (90 days BBSW + 123 points)	A	1,500,000.00	1,500,000.00	0.11%	1.33%	2.09%	4-Mar-22	4-Mar-19	60
ME Bank (90 days BBSW + 98 points)	BBB	3,000,000.00	3,000,000.00	0.09%	1.08%	1.74%	18-Jul-22	18-Jul-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000.00	2,500,000.00	0.09%	1.07%	1.81%	16-Aug-22	16-Aug-17	60
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000.00	4,013,240.00	0.09%	1.07%	1.81%	16-Aug-22	31-Oct-18	45
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000.00	4,000,000.00	0.10%	1.15%	1.89%	3-Feb-23	5-Feb-18	60
Credit Union Australia (3 monts BBSW + 90 bps)	BBB	2,800,000.00	2,800,000.00	0.08%	0.99%	1.47%	21-Feb-23	21-Feb-20	36
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.93%	1.70%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	1.00%	1.74%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	1.00%	1.74%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.09%	1.03%	1.77%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	A	4,500,000.00	4,500,000.00	0.07%	0.86%	1.67%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.09%	1.03%	1.76%	26-Sep-23	26-Sep-18	60
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000.00	5,000,000.00	0.09%	1.13%	1.90%	6-Dec-23	6-Dec-18	60
National Australia Bank (90 days BBSW + 104 points)	AA	4,000,000.00	4,000,000.00	0.10%	1.14%	1.84%	26-Feb-24	26-Feb-19	60
National Australia Bank (90 days BBSW + 92 points)	AA	3,200,000.00	3,200,000.00	0.09%	1.03%	1.78%	19-Jun-24	20-Jun-19	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.08%	0.98%	1.72%	16-Aug-24	16-May-19	63
ANZ Bank (90 days BBSW + 77 points)	AA	4,000,000.00	4,000,000.00	0.07%	0.87%	1.51%	29-Aug-24	29-Aug-19	60
National Australia Bank (90 days BBSW + 77 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.87%	1.27%	21-Jan-25	21-Jan-20	60
Macquarie Bank (3 months BBSW + 84 points)	A	5,000,000.00	5,000,000.00	0.08%	0.93%	1.43%	12-Feb-25	12-Feb-20	60
Suncorp Bank (90 days BBSW + 112 points)	AAA	1,500,000.00	1,500,000.00	0.10%	1.22%	1.23%	24-Apr-25	27-Apr-20	60
Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'									
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000.00	5,000,000.00	0.09%	1.02%	1.73%	31-Mar-22	31-Mar-17	60
Bank Australia - Sustainability Bond (3months BBSW + 90 points)	BBB	5,000,000.00	5,000,000.00	0.08%	1.00%	1.55%	2-Dec-22	2-Dec-19	36
Total		167,350,000	167,363,240	0.09%	1.11%	1.79%			
Total Investments		624,181,812	624,195,052	0.09%	1.02%	1.26%			
Benchmark: 30 Day Bank Bill Index				0.00%	0.09%	0.61%			
Benchmark: Bloomberg AusBond Bank Bill Index				0.01%	0.12%	0.73%			
City of Sydney's available bank balance as at 31 July 2020		3,833,713	3,833,713						
TOTAL INVESTMENTS & CASH		628,015,525	628,028,765						

Summary of Net Investment Movements - July 2020

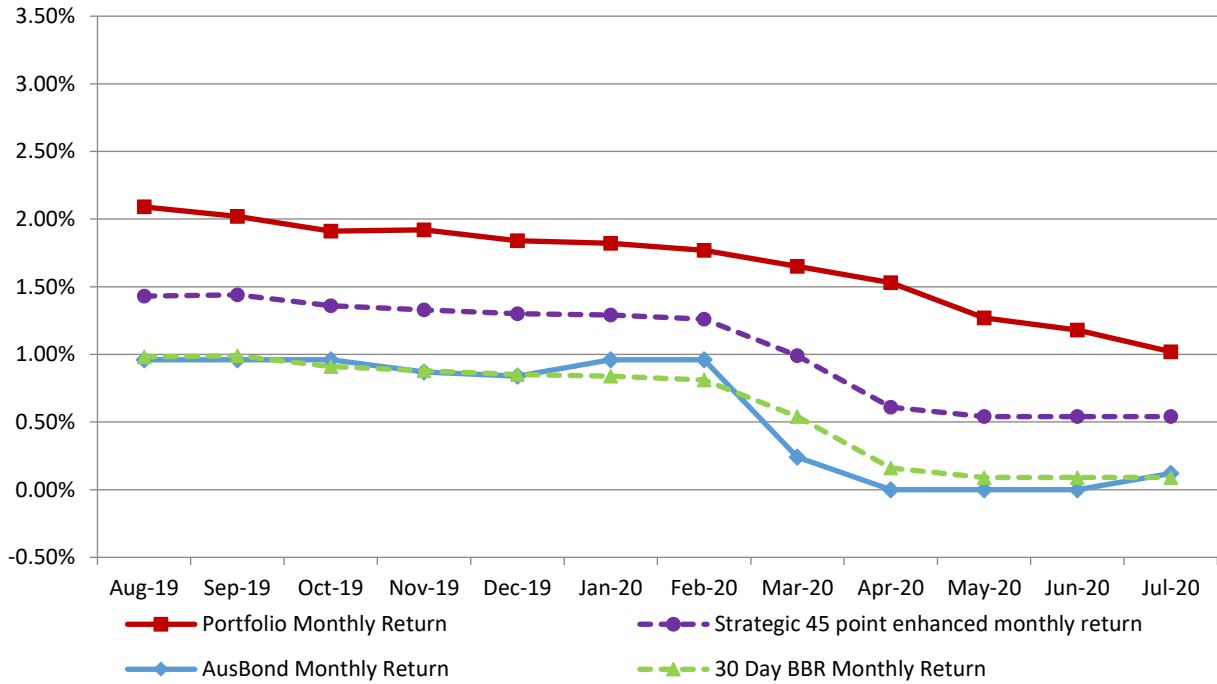
Financial Institution	Fund Rating	Net Invest/(Recall) Amount \$	Commentary
<u>Call Account</u>			
Westpac Banking Corporation	AA	31,000,000	Funds redeemed from Westpac Call account for operational use, or reinvested in CBA Call Account with higher yielding products
Commonwealth Bank	AA	7,000,000	
<u>Term Deposits (TDs)</u>			
Bendigo & Adelaide Bank	AA	5,000,000	Redeemed matured investments and placed in higher yielding Term Deposits.
Suncorp Bank	A	5,000,000	
Westpac Banking Corporation	AA	5,000,000	
Commonwealth Bank of Australia	AA	(15,000,000)	Redemption of matured Term Deposits, utilised for operational use or reinvested with higher yielding products.
IMB Bank	A	(5,000,000)	
Credit Union Australia Ltd	A	(20,000,000)	
<u>Floating Rate Notes (FRNs)</u>			
Commonwealth Bank of Australia	AA	(10,000,000)	Redeemed matured Floating Rate Note to place in higher yielding Term Deposit.
Westpac Banking Corporation	AA	(5,000,000)	

Attachment B

**Investment Performance
as at 31 July 2020**

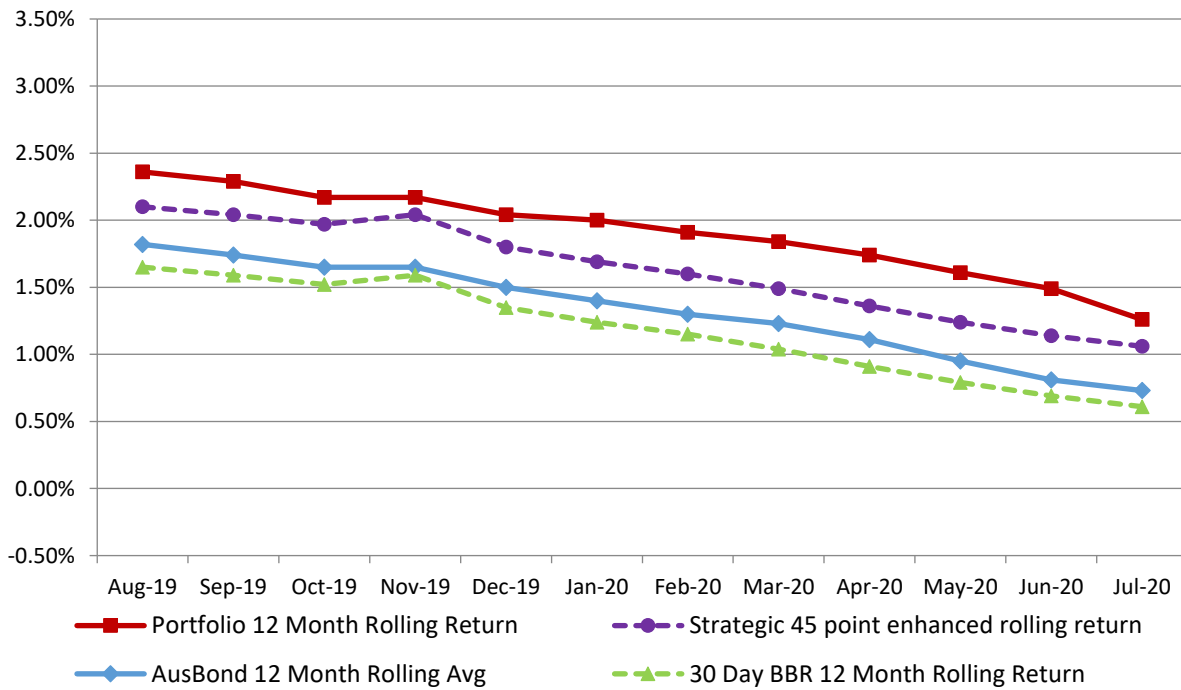
Monthly Results

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
July 2020**



12 Month Rolling Averages

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
July 2020**



Item 4.

Public Exhibition - Naming Proposal - Allsorts Park and Honeykiss Park, Rosebery

File No: X034621

Summary

This report recommends that, subject to community consultation, Council provide in-principle approval to naming a new park and new green link in Rosebery “Allsorts Park” and “Honeykiss Park” respectively.

The park and green link were part of the private development of 25–55 Rothschild Avenue and 5–13 Rosebery Avenue, Rosebery.

The land for the park and green link was handed back to the City of Sydney in November 2019. There is a basic park currently in place at the site, with turf, paths and bins.

The City is developing the final design of the park and green link and will then undertake construction. Community consultation on the design will take place in late 2020. Construction is expected to begin in November 2021 and take approximately 12 months to complete.

The new park and green link are located on the site of Sweetacres, the factory of James Stedman Henderson Ltd, which was opened in 1918 on Rothschild Avenue, Rosebery. The names originate from:

- Allsorts Park - licorice allsorts were a popular line produced by Sweetacres. They were illustrated in James Stedman-Hendersons product catalogue in 1924. The park’s landscape design has also been inspired by the layering presented in a licorice allsort.
- Honeykiss Park - honey kisses were a “famous”, “delectable” sweet made by James Henderson and continued on by Stedman-Hendersons.

The proposed names reflect the landscape design developed by Jane Irwin Landscape Architecture and are supported by the City Historian.

The proposed names will be placed on exhibition for public comment and a further report summarising the outcome will be submitted for the consideration of Council.

Recommendation

It is resolved that Council:

- (A) provide in-principle approval to name the new park to be constructed on the site at the corner of Rosebery Avenue and Crewe Place as "Allsorts Park" and that the name be placed on public exhibition for community comment for a minimum period of 28 days;
- (B) provide in-principle approval to name the new green link to be constructed between Rosebery Avenue, Spring Street and Confectioners Way as "Honeykiss Park" and that the name be placed on public exhibition for community comment for a minimum period of 28 days; and
- (C) note that a further report will be submitted to Council on the results of the public consultation process.

Attachments

Attachment A. Map Showing the Location of Allsorts Park and Honeykiss Park

Attachment B. Historical Justification

Background

1. A new green link and park is to be constructed within a development site bounded by 25–55 Rothschild Avenue and 5–13 Rosebery Avenue, Rosebery.
2. The development is comprised of predominantly residential apartments of six to seven storeys with a mix of ground floor retail, childcare, home office and commercial uses and public domain works.
3. The development will include a new neighbourhood park of approximately 5,750 square metres and a new green link of approximately 4,200 square metres.
4. The City consulted with the community on a concept design developed by Jane Irwin Landscape Architecture for the new park and green link in late 2016, which was to be delivered by the developer under a Voluntary Planning Agreement.
5. An agreement was reached with the developer that they would build a basic park and dedicate the land back to the City to design and build the final park and green link.
6. The land for the park and green link was dedicated back to the City of Sydney in November 2019.
7. The park consists of turf, paths and bins. Seating and lighting will be installed soon.
8. The City has been working on the design of the park and green link and will re-present the design to the community for consultation in late 2020.
9. The new park will include a children's playground, open space, paths and lighting.
10. A nearby park and three streets have taken their names from the historic sweet making enterprise in this area.
11. 'Sweetacres Park' is on the corner of Rothschild Avenue and Cressy Street (to the west of the site), 'Sweet Street' runs between Mentmore and Rothschild avenues, and 'Confectioners Way' is a new link that runs past the perimeter of the proposed 'Allsorts Park', and 'Stedman Street' adjoining the proposed 'Honeykiss Park'.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

12. 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 report is aligned with the following strategic directions and objectives:
 - (a) Direction 4 - A City for Walking and Cycling - formally naming the green link and park will assist in wayfinding and will facilitate recognition and visitation.
 - (b) Direction 6 - Vibrant Local Communities and Economies - naming the green link and park will raise awareness of the new facility, acknowledge local historical context, and promote visitation to the precinct and to nearby businesses such as cafes and restaurants.
 - (c) Direction 9 - Sustainable Development, Renewal and Design - naming the green link and park will enhance an important precinct in the Green Square urban renewal area.

Organisational Impact

13. Naming of the park and green link will have minimal organisational impact. The City will ensure signage is installed once construction is complete.

Risks

14. There are no identified risks associated with the naming proposal.

Social / Cultural / Community

15. The community will have an opportunity to comment on the naming proposal during the exhibition period.
16. Many names of Aboriginal language origin have been applied to parks, streets and buildings in recent years, particularly around the southern renewal area.
17. The City's Historian recommends Allsorts Park and Honeykiss Park, reflecting the concept design created by Jane Irwin Landscape Architecture and the historic context of the site.
18. The City's standard park signage featuring the traditional acknowledgement of country messaging "Bujari Gamarruwa" will be installed at the main park entrances.

Economic

19. Naming of the park and green link may generate a positive effect by facilitating increased visitation to the site and surrounding businesses.

Financial Implications

20. There are funds available in the 2020/21 operational budget for the installation of signage.

Relevant Legislation

21. The Geographic Names Act 1966 (NSW) and Geographical Names Board Guidelines – the recommended names comply with this legislation and meet the Geographical Names Board Guidelines.

Critical Dates / Time Frames

22. There are no critical dates. Should Council approve the name following community consultation, a formal naming application will be submitted to the Geographical Names Board for consideration.

Public Consultation

23. The process for naming of public spaces generally proceeds as follows:
 - (a) in-principle approval by Council of the proposed name;
 - (b) public notification of the naming proposals with a minimum 28 day response time;
 - (c) Council approval following community consultation;
 - (d) assessment by the Geographical Names Board of New South Wales through its formal application process; and
 - (e) approval by the Geographical Names Board and subsequent publication in the NSW Government Gazette.
24. The Geographical Names Board will also notify the public through the local press as part of their routine procedure for the naming of public places. If objections are raised, the proposal is returned to Council for further comment or amendment if required.
25. The naming proposal will be advertised in the local press and on the Sydney Your Say website, notices will be letterboxed to surrounding properties (approximately 450 metres radius) and there will be a public notice on site.

KIM WOODBURY

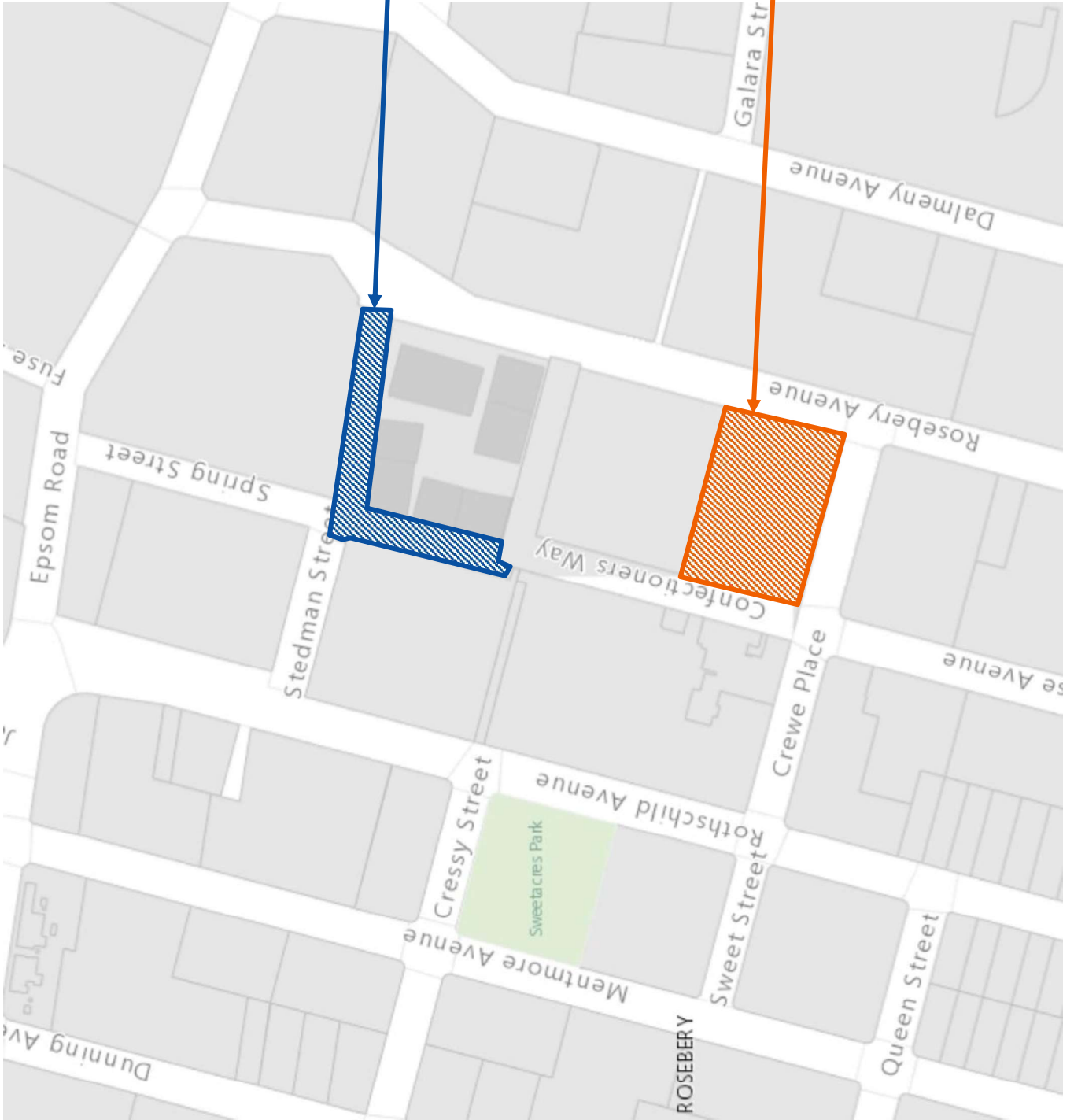
Chief Operating Officer

Ali Dexter, Senior Project Manager - Community Consultation

Attachment A

**Map Showing the Location of Allsorts Park
and Honeykiss Park**

Location Plan ROSEBERY



Attachment B

Historical Justification

Historical Justification

The new park and green link are located on the site of Sweetacres, the large factory of James Stedman-Henderson's Sweets Ltd, which was opened in 1918 on Rothschild Avenue, Rosebery.

James Stedman had been in the business of sweet-making since 1851, starting as an apprentice to William J Cates. He bought his own business in 1875. Originally, the Stedman's factory was in Kent Street, Sydney, and expanded through to Clarence Street. James Stedman Ltd was known for its Lion Brand confectionery, which included butter scotch, toffees and mints. The company also imported 'high-class English, American and Continental sweets'.

The family business of James Henderson & Sons was established in 1903. The office and factory were originally located on Oxford Street, Paddington, and later moved to the Haymarket. Their factory became known as the 'Kisseries' after its most popular sweet, 'Henderson's Honey Kisses'. James Henderson & Sons became known for their all-Australian product (including wrappers, boxes, show-cards and advertising material), with their sweets made from quality, pure Australian ingredients.

The businesses of James Stedman and James Henderson joined forces in 1916 to create James Stedman-Henderson's Sweets Ltd. The newly formed company moved in 1918 to the model industrial estate of Rosebery. The large 12-acre site allowed the business to be realigned along modern factory design and production, which facilitated expansion. The factory was designed by architects Burcham Clamp and was formally named 'Sweetacres' following a naming competition conducted with staff. This was later adopted as a company name.

It was here in 1922 at the Rosebery factory that the iconic sweets 'Minties' were first produced. These were soon followed by other popular sweets, such as 'Jaffas' and 'Fantales'.

James Stedman-Henderson's Sweets Ltd was a large manufacturing firm that employed hundreds of hands to make and wrap sweets that became household names. The business operated on the site from 1918 until the late 1960s.

The name Sweetacres was applied to the park on the corner of Rothschild Avenue and Cressy Street to the west of the site. Three streets also reflect the site's history: Stedman Street, Sweet Street and Confectioners Way. The naming of the new park and green link after products manufactured here onsite is appropriate. These should be the final names to be applied to this sweet slice of Sydney's history.

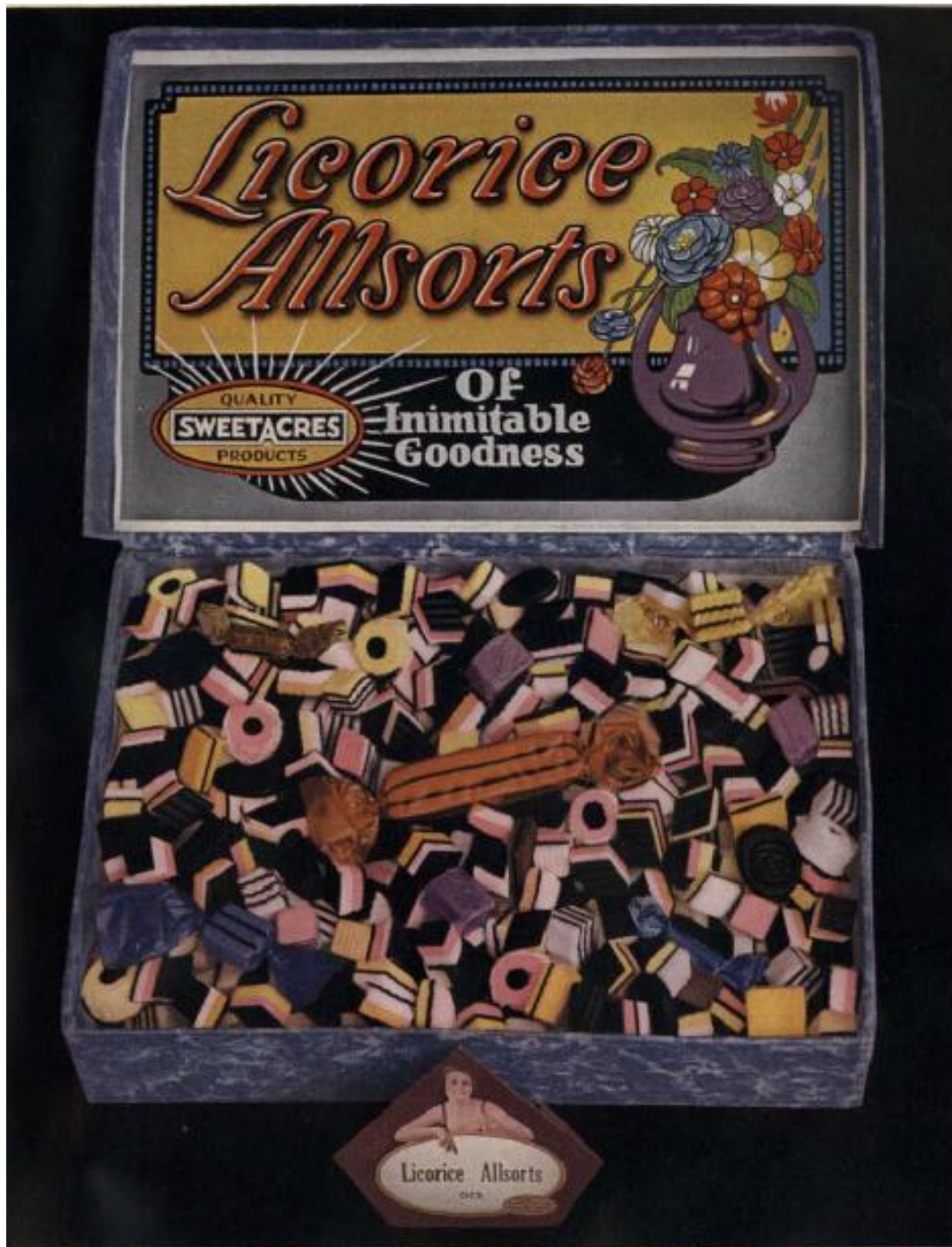


*Coating, Sorting and Packing in the Gum, Jelly and Jube Department at Sweetacres in 1924. (Source: James Stedman-Hendersons Sweets catalogue 1924: *Creating quality sweets for half a century: 1872-1924, quality Sweetacres products* <https://nla.gov.au/nla.obj-699352856>)*

Allsorts Park

Licorice Allsorts were a popular line produced by Sweetacres. They were illustrated in James Stedman-Hendersons product catalogue in 1924.

The park's landscape design has also been inspired by the layering presented in a licorice allsort.



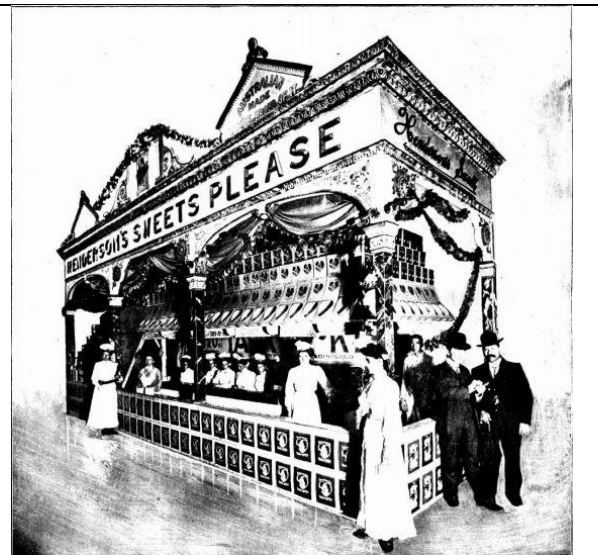
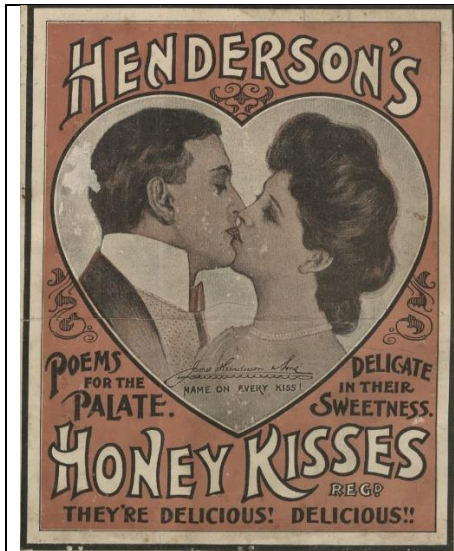
Presentation box of Licorice Allsorts produced by James Stedman-Henderson's Sweets.

(James Stedman-Hendersons Sweets catalogue 1924: *Creating quality sweets for half a century: 1872-1924, quality Sweetacres products.* National Library of Australia <https://nla.gov.au/nla.obj-699352856>)

Honeykiss Walk

Honey Kisses were a 'famous', 'delectable' sweet invented by James Henderson & Sons and continued on by James Stedman-Henderson's Sweets Ltd.

The sweet was invented in 1903 by James Henderson, junior. It was a soft-centred sweet made from all Australian ingredients: the sugar came from Queensland, the butter from Camden and the honey from Bathurst. Henderson's Honey Kisses were in vogue during the first three decades of the twentieth century.



(Advertising logo for Henderson's Honey Kisses. National Library of Australia
<https://nla.gov.au/nla.cat-vn6816233>)

Henderson's Sweets display at an industrial exhibition, 1906, with the advertising logo lining the booth. (*The Sydney Mail and New South Wales Advertiser* 10 January 1906, p.93.
<http://nla.gov.au/nla.news-page16889731>)



Wrapping Honey Kisses at James Henderson & Son's factory, 1905. (*Sydney Mail and New South Wales Advertiser*, 4 January 1905, p.37 <http://nla.gov.au/nla.news-article164036905>)

Item 5.

Lease Approval and Variation – 343 George Street, Sydney – Atlassian Pty Ltd

Document to Follow

Item 6.

Exemption from Tender and Contract Variation - Head Design Consultant - Hyde Park South Cafe

File No: S122018.002

Summary

This report seeks an exemption from tender for the extended consultancy services of the Head Design Consultant and an increase in the contract contingency for works on the Hyde Park South Cafe.

The Hyde Park South Café is currently in an extended construction period for the delivery of the new café and the landscape integration of the café into the surrounding parkland. Works also include the integration of the Transport for NSW easy access upgrade to the Museum Station lift lobby to the café.

The Head Design Consultant was engaged in 2015 to design and document the Hyde Park South Café. Construction works commenced in March 2018, however, works have been delayed by a number of factors including Transport for NSW construction management and design requirements, additional heritage approvals and third party integration works, including the adjacent Anzac Memorial integration works.

A number of the unanticipated issues that have arisen have required additional design services during the construction period. As a result, and due to the extended delivery timeframes, the contract contingency has been exhausted for this contract.

This report recommends that Council grant an exemption from tender to extend the Head Consultant engagement to the end of the construction phase of the project, with an increase to the contract contingency.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for the Head Design Consultant - Hyde Park Café South for additional contract contingency to allow for additional design services;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because the consultant is already engaged and work is well underway. It would not present value for money to engage someone else to do this work; and
- (C) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any documentation to vary the existing agreement.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. The Head Design Consultant, Andrew Burns Architects (ABA), was engaged in May 2015 to design and document the Hyde Park South Café. Construction works commenced in March 2018, however, works were initially delayed as a result of Transport for NSW construction management and design requirements, additional heritage approvals and the adjacent Anzac Memorial integration works, which restricted site access prior to the Invictus Games in October 2018.
2. Based on the above delays, on 10 December 2018, Council endorsed the additional contract contingency for the Head Design Consultancy contract for the continuity of design services through the extended construction phase.
3. Further delays have since occurred due to site complexities, heritage approval requirements and third party integration works.
4. A number of the unanticipated issues that have arisen have required additional design services during the construction period. As a result, and due to the extended delivery timeframes, the contract contingency has been exhausted for this contract.
5. The original consultancy contract sum and all previously approved contingencies for the Head Design Consultant have now been exhausted and a further extension of the contract is required for additional design services to bring the project to completion and meet all statutory requirements to achieve the Occupation Certificate.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

6. 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 program is aligned with the following strategic directions and objectives:
 - (a) Direction 9 - Sustainable Development, Renewal and Design - the completion of this development will make a substantial contribution to Hyde Park and the City surrounds, to improve and enhance passive recreation for the community.

Financial Implications

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

Relevant Legislation

8. An exemption from tender for the Head Design Consultancy for the Hyde Park South Café is recommended in accordance with Local Government Act 1993, section 55(3)(i).
9. Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
10. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
11. Attachment A contains confidential commercial information of the consultancy contract which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting business; and
 - (b) prejudice the commercial position of the person who supplied it.
12. 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

13. If approved by Council, the timeframe for the project is:
 - (a) Approval of contract extension August 2020
 - (b) Completion of works September 2020

Options

14. The City could go to tender for the remaining design consultancy works required to complete the project. This option is not recommended as work is well underway and the project is near completion. It would not present value for money to tender and engage someone else to do this work. The time taken to undertake a new tender process would also further delay completion of the project.
15. Completion of the project without a head design consultant is not recommended as continuation of consultancy services is necessary to ensure the design integrity of the built outcome and compliance with architectural documentation and specifications.

Public Consultation

16. No public consultation has been undertaken in relation to this contract extension.

AMIT CHANAN

Director City Projects and Property

Linda Phillips, Design Manager, City Projects

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

Document is Restricted

Item 7.

Cancellation of Tenders - Joynton Avenue Stormwater Drainage Upgrade

File No: X010730

Summary

This report provides details of the outcome of two public tenders relating to the investigation and delivery of the Joynton Avenue Stormwater Drainage Upgrade.

The Joynton Avenue Stormwater Drainage Upgrade is the final connection between the 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.

Two separate works packages were tendered for this project, including the main works of the Joynton Avenue Stormwater Drainage Upgrade and the geotechnical investigations.

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.

Design and construction works tenders were previously advertised in 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 Council via CEO update in July 2018.

The tender for the Geotechnical Works was advertised in 2019 and Council approved rejection of the tender for the Geotechnical Works and negotiation with suitable service providers to carry out the scope of work. Three contractors were requested to tender on the scope of works. In response, only one tender was received, which did not present value for money or alignment with project outcomes.

Further review of the Geotechnical Works determined a simplified scope of works and alternative methodology was available that could achieve the required outcomes for the Geotechnical Works.

Both tenders RFT 1637 and RFT 1944 are now recommended to be cancelled, so that a quotation can be called for the simplified geotechnical investigations and a new tender can be called to carry out the Drainage Upgrade.

This report recommends that Council cancel the two public tenders for this project for the reasons set out in this report.

Recommendation

It is resolved that Council:

- (A) decline to accept the tenders received for Joynton Avenue Stormwater Drainage Upgrade and associated geotechnical investigation;
- (B) cancel the tenders for Joynton Avenue Stormwater Drainage Upgrade and associated geotechnical investigation;
- (C) note that further simplified geotechnical investigations will be undertaken via a Request for Quotation; and
- (D) note that tenders for the Joynton Avenue Stormwater Drainage Upgrade will be invited following the completion of further geotechnical investigations.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. The Joynton Avenue Stormwater Drainage Upgrade is the final connection between the 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.
2. The project involves micro-tunnelling below the eastern footpath of Joynton Avenue, between O'Dea Avenue and the new Zetland Avenue, to install approximately 760 metres of 1.8 metre diameter stormwater pipe, the construction of major stormwater pits and gross pollutant traps and the associated service relocations.
3. Two separate works packages were tendered for this project, including the main works of the Joynton Avenue Stormwater Drainage Upgrade (the "Main Works") and the geotechnical investigations for these works (the "Geotechnical Works").
4. The tender (RFT1637) for the Main Works was advertised in May 2016 and closed in August 2016. One conforming tender was received. In December 2016, Council resolved to reject the tenders and negotiate with two of the companies that submitted tenders. A satisfactory outcome to the negotiations was not achieved. This was reported to Council via CEO Update in July 2018.
5. A specialist tunnelling consultant, Arcadis Australia Pacific P/L, was engaged to review the initial tender documents and specification, and advise the City's project team regarding carrying out additional geotechnical investigation. Arcadis recommended additional geotechnical investigation be carried out, particularly on the pipe alignment beneath the heritage listed fig trees.
6. The tender (RFT 1944) for the Geotechnical Works was advertised in June 2019. One company submitted a tender, which was deemed non-conforming.
7. In August 2019, Council approved rejection of the tender for the Geotechnical Works and negotiation with suitable service providers to carry out the scope of work. Three contractors were requested to tender on the scope of works. In response, only one tender was received in September 2019, which did not present value for money or alignment with project outcomes.
8. Further review of the Geotechnical Works determined a simplified scope of works and alternative methodology was available that could achieve the required outcomes for the Geotechnical Works. This will be undertaken via a Request for Quotation.
9. Both tenders RFT 1637 and RFT 1944 are recommended to be cancelled, so that a Request for Quotation can be undertaken for the Geotechnical Works and a new tender can be called to carry out the Main Works.

Tender Submissions

10. The tender for the Main Works (RFT 1637) - four submissions were received from the following organisations:
 - Abergeldie Infrastructure;
 - Byrne Civil;
 - D J McCormick; and
 - Byrne and Bothar Joint Venture.
11. The tender for the Geotechnical Works (RFT 1944) – one tender was received from GBG Australia Pty Ltd.
12. No late submissions were received.

Tender Evaluation

13. All members of the Tender Evaluation Panels for both tenders signed Pecuniary Interest Declarations. No pecuniary interests were noted.

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 two tenders have been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
16. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
17. 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.
18. 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

19. With the scheduled completion of the Joynton Avenue Upgrade project in December 2020, with associated road raising and upgraded drainage infrastructure, it is necessary to progress this project to complete the drainage upgrade works in this precinct. The intention is to complete the simplified Geotechnical Works before awarding the tender for the Main Works.
20. The following key dates apply to the project:
 - (a) Cancellation of Tenders August 2020
 - (b) Geotechnical Works Quotation September 2020
 - (c) EOI Main Works Tender October 2020

Options

21. Cancel the two tenders for the reasons identified in this report – this option is recommended.
22. No further alternative viable options have been identified during the process.

Public Consultation

23. No public consultation has been undertaken in relation to the outcome of the two tenders.

AMIT CHANAN

Director City Projects and Property

Bruce Gillespie, Senior Delivery Manager

Amarnath Reddy, Project Manager

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

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Item 8.

Cancellation of Tender - Property Portfolio Long-Term Plan for the Community and Service Portfolios

File No: X026622

Tender No: 2031

Summary

This report provides details of the tenders received for the Property Portfolio Long-Term Plan for the Community and Service Portfolios.

The City's Property Portfolio has grown through historical need and council amalgamations.

The Community and Service Property Portfolio is utilised to provide services to the community either via an accommodation grants program, City-owned services or operational accommodation for City staff.

In late 2019, the City publicly advertised for Expressions of Interest, seeking a consultant to develop a Long-Term Plan for the Community and Service Portfolios. The Expression of Interest was followed by a select tender process. Four consultants were invited to participate in a select tender from 25 March to 22 April 2020.

Many of the community assets considered within the tender are located on Crown Land, in which the City is the Crown Land Manager. As a legislative requirement of the Crown Land Management Act 2016, the City's resources are currently significantly engaged in the preparation of numerous Plans of Management. These address the strategic objectives in managing this land and the associated community assets and are required to be completed and endorsed by 1 July 2021.

Given the City's focus on Crown Lands and the statutory deadline to finish those activities, the development of a Long-Term Plan for the Community and Service Portfolios is not as pressing. The City will review ways of delivering this work in an efficient manner at a later stage.

As a result, this report recommends Council decline to accept any of the tenders received for the Property Portfolio Long-Term Plan for the Community and Service Portfolios, cancel the select tender and note that the Long-Term Plan will be developed at a later stage.

Recommendation

It is resolved that Council:

- (A) decline to accept any of the tenders received for the select tender for the Property Portfolio Long-Term Plan for the Community and Service Portfolios;
- (B) cancel the select tender for the Property Portfolio Long-Term Plan for the Community and Service Portfolios; and
- (C) note that the Chief Executive Officer will continue to work with staff to find ways of delivering the Long-Term Plan objectives in an efficient manner at a later stage.

Attachments

Nil.

Background

1. The City's Property Portfolio has grown through historical need and council amalgamations. To meet ever-evolving community expectations for the delivery of services, there is a requirement to strategically review the City's Property Portfolio with future needs in mind.
2. The Community and Service Property Portfolios are utilised by the City to provide services to the community either via an accommodation grants program, City-owned services or operational staff accommodation. It is a diverse and unique portfolio and contains a mix of owned and leased assets.
3. A two-stage procurement process involving an open Expression of Interest followed by a select tender to procure a consultant to develop a Long-Term Plan for the Service and Community Portfolios was undertaken.
4. A review of the community assets considered within the tender established that a number are located on Crown Land and are constrained by the Crown Land Management Act 2016. These assets are to be administered under Plans of Management which are now being prepared.
5. The Plans of Management for these properties provide the strategic framework for their use. Therefore there are efficiencies in completing the Plans of Management prior to undertaking a Long Term Plan.
6. As the timing for the development of the Plans of Management is expected to be within the next 12 months, it is appropriate to wait until these are substantially complete prior to the development of a Property Portfolio Long –Term Plan for the Community and Service Portfolios.

Invitation to Tender

7. The Expression of Interest (EOI) was advertised in The Sydney Morning Herald, The Daily Telegraph and on Council's eTender site, Tenderlink, from 19 November to 10 December 2019. The EOI sought submissions from suppliers capable of undertaking the plan. Eleven submissions were received.
8. The second phase of the procurement process involved the short-listing of four respondents for a select tender. This was open from 25 March to 22 April 2020 and four submissions were received. No late submissions were received.

Financial Implications

9. There are sufficient funds available within the current year's operating budget and future years' forward estimates to efficiently undertake this project at a later stage.

Relevant Legislation

10. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
11. Crown Land Management Act 2016.

Options

12. The City has the option of proceeding with the tender, however given the number of assets situated on Crown Land which will be administered under the Plans of Management and that these plans should be substantially completed prior to the development of the Long Term Plan for the Community and Service Portfolios, the cancellation of this tender is the recommended option.

AMIT CHANAN

Director City Projects and Property

Scott Young, Property Strategy Planner, Development and Strategy

Item 9.**Cancellation of Tender - Façade Remediation and Lighting - 343 George Street, Sydney**

File No: X021558

Tender No: 1975

Summary

This report provides details of the tenders received for 343 George Street Façade Remediation and Façade Lighting.

343 George Street was purchased by the City in 2010.

A Conservation Management Plan was prepared in 2002 and an update prepared in 2018.

A series of façade investigations have occurred which have identified the need to undertake remedial works to the façade including sandstone, steel and bronze windows and cement rendered surfaces.

The tendered scope of works includes stonework replacement and repair; repair of steel and bronze windows; repair and painting of cement rendered surfaces in Barrack Lane; and façade lighting of the George and Barrack Street facades.

This report recommends that Council decline to accept the tender submission of Tenderer A and cancel the tender for 343 George Street Façade Remediation and Lighting as the tender offers were non-compliant.

Recommendation

It is resolved that Council:

- (A) decline to accept the tender offer of Tenderer A for 343 George Street Façade Remediation and Lighting; and
- (B) cancel the tender for 343 George Street Façade Remediation and Lighting.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. 343 George Street was purchased by the City in 2010. Office space within this building is almost fully let to tenants. The property is bordered by Barrack Street to the south, George Street to the east, and Barrack Lane, partially separating it from the building located at 341 George Street.
2. The building was completed in 1925 as the headquarters for the Commercial Banking Corporation of Sydney. The building is listed on the State Heritage Register.
3. A Conservation Management Plan was prepared in 2002 and an update prepared in 2018.
4. A series of façade investigations have occurred which have identified the need to undertake remedial works to the façade including sandstone, steel and bronze windows, and cement rendered surfaces.
5. The façade of this facility is on a maintenance schedule that regularly inspects and makes safe where required the elements of the façade.
6. Concurrently, the City has developed a lighting masterplan for Martin Place as a separate project. The façade works to 343 George Street provide the opportunity to implement the first component of the lighting masterplan. The two projects, façade remediation and façade lighting, have been combined to be delivered as a single project.
7. A major aspect of the project has been to develop methodologies which minimise the impact on tenants. To this end, the tender process has included both an Expression of Interest process to identify the most suitably qualified contractors and an Early Contractor Involvement process to allow materials handling and remediation methodologies to be fully explored with the industry prior to the submission of tenders.

Invitation to Tender

8. The Expression of Interest was issued to the market on 19 July 2019 and closed on 13 August 2019. The Early Contractor Involvement commenced 17 October 2019 and tenders closed on 31 January 2020. Tenderers were invited to submit two options: Option 1 – Repair windows in-situ, and Option 2 – Remove windows and repair in workshop.

Tender Submissions

9. One submission was received from the following organisation:
 - HBS Group Pty Ltd.
10. No late submissions were received.
11. Two organisations who were invited to tender as a result of the Expression of Interest process and participated in the Early Contractor Involvement process, withdrew prior to the close of tender.

Tender Evaluation

12. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
13. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

Financial Implications

14. Currently there are funds available in Capital Works Budget.

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 Procurement and Contract Management Policy.
16. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
17. 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.
18. 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

19. Cancellation of Tender notification letter to be issued to Tenderer A following resolution of Council.

AMIT CHANAN

Director City Projects and Property

Phillip Baker, Project Manager

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Item 10.

Property Matter (Confidential)

File No: X036060

Summary

This report relates to a property transaction.

Attachments A and B contain confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business.

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

Recommendation

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

Attachments

Attachment A. Property Matter (Confidential)

Attachment B. Property Matter (Confidential)

Relevant Legislation

1. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
2. Attachments A and B contain confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business.
3. Discussion of this matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially to achieve the best outcome for ratepayers.

AMIT CHANAN

Director, City Property and Projects

Nicholas Male-Perkins, Commercial Manager, Development and Strategy

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