

10 May 2021

At 2.00 pm

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

## Agenda

1. **Disclosures of Interest**
2. **2020/21 Quarter 3 Review - Delivery Program 2017-2021**
3. **Public Exhibition - Integrated Planning and Reporting Program and Budget 2021/22**
4. **Investments Held as at 31 March 2021**
5. **Investments Held as at 30 April 2021**
6. **Sydney New Year's Eve 2021 - 2026 Memorandum of Understanding and Agency Agreements**
7. **Grants and Sponsorship - Change of Auspice - Randa Sayed**
8. **Lease Approval - Part 540 George Street, Sydney and Stratum Stair Access Town Hall**
9. **Joint Use Project Deed Variation - Alexandria Park Community School - Synthetic Field and Park Road Public Domain Embellishment**
10. **Tender - RFT2020/415 - Supply and Delivery of Stone Products**
11. **Exemption from Tender - Call Centre Services After Hours and Parking Ticket Machines**
12. **Exemption from Tender and Contract Variations - Management of Aquatic and Leisure Facilities - Belgravia Leisure**
13. **Contract Variation - Macdonald Street Widening and Trunk Drainage, Erskineville - Head Construction Contractor**

## 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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### Consent

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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](mailto: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](http://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.**

**2020/21 Quarter 3 Review – Delivery Program 2017-2021**

Document to Follow

**Item 3.**

**Public Exhibition – Integrated Planning and Reporting Program and Budget  
2021/22**

Document to Follow

## Item 4.

### Investments Held as at 31 March 2021

File No: X020701

#### Summary

This report provides details of the City's investment portfolio and performance to 31 March 2021.

The City's total Investment and Cash position was \$666.9M at 31 March 2021, with investments earning interest of \$0.3M 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 to reduce 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. On 2 November 2020, the RBA announced a further drop in the official cash rate to 0.10 per cent. In addition, the RBA launched its Term Funding Facility. This facility, now in the order of \$200 billion, has reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs). 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 also 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. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return will continue to affect the City's interest revenue.

The majority of the City's cash and investments portfolio is held as internally restricted (\$271.9M) or externally restricted (\$67.9M) 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, infrastructure and community facilities in the Green Square urban renewal area and open space acquisitions. The balance of investment funds represents 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 0.67 per cent for March, above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2020 as part of the Investment Strategy.

The City's annual rolling return of 0.65 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.06 per cent, the latest AusBond Bank Bill Index of 0.11 per cent and the enhanced benchmark of 0.51 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2020.

The report 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 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 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 31 March 2021 be received and noted.

## **Attachments**

**Attachment A.** Register of Investments and Cash as at 31 March 2021

**Attachment B.** Investment Performance as at 31 March 2021



## 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 March 2021 is \$666.9M, a decrease of approximately \$9.5M from the \$676.4M reported as at 28 February 2021, reflecting operating income and proceeds from property divestment, offset by capital works expenditure, property acquisition and other operational payments. A schedule detailing all of the City's investments as at the end of March is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$271.9M) or externally restricted (\$67.9M) 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, infrastructure and community facilities in the Green Square urban renewal area and the acquisition of open space. 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 0.67 per cent for March, above the 30 Day Bank Bill Rate (BBR) of 0.01 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.46 per cent (BBR + 0.45 per cent) as endorsed in October 2020 as part of the Investment Strategy.
8. The City's annual rolling return of 0.65 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.06 per cent, the latest AusBond Bank Bill Index of 0.11 per cent and the enhanced benchmark of 0.51 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2020.
9. In response to the global Covid-19 pandemic, the Reserve Bank of Australia (RBA) adjusted the official cash rate on 3 March 2020, and again on 20 March 2020 to 0.25 per cent. On 2 November 2020, the RBA announced a further drop in the official cash rate to 0.10 per cent. In addition, the RBA launched its Term Funding Facility. This facility, now in the order of \$200 billion, has reduced the funding costs of Authorised Deposit-Taking Institutions (ADIs), in turn helping to reduce the interest rates for borrowers. 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 for a prolonged period, as the economic consequences of the pandemic continue to affect major revenue streams, including parking services, commercial property income and timely payment of rates and annual charges. A greater focus on maintaining adequate liquidity with shorter investment maturities, and increasingly limited opportunities to invest funds at adequate rates of return will also continue to affect the City's interest revenue.
11. The report includes graphs depicting that the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond, and 30 day Bank Bill Rate benchmarks have also been included to provide further insight into the City's total investment portfolio performance.
12. 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**

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

## **Financial Implications**

14. The City's investments earned interest of \$0.3M for the month of March 2021 against budgeted earnings of \$0.5M. While the 2020/21 interest revenue budget anticipated a lower interest rate environment over the financial year, the extent of rate reductions and the impact of the RBA Term Funding Facility on investment returns has exceeded predictions.

## **Economic**

15. 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.
16. The RBA reduced the official cash rate downward twice in March 2020. 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. RBA further dropped the cash rate to 0.10 per cent on 2 November 2020.
17. The RBA has continued to indicate that the 0.10 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.

18. 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) is increasingly limited. However, the best available returns are still actively sought when surplus funds are invested.
19. On occasion, financial institutions will not offer term deposit rates as their own liquidity requirements are already satisfied. 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**

20. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
21. 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.
22. The Investment Policy and Strategy was last revised in October 2020, 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 to include specific reference to coal, gas and oil.
23. 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 2020.

### **Critical Dates / Time Frames**

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

## Public Consultation

25. 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.
26. 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.
27. 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.
28. 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 \$85M in thirteen tranches with this Green Tailored deposit.
29. In December 2019, 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.
30. Since March 2020, the City has invested in sixteen tranches, totalling \$95M, in Climate Bond-certified Green Term Deposits with the Commonwealth Bank of Australia (CBA), whilst also meeting the City's risk / return profile.
31. It is evident from these 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 Financial Officer

# **Attachment A**

**Register of Investments and Cash  
as at 31 March 2021**

**Register of Investments and Cash for March 2021 period**

Institution	Rat in g	Face Value \$	Amortised Value \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Call Account</b>									
Westpac Bank	AA	1,830,182	1,830,182	0.00%	0.00%	0.00%	1-Apr-21	22-May-12	0
Commonwealth Bank	AA	48,158,788	48,158,788	0.02%	0.20%	0.20%	1-Apr-21	11-Jun-20	0
Macquarie Bank Ltd	AA	6,035,499	6,035,499	0.03%	0.35%	0.35%	1-Apr-21	21-Sep-20	0
<b>Total</b>		<b>56,024,469</b>	<b>56,024,469</b>	<b>0.02%</b>	<b>0.21%</b>	<b>0.21%</b>			
<b>Term Deposits (TD)</b>									
Credit Union Australia	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	11-Jun-21	7-Dec-20	6
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.45%	0.45%	17-Aug-21	16-Feb-21	6
ME Bank	A	2,000,000.00	2,000,000.00	0.04%	0.50%	0.50%	11-May-21	16-Nov-20	6
ANZ Bank	AA	5,000,000.00	5,000,000.00	0.06%	0.67%	0.67%	6-Apr-21	31-Aug-20	7
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	21-Jul-21	21-Dec-20	7
Credit Union Australia	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	29-Jun-21	7-Dec-20	7
ME Bank	A	7,000,000.00	7,000,000.00	0.04%	0.50%	0.50%	8-Jun-21	6-Nov-20	7
ME Bank	A	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	18-May-21	16-Oct-20	7
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	4-May-21	8-Sep-20	8
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	23-Jul-21	4-Dec-20	8
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	6-Aug-21	1-Dec-20	8
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	30-Jul-21	30-Nov-20	8
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	21-Sep-21	21-Dec-20	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	9-Jul-21	13-Oct-20	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	25-Jun-21	29-Sep-20	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.06%	0.70%	0.70%	4-Jun-21	8-Sep-20	9
Bendigo & Adelaide Bank	A	5,000,000.00	5,000,000.00	0.03%	0.40%	0.40%	15-Oct-21	12-Jan-21	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	3-Aug-21	4-Nov-20	9
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	10-Aug-21	4-Nov-20	9
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	7-Sep-21	11-Nov-20	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	8-Oct-21	9-Dec-20	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	24-Sep-21	1-Dec-20	10
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	1-Oct-21	1-Dec-20	10
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	31-Jan-22	1-Mar-21	11
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	4-Feb-22	1-Mar-21	11
ME Bank	A	5,000,000.00	5,000,000.00	0.05%	0.65%	0.65%	23-Nov-21	22-Dec-20	11
Bank of Queensland	A	5,000,000.00	5,000,000.00	0.04%	0.42%	0.42%	14-Jan-22	15-Jan-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.44%	0.44%	2-Mar-22	2-Mar-21	12
Commonwealth Bank	AA	10,000,000.00	10,000,000.00	0.04%	0.45%	0.45%	1-Mar-22	1-Mar-21	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.52%	0.52%	1-Dec-21	1-Dec-20	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.57%	0.57%	26-Oct-21	27-Oct-20	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.63%	0.63%	19-Oct-21	20-Oct-20	12
Commonwealth Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.64%	0.64%	14-Oct-21	14-Oct-20	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	21-Feb-22	19-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	18-Feb-22	18-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Feb-22	17-Feb-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	16-Feb-22	16-Feb-21	12
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.05%	0.60%	0.60%	17-Dec-21	18-Dec-20	12
Macquarie Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	10-Dec-21	11-Dec-20	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	10-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	11-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	12-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Jan-22	11-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	27-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	28-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	29-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	30-Dec-21	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	3-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	4-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	5-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	6-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	7-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	10-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	11-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	12-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	13-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	14-Jan-22	8-Jan-21	12
Macquarie Bank	A	1,000,000.00	1,000,000.00	0.06%	0.70%	0.70%	17-Jan-22	8-Jan-21	12
ME Bank	A	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	7-Feb-22	9-Feb-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.41%	28-Jan-22	25-Jan-21	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	19-Nov-21	13-Nov-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.04%	0.50%	0.50%	14-Dec-21	15-Dec-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	16-Nov-21	11-Nov-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	12-Nov-21	9-Nov-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.55%	11-Nov-21	11-Nov-20	12
National Aust Bank	AA	5,000,000.00	5,000,000.00	0.07%	0.83%	0.83%	13-Aug-21	14-Aug-20	12
Northern Territory Treasury Corporation- Fixed Rate Bond- Annual	AA	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	15-Jun-25	9-Feb-21	52
Northern Territory Treasury Corporation- Fixed Rate Bond- Annual	AA	5,000,000.00	5,000,000.00	0.08%	0.90%	0.90%	15-Jun-25	5-Feb-21	52
Westpac Bank (3 months BBSW + 88 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.89%	1.01%	14-May-21	16-May-19	24
Westpac Banking Corporation (2.80% Fixed 1 year & 3 Months BBSW + 82 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.85%	0.98%	21-Sep-21	21-Sep-18	36
Westpac Banking Corporation (2.94% Fixed 2 years & 3 months BBSW + 82 points 3 years)	AA	5,000,000.00	5,000,000.00	0.07%	0.83%	2.07%	8-Nov-21	6-Nov-18	36
Westpac Banking Corporation (2.90% Fixed 2 years & 3 Months BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.91%	0.98%	11-Oct-21	12-Oct-17	48
Westpac Banking Corporation (2.80% Fixed 1 year & 3 Months BBSW + 85 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.88%	0.96%	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	0.07%	0.84%	2.09%	21-Nov-22	21-Nov-18	48
Westpac Banking Corporation (3% Fixed 2 years & 3 Months BBSW + 133 points 3 years)	AA	5,000,000.00	5,000,000.00	0.11%	1.36%	1.50%	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%	1.29%	1.52%	31-Aug-22	31-Aug-17	60

### Register of Investments and Cash for March 2021 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)
<b>Term Deposits (TD) 'Green Tailored Deposits'</b>									
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.05%	0.63%	0.32%	6-Jul-21	7-Oct-20	9
Commonwealth Bank - Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.03%	0.38%	0.06%	17-Feb-21	17-Feb-21	10
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.67%	0.34%	27-Jul-21	1-Oct-20	10
Westpac Banking Corporation - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.71%	0.47%	17-Jun-21	21-Aug-20	10
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.03%	0.41%	0.10%	24-Dec-21	25-Jan-21	11
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.04%	0.53%	0.22%	29-Oct-21	27-Nov-20	11
Westpac Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.41%	20-Aug-21	22-Sep-20	11
Westpac Banking Corporation - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.75%	0.50%	16-Jul-21	19-Aug-20	11
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.04%	8-Mar-22	9-Mar-21	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.04%	0.43%	0.11%	25-Jan-22	25-Jan-21	12
Commonwealth Bank - Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.04%	0.42%	0.11%	14-Jan-22	15-Jan-21	12
Commonwealth Bank - Green Tailored Deposit	AA	10,000,000.00	10,000,000.00	0.04%	0.46%	0.15%	23-Dec-21	23-Dec-20	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.05%	0.55%	0.23%	18-Nov-21	18-Nov-20	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.35%	30-Sep-21	1-Oct-20	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.35%	1-Oct-21	1-Oct-20	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.70%	0.41%	30-Sep-21	30-Sep-20	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.69%	0.40%	28-Sep-21	28-Sep-20	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.71%	0.41%	17-Sep-21	22-Sep-20	12
Commonwealth Bank - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.73%	0.43%	2-Sep-21	2-Sep-20	12
Westpac Banking Corporation - Green Tailored Deposit	AA	5,000,000.00	5,000,000.00	0.06%	0.73%	0.49%	27-Aug-21	27-Aug-20	12
Westpac Banking Corporation - Green Tailored Deposit - Quarterly payments	AA	5,000,000.00	5,000,000.00	0.07%	0.83%	0.62%	13-Jul-21	13-Jul-20	12
Westpac Banking Corporation - Green Tailored Deposit (0.47% Fixed 1 years & 3 months BBSW + 45 points for year 2)	AA	10,000,000.00	10,000,000.00	0.04%	0.47%	0.16%	23-Dec-22	23-Dec-20	24
Westpac Banking Corporation - Green Tailored Deposit (0.50% Fixed 1 years & 3 months BBSW + 47 points for year 1)	AA	10,000,000.00	10,000,000.00	0.04%	0.50%	0.17%	21-Dec-22	21-Dec-20	24
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%	1.03%	1.16%	22-Mar-24	25-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%	1.03%	1.23%	11-Mar-24	13-Mar-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	0.09%	1.03%	1.13%	28-Feb-24	1-Mar-19	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	0.08%	0.96%	2.47%	29-Nov-23	30-Nov-18	60
Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW + 93 points)	AA	10,000,000.00	10,000,000.00	0.08%	0.96%	1.06%	27-Nov-23	26-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	0.09%	1.06%	1.12%	24-Jan-24	25-Jan-19	60
<b>Total</b>		<b>472,000,000</b>	<b>472,000,000</b>	<b>0.05%</b>	<b>0.64%</b>	<b>0.61%</b>			
<b>Floating Rate Notes (FRN)</b>									
ANZ Bank (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.07%	0.89%	1.01%	8-Feb-22	8-Feb-19	36
Bank of China - Sydney Branch (90 days BBSW + 103 points)	A	4,500,000.00	4,500,000.00	0.08%	0.93%	1.15%	15-Nov-21	15-Nov-18	36
Credit Union Australia (3 months BBSW + 90 bps)	BBB	2,800,000.00	2,800,000.00	0.08%	0.91%	1.03%	21-Feb-23	21-Feb-20	36
Credit Union Australia (90 days BBSW + 123 points)	A	1,500,000.00	1,500,000.00	0.11%	1.27%	1.38%	4-Mar-22	4-Mar-19	36
ME Bank (90 days BBSW + 127 points)	BBB	2,500,000.00	2,500,000.00	0.11%	1.28%	1.36%	16-Apr-21	17-Apr-18	36
ME Bank (90 days BBSW + 98 points)	BBB	3,000,000.00	3,000,000.00	0.08%	0.99%	1.06%	18-Jul-22	18-Jul-19	36
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000.00	4,000,000.00	0.08%	1.00%	1.11%	16-Aug-22	31-Oct-18	45
ANZ Bank (90 days BBSW + 103 points)	AA	5,000,000.00	5,000,000.00	0.09%	1.06%	1.19%	6-Dec-23	6-Dec-18	60
ANZ Bank (90 days BBSW + 118 points)	AA	5,000,000.00	5,000,000.00	0.10%	1.20%	1.29%	7-Apr-21	7-Apr-16	60
ANZ Bank (90 days BBSW + 77 points)	AA	4,000,000.00	4,000,000.00	0.07%	0.80%	0.91%	29-Aug-24	29-Aug-19	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.91%	1.04%	9-May-23	9-May-18	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000.00	4,000,000.00	0.09%	1.06%	1.19%	3-Feb-23	5-Feb-18	60
Bendigo & Adelaide Bank (90 days BBSW + 146 points)	BBB	5,000,000.00	5,000,000.00	0.12%	1.47%	1.53%	20-Apr-21	20-Apr-16	60
Commonwealth Bank (90 days BBSW + 85 points)	AAA	4,600,000.00	4,600,000.00	0.07%	0.86%	0.98%	17-Nov-21	17-Nov-16	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.94%	1.06%	16-Aug-23	16-Aug-18	60
Macquarie Bank (3 months BBSW + 48 points)	A	5,000,000.00	5,000,000.00	0.04%	0.52%	0.17%	9-Dec-25	9-Dec-20	60
Macquarie Bank (3 months BBSW + 84 points)	A	5,000,000.00	5,000,000.00	0.07%	0.85%	0.98%	12-Feb-25	12-Feb-20	60
National Australia Bank (90 days BBSW + 104 points)	AA	4,000,000.00	4,000,000.00	0.09%	1.07%	1.17%	26-Feb-24	26-Feb-19	60
National Australia Bank (90 days BBSW + 77 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.78%	0.85%	21-Jan-25	21-Jan-20	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	1.05%	16-May-23	16-May-18	60
National Australia Bank (90 days BBSW + 92 points)	AA	3,200,000.00	3,200,000.00	0.08%	0.95%	1.10%	19-Jun-24	20-Jun-19	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000.00	3,500,000.00	0.08%	0.96%	1.09%	26-Sep-23	26-Sep-18	60
Newcastle Permanent Building Society (90 days BBSW + 63 points)	BBB	5,000,000.00	5,000,000.00	0.06%	0.67%	0.06%	4-Mar-26	4-Mar-21	60
Suncorp Bank (90 days BBSW + 112 points)	AAA	1,500,000.00	1,500,000.00	0.09%	1.13%	1.19%	24-Apr-25	27-Apr-20	60
Suncorp Bank (90 days BBSW + 138 points)	A	5,000,000.00	5,000,000.00	0.12%	1.39%	1.48%	12-Apr-21	12-Apr-16	60
Suncorp Bank (90 days BBSW + 45 points)	A	2,100,000.00	2,100,000.00	0.04%	0.46%	0.08%	24-Feb-26	24-Feb-21	60
Suncorp Bank (90 days BBSW + 77 points)	A	4,500,000.00	4,500,000.00	0.07%	0.80%	0.95%	13-Sep-23	13-Sep-18	60
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000.00	2,500,000.00	0.08%	0.98%	1.10%	16-Aug-22	16-Aug-17	60
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000.00	5,000,000.00	0.07%	0.86%	0.99%	6-Mar-23	6-Mar-18	60
Westpac Banking Corporation (90 days BBSW + 88 points)	AA	4,000,000.00	4,000,000.00	0.07%	0.89%	1.01%	16-Aug-24	16-May-19	63
<b>Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'</b>									
Bank Australia - Sustainability Bond (3months BBSW + 90 points)	BBB	5,000,000.00	5,000,000.00	0.08%	0.93%	1.05%	2-Dec-22	2-Dec-19	36
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000.00	5,000,000.00	0.08%	0.94%	1.06%	31-Mar-22	31-Mar-17	60
<b>Total</b>		<b>128,700,000</b>	<b>128,700,000</b>	<b>0.08%</b>	<b>0.95%</b>	<b>1.01%</b>			
<b>Total Investments</b>		<b>656,724,469</b>	<b>656,724,469</b>	<b>0.06%</b>	<b>0.67%</b>	<b>0.65%</b>			
<b>Benchmark: 30 Day Bank Bill Index</b>				<b>0.00%</b>	<b>0.01%</b>	<b>0.06%</b>			
<b>Benchmark: Bloomberg AusBond Bank Bill Index</b>				<b>0.00%</b>	<b>0.00%</b>	<b>0.11%</b>			
<b>City of Sydney's available bank balance as at 31 March 2021</b>		<b>10,268,960</b>	<b>10,268,960</b>						
<b>TOTAL INVESTMENTS &amp; CASH</b>		<b>666,993,429</b>	<b>666,993,429</b>						

**Summary of Net Investment Movements - March 2021**

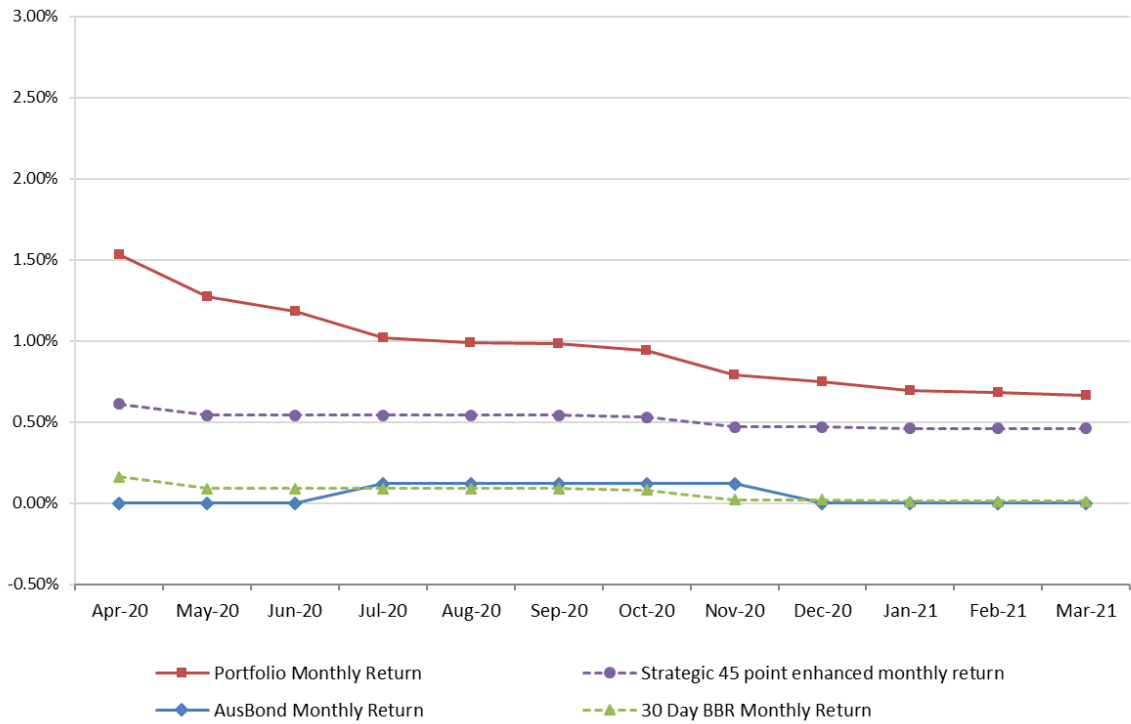
<b>Financial Institution</b>	<b>Fund Rating</b>	<b>Net Invest/(Recall) Amount \$</b>	<b>Commentary</b>
<b>General Fund</b>			
Westpac Bank	AA	(11,000,000)	March closing balance is lower compared to February and this fund's been utilised for operational use and invested higher yielding FRN
<b>Call Account</b>			
Commonwealth Bank	AA	(9,000,000)	Funds redeemed from Westpac & CBA Call Accounts are placed in CBA higher yielding Term Deposits
Macquarie Bank Ltd	A	0	
Westpac Bank	AA	(1,000,000)	
<b>Term Deposits (TDs)</b>			
ANZ Bank	AA	(10,000,000)	Redeemed matured investments and placed in higher yielding Term Deposits.
Bank of Queensland	BBB	(5,000,000)	
Commonwealth Bank	AA	25,000,000	
<b>Floating Rate Note (FRN)</b>			
Heritage Bank	BBB	(3,500,000)	Redeemed matured investments and placed in higher yielding Floating Rate Note
Newcastle Permanent Building Society	BBB	5,000,000	



# **Attachment B**

**Investment Performance  
as at 31 March 2021**

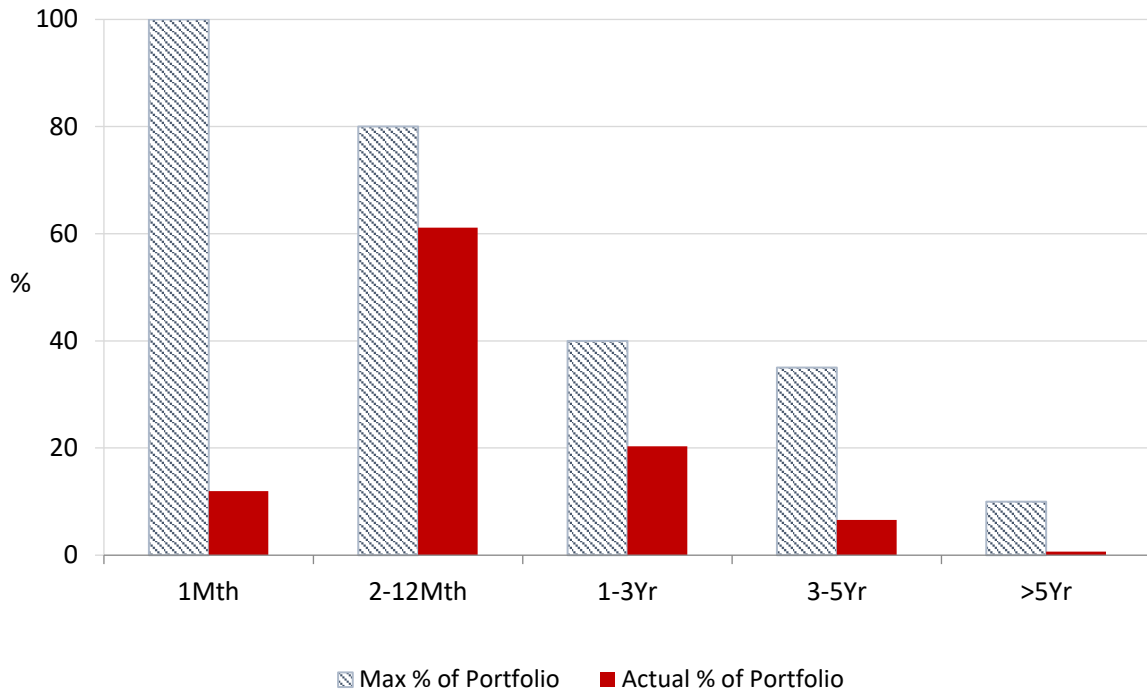
**Monthly Results**  
**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark**  
**March 2021**



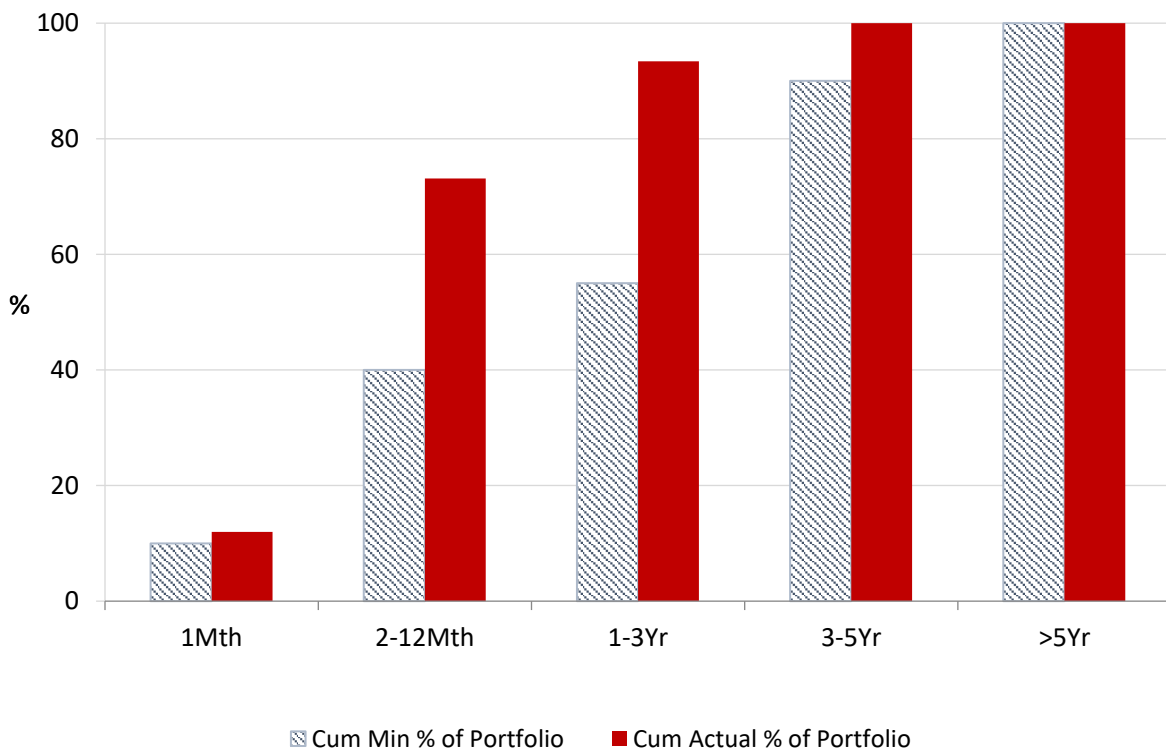
**12 Month Rolling Averages**  
**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark**  
**March 2021**



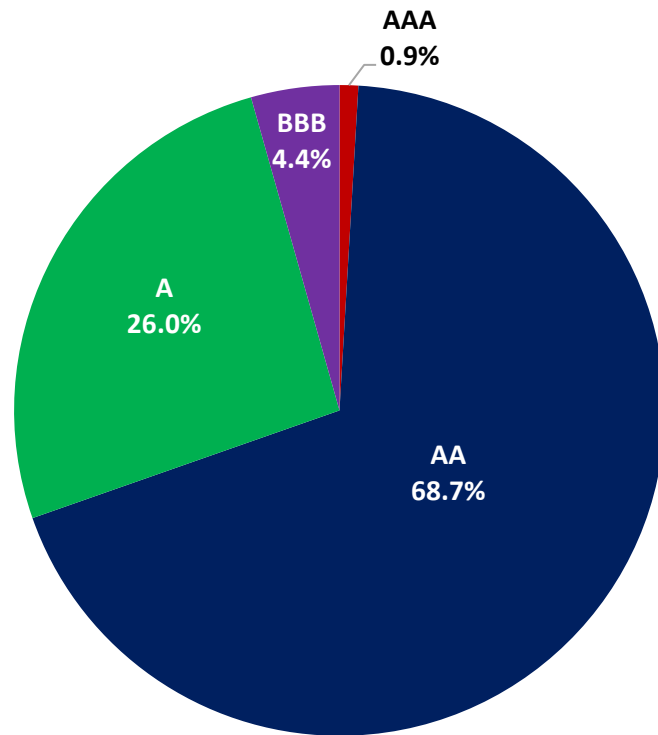
**Portfolio Liquidity - Maximum Allowances as at 31 March 2021**



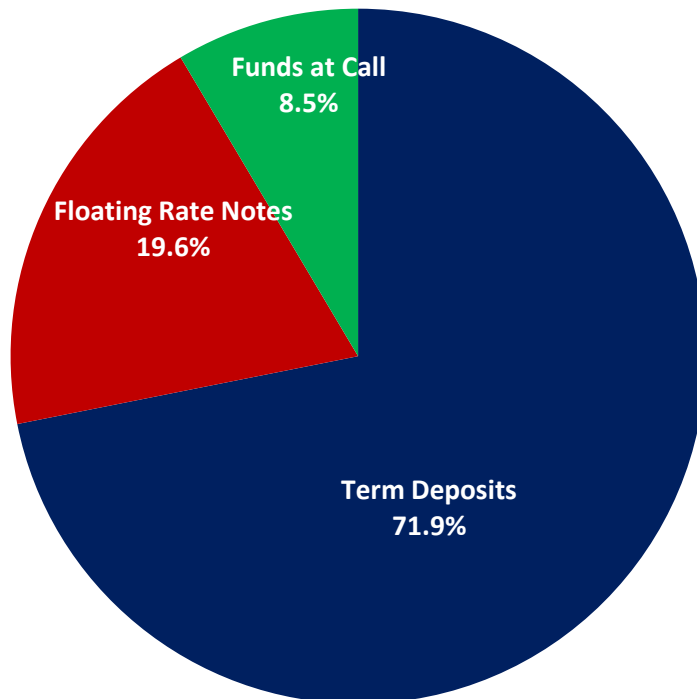
**Portfolio Liquidity - Minimum Allocations as at 31 March 2021**



### Risk Profile as at 31 March 2021



### Investment Product Profile as at 31 March 2021

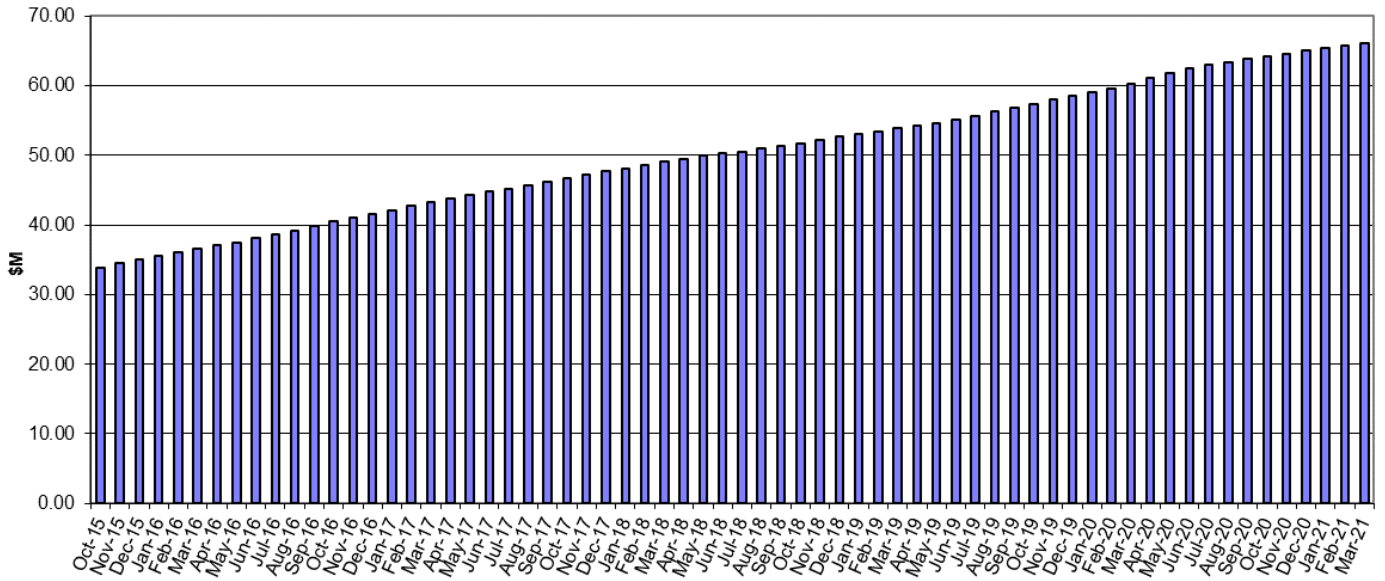


**INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION**

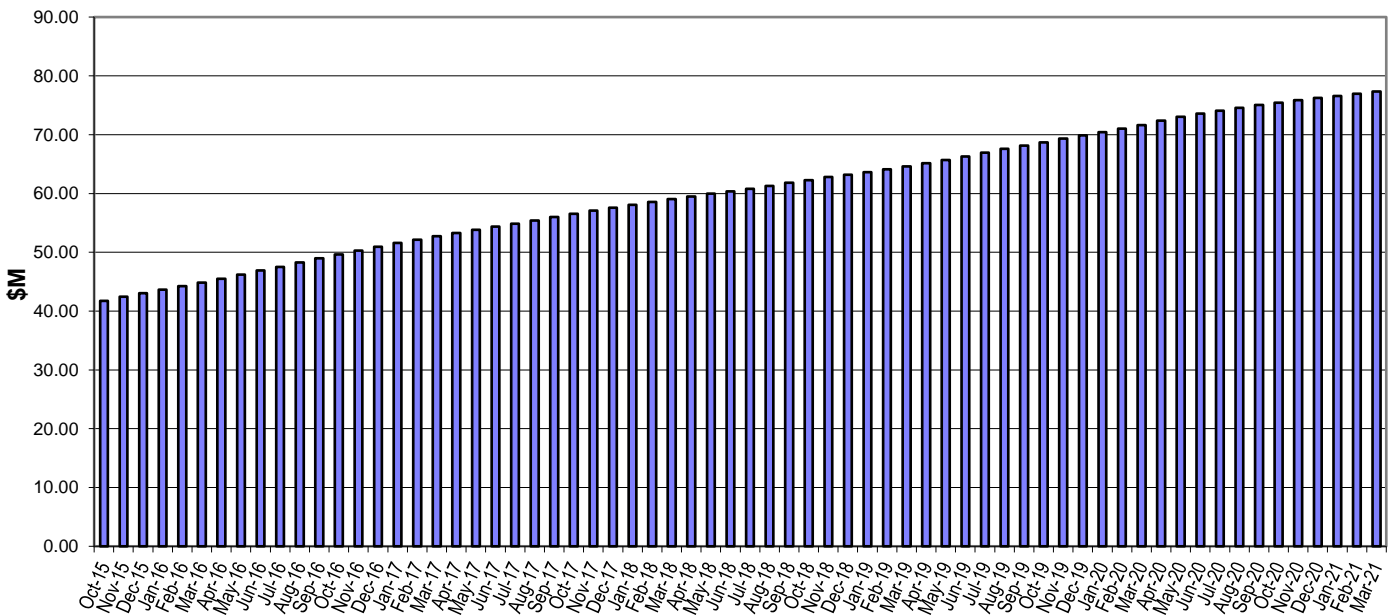
as at 31 March 2021

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	28.0	4.3	
	Commonwealth Bank	211.3	32.2	
	National Aust Bank	70.7	10.8	
	Westpac Banking Corporation	135.8	20.7	
<b>Big 4 Total</b>		<b>445.8</b>		<b>67.9</b>
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	5.0	0.8	
	Bank of China	4.5	0.7	
	Bank of Queensland	39.0	5.9	
	Bendigo & Adelaide Bank	15.0	2.3	
	Credit Union Australia Ltd	14.3	2.2	
	ME Bank	49.5	7.5	
	Suncorp Bank	19.6	3.0	
	Macquarie Bank Ltd	49.0	7.5	
	Northern Territory Treasury Corporation	10.0	1.5	
	Newcastle Permanent Building Society	5.0	0.8	
<b>Other ADI Total</b>		<b>210.9</b>		<b>32.1</b>
<b>Grand Total</b>		<b>656.7</b>	<b>100.0</b>	<b>100.0</b>

### Cumulative Outperformance over AusBond Benchmark - 2015-2021



### Cumulative Outperformance over 30 Day BBR Benchmark - 2015-2021



**Item 5.**

**Investments Held as at 30 April 2021**

Document to Follow

**Item 6.****Sydney New Year's Eve 2021 - 2026 Memorandum of Understanding and Agency Agreements**

**File No: X080346.003**

**Summary**

Since 2001, a Memorandum of Understanding (MOU) between the City and the NSW Government (the State) has provided a commitment between the State, the NSW Government Agencies (the Agencies) and the City to cooperate in the organisation and staging of Sydney New Year's Eve.

The Memorandum of Understanding provides Hallmark status for the Sydney New Year's Eve event providing exemption from charges of the NSW Police Force, Transport for NSW (traffic services only) and NSW Ambulance, establishing responsibilities to both parties in the MOU, vital to the successful rollout of the event.

These arrangements enable the City to work collaboratively with the NSW Government to deliver the annual event, which is acknowledged as important to both parties in achieving economic, strategic marketing, and community impacts for Sydney and NSW. The Sydney New Year's Eve event has an economic impact of \$280 million to Sydney.

**Recommendation**

It is resolved that authority be delegated to the Chief Executive Officer to negotiate and enter into a Memorandum of Understanding with the NSW Government, and Agency Agreements with relevant NSW Government Agencies, for a further five year period with regard to the facilitation and support of 2021 to 2025 Sydney New Year's Eve Events.



## Background

1. In 2001, Council entered into a Memorandum of Understanding with the State which provided a commitment between the State, the Agencies and the City to cooperate in the organisation and staging of the Sydney New Year's Eve events between 2001 and 2005.
2. The Memorandum of Understanding was renegotiated in 2005 and 2010 for further five-year periods, covering the Sydney New Year's Eve event from 2006 to 2010 and 2011 to 2015 respectively. The most recent MOU was signed on 18 May 2016 and concludes on 30 June 2021. The associated Agency Agreements will also conclude in 2021.
3. Sydney New Year's Eve is recognised as being of profound significance in generating tourism and tourism awareness for Sydney. The event has a direct economic impact of \$280 million for Sydney and is important to both the State and the City in achieving economic, strategic marketing, and community impacts for Sydney and NSW.
4. While the Memorandum of Understanding is not a legally binding contract, it is a firm commitment between the State and City to cooperate in the organisation and staging of the event. It clearly establishes the responsibilities of both parties in relation to the event, and recognises the significant resources and support provided by various State agencies that are critical to the event's continuing success.
5. The Memorandum of Understanding:
  - (a) confers "Hallmark Event" status for the event under the Whole of Government Policy for the Application of User Charges for Major and Special Events. Such events enhance awareness, appeal and profitability of a destination at a particular time; have an international and/or national audience; and provide significant economic and social benefits. Hallmark Event status provides the City with an exemption from the charges of the NSW Police Force, Transport for NSW and NSW Ambulance.
  - (b) sets out the responsibilities of both parties in relation to the event, including the State's responsibilities to provide information, support, coordination and planning for transport, emergency and health, policing and public safety, and convene relevant forums as part of the whole-of-government approach to major events.
  - (c) protects the rights to the event that the City may grant to corporate partners, such as broadcasting rights, and the City's creative and artistic control of the event.
  - (d) establishes a mechanism by which the State will facilitate the negotiation and implementation of Agency Agreements between the City and relevant agencies, which secures resources and land required to deliver the event.
6. In the most recent period covered by the Memorandum of Understanding, the City negotiated and implemented Agency Agreements with:
  - (a) Transport for NSW;
  - (b) Office of Environment and Heritage;
  - (c) Port Authority of New South Wales;

- (d) Royal Botanic Gardens and Domain Trust;
  - (e) Sydney Harbour Foreshore Authority; and
  - (f) Sydney Opera House Trust.
7. The agencies with whom Agency Agreements are required for the 2021 to 2026 Sydney New Year's Eve event are likely to be similar to the previous period. However, the specific agencies will be determined in consultation with the State following negotiation and execution of the Memorandum of Understanding. The determination will be based upon the scope and nature of resources and support required by the City for the event, and the durations of these Agreements may be less than the five-year term of the Memorandum of Understanding where appropriate.
  8. The most recent Memorandum of Understanding with the State was signed on 18 May 2016 and concludes on 30 June 2021. The associated Agency Agreements will all also conclude in 2021.
  9. To successfully deliver 2021 Sydney New Year's Eve, the City must ensure that a further Memorandum of Understanding with the State is executed by the end of June 2021. Negotiation and execution of the Agency Agreements will follow, with all to be in place prior to the 2021 event.
  10. Five-year Memorandum of Understandings, and Agency Agreements to cover this period, have always allowed the City to develop long term strategies for creative and operational improvements.
  11. The main points that have been discussed to date between the State and the City relating to the re-negotiation of the Memorandum of Understanding are that it:
    - (a) maintain the same spirit of previous Memorandum of Understandings;
    - (b) be for the same period (five years); and
    - (c) refer to the direct economic impact of Sydney New Year's Eve.
  12. The further Memorandum of Understanding will be substantially the same as the previous Memorandum of Understanding, with minor changes to contemporise the scope, such as endeavours to make the event accessible to people with disability and acknowledging the importance of collecting data related to the event. Continuation of the Memorandum of Understanding in substantially the same form is considered a positive outcome.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

13. 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. The continued delivery of the annual Sydney New Year's Eve event is aligned with the following Sustainable Sydney 2030 strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City: the Sydney New Year's Eve event, and the associated event broadcasts and marketing, is significant in generating tourism and tourism awareness for Sydney.
  - (b) Direction 5 - A Lively and Engaging City Centre: the Sydney New Year's Eve event, and associated activities of Harbour foreshore landowners, creates a vibrant, safe and accessible experience of the city centre on New Year's Eve.
  - (c) Direction 7 - A Cultural and Creative City: the Sydney New Year's Eve event provides opportunities for the cultural and creative sector and showcases Sydney as a creative city through its delivery of major special events.
  - (d) Direction 10 - Implementation through Effective Governance and Partnerships: the negotiation and implementation of the Memorandum of Understanding and Agency Agreements result in strong strategic alignments with the State and agencies in the delivery of the annual Sydney New Year's Eve event.

### Organisational Impact

14. The negotiation and subsequent implementation of the Memorandum of Understanding and Agency Agreements is critical to securing the resources and support of the State and relevant agencies that are required to deliver the annual Sydney New Year's Eve event.

### Risks

15. Failure to secure the support of the State and its agencies would jeopardise the ability of the City to practically and financially deliver the annual Sydney New Year's Eve event. It would also likely reduce the quality of the event experience for attendees (through reduced service levels) and create public safety risks (from a lack of an all agency coordination approach).

### Economic

16. Negotiation and implementation of the Memorandum of Understanding and Agency Agreements is critical to enable delivery of the Sydney New Year's Eve event, which has a potential direct economic impact to Sydney of \$280 million annually.

### **Financial Implications**

17. The operational budget for Sydney New Year's Eve is predicated upon continued Hallmark Event status and the resources and support of key State Government agencies.
18. By securing continued Hallmark Event status for Sydney New Year's Eve, the City is exempted from a number State Government agency charges, including the NSW Police Force, Transport for NSW and NSW Ambulance. Without this exemption, the City would be charged for the costs incurred by these agencies in relation to policing, traffic services and ambulance services.
19. The Agency Agreements also secure additional savings for the City, including a waiver of fees and charges associated with the use of land and licence fees required for the City's ticketed events, the maritime exclusion zone on Sydney Harbour, land required for the loading and unloading of pyrotechnics, and the effects placed on the Sydney Harbour Bridge.

### **Critical Dates / Time Frame**

20. The current Memorandum of Understanding and Agency Agreements expire on 30 June 2021.
21. The further Memorandum of Understanding to cover the Sydney New Year's Eve events needs to be negotiated and executed by the end of June 2021. Negotiation and execution of the Agency Agreements will follow, with all to be in place prior to 2021 Sydney New Year's Eve event.

### **EMMA RIGNEY**

Director City Life

Sandie Forrest, Business Operations Manager, Major Events and Festivals

## Item 7.

### Grants and Sponsorship - Change of Auspice - Randa Sayed

**File No: S117676**

#### Summary

The City of Sydney's Grants and Sponsorship Program supports initiatives and projects that build the social, cultural, environmental and economic life of the city. The provision of grants and sponsorships is a mechanism to further the aims identified in the City's social, cultural, economic and environmental policies. Applications are assessed against these policies and against broad City objectives and plans. In this way, the City and the community act collaboratively to bring to life Sustainable Sydney 2030.

On 29 June 2020, Council approved the allocation of 32 Cultural and Creative Grants and Sponsorships (cash and/or value-in-kind). Sole trader and independent artist, Randa Sayed, was successful in this grant round. She was awarded a grant of \$5,000 to deliver her project 'Scratch Night'; a series of live performances exposing new comic artists from Western Sydney to local City of Sydney communities, across inner city venues.

As required under the Grants and Sponsorship policy, Randa Sayed as a sole trader nominated the Friends of Casula Powerhouse Arts Centre Inc as her auspice. Unfortunately, Friends of Casula Powerhouse Arts Centre can no longer auspice Ms Sayed's project funding, and a new auspice organisation Outloud Inc is proposed.

Grants staff have reviewed this request and are satisfied that the new organisation can satisfy the role of auspice and have conducted the standard eligibility checks for the incoming entity.

With Council's approval to change the auspice for Randa Sayed's grant, the City can enter into a funding agreement with the auspice on Ms Sayed's behalf and release the funding to allow the project to proceed.

#### Recommendation

It is resolved that:

- (A) Council approve the change of auspice for the 2020/21 Cultural and Creative Grants and Sponsorships grant recipient, Randa Sayed, from the Friends of Casula Powerhouse Arts Centre Inc to new auspice Outloud Inc; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the funding agreement with Outloud Inc for Randa Sayed under terms consistent with the City's Grants and Sponsorship Policy.

## Background

1. On 29 June 2020, Council approved the allocation of 32 Cultural and Creative Grants and Sponsorships (cash and/or value-in-kind). Council also delegated authority to the Chief Executive Officer to negotiate, execute and administer agreements with the grant recipients under terms consistent with that resolution and the Grants and Sponsorship Policy.
2. Since November 2020, grant recommendations to Council include the recommendation that authority be delegated to the Chief Executive Officer to correct minor errors to the matters, noting that the identity of the recipient will not change, and that a CEO Update will be provided to Council advising of any changes made in accordance with this resolution. As Randa Sayed's application was approved by Council in June 2020, prior to the new delegation, Council approval to change the auspice is required.
3. An auspice is an incorporated organisation that receives, administers and acquits the City's funding on behalf of an applicant. Under the Grants and Sponsorship Policy, individual artists and sole traders are required to be auspiced by an organisation that is eligible to apply in their own right.
4. Randa Sayed nominated the Friends of Casula Powerhouse Arts Centre Inc as her auspice. Unfortunately, Friends of Casula Powerhouse Arts Centre Inc can no longer auspice Ms Sayed's project funding. Written correspondence has been received from Ms Sayed requesting that a new entity, Outloud Inc (ABN 83 997 017 626), be the auspice for her grant. Outloud Inc have also provided written confirmation of their commitment to support her.
5. Outloud Inc have the technical skills to guide and support Randa Sayed in the delivery of her project, while acknowledging project decisions remain with the applicant.
6. Outloud Inc will be required to:
  - (a) enter into a funding agreement with the City;
  - (b) accept grant funds and pay the auspiced grant applicant; and
  - (c) monitor and acquit the use of funds at the completion of the project.
7. Grants staff are satisfied that Outloud Inc has the technical skills to guide and support Randa Sayed in the delivery of her project and can satisfy the role of auspice. Grants staff have conducted the standard eligibility checks for the incoming entity.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

8. 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 grant is aligned with the following strategic directions and objectives:
  - (a) Direction 7 - A Cultural and Creative City - the grant project will provide opportunities for creative participation, enhance creativity in the public domain and strengthen the sustainability and capacity of the City's cultural and creative industries.

### Organisational Impact

9. The change in auspice for this applicant will enable staff to complete the contract management process and issue the identified grant. Staff will set contract conditions and performance measures for the approved project and review project acquittals, which include both narrative and financial reports.

### Risks

10. The City's Grants and Sponsorship Policy requires individuals applying for funding under the Cultural and Creativity Grants and Sponsorship program to have an auspice. Without this change of auspice, Randa Sayed will not be able to receive funding.

### Social / Cultural / Community

11. This grant will enable the recipient, Randa Sayed, to employ several artists to perform at events. The City's Grants and Sponsorship funding program provides the City with a platform to support cultural, economic and social initiatives from the communities within the local area.

### Financial Implications

12. The initial grant of \$5,000 was approved by Council on 29 June 2020 as part of the 2020/21 Cultural and Creative Grants and Sponsorship annual budget allocation. There are no other financial implications to the City.

### Critical Dates / Time Frames

13. The funded project event is due to be delivered in June 2021. The funding cannot be released to the grant recipient until the new entity is approved and the funding agreement signed by both parties.

## EMMARIGNEY

Director City Life

Jennifer Trinca, Cultural Projects Coordinator - Funded Projects

**Item 8.****Lease Approval - Part 540 George Street, Sydney and Stratum Stair Access Town Hall**

**File No: X079195.010**

**Summary**

This report seeks Council's approval to grant new leases to Proponent A for:

1. the basement, lower ground, ground, first, second and third floors at 540 George Street, Sydney; and
  2. the Stratum Stairs at Town Hall Station;
- for an initial term of ten years, plus four five-year options.

The current leases expire on 31 December 2021.

The granting of new leases will provide Proponent A with leases over the premises at 540 George Street and below ground stratum commencing 1 January 2022 and expiring 31 December 2031. Both leases include an early termination clause available to the City from 1 January 2027.

The evaluation and comparison of the proponents is detailed in Confidential Attachment A, with responses from each proponent reproduced in Confidential Attachments B and C.



## Recommendation

It is resolved that:

- (A) Council note the Evaluation – Commercial Considerations within Attachment A to the subject report;
- (B) Council approve the granting of leases to Proponent A for:
  - (i) the basement, lower ground, ground, first, second and third floors at 540 George Street, Sydney; and
  - (ii) the Stratum Stairs at Town Hall Station;both for an initial ten-year period commencing 1 January 2022 and expiring 31 December 2031, with four five-year options, which allow the City at its sole discretion to give six months early termination notice from 1 January 2027 in the initial term and at any point during the option terms, in accordance with the terms in Attachment B to the subject report;
- (C) authority be delegated to the Chief Executive Officer to finalise negotiations, execute and administer the terms of the leases in clause (B), including non-substantive amendments and any option terms, generally in accordance with the terms of the leases in Attachment B to the subject report; and
- (D) authority be delegated to the Chief Executive Officer to:
  - (i) end negotiations with Proponent B if there are departures from the terms in Attachment B to the subject report, after updating Council through a CEO Update; and
  - (ii) finalise negotiations, execute and administer the terms of the leases with the next most suitable respondent, including non-substantive amendments and any option terms, generally in accordance with the terms contained in Attachment C to the subject report.

## Attachments

- Attachment A.** Evaluation - Commercial Considerations (Confidential)
- Attachment B.** Proponent A - Returnable Schedule: Essential Lease Terms and Conditions (Confidential)
- Attachment C.** Proponent B - Returnable Schedule: Essential Lease Terms and Conditions (Confidential)

## Background

1. 540 George Street is a landmark, 10-level, Sydney CBD Commercial and Retail building located on the corner of George and Park Streets, opposite the Sydney Town Hall.
2. Originally constructed in the 1930's, Woolworths Group Limited held a 40-year leasehold interest from 1965, occupying the lower levels as Woolworths Variety Store. Two floors were added in 1967 and it became the Woolworths Head Office. The City of Sydney purchased the building in May 1985 with the long-term lease agreement to Woolworths Group Limited which expired in October 2005. Major refurbishments took place in 1997 and 2005, with Woolworths Group Limited reducing their occupancy to the current six levels.
3. Woolworths Group Limited currently has a lease for the basement, lower ground, ground, first, second and third floors at 540 George Street, Sydney, for five years, which expires 31 December 2021.
4. In conjunction with its lease over the above premises, Woolworths Group Limited also hold a separate lease for the Stratum Stairs between 540 George Street and Town Hall Station, which expires 31 December 2021.
5. The City undertook a best and final offer competitive process to achieve the best value for ratepayers. To ensure transparency, robustness and integrity, external probity advisors, Procure Group, oversaw the entire process. The best and final offer period ran for six weeks with a two-week evaluation process. Evaluation of submissions was based on financial outcomes.
6. This report recommends that Council give Proponent A an initial 10-year lease commencing 1 January 2022 and expiring 31 December 2031. There is an early termination clause allowing the City to terminate the leases with six months written notice from 1 January 2027.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

7. 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 10 - Implementation through Effective Governance and Partnerships - specifically, Action 10.5.1 - Expand revenues from commercial operations, property portfolio and other income generating assets.

## Financial Implications

8. The renewal of the leases and their financial impact has been incorporated into the City's draft 2021/22 Operating Budget and future year forward estimates.
9. Financial implications are discussed further in Confidential Attachment A.

**Relevant Legislation**

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. Attachments A, B and C to the subject report contain confidential information which, if disclosed, would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
12. Discussion of the matter in an open meeting would, on balance, be contrary to public interest because it would compromise Councils ability to negotiate fairly and commercially to achieve the best outcome to ratepayers.

**AMIT CHANAN**

Director City Projects and Property

Matthew Woodroffe, Commercial Portfolio Manager, Property Services

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## Item 9.

### **Joint Use Project Deed Variation - Alexandria Park Community School - Synthetic Field and Park Road Public Domain Embellishment**

**File No: X017664**

#### **Summary**

In April 2019, the Council of the City of Sydney (City) signed a Project Deed with the Department of Education for the delivery of the redevelopment of Alexandria Park Community School by the Department of Education, which included the construction of indoor and outdoor sports facilities, and a synthetic sports field. The Project Deed provides for long term joint use of sports facilities by the City for community use, in return for the use of part of Park Road for the synthetic sports field and a capital contribution to undertake the works.

The Alexandria Park Community School joint use project will provide the City's residents and sporting groups use of the synthetic sports field, two outdoor sports courts and two multipurpose indoor courts and amenities, outside of school hours.

The Project Deed provides for the extension of the synthetic sports field halfway into Park Road with provision to make good areas impacted by construction only. The City, as a separate project, planned to integrate the remaining area of Park Road into the adjacent Alexandria Park. A concept plan for Park Road integration works has been prepared by the City (refer to Attachment B).

It is proposed in this report to amend the Project Deed to include the construction of the Park Road integration works as part of the works the Department of Education is currently undertaking under the Project Deed and increase the associated City's capital contribution and contingency under the Deed to incorporate these works.

The Department of Education, as part of the Project Deed, and in accordance with the Environmental Planning and Assessment Act 1979, has submitted and obtained approval for a modification application for the field extension into Park Road. The approval of this modification required Sydney Water's endorsement that the raised synthetic field has no flooding impact on the surrounding Alexandria area.

Some additional costs will need to be incurred to develop and implement a design that obtains Sydney Water's endorsement and mitigates any flood impacts (refer Attachment D). This report also proposes to increase the City's agreed capital contribution under the Project Deed, together with an increased contingency, to cover these anticipated extra costs.

The total estimated City project costs for the Park Road integration works and flood mitigation works are within the City's currently approved budget for the project.

## Recommendation

It is resolved that:

- (A) Council endorse the proposed concept design of the Park Road Integration Works as shown at Attachment B to the subject report;
- (B) Council approve the variation of the Alexandria Community School and Park Synthetic Sportsfield – Joint Use Project Deed (Project Deed) to include the construction of the integration works for Park Road, Alexandria;
- (C) Council note that the integration works for Park Road, Alexandria will be carried out by the Department of Education, on behalf of the City;
- (D) Council approve the variation of the Project Deed to allow for the City's capital contribution and a contingency for the detailed design and construction of the Park Road integration works as outlined in Confidential Attachment D to the subject report;
- (E) Council approve the variation of the Project Deed for the City's increased capital contribution and an increased contingency to allow for the additional costs to develop a design for the synthetic field that obtains Sydney Water's endorsement and implement that design as outlined in Confidential Attachment D to the subject report; and
- (F) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a variation to the Project Deed in line with the above clauses.

## Attachments

- Attachment A.** Location Plan and Site Photos
- Attachment B.** Park Road Integration Works - Concept Plan
- Attachment C.** Alexandria Park Shared Use Field – Plan, Sections and Elevation
- Attachment D.** Financial Implications (Confidential)



## Background

1. The Open Space, Sports and Recreation Needs Study 2016 (the Study) forecast the need to increase the City of Sydney's sporting field capacity by the equivalent of 20 turf fields (16,000 playable hours) by 2030.
2. To meet this target, one of the four recommendations (from the Study) is to partner with landowners such as schools, to develop and manage joint use facilities, for use by the community.
3. In 2017, the City approved a sports field upgrade program in its 10-year capital works plan to meet this growing need. A key strategy is to introduce multi-purpose synthetic fields as they provide a far higher usage capacity than traditional grass fields.
4. The Department of Education is redeveloping the Alexandria Park Community School, increasing its capacity from 400 to 2,200 students. Included in the upgrade is a new synthetic sports field, two multi-purpose outdoor courts and a multipurpose indoor sports hall with toilet and change facilities.
5. On 2 April 2019, the City executed a joint use project deed with the State of New South Wales - Department of Education to jointly fund, develop and use a Federation International Football Association (FIFA) level synthetic sports field at Alexandria Park Community School and two outdoor multipurpose courts.
6. The joint use Project Deed will provide community access to the school sports facilities (synthetic field and two multipurpose courts) outside of school hours; 6-10pm Monday-Friday, weekends and school holidays. The new synthetic sports field will provide an additional 2,000+ playable hours per year for community sporting groups.
7. The Project Deed also provides for use by the City a dedicated sport storage area within the school building, use of toilet and change facilities, use of the two multipurpose outdoor courts after school hours and a new under field 150 kilolitre stormwater harvesting system designed to supplement irrigation at Alexandria Park.
8. Provisions for basic make good of the interface area adjoining the sports field was contemplated in the project deed. This only included the area, half of Park Road, impacted by construction works to be made good.
9. It is now proposed that embellishment works are undertaken on Park Road to incorporate the construction area in Park Road (between Buckland and Power Avenue adjacent to Alexandria Park) and extend the works to the boundary of Alexandria Park. The proposed work will integrate the new field work with Alexandria Park.
10. It is proposed to amend the project deed to include the construction of the above Park Road integration works and increase the associated budget and contingency to cover these works.
11. The works will be delivered by the Department of Education, with the Department engaging its consultant and contractor, paid for by the City. This delivery methodology will reduce costs to the City and achieve value for money given the Department of Education has already gone through a competitive procurement process when appointing its current design consultant and its current contractor; simplify the construction process and program, as well as minimise inconvenience to students, sporting groups and neighbouring residents.

12. To achieve the FIFA standard sports field, the current field will be modified to extend over Park Road and be raised to avoid inundation. The raised field design required Sydney Water's endorsement and to mitigate any flood impact of the surrounding Alexandria area.
13. As a requirement for Sydney Water's endorsement, the field design has been amended to include an underground stormwater detention system that can accommodate flood water flows during major storm events (refer Attachment C). The installation of this engineered system will require additional disposal of contaminated material. The maximum field height was amended as part of a value management exercise to mitigate cost.
14. It is proposed that the Department of Education carries out all additional work on behalf of the City. The additional integration works for Park Road will be fully paid for by the City and the additional works for the sports field will be paid for by the City and the Department of Education in accordance with the deed. It is recommended that the project deed is amended to include all additional works outlined in this report.
15. In addition to the Alexandria Community School and Park Synthetic Sports field – Joint Use Project, the City has programmed improvement works to Alexandria Park which comprise:
  - (a) new playground upgrade with new soft-fall;
  - (b) new exercise equipment;
  - (c) resurfacing of existing tennis courts;
  - (d) new header tank to improve the irrigation and use of recycled stormwater on the turf oval; and
  - (e) landscape improvements to the western edge of Alexandria Park to match works in Alexandria Park.
16. The City will commence design and consultation for the park works in 2021 and delivery is scheduled for 2023.

#### **Park Road Integrated Concept Design**

17. A Concept Design has been developed for the proposed integration works along Park Road (refer to Attachment B).
18. The Concept Design sets the overall layout. The key principles are:
  - (a) improve the physical and visual integration of Alexandria Park with the new sporting facilities on the grounds of Alexandria Park Community School and the closed Park Road;
  - (b) create new welcoming and legible entries to both the park and the shared-use field;
  - (c) improve the landscape and planting quality with new trees, turf and mass planting;
  - (d) provide a range of seating opportunities which encourage social interaction;

- (e) use simple, robust, high quality materials which reflect the local neighbourhood and adjacent park character; and
  - (f) retain an existing Ficus tree located in Park Road closest to Buckland Street.
19. The proposal includes the following works;
- (a) new open and clear entries to Alexandria Park and the new shared-use sports field;
  - (b) a new wide and barrier free shared path, connecting Buckland Street to the remaining Park Road and integrating with Alexandria Park's existing path network;
  - (c) a range of seating opportunities, including bench seats with backs and arm rests;
  - (d) seven replacement trees planted along the boundary of the shared use sports field;
  - (e) new turf to the existing park verge to extend the park landscaping to the new shared path;
  - (f) new planting adjacent to the sports field;
  - (g) retaining and protecting the existing heritage park piers;
  - (h) new drainage and Water Sensitive Urban Design (WSUD) opportunities;
  - (i) new park lighting along the shared path to reflect the City of Sydney Lights Code and requirements for park lighting; and
  - (j) undergrounding of power along Park Street where the public domain works will occur.

## Risks

20. The field modification flood mitigation design has received in principle approval from Sydney Water. A The modification application to the Department of Planning was approved in April 2021 which has mitigated the approvals risk for the changed scope.
21. If the sports field and Park Road public domain construction works do not occur at the same time, there will be further complexity in site management and access which could delay construction and inconvenience to the community.

### Financial Implications

22. There are sufficient funds allocated for this project within the current year capital works budget and future year forward estimates. Additional funds were previously added to this project in the future year's capital works program endorsed by Council in May 2020.
23. Current cost estimates and financial implications are detailed in Confidential Attachment D.

### Relevant Legislation

24. 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.
25. Attachment D contains confidential commercial information of Council's estimated costings 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.
26. 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.
27. Section 55(3) of the Local Government Act 1993 provides that the requirement in s55(1) of the Act to invite tenders before entering into a contract does not apply to contracts entered into by Council with the Crown (in right of New South Wales), a Minister of the Crown or a statutory body representing the Crown. The project deed with the Department of Education falls within this provision.

**Critical Dates / Time Frames**

28. Council approval is required at Council's May meeting to ensure that the integration works for Park Road can be completed at the same time as the Department of Education's contractor is undertaking the field construction in Park Road.
29. If this report is approved by Council, the time frame for this project is:
  - (a) Section 4.55 Modification Application approved April 2021.
  - (b) Amend joint use deed June 2021.
  - (c) Detailed design complete June 2021.
  - (d) Commence field construction June 2021.
  - (e) Commence Park Road integration late 2021.
  - (f) Completion of all construction works early 2022.

**Options**

30. Council may choose to not engage the Department of Education for the design and construction of the integration works for Park Road and go out to the market with an open tender for these works.
31. This option is not recommended after considering the cumulative impacts of cost, time and quality of integrating the works as part of the Joint Use Project. The time taken to procure a contractor and construct the works after the Shared Use Project will delay completion of the overall project, be more disruptive to the community and adversely impact the users of the field/park, residents and school children. Additional establishment costs and interface re-working would also be incurred by separating the works.
32. It is recommended Council amend the joint use deed to engage the Department of Education's contractor for the Shared Use Synthetic Field project to undertake the construction of the integration works for Park Road.
33. Any variation works relating the delivery of the synthetic field can be carried out by the Department of Education through the project deed. There is no other viable option to undertake these works.

**Public Consultation**

34. The State Significant Development Application for the Alexandria Park Community School development, including a multipurpose synthetic sports field within school land, conducted consultation from late 2016 to early 2018.
35. The City of Sydney undertook consultation for the closure of Park Road in 2018, noting the road would be developed into a recreational space for the school and public.
36. The Modification Application to the State Significant Development Application, which includes the extension of the synthetic field in Park Road and the Park Road Integration Works, was approved by the NSW Department of Planning and Environment on 18 April 2021.
37. Public consultation was undertaken and managed by the NSW Department of Planning and Environment as part of the assessment of the Modification Application.
38. There were a number of submissions regarding the retention of the existing Ficus Tree (tree 109) in Park Road and concerns about glare from the sports field lighting. The field design was slightly modified during this consultation process to retain the Ficus tree whilst maintaining access from the Buckland Street corner. The field sports lighting is designed to relevant Australian standards which aims to minimise light spill.

**KIM WOODBURY**

Chief Operating Officer

Lucy Farley, Design Manager, City Projects

Kathleen Ng, Senior Project Manager, City Projects

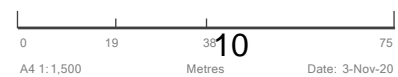
# **Attachment A**

**Location Plan and Site Photos**

# Park Road Integration Works



ALEXANDRIA PARK  
COMMUNITY SCHOOL



A4 1:1,500 Date: 3-Nov-20

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View from Buckland Street down  
Park Road



View looking south down Park  
Road. *Ficus rubinosa* to be  
retained and protected



View looking north up Park Road



View from Park Road looking at  
Alexandria Park



# **Attachment B**

## **Park Road Integration Works – Concept Plan**

# Proposed works



- 01** Retain and protect existing heritage park piers
- 02** New welcoming and legible pedestrian entries to Alexandria Park and the new Shared-Use Field
- 03** Retain existing trees
- 04** New mass planting to sportsfield edge
- 05** New wide and barrier free shared path, connecting Buckland Street to Power Avenue and integrating with Alexandria Park's existing path network
- 06** New park seating including bench seats with backs and arm-rests
- 07** New park lighting along the new path
- 08** New turf to existing park verge. Extend park landscaping to new path
- 09** New path to existing amenities building



- Existing trees to be retained
- Proposed trees
- Proposed turf
- Proposed planting
- Proposed paving

## Proposed works



14



Location Plan

- Existing trees to be retained
- Proposed trees
- Proposed turf
- Proposed planting
- Proposed paving

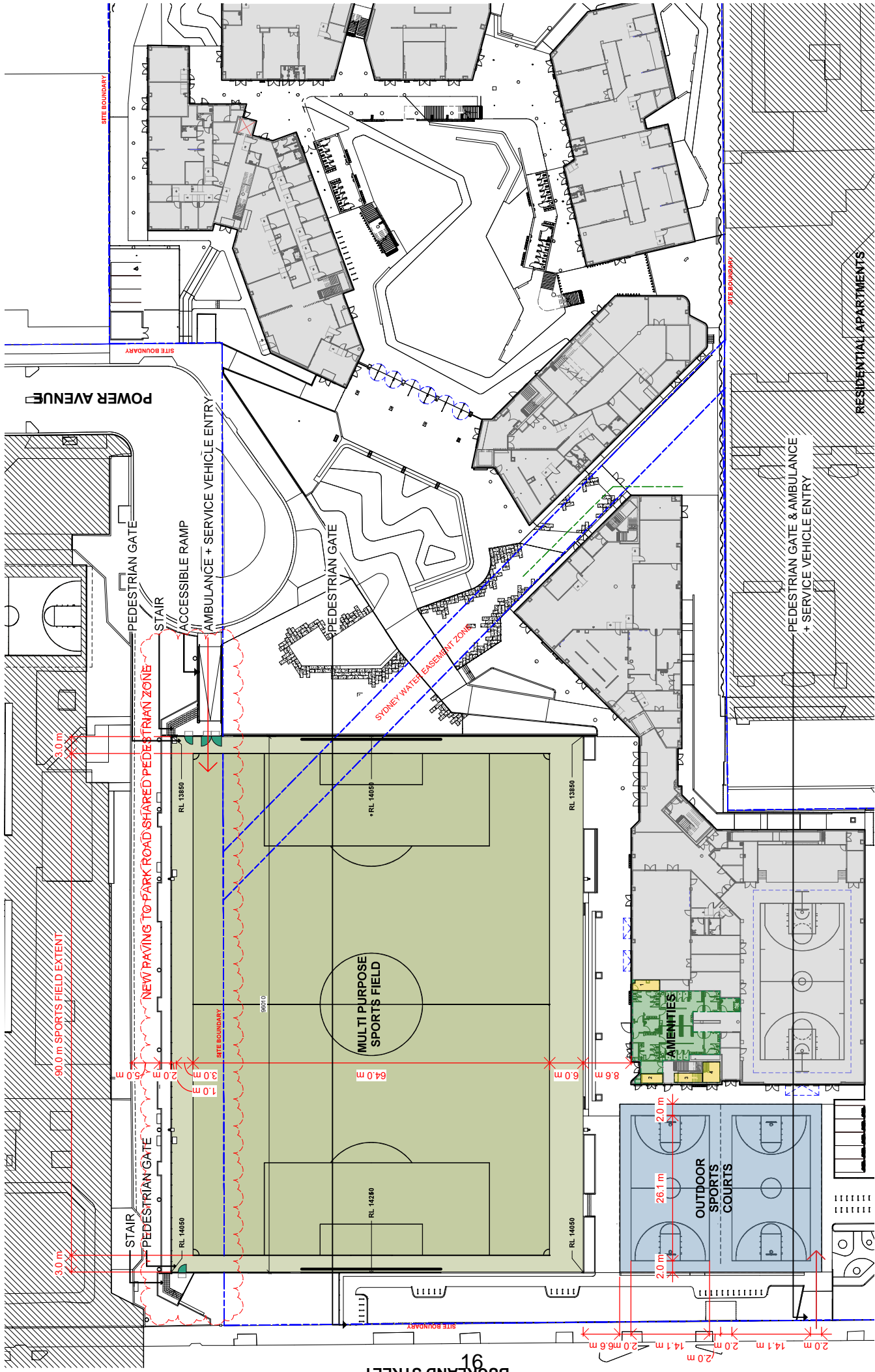


- 01** New mass planting to amenities block
- 02** New park lighting along the new path
- 03** New wide and barrier free shared path, connecting Buckland Street to Power Avenue and integrating with Alexandria Park's existing path network
- 04** New mass planting to sportsfield edge
- 05** New park seating including bench seats with backs and arm-rests
- 06** New path to existing amenities building
- 07** New path to existing tennis courts
- 08** New turf to existing park verge. Extend park landscaping to new path
- 09** New park seating including bench seats with backs and arm-rests
- 10** New welcoming and legible pedestrian entries to Alexandria Park and the new Shared-Use Field
- 10** New maintenance access with bollards

# Park Road Integration Works - Concept Plan

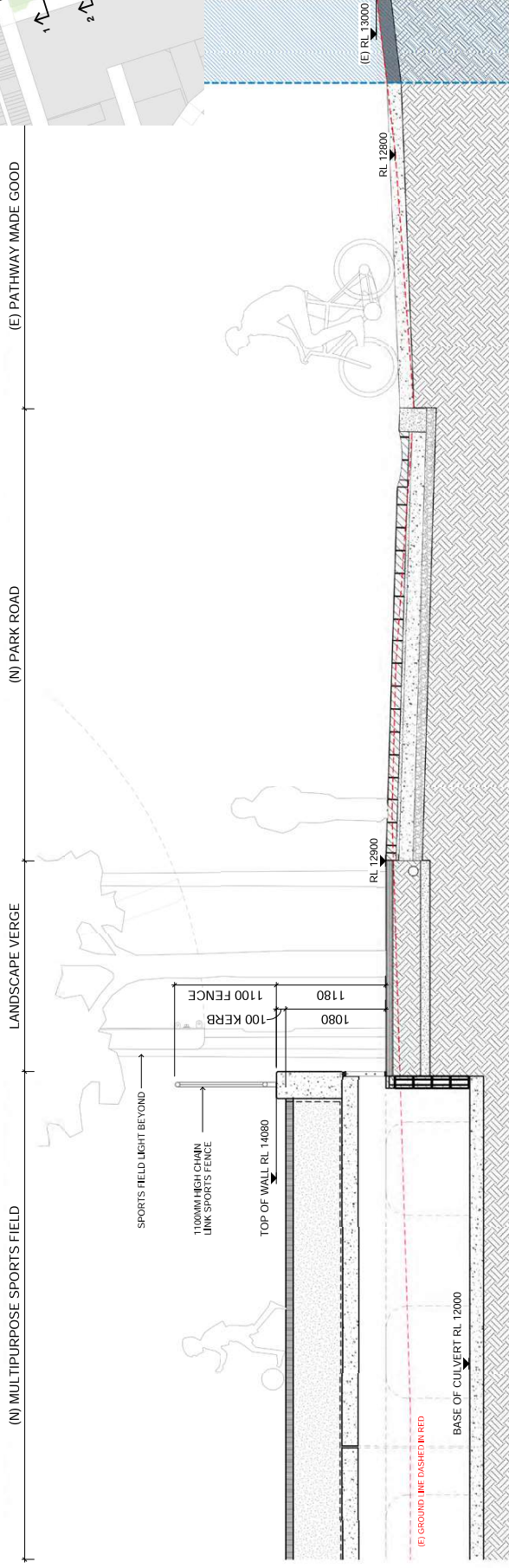
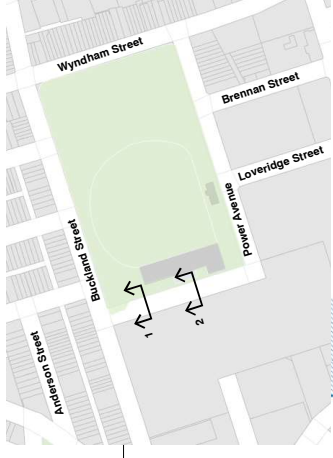
# **Attachment C**

**Alexandria Park Shared Use Field  
- Plan, Sections and Elevation**

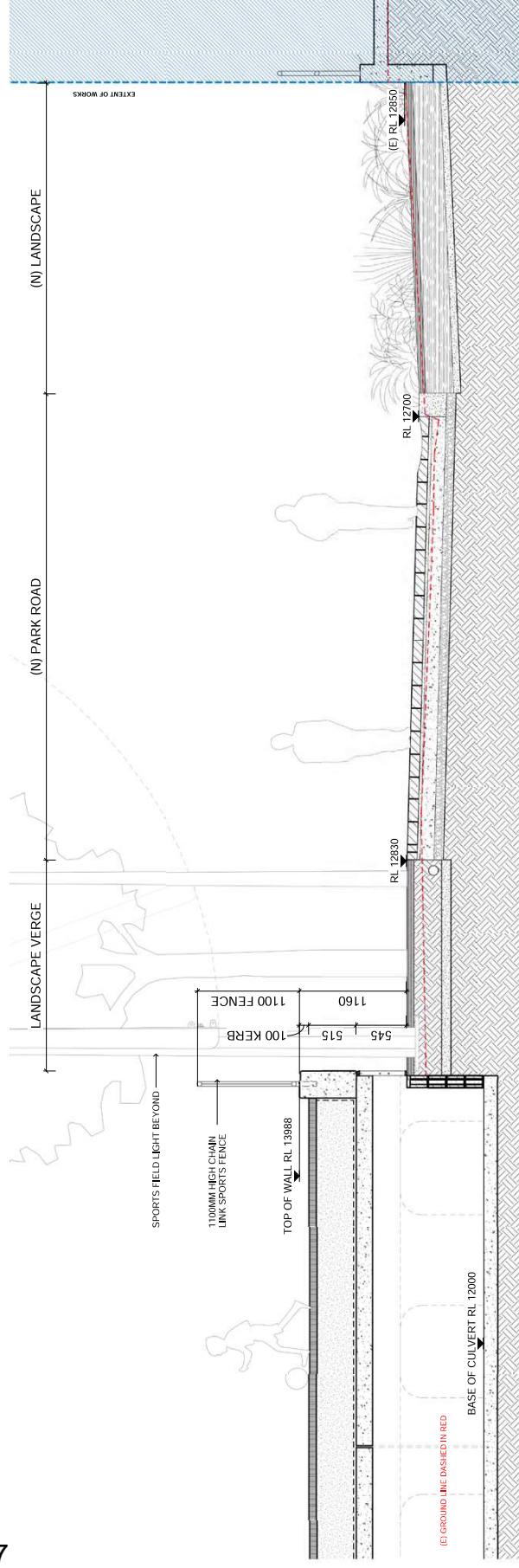


# Alexandria Park Shared Use Field - Plan, Sections & Elevation

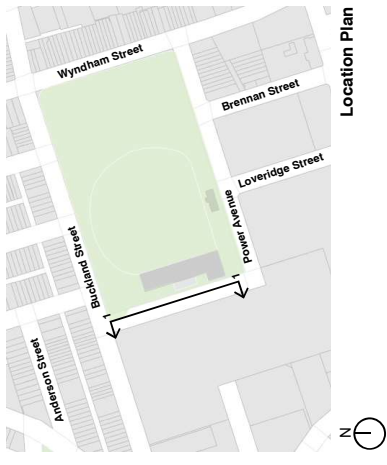
Location Plan



SECTION 1 - ADJACENT TO THE EXISTING ALEXANDRIA PARK DRIVEWAY



SECTION 2 - ADJACENT TO THE EXISTING ALEX PARK TENNIS AMENITY BLOCK





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**Item 10.****Tender - RFT2020/415 - Supply and Delivery of Stone Products****File No: X038592****Tender No: T-2020-415****Summary**

This report provides details of the tenders received for the Supply and Delivery of Stone Products contract.

The purpose of the tender is to source suppliers that will form the City's panel of vendors to provide the different stone products required to complete upcoming and future projects for the City.

This report recommends that Council accept the following tender offers for the categories of stone product specified in Table 1.

**Table 1 - Tender Acceptance Recommendation**

<b>Stone category</b>	<b>Primary contractor</b>	<b>Secondary contractor</b>
Austral Black granite	Tenderer B	Tenderer C
Austral Verde granite	Tenderer E	N/A
Bluestone	Tenderer D	N/A
Sandstone	Tenderer A	N/A

## Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer B as the primary contractor for the supply and delivery of Austral Black granite products for the schedule of rates outlined in Confidential Attachment B to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (B) Council accept the tender offer of Tenderer C as the secondary contractor for the supply and delivery of Austral Black granite products for the schedule of rates outlined in Confidential Attachment C to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (C) Council accept the tender offer of Tenderer E as the primary contractor for the supply and delivery of Austral Verde granite products for the schedule of rates outlined in Confidential Attachment D to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (D) Council accept the tender offer of Tenderer D as the primary contractor for the supply and delivery of Bluestone products for the schedule of rates outlined in Confidential Attachment E to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (E) Council accept the tender offer of Tenderer A as the primary contractor for the supply and delivery of Sandstone products for the schedule of rates outlined in Confidential Attachment F to the subject report, for a period of three years, with the option of an extension of two one- year periods if appropriate; and
- (F) authority be delegated to the Chief Executive Officer to:
  - (i) negotiate, execute and administer the contracts relating to the tender; and
  - (ii) exercise the option for each contract entered into as a result of the tender process, if appropriate, and negotiate the price to extend the contracts accordingly.

**Attachments**

- Attachment A.** Tender Evaluation Summary (Confidential)
- Attachment B.** Prices, Schedule of Rates and Delivery Time of Austral Black Primary Supplier (Confidential)
- Attachment C.** Prices, Schedule of Rates and Delivery Time of Austral Black Secondary Supplier (Confidential)
- Attachment D.** Prices, Schedule of Rates and Delivery Time of Austral Verde Primary Supplier (Confidential)
- Attachment E.** Prices, Schedule of Rates and Delivery Time of Bluestone Primary Supplier (Confidential)
- Attachment F.** Prices, Schedule of Rates and Delivery Time of Sandstone Primary Supplier (Confidential)

## Background

1. Austral Black granite, Austral Verde granite, Bluestone and Sandstone form part of the standard palette of materials for the City's public domain, as specified in the Sydney Streets Code 2013.
2. Under the Sydney Streets Code 2013:
  - (i) Austral Black is specified as the primary material for paving in City Centre and Gateway areas;
  - (ii) Austral Verde is the primary kerb material specified for streetscape upgrade projects in City Centre and Gateway areas;
  - (iii) Bluestone is the primary kerb material specified for use in Village Centres and Activity Strips such as Glebe Point Road, Glebe and Harris Street, Pyrmont. Bluestone is also specified for the replacement of sandstone kerb where sandstone is unavailable or not suitable; and
  - (iv) Sandstone kerbs and structural assets, such as retaining walls and seawalls, have a legacy of heritage in the City and make an important contribution to streetscape character and sense of place.
3. The purpose of this tender is to establish a panel of contractors to process, supply and deliver Austral Black and Austral Verde granites and Bluestone and Sandstone products to the City's specification and requirements. The products will be used for the delivery of capital works and infrastructure maintenance programs, which involve renewal and upgrade of City public domain assets.
4. All stone products will be sourced from approved Australian quarries.
5. The City does not guarantee any minimum quantity ordered over the contract term.
6. For all contracts for the products, the initial term of each contract will be for a period of three years, with an option of two extensions each of one year (three plus one plus one), subject to satisfactory performance and operational requirements.
7. Tenderers were assessed on their assurance to only supply from approved Australian quarries, long-standing experience, professional capability, organisational policies, safe work practices and their commitment to corporate social responsibility initiatives including supporting Aboriginal and Torres Strait Islander employment.

## Invitation to Tender

8. The Request for Tenders was advertised through the City's e-Tender portal on 27 November 2020 and closed 24 December 2020.

## Tender Submissions

9. Submissions were received from the following five organisations:
  - Sam The Paving Man Pty Ltd;
  - Stone Mason and Artist Pty Ltd;
  - United Stone Australia Pty Ltd;
  - UrbanStone Pty Ltd; and
  - Victorian Bluestone Quarries.
10. Of the submissions received, three were for Austral Black granite products, and one for each of the three other stone categories. Refer to Confidential Tender Evaluation Summary - Attachment A for details of these submissions.
11. No late submissions were received.

## Tender Evaluation

12. All members of the Tender Evaluation Panel 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.
14. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) company profile demonstrating experience and expertise (bricklaying/blocklaying and stonemasonry certificate III) in producing and supplying the products of this tender;
  - (b) evidence of Quality and Test results of the sample products including materials used, dimensional tolerances and adherence to tender specification;
  - (c) maximum delivery rate (volume per week) for each specified order size;
  - (d) warranties and assurances beyond the minimum 12-month defects liability period;
  - (e) compliance and commitment of company and partnering suppliers to corporate social responsibility and relevant federal, state and local environmental protection legislation;
  - (f) sourcing all stone from an approved Australian quarry;
  - (g) Work Health and Safety; and
  - (h) the lump sum price and schedule of prices.

### Performance Measurement

15. Formal performance reviews for primary contractors will be conducted in accordance with the City's standard contract management practices, which specifies a formal performance review every 12 months. This requirement was included in the Tender and will be included in the contract.
16. If no orders have been placed then a performance review will not be conducted.
17. The annual review of contractors aims to:
  - (a) establish the level of performance of the Service Providers against the specifications;
  - (b) explore ways to improve the product quality and supply, if and where required;
  - (c) increase the contractor's accountability;
  - (d) reduce costs;
  - (e) reassess areas of risk, review, establish controls and update the Contract Risk Management Plan; and
  - (f) review, improve and update all plans submitted by the contractor relevant to the contract.
18. Contractors will have their performance assessed against the following key performance indicators (KPIs):
  - (a) Delivery - Quantity delivered matches quantity ordered;
  - (b) Delivery - Delivery made within agreed timeframe;
  - (c) Compliance - Product(s) meets the agreed and documented standards, including sourcing of materials from an approved Australian quarry that can produce stone products that meet the City's performance and aesthetic requirements; and
  - (d) WHS - Zero report of incidents or notifiable occasions.

### Financial Implications

19. The City's 2020/21 budget and future years' forward estimates for operational and capital expenditure within the long-term financial plan contain sufficient funding for the supply and delivery of products under the contracts.
20. Individual capital and maintenance projects hold the capital and operating budgets that include the works to be performed under this tender.
21. The City does not guarantee any minimum quantity of works in any year.

**Relevant Legislation**

22. 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.
23. 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.
24. Attachments A to F 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.
25. 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**

26. The City has an existing contract for the supply of Austral Black, Austral Verde granite and Bluestone which was awarded through tender 1803 and expires on 27 May 2021.
27. The City currently does not have an existing contract for the supply of Sandstone. Past purchases of Sandstone were sourced as needed, following the City's Procurement and Contract Management Policy. This proposed contract will support delivery of the recently awarded Structures Maintenance Contract.
28. Continued supply of stone products is required for the City's maintenance, and capital works projects.
29. The proposed contract duration for each of the contracts is for an initial period of three years with the option of two annual extensions each of one year (three plus one plus one), subject to satisfactory performance and operational requirements.



**Options**

30. An alternative option is to not procure stone products through a contract and follow the City's Procurement and Contract Management policy up to order values of \$250,000, which would require seeking quotes to meet separate requirements. This option is not recommended for the following reasons:
  - (a) it does not ensure reliability and consistency of stone supply, which may delay critical capital works and maintenance projects;
  - (b) it does not protect the City against stone price fluctuations, and may negatively impact long-term planning of capital work programs and maintenance regimes; and
  - (c) historical orders for the five-year period from 1 July 2015 to 30 June 2020 indicate that the City does place orders above \$250,000, which requires procurement through a tender process.
31. Another option is to source stone products through the City's existing Civil Works contractors. This does not ensure reliability and consistency of stone supply, nor does it protect against price fluctuations.
32. This supply contract provides the City with certainty of stone supply and protection against significant price fluctuations over its term, enabling long-term planning of capital works programs and maintenance schedules.

**VERONICA LEE**

Director City Services

George Angelis, Chief Engineer

Tony Ly, Project Manager - Paver Infill

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**Item 11.****Exemption from Tender - Call Centre Services After Hours and Parking Ticket Machines****File No: X007670.012****Tender No: 1712****Summary**

This report seeks an exemption from tender for Call Centre Services After Hours and Parking Ticket Machines due to extenuating circumstances. A satisfactory result would not be achieved by inviting tenders for the provision of Call Centre Services After Hours and Parking Ticket Machines because changes in operating procedures and the implementation of digital services would mean that tenderers would not receive sufficient information to make competitive and reliable proposals.

The City of Sydney's (the City's) Customer Service and Parking Services units require the provision of a call centre to service after-hours calls and social media posts from the community and any parking ticket machine enquiries received in relation to machine faults or difficulties.

From 9am to 5pm Monday to Friday (excluding public holidays), calls are answered by the City's internal call centre. Outside of these hours, calls are diverted to an after-hours provider.

In 2017, the City tendered for a call centre to service the after-hours and parking service's needs (Tender 1712). Following a competitive tender process, Council approved awarding the contract to Oracle CMS for a period of two years with two one-year extensions. The final one-year extension expires on 31 May 2021.

This report recommends that Council approve an exemption from tender for Call Centre Services After Hours and Parking Ticket Machines for the reasons contained in the subject report and an extension of the existing contract for a further 12 months from 1 June 2021.



## Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for Call Centre Services After Hours and Parking Ticket Machines for an additional one-year period, noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders in this case;
- (B) Council note the reason a satisfactory result would not be achieved by inviting tenders for the provision of Call Centre Services After Hours and Parking Ticket Machines is that changes in operating procedures and the implementation of digital services would mean that tenderers would not receive sufficient information to make competitive and reliable proposals:
  - (i) the way in which the City monitors and responds to social media is about to change and at this stage the City is unable to estimate the volume and average handling time impacts these changes will have on an after-hours call centre provider;
  - (ii) the City is implementing a new contact system which will impact the volume of calls referred to an after-hours call centre provider. The volume impact will not be accurately determined until the system is implemented and has been in operation for three to six months; and
  - (iii) the City is developing an online services channel which will allow the community to access, engage and transact more online, impacting the processes and volumes for an after-hours call centre provider;
- (C) Council note that continuous delivery of the operation of after-hours and parking services call centre is required to maintain 24/7 service to the community; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer/vary the contracts relating to Call Centre Services After Hours and Parking Ticket Machines in accordance with this approval.

## Attachments

**Attachment A.** Financial Implications (Confidential)

**Attachment B.** Schedule of Rates (Confidential)

## Background

1. The City has contracted the services of an after-hours provider since 2008 to enable 24/7 service for the community.
2. In May 2017, the tender was awarded by Council to Oracle CMS for a term of up to four years, including two one-year options at the City's discretion. The contract entered into with Oracle CMS is based on a schedule of rates.
3. In June 2017, the City entered a two-year contract with Oracle CMS.
4. In June 2019, the City exercised the first one-year option to extend the contract.
5. In June 2020, the City exercised the second one-year option to extend the contract.
6. This supplier was originally engaged in accordance with the City's procurement policies and procedures, with the original agreement established for a two-year period with two fully exercised one-year options. The total cost of the agreement including this additional one-year extension will exceed \$250,000.
7. Oracle CMS have consistently performed above expectations, exceeding key performance indicators.
8. This report recommends approval of renewal of the contract for the listed supplier for an additional one year, commencing on the expiry of the current contract period (1 June 2021).

## Performance Measurement

9. Performance is reviewed annually and measured against the following criteria: key outcomes / deliverables,
  - (a) quality of work;
  - (b) timeliness;
  - (c) reporting; and
  - (d) communication.
10. Oracle CMS consistently performs above the service level agreement, is very adaptable to change and is innovative. In March 2020, to help the City provide continued service to the community during the pandemic lock-down, Oracle CMS allowed the City to use their infrastructure to create a work from home solution for the City's Contact Centre team.

## Financial Implications

11. There are sufficient funds allocated for these services within the current year's operating budget, the draft 2021/22 operating budget and future years' forward estimates.

### Relevant Legislation

12. The exemption from tender request is made in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
13. 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.
14. Attachments A and B 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.
15. 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

16. The process for finalising the 12-month extension of the agreement can commence upon receipt of Council approval.
17. The current agreement is due to expire 31 May 2021 and the one-year extension needs to be finalised by this date.

### Options

18. The option exists to tender for a new supplier, However, a tender at this time may not produce a quality outcome for the City as the contract requirements and deliverables cannot be fully specified due to the process and system changes outlined in the recommendation. For these reasons, this option is not recommended.

### SUSAN PETTIFER

Director People, Performance and Technology

Catherine Veronesi, Manager Customer Service

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## Item 12.

### Exemption from Tender and Contract Variations - Management of Aquatic and Leisure Facilities - Belgravia Leisure

File No: S100640.027

Tender No: T2011/1107 and T2019/3462

#### Summary

This report seeks approval to vary and extend the contracts for the management of the City's aquatic facilities for an additional two years due to extenuating circumstances.

The City operates six world-class aquatic and leisure facilities throughout its Local Government Area (LGA). The sites are managed by Belgravia Leisure Pty Ltd (Belgravia) under two separate contracts.

The contract for the management of Cook and Phillip Park, Ian Thorpe Aquatic Centre, Prince Alfred Park, Victoria Park and Andrew (Boy) Charlton Pools, (referred to as 'the existing five sites contract') commenced on 1 April 2012. The contract was for a term of 10 years (including options), based on a commercial guarantee model.

In October 2019, the City entered into a new contract for the management of Gunyama Park Aquatic and Recreation Centre (GPARC) (referred to as "the GPARC contract"). As a "greenfield" site this contract is a fee for service agreement. This allows the City to establish the performance of the facility before retendering under more commercial terms. The contract was due to commence on 1 December 2019 for a term of 28 months, however, delays in construction delayed the opening of the facility resulting in the term being reduced to 14 months.

Both contracts were aligned to expire on 31 March 2022.

To ensure a consistent and seamless patron experience across all facility touchpoints and to maximise operational efficiencies in the management structure, all six facilities were to be tendered as an integrated group of activity hubs no later than September 2021.

However, with the Covid-19 pandemic still presenting significant uncertainty and risk in the market, the City considers that tendering the service in the current environment will not deliver a satisfactory result for the City. Further, the reduced operational term at Gunyama Park Aquatic and Recreation Centre does not provide an adequate commercial history on which to base the tender of this service.

As such, after careful consideration of the available options, the City is seeking approval to vary and extend both contracts for an additional two years. This will ensure continuity of service through the period of the Covid-19 pandemic without exposing the City to a highly risk averse market.

## Recommendation

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55 (3)(i) of the Local Government Act 1993 to extend the term of existing contracts for the management of the City's aquatic centres under the contract for the management of Cook and Phillip Park, Ian Thorpe Aquatic Centre, Prince Alfred Park, Victoria Park and Andrew (Boy) Charlton Pools; and the contract for Gunyama Park Aquatic and Recreation Centre (GPARC), by reason of extenuating circumstances, noting that a satisfactory result for the City would not be achieved by inviting tenders at this time;
- (B) Council note the reasons that a satisfactory result for the City would not be achieved by inviting tenders are:
  - (i) the high levels of uncertainty and risk in the market as a result of the ongoing Covid-19 pandemic will not result in value for money; and
  - (ii) due to the shorter elapsed time period since the opening of Gunyama Park Aquatic and Recreation Centre, there is insufficient commercial history to allow service providers to provide competitive responses to a tender;
- (C) Council approve the variation of the contract for the management of Cook and Phillip Park, Ian Thorpe Aquatic Centre, Prince Alfred Park, Victoria Park and Andrew (Boy) Charlton Pools; and the contract for Gunyama Park Aquatic and Recreation Centre (GPARC) to extend the terms of both contracts by an additional two years with both contracts to expire on 31 March 2024;
- (D) Council approve a variation to the contract for the management of Cook and Phillip Park, Ian Thorpe Aquatic Centre, Prince Alfred Park, Victoria Park and Andrew (Boy) Charlton Pools to vary the financial arrangements until performance returns to pre-Covid levels;
- (E) Council approve the additional funds in relation to both contracts as outlined in Confidential Attachment A to the subject report; and
- (F) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any necessary documentation to give effect to the clauses above.

## Attachments

**Attachment A** Financial and Contractual Implications (Confidential)

## Background

1. The City owns and operates six world-class aquatic and leisure facilities across the local government area.
2. Collectively, these facilities represent the largest frontline service offered by Council to the community, with over 300 different programs each week and an average of 1.7 million attendances across the service each year, pre Covid-19.
3. With the opening of Gunyama Park Aquatic Recreation Centre (GPARC), annual attendances are expected to grow to over 2.3 million each year.
4. The sites are managed by Belgravia Leisure Pty Ltd (Belgravia) under two separate contracts as follows:
  - (a) The contract for the management of Cook and Phillip Park, Ian Thorpe Aquatic Centre, Prince Alfred Park Victoria Park and Andrew (Boy) Charlton Pools, (the existing five sites contract) commenced on 1 April 2012.
    - (i) As these were established sites, this agreement offered a financial guaranteed payment to the City over a ten-year term (with options).
    - (ii) However, since the Covid-19 pandemic was declared in March 2020, the agreement has been operating under changed financial arrangements effected through the force majeure clause in the contract with the City underwriting costs.
  - (b) The contract for the management of the recently completed Gunyama Park Aquatic and Recreation Centre was awarded in October 2019.
    - (i) As a "greenfield" site, this agreement is a fee for service model with a six-month pre-opening period and a two-year operating term.
    - (ii) This model allows the City to establish the business before tendering under a more commercial model, however, as a result of delays in construction of the centre, the operating term has been reduced to 14 months.
5. Both contracts expire on 31 March 2022.
6. The Covid-19 pandemic has had a significant impact on the leisure industry and the dynamics of the leisure management market. Impacts include:
  - (a) Many facilities, including the City's sites, were closed for several months at the height of the pandemic.
  - (b) Public Health Orders affected operations with Covid-Safe management plans limiting entry capacity and reducing opening hours.
  - (c) Activity within the CBD has been significantly reduced with working from home and remote study arrangements changing where and how people exercise.
  - (d) The economic effects of Covid-19 have impacted discretionary spending with fitness memberships down across City facilities as households prioritise budgets.



7. While the development of vaccines promises a return to some normality, the delays in the roll-out and threats posed by the emergence of highly transmissible mutated strains means future restrictions and centre (or program) closures remain a serious risk.
8. Given these uncertainties, the City believes retendering the services at this time would not achieve a competitive or satisfactory result that represents value for the City.
9. In relation to the Gunyama Park Aquatic and Recreation Centre, the reduced operating term of just 14 months does not allow the City to adequately establish the performance of the business before going to market.
10. To minimise risk and ensure value, the City is seeking an exemption from tender to:
  - (a) extend both contracts by two years until 31 March 2024;
  - (b) vary the financial terms of the existing five site contract to change the financial arrangement for operation of the facilities until performance returns to pre-Covid levels; and
  - (c) secure additional funding for the Gunyama Park Aquatic and Recreation Centre contract as a result of the contract extensions.

### **Key contract terms**

11. Both the existing five site contract and the Gunyama Park Aquatic and Recreation Centre contract will be extended until 31 March 2024. (Refer to Confidential Attachment A)
12. A change to the financial arrangements of the existing five site contract. (Refer to Confidential Attachment A)
13. No further options to extend the contracts will be offered, with the management service to be retendered in September 2023.
14. All current service levels and operating hours will be retained.

### **Key Patron Benefits**

15. Several business improvements will be delivered during the contract extension. This includes:
  - (a) an upgrade of all cardio and fitness equipment at Cook and Phillip Park, Ian Thorpe Aquatic Centre and Victoria Park Pool;
  - (b) the introduction of e-memberships cards linked to smartphones and watches; and
  - (c) a consolidated website for all leisure services with full e-commerce functionality including the ability to purchase/manage 360 memberships, view group exercise timetables across the service, book classes online and reload multi-visit passes online.

### Performance Measurement

16. Operational and financial performance targets are monitored on a monthly, quarterly and annual basis and through a combination of meetings, audits, inspections and reporting.

### Financial Implications

17. Belgravia have submitted a proposal to continue delivering services during the two-year extension period. Details are outlined in Confidential Attachment A.
18. The Gunyama Park Aquatic and Recreation Centre contract will continue to operate as a fee for service contract.
19. The existing five sites contract will operate under a variation of the payment of the guarantee amount until such time the operations reach break-even, at which point all surplus revenue will be paid to the City. Any surplus beyond the guarantee amount will be treated as profit share in accordance with the terms of the contract.
20. Funding estimates as set out in the Confidential Attachment A have been included in the City's 2021/22 long term financial plan and future forward year estimates, the subject of a separate report in the current reporting cycle.

### Relevant Legislation

21. Local Government Act 1993:
  - (a) Section 55 (3)(i) provides an exemption from tender for a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders by reason of extenuating circumstances.
  - (b) Section 10(A) 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.
22. 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.
23. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest as it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

**Critical Dates / Time Frames**

24. The term of the amended contracts will commence on 1 April 2022 and conclude on 31 March 2024.

**Options**

25. The implications of not approving the variations to the existing five sites contract and the Gunyama Park Aquatic and Recreation Centre contract would require the City to release a tender to the market by September 2021 and make an appointment by December 2021.
26. The City considered several options in this process:
  - (a) Extend both contracts for a further two years with a variation to the existing five sites contract as the preferred option.
  - (b) Tender for the management and operation of the six sites as planned. This option is not recommended given the prevailing risks in the leisure market during the Covid-19 recovery period, the reduced operating period for Gunyama Park Aquatic and Recreation Centre and due to current market conditions which are unlikely to generate a satisfactory return over the medium to long term.
  - (c) Bring the service inhouse. This option is not recommended as the City is not currently structured or resourced to manage this large, complex and high-risk frontline service.

**VERONICA LEE**

Director City Services

Matthew McDonald, Manager City Services Strategy

Joel Johnson, Manager City Greening and Leisure

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**Item 13.****Contract Variation - MacDonald Street Widening and Trunk Drainage,  
Erskineville - Head Construction Contractor****File No: X004092****Tender No: RFT 1990****Summary**

This report seeks Council approval to vary the Head Construction contract with Ward Civil & Environmental Engineering Pty Limited for the MacDonald Street Widening and Trunk Drainage project in Erskineville.

The project provides a new public domain upgrade and road widening of both MacDonald and Goddard Streets, including a stormwater trunk drain and associated works. As part of the Ashmore Precinct Improvement Program, both MacDonald and Goddard Streets, Erskineville, were identified for upgrade, enhanced utility services infrastructure and a new trunk drain from Bridge Street to Hadfield Street, which augments the existing Sydney Water drainage network.

The proposal's key features include the design and construction of a new public domain, utility services infrastructure and new stormwater trunk drain running from Bridge Street interface along and under the northern footway of MacDonald Streets to Hadfields Street. The works are to mitigate, in part, the current street flooding situation.

The project scope includes a bi-directional cyclepath, pedestrian footways, shared areas, continuous footway treatments, raised pedestrian crossings, street trees, rain garden swales, garden beds, on-street vehicular parking, street and pedestrian lighting, and design provision for the future development of both MacDonald and Goddard Street extensions and connections. As part of the proposal, all aboveground power wires shall be placed underground, with a full infrastructure design for all service lines and utilities.

On 29 June 2020, Council resolved to award the construction contract for the construction of the MacDonald Street Widening and Trunk Drainage to Ward Civil & Environmental Engineering Pty Limited (Ward).

Due to extensive latent conditions encountered early in the construction program, a revised construction methodology has been required. A new sheet piling retention and dewatering system is required as well as corresponding changes to the culvert structure.

These additional requirements have required re-staging of the works, after contract award, to enable construction of the works to proceed expeditiously whilst the new systems were designed and procured.

This report recommends Council approve a contract variation with Ward Civil & Environmental Engineering Pty Limited for the delivery of MacDonald Street Widening and Trunk Drainage project in Erskineville.

## Recommendation

It is resolved that:

- (A) Council approve a variation to the contract with Ward Civil & Environmental Engineering Pty Limited for the construction of the MacDonald Street Widening and Trunk Drainage on the terms contained in Confidential Attachment A to the subject report;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer/vary the contracts relating to MacDonald Street Widening and Trunk Drainage project; and
- (C) Council approve the additional funds sought as outlined in Confidential Attachment A to the subject report.

## Attachments

**Attachment A.** Financial and Contractual Implications (Confidential)

## Background

1. Ashmore precinct is one of the City's biggest urban development projects, with the 17-hectare area forecast to house over 6,000 residents when fully developed. The MacDonald Street Widening and Trunk Drainage project represents a major component of City works described in the Ashmore Public Infrastructure Concept Design to address flooding issues in the precinct.
2. The project provides a new public domain upgrade and road widening of both MacDonald and Goddard Streets, including a stormwater trunk drain and associated works. As part of the Ashmore Precinct Improvement Program, both MacDonald and Goddard Streets, Erskineville, were identified for upgrade, enhanced utility services infrastructure and a new trunk drain from Bridge Street to Hadfield Street which augments the existing Sydney Water drainage network.
3. The key features include the construction of a new public domain, utility services infrastructure and new stormwater trunk drain running from Bridge Street interface along and under the northern footway of MacDonald Streets to Hadfields Street. The works are to mitigate, in part, the current street flooding situation as MacDonald Street is a major overland flow-path carrying storm water from the railway bridge east. An integral part of the road widening works is the construction of a new stormwater culvert which augments the existing Sydney Water trunk drain.
4. The project scope includes a bi-directional cyclepath, pedestrian footways, shared areas, continuous footway treatments, raised pedestrian crossings, street trees, rain garden swales, garden beds, on-street vehicular parking, street and pedestrian lighting and design provision for the future development of both MacDonald and Goddard Street extensions and connections. As part of the proposal, all aboveground power wires shall be placed underground.
5. These works are consistent with Strategic Direction 9 "Sustainable development, renewal and design" contained in Sustainable Sydney 2030.
6. In June 2020, Council awarded Ward Civil & Environmental Engineering Pty Ltd a civil and roadworks construction contract for the project. Site works commenced in September 2020 and are expected to be completed in late 2021.

## Scope Variations

7. Since the commencement of this project, amendments to the original scope have been required due to various factors, outlined in more detail in Confidential Attachment A to the subject report. These additional requirements have resulted in cost increases and re-staging of the works, after contract award.
8. The ground conditions determined from the design consultants investigations prior to calling tenders, were not consistent with ground conditions encountered when works commenced and accordingly a variation to the contract is required.
9. The delivery of two raised pedestrian crossings, one to the eastern side of Coulson Street and the second on the northern side of Eve Street that were approved by the Local Pedestrian, Cycling and Traffic Calming Committee on 20 August 2020, will also be delivered under this contract following completion of the Macdonald Street works.

**Financial Implications**

10. Additional funding is required as detailed in Confidential Attachment A.

**Relevant Legislation**

11. 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.
12. Attachment A contains confidential commercial information 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.
13. 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**

14. Program Key Milestones:
  - (a) MacDonald Street Widening and Trunk Drainage. Construction commenced September 2020 and is due for completion in late 2021.

**Options**

15. An alternative option would be to tender the additional works. However, this option is not recommended because the works are integral to the existing contract, and this may lead to increased costs and extensive further delay to the project's completion.
16. It is therefore recommended to have the additional work carried out by the current contractor, as this will allow the project to proceed expeditiously. There are agreed procedures and rates within the contract to equitably establish cost increases.



**Public Consultation**

17. Public consultation is ongoing with the Erskineville community.
18. The contractor's Community Liaison Officer produces bi-monthly newsletters and promptly responds to concerns and enquiries from surrounding residents and businesses.

**AMIT CHANAN**

Director City Projects and Property

Bruce Gillespie, Senior Delivery Manager

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

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