

Minutes of the Corporate, Finance, Properties and Tenders Committee – 8 May 2023

Members Lord Mayor - Councillor Clover Moore (Chair), Deputy Lord Mayor - Councillor Sylvie Ellsmore, Councillor HY William Chan, Councillor (Waskam) Emelda Davis, Councillor Lyndon Gannon, Councillor Shauna Jarrett, Councillor Robert Kok, Councillor Linda Scott and Councillor Yvonne Weldon.

At the commencement of business at 2.05pm, those present were –

The Lord Mayor, Councillors Chan, Davis, Ellsmore, Gannon, Jarrett, Kok, Scott and Weldon.

Adjournment

At 3.37pm, it was moved by the Chair (the Lord Mayor), seconded by Councillor Kok –

That the meeting of the Corporate, Finance, Properties and Tenders Committee be adjourned for approximately 15 minutes.

Carried unanimously.

At the resumption of the meeting at 3.55pm, all Councillors were present.

Order of Business

Following Item 5, at 4.01pm, the Chair (the Lord Mayor) moved a procedural motion (seconded by Councillor Chan), to alter the Order of Business, such that Item 3 of the Transport, Heritage, Environment and Planning Committee be brought forward and dealt with before Item 6 of the Corporate, Finance, Properties and Tenders Committee, for the convenience of members of the public present. The procedural motion was carried unanimously.

Councillor Weldon left the meeting of the Corporate, Finance, Properties and Tenders Committee at 4.36pm during discussion and before the vote on Item 3 of the Transport, Heritage, Environment and Planning Committee, which had been brought forward. Councillor Weldon returned at 6.17pm at the conclusion of the Corporate, Finance, Properties and Tenders Committee. Councillor Weldon was not present at the meeting during voting on Item 3 of the Transport, Heritage, Environment and Planning Committee, and Items 6 to 13 inclusive of the Corporate, Finance, Properties and Tenders Committee.

Item 3 of the Transport, Heritage, Environment and Planning Committee (which had been brought forward) concluded at 5:33pm.

Adjournment

After the vote on Item 3 of the Transport, Heritage, Environment and Planning Committee, at 5.33pm, it was moved by the Chair (the Lord Mayor), seconded by Councillor Kok –

That the meeting of the Corporate, Finance, Properties and Tenders Committee be adjourned for approximately 10 minutes.

Carried unanimously.

At the resumption of the meeting of the Corporate, Finance, Properties and Tenders Committee at 5.44pm, all Councillors were present.

The meeting of the Corporate, Finance, Properties and Tenders Committee concluded at 6.17pm.

Item 1

Confirmation of Minutes

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

That the Minutes of the meeting of the Corporate, Finance, Properties and Tenders Committee of Monday 27 March 2023, as circulated to Councillors, be confirmed.

Carried unanimously.

Item 2

Statement of Ethical Obligations and Disclosures of Interest

Councillor Shauna Jarrett disclosed a less than significant, non-pecuniary interest in Item 10 on the agenda, in that she resides on Castlereagh Street.

Councillor Jarrett considers that this non-pecuniary conflict of interest is not significant and does not require further action in the circumstances because this disclosure has already been declared.

Councillor Linda Scott disclosed a less than significant, non-pecuniary interest in Item 3 on the agenda, in that she is the President of the Australian Local Government Association (ALGA), which the City has an association with, via their membership of Local Government NSW.

Councillor Scott considers that this non-pecuniary conflict of interest is not significant and does not require further action in the circumstances because ALGA is the national peak body for all councils, and acts in accordance with the interests of all councils.

No other Councillors disclosed any pecuniary or non-pecuniary interest in any matters on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee.

The Corporate, Finance, Properties and Tenders Committee recommended the following:

Item 3

Public Exhibition - Integrated Planning and Reporting Program and Budget 2023/24

It is resolved that Council:

- (A) endorse the suite of Integrated Planning and Reporting documents for public exhibition for a period of 28 days, including:
 - (i) the draft Operational Plan 2023/24 as shown at Attachment A to the subject report; and
 - (ii) the draft Resourcing Strategy 2023 as shown at Attachment B to the subject report;
- (B) endorse the draft Operating and Capital Budget, and future years' forward estimates, as reflected in the Operational Plan 2023/2024 and draft Resourcing Strategy 2023 including:
 - (i) Operating income of \$674.2M, operating expenditure before depreciation of \$559.2M for an Operating Result of \$115.0M, and a Net Surplus of \$96.0M after allowing for interest, depreciation and capital contributions;
 - (ii) Capital Works expenditure of \$203.4M and a capital works contingency of \$8.0M;

- (iii) Plant and Assets net expenditure of \$14.0M;
 - (iv) Capital Works (Technology and Digital Services) of \$19.7M; and
 - (v) Net Property Acquisitions of \$189.5M;
- (C) endorse Domestic Waste Management Charges, Stormwater Charges and User Fees and Charges discussed within the subject report and included within the draft Operational Plan 2023/24.

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

X094861

Item 4

2022/23 Quarter 3 Review - Delivery Program 2022-2026

It is resolved that:

- (A) Council note the financial performance of Council for the third quarter, ending 31 March 2023, including a Quarter 3 Net Operating Result for the year of \$131.7M and the full year forecast of \$135.7M, as outlined in the subject report and summarised in Attachment A to the subject report;
- (B) Council note the Quarter 3 Capital Works expenditure of \$100.7M and a revised full year forecast of \$168.6M, and approve the proposed adjustments to the adopted budget, including bringing forward \$6.7M of funds into the 2022/23 capital budget and \$1.8M from the capital works contingency as detailed in Attachment B to the subject report;
- (C) Council note the Technology and Digital Services Capital Works of \$14.6M, net of disposals, and a full year forecast of \$20.3M, including transferring \$0.2M from the capital works contingency as detailed in Attachment B to the subject report;
- (D) Council note the Quarter 3 Plant and Equipment expenditure of \$4.9M, net of disposals, a revised full year forecast of \$12.8M;
- (E) Council note the Quarter 3 net Property Acquisitions of \$94.1M, and the full year forecast net Property Acquisitions of \$116.1M;
- (F) Council note the supplementary reports, including major legal issues, quick response, street banner and venue hire support grants and sponsorships programs, fee-waived and discounted community facilities hire, international travel, property and land use matters approved under delegation and contracts over \$50,000 in quarter 3, as detailed in Attachment C to the subject report;
- (G) Council approve the provision of value-in-kind sponsorships for up to three free public events of approximately 500 to 1000 attendees to support the 'yes' campaign. Applications to be received from appropriate groups (not-for-profit community organisations, unincorporated community groups and individuals auspiced by a not-for-profit organisation) and assessed in accordance with the City's Grants and Sponsorship Policy and Guidelines, ethics framework and the Reconciliation Action Plan, with approval delegated to the Chief Executive Officer;
- (H) Council note that the public events as outlined above will include value-in-kind sponsorships of up to \$30,000 (plus GST) per event towards the venue hire, equipment hire and staffing fees only associated with using an appropriate City venue, which may include Sydney Town Hall, Lower Town Hall or Paddington Town Hall;

- (I) Council note that the City may be required to report and declare any financial assistance provided as “referendum expenditure” in accordance with the applicable legislation from time to time;
- (J) Council approve a sponsorship to the Ukrainian Women's Association of Australia Inc for an amount of up to \$15,000 (excluding GST) for venue hire and associated costs to use an appropriate City of Sydney venue for a Vyshyvanka Day event, with funds to be sourced from the 2022/23 General Contingency Fund; and
- (K) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a venue hire agreement with the Ukrainian Women’s Association of Australia Inc in relation to (J) above.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by the Chair (the Lord Mayor), seconded by Councillor Kok, and carried on the following show of hands:

Ayes (8) the Chair (the Lord Mayor), Councillors Chan, Davis, Ellsmore, Gannon, Kok, Scott and Weldon

Noes (1) Councillor Jarrett.)

X084366

Item 5

Continuing the Transformation of Central Sydney - Upgrading Sydney Square

The Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter shall be deferred to the meeting of Council on 15 May 2023.

Officer’s Recommendation

The officer’s recommendation to the Corporate, Finance, Properties and Tenders Committee was as follows -

It is resolved that:

- (A) Council endorse the continued transformation of Central Sydney and the staged development and delivery of Sydney Square within the Town Hall Public Domain Precinct, with Sydney Square and the surrounding public areas including DrUITT Street and Bathurst Streets as the next phase in the overall transformation program;
- (B) Council develop a concept design for the upgrade and redevelopment of Sydney Square working with St Andrew’s House Corporation, St Andrew’s Cathedral School, the Anglican Church Property Trust Diocese of Sydney (St Andrew’s Cathedral) and the community;
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer variations of the current Town Hall Arcade lease to St Andrew’s House Corporation (expiring on 1 February 2030 with registration number AR943044) as may be required to support alignment of the redevelopment of Sydney Square planned for 2027;
- (D) Council note the Chief Executive Officer will negotiate a heads of agreement with St Andrew’s House Corporation for a new long-term lease over the City owned portion of Town Hall Arcade which will be the subject of a future report to Council;

- (E) Council note the Chief Executive Officer will negotiate a comprehensive management agreement to support the ongoing operation of a revitalised Sydney Square with St Andrew's House Corporation and St Andrew's Cathedral which will be the subject of a future report to Council;
- (F) Council note the delivery of the future Town Hall Square is to be commenced no earlier than 2035;
- (G) Council note that the period available for commercial and retail leases in the buildings at 540 and 546 George Street, the Coronation Hotel, Park House, Pittway Arcade, 307 Pitt Street and the future property acquisition to complete the area required for the future Town Hall Square, be extended to coincide with the earliest date that these sites are to be required for construction to commence of a future Town Hall Square;
- (H) Council note that all leases extending beyond 1 July 2035 will contain a specific 'demolition clause' that enables the City to take early possession of the premises with an agreed notice period of 12 months;
- (I) Council note that increased rental revenue, due to the extension of the available commercial lease terms for properties associated with the future Town Hall Square, will be allocated to a specific reserve towards the construction costs of a future Town Hall Square; and
- (J) Council note regular updates and briefings will be provided to Council.

Officer's Report

The officer's report on this matter can be found at Item 5 on the agenda of the meeting of the Corporate, Finance, Properties and Tenders Committee on 8 May 2023.

X096110

Speakers

John Lau (St Andrews House/Anglican Church Property Trust) addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 5.

Item 6**Investments Held as at 31 March 2023**

It is resolved that the Investment Report as at 31 March 2023 be received and noted.

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

X020701

Item 7**Investments Held as at 30 April 2023**

It is resolved that the Investment Report as at 30 April 2023 be received and noted.

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

X020701

Item 8**Post Exhibition - Naming Policy**

It is resolved that:

- (A) Council adopt the revised Naming Policy, as shown at Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to make amendments to the Naming Policy in order to correct any minor drafting errors and finalise design, artwork and accessible formats for publication.

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

X091474

Item 9**Lease Approval - Part Suite 1 Whole Suite 2 Ground Floor Wilcox Mofflin Building 46-52 Mountain Street, Ultimo**

It is resolved that:

- (A) Council approve a lease to Harbourside Institute of Australia Pty Ltd for Part Suite 1 and Whole of Suite 2, Ground Floor, Wilcox Mofflin Building, 46-52 Mountain Street, Ultimo, in accordance with the essential lease terms and conditions contained with Confidential Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the lease, including in relation to the exercise of option, in accordance with the essential terms and conditions contained with Confidential Attachment A to the subject report.

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

S099550

Item 10**Tender - T-2020-287 - Construction of Castlereagh Street Cycleway and Public Domain Upgrade**

It is resolved that:

- (A) Council accept the tender offer of Tenderer A for the construction of the Castlereagh Street Cycleway and Public Domain Upgrade for the price and contingency outlined in Confidential Attachment A to the subject report;
- (B) Council note that the total contract sum and contingency for the construction of the Castlereagh Street Cycleway and Public Domain Upgrade is outlined in Confidential Attachment A to the subject report;

- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender; and
- (D) Council approve the additional funds as outlined in Confidential Attachment A to the subject report.

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

X026107.003

Item 11

Tender - T-2022-703 - Construction of the Crescent Synthetic Field and Associated Works

It is resolved that:

- (A) Council accept the tender offer of Tenderer C for the construction of the Crescent Synthetic Field and Associated Works for the price and contingency outlined in Confidential Attachment A to the subject report;
- (B) Council note that the total contract sum and contingency for the construction of the Crescent Synthetic Field and Associated Works is outlined in Confidential Attachment A to the subject report;
- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender; and
- (D) Council approve the additional funds as outlined in Confidential Attachment A to the subject report.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by the Chair (the Lord Mayor), seconded by Councillor Kok, and carried on the following show of hands:

Ayes (7) the Chair (the Lord Mayor), Councillors Chan, Davis, Gannon, Jarrett, Kok and Scott

Noes (1) Councillor Ellsmore*

*Note – Councillor Ellsmore abstained from voting on this matter. Pursuant to the provisions of clause 10.4 of the Code of Meeting Practice, Councillor Ellsmore is taken to have voted against the motion.)

X038992.006

Item 12**Tender – Reject and Negotiate - T-2022-837 – Public Art Collection Maintenance and Inspection Services**

It is resolved that:

- (A) Council decline to accept the tender offers received for Public Art Collection Basic Maintenance and Inspection Services for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract on terms that are appropriate in relation to the subject matter of the tender;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender;
- (E) Council be informed of the successful vendor via the CEO Update;
- (F) Council approve a contract variation for Public Art Collection Basic Maintenance and Inspection Services to extend the term of the existing contract for up to six months from 1 June 2023 to 30 November 2023 to ensure service continuity during the negotiation process;
- (G) Council note the financial implications as further detailed in Confidential Attachment A to the subject report; and
- (H) authority be delegated to the Chief Executive Officer to negotiate, execute, administer the variation to the contract and enter into any necessary documentation with the current supplier to give effect to the resolutions above.

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

S045562

Item 13**Exemption from Tender - Resilience Data Platform**

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for the Resilience Data Platform for up to seven years following a Request for Information process demonstrating that:
 - (i) no comparable off-the-shelf licencing product exists; and
 - (ii) development of a comparable service would introduce significant additional cost and increased risk to the City;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
 - (i) the Data Analysis and Reporting CCAP City tool that underpins the Resilience Data Platform services remains a unique service offering in the market;
 - (ii) the cost to invite tenders and to develop a potential alternative proprietary solution would require a significant additional investment from the City and its partner metropolitan councils using the tool, particularly with respect to staff time and resourcing across all parties; and
 - (iii) the current services provided are fit for purpose and represent value for money to the City;
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract(s) relating to the Resilience Data Platform on terms acceptable to the City, for a period of up to seven years (a term of three years with the two options for extension of two years each, if appropriate) and for the total contract sum detailed in Confidential Attachment A to the subject report; and
- (D) Council note that the total contract sum and contingency for the project is outlined in Confidential Attachment A to the subject report.

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

X088937