

Minutes of the Corporate, Finance, Properties and Tenders Committee - 19 June 2023

Members Lord Mayor - Councillor Clover Moore AO (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, Councillor Yvonne Weldon AM and Councillor Adam Worling.

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

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

Councillor Davis left the meeting of the Corporate, Finance, Properties and Tenders Committee at 2.45pm, prior to discussion on Item 7, and returned at 2.47pm, after the vote on Item 7. Councillor Davis was not present at, or in sight of, the meeting during discussion or voting on Item 7.

The meeting of the Corporate, Finance, Properties and Tenders Committee concluded at 2.59pm.

Item 1

Confirmation of Minutes

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

That the Minutes of the meeting of the Corporate, Finance, Properties and Tenders Committee of Monday 8 May 2023, as circulated to Councillors, be confirmed.

Carried unanimously.

Item 2

Statement of Ethical Obligations and Disclosures of Interest

Councillor (Waskam) Emelda Davis disclosed a significant, non-pecuniary interest in Item 7 on the agenda in that she has engaged the Redfern Community Centre Music Studio through her role as Chairwoman for Australia South Sea Islander Port Jackson (ASSIPJ) in 2022 for the ASSIPJ recognition day events.

Councillor Davis stated that she would not be voting on this matter.

Councillor Linda Scott disclosed a less than significant, non-pecuniary interest in item 6.3 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 interest of all councils.

No other Councillors disclosed any pecuniary or non-pecuniary interests 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**Integrated Planning and Reporting Program and Budget 2023/24 - Adoption**

It is resolved that:

- (A) Council note the submissions received from the community, and staff responses, on the exhibited suite of the Integrated Planning and Reporting documents as shown at Attachment C to the subject report;
- (B) Council note the proposed changes to the documents, including fees and charges, as incorporated within the Operational Plan and Resourcing Strategy, and set out in Attachment D to the subject report;
- (C) Council adopt the Operational Plan 2023/24, as shown at Attachment A to the subject report;
- (D) Council adopt the Resourcing Strategy 2023, as shown at Attachment B to the subject report
- (E) Council adopt the draft Operating and Capital Budgets and future years' forward estimates as reflected in the Operational Plan 2023/24 and 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 income, depreciation and capital contributions;
 - (ii) Capital Works expenditure of \$203.4M; including a capital 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;
- (F) Council adopt the Rates Structure, Domestic Waste Management Charges, Stormwater Charges and User Fees and Charges discussed within the subject report and included within the Operational Plan 2023/24; and
- (G) authority be delegated to the Chief Executive Officer to approve any minor editorial and document design corrections prior to 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 Kok, and carried unanimously.)

X084366

Speaker

Barry Melville (Radio 2RPH) addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 3.

Item 4**Investments Held as at 31 May 2023**

It is resolved that the Investment Report as at 31 May 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 5**Contract Variations - Pymont Community Centre Upgrade**

It is resolved that Council:

- (A) approve additional contract contingency for the construction contract with Belmadar Pty Ltd for construction of the Pymont Community Centre Upgrade works, as outlined in Confidential Attachment A to the subject report;
- (B) approve additional contract contingency for the head design consultant contract with Welsh and Major Architects Pty Ltd for additional design and construction stage services for the Pymont Community Centre Upgrade works, as described in Confidential Attachment B to the subject report; and
- (C) approve the additional funds sought for the Pymont Community Centre Upgrade works as detailed 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 Davis, and carried unanimously.)

X038743

Item 6**Contract Variation - Major Services Agreement (IT) for Public Access IT and Facilities and Services**

It is resolved that:

- (A) Council approve a contract variation to extend the original contract for Public Access IT Services for a period of six months;
- (B) approve the additional funds sought as outlined in Confidential Attachment A to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the variation to the contract 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 Kok, and carried unanimously.)

X006467.004

Item 7**Exemption from Tender and Contract Variation - Redfern Community Centre Music Studio**

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 contract to Last Minute Productions Pty Limited to operate the Redfern Community Centre Music Studio;
- (B) Council note the reasons a satisfactory outcome would not be achieved by inviting tenders is due to the following extenuating circumstances:
 - (i) sufficient time is required to undertake the procurement process and to allow for a transition period associated with any future supplier without a risk of a gap in service to the community, including the Aboriginal and Torres Strait Islander and Australian South Sea Islander communities;.
- (C) Council approve the variation to extend the original contract with Last Minute Productions Pty Limited to operate the Redfern Community Centre Music Studio for a period of up to 12 months, and to increase the total contract value, as detailed at Confidential Attachment A to the subject report;
- (D) Council note that the revised total contract value for this contract is outlined in Confidential Attachment A to the subject report and there are sufficient funds allocated in the draft 2023/24 operating budget for the contract extension and increase to overall contract value; and
- (E) authority be delegated to the Chief Executive Officer to finalise, execute and administer the variation to the contract 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 Weldon, and carried unanimously.)

X031225.001

Item 8**Tender - Reject and Negotiate - T-2021-632 - Digital Asset Management System**

It is resolved that:

- (A) Council decline to accept the tender offers received for the Digital Asset Management System project 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 suitably qualified vendor(s) 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 finalise, execute and administer the contracts relating to the tender; and

(E) Council be informed of the successful vendor via the CEO Update.

(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.)

X096102.003

Item 9

Exemption from Tender, Contract Variations and Revised Project Scope - Woolloomooloo Playground

It is resolved that:

- (A) Council endorse the revised scope of work for improvements to Woolloomooloo Playground as described in the subject report and shown in the revised concept design at Attachment B to the subject report, for progression to relevant approvals, preparation of design, documentation and construction;
- (B) Council note the forecast costs and financial implications as outlined in Confidential Attachment D to the subject report;
- (C) Council approve the additional project budget for the Woolloomooloo Playground project as outlined in Confidential Attachment D to the subject report;
- (D) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for the existing head design consultancy contract with Spackman Mossop Michaels Pty Limited and head construction contract with Quality Management & Constructions Pty Limited to expand the scope of each contract to include the revised scope of work endorsed by this report;
- (E) Council note that a satisfactory result would not be achieved by inviting tenders because:
 - (i) a competitive process has already been undertaken in relation to the provision of these head design consultancy and head construction services; and
 - (ii) there will be time and value for money implications if a separate tender process was undertaken for the provision of the additional scope of works;
- (F) Council approve:
 - (i) a contract variation with Spackman Mossop Michaels Pty Limited for the provision of the additional head design consultancy services for the price outlined in Confidential Attachment D to the subject report; and
 - (ii) a contract variation with Quality Management & Constructions Pty Limited for the provision of the additional head construction services for the price outlined in Confidential Attachment D to the subject report;
- (G) authority be delegated to the Chief Executive Officers to finalise, execute and administer the contract variations with Spackman Mossop Michaels Pty Limited and Quality Management & Constructions Pty Limited to give effect to the resolutions above;
- (H) Council note the revised total contract sums for the contracts with Spackman Mossop Michaels Pty Limited and Quality Management & Constructions Pty Limited as outlined in Confidential Attachment D to the subject report; and

- (I) Council endorse the Pring Street / Dowling Street, Woolloomooloo school drop off area as described in the subject report and shown in the revised concept design at Attachment B to the subject report for preparation of concept design options for consultation and a further report to Council.

(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.)

X025427.001

Item 10

Exemption from Tender and Contract Variation - T-2020-443 - Head Design Consultant - City Recital Hall Upgrade Works

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 City Recital Hall Upgrade works for the Head Design Consultancy;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
- (i) the consultant is already engaged, and work is well underway; and
 - (ii) the time and cost implications to tender and potentially contract with another head design consultant will not provide value for money for the Council;
- (C) authority be delegated to the Chief Executive Officer to vary the contract with the Head Design Consultant relating to City Recital Hall Upgrade works to give effect to this approval; and
- (D) Council note that the total contract sum and contingency 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 Worling, and carried unanimously.)

X030208.001

Item 11**Exemption from Tender - IT Licence, Subscription, Maintenance and Support Contracts**

It is resolved that:

- (A) Council approve an exemption from tender for the provision of the maintenance, support, subscription and licencing of the software applications, platforms and hardware appliances upon the expiry of the current agreements, for the respective extension period along with the optional extension, if appropriate, as listed in Confidential Attachment A to the subject report, noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reasons why a satisfactory outcome would not be achieved by inviting tenders differ for each application, platform or appliance and include:
 - (i) a lack of availability of alternative suppliers;
 - (ii) high costs and/or extensive business disruption associated with a transition to a new provider; and
 - (iii) cost to take the arrangement to market would be disproportionate to the potential value of change;
- (C) Council note that the detailed reasons as to why a satisfactory result will not be achieved by inviting tenders are outlined further in Confidential Attachment A to the subject report;
- (D) Council enter into the subscription, licencing, maintenance and support agreements with the suppliers upon the expiry of the current agreements for the respective extension period along with the optional extension, if appropriate, as listed in Confidential Attachment A to the subject report; and
- (E) authority be delegated to the Chief Executive Officer to finalise, execute and administer (including exercising options, if appropriate) the subscription, licencing, maintenance and support agreements with the relevant suppliers as listed 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 unanimously.)

S064539

Item 12**Tender - T-2022-715 - Sydney Christmas Infrastructure Services 2023-2027**

It is resolved that:

- (A) Council accept the tender of Tenderer A for Sydney Christmas Infrastructure Services 2023-2027 for the price and contingency outlined in Confidential Attachments A and B to the subject report for a period of five years;
- (B) Council note that the total contract sum and contingency for Sydney Christmas Infrastructure Services 2023-2027 is outlined in Confidential Attachment A to the subject report; and

- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender.

(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 Worling, and carried unanimously.)

2022/564137

Item 13

Tender - T-2023-992 - Microsoft Enterprise Agreement

It is resolved that:

- (A) Council accept the tender offer of Tenderer A for T-2023-992 Microsoft Enterprise Agreement in accordance with the approved annual budget for a period of three years;
- (B) Council note that the total contract sum and contingency for T-2023-992 Microsoft Enterprise Agreement is outlined in Confidential Attachment A to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender.

(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.)

X096889