

Minutes of the Corporate, Finance, Properties and Tenders Committee - 4 March 2024

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

At the commencement of business at 2.20pm, those present were –

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

The meeting of the Corporate, Finance, Properties and Tenders Committee concluded at 2.32pm.

Item 1

Confirmation of Minutes

Moved by Councillor Kok, seconded by Councillor Davis –

That the Minutes of the meeting of the Corporate, Finance, Properties and Tenders Committee of Monday 12 February 2024, as circulated to Councillors, be confirmed.

Carried unanimously.

Item 2

Statement of Ethical Obligations and Disclosures of Interest

No Councillors disclosed any pecuniary or non-pecuniary interests in any matter 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

Investments Held as at 29 February 2024

It is resolved that the Investment Report as at 29 February 2024 be received and noted.

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

X020701

Item 4**Lease Approval - Mandible Street, Alexandria Properties**

It is resolved that:

- (A) Council approve a three-year lease renewal from 9 October 2024 to 8 October 2027 to Murrays Australia Pty Limited ABN 65 008 468 666 for 30 and 33-39 Mandible Street, Alexandria for the amount outlined in Confidential Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to finalise the terms of this proposal and to negotiate, execute and administer the lease relating to the proposal in accordance with the Confidential Attachment A to the subject report.

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

X039615

Item 5**Lease Approval - 343 George Street, Sydney**

It is resolved that:

- (A) Council note the lease proposal information for 343 George Street included in Confidential Attachment A to the subject report;
- (B) Council approve the granting of a lease for 343 George Street in accordance with the essential lease terms and conditions contained within Confidential Attachment B to the subject report; and
- (C) 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 the option, in accordance with the essential terms and conditions contained within Confidential Attachment B to the subject report.

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

S096173.016

Item 6**Tender - T-2023-1033 and Contract Variation - 343 George Street Façade Remediation Stage 2**

It is resolved that:

- (A) Council accept the tender of Tenderer B for 343 George Street Façade Remediation and Lighting Project - Stage 2 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 343 George Street Façade Remediation and Lighting Project - Stage 2 is outlined in Confidential Attachment A to the subject report;

- (C) Council approve additional contract contingency for the Head Design Consultancy Contract for additional design services during the construction stage of 343 George Street Façade Remediation and Lighting Project - Stage 2 as outlined in Confidential Attachment A to the subject report;
- (D) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender and contract variation for 343 George Street Façade Remediation and Lighting Project - Stage 2; and
- (E) Council approve the additional funds required for the delivery of 343 George Street Façade Remediation and Lighting Project - Stage 2 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 Councillor Kok, seconded by Councillor Worling, and carried unanimously.)

X011030.001

Item 7

Exemption from Tender and Contract Variation - Green Square Water Reuse Scheme

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 Sydney Water Corporation for the operation and maintenance of the Green Square Water Reuse Scheme (GSWRS);
- (B) Council note the reasons a satisfactory outcome would not be achieved by inviting tenders is due to the following extenuating circumstances:
 - (i) operators of water infrastructure and suppliers of water in NSW must hold relevant licences under the Water Industry Competition Act 2006 specific to the particular scheme, which take an estimated two years to obtain;
 - (ii) Sydney Water Corporation is the current operator of the Green Square Water Reuse Scheme and, as a nominated public water utility in the Water Industry Competition Act 2006, is exempt from the requirement to obtain licences for this scheme; and
 - (iii) it is not possible to procure an alternative operator prior to the exhaustion of the current total value, meaning the only other option is to cease operating the scheme;
- (C) Council approve the variation to increase the total contract value of the contract with Sydney Water Corporation for the operation and maintenance of the Green Square Water Reuse Scheme, 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
- (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 Councillor Kok, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X094239.001

Item 8**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) high costs and/or extensive business disruption associated with a transition to a new provider;
 - (ii) upgrades or changes to service requirements are planned to be implemented within the next five years;
 - (iii) cost to take the arrangement to market would be disproportionate to the potential value of change; and
 - (iv) a lack of availability of alternative suppliers;
- (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 Councillor Kok, seconded by Councillor Worling, and carried unanimously.)

S064539

Item 9**Exemption from Tender and Contract Variation - Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals**

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 Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals to extend the term of the existing contract to 30 June 2027 (37 months and 13 days) with an optional further 12-month extension (30 June 2028);
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because:
 - (i) the Commonwealth Government's funding model announcement (expected July 2027) is likely to have significant changes in how grant funding is allocated (post July 2027);
 - (ii) significant uncertainty will continue in the market until the funding model changes are implemented; and
 - (iii) market testing has indicated a lack of suppliers capable of meeting the City's requirements;
- (C) Council approve a contract variation for Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals to:
 - (i) increase the contract value to accommodate an increased need to procure meals through the life of the contract, as shown in Confidential Attachment A to the subject report;
 - (ii) extend the contract by a further three years one month and 13 days to 30 June 2027 to align with the Commonwealth Home Support Grant and enable a tender process to take place in line with any changes to funding provided by the Commonwealth;
 - (iii) include a 12-month option (1 July 2027 to 30 June 2028) as a contingency should the Commonwealth's aged care reforms be further delayed; and
 - (iv) include a five per cent contingency on the extended contract value to allow the service to meet increased community need;
- (D) Council note the total contract sum and contingency for Meals on Wheels Pre-Packed/Cooked Individual Chilled and Frozen Meals is outlined in Confidential Attachment A to the subject report; and
- (E) 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 Councillor Kok, seconded by Councillor Chan, and carried unanimously.)

S074367