

22 July 2024

At 2.00 pm

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

**Agenda**

- 1. Confirmation of Minutes**
- 2. Statement of Ethical Obligations and Disclosures of Interest**
- 3. Investments Held as at 30 June 2024**
- 4. External Memberships**
- 5. Tender - T-2023-1124 - Minor Landscape Works Panel**
- 6. Tender - T-2023-973 - LED Luminaires and Smart Controls Supply**
- 7. Tender - T-2023-1107 - Public Lighting and Electrical Maintenance**
- 8. Tender - T-2023-1009 - Construction - Gunyama Park Stage 2 and George Julius Avenue North**
- 9. Tender - T2023-1062 - Head Contractor - Hyde Park Lighting, Electrical, CCTV Upgrade and Associated Works and Contract Variation - Head Design Consultant**
- 10. Tender - T-2021-609 - Huntley Street Recreation Centre Construction and Contract Variation - Head Design Consultant**
- 11. Tender - T-2023-1041 - Reject and Negotiate - Sydney Park Brick Kilns Precinct Upgrade and Contract Variation - Head Design Consultant**
- 12. Tender - T-2023-1166 - Reject and Negotiate - English Library Materials**
- 13. Contract Variation - Frontier Software Pty Ltd**

## 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

In accordance with the *City of Sydney Code of Meeting Practice*, Committee meetings are recorded and webcast live on the City of Sydney website at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au).

Members of the public attending a council or committee meeting may have their image, voice and personal information (including name and address) recorded, publicly broadcast and archived for up to 12 months.

### Consent

By attending a council or committee meeting, members of the public consent to this use of their image, voice and personal information.

### Disclaimer

Statements made by individuals at a council or committee meeting, and which may be contained in a live stream or recording of the meeting are those of the individuals making them, and not of the City. To be clear, unless set out in a resolution of council, the City does not endorse or support such statements.

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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 9702 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.**

**Confirmation of Minutes**

Minutes of the following meetings of the Corporate, Finance, Properties and Tenders Committee are submitted for confirmation:

Meeting of 17 June 2024

**Item 2.****Statement of Ethical Obligations**

In accordance with section 233A of the Local Government Act 1993, the Lord Mayor and Councillors are bound by the Oath or Affirmation of Office made at the start of the Council term to undertake their civic duties in the best interests of the people of the City of Sydney and the City of Sydney Council and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act 1993 or any other Act, to the best of their ability and judgement.

**Disclosures of Interest**

Pursuant to the provisions of the Local Government Act 1993, the City of Sydney Code of Meeting Practice and the City of Sydney Code of Conduct, Councillors are required to disclose and manage both pecuniary and non-pecuniary interests in any matter on the agenda for this meeting.

In both cases, the nature of the interest must be disclosed.

This includes receipt of reportable political donations over the previous four years.

## Item 3.

### Investments Held as at 30 June 2024

File No: X020701

#### Summary

This report provides details of the City's investment portfolio and performance to 30 June 2024.

The City's total Investment and Cash position was \$764.1M at 30 June 2024, with investments earning interest of \$3.2M for the month.

Annual CPI inflation was 3.6 per cent in the March 2024 quarter, lower than the 4.1 per cent annual rise in the previous quarter (Note that June 2024 CPI data had not been released at the time of writing). However, the rate of inflation remains above the Reserve Bank of Australia's (RBA) target range of two to three per cent. While global factors explain much of the variation in inflation, domestic factors also continue to play a role. Widespread upward pressures on prices remain in the economy due to strong demand, a tight labour market and capacity constraints in some sectors of the economy.

The Reserve Bank of Australia (RBA) board most recently raised the official cash rate on 7 November 2023, by 25 basis points to 4.35 per cent, a 12-year high, up from the record low 0.10 per cent level in May 2022. The RBA has left rates unchanged since December 2023. While inflation is declining, economic analysts note that the decline has been slower than anticipated, increasing the possibility of a further cash rate rise. However, the general expectation of the majority of banks is that official rates will remain on hold until late this calendar year, provided that the declining inflation trend continues, with potential for rate cuts to follow.

The City's cash and investments portfolio is substantially restricted in both internal (\$240.3M) and external (\$89.9M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for major initiatives within the Community Strategic Plan Delivering Sustainable Sydney 2030-2050 Continuing the Vision. 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 commercial property and open space acquisitions. The balance of investment funds represents working capital and funding required for the City's operating and capital expenditure commitments.

The City achieved an annualised monthly return of 5.15 per cent for June which remains above the 30-Day Bank Bill Rate (BBR) of 4.30 per cent, the latest AusBond Bank Bill Index of 4.20 per cent and the enhanced benchmark of 4.75 per cent (BBR + 0.45 per cent).

Since 2015, the City has utilised an additional strategic benchmark rate to measure its investment performance by exceeding the 30 day benchmark returns, by at least 45 additional basis points (0.45 per cent p.a.). The 45 basis point increase is based on observed historical average increased credit spreads (or margins) over bank bill rates on offer in relation to 30–90 day investments.

The City's annual rolling return of 5.12 per cent continues to exceed the 12 month average 30 Day Bank Bill Rate of 4.22 per cent, the latest AusBond Bank Bill Index of 4.39 per cent and the enhanced benchmark of 4.67 per cent (BBR + 0.45 per cent). The benchmarks were endorsed in the revised Investment Strategy approved by Council in October 2023.

It is worth noting that Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister for the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sector's investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which generally produce lower returns but provide a high level of security. The City's returns from the investment portfolio remain in line with cash managed funds in the market.

This 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 Investment Report as at 30 June 2024 be received and noted

## **Attachments**

**Attachment A.** Register of Investments and Cash as at 30 June 2024

**Attachment B.** Investment Performance as at 30 June 2024

## Background

1. In accordance with the principles of sound 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 Days 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 30 June 2024 is \$764.1M, a decrease of \$15.2M from 31 May 2024. The monthly movement reflects capital works expenditure and other operational payments for the period exceeding operating income. A schedule detailing all of the City's investments as at the end of June 2024 is provided at Attachment A.
5. A substantial portion of the City's cash and investments portfolio is held as internally restricted (\$240.3M) or externally restricted (\$89.9M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for major initiatives within the Community Strategic Plan Delivering Sustainable Sydney 2030-2050 Continuing the Vision.
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 commercial property and 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 5.15 per cent for June which remains above the 30-Day Bank Bill Rate (BBR) of 4.30 per cent, the latest AusBond Bank Bill Index of 4.20 per cent and the enhanced benchmark of 4.75 per cent (BBR + 0.45 per cent).
8. Since 2015, the City has utilised an additional strategic benchmark rate to measure its investment performance by exceeding the 30 day benchmark returns, by at least 45 additional basis points (0.45 per cent p.a.). The 45 basis point increase is based on observed historical average increased credit spreads (or margins) over bank bill rates on offer in relation to 30 to 90 day investments.
9. The City's annual rolling return of 5.12 per cent continues to exceed the 12-month average 30 Day Bank Bill Rate of 4.22 per cent, the latest AusBond Bank Bill Index of 4.39 per cent and the enhanced benchmark of 4.67 per cent (BBR + 0.45 per cent). The benchmarks were endorsed in the revised Investment Strategy approved by Council in October 2023.
10. The City aims to achieve returns equal to or above these benchmark rates for the period. However, this achievement remains secondary to the critical strategies of maintaining a prudent and conservative risk profile and ensuring adequate liquidity for operational purposes.



11. It is worth noting Council's investment opportunities are constrained by a combination of legislation, regulation and any directions and guidelines issued by the Minister or the Office of Local Government. These guidelines were developed, in large part, as a response to the Global Financial Crisis and its impact on the local government sectors investments. They effectively limit the City's investment profile to something similar to a cash managed fund, which produces lower returns but provides a high level of security.
12. The City's returns from the investment portfolio are in line with cash managed funds in the market. The recent increases to official cash rates have seen improvements in rates of return offered by the market, allowing maturing deposits to be re-invested at higher rates. This trend is anticipated to continue as investments placed during the period of suppressed interest rates reach maturity and are re-invested.
13. The Australian economy is experiencing a sustained period of inflation well in excess of the Reserve Bank of Australia's (RBA) target range of two to three per cent. There are indications that inflationary pressures are reducing. Annual CPI inflation was 3.6 per cent in the March 2024 quarter, lower than the 4.1 per cent annual rise in the previous quarter. While global factors explain much of the variation in inflation, domestic factors also play a role. There are widespread upward pressures on prices from strong demand, a continuing tight labour market and capacity constraints in some sectors of the economy.
14. In response to the current period of inflation, the RBA lifted official cash rates on 14 consecutive occasions from the record low 0.1 per cent level in May 2022. The current rate, lifted again by the RBA in November 2023, is 4.35 per cent. The RBA faces considerable pressure as it must effectively balance controlling inflation while also maintaining employment levels. Further increases remain a possibility, while the rate of inflation remains above the RBA's target range.
15. Most of the investment portfolio (currently 71.33 per cent) is held in term and tailored deposits. Continuing improvements in returns are anticipated as older investments mature and are reinvested in products offering higher prevailing rates where the funds are not otherwise required for operating purposes. Around 77.61 per cent of the portfolio, including at call account and general fund, is due to mature in the coming year.
16. The report includes graphs 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.
17. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy which was last revised and approved by Council in October 2023 remains appropriate for the current global and domestic economic conditions.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

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

## Financial Implications

19. The City's investments earned interest of \$3.2M for the month of June 2024, which is well above the monthly budgeted earnings of \$1.7M.
20. The interest income budget for the 2023/24 financial year is \$20.0M. Interest rates offered in the market for the financial year to date have been higher than were anticipated at the time the budget was set, which has favorably impacted investment returns. Annual interest earnings for the 2023/24 financial year were \$38.9M, well above the budgeted earnings of \$20M.

## Relevant Legislation

21. Council is authorised to invest its surplus cash under section 625 of the Local Government Act 1993.
22. The Local Government (General) Regulation 2021 (section 212) requires the City to provide a written monthly report of all monies invested, under section 625 of the Act.
23. The Investment Policy and Strategy was last revised in October 2023, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments.
24. 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 23 October 2023

## Critical Dates / Time Frames

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

## Public Consultation

26. 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 legislative and risk parameters. City staff meet regularly with representatives 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. The City currently holds \$80.0M in sixteen tranches with this Green Tailored deposit.

29. The City currently holds \$5.0M in a sustainability bond/FRN with Bank Australia due to mature on 24 November 2025 and an additional \$4.5M, invested in February 2023 and due to mature on 22 February 2027. This is based on an investment framework that is in line with the 2021 versions of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG). This Socially Responsible investment opportunity meets both the credit risk and maturity profile requirements of the City

**BILL CARTER**

Chief Financial Officer

# **Attachment A**

**Register of Investments and Cash  
as at 30 June 2024**



**Register of Investments and Cash for June 2024 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>									
Westpac Banking Corporation - Green Tailored Deposit - (Annual Interest)	AA-	5,000,000.00	5,000,000.00	0.45%	5.40%	5.40%	2-Jan-25	24-Nov-23	13
Westpac Banking Corporation - Green Tailored Deposit - (Annual Interest)	AA-	5,000,000.00	5,000,000.00	0.46%	5.46%	5.46%	7-Jan-25	27-Nov-23	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.19%	25-Feb-25	29-Feb-24	12
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.19%	8-Apr-25	21-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.19%	11-Apr-25	21-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.21%	5.19%	15-Apr-25	22-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.19%	17-Apr-25	27-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.19%	5.19%	29-Apr-25	23-Feb-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 85 points)	AA-	5,000,000.00	5,000,000.00	0.44%	5.26%	5.30%	2-May-25	4-Mar-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 80 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.15%	5.26%	6-Mar-25	5-Mar-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 80 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.15%	5.25%	9-May-25	6-Mar-24	14
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 80 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.13%	5.13%	13-May-25	2-Apr-24	13
Westpac Banking Corporation - Green Tailored Deposit - (90 days BBSW + 80 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.13%	5.13%	16-May-25	2-Apr-24	13
Westpac Banking Corporation - Green Tailored Deposit - (Annual Interest)	AA-	5,000,000.00	5,000,000.00	0.43%	5.10%	5.10%	30-May-25	15-Apr-24	13
Westpac Banking Corporation - Green Tailored Deposit - (Annual Interest)	AA-	5,000,000.00	5,000,000.00	0.43%	5.13%	5.13%	3-Jun-25	16-Apr-24	14
Westpac Banking Corporation - Green Tailored Deposit - (4.98% fixed 1 year & 3 months BBSW +78 bps 2 years)	AA-	5,000,000.00	5,000,000.00	0.42%	4.98%	4.98%	2-Apr-27	3-Apr-24	36
<b>Total</b>		<b>545,000,000.00</b>	<b>545,000,000.00</b>	<b>0.43%</b>	<b>5.17%</b>	<b>5.18%</b>			
<b>Floating Rate Notes (FRN)</b>									
Westpac Banking Corporation (90 days BBSW + 88 points)	AA-	4,000,000.00	4,000,000.00	0.44%	5.22%	5.15%	16-Aug-24	16-May-19	63
ANZ Bank (90 days BBSW + 77 points)	AA-	4,000,000.00	4,000,000.00	0.43%	5.11%	5.03%	29-Aug-24	29-Aug-19	60
National Australia Bank (90 days BBSW + 77 points)	AA-	5,000,000.00	5,000,000.00	0.43%	5.14%	5.10%	21-Jan-25	21-Jan-20	60
Macquarie Bank (3 months BBSW + 84 points)	A+	5,000,000.00	5,000,000.00	0.43%	5.21%	5.13%	12-Feb-25	12-Feb-20	60
Suncorp Bank (90 days BBSW + 112 points)	A+	1,500,000.00	1,500,000.00	0.46%	5.75%	5.47%	24-Apr-25	27-Apr-20	60
Suncorp Bank (90 days BBSW + 83 points) - Covered Bond	A+	2,200,000.00	2,200,000.00	0.43%	5.20%	5.14%	17-Oct-25	17-Oct-22	36
Great Southern Bank (3months BBSW + 158 points)	BBB+	4,000,000.00	4,000,000.00	0.49%	5.92%	5.86%	1-Dec-25	1-Dec-22	36
Macquarie Bank (3 months BBSW + 48 points)	A+	5,000,000.00	5,000,000.00	0.40%	4.84%	4.78%	9-Dec-25	9-Dec-20	60
Suncorp Bank (90 days BBSW + 45 points)	A+	2,100,000.00	2,100,000.00	0.40%	4.79%	4.71%	24-Feb-26	24-Feb-21	60
Newcastle Greater Mutual Group Ltd (90 days BBSW + 63 points)	BBB+	5,000,000.00	5,000,000.00	0.42%	4.98%	4.93%	4-Mar-26	4-Mar-21	60
Bendigo & Adelaide Bank (90 days BBSW + 125 points)	A-	4,500,000.00	4,500,000.00	0.47%	5.61%	5.52%	15-May-26	15-May-23	36
Suncorp Bank (90 days BBSW + 105 points)	A+	4,000,000.00	4,000,000.00	0.45%	5.39%	5.31%	18-May-26	18-May-23	36
Bendigo & Adelaide Bank (90 days BBSW + 65 points)	A-	5,000,000.00	5,000,000.00	0.42%	5.06%	4.98%	18-Jun-26	18-Jun-21	60
Macquarie Bank (3 months BBSW + 85 points)	A+	4,000,000.00	4,000,000.00	0.43%	5.20%	5.17%	14-Sep-26	14-Sep-23	36
Suncorp Bank (90 days BBSW + 48 points)	A+	3,750,000.00	3,750,000.00	0.40%	4.85%	4.82%	15-Sep-26	15-Sep-21	60
Bank of Queensland (90 days BBSW + 80 points)	BBB+	3,000,000.00	3,000,000.00	0.44%	5.22%	5.14%	27-Oct-26	27-Oct-21	60
Commonwealth Bank (3 month BBSW + 70 points)	AA-	3,250,000.00	3,250,000.00	0.42%	5.06%	5.00%	14-Jan-27	14-Jan-22	60
Westpac Banking Corporation (90 days BBSW + 70 points)	AA-	3,900,000.00	3,900,000.00	0.43%	5.10%	5.07%	25-Jan-27	18-Jan-22	60
Suncorp Bank (90 days BBSW + 78 points)	A+	4,500,000.00	4,500,000.00	0.43%	5.18%	5.15%	25-Jan-27	17-Jan-22	60
Great Southern Bank (3months BBSW + 165 points)	BBB+	2,500,000.00	2,500,000.00	0.50%	6.03%	5.94%	9-Feb-27	9-Feb-23	48
Newcastle Greater Mutual Group Ltd (90 days BBSW + 100 points)	BBB+	2,250,000.00	2,250,000.00	0.45%	5.37%	5.28%	10-Feb-27	3-Feb-22	60
National Australia Bank (90 days BBSW + 72 points)	AA-	4,000,000.00	4,000,000.00	0.42%	5.06%	4.98%	25-Feb-27	25-Feb-22	60
ING Bank (3 months BBSW + 95 points)	A	1,500,000.00	1,500,000.00	0.45%	5.34%	5.44%	22-Mar-27	22-Mar-24	36
ANZ Bank (90 day BBSW + 97 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.34%	5.26%	12-May-27	12-May-22	60
Bendigo and Adelaide Bank (90 days BBSW + 100 points)	A-	2,000,000.00	2,000,000.00	0.45%	5.38%	5.38%	14-May-27	14-May-24	36
Westpac Banking Corporation (90 days BBSW + 105 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.39%	5.31%	20-May-27	20-May-22	60
ANZ Bank (90 days BBSW + 120 points)	AA-	4,000,000.00	4,000,000.00	0.47%	5.59%	5.48%	4-Nov-27	4-Nov-22	60
Westpac Banking Corporation (90 days BBSW + 123 points)	AA-	5,000,000.00	5,000,000.00	0.47%	5.60%	5.52%	11-Nov-27	11-Nov-22	60
Suncorp Bank (3 months BBSW + 110 points)	A+	3,750,000.00	3,750,000.00	0.45%	5.44%	5.45%	24-Nov-27	24-Nov-23	48
National Australia Bank (90 days BBSW + 120 points)	AA-	4,200,000.00	4,200,000.00	0.46%	5.54%	5.46%	25-Nov-27	25-Nov-22	60
Suncorp Bank (3months BBSW + 125 points)	A+	2,700,000.00	2,700,000.00	0.47%	5.60%	5.55%	14-Dec-27	14-Dec-22	60
ANZ Bank (90 days BBSW + 106 points)	AA-	4,000,000.00	4,000,000.00	0.46%	5.51%	5.44%	31-Mar-28	31-Mar-23	60
Suncorp Bank (3 months BBSW + 105 points)	A+	3,000,000.00	3,000,000.00	0.45%	5.40%	5.34%	12-Jul-28	12-Jul-23	60
Commonwealth Bank (3 month BBSW + 95 points)	AA-	3,000,000.00	3,000,000.00	0.44%	5.30%	5.25%	17-Aug-28	17-Aug-23	60
ANZ Bank (90 days BBSW + 93 points)	AA-	3,500,000.00	3,500,000.00	0.44%	5.29%	5.25%	11-Sep-28	11-Sep-23	60
National Australia Bank (3 months BBSW + 103 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.37%	5.39%	16-Nov-28	16-Nov-23	60
Westpac Banking Corporation (3 months BBSW + 100 points)	AA-	4,000,000.00	4,000,000.00	0.45%	5.36%	5.36%	15-Jan-29	15-Jan-24	60
ANZ Bank (90 days BBSW + 96 points)	AA-	3,500,000.00	3,500,000.00	0.45%	5.35%	5.33%	5-Feb-29	5-Feb-24	60
National Australia Bank (3 months BBSW + 90 points)	AA-	3,500,000.00	3,500,000.00	0.44%	5.29%	5.39%	22-Mar-29	22-Mar-24	60
ANZ Bank (90 days BBSW + 86 points)	AA-	4,000,000.00	4,000,000.00	0.44%	5.27%	5.27%	18-Jun-29	18-Jun-24	60
<b>Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond'</b>									
Bank Australia - Sustainability Bond (3months BBSW + 160 points)	BBB+	5,000,000.00	5,000,000.00	0.50%	5.94%	5.86%	24-Nov-25	24-Nov-22	36
Bank Australia - Sustainability Bond (3months BBSW + 155 points)	BBB+	4,500,000.00	4,500,000.00	0.49%	5.90%	5.81%	22-Feb-27	22-Feb-23	48
<b>Total</b>		<b>155,600,000.00</b>	<b>155,600,000.00</b>	<b>0.44%</b>	<b>5.34%</b>	<b>5.28%</b>			
<b>Total Investments</b>		<b>764,078,778.64</b>	<b>764,078,778.64</b>	<b>0.43%</b>	<b>5.15%</b>	<b>5.12%</b>			
<b>Benchmark: 30 Day Bank Bill Index</b>				<b>0.36%</b>	<b>4.30%</b>	<b>4.22%</b>			
<b>Benchmark: Bloomberg AusBond Bank Bill Index</b>				<b>0.35%</b>	<b>4.20%</b>	<b>4.39%</b>			
<b>TOTAL INVESTMENTS &amp; CASH</b>		<b>764,078,778.64</b>	<b>764,078,778.64</b>						
<b>Note:</b>									
Total Investments & cash - as per investment report			764,078,778.64						
IGS Sinking Fund Balance - as at June 2024			2,236,620.40						
Net reconciling amount - closing Bank Balance (per register above) and closing General Ledger account balance (timing difference)			27,165.23						
Total Investments & cash - as per general ledger balance			766,342,464.27						

**Summary of Net Investment Movements - June 2024**

Financial Institution	Fund Rating	Net Investment/(Reduction) Amount \$	Commentary
<b><u>General Fund</u></b>			
Westpac Banking Corporation	AA-	24,000,000	Investment maturities and surplus of funds received in general fund utilised for operational purposes.
<b><u>Term Deposits (TDs)</u></b>			
ANZ Bank	AA-	(15,000,000)	Redeemed matured investments for operational purposes or placed in higher yielding investments
Bank of Queensland	A-	(10,000,000)	
Bendigo & Adelaide Bank	A-	(5,000,000)	
Commonwealth Bank	AA-	(5,000,000)	
ING Bank	A+	(10,000,000)	
Westpac Banking Corporation	AA-	(5,000,000)	
Suncorp Bank	A+	10,000,000	Redeemed matured investments and any additional income received, placed in higher yielding term deposits.
<b><u>Floating Rate Notes(FRNs)</u></b>			
ANZ Bank	AA-	4,000,000	Additional income and maturities placed in higher yielding floating rate notes
National Australia Bank	AA-	(3,200,000)	

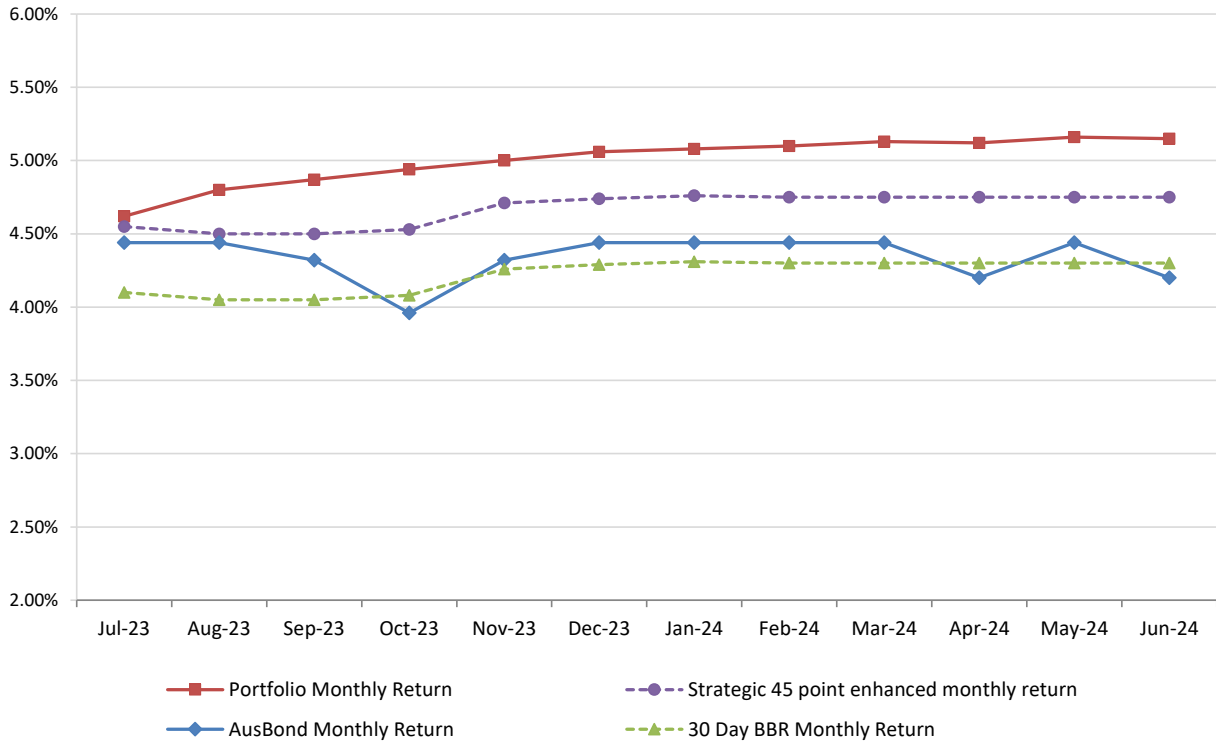
# **Attachment B**

**Investment Performance  
as at 30 June 2024**



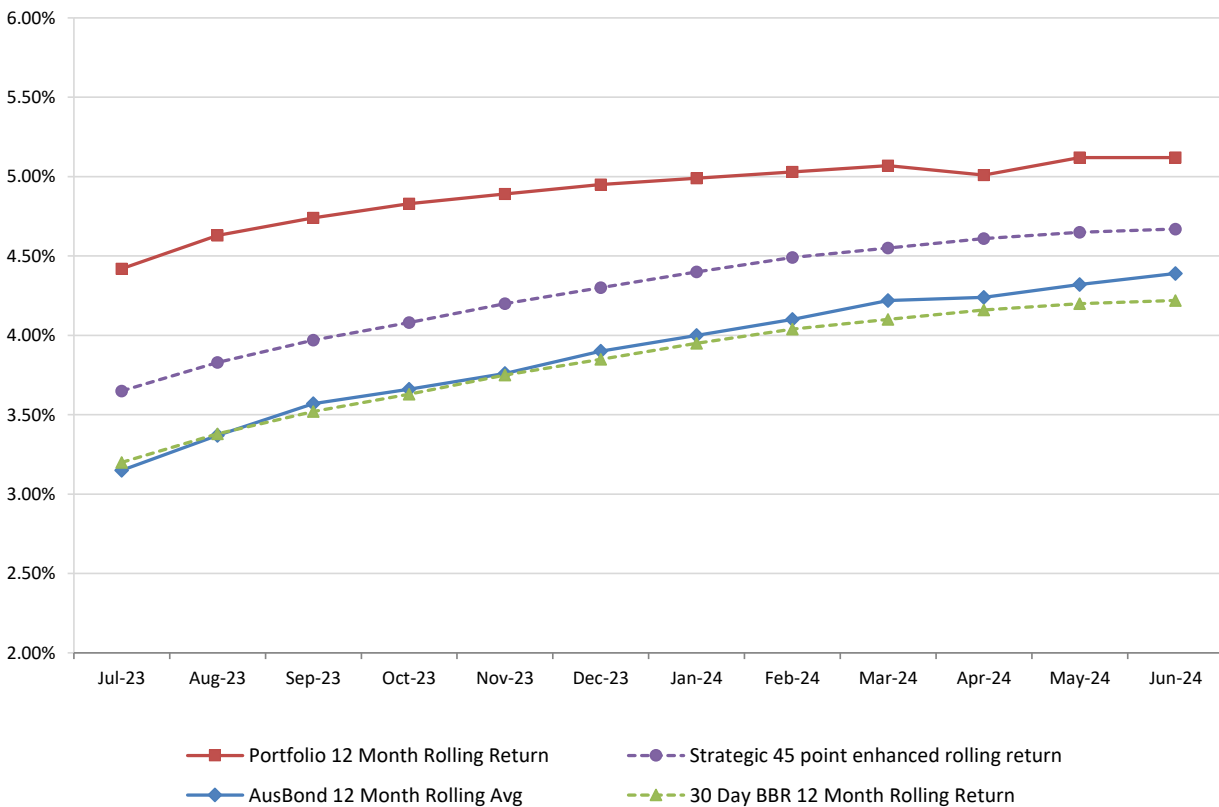
### Monthly Results

Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
June 2024

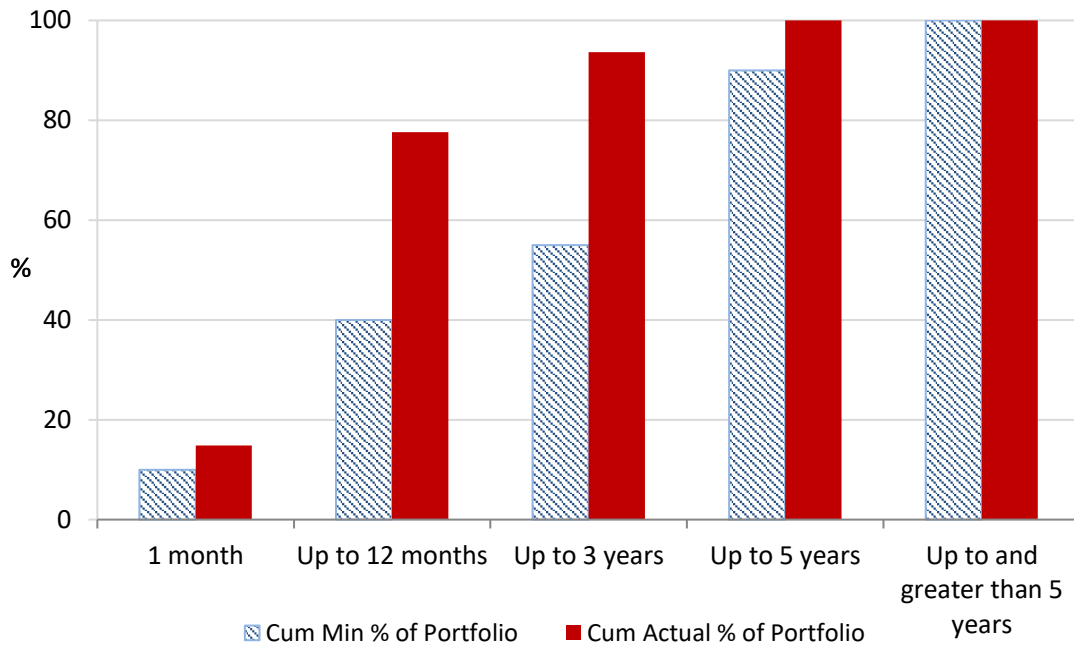


### 12 Month Rolling Averages

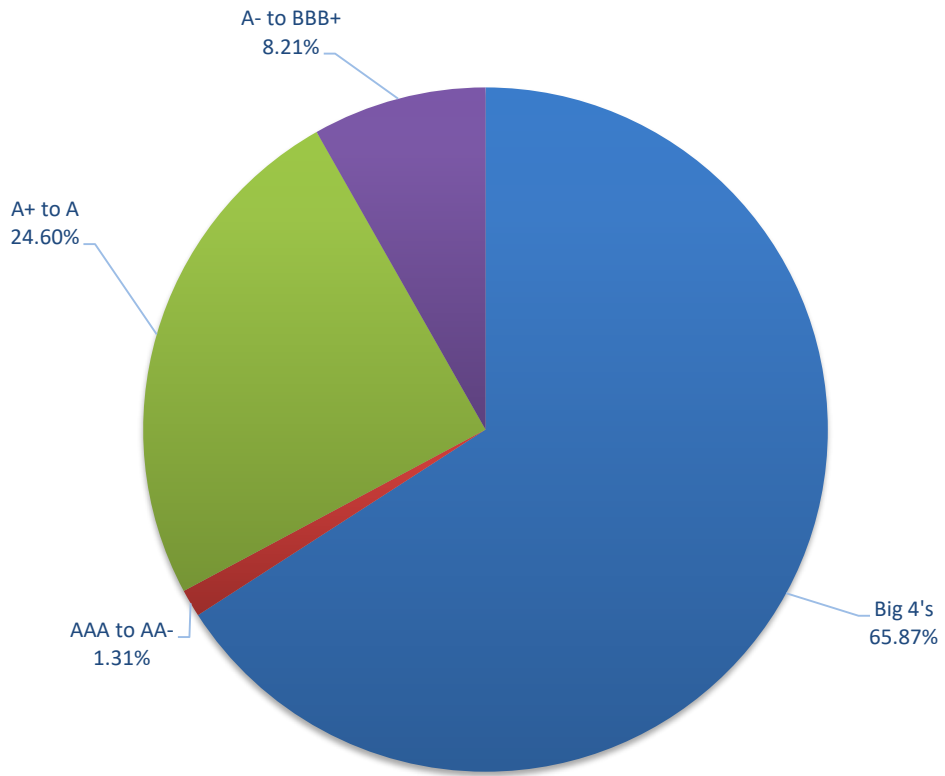
Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
June 2024



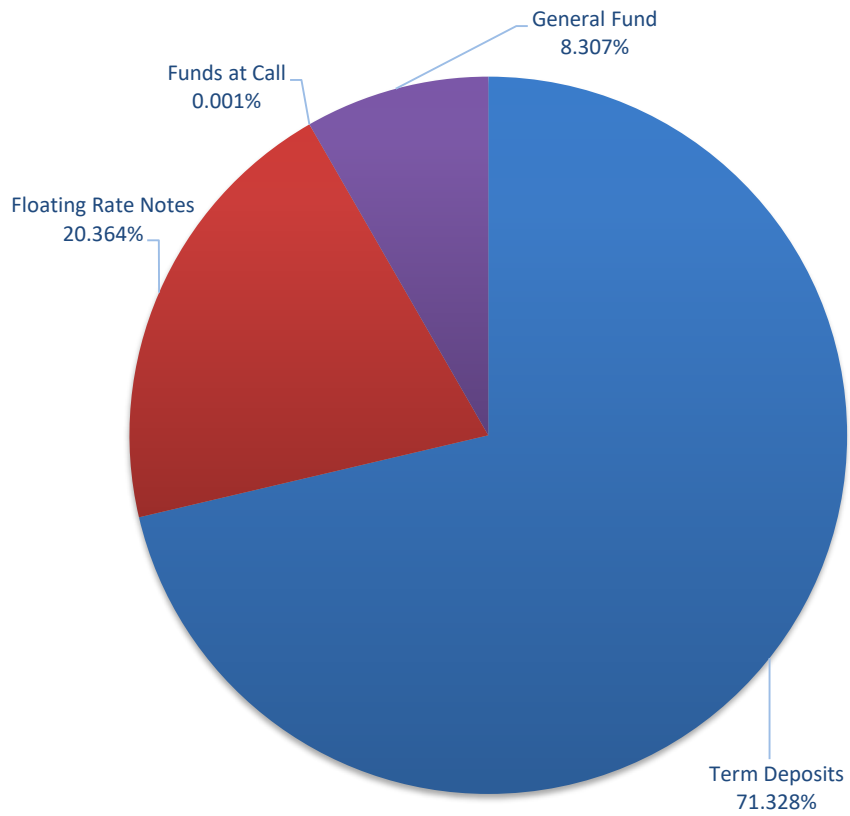
### Portfolio Liquidity - Minimum Allocations as at 30 June 2024



### Risk Profile as at 30 June 2024



### Risk Profile as at 30 June 2024



INVESTMENT AND CASH DISTRIBUTION BY FINANCIAL INSTITUTION				
as at 30 June 2024				
Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	27.0	3.5	
	Commonwealth Bank	111.3	14.6	
	National Australia Bank	125.7	16.5	
	Westpac Banking Corporation	239.4	31.3	
<b>Big 4 Total</b>		<b>503.3</b>		<b>65.9</b>
Other Australian ADIs and Australian subsidiaries of foreign institutions	Bank Australia Limited	9.5	1.2	
	Bank of Queensland	8.0	1.0	
	Bendigo & Adelaide Bank	31.5	4.1	
	Great Southern Bank (formerly Credit Union Australia)	6.5	0.9	
	ING Bank	86.5	11.3	
	Suncorp Bank	87.5	11.5	
	Macquarie Bank Ltd	14.0	1.8	
	Northern Territory Treasury Corporation	10.0	1.3	
Newcastle Greater Mutual Group Ltd	7.3	0.9		
<b>Other ADI Total</b>		<b>260.8</b>		<b>34.1</b>
<b>Grand Total</b>		<b>764.1</b>	<b>100.0</b>	<b>100.0</b>

**Item 4.**

**External Memberships**

Document to Follow

## Item 5.

### Tender - T2023-1124 - Minor Landscape Works Panel

File No: X098105

Tender No: T2023/1124

### Summary

This report provides details of the tenders received for the Minor Landscape Works Panel.

This tender seeks to put in place a new panel of suppliers under a schedule of rates contract to undertake minor projects within the City's Parks in an efficient and responsive manner.

The Minor Landscape Works Panel ('the Panel') is being established to carry out various select projects within the City of Sydney Local Government Area under the City's Parks and Open Space Renewal and Capital Programs.

The focus of the Panel is to deliver select park renewal and upgrade projects. Projects delivered under the Panel will be varied and range from complete renewal or upgrades of pocket parks or landscaped streetscapes to renewal or upgrades of discrete areas or assets within neighbourhood or iconic parks. Sports field renovation/returfing services are outside the scope of the Panel.

Select projects will be procured through the Panel, however, not all the City's Parks and Open Space projects will be delivered under the Panel Contract. The Panel is intended to deliver over 50 per cent of park renewal and upgrade projects by number, or over 30 per cent of park renewal and upgrade projects by value.

The method of project delivery will be based on a project's value, scale and complexity. Smaller, lower value and less complex projects of which there are high volumes will tend to be delivered through the panel, while larger, high value and complex projects will likely be delivered through alternative procurement processes and delivery approaches.

Under this engagement, contractors will be responsible for the administration, investigation, design, construction and establishment of landscape and associated works to the City's parks and open space.

This report recommends that Council accept the tender offer of Tenderers A, G, H and J for the Minor Landscape Works Panel.

## **Recommendation**

It is resolved that:

- (A) Council accept the tenders of Tenderers A, G, H and J for the Minor Landscape Works Panel 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 a further period of three years, if appropriate;
- (B) Council note that the total contract sum and contingency for the Minor Landscape Works Panel 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) authority be delegated to the Chief Executive Officer to exercise the option referred to at (A) above if appropriate.

## **Attachments**

**Attachment A.** Tender Evaluation Summary (Confidential)

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

## Background

1. The City of Sydney manages over 350 parks and open spaces across 217 hectares. The City's parks and open space is one of the City's most important social, economic and environmental assets, with an asset value over \$550 million.
2. The parks and open space network caters for a wide range of passive and active recreational activities, with the City dedicated to providing equitable access to park assets across the city. Parks include historically significant Victorian style parks, contemporary parks, playgrounds, sports fields, and bushland and wetland areas.
3. The City has developed a reputation for excellence in the maintenance of its parks, and the delivery of park renewal and upgrade projects aims to maintain this reputation and respond to community needs.
4. The Minor Landscape Works Panel ('the Panel') is being established to carry out various projects within the City of Sydney Local Government Area under the City's Parks and Open Space Renewal and Capital Programs. This contract is to replace the previous Minor Landscape Works Schedule of Rates contract which ended in June 2024.
5. The focus of the Panel is to deliver park renewal and upgrade projects through the Parks Renewal Program. The Parks Renewal Program aims to restore and improve the quality and amenity of existing parks across the local government area. The parks renewal program is essential to meet the ongoing needs of users and to ensure the City's parks and open spaces are kept to high standards and are safe, attractive, clean and accessible.
6. Park upgrades are prioritised based on park condition, risks, and user needs, through the City's asset management planning process, typically as they approach the end of their useful life.
7. Select projects will be procured through the Panel however not all the City's Parks and Open Space projects will be delivered under the Panel Contract. The Panel is intended to deliver over 50 per cent of park renewal and upgrade projects by number, or over 30 per cent of park renewal and upgrade projects by value.
8. The method of project delivery will be based on a project's value, scale and complexity. Smaller, lower value and less complex projects of which there are high volumes will tend to be delivered through the panel, while larger, high value and complex projects will likely be delivered through open tender.
9. Panel Contractors will be responsible for the administration, investigation, design, construction and establishment of landscape and associated works to the City's parks and open space.
10. Projects delivered under the Panel will be varied and range from complete renewal or upgrades of pocket parks or landscaped streetscapes to renewal or upgrades of discrete areas or assets within parks.
11. The types of works intended to be delivered through the Panel include paving and concreting; brickwork and stonework; fences, walls and edging; carpentry, metal work and painting; drainage, plumbing and irrigation; electrical and lighting; furniture; playgrounds; planting and soft landscaping; and turfing etc as well as associated design and project management.



12. This contract is to replace the previous Minor Landscape Works Schedule of Rates Contract. Whilst the type of services and works delivered under the proposed panel contract will be very similar to the previous panel contract (with the exception of sports fields as discussed below) the intent is that a larger number of projects, and projects of a larger size, will be delivered under the proposed panel contract.
13. The City's sports fields are excluded from this tender and Panel. The City has recently procured sports field services under a separate contract. The sports field turf sector market is a small sector, so consolidation under a separate contract ensures a more cohesive and effective approach to sports field maintenance, thus ensuring value for money.
14. The outcomes defined under the contract have been designed to contribute to the City's strategic objectives:
  - (a) Sustainable Sydney 2030 - 2050 Continuing the Vision (Green)
  - (b) Environmental Strategy (Carbon, Water, Waste)
  - (c) Greening Sydney Strategy (Greening for all, Cool and calm spaces)
  - (d) Inclusion (Disability) Action Plan (Liveable communities)
  - (e) Stretch Reconciliation Action Plan (Improved economic and social outcomes)
15. The specification and terms of the contract were reviewed as part of the procurement process to refine required service levels and provide clear performance outcomes and enable accurate and transparent pricing.
16. The contract is structured as a Schedule of Rates to respond to the needs of the City's Parks and Open Space Renewal and Capital Programs and ensure flexibility to deliver the range of services required. Fixed Rates were tendered for the first year of the contract term, with Wage Price Index (WPI) adjustment to be used for any annual adjustments thereafter.

### **Invitation to Tender**

17. The Request for Tender were advertised on Tenderlink on 8 March 2024 and closed on 29 April 2024.

### **Tender Submissions**

18. Fourteen submissions were received from the following organisations:
  - Alpha Civil Group Pty Ltd (ABN 86 651 291 182)
  - Auspave Pty Ltd (ABN 87 147 006 219)
  - AYZ Landscapes & Civil Construction Pty Ltd (ABN 19 054 911 376)
  - Civilscape Pty Ltd (ABN 18 623 204 062)

- Enterprise Landscapes and Civil Pty Ltd (ABN 48 166 359 860)
- Green Options Pty Ltd (ABN 59 002 456 797)
- Growth Civil Landscapes Pty Ltd (ABN 35 601 437 003)
- Kingsline Pty Ltd (ABN 22 654 047 346)
- Mack Civil Pty Ltd (ABN 94 163 885 943)
- Quality Management & Constructions Pty Ltd (ABN 29 067 829 323)
- Regal Innovations Pty Ltd (ABN 79 002 411 814)
- Sydney Civil Pty Ltd (ABN 90 078 474 665)
- The Gardenmakers Pty Ltd (ABN 99 002 572 732)
- K Morgan & K Plogstert, trading as Understorey Landscape Architects (ABN 50 277 618 116)

19. No late submissions were received.

### **Tender Evaluation**

20. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
21. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
22. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) financial and commercial integrity;
  - (b) insurances;
  - (c) Schedule of Rates;
  - (d) capacity to deliver, including resources for design and construction;
  - (e) experience in comparable works and past performance;
  - (f) WHS and Environmental Management Systems and Performance; and
  - (g) social procurement.

### **Performance Measurement**

23. The appointed Service Providers will have their performance measured against a list of key performance indicators including safety, quality, sustainability, management, communication and contribution to the City's strategic objectives relevant to the services.

### **Financial Implications**

24. There are sufficient funds allocated within this financial year's capital budgets and future years' forward estimates.
25. The estimated total contract sum for the Minor Landscape Works Panel is detailed in Confidential Attachment A.
26. The Schedule of Rates is detailed in Confidential Attachment B.

### **Relevant Legislation**

27. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.
28. 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.
29. 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.
30. 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.

### **Time Frames**

31. Under the previous contract the services aligning with this tender were last able to be procured on 11 June 2024.
32. The proposed commencement of contract services is early September 2024.
33. The proposed initial contract term is three years, with one option to extend for a period of three years, with the total proposed maximum contract length being six years, ending in 2030.

## Options

34. Option 1 is to use internal service provision to deliver park renewal projects. This option is not recommended as the City does not have the capacity or specialised capabilities to render these services. It would require greater resources (human, financial, property and plant and asset) to render these services.
35. Option 2 is to use individual quotation/tender to procure consultants and contractors to deliver park renewal projects. This option is not recommended as it requires additional resources, results in slower project delivery and increases overall costs of projects due to risk pricing. It would require greater resources (human and financial) to manage the additional procurement, onboarding, and project management. Whilst this option may be suitable for large or higher risk projects, it is less suitable for low risk, small and medium sized projects of which there are a high volume.
36. Deferring the decision to award the tender would delay the rendering of services. This would risk delivery of the City's Parks and Open Space Renewal and Capital Programs, resulting in potential financial and reputational impacts.

## Public Consultation

37. There was no public consultation prior to this tender being advertised.

## VERONICA LEE

Director City Services

Ryan Hawken, Parks Program Manager

Document is Restricted

Document is Restricted

## **Item 6.**

### **Tender - T-2023-973 - Supply of LED Luminaires and Smart Controls**

**File No:** X096255.012

**Tender No:** T-2023-973

### **Summary**

This report provides details of the tenders received for the Supply of LED Luminaires and Smart Controls contracts.

This tender is for the provision of LED luminaires and an associated Smart Lighting Control system for the City's public domain lighting, including road, footway, park, plaza and laneway luminaires. The City previously tendered for the existing portfolio of LED luminaires in 2011 and these assets are now reaching the end of their operational life.

The City plans to replace the existing luminaires and associated control equipment with modern, efficient and smart LED equipment, while not compromising the level of lighting currently achieved. Also, the City plans to install smart lighting controls to operate these luminaires, with a supporting Central Management System and Communications Network. This upgrade aims to maintain current lighting levels while enhancing energy efficiency and management capabilities.

A new supply service for LED luminaires and an associated smart control system will enable the City to substantially reduce the energy required to operate public domain lighting and improve the City's management and control arrangements of these luminaires.

The Supply of LED Luminaires and Smart Controls was tendered in early 2024. The tender included 14 different LED luminaire categories of products that may be supplied by one or multiple successful tenderers. The Smart Controls system is to be provided by one service provider for all luminaire types.

This report recommends that Council accept the tenders of Tenderer B, C, E and F for the Supply of the various types of LED Luminaires, and Tenderer D for Supply of Smart Control system.

## Recommendation

It is resolved that:

- (A) Council accept the tenders of Tenderers B, C, E and F for the Supply of the Various Types of LED Luminaires and Tenderer D for the Supply of Smart Controls for the Schedule of Rates outlined in Confidential Attachment B to the subject report for a period of five years with the option of two, two-year extensions, if appropriate;
- (B) Council note that the total contract sums and contingencies for the Supply of LED Luminaires Contracts and for the Supply of Smart Controls contract are 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) authority be delegated to the Chief Executive Officer to exercise the options referred to in (A), if appropriate

## Attachments

**Attachment A.** Tender Evaluation Summary (Confidential)

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



## Background

1. The City of Sydney operates approximately 8,000 luminaires for the provision of public domain lighting in roads, footways, parks, plazas and laneways. This is additional to approximately 10,500 luminaires operated by Ausgrid which also service the local government area.
2. The City has successfully operated public domain lighting for many decades and this service has continued to require the provision of luminaires from external suppliers.
3. In 2011, the City tendered the Energy Efficient LED Lighting Retrofit contract. This service included the supply, installation and maintenance of over 6,000 LED luminaires on City owned street light poles. The luminaires supplied under the contract have a service life of 11.4 years (50,000 operating hours).
4. The existing LED luminaires were installed progressively over several years and many have now reached their full service life and are out of warranty. LED Luminaires operating beyond their service life are prone to failing and the level of light emitted fades to a level below design requirements as time progresses.
5. It is vital that the City commence a renewal of LED luminaires that have reached the end of their service life. This is necessary to minimise the City's exposure to escalating maintenance costs for one-off luminaire replacements, to ensure luminaires emit light levels that meet design requirements and to capitalise on the benefits of the next generation of LED luminaires.
6. The latest LED luminaires available for public lighting can perform with up to 30 per cent less energy than the City's current LED luminaire portfolio. This has been made possible through both advances in LED luminaire design, and with the use of a smart control system.
7. A public lighting smart control system allows the lighting operator to optimise the energy needed to power an LED luminaire. It also provides the ability to remotely monitor for any luminaire outages and promptly address any inoperable luminaires.
8. LED luminaire suppliers and smart control system suppliers in the marketplace generally do not specialise in installation and maintenance services. It is common practice for public domain lighting operators to have service arrangements dedicated for the supply of luminaires and separate service arrangements for the installation and maintenance activities. By splitting these activities, the City can leverage the greatest quality, cost and time efficiencies available from service providers who specialise in LED luminaire supply, or otherwise in the installation and maintenance of LED luminaires.
9. The Supply of LED Luminaires and Smart Controls contracts will ensure the City has an ongoing supply provision of LED Luminaires and will enable the City to commence management of lights with a smart control system.
10. The contracts for the Supply of LED Luminaires and Smart Controls includes the supply of 14 different LED luminaire products to meet compliance, environmental sustainability and architectural needs as identified in the Sydney Lights Code. The suite of luminaire products will also support consistency of the City's design palette.
11. All services within the contracts are based on tendered Schedule of Rates pricing.

12. The Supply of LED Luminaires and Smart Controls contracts will ensure the City has the capability to:
  - (a) renew LED luminaires as they reach the end of their service life;
  - (b) supply LED luminaires and smart controls for new projects;
  - (c) optimise the energy and maintenance required for each LED luminaire;
  - (d) capitalise on the latest innovations and sustainability improvements over the contract life; and
  - (e) provide a consist lighting design palette.
13. The benefits of the Supply of LED Luminaires and Smart Controls contracts include:
  - (a) high-quality public domain lighting for pedestrians and road users;
  - (b) value for money through competitively awarded services;
  - (c) a substantial reduction in energy consumption for the overall lighting service;
  - (d) improved reliability of the lighting service;
  - (e) reductions in whole of life maintenance costs through longer life assets with a lower energy consumption;
  - (f) real time light outage and failure notification resulting in prompt repair before receiving reports from the community; and
  - (g) the capability to deploy sensors affixed to LED luminaires for future smart city needs.
14. Due to the extensive number of service providers in the market, combined with the overall value of the services sought, the City determined that an open tender process would result in the best value for money outcome.

### **Invitation to Tender**

15. Request for Tenders were advertised through Tenderlink on 13 February 2024 for six weeks. A subsequent extension of time was approved and tenders closed on 5 April 2024.

## Tender Submissions

16. Twelve submissions were received from the following organisations for the supply of LED luminaires:
  - Buckford Illumination Group NSW Pty Ltd (ABN - 35449861325)
  - CU Phosco Australia Pty Ltd (ABN - 37661900358)
  - Lumen & Co Pty Ltd (ABN - 28609968890)
  - FOS Lighting Pty Ltd (ABN - 76072502311)
  - HBW Lighting (ABN - 45834920504)
  - Hub Australasia Pty Ltd (ABN - 87611271937)
  - IBEX (NZ) PTY LIMITED / Ibex Lighting (ABN - 31612550697)
  - OrangeTek International Pty Ltd (ABN - 36169495327)
  - Schreder Australia Pty Ltd (ABN - 17604331937)
  - Signify Australia Ltd (ABN - 49606173648)
  - Traffic Technologies Ltd (ABN - 21080415407)
  - The Trustee for BRIGHTLITE UNITTRUST, Trading as Connected Light Solutions (ABN - 13322464749)
  
17. Seven submissions were received from the following organisations for the supply of smart controls:
  - Buckford Illumination Group NSW Pty Ltd (ABN - 35449861325)
  - Hub Australasia Pty Ltd (ABN - 87611271937)
  - IDT Global Holdings Pty Ltd (ABN - 36656960191)
  - Schreder Australia Pty Ltd (ABN - 17604331937)
  - Signify Australia Ltd (ABN - 49606173648)
  - Traffic Technologies Ltd (ABN - 21080415407)
  - The Trustee for BRIGHTLITE UNITTRUST, Trading as Connected Light Solutions (ABN - 13322464749)
  
18. No late submissions were received.

## Tender Evaluation

19. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
20. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
21. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) Degree of Experience - The Tenderer is to demonstrate organisational experience relevant to the Work Category (including qualifications and experience of local technical staff), resources and track record. Also, the Tenderers demonstrated experience supplying to a similar sized project.
  - (b) Degree of Scope Compliance (Products & Returnable Schedules) - Ability to fully comply with specification - LED luminaire and smart control performance attributes, functionality, warranty and compliance as assessed against the individual specification requirements as set out in returnable schedules.
  - (c) Demonstrated Capacity to Deliver - The Tenderer is to provide details of all current and future commitments, start date, duration of project, expected end date. As well as resource management plan, current availabilities.
  - (d) Social Procurement, Environment & Sustainability - The Tenderer is to demonstrate capability to provide environmental and sustainable outcomes during the contract period with consideration given to innovation, modern slavery and compliance with requirements for warranty conditions.
  - (e) Work, Health and Safety.
  - (f) Financial and commercial trading integrity including insurances, including assessment of Schedule of Rates based on value for money and average LED luminaire energy savings.
  - (g) LED Aesthetic and Architectural merit.
22. It is recommended that Council accept the tender of Tenderers B, C, E and F for the supply of the various types of LED Luminaires and Tenderer D for Supply of Smart Controls outlined in Confidential Attachment A.
23. The recommended tenders have offered LED luminaires with operational lives in the order of 100,000 hours or 23 years. This is double the life that was achieved from the previous 2011 tender. The new LED luminaires will also provide on average a 30 per cent reduction in energy required when compared to the existing LED luminaires. It is anticipated that the Smart Controls will generate further energy savings of at least five per cent.

## Performance Measurement

24. The City will ensure that all performance standards are achieved during the contract term through the regular assessment of the Key Performance Indicators, including:
- (a) Key Deliverables:
    - Supplied equipment complies with technical specifications.
    - Completion of warranty claims.
    - Meets required operational units required.
  - (b) Time - Supply of components to meet schedules agreed with the City administration and document management.
  - (c) Quality - Equipment deliveries in full, on time and delivered to correct location.
  - (d) Reporting - Required reports provided in documented timeframe.
  - (e) Communication - Responded to requests for information and reports as required by contract.
  - (f) Work, Health and Safety compliance - Safety incidences and near misses occurring as a result of the supply of services and deliverables under the contract are reported as per legislative and contractual requirements.

## Financial Implications

25. The total contract sum and contingency for the Supply of LED Luminaires and Smart Controls contract is detailed in the Tender Evaluation Summary in Attachment A. The Schedule of Rates is detailed in Attachment B.
26. The Schedule of Rates offered are considered competitive.
27. There are sufficient funds allocated for these services within the relevant capital and maintenance budgets and future years' forward estimates.
28. The quantity of work awarded each year is subject to approved capital works programs and maintenance activities required to achieve desired service levels for the City. The City does not guarantee any minimum quantity of works in any given year.

### Relevant Legislation

29. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
30. 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.
31. 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.
32. 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

33. As existing LED luminaires are now operating beyond the warranty and service life, these assets are starting to require replacement. To cater for the variance in age of existing LED luminaires, there is a need to commence supplying replacement LED luminaires, and for this provision to continue on an ongoing basis.
34. LED luminaires, at the scale required, will take approximately four months to supply once ordered. To achieve a preferred supply timetable, the contracts for the supply of LED Luminaires and Smart Controls are required to commence no later than 1 October 2024.
35. The initial contract term for the Supply of LED Luminaires Contracts and Supply of Smart Controls contract is five years. There is provision for two optional extensions to the contracts term of two years each, subject to performance and further consideration as to whether the contract remains best for the City's needs.

## Options

36. The preferred option (as tendered) allows for the City to have LED luminaires and smart controls directly supplied, and then a separate service provider install and maintain these assets. This ensures the City has “best in class” choice of suppliers with the ability to award to multiple suppliers to provide the 14 luminaire types required. A key risk associated with this approach is the need for the City to manage two separate and linked contracts for supply and ongoing maintenance. This risk has been mitigated by the provision of necessary City resources, contract terms for supplier relationship management requirements, and warranty conditions with recourse that applies where there is premature asset failure.
37. An alternative option would be for the City to engage one service provider for all LED luminaires and smart controls supplied, installed and maintained. This was the past arrangement for the previous service contract awarded in 2012. This option is not recommended as it diminishes the City's choice to select the best-in-class LED luminaire. Most LED luminaire and smart control suppliers operate globally, whilst installation and maintenance contractors operate locally. To require these companies to partner together will impose additional risks on each company resulting in higher costs as well as a poorer market response and ongoing service.
38. Another alternative option would be for the City to engage a service provider for public lighting as a service. Under this arrangement assets would be supplied, installed and maintained under a subscription based service per asset. This model transitions asset ownership to the service provider for a long term and the City is no longer obligated to procure assets. This approach is not recommended as the City has less control over asset design and energy efficiency outcomes over the long term. This option diminishes performance otherwise achieved through the routine competitive tender of services and results in high annual costs as the service provider carries more finance and risk related costs.

## Public Consultation

39. There was no public consultation prior to this tender being advertised.

### **VERONICA LEE**

Director City Services

Peter Shields, Chief Engineer

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## **Item 7.**

### **Tender - T-2023-1107 - Public Lighting and Electrical Maintenance**

**File No:** X099620.012

**Tender No:** T-2023-1107

### **Summary**

This report provides details of the tenders received for the Public Lighting and Electrical Maintenance contract.

This tender is for the provision of LED luminaire installation and associated electrical maintenance services for the City's public domain lighting, including road, footway, park, plaza and laneway luminaires. The City previously tendered for the installation and warranty maintenance of LED luminaires in 2011 and these assets are now reaching the end of their operational life.

The City plans to replace the existing luminaires and associated control equipment with modern, efficient and smart LED equipment, while not compromising the level of lighting currently achieved. The City also plans to install smart lighting controls to operate these luminaires, with a supporting Central Management System and Communications Network.

An LED luminaire replacement and maintenance service, coupled with the installation of a smart control system, will enable the City to substantially reduce the energy required to operate public domain lighting and improve the City's management and control arrangements of these luminaires.

The Public Lighting and Electrical Maintenance contract was tendered in early 2024. The tender includes the installation of the City's 14 types of LED luminaire products, the installation of a smart control lighting system and the associated maintenance of these assets. The required services are to be provided by one service provider.

This report recommends that Council accept the tender of Tenderer B for the Public Lighting and Electrical Maintenance contract.

**Recommendation**

It is resolved that:

- (A) Council accept the tender of Tenderer B for the provision of Public Lighting and Electrical Maintenance for the schedule of rates outlined in Confidential Attachment B to the subject report for a period of three years, with two optional extensions of two years and one year, if appropriate;
- (B) Council note that the total contract sum and contingency for the provision of Public Lighting and Electrical Maintenance contract 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) authority be delegated to the Chief Executive Officer to exercise the options referred to in (A) above, if appropriate.

**Attachments**

**Attachment A.** Tender Evaluation Summary (Confidential)

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

## Background

1. The City of Sydney operates approximately 8,000 luminaires for the provision of public domain lighting in roads, footways, parks, plazas and laneways. This is additional to approximately 10,500 luminaires operated by Ausgrid which also service the local government area.
2. In 2011, the City tendered the Energy Efficient LED Lighting Retrofit contract. This service included the supply, installation and maintenance of over 6,000 LED luminaires on City owned street light poles. The luminaires supplied under the contract have a service life of 11.4 years (50,000 operating hours).
3. The existing LED luminaires were installed progressively over several years and many have now reached their full service life and are out of warranty. LED Luminaires operating beyond their service life are prone to failing and the level of light emitted fades to a level below design requirements as time progresses.
4. Whilst the existing LED luminaires remain within the warranty term, the existing service provider is responsible for addressing the maintenance needs for any failed luminaires they have installed.
5. The City has for many years successfully managed the resourcing of electrical and lighting maintenance through a mix of City electrical specialist staff complemented by service providers. The City's electrical specialist staff are resourced and capable of servicing proactive and reactive maintenance of a large portfolio of City owned electrical assets including switchboards, cabling, conduits and power outlets. As the resourcing of LED Luminaire installation and maintenance activities require intense resourcing at intermittent times it is not suited for City electrical specialist staff to service.
6. It is vital that the City commence a renewal of LED luminaires that have reached the end of their service life. This is necessary to minimise the City's exposure to escalating maintenance costs for one-off luminaire replacements, to ensure luminaires emit light levels that meet design requirements and to capitalise on the benefits of the next generation of LED luminaires.
7. The latest LED luminaires available for public lighting can perform with up to 30 per cent less energy than the City's current LED luminaire portfolio. They are also capable of operating for a longer service life. This has been made possible through both advances in LED luminaire design, and with the use of a smart control system.
8. A public lighting smart control system allows the lighting operator to optimise the energy needed to power an LED luminaire. It also provides the ability to remotely monitor for any luminaire outages and promptly address any inoperable luminaires.
9. LED luminaire suppliers in the marketplace generally do not specialise in installation and maintenance services. It is common practice for public domain lighting operators to have service arrangements dedicated for the supply of luminaires and separate service arrangements for the installation and maintenance activities. By splitting these activities, the City can leverage the greatest quality, cost and time efficiencies available from service providers who specialise in LED luminaire supply, or otherwise in the installation and maintenance of LED luminaires.

10. The Public Lighting and Electrical Maintenance contract will ensure the City has an ongoing high quality public domain lighting service that is adequately resourced for the intermittent installation and maintenance of LED Luminaires.
11. The contract for the Public Lighting and Electrical Maintenance includes the installation of the City's 14 types of LED luminaire products, the installation of a smart control lighting system and the associated maintenance of electrical and lighting assets.
12. All services within the contract are based on tendered Schedule of Rates pricing.
13. The Public Lighting and Electrical Maintenance contract will ensure the City has the capability to:
  - (a) renew LED luminaires as they reach the end of their service life;
  - (b) install LED luminaires, smart controls and other electrical assets for new projects;
  - (c) undertake specialist electrical maintenance works and provide additional depth of capability to maintain electrical assets. This includes associated inspections, assessments, reporting and servicing activities; and
  - (d) monitor the smart control system for identification of faults or defects and carry out associated maintenance in accordance with established service levels.
14. The benefits of the Public Lighting and Electrical Maintenance contract include:
  - (a) high-quality public domain lighting for pedestrians, cyclists and road users;
  - (b) value for money through competitively awarded services;
  - (c) a substantial reduction in energy consumption, achieved by installing highly efficient LED luminaires and the ongoing operation of the smart control system;
  - (d) improved reliability of the lighting service, as the smart control system will initiate prompt maintenance works for any outage;
  - (e) improved capacity to service emergency or out of hours issues; and
  - (f) enhanced capacity to inspect, assess and inform electrical renewal and maintenance programs.

### **Invitation to Tender**

15. Request for Tenders were advertised through Tenderlink on 19 March 2024 for six weeks. An extension of time was requested by Tenderers due to the complexity of the services tendered and was subsequently approved. Tenders closed on 10 May 2024.

16. Six submissions were received from the following organisations:
  - Bedrule Pty Ltd trading as TOBCO (ABN - 37158027260)
  - DT Infrastructure Pty Ltd (ABN - 39665782730)
  - Harnleigh Pty Ltd (ABN - 96056633393)
  - Radi Pty Ltd (ABN - 30161536143)
  - Scott Electrical Services Pty Ltd (ABN - 12107763477)
  - Sydney Civil Pty Ltd (ABN - 90078474665)
17. One late submission was received.

### **Tender Evaluation**

18. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
19. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
20. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) Experience of work of a similar nature and size - The tenderer is able to demonstrate relevant experience in undertaking projects of a similar scope in terms of technical aspects, project costs and managing variations whilst undertaking project coordination. Tenderer is able to demonstrate a sound track record in completing projects in respect to quality finish, final cost compared to agreed contract price, minimising public impact, contract disputes and minimising Council's exposure to risks associated with project.
  - (b) Scope Compliance - Including but not limited to compliance with specification, warranties and innovation.
  - (c) Capacity to Deliver - The tenderer is able to demonstrate the capacity to deliver services and appropriate management systems have been developed and implemented. Tenderer is to provide details of all current and future commitments, start date, duration of project, expected end date, as well as resource management plan and current availabilities.
  - (d) Environment and Sustainability - The tenderer is able to demonstrate capability to provide environmental and sustainable outcomes during the contract period with consideration given to innovation, modern slavery and compliance with requirements for warranty conditions.
  - (e) Work, Health and Safety.
  - (f) Financial and commercial trading integrity - Including insurances and assessment of Schedule of Rates based on the six-year contract term anticipated volumes and price.

21. It is recommended that Council accept the tender offer of Tenderer B for the Public Lighting and Electrical Maintenance contract for the price and contingency outlined in Confidential Attachment A

### **Performance Measurement**

The City will ensure that all performance standards are achieved during the contract term through the regular assessment of the Key Performance Indicators, including:

- (a) Work Health and Safety performance;
- (b) administration and document management;
- (c) quality and data management;
- (d) operational performance;
- (e) worksite and traffic management;
- (f) environmental performance;
- (g) communication with the City;
- (h) authority management (service utilities);
- (i) community engagement;
- (j) program management; and
- (k) Aboriginal and Torres Strait Islander engagement.

### **Financial Implications**

22. The total contract sum and contingency for the Public Lighting and Electrical Maintenance contract is detailed in the Tender Evaluation Summary in Attachment A. The Schedule of Rates for the recommended tenderer is detailed in Attachment B.
23. The Schedule of Rates offered are considered competitive.
24. There are sufficient funds allocated for these works within the relevant capital and maintenance budgets and future years' forward estimates.
25. The quantity of work awarded each year is subject to approved capital works programs and maintenance activities required to achieve desired service levels for the City. The City does not guarantee any minimum quantity of works in any year.

### Relevant Legislation

26. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.
27. 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.
28. 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.
29. 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

30. As existing LED luminaires are now operating beyond the warranty and service life, these assets are starting to require replacement. To cater for the variance in age of existing LED luminaires, there is an immediate need to commence replacing LED luminaires, and for this provision to continue on an ongoing basis.
31. Before LED Luminaire installation works may commence, the appointed service provider must complete all transition in activities, program forthcoming works and obtain all necessary approvals required to access the work site. These activities may take up to four months to complete. The LED luminaires are anticipated to be available to install by January 2025. To commence installation by January 2025 the Public Lighting and Electrical Maintenance contract will need to commence no later than 1 October 2024.
32. The initial contract term for the Public Lighting and Electrical Maintenance contract is three years. There is provision for two optional extensions to the contract term of two years and one year, subject to performance and further consideration as to whether the contract remains best for the City's needs.



## Options

33. The Preferred Option (as tendered) allows for the City to have lighting and electrical assets installed and maintained by a "best in class" specialist service provider. A key risk associated with this approach is the need for the City to separately manage the supply of LED Luminaires and smart controls needed to enable works by the appointed service provider. This risk has been mitigated by the provision of necessary City resources, contract terms for relationship management requirements, and warranty conditions with recourse that apply where there is premature asset failure. This option ensures existing City electrical specialist staff continue to maintain assets.
34. An alternative option would be for the City to engage one service provider for all LED luminaires and smart controls supplied, installed and maintained. This was the past arrangement for the previous service contract awarded in 2012. This option is not recommended as it diminishes the City's choice to select the best-in-class installation and maintenance service provider. Most LED luminaire and smart control suppliers operate globally, whilst installation and maintenance contractors operate locally. To require these companies to partner together would impose additional risks on each company resulting in higher costs as well as a poorer market response and ongoing service.
35. Another alternative option would be for the City to engage a service provider for public lighting as a service. Under this arrangement assets would be supplied, installed and maintained under a subscription based service per asset. This model transitions asset ownership to the service provider for a long term and the City is no longer obligated to procure assets. This approach is not recommended as the City has less control over asset design and energy efficiency outcomes over the long term. This option diminishes performance otherwise achieved through the routine competitive tender of services and results in high annual costs as the service provider carries more finance and risk related costs. This would reduce reliance on existing City electrical specialist staff to maintain assets.
36. A further alternative option would be for the City to increase specialist electrical staff to complete the installation and maintenance activities. This is not recommended as the installation and maintenance work requires high numbers of staff for intermittent occasions. There is also highly specialised activities and works at unusual times of the week, that are also only needed on an intermittent basis, which are equally best delivered by service providers on a needs basis.
37. The City has considered possible arrangements for the services to be delivered by a company owned by Aboriginal and Torres Strait Islanders. This was not pursued as the City was unable to identify a service provider with the capacity and capability to meet the specialist service needs. The City has ensured the appointed service provider meets high performance standards for Aboriginal and Torres Strait Islander employment and engagement.

**Public Consultation**

- 38. There was no public consultation prior to this tender being advertised.
- 39. The Public Lighting and Electrical Maintenance contract incorporates the requirement for the appointed service provider to support the City's public consultation activities, including:
  - (a) preparation of concepts, visualisations and designs;
  - (b) distribution of notification letters to nearby residents and businesses about forthcoming electrical works;
  - (c) provision of site management, signage and traffic management plans; and
  - (d) preparation of Communications Management Plans that are scaled to suit the type and complexity of electrical works.

**VERONICA LEE**

Director City Services

Peter Shields, Chief Engineer

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## Item 8.

### **Tender - T-2023-1009 - Construction - Gunyama Park Stage 2 and George Julius Avenue North**

**File No:** X095149

**Tender No:** T-2023-1009

### **Summary**

This report provides details of the tenders received for the construction of Gunyama Park Stage 2 and George Julius Avenue North project at 17 Zetland Avenue, Zetland.

The Gunyama Park Stage 2 and George Julius Avenue North project will deliver the remaining undeveloped portion of Gunyama Park (GPARC Stage 2). The park will include a park amenities building, playground, skate plaza and landscaping. The amenities building will house public toilets, playing field changerooms and field storage. The project scope also includes construction of a new road at George Julius Avenue North, to the east of Gunyama Park.

The design for the Gunyama Park Stage 2 and George Julius Avenue North project was approved by Council at its meeting on 11 December 2023.

This report recommends that Council accept the tender offer of Tenderer C for the construction of the Gunyama Park Stage 2 and George Julius Avenue North project.

### **Recommendation**

It is resolved that:

- (A) Council accept the tender of Tenderer C for the construction of Gunyama Park Stage 2 and George Julius Avenue North 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 Gunyama Park Stage 2 and George Julius Avenue North 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.

### **Attachments**

**Attachment A.** Tender Evaluation Summary and Financial Implications (Confidential)

## Background

1. The Green Square Aquatic Centre and Gunyama Park project was originally approved in 2014 as one project. The scope was endorsed by Resolution of Council on 29 February 2016 (under the overall Gunyama Park Aquatic and Recreation Centre Project).
2. The project was subsequently split into two stages due to the fact that the City did not own all of the land required for the full project. Stage 1 comprises the Gunyama Park Aquatic and Recreation Centre and sports field; and Stage 2 the public park and amenities building, together with George Julius Avenue North. The first stage was completed and opened to the public in February 2021.
3. The design for the Gunyama Park Stage 2 and George Julius Avenue North project was approved by Council at its meeting on 11 December 2023.
4. The Gunyama Park Stage 2 and George Julius Avenue North project will now deliver the remaining undeveloped portion of Gunyama Park (GPARC Stage 2) which includes a park amenities building, shade canopies, playground, skate plaza, seating, lighting, paths, tree planting and landscaping.
5. George Julius Avenue North will include on-street parallel parking spaces on both sides of the street, including adjacent to the eastern entry to Gunyama Park. There will be approximately 34 new parking spaces provided for this section of road.

## Invitation to Tender

6. The tender was advertised via TenderLink and the City's website from 9 April 2024 to 3 June 2024.
7. The Request for Tender was also made available on the Supply Nation and NSW Indigenous Chamber of Commerce (NSW ICC) websites via their member opportunity boards.

## Tender Submissions

8. Six submissions were received from the following organisations:
  - CA&I Pty Ltd (ABN 40 158 442 436)
  - Ford Civil Contracting Pty Ltd (ABN 24 002 542 814)
  - Glascott Landscape and Civil Pty Ltd (ABN 97 001 281 572)
  - Regal Innovations Pty Ltd (ABN 79 002 411 814)
  - Solutions Built Australia Pty Ltd (ABN 88 101 054 086)
  - Ward Civil & Environmental Engineering Pty Ltd (ABN 65 098 942 459)
9. No late submissions were received.

## Tender Evaluation

10. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
11. The relative ranking of tenders as determined from the Value for Money Score is provided in the Confidential Tender Evaluation Summary – Attachment A.
12. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) The lump sum price and schedule of rates and prices.
  - (b) Organisational Capacity: Demonstrated organisational capacity to undertake the required works - company profile, organisation chart, Quality Management Plan, demonstrated company ability to manage subcontractors and Environmental Management Systems.
  - (c) Personnel and Subcontractor Capability: Proposed project team including contractor's personnel with relevant qualifications and experience and percentage allocation of key personnel to the project, appropriately qualified sub-contractors with the relevant experience and ability to undertake the works.
  - (d) Proposed Methodology: Proposed methodology which demonstrates an understanding of each stage and sequencing of the construction works including reference to site access requirements; site management including subcontractor management; construction traffic and pedestrian management plan; site use plan; use of plant and equipment; WHS management plans; environmental site management showing compliance with the RAP; and recycling of demolition and construction materials as required by the provisions of the waste management plan.
  - (e) Project Program: Proposed program which demonstrates a functional and logical sequence of tasks to undertake the construction works and to align with the City's project program; demonstrates capacity to achieve the program deliverables within program duration; indicates sequencing and appropriately detailed breakdown of work tasks; indicates the interrelationship between such activities; considers the contract requirements including hold/witness points, milestones, any authority approvals and supplier lead times; and indicates the sequence and duration of activities constituting the critical path and the interrelationship between such activities.
  - (f) Relevant Organisational Experience: Demonstrated experience in carrying out construction works of a similar size and nature. Provide three project examples that demonstrate construction excellence and the contractor's ability to undertake the required scope of construction works for Gunyama Park Stage 2 and George Julius Avenue North.
  - (g) Work Health and Safety.
  - (h) Financial and commercial trading integrity including insurances.

### Performance Measurement

13. The City will ensure performance standards are achieved during construction through regular assessment of the following Key Performance Indicators:
  - (a) Safety and Environment - Works are carried out in a safe manner, to not only avoid incidents but have no non-conformances. All means will be used to reduce undue impact on the environment.
  - (b) Communication - Day-to-day liaison (including weekly site meetings) and inspections with the contractor.
  - (c) Planning - Works are carried out in a planned manner and with a proactive rather than reactive approach to reducing technical and community issues.
  - (d) Program and Resources - Timely completion of separate phases in a co-ordinated manner, reducing the overlapping of various phases, the resources allocated to the project to manage time, and the capacity of the contractor to add resources when required to mitigate delays.
  - (e) Quality assurance - Inspections undertaken by the head contractor in conjunction with the City's representative and consultants during construction.
  - (f) Cost Variations - All efforts made to reduce the number and value of variations and variation amounts and options provided in a timely manner to give the City the opportunity to mitigate the impact of a variation.

### Financial Implications

14. There are sufficient funds allocated for this project within the current year's capital works budget and future years' forward estimates.
15. The total contract sum and contingency for Gunyama Park Stage 2 and George Julius Avenue North is detailed in Confidential Attachment A.

### Relevant Legislation

16. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.
17. 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.
18. 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.
19. 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**

20. The timeframe for commencement of construction is September 2024 with completion scheduled for December 2025.

### **Public Consultation**

21. Extensive consultation was undertaken as part of of Gunyama Park Aquatic and Recreation Centre (Stage 1), which informed the developing design of the whole park.
22. A Review of Environmental Factors (REF) was prepared for Gunyama Park Stage 2 and George Julius Avenue North. A public exhibition of the detailed design plans for Stage 2 works was undertaken between 25 September 2023 and 25 October 2023 as part of the Review of Environmental Factors (REF) planning approval process.
23. Design sub consultants Convic (skate facility designers) undertook community consultation in June 2023 to inform the design of the skatepark.
24. Djinjama's cultural design and research work on the project involved Indigenous consultation.
25. The City's Design Advisory Panel (DAP) reviewed the design throughout the design process, with the last presentation in November 2023.
26. Additional public, community and property owner consultation will be undertaken throughout the project as it progresses:
- (a) Prior to construction, notification letters will be sent to adjoining property owners and businesses.
  - (b) During construction, the contractor will include a nominated community liaison officer to ensure ongoing communication and coordination with all stakeholders.
  - (c) There will be regular updates on the City of Sydney pages.

### **KIM WOODBURY**

Chief Operating Officer

John O'Shea, Senior Project Manager

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

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**Item 9.****Tender - T-2023-1062 - Head Contractor - Hyde Park Lighting, Electrical, CCTV Upgrade and Associated Works and Contract Variation - Head Design Consultant****File No: X019616****Tender No: T-2023-1062****Summary**

This report provides details of the tenders received for the construction of the Hyde Park Lighting, Electrical, CCTV Upgrade and Associated Works project.

The project will deliver an extensive upgrade of the electrical and power infrastructure across Hyde Park, including new lights to paths, lawn areas, monuments and artworks, new power bollards for events, new CCTV cameras to boost security, new main switchboards, distribution boards and associated pits and conduiting, a central management system to facilitate smart controlling of the new lights and high-quality landscape make good reinstatement works.

Council endorsed the concept design Scoping Report in December 2022. Approvals have been obtained under the Heritage Act 1977 and the Environmental Planning and Assessment Act 1979 to construct the proposed works, as well as the required approvals from Ausgrid (electrical ASP3 certified design).

This report recommends that Council accept the tender of Tenderer B, approve additional contract contingency for the Head Design Consultant, and approve additional funds to increase the project budget as outlined in Confidential Attachment A.

## Recommendation

It is resolved that:

- (A) Council accept the tender of Tenderer B for Hyde Park Lighting, Electrical, CCTV Upgrade and Associated Works for the price and contingency in Confidential Attachment A to the subject report,
- (B) Council note that the total contract sum and contingency for Hyde Park Lighting, Electrical, CCTV Upgrade 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;
- (D) Council approve additional contract contingency for the Head Design Consultant for additional design services during the construction stage of the Hyde Park Lighting, Electrical, CCTV Upgrade and Associated Works project as outlined in Confidential Attachment A to the subject report; and
- (E) Council approve the additional funds required to deliver the Hyde Park Lighting, Electrical, CCTV Upgrade and Associated Works project as outlined in Confidential Attachment A to the subject report.

## Attachments

**Attachment A.** Tender Evaluation Summary and Financial Implications (Confidential)

## Background

1. Hyde Park is Australia's oldest designated public park and is a culturally significant heritage landscape. This iconic park is used by three million local, interstate, and international visitors each year and hosts many significant outdoor events.
2. Hyde Park is Crown Land and was dedicated for public recreation in 1878. The City of Sydney is the appointed Crown Land / Reserve Trust Manager, responsible for the care, control, and management of Hyde Park in accordance with the Crown Land Management Act 2016.
3. Hyde Park is located within the Governor's Domain and Civic Precinct, a National Heritage Listed place, listed on the State heritage register and listed in Schedule 5 of the Sydney Local Environmental Plan 2012.
4. In October 2006, Council adopted the Plan of Management and Masterplan which identified a range of works to replace failing infrastructure and provide improvements to address the impacts on the park caused by increasing use and popularity.
5. The Plan of Management and Masterplan identified a need for the existing lighting to be rationalised and improved with particular emphasis on the central avenue, secondary paths, and the need to improve safety and security within the park.
6. In 2016, the lighting and electrical assets within Hyde Park were transferred from Ausgrid to the City of Sydney to own and maintain.
7. In December 2022, Council endorsed the concept design Scoping Report.
8. The scope of the Hyde Park Lighting, Electrical, CCTV Upgrade and Associated Works across Hyde Park north and south includes:
  - (a) New post top lights with LED fixtures along the central avenue and secondary paths to replace the Ausgrid 1990's deteriorating cast iron poles. The profile (pole and sphere) of the new post top lights will be consistent with the existing lights along the central avenue.
  - (b) New mast lighting with LED fixtures to lawn areas to provide a consistent wash of low-level ambient lighting.
  - (c) New lighting to monuments and artworks.
  - (d) New main switchboard and distribution boards.
  - (e) New pits and conduiting for electrical, communication and fibre optics services.
  - (f) New power bollards to provide power for events.
  - (g) Additional CCTV cameras to boost security in the park.
  - (h) High-quality hard and soft landscape make good reinstatement works.
  - (i) A Central Management System (CMS) integrated with the City's existing CMS system to allow smart controlling of the new lights.

9. The Council consulted with the NSW Heritage Office and the Anzac Memorial Trust throughout the development of the master plan and detailed lighting design. The Anzac Memorial Trust endorsed the proposed works in April 2024.
10. Formal approvals to construct the proposed works have been secured from NSW Heritage Office (Section 60) in November 2023, Ausgrid (electrical ASP3 certified design) in December 2023 and the City's Planning Assessments team (Review of Environmental Factors) in April 2024.

#### **Contract Variation - Head Design Consultant**

11. In 2016-2017, AECOM were engaged to review the lighting, assess the existing power supply and electrical services, and provide a coordinated palette of lighting fixtures.
12. In 2019, AECOM were awarded the design engagement through a reject and negotiate process to continue the design refinement and documentation of the lighting palette, event power and additional CCTV within the park.
13. In 2022, additional contract contingency for the Head Design Consultant was endorsed by Council due to project delays and additional consultancy services required.
14. It is recommended that Council further increase the value of the Head Design Consultancy contract contingency due to the extended project period / construction program, and additional services required to complete the project as outlined in Confidential Attachment A.

#### **Invitation to Tender**

15. An Expression of Interest was undertaken to shortlist suitable contractors to proceed to a select tender process, in accordance with s.55(4) of the Local Government Act 1993.
16. The City invited submissions through an open Expression of Interest (E-2022-777) via Tenderlink on 30 August 2023 and closed on 19 October 2023. The Expression of Interest was listed with Supply Nation and NSW Indigenous Chamber of Commerce. Six suppliers provided submissions. Three companies were shortlisted to submit a Tender.
17. The Request for Tender (T-2023-1062) was released to the three shortlisted contractors via Tenderlink on 18 April 2024 and closed on 28 May 2024.
18. An online briefing was held during the tender period.

#### **Tender Submissions**

19. Two submissions were received from the following organisations:
  - (a) New Era Enterprises Pty Ltd - (ABN 17 139 259 993) (submitted as New Era Degan Joint Venture)
  - (b) Quality Management & Construction Group Pty LTD (ABN 29 067 829 323)
20. The third shortlisted entity did not submit a tender. No late submissions were received.

## Tender Evaluation

21. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
22. The relative ranking of tenders as determined from the average qualitative score is provided in the Confidential Tender Evaluation Summary – Attachment A.
23. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) The lump sum price and schedule of prices.
  - (b) Project Team Suitability and Capacity:
    - (i) Demonstrated experience in delivering fully integrated electrical, lighting, CCTV infrastructure and landscape / public realm projects of a similar scale and nature in highly visited city centers and heritage sites including the management of multiple stakeholders.
    - (ii) Demonstrated ability of the principal contractor in leading and managing a multi-disciplinary delivery team of specialist contractors.
    - (iii) Demonstrated capacity to deliver this high-profile, large-scale project. Compliance with the Modern Slavery Act.
  - (c) Delivery Structure and Personnel Capability:
    - (i) Defined delivery team structure that demonstrates how the principal contractor will manage and oversee key project team and nominated subcontractors to deliver an integrated electrical, lighting, CCTV infrastructure and landscape / public domain project.
    - (ii) Proposed project team (key project team / principal contractor and sub-contractors) including their experience, project examples, technical ability / qualifications, and percentage of time on project.
    - (iii) Demonstrated capabilities of nominated subcontractors in delivering a project of similar scope, scale, and complexity to the works.
  - (d) Program:
    - (i) Capacity to achieve the proposed construction program and deliverables based on current commitments.

Program to demonstrate realistic staging to achieve the project deliverables: program duration, sequencing, and appropriately detailed breakdown of work tasks and lead times; and consideration of contract quality management requirements including hold and witness points and milestones.

- (e) Proposed Methodology:
  - (i) Construction methodology to demonstrate how a coordinated electrical and landscape package of works will be delivered including detailed staging, sequencing of works, location of site amenities and plant and measures to mitigate disruption to park users, park operational staff, and events within and adjacent the park.
  - (ii) The methodology is to be site and project specific and demonstrate how site complexities, conditions, constraints, and risks (heritage, trees, soils, existing services and infrastructure, authority management etc.) will be managed. Works must plan for temporary services and make good solutions between decommissioning of old infrastructure and the implementation of new works.
  - (iii) Provide a detailed Site Management Plan, Pedestrian and Traffic Management Plan, Proposed Fleet and Methodology and Schedule of Plant, Equipment and Material Schedule to demonstrate management of construction works, pedestrians, cyclists, and vehicles.
- (f) Financial and commercial trading integrity.
- (g) Modern Slavery Act compliance.
- (h) Insurances are compliant with the City's standard insurance requirements, as confirmed by the Risk Office.
- (i) Material acceptance of the City's Standard Form Contract.

### **Performance Measurement**

24. The City will ensure that performance standards are achieved during construction through regular assessment of the following Key Performance Indicators:
- (a) Safety and Environment - works performed safely, to avoid incidents and nonconformances. The site management plan is to be developed and implemented such a way as to ensure the safety of all personnel.
  - (b) Communication - weekly site meetings and daily online / phone correspondence.
  - (c) Programming and Resources - approach and methodology strategically planned to maximise the efficient and effective use of resources and materials while ensuring all documentation and contract requirements are submitted on time.
  - (d) Quality Assurance - inspections, witness and hold points as necessary to meet the quality standards set out by the City.
  - (e) Cost Variations - all efforts made to mitigate a variation to the contract with negative cost implications.
  - (f) The City will ensure the works are in accordance with the contract documents including the General Conditions of Contract, Preliminaries, Specifications, and Schedules.



25. At the end of construction, the City will assess the contractor and complete a performance review including any lessons learnt to be shared and utilised in future projects.

### Financial Implications

26. Additional funds are required for this project due to the preferred tenderer exceeding pre-tender estimates. Acceptance of the recommended tenderer will therefore require Council to increase the budget, as detailed in Confidential Attachment A.
27. The total contract sum and contingency for Hyde Park Lighting, Electrical, CCTV Upgrade and Associated Works is detailed in Confidential Attachment A.
28. An increase to the contract contingency is sought for the Head Design Consultancy contract for additional design services required during construction, as outlined in Confidential Attachment A.

### Relevant Legislation

29. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
30. 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.
31. 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.
32. 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

33. The following key dates apply to this project:
  - Construction commencement                      Late 2024
  - Construction completion                              Mid 2026

## Options

34. Not proceed with the recommendation. This option will not address the identified failing electrical and power infrastructure and will not improve safety and security within Hyde Park.

## Public Consultation

35. Community consultation was undertaken on the concept design between 13 October and 8 December 2021.
36. Consultation on the detailed documentation was undertaken with the broader community and key stakeholders between 29 January 2024 to 26 February 2024 as part of the planning approval process.
37. Additional public, community and property owner consultation will be undertaken throughout the project as it progresses.
  - (a) Prior to construction, notification letters will be sent to 1,093 adjoining property owners and businesses.
  - (b) During construction, the contractor will include a nominated community liaison officer to ensure ongoing communication and coordination with all stakeholders.
  - (c) There will be regular updates on the City of Sydney web pages.

## KIM WOODBURY

Chief Operating Officer

Katheen Ng, Senior Project Manager

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**Item 10.**

**Tender - T-2021-609 - Huntley Street Recreation Centre Construction and Contract Variation - Head Design Consultant**

Document to Follow

**Item 11.**

**Tender - T-2023-1041 - Reject and Negotiate - Sydney Park Brick Kilns Precinct  
Upgrade and Contract Variation - Head Design Consultant**

Document to Follow

**Item 12.****Tender - Reject and Negotiate - T-2023-1166 – Library English Materials****File No: S045562****Tender No: T-2023-1166****Summary**

This report provides details of the tenders received for Library English Materials.

City of Sydney libraries provide access to a wide range of physical collections in a range of formats such as books, CDs, DVDs and audio books. These collections provide the community equitable access to recreational and educational materials allowing users to browse, borrow, watch, read, or listen to a wide variety of quality materials.

The library maintains a collection that is relatively stable in size, age and condition. Maintenance of this large and valuable resource requires the constant acquisition of new materials to replace items that are lost, damaged, or outdated.

The purpose of the Library English Materials contract is to engage one or more suppliers to select, supply, catalogue and provide shelf ready end processing of library materials.

This report recommends that Council reject the tenders received for Library English Materials as all tenders were either non-compliant or non-conforming.

## **Recommendation**

It is resolved that:

- (A) Council decline to accept the tender offers received for Library English Materials 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; and
- (E) Council be informed of the successful vendor via the CEO Update.

## **Attachments**

**Attachment A.** Tender Evaluation Summary (Confidential)

## Background

1. The City of Sydney's nine libraries (Customs House, Darling Square, Glebe, Green Square, Kings Cross, Newtown, Surry Hills, Ultimo and Waterloo), and two Library Links (Town Hall Express and Pyrmont) are key contributors towards Sydney's vision for a green, global and connected city while maintaining Sydney's local community villages.
2. We respond to the needs of our diverse communities by acquiring items among our collections that express a variety of viewpoints and cultural understandings. This allows an unbiased source of ideas. We value diversity and materials are not excluded from our collections unless they are prohibited by law.
3. Under the Library Act 1939, the Library Council and the State Library of NSW provide guidance and direction about how we manage our collections. We make our collections available in line with the Library Council's access to information in NSW public libraries guidelines.
4. City of Sydney libraries provide access to a wide range of physical collections, including fiction and non-fiction collections. These are provided in a range of formats such as books, CDs and DVDs, for adult, young adult and junior audiences. The Library provides these collections for the community to provide equitable access to recreational, educational and life-long learning materials.
5. The Library provides a wide range of diverse and specialised collections such as the Koori collection and the LGBTIQ+ collection.
6. The City of Sydney library community is sophisticated and has high expectations of the library's collections. The library currently holds over 345,000 items. This tender will allow the library to develop and grow the collection to reflect the changing educational and recreational needs of the community.
7. It is recommended that the City enter into Reject and Negotiate processes as soon as possible to ensure services are fully transitioned by the end of the current contract period ending 31 December 2024.

## Invitation to Tender

8. The Request for Tender was advertised on the City's Tenderlink portal on 29 February 2024. The tender period closed 2 April 2024. It was also advertised on the websites of Supply Nation and the NSW Indigenous Chamber of Commerce via their member opportunity boards.



## Tender Submissions

9. Six submissions were received from the following organisations:
  - Champion Education Pty Ltd T/A The Book House (ABN: 33 074 318 602)
  - James Bennett Pty Ltd (ABN: 17 000 465 127)
  - Library AV & Large Print Pty Ltd (ABN: 51 113 092 167)
  - MDM Entertainment Pty Ltd (ABN: 12 132 011 977)
  - Mecks No 2 Pty Ltd as trustee for the Lugton Family Trust trading as Peter Pal Library Supplier (ABN: 56 013 670 284)
  - Sound Text Media Pty Ltd (ABN: 56 089 839 207)
10. No late submissions were received.

## Tender Evaluation

11. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
12. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
13. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) the Schedule of Rates;
  - (b) company profile, demonstrated previous work experience in carrying out services of a similar size and nature, and current commitments;
  - (c) key personnel for project, qualifications, level of expertise and capacity including sub-contractors and Fair Work requirements;
  - (d) proposed program, methodology and demonstrated ability to deliver;
  - (e) demonstrated alignment with the City's social sustainability outcomes including Aboriginal and Torres Strait Islander involvement, environmental management and environmental/sustainability innovation options proposed;
  - (f) Work Health and Safety;
  - (g) financial and commercial integrity including insurances;
  - (h) ability to fulfill mandatory requirements; and
  - (i) ability to supply regular weekly/fortnightly deliveries to multiple locations, of suitable range of formats, audiences and categories.

14. All tenders were either non-compliant or non-conforming, therefore, the report recommends Council reject all tenders and enter into negotiations to appoint one or a maximum of two suppliers for the full range of services and collections to assure better return on investment and value for our community.

### **Performance Measurement**

15. Performance will be evaluated regularly, at least annually. Performance will be measured against Key Performance Indicators for timeliness, delivery and quality.

### **Financial Implications**

16. There are sufficient funds allocated for this project in the current year's plant and asset budget and future forward estimates.
17. The total contract sum for Library English Materials is detailed in Confidential Attachment A.

### **Relevant Legislation**

18. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
19. 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.
20. 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.
21. 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**

22. Current panel contracts expire 31 December 2024.
23. New contract to commence as soon as possible to allow for sufficient preparation and implementation of complex transition activities.

## **Options**

24. An alternative option is to readvertise the tender. This option is not recommended because there are no other known suitable vendors over and above those who responded.
25. An option is to not proceed with the selection, supply, cataloguing and shelf ready end processing of library materials. This option is not recommended as this would result in the following:
  - (a) Higher cost for obtaining the supply of books, CDs, DVDs and other library materials as the City would pay market prices on an ad hoc basis.
  - (b) Extra staff resources required to conduct the selection, cataloguing and shelf ready end processing of individual items.
  - (c) Reputational risk, as the City will have limited control of obtaining a wide range of titles, resulting in non-supply of items and supply delay of items.

**EMMA RIGNEY**

Director City Life

Dee Jones, Library Business Manager

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**Item 13.****Contract Variation - Frontier Software Pty Ltd****File No: S095194.009****Contract No: 2655****Summary**

This report seeks Council approval for a contract variation to the Frontier Software contract, specifically to incorporate a license for the new Mobile HR 21 (MHR21) software module. This module will enable all City employees to conveniently access their payroll information, manage leave requests, and review pay entitlements through their mobile devices.

Frontier Software Pty Ltd provides the City with its core payroll and human resource software, Chris21. While Chris21 includes an employee and manager self-service portal named HR21, it currently lacks mobile phone/device accessibility.

The introduction of Mobile HR21 will enable employees to access their data anytime and anywhere.

On 11 March 2024, Council approved the request for an Exemption from Tender for IT Licence, Subscription, Maintenance and Support Contracts.

The Frontier Software contract, providing Chris21 (core payroll and human resources system) and HR21 (employee and manager self-service portal) was included in this approval for the period of three years, plus a three-year option from 1 September 2024.

In May 2024, the HR Systems team in the People and Culture conducted a system review of Chris21 and HR21. The resulting report recommended integrating the mobile self-service module MHR21 into the HR21 employee and manager self-service platform.

This report recommends that Council approve a contract variation as detailed in Confidential Attachment A, in order to purchase the additional mobile self-service module for the Chris21 system.

## **Recommendation**

It is resolved that:

- (A) Council approve a variation of the contract with Frontier Software Pty Ltd to add a licence for the Mobile Self Service module, MHR21;
- (B) Council approve the revised total contract value and the contingency (inclusive of the additional scope) as detailed in Confidential Attachment A to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer any contract variations required to give effect to this approval.

## **Attachments**

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

## Background

1. The City relies on Chris21 as its core payroll and human resource software system. Both Chris21 and HR21 (the employee and manager self-service module, also referred to as 'Kiosk') are essential for daily operations and crucial for payroll and human resource functions. Currently, the HR21 module, which provides self-service capabilities for employees and managers, is accessible exclusively via computer.
2. The City has a contract with Frontier Software Pty Ltd for the provision of licences, maintenance and support for the Chris 21 payroll system. The current contract expires 31 August 2024.
3. The Frontier Software contract encompasses user licenses and support for the HR21 self-service portal, enabling City of Sydney employees to handle leave requests and managers to approve them. Additionally, the HR21 portal facilitates employees in updating their personal information and accessing their payslips. Managers can designate substitute leave approvers when necessary. Moreover, the portal hosts the City's diversity questionnaire, which collects and records workforce diversity data in Chris21 for reporting purposes. All City of Sydney employees have access to HR21.
4. As the workforce continues to mobilise and become increasingly distributed, access to employee and personal information is vital for an engaged and productive workforce. Mobile HR 21 will make this data accessible anytime and anywhere. This is particularly important for the large number of operational employees who do not work at a desk.
5. The MHR21 module enables all City of Sydney employees to access their leave balances, review pay history, submit leave requests, and update their personal details using their mobile devices. Managers can also review their team's leave balances, approve leave requests, and manage Absent Manager Delegation remotely. The MHR21 module is compatible with both Android and iOS devices, ensuring accessibility across different platforms.
6. On 11 March 2024, Council approved the request for an Exemption from Tender for IT Licence, Subscription, Maintenance and Support Contracts. The Frontier Software contract was included in this approval for the period of three years, plus a three-year option from 1 September 2024.
7. In April and May 2024, the HR Systems team initiated a Chris21 system review, or health check, with Frontier Software to ensure the system was performing and functioning to its fullest capacity. One recommendation from the subsequent report from Frontier was the purchase and implementation of the Mobile Self Service MHR21 module.

## Financial Implications

8. The value of this variation is over 10 per cent of the total contract value in the initial three-year period due to the cost of the one-off purchase of the MHR21 licences for all employees. The costs outlined in Confidential Attachment A show the initial purchase cost of licences and the annual maintenance cost over a three-year contract period.
9. There are sufficient funds in the People and Culture budget in 2024/25 to cover the cost of purchase and the first year of maintenance, and sufficient funds in the HR Systems budget in future years to cover the annual maintenance cost of the additional module.

10. Funding for this variation is available in the People and Culture budget for 2024/25

### **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 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.
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. The current contract for the City's Chris21 and HR21 human resources platform expires 31 August 2024. On 11 March 2024, Council approved the request for an Exemption from Tender for IT Licence, Subscription, Maintenance and Support Contracts. The Frontier Software contract was included in this approval for the period of three years, plus a three-year option from 1 September 2024.
15. The implementation of MHR21 can be initiated following Council approval and will be completed by 30 November 2024.

### **Options**

16. An alternative option is to not purchase the Mobile Self Service MHR21 module. This option is not recommended because the mobile solution enables employees and managers to access, request and approve critical and timely payments and employee entitlements accurately and efficiently, without the need to return to a fixed computer or laptop.

### **SUSAN PETTIFER**

Director People, Performance and Technology

Chris Youness, Chief People and Culture



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