

3 December 2018

At 2.00 pm



## Corporate, Finance, Properties and Tenders Committee

Sydney 2030 / Green Global Connected

**Agenda**

- 1. Disclosures of Interest**
- 2. Investments Held as at 31 October 2018**
- 3. Contract Variation - Lawson Street and Lawson Square - Head Consultant**
- 4. Contract Variation - Roadworks for Gunyama Park Aquatic and Recreation Centre**
- 5. Contract Variation - Customs House Facade Upgrade - Head Consultant**
- 6. Contract Variation - Design Consultancy Services for the Sydney Town Hall Facade Conservation Project**
- 7. Contract Variation - Hyde Park South Cafe and Landscape Master Plan Works**
- 8. Tender - Reject and Negotiate - Cutler Footway Renewal and Burton Street Viaduct Rehabilitation**
- 9. Tender - Wilson and Burren Street Cycleway**
- 10. Tender - The Crescent Lands at Johnstons Creek, Annandale**
- 11. Tender - Managed Supplier for Acquisition and Management of Contingent Labour**
- 12. Tender - Data and Internet Services**

# 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.

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 Council's Secretariat on 9265 9310 before 12.00 noon 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.
6. Before speaking, turn on the microphone by pressing the button next to it and speak clearly so that everyone in the Council Chamber can hear.
7. Be prepared to quickly return to the microphone and respond briefly to any questions from Councillors, after all speakers on an item have made their presentations.

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 Council 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 on line at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au), with printed copies available at Sydney Town Hall immediately prior to the meeting. Council staff are also available prior to the meeting to assist.

## **Item 1.**

### **Disclosures of Interest**

Pursuant to the provisions of section 451 of the Local Government Act 1993, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee in accordance with the relevant clauses of the Code of Conduct – February 2016.

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

Written disclosures of interest received by the Chief Executive Officer in relation to items for consideration at this meeting will be laid on the table.

## Item 2.

### Investments Held as at 31 October 2018

File No: X011299

#### Summary

This report provides details of Council's investment portfolio and performance to 31 October 2018.

Council's total Investment and Cash position was \$594.7M at the end of October, with investments earning interest of \$1.4M for the month.

The majority of the City's cash and investments portfolio is held as internally restricted (\$309.6M) or externally restricted (\$126.7M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represent working capital and funding required for the City's operating and capital expenditure commitments.

Council achieved an annualised monthly return of 2.80% for October, significantly above the 30 Day Bank Bill Rate (BBR) of 1.85%, the AusBond Bank Bill Index (published by Bloomberg) of 2.06% and the enhanced benchmark of 2.30% (BBR + 0.45%) as endorsed in October 2018 as part of the Investment Strategy.

Council's annual rolling return of 2.78% also continues to exceed the 12 month average 30 Day BBR of 1.80%, the AusBond Bank Bill Index of 1.89% and the enhanced benchmark of 2.25% (BBR + 0.45%) as endorsed in October 2018 as part of the Investment Strategy.

The structure of Council'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 Council's commitment to sustainable investments where returns and risks are equivalent by changing the word 'desirable' to 'preferred' under the environmentally and socially responsible investment criteria.

## **Recommendation**

It is resolved that the Investment Report as at 31 October 2018 be received and noted.

## **Attachments**

**Attachment A.** Register of Investments and Cash as at 31 October 2018

**Attachment B.** Investment Performance as at 31 October 2018

## Background

1. In accordance with the principles of financial management, cash that is surplus to Council'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 Council's Investment Policy and Strategy.
3. The benchmark performance goal of Council's Investment Policy and Strategy is to surpass the 30 Day Bank Bill Rate by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. Council's total Investment and Cash position as at 31 October 2018 was \$594.7M, a decrease of \$4.9M from the \$599.6M reported at 30 September 2018 reflecting operating income offset by capital works expenditure and other operational payments. A schedule detailing all of Council's investments as at the end of October is provided at Attachment A.
5. The majority of the City's cash and investments portfolio is held as internally restricted (\$309.6M) or externally restricted (\$126.7M) cash reserves, to satisfy the City's legislative responsibilities and to set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. Council achieved an annualised monthly return of 2.80% for October, significantly above the 30 Day Bank Bill Rate of 1.85%, the AusBond Bank Bill Index (published by Bloomberg) of 2.06% and the enhanced benchmark of 2.30% (BBR + 0.45%) as endorsed in October 2018 as part of the Investment Strategy.
8. Council's annual rolling return of 2.78% also continues to exceed the 12 month average 30 Day Bank Bill Rate of 1.80%, the AusBond Bank Bill Index of 1.89% and the enhanced benchmark of 2.25% (BBR + 0.45%) as endorsed in October 2018 as part of the Investment Strategy.
9. The RBA last adjusted the official cash rate in August 2016, when it was reduced to 1.50%. The market responded accordingly, and lower yields on investments have had a sustained adverse impact on Council's portfolio return. This trend is anticipated to continue, though in recent periods some improvement in longer term interest rates has been noted.
10. The structure of Council'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.

11. As noted in previous investment reports, the downgrade of 23 financial institutions' global ratings by Standard and Poors in May 2017 incorporated a downgrade of both Bank of Queensland and Bendigo & Adelaide Bank from an A- to a BBB+ rating. The City's Investment Policy limits the maximum amount that may be invested with sub 'A' rated institutions to \$10M each. In the case of Bendigo & Adelaide Bank, the City continues to hold \$16M of long-term investments, with the earliest maturity date scheduled for a \$6M investment on 14 November 2018. The Investment Policy's "grandfathering" provisions have been applied, allowing the existing investments to be maintained or divested in accordance with all regular investment considerations, but no further investment will be permissible at this time.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030 Vision

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

## Financial Implications

13. Council's investments earned interest of \$1.4M for the month of October 2018, against budgeted earnings of \$1.12M. Investment earnings for the full year are forecast to be on budget of \$13.5M.

## Relevant Legislation

14. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
15. The Local Government (General) Regulation 2005 (clause 212) requires Council to provide a written monthly report of all monies invested, under Section 625 of the Act.
16. The Investment Policy and Strategy was revised in October 2018, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments. The revision also maintained the broadening of the definition of environmentally harmful activities to include specific reference to coal, gas and oil.
17. Council'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 29 October 2018.

## Critical Dates / Time Frames

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

**Public Consultation**

19. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure Council continues to maximise its investment return within appropriate risk parameters.
20. City staff meet regularly with representatives of each of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for Socially Responsible Investment (SRI) opportunities. To date, feedback from these meetings has been that there is a well-known appetite in the market for these products and they are investigating the development of suitable products, however it is difficult to match the level of funds to available Socially Responsible Investment opportunities that meet both the credit risk and maturity profile requirements of Council. Note one of the Big 4 banks has advised the City that they will, after extensive development effort, bring a Socially Responsible Investment product to market in the near future. At the time of writing this report they were yet to publicly launch the product.

**BILL CARTER**

Chief Financial Officer

James Legarse, Financial Accountant

# **Attachment A**

**Register of Investments and Cash  
as at 31 October 2018**

**REGISTER OF INVESTMENTS AND CASH AS AT 31 OCTOBER 2018**

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Investment Date	Term (months)
<b>Call Account</b>								
Westpac Bank	AA	41,977,246	0.15%	1.75%	1.75%	1-Nov-18	22-May-12	0
<b>Total</b>		<b>41,977,246</b>	<b>0.15%</b>	<b>1.75%</b>	<b>1.75%</b>			
<b>Term Deposits (TD)</b>								
Bankwest	AA	5,000,000	0.23%	2.70%	2.70%	2-Nov-18	10-Apr-18	7
Bankwest	AA	5,000,000	0.21%	2.50%	2.50%	9-Nov-18	3-Sep-18	2
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	13-Nov-18	16-Feb-18	9
Credit Union Australia Ltd	A	5,000,000	0.23%	2.80%	2.80%	29-Nov-18	3-May-18	7
ME Bank	A	5,000,000	0.23%	2.70%	2.70%	30-Nov-18	30-Apr-18	7
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	7-Dec-18	8-Dec-17	12
Credit Union Australia Ltd	A	5,000,000	0.22%	2.65%	2.65%	7-Dec-18	5-Feb-18	10
Suncorp Bank	A	5,000,000	0.23%	2.70%	2.70%	7-Dec-18	8-Aug-18	4
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	11-Dec-18	1-Mar-18	9
ME Bank	A	5,000,000	0.22%	2.60%	2.60%	13-Dec-18	29-Jun-18	5
National Aust Bank	AA	5,000,000	0.23%	2.80%	2.80%	13-Dec-18	15-Jun-18	6
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	14-Dec-18	9-Feb-18	10
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	14-Dec-18	14-Feb-18	10
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	14-Dec-18	4-Jul-18	5
ME Bank	A	5,000,000	0.22%	2.60%	2.60%	17-Dec-18	1-Mar-18	10
National Aust Bank	AA	5,000,000	0.23%	2.80%	2.80%	18-Dec-18	28-Jun-18	6
ME Bank	A	5,000,000	0.23%	2.70%	2.70%	20-Dec-18	9-Apr-18	8
Bankwest	AA	5,000,000	0.23%	2.70%	2.70%	21-Dec-18	24-Aug-18	4
Bankwest	AA	5,000,000	0.22%	2.65%	2.65%	21-Dec-18	29-Aug-18	4
Bankwest	AA	5,000,000	0.22%	2.65%	2.65%	28-Dec-18	28-Aug-18	4
Bankwest	AA	5,000,000	0.23%	2.70%	2.70%	4-Jan-19	23-Aug-18	4
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.64%	2.64%	15-Jan-19	15-Jan-18	12
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	21-Jan-19	20-Apr-18	9
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.67%	2.67%	22-Jan-19	23-Jan-18	12
Credit Union Australia Ltd	A	5,000,000	0.23%	2.80%	2.80%	25-Jan-19	4-May-18	9
Credit Union Australia Ltd	A	5,000,000	0.23%	2.80%	2.80%	1-Feb-19	8-May-18	9
Credit Union Australia Ltd	A	5,000,000	0.22%	2.67%	2.67%	8-Feb-19	12-Feb-18	12
Credit Union Australia Ltd	A	5,000,000	0.22%	2.67%	2.67%	12-Feb-19	21-Feb-18	12
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	22-Feb-19	31-Aug-18	6
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	8-Mar-19	8-Aug-18	7
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	12-Mar-19	3-Sep-18	6
ME Bank	A	5,000,000	0.24%	2.83%	2.83%	15-Mar-19	4-Jul-18	8
Westpac Banking Corporation (Fixed Rate , interest paid quarterly)	AA	5,000,000	0.22%	2.68%	2.68%	19-Mar-19	19-Mar-18	12
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	29-Mar-19	29-Aug-18	7
Bank of Queensland	A	5,000,000	0.23%	2.75%	2.75%	5-Apr-19	9-Aug-18	8
IMB	A	5,000,000	0.23%	2.75%	2.75%	12-Apr-19	16-Aug-18	8
Suncorp Bank	A	5,000,000	0.23%	2.75%	2.75%	19-Apr-19	3-Sep-18	7
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	26-Apr-19	10-Aug-18	8
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	3-May-19	14-Aug-18	9
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	6-May-19	10-Jul-18	10
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	17-May-19	22-Aug-18	9
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	28-May-19	31-Aug-18	9
Bankwest	AA	5,000,000	0.23%	2.80%	2.80%	31-May-19	31-Aug-18	9
Bendigo & Adelaide Bank	A	5,000,000	0.23%	2.80%	2.80%	4-Jun-19	5-Jul-18	11
Credit Union Australia	A	5,000,000	0.24%	2.90%	2.90%	6-Jun-19	6-Jul-18	11
Bankwest	AA	5,000,000	0.23%	2.75%	2.75%	7-Jun-19	3-Sep-18	9
ME Bank	A	5,000,000	0.23%	2.80%	2.80%	21-Jun-19	09-Jul-18	11
Bankwest	A	5,000,000	0.23%	2.70%	2.70%	28-Jun-19	31-Oct-18	8
Bendigo & Adelaide Bank	A	5,000,000	0.24%	2.83%	2.83%	3-Jul-19	4-Jul-18	12
Credit Union Australia	A	5,000,000	0.24%	2.90%	2.90%	5-Jul-19	6-Jul-18	12
AMP Bank	A	5,000,000	0.24%	2.85%	2.85%	20-Aug-19	20-Aug-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	10-Sep-19	10-Sep-18	12
National Aust Bank	AA	5,000,000	0.23%	2.74%	2.74%	9-Oct-19	9-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	14-Oct-19	12-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	18-Oct-19	15-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.75%	2.75%	25-Oct-19	17-Oct-18	12
National Aust Bank	AA	5,000,000	0.23%	2.72%	2.72%	31-Oct-19	31-Oct-18	12
ANZ Bank (90 days BBSW + 98 points) quarterly reset and payment of coupon	AA	10,000,000	0.24%	2.94%	2.83%	28-Aug-20	28-Aug-15	60
ANZ Bank (90 days BBSW + 95 points) quarterly reset and payment of coupon	AA	10,000,000	0.24%	2.91%	2.81%	31-Aug-20	1-Sep-15	60
Westpac Banking Corporation(2.80% fixed 1 year & 90 days BBSW +82 points)	AA	5,000,000	0.23%	2.80%	2.80%	20-Sep-21	21-Sep-18	36
Westpac Banking Corporation (2.90% Fixed 2 years & 90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.90%	2.90%	11-Oct-21	12-Oct-17	48
Westpac Banking Corporation (3% Fixed 2 years & 90 months BBSW + 133 points 3 years)	AA	5,000,000	0.25%	3.00%	3.00%	15-Dec-21	15-Dec-16	60
Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3years)	AA	5,000,000	0.25%	3.00%	3.00%	31-Aug-22	31-Aug-17	60
Westpac Banking Corporation(2.80% fixed 1 year & 90 days BBSW +85 points)	AA	5,000,000	0.23%	2.80%	2.80%	27-Sep-22	28-Sep-18	48
<b>Total</b>		<b>330,000,000</b>	<b>0.23%</b>	<b>2.75%</b>	<b>2.75%</b>			
<b>Floating Rate Notes (FRN)</b>								
Bendigo & Adelaide Bank (90days BBSW + 127 points)	A	6,000,000	0.27%	3.22%	3.11%	14-Nov-18	14-Nov-13	60
National Australia Bank (90 days BBSW + 98 points)	AA	5,000,000	0.25%	2.94%	2.83%	25-Feb-19	25-Feb-16	36
Westpac Banking Corporation (Fixed 4.50% semi annual)	AA	5,000,000	0.38%	4.50%	4.50%	25-Feb-19	26-Mar-14	59
Newcastle Permanent Building Society (90 days BBSW + 160 points)	BBB	4,500,000	0.29%	3.54%	3.54%	22-Mar-19	22-Mar-16	36
Credit Union Australia (90 days BBSW + 160 points)	A	5,000,000	0.29%	3.52%	3.53%	1-Apr-19	1-Apr-16	36
Westpac Bank (90 days BBSW + 100 points)	A	5,000,000	0.25%	2.97%	2.85%	10-May-19	11-Mar-16	38
Commonwealth Bank (90 days BBSW + 98 points)	AA	5,000,000	0.24%	2.92%	2.89%	18-Jul-19	18-Apr-16	39

**REGISTER OF INVESTMENTS AND CASH AS AT 31 OCTOBER 2018**

<b>Institution</b>	<b>Rating</b>	<b>Amount \$</b>	<b>Monthly Net Returns</b>	<b>Monthly Net Return Annualised</b>	<b>Net Returns Rolling 12 Months</b>	<b>Maturity Date</b>	<b>Investment Date</b>	<b>Term (months)</b>
ME Bank (90 days BBSW + 145 points)	BBB	5,000,000	0.28%	3.39%	3.36%	18-Jul-19	18-Jul-16	36
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	10,000,000	0.24%	2.83%	2.81%	22-Jan-20	22-Jan-15	60
Royal Bank of Canada (90 days BBSW + 95 points)	A	5,000,000	0.24%	2.92%	2.80%	10-Feb-20	10-Feb-15	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	5,000,000	0.25%	3.01%	2.89%	12-Feb-20	12-Feb-15	60
Greater Bank (90 days BBSW + 145 points)	A	5,000,000	0.28%	3.40%	3.30%	24-Feb-20	24-Feb-17	36
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	5,000,000	0.27%	3.29%	3.28%	7-Apr-20	7-Apr-15	60
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	7,500,000	0.27%	3.29%	3.28%	7-Apr-20	18-Jul-16	45
National Australia Bank (90 days BBSW + 80 points)	AA	5,000,000	0.23%	2.75%	2.66%	3-Jun-20	3-Jun-15	60
Commonwealth Bank (90 days BBSW + 90 points)	AA	10,000,000	0.24%	2.83%	2.82%	17-Jul-20	17-Jul-15	60
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	5,000,000	0.23%	2.81%	2.79%	28-Jul-20	28-Jul-15	60
Bendigo & Adelaide Bank (90 days BBSW + 110 points)	A	5,000,000	0.26%	3.07%	2.95%	18-Aug-20	18-Aug-15	60
AMP Bank (90 days BBSW + 75 points)	A	5,000,000	0.22%	2.69%	2.67%	6-Oct-20	6-Oct-17	36
Suncorp Bank (90 days BBSW + 125 points)	A	5,000,000	0.27%	3.18%	3.16%	20-Oct-20	20-Oct-15	60
Westpac Banking Corporation (90 days BBSW + 108 points)	AA	15,000,000	0.25%	2.99%	2.97%	28-Oct-20	28-Oct-15	60
National Australia Bank (90 days BBSW + 108 points)	AA	10,000,000	0.25%	3.05%	2.94%	5-Nov-20	5-Nov-15	60
ME Bank (90 days BBSW + 125 points)	BBB	2,250,000	0.27%	3.22%	3.09%	9-Nov-20	9-Nov-17	36
Commonwealth Bank (90 days BBSW + 115 points)	AA	5,000,000	0.26%	3.09%	3.06%	18-Jan-21	20-Jan-16	60
Heritage Bank (90 days BBSW + 123 points)	BBB	3,500,000	0.26%	3.18%	3.27%	29-Mar-21	29-Mar-18	36
ANZ Bank (90 days BBSW + 118 points)	AA	5,000,000	0.26%	3.12%	3.11%	7-Apr-21	7-Apr-16	60
Suncorp Bank (90 days BBSW + 138 points)	A	5,000,000	0.28%	3.32%	3.30%	12-Apr-21	12-Apr-16	60
ME Bank (90 days BBSW + 127 points)	BBB	2,500,000	0.27%	3.20%	3.30%	16-Apr-21	17-Apr-18	36
Bendigo & Adelaide Bank (90 days BBSW + 146 points)	A	5,000,000	0.28%	3.39%	3.37%	20-Apr-21	20-Apr-16	60
Commonwealth Bank (90 days BBSW + 85 points)	AA	4,600,000	0.23%	2.79%	2.69%	17-Nov-21	17-Nov-16	60
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000	0.24%	2.93%	2.81%	16-Aug-22	16-Aug-17	60
Suncorp Bank (90 days BBSW + 97 points)	A	4,000,000	0.24%	2.88%	2.88%	16-Aug-22	31-Oct-18	45
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000	0.25%	3.03%	2.97%	3-Feb-23	5-Feb-18	60
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000	0.23%	2.78%	2.78%	6-Mar-23	6-Mar-18	60
ANZ Bank (90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.87%	2.86%	9-May-23	9-May-18	60
National Australia Bank (90 days BBSW + 90 points)	AA	5,000,000	0.24%	2.86%	2.83%	16-May-23	16-May-18	60
Commonwealth Bank (90 days BBSW + 93 points)	AA	3,500,000	0.24%	2.89%	2.89%	16-Aug-23	16-Aug-18	60
Suncorp Bank (90 days BBSW + 77 points)	AAA	4,500,000	0.23%	2.71%	2.71%	13-Sep-23	13-Sep-18	60
National Australia Bank (90 days BBSW + 93 points)	AA	3,500,000	0.24%	2.85%	2.85%	26-Sep-23	26-Sep-18	60
<b>Floating Rate Notes (FRN) 'Green/Climate Bonds'</b>								
ANZ Bank Green Bond (Fixed rate @ 3.25% semi annual)	AA	5,000,000	0.27%	3.25%	3.25%	3-Jun-20	3-Jun-15	60
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000	0.24%	2.86%	2.88%	31-Mar-22	31-Mar-17	60
<b>Total</b>		<b>217,850,000</b>	<b>0.26%</b>	<b>3.07%</b>	<b>3.03%</b>			
<b>Total Investments</b>		<b>589,827,246</b>	<b>0.23%</b>	<b>2.80%</b>	<b>2.78%</b>			
<b>Benchmark: 30 Day Bank Bill Index</b>			<b>0.15%</b>	<b>1.85%</b>	<b>1.80%</b>			
<b>Benchmark: Bloomberg AusBond Bank Bill Index</b>			<b>0.17%</b>	<b>2.06%</b>	<b>1.89%</b>			
<b>City of Sydney's available bank balance as at 31 October 2018</b>		<b>4,860,059</b>						
<b>TOTAL INVESTMENTS &amp; CASH</b>		<b>594,687,305</b>						

**Summary of Net Investment Movements - October 2018**

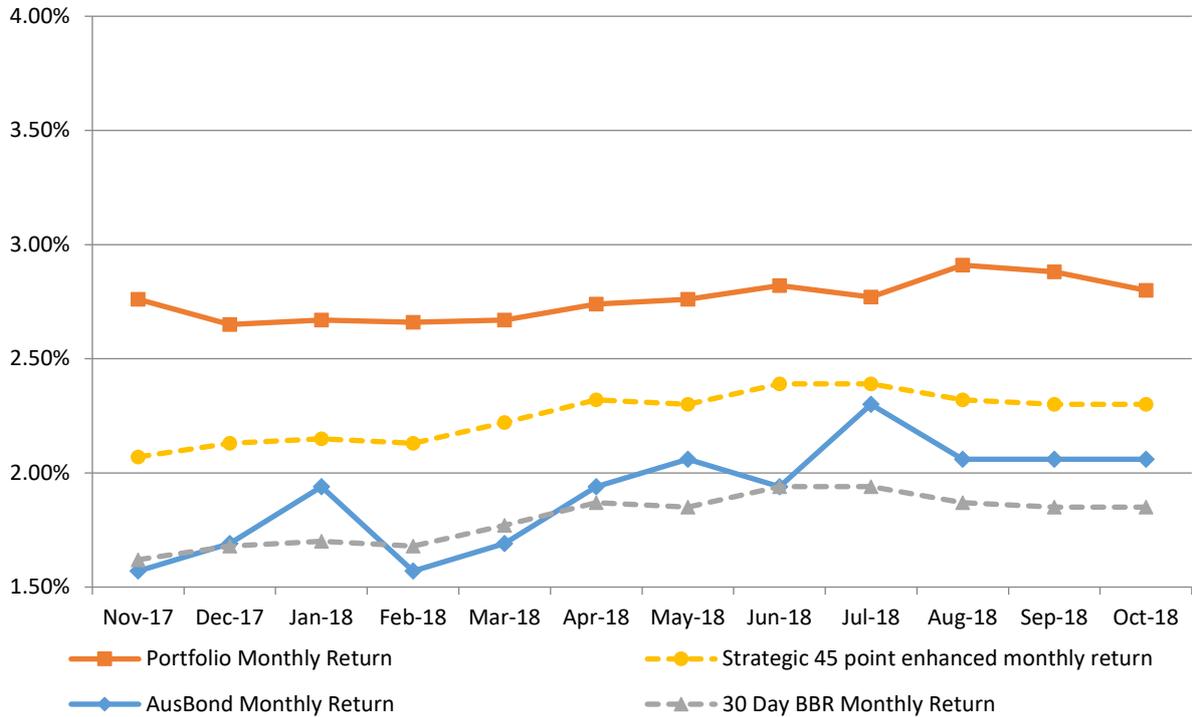
<b>Financial Institution</b>	<b>Fund Rating</b>	<b>Invest/(Recall) Amount \$</b>	<b>Commentary</b>
<b><u>Call Account</u></b> Westpac Banking Corporation	AA	4,000,000	Redemption of matured investments and placed in the Call Account to assist in future operational activities.
<b><u>Term Deposits (TDs)</u></b> National Australia Bank	AA	20,000,000	Utilised matured investments for the placement of higher yield term deposits.
Westpac Banking Corporation	AA	(10,000,000)	Redeemed matured Term Deposits and placed in higher yield term deposits.
<b><u>Floating Rate Notes (FRNs)</u></b> National Australia Bank	AA	4,000,000	Utilised redeemed Floating Rate Notes for the settlement of highly secured and rated FRNs, offering attractive spreads above the 90 days bank bill swap rate.
Commonwealth Bank	AA	(24,000,000)	Redeemed matured Floating Rate Notes to fund for the Council's operational and investment activities.

# **Attachment B**

**Investment Performance  
as at 31 October 2018**

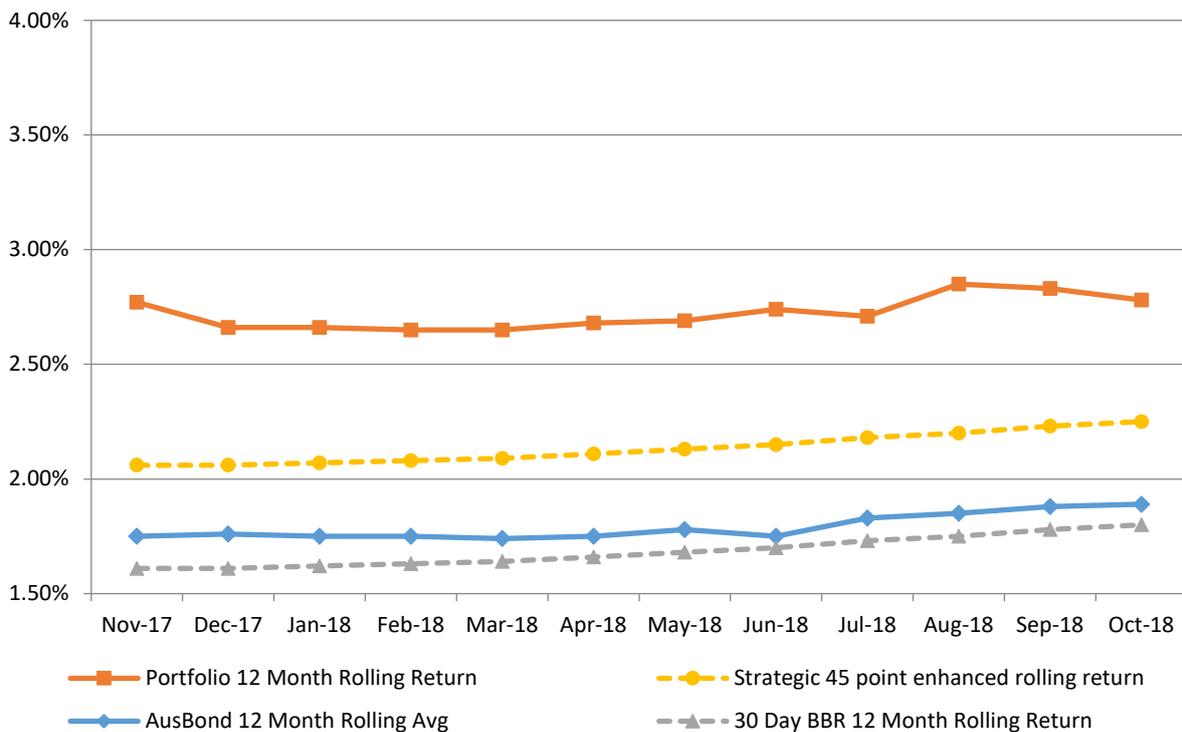
## Monthly Results

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
October 2018**



## 12 Month Rolling Averages

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark  
October 2018**



### **Item 3.**

#### **Contract Variation - Lawson Street and Lawson Square - Head Consultant**

**File No: S118107**

#### **Summary**

Lawson Street and Lawson Square is a busy section of the road network that currently does not have any cycle facilities. This is a high priority cycle route for cyclists from Newtown to the eastern CBD. This project completes a missing link in the City's Newtown to City regional cycle network.

In June 2014, Complete Urban Pty Ltd were engaged for design consultancy works for the project. This engagement included service provision throughout the concept design, design development, tender and construction phases of the project.

In late 2016, with the design and documentation ready for tender, Sydney Trains advised that their approval will be required for the scope of works impacting the Redfern Station Bridge.

This approval process is nearing completion, with a revised light weight design option that will minimise impact to the bridge and be endorsed by a Sydney Trains Authorised Engineer Officer.

Additional works, scope and services are now required to amend the design package with this new light weight design.

This report seeks to increase the contract contingency of the existing design consultant due to the extended period in obtaining Sydney Trains approval and additional services required to complete the project.

## **Recommendation**

It is resolved that Council:

- (A) approve increasing the existing contract contingency as outlined in the subject report;
- (B) approve increased contingency value for the existing Head Consultant contract to cover additional services as described in Confidential Attachment B to the subject report; and
- (C) note the financial and contractual implications detailed in Confidential Attachment B to the subject report.

## **Attachments**

**Attachment A.** Revised Concept Design Plan and Section

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

## Background

1. Lawson Street and Lawson Square is a busy section of road network that currently does not have any cycle facilities. This is a high priority cycle route for cyclists from Newtown to the eastern CBD. This project completes a missing link in the City's Newtown to City regional cycle network.
2. A separated bi-directional cycleway will run along Lawson Street and Lawson Square between Little Eveleigh Street and Wells Street, to connect into existing cycle facilities. The crossing points at signalised and un-signalised intersections will provide a safe crossing environment for cyclists.
3. The NSW Government is partially funding this project as it contributes to their cycling and pedestrian safety programs.
4. In late 2016, with the design and documentation ready for tender, Sydney Trains advised that their approval will be required for the scope of works impacting the Redfern Station Bridge.
5. Additional time was required to determine the process and criteria for approval which included the clarification that a Sydney Trains Authorised Engineer Officer was required to endorse the design works impacting the bridge.
6. Several design options were developed and reviewed by key internal City stakeholders.
7. The result is a light weight design option which meets the original design intent of the project and includes a level crossing, divider system and line work that allows for the majority of the existing bridge to remain untouched.
8. The approvals process is nearing completion with the revised light weight design endorsed by the Local Pedestrian, Cycling and Traffic Calming Committee on 15 November 2018. An endorsement letter prepared by the Authorised Engineer Officer will be forwarded to Sydney Trains for their final approval.

## Head Consultant Services Contract

9. In May 2014, Complete Urban Pty Ltd were engaged for design consultancy works for the project. This engagement included service provision throughout the concept design, design development, tender and construction phases of the project.
10. There is now a requirement for additional funds in the design contract to provide additional services to amend the drawing packages ready for tender. Also for additional works for traffic control services plans, review of lighting design and a Road Safety Audit.
11. It is recommended that Council increase the value of the design consultancy contract contingency due to the extended period in obtaining Sydney Trains approval and additional services required to complete the project.

### **Budget Implications**

12. There are sufficient funds allocated for this project within the current year's capital works budget and future year's estimates. Refer to Confidential Attachment B for further details.

### **Relevant Legislation**

13. Attachment B contains confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
14. 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**

15. Program critical dates:
  - (a) Local Pedestrian, Cycling and Traffic Calming Committee - November 2018.
  - (b) Sydney Trains Notification - December 2018.
  - (c) Tender - February 2019.
  - (d) Construction Commencement - July 2019.

### **Public Consultation**

16. Consultation was undertaken with the following stakeholders during the development of the concept design:
  - (a) Aboriginal Housing Commission;
  - (b) Redfern Police;
  - (c) Transport for NSW and State Transit Authority;
  - (d) Roads and Maritime Services; and
  - (e) Bicycle Groups.
17. Public exhibition of the design plans for the Lawson Street improvements was conducted over two weeks between 26 October and 11 November 2015.
18. The project had two distinct parts; footpath improvement works and a separated cycleway. Overall 69 submissions were received.
19. A large number of submissions were generally supportive of both the footpath and cycleway works with several suggestions being made to improve the designs.

20. A petition was also received, signed by 70 residents from surrounding streets, opposing the Lawson Street footpath works. The primary objection is the impact it has on street parking.
21. Consultation activities included:
  - (a) a consultation letter sent to 580 local residents and businesses informing them of the project and submission details;
  - (b) a webpage on [sydneyoursay.com.au](http://sydneyoursay.com.au) where submissions could be made; and
  - (c) the concept design was displayed at the One Stop Shop in Town Hall House and Redfern Neighbourhood Service Centre.
22. On [Sydneyoursay.com.au](http://Sydneyoursay.com.au) the project was viewed by 545 individual users and the plans were downloaded 399 times.

**AMIT CHANAN**

Director City Projects and Property

Suzanne Lange, Specialist Design Manager

# **Attachment A**

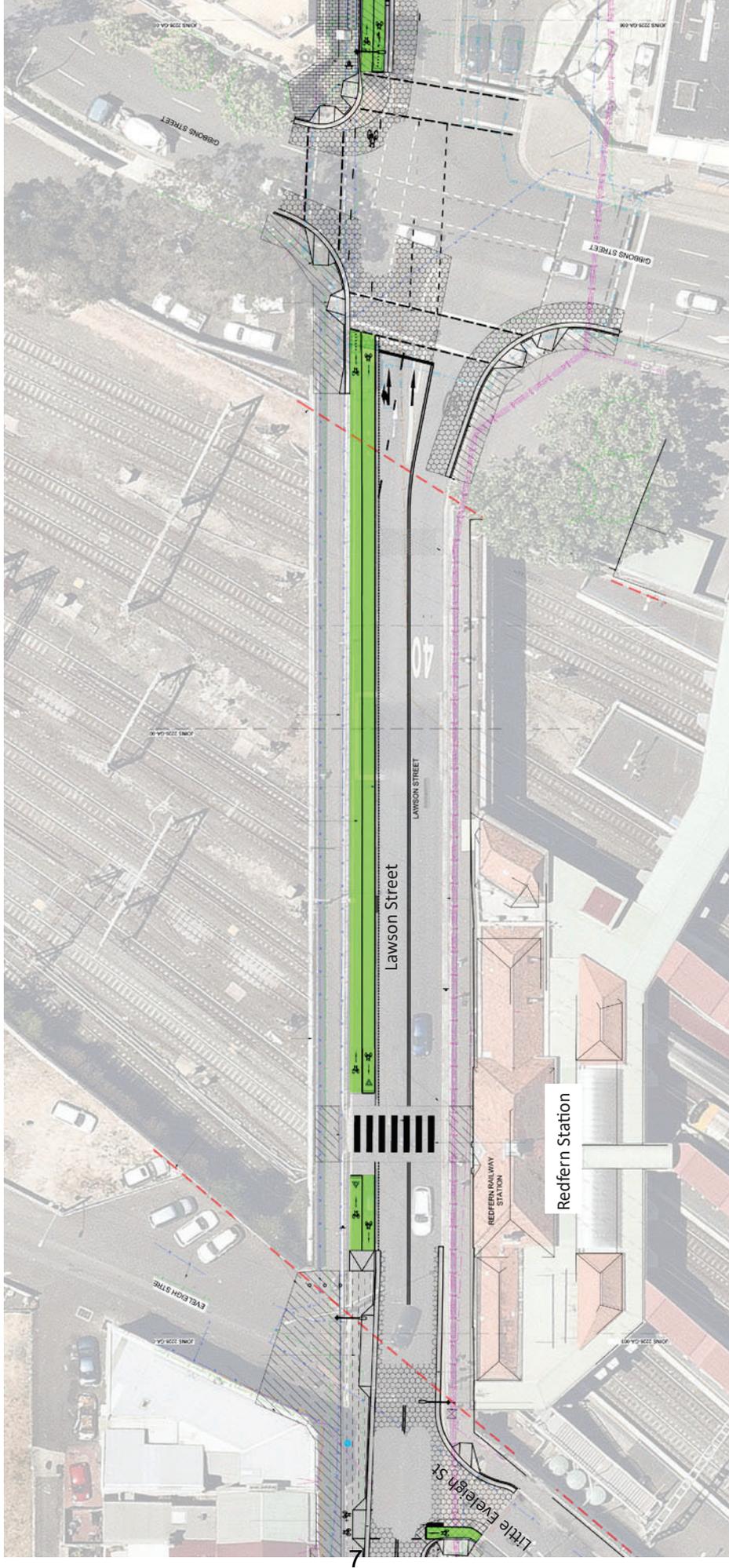
**Revised Concept Design and Section**

# Proposal

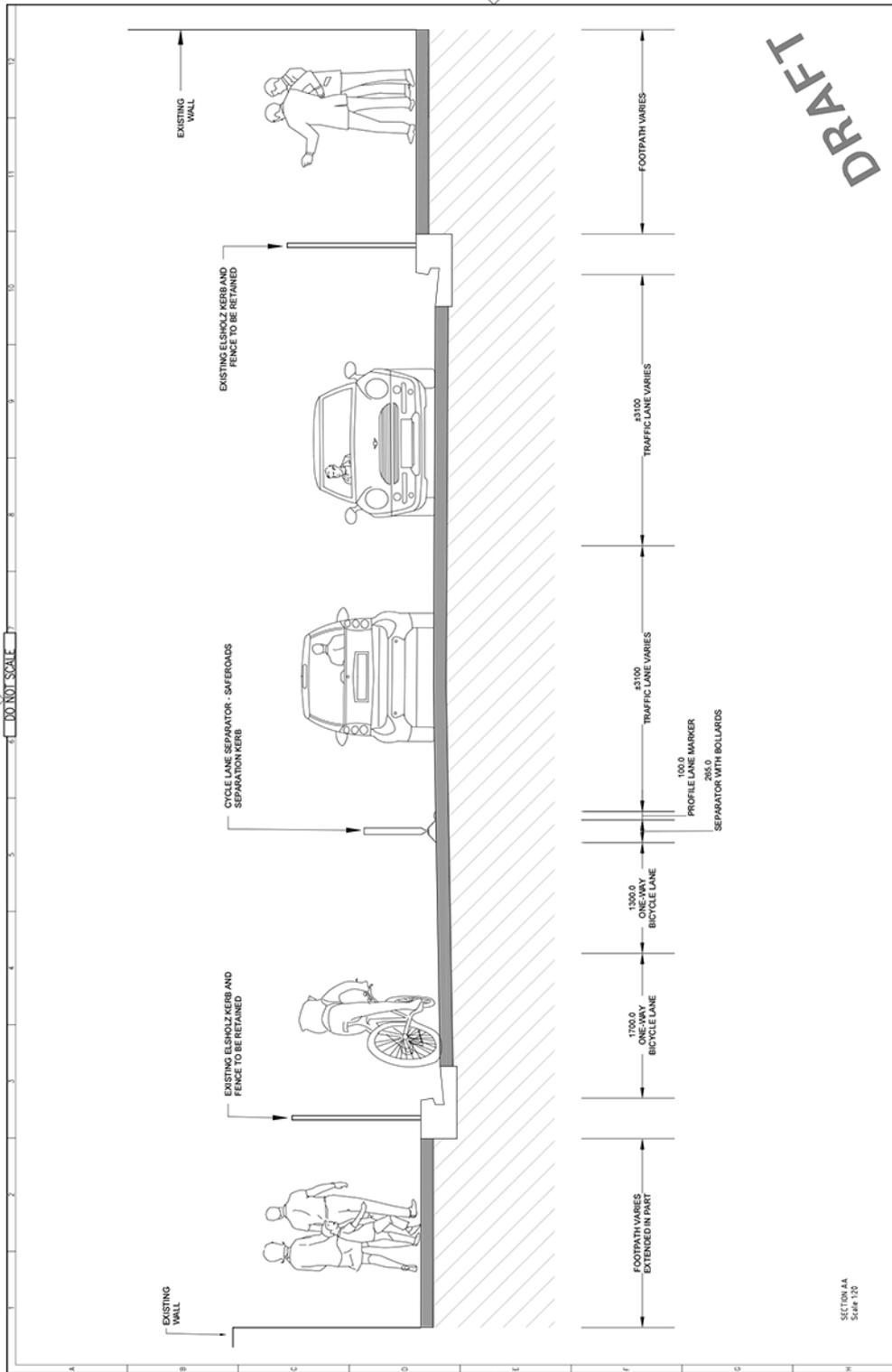
Traffic Treatment - Pedestrian – At-Grade Pedestrian Crossing

Separated bi-directional cycleway

– Lawson Street, Redfern



Nearmap aerial



DRAFT

SET FOR A  
SCALE 1:20

<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9600 f 02 9285 9333 www.compleat.com.au</p>		<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9333 f 02 9285 9222 www.cityofstonybrooke.nsw.gov.au</p>		<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9600 f 02 9285 9277 www.compleat.com.au</p>	
<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9600 f 02 9285 9333 www.compleat.com.au</p>		<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9333 f 02 9285 9222 www.cityofstonybrooke.nsw.gov.au</p>		<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9600 f 02 9285 9277 www.compleat.com.au</p>	
<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9600 f 02 9285 9333 www.compleat.com.au</p>		<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9333 f 02 9285 9222 www.cityofstonybrooke.nsw.gov.au</p>		<p>10 Bayard Street Cherrybrook NSW 2008 p 02 9285 9600 f 02 9285 9277 www.compleat.com.au</p>	

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**Item 4.**

**Contract Variation – Roadworks for Gunyama Park Aquatic and Recreation Centre**

Document to Follow

## Item 5.

### Contract Variation - Customs House Facade Upgrade - Head Consultant

File No: X002105.001

#### Summary

On 23 March 2016, Council endorsed the engagement of Head Design Consultant, Jackson Teece Architects, to provide heritage architect consultancy services for Customs House façade restoration.

Base survey work and the initial scope have now been completed and the project is ready to proceed to final design followed by construction.

This report seeks approval for a variation to the existing Head Design Consultant contract to complete multidisciplinary design and documentation services required for the scope of works based on the building survey completed by the heritage architect in 2016.

#### Recommendation

It is resolved that:

- (A) Council approve variations to the existing Head Design Consultant contract to complete additional multidisciplinary design and documentation consultancy services as described in the subject report;
- (B) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any documentation required to give effect to the variation as approved by Council; and
- (C) Council note the financial and contractual implications detailed in Confidential Attachment A to the subject report.

#### Attachments

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

## Background

1. The Customs House building at Circular Quay was designed by Mortimer Lewis and originally built between 1843 and 1845. It was extended by James Barnet in 1889 and later extended and altered again several times.
2. The Customs Department occupied the building until 1990.
3. In 1998, the City leased the building from the owner, the Commonwealth of Australia, for a period of 60 years. Between 1995 and 1998, the City remodelled the interior for use as required under the lease and carried out repairs to the façade. Further internal works were undertaken from 2003 to 2004.
4. The external façade has been shedding small pieces of sandstone, causing safety concerns. Regular local inspections with removal of loose stone ("makesafes") have been undertaken since 2014 to mitigate safety concerns.
5. In March 2016, Council approved a design tender to appoint a Heritage Architect to provide full Architectural Services (including façade survey, scope and document the project, assist with construction tender review and provide construction services).
6. Base survey work and initial scope have now been completed. The scope of work required to address the condition of the sandstone masonry and sandstone balustrades was significantly more than anticipated.
7. The restoration needs to incorporate preventative measures to reduce the shedding of small pieces of façade sandstone and address poorly fixed sandstone balustrades.
8. A review of proposed scope has been carried out in an attempt to reduce the impact of scaffolding on the public and prioritise high-risk items. This has entailed some additional survey work and peer group reviews. Further survey work and seismic investigations are required prior to the construction tender to adequately and sympathetically document the structural requirements for approval by the Heritage Council.
9. Jackson Teece Architects was asked to provide a fee proposal to vary its existing contract and complete design, documentation and construction stage services for the increased project scope arising from the base survey.
10. It is recommended that Council approve a variation to the Head Design Consultant contract as outlined in Confidential Attachment A so that the increased project scope can be undertaken.
11. There is a separate report seeking a resolution on the scope of the works for this facility on the agenda to be considered by the Council on 10 December 2018.

**Budget Implications**

12. An independent quantity surveyor has verified the total forecast project construction cost based on the preliminary investigation.
13. Additional funding is required to deliver full conservation works. A summary of the financial implications is included in Confidential Attachment A.

**Relevant Legislation**

14. Local Government Act 1993.
15. 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.
16. 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**

17. Key dates for the project are as follows:

(a) Design Development and Construction Documentation	March 2019 to August 2019
(b) Tender Period	September 2019 to February 2020
(c) Construction	April 2020 to September 2021

**AMIT CHANAN**

Director City Projects and Property

Paula Yu, Project Manager

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

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**Item 6.****Contract Variation – Design Consultancy Services for the Sydney Town Hall Façade Conservation Project****File No: X013339****Summary**

Sydney Town Hall Façade Conservation Stage 3 works represents the final stage of a broader external conservation project. Previously delivered conservation works included the Clock Tower (Stage 1) and a portion of the Façade Conservation (Stage 2), which included the east and north facades and part of the south façade, and east facade lighting replacement (George Street facing).

Works for Stage 3 are focused on the southern, western and clerestory facades, roofs, northern stairs, the vestibule dome and clerestory stained glass to the Centennial Hall. The planned conservation works include masonry, joinery, roof works, seismic bracing and stained glass window refurbishment.

Jackson Teece Chesterman Willis Pty Ltd (Jackson Teece) were originally engaged to provide heritage architectural consultancy services for the Sydney Town Hall Façade Conservation Project Stage 2 and 3 in June 2012. The works were split into Stage 2 and Stage 3 to align with the City's 10 year Capital Works program and to minimise impacts of ongoing construction on Sydney Town Hall visitors and community.

The City is now in a position to commence delivery of Stage 3 works. Through negotiations with Jackson Teece, a revised fee to complete the delivery of Stage 3 has been agreed in principle which would be subject to a Deed of Variation to the existing contract. The revised fee provides for inflation and changes to the scope.

## **Recommendation**

It is resolved that:

- (A) Council approve the variation to the existing Jackson Teece Head Consultant contract;
- (B) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any documentation required to give effect to the variation in accordance with the terms of this report;
- (C) Council approve increased contingency value for the existing Head Consultant contract to cover additional services as described in Confidential Attachment A to the subject report; and
- (D) Council note the financial implications detailed in Confidential Attachment A to the subject report.

## **Attachments**

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

## Background

1. Sydney Town Hall Façade Conservation Stage 3 works represents the final stage of a broader external conservation project. Previously delivered conservation works included the Clock Tower (Stage 1) in 2012-2014, and a portion of the Façade Conservation (Stage 2) in 2013-2015, which included the east and north facades and a portion of the south façade, and east facade lighting replacement (George Street facing).
2. Works for Stage 3 are focused on the southern, western and clerestory facades, roofs northern stairs, the vestibule dome and clerestory stained glass to the Centennial Hall. The planned conservation works include masonry, joinery, roof works, seismic bracing, and stained glass window refurbishment.
3. In June 2012, Council endorsed a tender for Jackson Teece Architects for heritage architect consultancy services for the Sydney Town Hall Façade Conservation works for Stages 2 and 3. This included consultant disciplines of Structural and Hydraulic Engineering, Masonry, Stained Glass, Hazardous Materials and Lighting.
4. To align with the City's ten year Capital Works program and to minimise impacts of ongoing construction on Sydney Town Hall visitors and community, Stage 2 and Stage 3 construction works were split with Stage 3, commencing five years after Stage 2 completion. The design documentation for Stages 2 and 3 were finalised together.
5. The tender documentation for Stage 3 scope of works will be split into two separate construction packages (Façade and Stained Glass) suitable for tendering.
6. In early negotiations with Jackson Teece, additional consultancy costs have been identified relating to inflation and changes in scope. Additional costs have also been identified as a result of:
  - (a) changes in proposed procurement and delivery of works which requires splitting the documentation into two separate tender packages for facades and stained glass windows respectively which incurs additional services;
  - (b) further resolution of stained glass window repair scope and methodology to undertake these repairs, noting that the requirements were not fully known at the original time of tender; and
  - (c) review of the previous work to ensure any new items (i.e. further deterioration over time) are captured and included in this final stage of Sydney Town Hall façade conservation.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030 Vision

7. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:

- (a) Direction 5 - A Lively and Engaging City Centre - Sydney Town Hall is the city's most popular central meeting place and the stage for many of Sydney's public civic events.
- (b) Direction 7 - A Cultural and Creative City - Sydney Town Hall is the largest and most ornate late 19th century civic building in Australia. This project seeks to preserve a building of exceptional heritage significance so that it may be enjoyed for future generations to come.

### **Organisational Impact**

- 8. While the project itself may have organisational impact, the consultancy services are not expected to have an organisational impact.

### **Risks**

- 9. Specific risks regarding the re-commencement of these consultancy services are:
  - (a) ensuring that the consultant delivers services in the required timeframe. The consultant has confirmed they can deliver within the expected timeframes; and
  - (b) potential variations relating to unresolved or unforeseen scope, which would have a cost impact. The expected scope and potential additional works that may be required have been clearly defined and discussed with the consultant.

### **Budget Implications**

- 10. Subject to approval of the Scoping Report for Façade Conservation Stage 3 works, there are sufficient funds allocated for this project within the current year's capital works budget and future year's estimates. Refer to Confidential Attachment A for further details.

### **Relevant Legislation**

- 11. Local Government Act 1993.
- 12. 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.
- 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. Re-commencement of design consultants is expected in January 2019.
15. Completion of the For Tender design and Request for Tender documents is expected in May 2019.
16. Council approval to appoint contractors is anticipated in September 2019.
17. Stage 3 is expected to commence construction in late 2019.
18. Construction duration of the facades is expected to take approximately two years.
19. Construction duration of the stained glass is expected to take approximately four to five years.

**Options**

20. Option to terminate Jackson Teece's contract and retender the project for the remaining Stage 3 design consultancy services. This option is not recommended as the consultant has performed well on previous Stage 2 works and has in-depth project knowledge and experience which would be lost if the contract were terminated. If the project was retendered, the project program would extend by four to six months, there would be additional project overhead costs.

**Public Consultation**

21. Public Consultation and consultation of stakeholders has been undertaken throughout the course of the project and will be ongoing. However, no consultation has been required specifically in relation to the consultancy services.

**AMIT CHANAN**

Director City Projects and Property

Sam Wheatley, Senior Project Manager

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## **Item 7.**

### **Contract Variation – Hyde Park South Café and Landscape Master Plan Works**

**File No: S122016**

#### **Summary**

This project will deliver a new Hyde Park South Cafe (excluding fit out), paved outdoor seating for 90 people and two unisex toilets, with one open to the park. Works include the integration of the Transport for NSW easy access upgrade to Museum Station lift lobby, to the new café, and landscape integration of the cafe into the surrounding parklands.

In 2014, head design consultants, Andrew Burns Architects, and Turf Design Studio & Environmental Partnerships, were engaged to design and document the Hyde Park Café and associated landscape works respectively. Turf Design Studio & Environmental Partnerships' engagement also included the broader Hyde Park Master Plan works of which the Hyde Park South Café landscape works were a part.

In 2017, Structus Pty Ltd were appointed as the head contractor to deliver the Hyde Park Café and associated landscape project. Construction commenced in March 2018, however, works have been delayed as a result of Transport for NSW construction management and design requirements, additional heritage approvals and the adjacent Anzac Memorial integration works temporarily restricting site access in order to complete their works prior to the Invictus Games in October 2018.

This report seeks to increase the project budget and contract contingencies of the existing design consultants and contractor due to the extended period and additional services for public domain integration works required to complete the project.

## **Recommendation**

It is resolved that:

- (A) Council endorse the project scope for the required additional accessible path, as described in the subject report and shown in the drawings at Attachment A to the subject report;
- (B) Council note the financial implications detailed in Confidential Attachment B to the subject report;
- (C) Council approve the increased budget and contract contingency to the existing head contractor and head consultants to cover the completion of the additional services and works and the source of funds to address the budget shortfall as outlined in Confidential Attachment B to the subject report; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation of the contracts with the head contractor and head consultants.

## **Attachments**

**Attachment A.** Plan of New Access Path from Museum Station to the Anzac Memorial

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

## Background

1. Hyde Park is Australia's oldest park and culturally significant heritage landscape. It is Sydney's most significant park, used by over three million local, interstate and international visitors each year and hosting many significant events.
2. Hyde Park is owned by the NSW Government (Crown Land), with the City of Sydney appointed as Reserve Trust Manager for its care, control and management.
3. On 18 November 2013, Council endorsed the City entering into a deed with Transport for NSW, granting it access to Hyde Park South to undertake the Museum Station Easy Access Upgrade Project. The project aimed to improve accessibility to the station and involved the installation of lifts connecting the station entry, concourse and platforms.
4. In April 2015, a deed between the City and Transport for NSW was executed and the latter commenced construction works at Museum Station. The works required the demolition of the small café owned by the City of Sydney. In accordance with the deed, the City is required to design and deliver a new café to replace the former café and provide a new lift lobby to the newly installed Museum Station lift. Transport for NSW's Easy Access Upgrade work was completed in 2017.
5. In 2014, head design consultants, Andrew Burns Architects, and Turf Design Studio & Environmental Partnerships, were engaged separately to design and document architectural and landscape architectural works. Turf Design Studio & Environmental Partnerships were also engaged to implement the broader Hyde Park Master Plan works of which the Hyde Park South Café landscape works were a part.
6. The Hyde Park South Café site is located in the south west corner of Hyde Park, at the rear of the Museum Station entry building. The project site is located on top of the Museum Station City Circle underground line and associated pedestrian tunnels.
7. The Hyde Park South Café and Landscape project includes work to the new café and lift lobby areas within Museum Station, together with landscaping works around the station building at ground level.
8. In July 2017, Council endorsed the engagement of head contractor, Structus Pty Ltd, to undertake the construction of the Hyde Park South Cafe and surrounding environs.
9. Construction works commenced in March 2018 after securing required approvals from Transport for NSW for outstanding design matters.
10. During the execution of the works, delays were encountered arising from additional construction management and design requirements from Transport for NSW, additional heritage approvals required to retain significant heritage fabric, and the adjacent Anzac Memorial integration works which temporarily restricted site access in order to complete works in time for the Invictus Games in October 2018.

11. An existing accessible path connection from Museum Station through the park to the Anzac Memorial was removed as part of the Anzac Memorial Education Centre works. The reinstatement of this accessible path and integration with the Hyde Park South Café landscape works is proposed to be delivered through this project. This will require additional services and works to be performed by the consultants and contractor.
12. Expressions of Interest for a suitable café tenant / operator will be conducted in early/mid 2019. The successful operator will be required to seek relevant approvals and fit out the café for their specific use.

#### **Head Contractor Service Contract**

13. In July 2017, subsequent to an open tender process, Structus Pty Ltd were appointed as the head contractor for the project.
14. There is now a requirement for additional funds in the construction contract due to delays in the program and to deliver the revised scope for public domain works. These works include the new accessible path from the café to the Anzac Memorial, turf, planting and paving make good works. We have also included allowances for Transport for NSW construction management requirements related to monitoring tunnel vibration impacts and associated supervision, including updating the Construction Management Plan(s).
15. It is recommended that Council increase the value of the contractor contract contingency due to the extended contract period and additional services required to complete the project.

#### **Head Consultants Contracts**

16. In 2014, subsequent to an Expression of Interest, select tender and competitive quotation process, Andrew Burns Architects were engaged to deliver the Hyde Park South Café project. Concurrently, Turf Design Studio & Environmental Partnerships were engaged to deliver the associated Hyde Park Café landscape works. Both these engagements included service provision throughout the concept design, design development, tender and construction phases of the project. Turf Design Studio & Environmental Partnerships were also engaged to implement the broader Hyde Park Master Plan works of which the Hyde Park South Café landscape works were a part.
17. There is now a requirement for additional funds in both design consultancy contracts to provide additional services due to project delays and extension of time. Additional fees are also required for Turf Design Studio & Environmental Partnerships to provide additional consultancy services (design and construction review) to implement the new accessible path from Hyde Park South Café to the Anzac Memorial through the park.
18. It is recommended that Council increase the value of the design consultancy contract contingency for both head consultants due to the extended period and additional services required to complete the project.

### **Budget Implications**

19. The current project budget is insufficient to complete the required additional works as outlined in Confidential Attachment B.
20. The requested source of funds to address budget shortfall is outlined in Confidential Attachment B.
21. It is recommended that Council approve these additional funds so that the works can be completed in a timely manner.

### **Relevant Legislation**

22. Local Government Act 1993.
23. Attachment B contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
24. 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**

25. Program critical dates:
  - (a) Construction recommencement - March 2019.
  - (b) Complete construction - November 2019.
  - (c) Café operator to fit out café - November 2019 (separate contract).
  - (d) Café operator complete fit out - March 2020 (separate contract).
26. The fit out of Hyde Park South Café will be undertaken by a separate contractor engaged by the yet to be appointed café tenant / operator. The internal café fit out can only commence once Practical Completion of the Hyde Park Café and associated landscape works have been reached.

### **Public Consultation**

27. Public notification of the works was carried out between 13 and 27 October 2015. Notification activities included:
  - (a) a new webpage on [sydneyyoursay.com.au](http://sydneyyoursay.com.au), including detailed information and designs, where submissions could be made;
  - (b) notification signs with the design and concept plan on display within Hyde Park; and

- (c) the concept design was displayed at the One Stop Shop in Town Hall House.
28. The [sydneyoursay.com.au](http://sydneyoursay.com.au) project page was viewed by 27 individual users and the plans were downloaded 13 times.
29. In accordance with the deed with Transport for NSW to undertake the Museum Station Easy Access Upgrade Project, consultation and liaison with Transport for NSW has been undertaken throughout the life of the project to ensure impact on the public, station operations and access is minimised.
30. As Hyde Park and Museum Station are state heritage listed items, regular consultation has been undertaken with the City's heritage specialists and the Heritage Council of NSW.
31. Public submissions have been received in regards to recent updates for the recommencement of works.
32. Project boards remain on display at key locations around the construction site which provide a project overview (scope and program) and a contact number for community members who may have queries. Community notification letters have been issued periodically providing updates on project progress and reasons for delay.

**AMIT CHANAN**

Director City Projects and Property

Kathleen Ng, Senior Project Manager

# **Attachment A**

**Plan of New Access Path from Museum  
Station to the Anzac Memorial**



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## **Item 8.**

### **Tender - Reject and Negotiate - Cutler Footway Renewal and Burton Street Viaduct Rehabilitation**

**File No:** X009009

**Tender No:** 1827

### **Summary**

This report provides details of the tenders received for Cutler Footway Renewal and Burton Street Viaduct Rehabilitation.

The project objective is to restore the Cutler Footway allowing pedestrian access between Woollahra Municipal Council and the City's Local Government Area. The project also involves upgrading the existing road pavement, installing safety barriers and remediating the viaduct structure to comply with current relevant standards, where practicable.

This report recommends that Council reject and negotiate the tender offer of suitably qualified tenderers for Cutler Footway Renewal and Burton Street Viaduct Rehabilitation.

## **Recommendation**

It is resolved that:

- (A) Council reject the tender offers from all tenderers for Cutler Footway Renewal and Burton Street Viaduct Rehabilitation for the reasons set out in the confidential Tender Evaluation Summary Attachment A to the subject report;
- (B) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender;
- (D) Council not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above that have responded to this tender; and
- (E) Council be informed of the successful company by CEO Update prior to executing and administering the contracts relating to the tender.

## **Attachments**

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

## Background

1. The Burton Street Viaduct is a 150 metre long vehicle bridge located on the boundary between the City of Sydney and Woollahra Municipal Council and is part owned by both councils. The structure was constructed in 1907 as a tram bridge and was converted to a road bridge in the late 1950's.
2. The viaduct connects West Street, Darlinghurst, with Liverpool Street, Paddington. It crosses over Barcom Avenue and Boundary Street.
3. The Cutler Footway was constructed along the south side of the viaduct in the late 1930's and fixed to provide pedestrian access.
4. On the northern side of the viaduct, stairs at either end of the viaduct provide access to Barcom Avenue and Boundary Street road level. In April 2016, the Cutler Footway was closed due to concerns over the footway's structural integrity and long-term serviceability.
5. An Early Works Package was completed in July 2018 that included remediation to the road pavement and stormwater drainage works.
6. The project, with agreement from Woollahra Municipal Council, is to replace the existing deteriorated footway structure and undertake associated works to road pavement and viaduct structure to enhance the structural integrity, serviceability and lifespan of the viaduct and footway.

## Invitation to Tender

7. The Design and Construction tender was advertised in The Daily Telegraph and The Sydney Morning Herald on 14 August 2018 and closed on 25 September 2018.

## Tender Submissions

8. Seven submissions were received from the following organisations:
  - Bridge and Civil Pty Ltd;
  - Christie Civil;
  - Ford Civil Contracting Pty Ltd;
  - Haslin Construction Pty Ltd;
  - Quality Management Constructions Pty Ltd;
  - SD Civil Engineering Pty Ltd; and
  - Ward Civil Engineering Pty Ltd.
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 total weighted 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) demonstrated previous experience in the provision of design and construction of bridge and road works;
  - (b) capacity, technical ability, qualifications and level of expertise of key personnel including construction management, and designers and sub-contractors;
  - (c) proposed program;
  - (d) proposed methodology, including all the following components:
    - (i) design;
    - (ii) construction;
    - (iii) Site Management Plan;
    - (iv) Pedestrian and Traffic Management Plan;
    - (v) community management; and
    - (vi) environmental management;
  - (e) Work Health and Safety Program; and
  - (f) financial and commercial trading integrity, including insurances.

## Performance Measurement

13. Key Performance Indicators were identified in the Request for Tender document. Performance will be assessed at each project stage and at the completion of the contract, with each assessment forming the basis of the Performance Review Result.

## Financial Implications

14. Based on current estimates, there are sufficient funds allocated for this project within the current year's capital works budget and future years' forward estimates.

### Relevant Legislation

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
16. 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.
17. 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

18. Project time frames are:

(a) Construction Contract Awarded	Late Dec 2018
(b) Commence Design and Construction	Mid Feb 2019
(c) Practical Completion	Late Nov 2019
(d) Cutler Footway Open	End of Nov 2019

### Options

19. The Cutler Footway is a significant pedestrian link and has been closed since April 2016. The continued closure of the footway will cause continued disruption to pedestrians and hence reputational damage to the City and Woollahra Councils.
20. It is recommended the City reject and negotiate with suitably qualified contractors with the capacity to carry out the works.

### Public Consultation

21. The latest project update was issued in September 2018 to Woollahra Municipal Council and City of Sydney local residents. A further update is planned in December 2018.

### AMIT CHANAN

Director City Projects and Property

Kevin Chahoud, Senior Project Manager

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## **Item 9.**

### **Tender - Wilson and Burren Street Cycleway**

**File No:** X001952

**Tender No:** 1871

### **Summary**

This report provides details of the tenders received for the Wilson and Burren Street Cycleway.

The Wilson Street and Burren Street Cycleway project will provide separated cycleways and complete the cycling connection from Newtown to the eastern side of the CBD and the Inner West.

Council approved the concept design scope for the Wilson and Burren Street Cycleway project on 27 March 2017. On 13 December 2017, the Local Pedestrian, Cycling and Traffic Calming Committee endorsed the proposed design, and on 13 August 2018 the turn restrictions into Brocks Lane, Newtown were approved by Council.

This report recommends that Council accept the tender offer of Tenderer G for the construction of the Wilson and Burren Street Cycleway.

### **Recommendation**

It is resolved that:

- (A) Council accept the tender offer of Tenderer G for the construction of the Wilson and Burren Street Cycleway; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender.

### **Attachments**

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

## Background

1. The Cycling Strategy and Action Plan was first adopted by the City in 2007, and subsequently incorporated in full into the City's long term strategic plan, Sustainable Sydney 2030. The City has since planned and largely implemented the delivery of the first suite of infrastructure projects.
2. The majority of the Wilson and Burren Street Cycleway provides a separated cycleway, with the section on Pine Street as an on-road bike lane.
3. The proposal will deliver a range of improvements to pedestrian amenity and safety. It integrates a series of streetscape and footpath amenity improvements that will improve connections between popular destinations and provide a more liveable, green pedestrian corridor.
4. Council approved the scoping report and budget for the Wilson Street and Burren Street Cycleway project on 27 March 2017. On 13 December 2017, the Local Pedestrian, Cycling and Traffic Calming Committee endorsed the proposed design, and on 13 August 2018 the Section 116 for the turn restrictions into Brocks Lane was approved by Council.

## Invitation to Tender

5. The Tender was advertised for a period of four weeks in The Sydney Morning Herald and The Daily Telegraph newspapers from 11 September 2018. The Tender closed online on 9 October 2018 at 11.00am. Thirty-five parties downloaded the Request for Tender Documents.

## Tender Submissions

6. Three submissions were received from the following organisations:
  - Ford Civil Contracting Pty Ltd;
  - Quality Management and Constructions Pty Ltd; and
  - Sydney Civil Pty Ltd.
7. No late submissions were received.

## Tender Evaluation

8. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
9. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

10. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) demonstrated experience, capability and qualifications in works of a similar nature;
  - (b) proposed key personnel, percentage allocation, qualifications, experience and capacity, including sub-contractors;
  - (c) project program / staging;
  - (d) construction methodology, including pedestrian and traffic management, site management and environmental management;
  - (e) Work, Health and Safety;
  - (f) financial and commercial trading integrity, including insurances; and
  - (g) lump sum price and schedule of prices.

### **Performance Measurement**

11. The City will ensure the performance measures are monitored and met by:
  - (a) reviewing the program and works method statements;
  - (b) reviewing samples, submissions and product data;
  - (c) attending regular inspections of the works;
  - (d) conducting regular site meetings with the head contractor; and
  - (e) ensuring the works are in accordance with the contract documents, such as Contract Drawings, Specification, contract Preliminaries and General Requirements.

### **Financial Implications**

12. There are sufficient funds allocated for this project within the current year's capital works budget and future years' forward estimates.

### **Relevant Legislation**

13. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.

14. 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.
15. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.
16. Dollar amounts stated in Attachment A are exclusive of GST.

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

17. Letter of Notification issued December 2018.
18. Commence construction early 2019.
19. Forecast date of Practical Completion early 2020.

### **Options**

20. Not proceeding with these works would result in failure to deliver one of the key sections of the Regional Bike Network identified in the City's Cycling Strategy and Action Plan.

### **Public Consultation**

21. Consultation activities for this project have included:
  - (a) a consultation letter sent to approximately 4,000 local residents and businesses informing them of the project and submission details;
  - (b) a submissions webpage on [sydneyyoursay.com.au](http://sydneyyoursay.com.au);
  - (c) a [sydneycycleways.net](http://sydneycycleways.net) project page with links to the [sydneyyoursay.com.au](http://sydneyyoursay.com.au) page;
  - (d) display of the concept design at the One Stop Shop in Town Hall House, Redfern Neighbourhood Service Centre and Newtown Library;
  - (e) five face-to-face engagement sessions in Redfern and Newtown;
  - (f) social media engagement;
  - (g) doorknocking; and
  - (h) advertising in The Sydney Morning Herald and Central Magazine.

22. The online engagement was very successful, providing the second highest number of visitors to the project page, and the third highest number of submissions for the February 2016 – January 2017 period. The plans were also viewed 2,084 times.
23. There was a high level of engagement through social media channels. A Facebook / SydneyCycleways video post showing the route of the cycle connection with a link to the SydneyYourSay submissions page reached 12,500 people, and attracted 160 likes, 13 shares and 29 comments.
24. The project was also posted on SydneyCyclist.org. Both group forums encouraged debate and consideration of different perspectives and concerns. Eight tweets were sent from @sydneyoursay and @sydneycycleway.
25. Doorknocking was used as an extra tool to help reach residents around Burren Street. Properties on Burren, Pine, Wilson, Watkin, Georgina and Yaralla Streets, Copeland and Warren Ball Avenues and Brocks Lane were doorknocked and calling cards distributed.
26. Five face-to-face information sessions were held: at Hollis Park and Jack Haynes Reserve on 13 December, and Wilson Street on 1, 6 and 8 December 2016. Residents were informed of the information sessions via a combination of the letterbox drop and doorknocking / calling cards. The information sessions were also advertised on sydneyoursay.com.au.
27. Notification letters will be sent to property owners and businesses prior to construction.
28. During construction, there will be close liaison between property owners, businesses, City staff and the contractors to minimise disruption to residences and trade in the area. The contractor will also have a Community Liaison Officer for the project.

**AMIT CHANAN**

Director City Projects and Property

Sam Wheatley, Senior Project Manager

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**Item 10.****Tender – The Crescent Lands at Johnstons Creek, Annandale****File No: S123802****Tender No: 1868****Summary**

This report provides details of the tenders received for The Crescent Lands at Johnstons Creek, Annandale.

This project will contribute to the Johnstons Creek Parklands, a series of open spaces that create a ribbon of contiguous parkland around the Glebe Peninsula. The site is located between The Crescent and Johnstons Creek Canal, Annandale.

In August 2013, the City of Sydney adopted the Johnstons Creek Parklands Master Plan, a visionary framework for delivering high-quality recreational and open space facilities. This project brings together existing well-loved parks and new land areas, Federal Park and a new area of open space with frontage to The Crescent.

On 26 October 2015, Council endorsed the refined concept design for the new open space at The Crescent and related works in Federal Park. The resolution included the decision to proceed to detailed design, seek relevant planning approvals, undertake the documentation and tender for construction of the works.

The tender design documentation was completed by the head design consultant on 30 July 2018 and an open tender was run from 11 September 2018 for four weeks to Wednesday 3 October 2018.

This report recommends that Council accept the tender offer of Tenderer B for The Crescent lands at Johnstons Creek, Annandale.

## **Recommendation**

It is resolved that Council:

- (A) accept the tender offer of Tenderer 'B' for The Crescent lands at Johnstons Creek, Annandale;
- (B) delegate authority to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender;
- (C) approve the increased contract contingency for the existing head design consultant services to cover the identified risks during construction as described in Confidential Attachment B to the subject report; and
- (D) note the financial implications and tender evaluation summary as outlined in Confidential Attachment B to the subject report.

## **Attachments**

**Attachment A.** Context Plan and the Refined Design Plan - The Crescent Lands at Johnstons Creek, Annandale

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

## Background

1. The project location is over nine land parcels as follows: 9 The Crescent, Annandale 2038; 11-13 The Crescent, Annandale; 5010 The Crescent, Annandale; 2A Chapman Road, Annandale; 6A Chapman Road, Annandale; 8A Chapman Road, Annandale; 4010 Chapman Road, Annandale; 5010 Chapman Road, Annandale; and 5010 Federal Road, Annandale.
2. The proposed scope will deliver new green open space and constitutes a significant step towards realising the long term Johnstons Creek Parklands Masterplan that was adopted by the City on 26 August 2013.
3. The adopted Johnstons Creek Parklands Master Plan identified The Crescent Lands as an area which will supplement formal recreation within the central precinct. It proposed to remove the majority of warehouse buildings along The Crescent to create a new village green area for activities which include junior games and casual ball games.
4. On 26 October 2015, Council endorsed the refined concept design for the new open space at The Crescent, including new recreational open space and skate space with related works in Federal Park, including refurbished playground and picnic facilities. The resolution included the decision to proceed to detailed design, seek relevant planning approvals, undertake the documentation and tender for construction of the works.
5. The tender plans were developed from the endorsed scope, with the exception of the following changes:
  - (a) inclusion of a freestanding mini ramp adjacent to the new skate space to replace the existing mini ramp at Chapman Road that is coming to the end of its lifecycle;
  - (b) the edge of the skate space has moved further away from the Crescent;
  - (c) fitness hub located adjacent Federal Park oval and the viaduct arches;
  - (d) relocation of picnic areas to be associated with new open space;
  - (e) modifications to Chapman Road south to improve path connections into the park and parking arrangements; and
  - (f) improved path and cycle connections from Chapman Road.
6. After a competitive procurement process, JMD Design was engaged in April 2015 to provide head design consultancy services to the City. There is now a requirement for additional contingency increase for the head design consultancy beyond the original engagement to support the project until completion. Refer to Confidential Attachment B for further information.

## Invitation to Tender

7. The tender was advertised on Tuesday 4 September 2018 in The Sydney Morning Herald, The Daily Telegraph and on Council's E-tender website, and closed on Wednesday 3 October 2018.

## Tender Submissions

8. Four submissions were received from the following organisations:
  - BR Durham Sons Pty Ltd;
  - Design Landscapes Pty Ltd;
  - Ford Civil Contracting Pty Ltd; and
  - Regal Innovations Pty Ltd.
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 total weighted score is provided in the confidential Tender Evaluation Summary – Attachment B.
12. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) previous work experience including demonstrated experience in carrying out works of a similar size and nature;
  - (b) specified personnel and sub-contractors including personnel allocation, qualifications, experience and capacity;
  - (c) proposed program;
  - (d) proposed methodology including staging and sequencing of works, plus Environmental Management, Pedestrian and Traffic Management and Site Construction Management Plans;
  - (e) financial and commercial trading integrity including insurances;
  - (f) Work Health and Safety; and
  - (g) lump sum price and schedule of prices.

### Performance Measurement

13. The City will use the following General Key Performance Indicators to evaluate performance of the Contractor:
  - key objectives / deliverables;
  - quality of work;
  - time;
  - reporting;
  - communication; and
  - Work Health and Safety and Compliance.

### Financial Implications

14. There are sufficient funds allocated for this project within the current year's capital works budget and future years' forward estimates. Refer Confidential Attachment B for further details.

### Relevant Legislation

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
16. Attachment B 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.
17. 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

18. Approval of the tender will allow a contractor to be appointed and project delivered as follows:
  - Start construction works February 2019; and
  - Complete construction works February 2020.

## Public Consultation

19. Extensive public consultation was undertaken for the development of the Johnstons Creek Master Plan during 2012 and 2013.
20. Public exhibition of the design plans for the new open space at The Crescent was conducted over three weeks between 21 August and 11 September 2015. The consultation activities included a consultation letter sent out to 1,800 local residents and businesses informing them of the project and submission details; a webpage on [sydneyyoursay.com.au](http://sydneyyoursay.com.au) where submissions could be made; a community drop-in session was held at the park on Saturday 22 August; and the concept design was displayed at the One Stop Shop in Town Hall House.
21. Consultation for The Crescent Skate Space took place in two stages. The first stage sought design ideas via a community design workshop and online survey. In the second stage, the proposed concept design of the skate space was exhibited together with the design for the surrounding parklands.
22. An Integrated Development Application for the area below and to the west of the Glebe Railway Viaduct was lodged on 22 August 2015 with a public notification period distributing the design proposal to nearby residents.
23. The City of Sydney website was updated in 2016 to show the detailed design plans.
24. A consultation session was held on 13 June 2018 with key members of the skateboard community to discuss changes to the skate park design which was an adjustment to the western edge of the skate space away from The Crescent and the inclusion of the skate mini ramp.
25. A Section 4.55(2) was submitted in September 2018 to modify the Development Application for the area below and to the west of the Glebe Railway Viaduct to show the adjustment to the skate space and the inclusion of the mini ramp. As part of the process there was a public notification period distributing the design proposal to nearby residents.
26. The successful contractor will be required to notify local residents and neighbouring property occupants prior to commencement of work on the site.
27. As part of the required contract conditions, the contractor is to nominate a dedicated community liaison officer to manage communications during the construction works.
28. Further updates on the project will be provided via the updates on the City of Sydney web page.

## AMIT CHANAN

Director City Projects and Property

Brendan Barrett, Project Manager City Projects and Property

# **Attachment A**

**Context Plan and Refined Design Plan -  
The Crescent lands at Johnstons Creek**



THE CRESCENT

PLAYGROUND

CHILDCARE

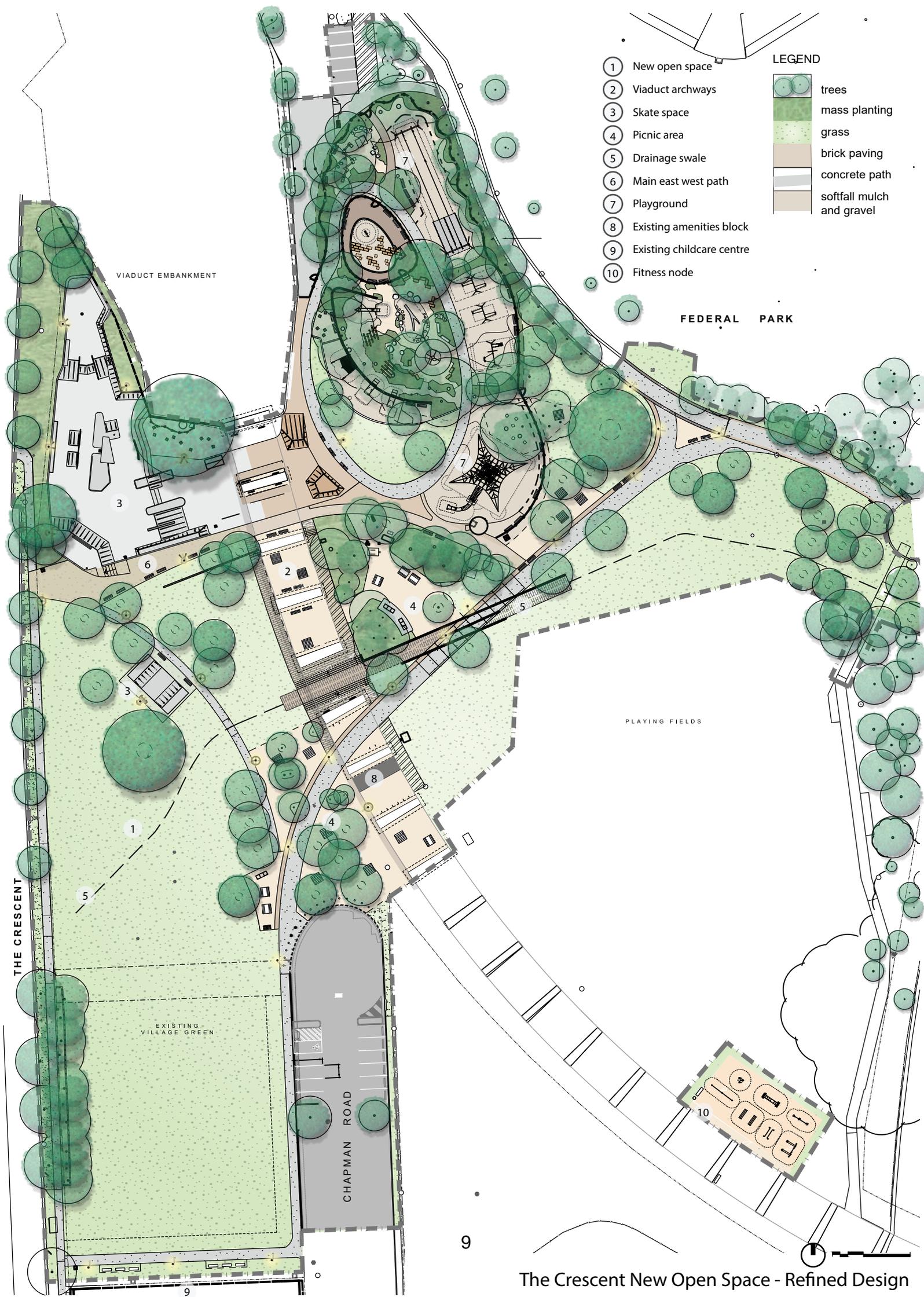
JOHNSTONS CREEK

HAROLD PARK

GLEBE

ANNANDALE

FOREST LODGE



- 1 New open space
- 2 Viaduct archways
- 3 Skate space
- 4 Picnic area
- 5 Drainage swale
- 6 Main east west path
- 7 Playground
- 8 Existing amenities block
- 9 Existing childcare centre
- 10 Fitness node

**LEGEND**

-  trees
-  mass planting
-  grass
-  brick paving
-  concrete path
-  sofffall mulch and gravel

VIADUCT EMBANKMENT

FEDERAL PARK

PLAYING FIELDS

THE CRESCENT

EXISTING VILLAGE GREEN

CHAPMAN ROAD

The Crescent New Open Space - Refined Design

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## Item 11.

### **Tender - Managed Supplier for Acquisition and Management of Contingent Labour**

**File No:** 2018/391241

**Tender No:** 1804

### **Summary**

This report provides details of the tenders received for the Managed Supplier for Acquisition and Management of Contingent Labour.

The City engages a range of temporary agency staff to backfill leave and other temporary vacancies, to staff specific projects and tasks, and to hire expertise for capital projects. Agency staff are used to bring into the City skills and experience that is otherwise not available or only required for a particular period of time.

Temporary agency staff are procured through the City of Sydney's agency panel, established in 2013 via tender.

Following a review of various methods of procuring temporary labour, a tender for a Managed Service Provider to manage temporary labour supply on behalf of the City was released to the market. Benefits of this method include supply of quality temporary labour, comprehensive reporting and process efficiencies for the City.

This report recommends that Council accept the offer of Tenderer B for Managed Supplier for Acquisition and Management of Contingent Labour.

### **Recommendation**

It is resolved that:

- (A) Council accept Tenderer B for Managed Supplier for Acquisition and Management of Contingent Labour for a period of three years, with the option of an extension of two years if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) Council grant an exemption from tender to extend the current agency supply panel for a further three months to allow time to implement Managed Service Provider if approved by Council, with a possible further three month extension if needed.

**Attachments**

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

**Attachment B.** Tender Lump Sum Annual Price and Schedule of Rates (Confidential)

## Background

1. In 2012, the City tendered for the Provision of Short Term Staff through Agencies, which was endorsed by Council on 12 November 2012. The agency panel commenced on 1 April 2013 with 39 agencies supplying temporary labour across 10 different occupational groups.
2. The initial term was for three years with two 12-month extensions. The two options were exercised with the final option finishing on 31 March 2018. Exemption from tender approval was granted by Council in March 2018 for a six month period to 30 September 2018, and a further three months to December 2018 if needed. The approval was granted to allow sufficient time to finalise arrangements for a Managed Service Provider tender and for subsequent implementation of the new arrangements for temporary labour procurement, subject to Council tender approval. The extension until 31 December 2018 was exercised.
3. The City engages a wide range of temporary agency staff to meet short-term needs, deal with fluctuating work volumes and for hard-to-fill positions. In 2016/17 the expenditure on temporary labour was \$20M. In 2017/18 new options for procuring temporary labour were reviewed and considered. The opportunities to improve the way the City procures temporary labour were identified as:
  - (a) gaining access to a wider talent pool to service all parts of the organisation;
  - (b) flexibility to respond to changing labour markets and the City's operational requirements;
  - (c) improved reporting and transparency;
  - (d) ensuring high levels of compliance;
  - (e) simplifying the agency engagement process for hiring managers;
  - (f) improving the candidate experience; and
  - (g) enhanced contract management.
4. A Managed Service Provider model was judged to be best placed to deliver on these identified opportunities. Engaging a Managed Service Provider to procure and manage temporary staff on behalf of the City would provide:
  - (a) a wider pool of agencies and candidates with superior purchasing power and talent pooling capability;
  - (b) improved reporting;
  - (c) industry standard rate ranges and market competitive agency margins;
  - (d) managing the performance of contingent labour supply against agreed deliverables with only one provider, ensuring services are delivered as planned, including measures on quality, timeliness, compliance and cost;
  - (e) streamlined processes including weekly electronic timesheet and consolidated invoicing; and

- (f) value for money achieved through close scrutiny of rates and margins, strategic sourcing and provider buying power.

### Invitation to Tender

5. The tender was advertised for a period of five weeks from 24 July to 28 August 2018 in The Sydney Morning Herald and The Daily Telegraph, and online through Tenderlink. Submissions closed on 28 August 2018 at 11am.
6. Fifty-three parties downloaded the Request for Tender Documents.

### Tender Submissions

7. Four submissions were received from the following organisations:
  - Challenge Recruitment Ltd;
  - Comensura P/L;
  - Hayes Specialist Recruitment Australia P/L; and
  - Kelly Services Australia Ltd.
8. No late submissions were received.

### Tender Evaluation

9. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
11. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) the schedule of prices and associated margins and on-costs for the City;
  - (b) demonstrated capability to source high level of talent matched to Council's diverse workforce needs;
  - (c) proposed methodology for sourcing and selecting temporary labour;
  - (d) demonstrated reporting capability which allows monitoring of all temporary labour hire costs and associated metrics;
  - (e) demonstrated capacity to manage the compliance and risk associated with contingent labour acquisition and deliver process efficiency;
  - (f) methodology to manage placement and support of temporary labour;

- (g) Work Health and Safety; and
- (h) financial and commercial trading integrity, including insurances.

## Measures of Performance

12. Consolidating contingent labour recruitment via a Managed Service Provider has the following benefits:
  - (a) talent acquisition is improved with managed access to over 400 recruitment agencies in Australia compared to the current arrangement of 39 whilst improving buying power of using an industry leading company;
  - (b) tenderer B has provided for on-site support as well as 24/7 customer call centre for urgent requirements;
  - (c) greater control and visibility of contracted rates and comparison to current market rates;
  - (d) efficiency improvements with common online timesheets and consolidated invoicing;
  - (e) improved reporting and labour force analysis;
  - (f) improved candidate experience including on boarding, required legislative checks, support whilst at the City and retention of intellectual property; and
  - (g) contracted to perform to follow performance measures.
13. Specific performance measures include:
  - (a) Top Talent Availability
    - (i) A minimum of three acceptable and available candidate resumes are shortlisted for each engagement within the time limits (except for urgent requirements).
    - (ii) 95% of roles are successfully filled on the first attempt.
    - (iii) 100% of all urgent requirements are filled on first attempt and candidate commences work on agreed time.
    - (iv) All hiring managers are surveyed at completion of recruitment and selection process (intent on Managed Service Provider performance) and at the end of the assignment (intent – candidate quality). Results available on monthly basis.
  - (b) Transparency and Reporting
    - (i) 100% of standard reports are delivered within the agreed quality and timeframe.
    - (ii) Dashboard reporting available 100% of time during business hours.

- (c) Compliance and Risk
  - (i) All candidates meet the position compliance requirements set by the City and all pre-employment and credential checks are complete, accurate and validated.
  - (ii) Quarterly audits on compliance requirements of positions at the City are conducted and reported.
- (d) Candidate Experience
  - (i) All candidates are surveyed at completion of recruitment and selection process and at the end of the assignment and results compiled and submitted on a quarterly basis.
- (e) Process Efficiency
  - (i) Consolidated invoicing in agreed format and timeframe.
  - (ii) Timesheet submission and approval processes to be an electronic format on a weekly basis.
  - (iii) Candidates are on-boarded and off-boarded within the agreed timeframes.
- (f) Value for Money
  - (i) 80% of placements within one year are below 90% of the charge rate ceiling in any particular labour category.
  - (ii) A reduction of 10% of total temporary labour and acquisition costs per year (with first six months of contract as baseline).

### **Financial Implications**

14. Tenderer B has provided the most competitive market rates and agency margins with a wider pool of agencies, candidates and talent pooling capability. Individual capital works project budgets allow for the engagement of agency hire staff when required. There are sufficient funds allocated for work completed within the current year's operating budgets and future years' forward estimates for agency hire staff engaged for operational projects and functions. Each engagement of contingent labour requires the approval of the delegated Unit or Project Manager to assess the availability of funding.

### **Relevant Legislation**

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
16. Tenderer B are required to comply with all obligations contained within the Fairwork Act 2009 for their own employees and require suppliers to comply with any increases required by the Fairwork Act 2009.

17. 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.
18. 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**

19. The Managed Supplier for Acquisition and Management of Contingent Labour is due to start in 2019 subject to Council approval.
  - (a) Anticipated contract execution January 2019.
  - (b) Commence service delivery April 2019.

### **Options**

20. The impact on the City of not proceeding with this option would be significant. The City spends \$20 million annually on agency labour to backfill leave and other temporary vacancies, to staff specific projects and tasks, and to hire expertise for capital projects. Agency hire is used to bring into the City skills and experience that is otherwise not available or only required for a particular period of time. Should the Managed Service Provider not be engaged, an alternative method of procuring temporary labour would need to be established to ensure continuation of labour supply.
21. During the research into the temporary labour market options before going to tender a number of alternatives were considered:
  - (a) Go to tender to replace current agency supply panel

This option would require a tender process to establish but not provide the reporting suite available through a Manager Service Provider. It would also require substantial contract management of multiple suppliers, currently 39 in number.
  - (b) Utilise Procurement Australia's labour supply panel

The Procurement Australia labour supply panel was reviewed but it was agreed there were insufficient suppliers to meet the City's diverse temporary labour needs and the majority of the suppliers were based in Victoria.

- (c) Utilise Local Government Procurement labour supply panel

This agency panel provided rates and a good range of suppliers but would require a high level of contract management dealing with individual suppliers.

22. None of these alternative options provide the level of reporting, process consolidation of invoices and timesheets and buying power of the Managed Service Provider.

**SUSAN PETTIFER**

Director Workforce and Information Services

Rodney Waterson, Manager Recruitment and Human Resources Systems

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## Item 12.

### Tender - Data and Internet Services

File No: X002566.003

Tender No: 1867

### Summary

This report provides details of the tenders received for the City's corporate Data Network and Internet Services.

Data Network and Internet Services form an essential part of the City's Information Technology infrastructure.

The City requested proposals from suitably qualified service providers for the supply of the corporate data network and internet services for its Wide Area Network sites located throughout the Local Government Area. The tender and implementation are part of the City's planned Enterprise Infrastructure Program of Work: Wide Area Network Upgrade. Tenderers were required to respond to the mandatory requirement, a solution to upgrade the City's Wide Area Network services and internet services.

This report recommends that Council approve entering into a contract with Tenderer A for Data Network and Internet Services.

### Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer A for Data Network and Internet Services for a period of three years, with the option of two extension periods of two years each if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the options, if appropriate, and negotiate the price to extend the contract accordingly.

### Attachments

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

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

## Background

1. The City has 35 external sites comprising business offices, depots and centres beyond Town Hall House, 307 Pitt Street and Sydney Town Hall, which are referred to as Wide Area Network sites. Wide Area Network sites are connected to each other and the City's computing services in two data centres via a third-party network service - Multiprotocol Label Switching. The Multiprotocol Label Switching provider also supplies internet connectivity to Town Hall House, Pitt Street, Sydney Town Hall and the Wide Area Network sites.
2. The current supplier was awarded the Data Services tender through the City's procurement process in 2011 for an initial term of three years. In 2014, the City exercised the option to extend the contract for a further three years. A further year was approved by Council in 2017.
3. In 2018, the City's Technology and Digital Services undertook a review of the network. The requirements identified through this review were incorporated into the new tender.
4. The tender requested mandatory responses from bidders for a Like-for-Like Multiprotocol Label Switching solution and options for Upgraded Multiprotocol Label Switching solution or Software-Defined Wide-Area Network technology.
5. Software-Defined Wide-Area Network is a software managed network solution that can benefit network administration and provide flexibility at the application level. Software-Defined Wide-Area Network technology would overlay the City's Multiprotocol Label Switching network.
6. The Upgraded Multiprotocol Label Switching service provides higher bandwidth links to all sites and managed routers. The benefit of the new service is the increase in capacity to carry network and internet traffic and managed equipment at each site.

## Invitation to Tender

7. The Request for Tender was released on 11 September 2018 for three weeks with a closing date of 2 October 2018. The tender closing date was extended by one week to 9 October 2018 at the request of the service providers.

## Tender Submissions

8. Five submissions were received from the following organisations:
  - Comms Choice;
  - Optus;
  - Telstra Corporation;
  - TPG Telecom Pty Ltd; and
  - Vocus Communications.

### **Tender Evaluation**

9. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
11. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) experience in delivering similar services;
  - (b) proposed solution;
  - (c) services and service levels;
  - (d) project implementation and payment plan; and
  - (e) demonstrated managerial capability and qualifications.

### **Performance Measurement**

12. Performance measurement is conducted according to the agreed services and service levels throughout the term of the contract.

### **Financial Implications**

13. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

### **Relevant Legislation**

14. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
15. 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.
16. 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**

17. The proposed contract start date is 7 January 2019 in order to meet the delivery timeframe indicated in the tender. The City requires the proposed solution to be in place by 17 May 2019, with the implementation timeframe from January 2019 to May 2019.
18. The timeframe for the delivery of the project is 9 January 2019 to 17 May 2019. The current contract expires on 17 May 2019.

### **Options**

19. Should the recommendation not be approved, the City's data and internet services will continue to be supplied by the incumbent without contractual governance. Services, service levels, changes to the network will be based on best effort and individually negotiated fees.

**SUSAN PETTIFER**

Director Workforce and Information Services

Stephanie Sharkey, Project Manager

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