

Item 6

Report of the Corporate, Finance, Properties and Tenders Committee - 6 May 2019

Item 6.1

Disclosures of Interest

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

The Committee recommends the following:-

Item 6.2

2018/19 Quarter 3 Review – Delivery Program 2017–2021

It is resolved that Council:

- (A) note the financial performance of Council for the third quarter of the 2019 financial year, ending 31 March 2019, including the Quarter 3 Net Surplus of \$27.4M and the full year Net Surplus forecast of \$12.0M, as outlined in the subject report and summarised in Attachment A to the subject report;
- (B) note the Quarter 3 Capital Works expenditure of \$138.4M and a revised full year forecast of \$235.6M, and approve the proposed adjustments to the adopted budget, including the bringing forward of \$2.5M in funds into the 2018/19 capital budget, as detailed in Attachment B to the subject report;
- (C) note the Information Services capital expenditure of \$5.7M, and a full year forecast of \$9.7M, and approve the proposed adjustments to the adopted budget by bringing forward \$0.3M in funds into the 2018/19 capital budget;
- (D) note the Quarter 3 Plant and Assets expenditure of \$7.7M, net of disposals, and the full year forecast of \$16.1M;
- (E) note the Quarter 3 Property Acquisition/Divestment net expenditure of \$21.6M, and the full year forecast net proceeds of \$37.6M; and
- (F) note the supplementary reports, including contracts issued over \$50,000, major legal issues and the Quick Response, Banner Pole and Reduced Rate Grant Programs in Quarter 3, as detailed in Attachment C to the subject report.

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

S096187

The Committee recommends the following:-

Item 6.3

Public Exhibition - Integrated Planning and Reporting Program and Budget 2019/20

It is resolved that Council:

- (A) endorse the suite of Integrated Planning and Reporting documents for public exhibition for a period of 28 days, including:
 - (i) the draft Operational Plan 2019/20 as shown at Attachment A to the subject report; and
 - (ii) the draft Resourcing Strategy 2019 as shown as Attachment B to the subject report;
- (B) endorse the draft Operating and Capital Budget, and future years' forward estimates, as reflected in the draft Operational Plan 2019/20 and draft Resourcing Strategy 2019 including:
 - (i) operating income of \$609.4M, operating expenditure before depreciation of \$496.1M for an Operating Result of \$113.3M, and a Net Surplus of \$74.9M after allowing for interest, depreciation and capital contributions;
 - (ii) Capital Works expenditure of \$196.4M;
 - (iii) a capital contingency of \$5.0M;
 - (iv) Plant and Assets net expenditure of \$14.0M;
 - (v) Information Technology Capital Works of \$16.8M; and
 - (vi) Net Property Acquisitions of \$139.5M; and
- (C) endorse the proposed Rating Structure and Domestic Waste Management Charges, Stormwater Charges and User Fees and Charges discussed within the subject report and included within the draft Operational Plan 2019/20.

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

X020943

The Committee recommends the following:-

Item 6.4

Investments Held as at 31 March 2019

It is resolved that the Investment Report as at 31 March 2019 be received and noted.

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

X020701

The Committee recommends the following:-

Item 6.5

Policy - Adoption - Code of Conduct

It is resolved that:

- (A) Council adopt the City of Sydney Code of Conduct, shown at Attachment B to the subject report;
- (B) Council adopt the City of Sydney Procedures for Administration of the Code of Conduct, shown at Attachment C to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to make minor amendments to the Code of Conduct and the Procedures for the Administration of the Code of Conduct, as required from time to time, subject to all Councillors being informed of any such changes.

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

S121910

The Committee recommends the following:-

Item 6.6

Post Exhibition - Code of Meeting Practice

It is resolved that:

- (A) Council adopt the City of Sydney Code of Meeting Practice as shown at Attachment A to the subject report;
- (B) Council fix the order of business of meetings of council as the following:
 - (i) opening of the meeting;
 - (ii) prayer and acknowledgement of country;
 - (iii) apologies and applications for a leave of absence by councillors;
 - (iv) confirmation of minutes;
 - (v) disclosures of interest;
 - (vi) minutes by the Lord Mayor;
 - (vii) memoranda by the Chief Executive Officer;
 - (viii) matters for tabling;
 - (ix) reports of committees;
 - (x) reports to council;
 - (xi) questions on notice;
 - (xii) supplementary answers to previous questions;
 - (xiii) notices of motion;
 - (xiv) confidential matters; and
 - (xv) conclusion of the meeting; and
- (C) authority be delegated to the Chief Executive Officer to make minor amendments to the Code of Meeting Practice, as required from time to time, subject to all Councillors being informed of any such changes.

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

S051923

The Committee recommends the following:-

Item 6.7

Policy - Adoption - Corporate Sponsorship Policy

It is resolved that Council adopt the Corporate Sponsorship Policy with amendments as shown at Attachment A to the subject report.

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

X023684

The Committee recommends the following:-

Item 6.8

Contract Variation - Child Care Management Agreement - Children's Services Community Management

It is resolved that:

- (A) Council enter into a contract variation with Children's Services Community Management for Chippendale Child Care so that the period of management of the child care service ends by 31 December 2019;
- (B) Council approve the payment of additional funds to Children's Services Community Management as outlined in Confidential Attachment A to the subject report, should this be required;
- (C) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any documentation necessary to give effect to clauses (A) and (B); and
- (D) Council approve funding from the 2018/19 General Contingency budget, in the event that the additional costs are not able to be absorbed through savings in the People, Performance and Technology operational budget for 2018/19.

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

S080772

Item 6.9**Cancellation of Tender - Street Furniture, Out-of-Home Media and Wi-Fi Services**

The Corporate, Finance, Properties and Tenders Committee decided that consideration on this matter be deferred to the meeting of Council on 13 May 2019.

Officer's Recommendation

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

It is resolved that:

- (A) Council decline to accept the tender received for Street Furniture, Out-of-Home Media and Wi-Fi Services, for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council cancel the proposal for the contract the subject of the tender referred to in (A) above due to current market conditions;
- (C) Council note that because of extenuating circumstances a satisfactory result would not be achieved by inviting fresh tenders for the Street Furniture, Out-of-Home Media and Wi-Fi Services;
- (D) Council note the reasons why a satisfactory result would not be achieved by inviting tenders are:
 - (i) given the lack of competitive tenderers available; and
 - (ii) current market conditions,as detailed in Confidential Attachment A;
- (E) Council:
 - (i) note its commitment to the delivery of the Street Furniture, Out-of-Home Media and Wi-Fi Services;
 - (ii) note that the City will consider alternative options for the provision of Street Furniture, Out-of-Home Media and Wi-Fi Services; and
 - (iii) delegate authority to the Chief Executive Officer to approach any person who is a provider of Street Furniture services, Out-of-Home Media services or Wi-Fi Services for the purpose of determining the alternative options for the delivery of any or all of these services;
- (F) authority be delegated to the Chief Executive Officer to negotiate, execute and administer contracts for any or all of the services referred to in (E) above; and
- (G) Councillors be informed of the outcomes referred to in (E) above.

Officer's Report

The officer's report on this matter can be found at Item 9 on the agenda for the meeting of the Corporate, Finance, Properties and Tenders Committee on 6 May 2019.

(Note – this matter was dealt with by the Corporate, Finance, Properties and Tenders Committee as follows:

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

That the recommendation contained in the officer's report to the Corporate, Finance, Properties and Tenders Committee be adopted.

Following discussion, the motion was withdrawn and the Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter be deferred to the meeting of Council on 13 May 2019.)

X019237

The Committee recommends the following:-

Item 6.10

Exemption from Tender - Joynton Avenue and Zetland Avenue East Roadworks

It is resolved that:

- (A) Council approve an exemption from tender for the construction of Joynton Avenue upgrade and Zetland Avenue (East) noting that, because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reasons why a satisfactory result would not be achieved by inviting tenders are:
 - (i) going to tender would not deliver a competitive outcome as the market has already been tested through a previous tender and negotiations to vary the Gunyama Park Aquatic and Recreation Centre contract;
 - (ii) Contractor A's offer demonstrates value for money, as described in Confidential Attachment A to the subject report; and
 - (iii) there is insufficient time to undertake a competitive tender without impacting on the project delivery milestones of the Gunyama Park Aquatic and Recreation Centre;
- (C) Council enter into a contract with Contractor A for the construction of Joynton Avenue upgrade and Zetland Avenue (East) for the amount set out in Confidential Attachment A to the subject report;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract with Contractor A, as outlined in Confidential Attachment A to the subject report, provided that the contract is consistent with this resolution;
- (E) Council note the financial implications detailed in Confidential Attachment A to the subject report;
- (F) Council note the outcome of the negotiations to vary the Gunyama Park Aquatic and Recreation Centre contract for the construction of Joynton Avenue upgrade and Zetland Avenue (East) as set out in Confidential Attachment A to the subject report; and
- (G) Councillors be advised of the outcome of contract negotiations with Contractor A via a CEO Update.

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

S105609

The Committee recommends the following:-

Item 6.11

Tender - Asset Compliance Services

It is resolved that:

- (A) Council accept the tender offer of tenderer D for the provision of Asset Compliance Services for a period of two years, with the option of four further extensions 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 referred to in clause A, if appropriate, and negotiate the price to extend the contract accordingly.

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

X019256.013

The Committee recommends the following:-

Item 6.12

Lease Approval - Levels 8, 9 and 10 - 343 George Street, Sydney

It is resolved that:

- (A) Council approve the grant of a lease to Atlassian Pty Ltd for Levels 8, 9 and 10, 343 George Street, Sydney. The proposed new lease is for a three-year and four-month term, with an additional option term of two one-year options, which would extend Atlassian's tenure to 30 June 2025; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the lease in accordance with the terms contained in Confidential Attachment A to the subject report.

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

S096167

The Committee recommends the following:-

Item 6.13

Lease Approval - Part Ground Floor, Levels 1 and 2, 101 William Street, Darlinghurst

It is resolved that:

- (A) Council approve the grant of a 10-year lease to City Gym Sydney Pty Ltd for Part Ground Floor, Level 1 and Level 2, 101 William Street, Darlinghurst, which includes an option of five years; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the lease in accordance with Confidential Attachment A to the subject report.

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

S099737

The Committee recommends the following:-

Item 6.14

Lease Approval - Level 9, 540 George Street, Sydney

It is resolved that:

- (A) Council approve the grant of a lease to Australian Technical & Management College Pty Ltd for Level 9, 540 George Street, Sydney. The proposed new lease includes a term of eight years, which would extend the current tenant's tenure to 31 December 2026; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the lease in accordance with the terms contained in Confidential Attachment A to the subject report.

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

S098637.006

The Sub-Committee recommends the following:-

Item 6.15

Knowledge Exchange Sponsorship - Textbook Ventures

It is resolved that:

- (A) Council approve a cash sponsorship of \$10,000 (excluding GST) for Textbook Ventures' initiatives; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a sponsorship agreement with Textbook Ventures.

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

Speaker

Mr Clinton Chan addressed the meeting of the Corporate, Finance, Properties and Tenders Committee (Economic Development and Business Sub-Committee) on Item 6.15.

X023779