

**Item 6****Report of the Corporate, Finance, Properties and Tenders Committee - 17 June 2019****Item 6.1****Disclosures of Interest**

Councillor Linda Scott disclosed a significant, pecuniary interest in Item 6.6 on the agenda, as she is the President of Local Government NSW, which is one of the external member organisations under discussion. Councillor Scott stated that she would step outside for the item.

Councillor Angela Vithoukas disclosed a less than significant, non-pecuniary interest in Item 6.14 on the agenda, in that she is a member of the CBD Business Chamber. Councillor Vithoukas stated that she had no knowledge or participation in any grant funding or documentation at all.

Councillor Jess Miller made the following disclosures:

- a less than significant, non-pecuniary interest in Item 6.14 on the agenda, in relation to the Business Support – Live Music and Performance Grants, in that she is familiar with the management of one of the recommended recipients.
- a less than significant, non-pecuniary interest in Item 6.14 on the agenda, in relation to the Business Support – Night Time Diversification Grants, in that she has had a working relationship with two of the recipients in the past.

Councillor Miller stated that she has not been contacted by any of the recipients and was not aware of these grants prior to the committee papers becoming available.

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

The Committee recommends the following:-

## Item 6.2

### Integrated Planning and Reporting Program and Budget 2019-20 - Adoption

It is resolved that:

- (A) Council note the submissions received from the community on the exhibited suite of the 2019 Integrated Planning and Reporting documents as included in Attachment A to the subject report;
- (B) Council adopt the suite of the draft 2019 Integrated Planning and Reporting documents as endorsed by Council on 13 May 2019, subject to the amendments detailed in Attachment B to the subject report, incorporating:
  - (i) the Operational Plan 2019/20; and
  - (ii) the Resourcing Strategy 2019;
- (C) Council adopt the draft Operating and Capital Budget, and future years' forward estimates, reflected in the Operational Plan 2019/20 and Resourcing Strategy (2019), subject to the amendments detailed in Attachment B to the subject report;
- (D) Council note that the 2019/20 budgets include:
  - (i) Operating income of \$609.5M, operating expenditure before depreciation and light rail contribution of \$496.6M for an Operating Result of \$112.9M, and a Net Operating Result of \$36.5M after allowing for interest income of \$14.3M, capital grants and contributions of \$68.0M, depreciation expense of \$107.5M, capital project related costs of \$10.3M and light rail contributions to the State Government of \$40.9M;
  - (ii) Capital Works expenditure of \$235.0M, increased to reflect the revoked light rail contribution of \$38.6M, and a capital contingency of \$5.0M;
  - (iii) Plant and Assets and Technology Digital Services Projects of \$30.8M; and
  - (iv) Net Property Acquisitions of \$137.7M, amended to reflect the sale of Stockton House in 2019/20;
- (E) Council adopt the proposed Rating structure and policies, Domestic Waste Management Charges, Stormwater Charges and User Fees and Charges reflected in the Operational Plan 2019/20 as endorsed by Council on 13 May 2019; and
- (F) authority be delegated to the Chief Executive Officer to approve any minor editorial corrections prior to publication and authorise the relevant staff to implement any such corrections.

(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 on the following show of hands –

Ayes (8) The Chair (the Lord Mayor), Councillors Kok, Miller, Phelps, Scott, Scully, Thalís and Vithoukás

Noes (2) Councillors Chung and Forster.

Motion carried.)

**Speaker**

Mr Robert Carrick addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 6.2.

X020943

The Committee recommends the following:-

**Item 6.3**

**Investments Held as at 30 April 2019**

It is resolved that the Investment Report as at 30 April 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 Scully, and carried unanimously.)

X020701

The Committee recommends the following:-

**Item 6.4**

**Investments Held as at 31 May 2019**

It is resolved that the Investment Report as at 31 May 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 the Chair (the Lord Mayor), and carried unanimously.)

X020701

The Committee recommends the following:-

**Item 6.5**

**Naming Proposal - Equality Green**

It is resolved that:

- (A) Council approve the name 'Equality Green' for the central lawn at Prince Alfred Park in Surry Hills; and
- (B) an application be made to the Geographical Names Board for the naming of the central lawn as approved in clause (A) in accordance with the Geographical Names Act 1996.

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

X020701

The Committee recommends the following:-

**Item 6.6**

**External Memberships**

It is resolved that Council receive and note the City's membership of the associations outlined in 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 Scully, and carried unanimously.)

S076031

The Committee recommends the following:-

**Item 6.7**

**Land Classification - 31 Alfred Street, Sydney (Customs House)**

It is resolved that Council classify Customs House, 31 Alfred Street, Sydney, being the whole of the land contained in Lot 23 Section 103 of Deposited Plan 984172, as Operational land in accordance with section 31 of the Local Government Act 1993.

(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.)

X009118



The Committee recommends the following:-

### **Item 6.8**

#### **Proposed Land Classification - Future North Rosebery Park and Greenlink**

It is resolved that Council:

- (A) endorse public notification under sections 32(4) and 34 of the Local Government Act 1993 of the proposed resolution: "It is resolved to classify land at 9A Rosebery Avenue, Rosebery (Lot 308 DP 1232046) as shown in the attached Plan as Operational land in accordance with section 31 of the Local Government Act 1993"; be publicly notified, on the basis that:
  - (i) the primary use of the land is for a park, open space, and active and/or passive recreation;
  - (ii) the classification is an interim measure to minimise delays in the construction of the new park; and
  - (iii) following completion of the park and conclusion of obligations set out in the planning agreement, the open space may be classified as Community land;
- (B) note that a further report to inform the outcomes of public notification and recommendation on land classification will follow the notification period.

(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.)

S127831

The Committee recommends the following:-

### **Item 6.9**

#### **Proposed New Lease - International Grammar School, 4-8 Kelly Street, Ultimo**

It is resolved that:

- (A) Council endorse granting a 20-year lease with a 10-year option to The International Grammar School Sydney Limited over the City's investment property at 4-8 Kelly Street Ultimo commencing 1 July 2019 generally in accordance with the Heads of Agreement tabled within Confidential Attachment B to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to continue negotiations on the lease documentation generally in accordance with the Heads of Agreement tabled within Confidential Attachment B to the subject report to achieve the commercial outcomes required, and to administer and manage the lease including any variations throughout the term of the lease and to execute all documentation for the aforementioned.

(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.)

S099518

The Committee recommends the following:-

### **Item 6.10**

#### **Tender - Reject and Negotiate - Sydney Park Water Reuse Upgrade**

It is resolved that:

- (A) Council decline to accept any of the tenders submitted for the proposed contract for the Sydney Park Water Reuse Upgrade project for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender;
- (C) Council note that the reasons for declining to invite tenders or fresh applications are: that doing so would not attract additional suitable service providers over and above those that have submitted a tender;
- (D) authority be delegated to the Chief Executive Officer to:
  - (i) undertake the negotiations referred to in clause (C) above; and
  - (ii) negotiate, execute and administer the contracts resulting from these negotiations; and
- (E) Council be informed of the outcome of the negotiations and successful organisation that will enter into the contract with the City for the Sydney Park Water Reuse Upgrade project by CEO Update prior to executing the contract.

(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.)

X019324

The Committee recommends the following:-

## Item 6.11

### Tender - Civil and Sydney Street Infrastructure Works

It is resolved that:

- (A) Council note that because of extenuating circumstances a satisfactory result would not be achieved by inviting tenders for the services currently provided under the existing civil works contract that expires on 31 July 2019 for a two month period between 1 August 2019 to 30 September 2019;
- (B) Council note the reasons why a satisfactory result would not be achieved by inviting tenders for the services referred to in (A) above are:
  - (i) the existing service providers have good performance ratings and are providing good value for the service they are delivering; and
  - (ii) limited time is available from now to the end of the contract to achieve a robust City tender process;
- (C) Council approve an extension to the term of the Civil Works Contract 1319 by two months to 30 September 2019;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a variation to the Civil Works Contract 1319 to provide for the extension of the term referred to in (C) above;
- (E) Council accept:
  - (i) the offer of Tenderer 'E' for Contract A for a term of five years; and
  - (ii) the offer of Tenderer 'B' for Contract B for a term of five years;
- (F) authority be delegated to the Chief Executive Officer to negotiate, execute and administer:
  - (i) the contract with Tenderer 'E' referred to in (E)(i) above for the Schedule of Rates detailed in Confidential Attachment B to the subject report and otherwise on terms acceptable to the City; and
- (G) the contract with Tenderer 'B' referred to in (E)(ii) above for the Schedule of Rates detailed in Confidential Attachment B to the subject report and otherwise on terms acceptable to the City.

(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.)

X012177

The Committee recommends the following:-

## **Item 6.12**

### **Exemption from Tender - Talent Management System - SuccessFactors**

It is resolved that:

- (A) Council note that because of the unavailability of competitive tenders a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reason why a satisfactory result would not be achieved by inviting tenders is that there is very little variation in costs for SAP products through resellers such as Discovery Consulting;
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract with Discovery Consulting P/L to provide the SuccessFactors Talent Management System for a period of three years with an option of a two-year extension for the price outlined in Confidential Attachment A to the subject report and otherwise on terms acceptable to the City; and
- (D) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (C), 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 Scully, and carried unanimously.)

X005355.006

The Committee recommends the following:-

**Item 6.13**

**Contract Extension - Customer Relationship Management Services for the National CitySwitch Green Office Program**

It is resolved that:

- (A) Council approve the variation to the CitySwitch Customer Relationship Management contract detailed in Confidential Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation to the contract with Jaythom Pty Ltd.

(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.)

X018227

The Sub-Committee recommends the following:-

### **Item 6.14**

#### **Grants and Sponsorship - Round One 2019/20 - Economic Grants**

It is resolved that:

- (A) Council approve the cash recommendations for the Business Support Live Music and Performance Grant Program as per Attachment A to the subject report;
- (B) Council approve the cash recommendations for the Business Support - Night Time Diversification Grant Program as per Attachment C to the subject report;
- (C) Council approve the cash recommendations for the Business Support - Place and Industry Grant Program as per Attachment E to the subject report;
- (D) Council note that all grants amounts are exclusive of GST; and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any organisation approved for a grant or sponsorship under terms consistent with this resolution and Grants and Sponsorship Policy.

(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.)

#### **Speakers**

Mr Joe Muller, Mr Kenny Graham, Ms Belinda Rankine and Mr Michael Rodriguez addressed the meeting of the Corporate, Finance, Properties and Tenders Committee (Economic Development and Business Sub-Committee) on Item 6.14.

S117676