

Item 6**Report of the Corporate, Finance, Properties and Tenders Committee - 11 May 2020****Item 6.1****Disclosures of Interest**

Councillor Jess Scully disclosed a less than significant, non-pecuniary interest in Item 6.15 on the agenda, in relation to one of the recommended grant recipients, who sent her communication on 25 February 2020 with details of their grant application. Councillor Scully stated that her staff removed the communication from her inbox and notified the organisation that this contact was not appropriate. This course of action was reported to the Office of the CEO and Director City Life. Councillor Scully does not have any active or formal ongoing relationship with the group.

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

The Committee recommends the following:-

Item 6.2

Revised 2019/20 Operational Plan - Adoption

It is resolved that:

- (A) Council note the submissions received from the community on the exhibited draft Revised Operational Plan 2019/20 as included in Attachment A to the subject report;
- (B) Council adopt the draft Revised Operational Plan 2019/20 and budget, incorporating:
 - (i) the revised grants program for 2019/20; and
 - (ii) the revised Budget for 2019/20;
- (C) Council adopt a new category under which fees and charges can be waived or reduced, referred to as “COVID-19”, that enables the waiving or reducing fees or charges for the remainder of 2019/20 in response to the COVID-19 situation as it evolves;
- (D) Council note that the revised 2019/20 budgets include a reduction in the 2019/20 budgeted Operating Result from \$112.9M to \$77.9M and the Net Surplus from \$36.5M to \$1.5M, resulting from the increase to the CEO's Operating Expenditure budget by \$35.0M; and
- (E) 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 Scully, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X020943

The Committee recommends the following:-

Item 6.3

2019/20 Quarter 3 Review - Delivery Program 2017-2021

It is resolved that:

- (A) Council note the financial performance of Council for the third quarter, ending 31 March 2020, including the Quarter 3 Net Surplus of \$77.0M and the full year Net Surplus forecast of \$23.1M, as outlined in the subject report and summarised in Attachment A to the subject report;
- (B) the City provide casual employees who have no or limited useful work to do and have had their City of Sydney earnings impacted by the pandemic with the same access to the Job Retention Allowance provisions provided to permanent part-time employees as outlined in the Local Government (COVID-19) Splinter (Interim) Award 2020, with the Job Retention Allowance to be paid from the week commencing 1 June 2020;
- (C) Council note the Quarter 3 Capital Works expenditure of \$115.2M and a revised full year forecast of \$207.8M, and approve the proposed adjustments to the adopted budget, including bringing forward \$4.5M of funds into 2019/20 capital budget, as detailed in Attachment B to the subject report;
- (D) Council note the Information Services capital expenditure of \$9.6M, net of disposals, and a full year forecast of \$14.7M;
- (E) Council note the Quarter 3 Plant and Equipment expenditure of \$9.1M, net of disposals, and the full year forecast of \$15.5M; and approve a transfer of \$1.2M of unspent motor vehicle funds to be repurposed to various equipment purchases;
- (F) Council note the Quarter 3 Property Divestment proceeds of \$25.5M, and the full year forecast net Divestment of \$23.6M; and
- (G) Council 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 Scully, seconded by the Chair (the Lord Mayor), and carried unanimously.)

S096187

The Committee recommends the following:-

Item 6.4

Integrated Planning and Reporting Program and Budget 2020/21 - Public Exhibition

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 2020/21 as shown at Attachment A to the subject report; and
 - (ii) the draft Resourcing Strategy 2020 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 2020/21 and draft Resourcing Strategy 2020 including:
 - (i) operating income of \$592.0M, operating expenditure before depreciation of \$514.3M for an Operating Surplus of \$77.7M, and a Net Surplus of \$2.6M after allowing for interest, depreciation and capital contributions;
 - (ii) Capital Works expenditure of \$234.2M;
 - (iii) a capital contingency of \$5.0M;
 - (iv) Plant and Assets net expenditure of \$11.5M;
 - (v) Information Technology Capital Works of \$14.6M; and
 - (vi) Net Property Acquisitions of \$121.4M; 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 2020/21.

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

X025796

The Committee recommends the following:-

Item 6.5

Investments Held as at 31 March 2020

It is resolved that the Investment Report as at 31 March 2020 be received and noted.

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

X020701

The Committee recommends the following:-

Item 6.6

Investments Held as at 30 April 2020

It is resolved that the Investment Report as at 30 April 2020 be received and noted.

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

X020701

The Committee recommends the following:-

Item 6.7

Proposed Land Transfers from the Department of Planning, Industry and Environment - Various Sites

It is resolved that:

- (A) subject to clause (B), Council endorse the transfer of land listed below from the Minister for Planning and Infrastructure to the City of Sydney for nil or nominal consideration:
 - (i) Blackwattle Bay Park, Glebe being Lot 4 in Deposited Plan 260204 (Map reference "A" on Attachment B);
 - (ii) Blackwattle Playground, Glebe being Lot 2 Deposited Plan 597314 (Map reference "B" on Attachment B);
 - (iii) Wilson Street Reserve #2, Newtown being Lot 5 in Deposited Plan 718234 (Map reference "C" on Attachment B);
 - (iv) Fanny Place Playground, Surry Hills being Lot 2 in Deposited Plan 82 (Map reference "D" on Attachment B); and
 - (v) Southern Cross Drive Reserve, Rosebery being Lot 3 in Deposited Plan 240490 and Lot 24 in Deposited Plan 248025 (Map reference "E" on Attachment B);
- (B) the proposed land transfers described in clause (A) be subject to:
 - (i) completion of technical and legal due diligence to the satisfaction of the Chief Executive Officer;
 - (ii) confirmation from the Department of Planning, on behalf of the Minister, that all conditions of consent in relation to the relevant sites have been met; and
 - (iii) as part of the transfers, unencumbered freehold title, subject only to existing easements and tenancies, being transferred to the City;
- (C) Council endorse public notification of a proposed resolution: "It is resolved to classify the following land parcels to be transferred to Council for public recreation purposes including:
 - (i) Blackwattle Bay Park, Glebe being Lot 4 in Deposited Plan 260204;
 - (ii) Blackwattle Playground, Glebe being Lot 2 in Deposited Plan 597314,
 - (iii) Wilson Street Reserve #2, Newtown being Lot 5 in Deposited Plan 718234,
 - (iv) Fanny Place Playground, Surry Hills being Lot 2 in Deposited Plan 82; and
 - (v) Southern Cross Drive Reserve, Rosebery being Lot 3 in Deposited Plan 240490 and Lot 24 in Deposited Plan 248025 as community land with a park categorisation in accordance with sections 31 and 36(1) and (4)(c) of the Local Government Act 1993";
- (D) Council note that a further report to inform the outcomes of public notification and a recommendation on the classification to Council will follow a public notification period of 28 days; and

- (E) authority be delegated to the Chief Executive Officer to finalise the due diligence and negotiate and finalise the terms of and enter into all documents necessary to give effect to the terms of this resolution in relation to the proposed transfers of land described in clause (A).

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

X022185.007

The Committee recommends the following:-

Item 6.8

Land Classification - Various Lots, Macdonald Street Erskineville

It is resolved that Council:

- (A) classify four land parcels within Macdonald Street, Erskineville (Ashmore Precinct), to be transferred to Council for future public purposes as road and pedestrian link, being Lots 9, 10, 12 and 13 in Deposited Plan 1251243, as operational land in accordance with section 31 of the Local Government Act 1993; and
- (B) note that upon completion of the public works over Lots 9, 10 and 13, a further report will follow to reclassify these lots as community with the categorisation of park.

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

X025360

Item 6.9**Lease Approval - Part 540 George Street, Sydney and Stratum Stair Access Town Hall - Woolworths Group Limited**

The Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter shall be deferred to the meeting of Council on 18 May 2020.

Officer's Recommendation

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

It is resolved that:

- (A) Council approve the surrender of the leases to Woolworths Group Limited for:
 - (i) the basement, lower ground, ground, first, second and third floors at 540 George Street, Sydney; and
 - (ii) the Stratum Stairs at Town Hall Station;
- (B) both of which are due to expire on 31 December 2021, subject to the leases referred to in clause (C) being executed;
- (C) authority be delegated to the Chief Executive Officer to negotiate the surrenders and enter into all documentation in relation to the surrender of the leases to Woolworths Group Limited contemplated by clause (A);
- (D) Council approve the granting of leases to Woolworths Group Limited for:
 - (i) the basement, lower ground, ground, first, second and third floors at 540 George Street, Sydney; and
 - (ii) the Stratum Stairs at Town Hall Station;
- (E) both for ten-year initial terms to 31 December 2030, with four five-year options, which allow the City at its sole discretion to give 12 months early termination notice during the option terms, in accordance with the terms in Attachment A to the subject report; and
- (F) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the leases in clause (C) in accordance with the terms of the leases in Attachment A to the subject report.

Officer's Report

The officer's report on this matter can be found at Item 9 on the agenda of the meeting of the Corporate, Finance, Properties and Tenders Committee on 11 May 2020.

S098632

The Committee recommends the following:-

Item 6.10

Lease Approval - Kings Cross Police Station

It is resolved that:

- (A) Council approve the granting of a lease to The Crown in the right of the State of NSW represented by the NSW Police Force for 1-7 Elizabeth Bay Road, Elizabeth Bay, premises known as Kings Cross Police Station. The proposed new lease is for an eight year term, with two additional options of three years each which would extend NSW Police Force tenure until 30 June 2033; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the lease, including in relation to exercise of the option term, in accordance with Attachment A to the subject report.

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

S090986

The Committee recommends the following:-

Item 6.11

Exemption from Tender - Head Contractor - The Crescent Lands at Johnstons Creek

It is resolved that:

- (A) Council approve an exemption from tender for the provision of construction services for the Crescent Lands at Johnstons Creek, Annandale, due to extenuating circumstances and accept the contract sum and contingency as stated in Confidential Attachment B to the subject report;
- (B) Council note the reasons a satisfactory result would not be achieved by inviting tenders below:
 - (i) the integrity of the 2018 competitive tender process is still intact to allow negotiation with the next preferred tenderer;
 - (ii) this allows for immediate discussion to begin and avoidance of a lengthy re-tender preparation, period and evaluation process;
 - (iii) these negotiations can serve to discuss and confirm the balance of works to complete and reduce the final offer in a collaborative manner to achieve value for money; and
 - (iv) there is a need for urgent action to recommence works following the liquidation of the previous contractor to reduce the cost of maintaining a dormant construction site and deliver a completed project for our community;
- (C) Council approve the increase in the overall project budget as outlined in Confidential Attachment B to the subject report;
- (D) Council approve the increase of the existing head design consultant contract contingency as outlined in Confidential Attachment B to the subject report; and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract with Tender A for the provision of construction services for the Crescent lands at Johnstons Creek, Annandale.

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

S123802

The Committee recommends the following:-

Item 6.12

Tender - Design and Construction of Drying Green Park Above Ground Works, Green Square Town Centre

It is resolved that:

- (A) Council accept the tender offer of Tenderer B for the Design and Construction of Drying Green Park Above Ground Works, Green Square Town Centre for the price and contingency set out in Confidential Attachment A to the subject report;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) Council approve the additional funds sought from the Future Open Space New Parks Capital Works Budget as outlined in Confidential Attachment A to the subject report.

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

S118370

The Committee recommends the following:-

Item 6.13

Contract Variation - Operation of the City's Aquatic Leisure Centres - Belgravia Health and Leisure Group Pty Limited - Covid-19 Pandemic

It is resolved that:

- (A) Council approve a payment to Belgravia Health and Leisure Group Pty Limited for the amount detailed in Confidential Attachment A to the subject report for the salaries and wages of permanent and casual staff employed to work at the City's aquatic leisure centres for a period of two weeks commencing from Saturday 21 March to Friday 3 April 2020, inclusive;
- (B) Council approve a payment to Belgravia Health and Leisure Group Pty Limited for the amount detailed in Confidential Attachment A to the subject report for the operating costs for the period 21 March to 17 April 2020;
- (C) Council approve a contract variation with Belgravia Health and Leisure Group Pty Limited to provide essential asset maintenance and recovery planning services at a weekly cost as detailed in Confidential Attachment A to the subject report, effective from 18 April 2020 for the duration of the Covid-19 pandemic closure; and
- (D) authority be delegated to the Chief Executive Officer to negotiate and enter into any contract documentation to give effect to the clauses above.

(Note – at the meeting of the Corporate, Finance, Properties and Tenders Committee, this recommendation was moved by Councillor Scully, seconded by Councillor Thalís, and carried on the following show of hands:

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

Noes (1) Councillor Phelps.

Carried.)

S100640.038

The Sub-Committee recommends the following:-

Item 6.14

Knowledge Exchange Grant - Committee for Sydney - Precinct Vision for Kings Cross

It is resolved that:

- (A) Council approve a cash sponsorship of \$40,000 (excluding GST) to The Committee for Sydney Incorporated for the Night-Time Precinct Vision for Kings Cross Project; and
- (B) authority be delegated to the Chief Executive Officer to negotiate and enter into the sponsorship agreement with Committee for Sydney for the project described in clause (A).

(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.)

Speaker

Mr James Hulme addressed the meeting of the Corporate, Finance, Properties and Tenders Committee (Economic Development and Business Sub-Committee) on Item 6.14.

X034280

The Sub-Committee recommends the following:-

Item 6.15

Knowledge Exchange Sponsorship - City Business Initiatives

It is resolved that:

- (A) Council approve a cash sponsorship of \$12,000 (excluding GST) to InCollaboration Pty Ltd to produce the Community Wealth Building forum;
- (B) Council approve a cash sponsorship of \$10,000 (excluding GST) to Prismatic Pty Ltd to produce the Local Innovators Event Series;
- (C) Council approve a cash sponsorship of \$30,000 (excluding GST) to Intersective Pty Ltd to produce the industry project program; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer sponsorship agreements with each organisation described in clauses (A) to (C).

(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.)

Speakers

Mr Beau Leese, Ms Shi Shi Truong and Ms Tirrania Suhood addressed the meeting of the Corporate, Finance, Properties and Tenders Committee (Economic Development and Business Sub-Committee) on Item 6.15.

X030866