

Item 6

Report of the Corporate, Finance, Properties and Tenders Committee - 19 October 2020

Item 6.1

Disclosures of Interest

Councillor Christine Forster disclosed a significant, non-pecuniary interest in Item 6.5 on the agenda, as she is employed as the Senior Media Advisor in the Corporate Affairs department of Woodside Energy, the largest Australian natural gas production company.

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

Presentation of the 2019/20 Financial Statements and Audit Reports to Council

It is resolved that Council:

- (A) receive the Financial Statements for City of Sydney for the year ended 30 June 2020, as shown at Attachment A to the subject report;
- (B) authorise the Lord Mayor, Councillor Jess Scully (member – Audit, Risk and Compliance Committee), Chief Executive Officer, and the Chief Financial Officer to sign the General Purpose Financial Statements;
- (C) authorise the Lord Mayor, Councillor Jess Scully (member – Audit, Risk and Compliance Committee), Chief Executive Officer, and the Chief Financial Officer to sign the Special Purpose Financial Statements;
- (D) receive the auditor’s reports on the 2019/20 Annual Financial Statements; and
- (E) authorise that notice be given, through Sydney Your Say, of public presentation of the audited 2019/20 Financial Statements for the City of Sydney at the Council meeting on 16 November 2020.

(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.)

X025180

Speakers

Ms Margaret Crawford (Auditor General) and Ms Caroline Karakatsanis (Audit Office of NSW), addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 6.2.

The Committee recommends the following:-

Item 6.3

Audit Risk and Compliance Committee Annual Report to Council 2019/20

It is resolved that Council note the Audit Risk and Compliance Committee's 2019/20 Annual Report, as shown as 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.)

S083523

Speaker

Ms Elizabeth Crouch (Chair of the Audit Risk and Compliance Committee) addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 6.3.

The Committee recommends the following:-

Item 6.4

Investments Held as at 30 September 2020

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

X020701

The Committee recommends the following:-

Item 6.5

Review of the Investment Policy and Strategy for the Management of Councils Surplus Funds

It is resolved that Council adopt the revised Investment Policy and Investment Strategy for the management and investment of Council's surplus funds, as shown in Attachments A and B 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.)

X020701

The Committee recommends the following:-

Item 6.6

Proposed Land Classification - 506-518 Gardeners Road, Alexandria

It is resolved that Council:

- (A) endorse public notification of the proposed resolution: “It is resolved to classify proposed Lot 2 in Deposited Plan 1231238 being land proposed to be transferred to Council for future public purposes as road at 506-528 Gardeners Road Alexandria, as operational land in accordance with section 31 of the Local Government Act 1993”; and
- (B) note that a further report to Council, to inform of the outcomes of public notification and recommendation of land classification, will follow the notification period.

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

X038472

The Committee recommends the following:-

Item 6.7

Exemption from Tender - George Street South Pedestrianisation

It is resolved that:

- (A) Council approve an exemption from tender for the detailed design and construction of the 'George Street South Pedestrianisation' project, noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting new tenders;
- (B) Council note that a satisfactory result would not be achieved by inviting new tenders for the subject project because:
 - (i) the works involved for the 'George Street South Pedestrianisation' project are the same types of streetscape works envisaged under existing schedule of rates Contract 1840-A;
 - (ii) there is insufficient time to undertake a new tender without impacting on the time sensitive response to the Covid-19 pandemic through the provision of more space for pedestrians;
 - (iii) value for money is achieved by using the existing schedule of rates contract, as per the assessment and evaluation report in Confidential Attachment C to the subject report. To the extent that existing rates cannot be used, an independent quantity surveyor has confirmed that the rates quoted by the existing contractor represent market rates and provide value for money for Council;
 - (iv) going to tender would not deliver a better outcome as the market has already been tested for the same types of streetscape works through a previous tender and a schedule of rates contract exists; and
 - (v) the existing schedule of rates contract will assist the City to better manage costs and other contract risks;
- (C) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any documentation required to give effect to this exemption from tender in order to deliver the 'George Street South Pedestrianisation' project; and
- (D) Council approve the contingency and additional project 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, and seconded by the Chair (the Lord Mayor).

A show of hands on the motion resulted in an equality of voting as follows:

Ayes (5) The Chair (the Lord Mayor), Councillors Kok, Miller, Scully and Thalys

Noes (5) Councillors Chung, Forster, Phelps, Scott and Vithoukas.

The Lord Mayor exercised her casting vote in favour of the motion. The motion was declared carried.)

The Committee recommends the following:-

Item 6.8

Exemption from Tender and Contract Variation - Head Design Consultant – Perry Park Stage 2

It is resolved that:

- (A) Council approve an exemption from tender for Perry Park Stage 2 for additional contract contingency to allow for extended construction and post construction stage services;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because the consultant is already engaged, and work is well underway; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer/vary the contracts relating to Perry Park Stage 2.

(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 (9) The Chair (the Lord Mayor), Councillors Chung, Forster, Kok, Miller, Scott, Scully, Thalís and Vithoukás

Noes (1) Councillor Phelps.

Motion carried.)

X021328

The Committee recommends the following:-

Item 6.9

Exemption from Tender and Contract Variation - Construction Services - Joynton Avenue and Zetland Avenue

It is resolved that:

- (A) Council approve an exemption from tender for the provision of construction services and approve the increase of contract contingency for the Joynton Avenue and Zetland Avenue, Zetland project due to extenuating circumstances;
- (B) Council note the reasons a satisfactory outcome would not be achieved by inviting tenders are:
 - (i) a contractor for the construction works has already been appointed in accordance with the City's procurement processes; and
 - (ii) the additional cost required to establish another contractor on site is not considered value for money;
- (C) Council approve a transfer of surplus funds from the Zetland East budget to cover a shortfall in the Joynton Avenue budget, noting these two projects have been combined into a single construction contract; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer any documentation required for the purpose of effecting the increase to the contract contingency referred to in (A) 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 unanimously.)

X009530

Item 6.10**Contract Variation - Major Properties Efficiency Improvements (MPEP) - Energy Efficient Lighting Upgrades**

The Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter shall be deferred to the meeting of Council on 26 October 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 note that Stage 1 energy efficient lighting upgrades, including stimulus works, at five Major Properties Efficiency Project sites have been completed satisfactorily by Kerfoot Pty Ltd;
- (B) Council endorse the award of the tender for Energy Efficient Lighting Upgrades to Kerfoot Pty Limited;
- (C) Council approve a variation to the contract with Kerfoot Pty Ltd to deliver the remaining energy efficient lighting upgrades to achieve the environmental targets under the Schedule of Rates contract up to the approved budget for each year, as detailed at Confidential Attachment A to the subject report; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer/vary the contracts relating to Major Properties Efficiency Project - Energy Efficient Lighting Upgrades.

Officer's Report

The officer's report on this matter can be found at Item 10 on the agenda of the meeting of the Corporate, Finance, Properties and Tenders Committee on 19 October 2020.

X026529.010

The Committee recommends the following:-

Item 6.11

Cancellation of Tender - Event Infrastructure, Structures and Equipment for 2020/21 Major Events and Festivals - Part 7

It is resolved that:

- (A) Council decline to accept the tender offers for Event Infrastructure, Structures and Equipment for 2020/21 Major Events and Festivals – Part 7 – Site Vehicles;
- (B) Council cancel the tender for Event Infrastructure, Structures and Equipment for 2020/21 Major Events and Festivals – Part 7 – Site Vehicles; and
- (C) Council note that additional market research will be conducted to identify suitable suppliers, followed by a new procurement process with a revised scope of work.

(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.)

X031267.004