

Item 6**Report of the Corporate, Finance, Properties and Tenders Committee - 10 May 2021****Item 6.1****Disclosures of Interest**

Councillor Linda Scott disclosed a pecuniary interest in Item 6.13 on the agenda, in that she owns a property in Trust for a family member that is adjacent to the works under consideration. Councillor Scott stated that she would step out of the meeting for the item.

No other 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 Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.2

2020/21 Quarter 3 Review - Delivery Program 2017-2021

It is resolved that Council:

- (A) note the financial performance of Council for the third quarter, ending 31 March 2021, including the Quarter 3 Net Surplus of \$79.5M and the full year Net Surplus forecast of \$96.2M, as outlined within the report and summarised at Attachment A to the subject report;
- (B) note the Quarter 3 Capital Works expenditure of \$170.5M and a revised full year forecast of \$233.9M, and approve the proposed adjustments to the adopted budget, including transferring \$0.1M from capital works contingency and bringing forward \$0.4M of future year's funds into 2020/21 as detailed at Attachment B to the subject report;
- (C) note the Technology and Digital Services capital expenditure of \$14.1M (net of disposals), the full year forecast of \$21.6M, and approve the proposed increase of \$0.1M to the adopted budget from the capital works contingency, as detailed at Attachment B to the subject report;
- (D) note the Quarter 3 Plant and Assets expenditure of \$4.7M, net of disposals, and the full year forecast of \$11.4M;
- (E) note the Quarter 3 net Property Divestment proceeds of \$51.0M, and the full year forecast net Property Divestment of \$37.3M;
- (F) 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; and
- (G) note the third quarter Community Recovery Plan report, as shown at Attachment D 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.)

X025796

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.3

Public Exhibition - Integrated Planning and Reporting Program and Budget 2021/22

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 2021/22 as shown at Attachment A to the subject report; and
 - (ii) the draft Resourcing Strategy 2021 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 2021/22 and draft Resourcing Strategy 2021 including:
 - (i) Operating income before interest and capital grants of \$624.5M, operating expenditure before depreciation of \$514.5M, for an Operating Surplus of \$110.0M and a Net Surplus of \$27.3M after allowing for interest, depreciation and capital contributions;
 - (ii) Capital Works expenditure of \$236.3M, including a capital contingency of \$8.0M;
 - (iii) Plant and Assets net expenditure of \$9.2M;
 - (iv) Information Technology Capital Works of \$18.3M; and
 - (v) Net Property acquisitions of \$131.9M; 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 2021/22.

(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.)

X025796

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.4

Investments Held as at 31 March 2021

It is resolved that the Investment Report as at 31 March 2021 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 the Chair (the Lord Mayor), and carried unanimously.)

X020701

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.5

Investments Held as at 30 April 2021

It is resolved that the Investment Report as at 30 April 2021 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

Item 6.6**Sydney New Year's Eve 2021 - 2026 Memorandum of Understanding and Agency Agreements**

The Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter shall be deferred to the meeting of Council on 17 May 2021.

Officer's Recommendation

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

It is resolved that authority be delegated to the Chief Executive Officer to negotiate and enter into a Memorandum of Understanding with the NSW Government, and Agency Agreements with relevant NSW Government Agencies, for a further five year period with regard to the facilitation and support of 2021 to 2025 Sydney New Year's Eve Events.

Officer's Report

The officer's report on this matter can be found at Item 6 on the agenda of the meeting of the Corporate, Finance, Properties and Tenders Committee on 10 May 2021.

X080346.003

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.7

Grants and Sponsorship - Change of Auspice - Randa Sayed

It is resolved that:

- (A) Council approve the change of auspice for the 2020/21 Cultural and Creative Grants and Sponsorships grant recipient, Randa Sayed, from the Friends of Casula Powerhouse Arts Centre Inc to new auspice Outloud Inc; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the funding agreement with Outloud Inc for Randa Sayed under terms consistent with the City's Grants and Sponsorship Policy.

(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.)

S117676

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.8

Lease Approval - Part 540 George Street, Sydney and Stratum Stair Access Town Hall

It is resolved that:

- (A) Council note the Evaluation – Commercial Considerations within Attachment A to the subject report;
- (B) Council approve the granting of leases to Proponent A 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;both for an initial ten-year period commencing 1 January 2022 and expiring 31 December 2031, with four five-year options, which allow the City at its sole discretion to give six months early termination notice from 1 January 2027 in the initial term and at any point during the option terms, in accordance with the terms in Attachment B to the subject report;
- (C) authority be delegated to the Chief Executive Officer to finalise negotiations, execute and administer the terms of the leases in clause (B), including non-substantive amendments and any option terms, generally in accordance with the terms of the leases in Attachment B to the subject report; and
- (D) authority be delegated to the Chief Executive Officer to:
 - (i) end negotiations with Proponent B if there are departures from the terms in Attachment B to the subject report, after updating Council through a CEO Update; and
 - (ii) finalise negotiations, execute and administer the terms of the leases with the next most suitable respondent, including non-substantive amendments and any option terms, generally in accordance with the terms contained 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 Councillor Miller, and carried unanimously.)

X079195.010

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.9

Joint Use Project Deed Variation - Alexandria Park Community School - Synthetic Field and Park Road Public Domain Embellishment

It is resolved that:

- (A) Council endorse the proposed concept design of the Park Road Integration Works as shown at Attachment B to the subject report;
- (B) Council approve the variation of the Alexandria Community School and Park Synthetic Sportsfield – Joint Use Project Deed (Project Deed) to include the construction of the integration works for Park Road, Alexandria;
- (C) Council note that the integration works for Park Road, Alexandria will be carried out by the Department of Education, on behalf of the City;
- (D) Council approve the variation of the Project Deed to allow for the City's capital contribution and a contingency for the detailed design and construction of the Park Road integration works as outlined in Confidential Attachment D to the subject report;
- (E) Council approve the variation of the Project Deed for the City's increased capital contribution and an increased contingency to allow for the additional costs to develop a design for the synthetic field that obtains Sydney Water's endorsement and implement that design as outlined in Confidential Attachment D to the subject report; and
- (F) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a variation to the Project Deed in line with the above clauses.

(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.)

X017664

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.10

Tender - RFT2020/415 - Supply and Delivery of Stone Products

It is resolved that:

- (A) Council accept the tender offer of Tenderer B as the primary contractor for the supply and delivery of Austral Black granite products for the schedule of rates outlined in Confidential Attachment B to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (B) Council accept the tender offer of Tenderer C as the secondary contractor for the supply and delivery of Austral Black granite products for the schedule of rates outlined in Confidential Attachment C to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (C) Council accept the tender offer of Tenderer E as the primary contractor for the supply and delivery of Austral Verde granite products for the schedule of rates outlined in Confidential Attachment D to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (D) Council accept the tender offer of Tenderer D as the primary contractor for the supply and delivery of Bluestone products for the schedule of rates outlined in Confidential Attachment E to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (E) Council accept the tender offer of Tenderer A as the primary contractor for the supply and delivery of Sandstone products for the schedule of rates outlined in Confidential Attachment F to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate; and
- (F) authority be delegated to the Chief Executive Officer to:
 - (i) negotiate, execute and administer the contracts relating to the tender; and
 - (ii) exercise the option for each contract entered into as a result of the tender process, if appropriate, and negotiate the price to extend the contracts accordingly.

(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.)

X038592

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.11

Exemption from Tender - Call Centre Services After Hours and Parking Ticket Machines

It is resolved that:

- (A) Council approve an exemption from tender for Call Centre Services After Hours and Parking Ticket Machines for an additional one-year period, noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders in this case;
- (B) Council note the reason a satisfactory result would not be achieved by inviting tenders for the provision of Call Centre Services After Hours and Parking Ticket Machines is that changes in operating procedures and the implementation of digital services would mean that tenderers would not receive sufficient information to make competitive and reliable proposals:
 - (i) the way in which the City monitors and responds to social media is about to change and at this stage the City is unable to estimate the volume and average handling time impacts these changes will have on an after-hours call centre provider;
 - (ii) the City is implementing a new contact system which will impact the volume of calls referred to an after-hours call centre provider. The volume impact will not be accurately determined until the system is implemented and has been in operation for three to six months; and
 - (iii) the City is developing an online services channel which will allow the community to access, engage and transact more online, impacting the processes and volumes for an after-hours call centre provider;
- (C) Council note that continuous delivery of the operation of after-hours and parking services call centre is required to maintain 24/7 service to the community; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer/vary the contracts relating to Call Centre Services After Hours and Parking Ticket Machines in accordance with this approval.

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

X007670.012

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.12

Exemption from Tender and Contract Variations - Management of Aquatic and Leisure Facilities - Belgravia Leisure

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55 (3)(i) of the Local Government Act 1993 to extend the term of existing contracts for the management of the City's aquatic centres under the contract for the management of Cook and Phillip Park, Ian Thorpe Aquatic Centre, Prince Alfred Park, Victoria Park and Andrew (Boy) Charlton Pools; and the contract for Gunyama Park Aquatic and Recreation Centre (GPARC), by reason of extenuating circumstances, noting that a satisfactory result for the City would not be achieved by inviting tenders at this time;
- (B) Council note the reasons that a satisfactory result for the City would not be achieved by inviting tenders are:
 - (i) the high levels of uncertainty and risk in the market as a result of the ongoing Covid-19 pandemic will not result in value for money; and
 - (ii) due to the shorter elapsed time period since the opening of Gunyama Park Aquatic and Recreation Centre, there is insufficient commercial history to allow service providers to provide competitive responses to a tender;
- (C) Council approve the variation of the contract for the management of Cook and Phillip Park, Ian Thorpe Aquatic Centre, Prince Alfred Park, Victoria Park and Andrew (Boy) Charlton Pools; and the contract for Gunyama Park Aquatic and Recreation Centre (GPARC) to extend the terms of both contracts by an additional two years with both contracts to expire on 31 March 2024;
- (D) Council approve a variation to the contract for the management of Cook and Phillip Park, Ian Thorpe Aquatic Centre, Prince Alfred Park, Victoria Park and Andrew (Boy) Charlton Pools to vary the financial arrangements until performance returns to pre-Covid levels;
- (E) Council approve the additional funds in relation to both contracts as outlined in Confidential Attachment A to the subject report; and
- (F) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any necessary 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 the Chair (the Lord Mayor), and carried unanimously.)

S100640.027

The Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.13

Contract Variation - Macdonald Street Widening and Trunk Drainage, Erskineville - Head Construction Contractor

It is resolved that:

- (A) Council approve a variation to the contract with Ward Civil & Environmental Engineering Pty Limited for the construction of the MacDonald Street Widening and Trunk Drainage on the terms contained in Confidential Attachment A to the subject report;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer/vary the contracts relating to MacDonald Street Widening and Trunk Drainage project; and
- (C) Council approve the additional funds sought 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.)

X004092