

Item 6

Report of the Corporate, Finance, Properties and Tenders Committee - 13 February 2023

Item 6.1

Confirmation of Minutes

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

That the Minutes of the meeting of the Corporate, Finance, Properties and Tenders Committee of Monday 13 February 2023, as circulated to Councillors, be confirmed.

Carried unanimously.

Item 6.2

Statement of Ethical Obligations and 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 Corporate, Finance, Properties and Tenders Committee recommends the following:

Item 6.3

2022/23 Quarter 2 Review - Delivery Program 2022-2026

It is resolved that:

- (A) Council note the financial performance of Council for the second quarter, ending 31 December 2022, including a Quarter 2 Net Operating Result for the year of \$74.4M and the full year forecast of \$98.9M, as outlined in the subject report and summarised in Attachment A to the subject report;
- (B) Council note the Quarter 2 Capital Works expenditure of \$66.3M and a revised full year forecast of \$185.9M, and approve the proposed adjustments to the adopted budget, including bringing forward \$4.8M of funds into the 2022/23 capital budget and \$1.4M from the capital works contingency as detailed in Attachment B to the subject report;
- (C) Council note the Technology and Digital Services Capital Works of \$8.7M, net of disposals, and a full year forecast of \$23.7M, including bringing forward \$4.0M of funds into the 2022/23 capital budget and \$1.5M from the capital works contingency as detailed in Attachment B to the subject report;
- (D) Council note the Quarter 2 Plant and Equipment expenditure of \$3.4M, net of disposals, a revised full year forecast of \$12.8M;
- (E) Council note the Quarter 2 net Property Acquisitions of \$96.5M, and the full year forecast net Property Acquisitions of \$116.1M;
- (F) note the operational performance indicators and Quarter 2 achievements against the Operational Plan 2022/23 objectives, as detailed in Attachment C to the subject report;
- (G) 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 2, as detailed in Attachment D to the subject report.

(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 Chan, and carried unanimously.)

X084366

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

Item 6.4

Investments Held as at 31 December 2022

It is resolved that the Investment Report as at 31 December 2022 be received and noted.

(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 Kok, and carried unanimously.)

X020701

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

Item 6.5

Investments Held as at 31 January 2023

It is resolved that the Investment Report as at 31 January 2023 be received and noted.

(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 Kok, and carried unanimously.)

X020701

Item 6.6**Exemption from Tender and Contract Variation – Catering Services – Compass Group (Restaurant Associates)**

The Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter shall be deferred to the meeting of Council on 20 February 2023.

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 an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for the management of the City's Catering Services to extend the term of the existing contract up to 12 months (to 2 July 2024), by reason of extenuating circumstances, noting that the City took the necessary time to assess the challenging market post pandemic and review the catering services model to ensure long-term viability;
- (B) Council note that a satisfactory result would not be achieved by inviting tenders because:
 - (i) additional time is required in order to undertake and finalise the tender process in a market that continues to change rapidly; and
 - (ii) the extension of term to the existing contract will allow a planned transition period should a change in supplier occur as a result of the tender process;
- (C) Council approve a contract variation with Compass Group B&I Hospitality Services Pty Ltd (Restaurant Associates) for Catering Services to extend the contract by up to 12 months to 2 July 2024 on the terms set out in Confidential Attachment A to the subject report;
- (D) Council note that the financial arrangements under the previous contract were temporarily modified by the Chief Executive Officer in 2020 in accordance with the City's Covid-19 recovery response to accommodate the effects of the Covid-19 pandemic, and were approved by Council in 2021 to vary the financial terms of the contract, and extend the contract for an additional two years based on these varied terms as further detailed in Confidential Attachment A to the subject report;
- (E) Council note the financial implications as further detailed in Confidential Attachment A to the subject report for the period 3 July 2023 to 2 July 2024; and
- (F) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any necessary documentation to give effect to the resolutions above.

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 13 February 2023.

X079066

Item 6.7**Cancellation of Tender - T-2022-755 - Exemption from Tender and Contract Variations for Sydney New Year's Eve**

The Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter shall be deferred to the meeting of Council on 20 February 2023.

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 offer for Firework Displays for 2023 and 2024 Sydney New Year's Eve (with two 24-month options to extend to cover the 2025 and 2026 events, and further 2027 and 2028 events) for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council cancel the tender for Firework Displays for 2023 and 2024 Sydney New Year's Eve (with two 24-month options to extend to cover the 2025 and 2026 events, and further 2027 and 2028 events);
- (C) Council note the City will undertake a new tender process or processes for the delivery of the 2024 Sydney New Year's Eve and future year events which are expected to be in market by the end of April 2023, following further market research and reconsideration of the proposed contract model;
- (D) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for the provision of pyrotechnic services for the 2023 Sydney New Year's Eve event;
- (E) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for the provision of barges and tugs for the 2023 Sydney New Year's Eve event;
- (F) Council note the reasons a satisfactory outcome would not be achieved by inviting tenders is due to the following extenuating circumstances:
 - (i) the City has attempted to undertake a tender process to contract services in time for delivery of the 2023 Sydney New Year's Eve event. However, as the market did not respond as intended, the City will need to cancel the current tender and undertake further market research prior to re-tendering; and
 - (ii) there is insufficient time to undertake a new tender process for the delivery of the 2023 Sydney New Year's Eve event;
- (G) Council approve a contract variation with Foti International Fireworks Pty Ltd for the provision of pyrotechnic services for Sydney New Year's Eve for the price outlined in Confidential Attachment A to the subject report, for a period of one year to cover the 2023 Sydney New Year's Eve event;
- (H) Council approve a contract variation with Polaris Marine Pty Ltd as Trustee for Polaris Marine Trust No 1 for the provision of barges and tugs for Sydney New Year's Eve for the price outlined in Confidential Attachment A to the subject report, for a period of one year to cover the 2023 Sydney New Year's Eve event; and

- (l) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into any necessary documentation to give effect to these resolutions.

Officer's Report

The officer's report on this matter can be found at Item 7 on the agenda of the meeting of the Corporate, Finance, Properties and Tenders Committee on 13 February 2023.

X092284.003

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

Item 6.8

Tender - T-2022-717 - Reject and Negotiate - Accounts Payable Invoice Scanning Solution

It is resolved that:

- (A) Council decline to accept the tender offers received for the Accounts Payable Invoice Scanning Solution for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council enter into negotiations with suitably qualified vendor with a view to entering into a contract in relation to the subject matter of the tender;
- (C) Council note the reasons for determining to enter into negotiations are that:
 - (i) there are critical time dependencies in that the Accounts Payable Invoice Scanning Solution needs to be implemented, tested and deployed alongside the TechnologyOne Cloud migration in August 2023, hence there is insufficient time to run a new tender process; and
 - (ii) during the tender evaluation, the City has identified suitable vendors that can meet the City's functional requirements, within the required timeframes;
- (D) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract on terms that are appropriate in relation to the subject matter of the tender;
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (F) Council be informed of the successful vendor via the CEO Update.

(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 Kok, and carried unanimously.)

X088492.001