

Exemption from Tender and Contract Variation - Redfern Community Centre Music Studio

File No: X031225.001

Summary

This report requests Council approve an exemption from tender and contract variation to extend the Redfern Community Centre Music Studio contract for up to 12 months to 30 June 2024.

The Redfern Community Centre Music Studio (known as Studio RCC) has been operating within the Redfern Community Centre (RCC) since the facility opened in 2004. Studio RCC provides rehearsal facilities, music programs and resources for the community, including those who are looking to record, rehearse or extend their networking and knowledge of the contemporary music industry. Facilitators at the studio work in the Aboriginal/Australian music and film industry.

Following a competitive tender process, the engagement of the current supplier, Last Minute Productions Pty Ltd, to operate and program Studio RCC at the Redfern Community Centre was approved by the Chief Executive Officer under delegation, following endorsement by the Tender Review Group on 29 January 2020. The approval was for an engagement of 17 months with two one-year options to extend. The second one-year option expires on 30 June 2023. The City is currently preparing an approach to market to engage an operator for Studio RCC. Consultation with industry operators indicates that there is interest in the marketplace in operating Studio RCC.

This report recommends that Council approve an exemption from tender and contract variation to extend the current contract by up to twelve months, and increase the total contract value as detailed in Confidential Attachment A. This will allow for the completion of a new tender process and any transition period to the future contracted supplier, ensuring no gap in the provision of service to the community.

Recommendation

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 contract to Last Minute Productions Pty Limited to operate the Redfern Community Centre Music Studio;
- (B) Council note the reasons a satisfactory outcome would not be achieved by inviting tenders is due to the following extenuating circumstances:
 - (i) sufficient time is required to undertake the procurement process and to allow for a transition period associated with any future supplier without a risk of a gap in service to the community, including the Aboriginal and Torres Strait Islander and Australian South Sea Islander communities;.
- (C) Council approve the variation to extend the original contract with Last Minute Productions Pty Limited to operate the Redfern Community Centre Music Studio for a period of up to 12 months, and to increase the total contract value, as detailed at Confidential Attachment A to the subject report;
- (D) Council note that the revised total contract value for this contract is outlined in Confidential Attachment A to the subject report and there are sufficient funds allocated in the draft 2023/24 operating budget for the contract extension and increase to overall contract value; and
- (E) authority be delegated to the Chief Executive Officer to finalise, execute and administer the variation to the contract to give effect to the resolutions above.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. Located in the heart of Redfern, and designed for all groups in the community, the Redfern Community Centre is a dynamic multi-purpose facility that seeks to create and strengthen social links through shared cultural and recreational pursuits. It focuses on art, culture, music, employment, and training initiatives, along with community events.
2. The Redfern Community Centre Music Studio (known as Studio RCC) has been operating within the Redfern Community Centre (RCC) since the facility opened in 2004. It is currently managed on behalf of the City by Last Minute Productions Pty Limited. Studio RCC provides rehearsal facilities, music programs and resources for the community, including those who are looking to record, rehearse or extend their networking and knowledge of the contemporary music industry. Facilitators at the studio work in the Aboriginal /Australian music and film industry.
3. The engagement of the current supplier to operate and program Studio RCC at the Redfern Community Centre was approved by the Chief Executive Officer under delegation, on the recommendation of the Tender Review Group on 29 January 2020. The approval was for an engagement of 17 months with two one-year options to extend. No contract contingency was requested.
4. The second one-year option expires on 30 June 2023. A new approach to market to engage an operator for Studio RCC is currently being prepared. Consultation with industry operators indicates that there is an interest in the marketplace in tendering to operate Studio RCC.
5. This report recommends that Council approve an exemption from tender and variation to extend the current contract until June 2024 and increase the total contract value as detailed at Confidential Attachment A.
6. This will ensure sufficient time to undertake the procurement process and allows for a transition period associated with any future supplier (if required) without a risk of a gap in service to the community, including the Aboriginal and Torres Strait Islander and Australian South Sea Islander communities.
7. The City will have the ability to end the contract during the 12-month extension period should the tender process be completed in less than 12 months.

Strategic Alignment – Sustainable Sydney 2030-2050 Continuing the Vision

8. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives: This report is aligned with the following strategic directions and objectives:
 - (a) Direction 6 - An equitable and inclusive city - everyone feels welcome and included in the city.
 - (b) Direction 7 - Resilient and diverse communities - everyone has equitable and affordable access to community and cultural facilities and programs, supporting social connection and wellbeing.
 - (c) Direction 8 – A thriving cultural and creative life – everyone is able to participate in, contribute to and benefit from the city's cultural life.

Social / Cultural / Community

9. Studio RCC at the Redfern Community Centre is an accessible and easy-to-use facility for both learning and small-scale music projects.
10. As well as being a low-cost recording facility, Studio RCC connects individuals, local artists and communities to free online and centre based creative programs, sound production courses and instrument-based workshops with opportunities for participants to showcase their talents. The courses are provided by facilitators currently working within the Aboriginal/Australian music and film industry. Programs continued to operate throughout the Covid-19 pandemic, transitioning online and playing a critical role in supporting many vulnerable community members through social supports.

Financial Implications

11. There are sufficient funds allocated for this variation within the draft 2023/24 operating budget.
12. The original contract sum and the details of the increase requested are detailed at Confidential Attachment A.

Relevant Legislation

13. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
14. Attachment A contains confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
15. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

16. The contract variation will need to be executed prior to the expiry of the current contract on 30 June 2023.
17. The new tender process, including any transition period associated with any future supplier will be completed by or prior to 30 June 2024.

Options

18. An alternative option is to allow the current contract to end, and tender for an operator of the Redfern Community Centre Music Studio. This is not recommended, as it would result in the interruption of a valued service to the community for a period of up to twelve months.

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Director City Life

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