Minutes of the Corporate, Finance, Properties and Tenders Committee - 10 February 2025

Members Lord Mayor - Councillor Clover Moore AO (Chair), Deputy Lord Mayor - Councillor Zann Maxwell, Councillor Sylvie Ellsmore, Councillor Lyndon Gannon, Councillor Robert Kok (Deputy Chair), Councillor Jess Miller, Councillor Matthew Thompson, Councillor Yvonne Weldon AM, Councillor Mitch Wilson (Olly Arkins) and Councillor Adam Worling.

At the commencement of business at 2.05pm, those present were –

The Lord Mayor, Councillors Gannon, Kok, Maxwell, Miller, Thompson, Weldon, Wilson (Arkins) and Worling.

Apologies

Councillor Sylvie Ellsmore extended her apologies for her inability to attend the meeting of the Corporate, Finance, Properties and Tenders Committee.

The meeting of the Corporate, Finance, Properties and Tenders Committee concluded at 3.20pm.

Item 1

Confirmation of Minutes

Moved by Councillor Kok, seconded by Councillor Worling –

That the Minutes of the meeting of the Corporate, Finance, Properties and Tenders Committee of Monday 9 December 2024, as circulated to Councillors, be confirmed.

Carried unanimously.

Item 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 recommended the following:

Item 3

2024/25 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 2024, including a Quarter 2 Operating Result (before depreciation, interest income, capital related costs and capital grants and contributions) of $58.3M and the full year forecast of $119.5M and Net Operating Result of $55.1M and a full year forecast of $117.4M 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 $111.2M and a revised full year forecast of $242.4M, and approve the proposed adjustments to the adopted budget, including bringing forward $16.5M of funds into the 2024/25 capital budget, the transfer of $0.2M from the capital works contingency, and to reallocate funds within relevant programs within capital budget as detailed in Attachment B to the subject report;

(C) Council note the Technology and Digital Services Capital Works expenditure of $6.8M, and a full year forecast of $22.8M and approve the proposed adjustments to the adopted budget, including pushing $2.5M of funds into future years capital budget, $3.4M from the capital works contingency, and to reallocate funds within relevant programs within capital budget as detailed in Attachment B to the subject report;

(D) Council note the Quarter 2 Plant and Equipment expenditure of $11.5M, net of disposals, and a revised full year forecast of $30.4M, and approve the proposed adjustments to the adopted budget including $0.6M from capital works contingency as detailed in Attachment B to the subject report;

(E) Council note net Property Acquisitions of $72.7M as at Quarter 2, and the full year forecast for net Property Acquisitions and Divestments of $47.1M;

(F) Council note the operational performance indicators and Quarter 2 achievements against the Operational Plan 2024/25 objectives, as detailed in Attachment C to the subject report; and

(G) Council note the supplementary reports, which detail the quick response, street banner and venue hire support grants and sponsorship programs, major legal issues, international travel, property and land use matters approved under delegation and contracts over $50,000 within the quarter, 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 Councillor Kok, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X101909

Item 4

Adoption - Modern Slavery Policy

It is resolved that:

(A) Council adopt the revised Modern Slavery Policy, as shown in Attachment A to the subject report; and

(B) authority be delegated to the Chief Executive Officer to make amendments to the Modern Slavery Policy to correct any minor drafting errors and finalise design, artwork and accessible formats for publication.

(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.)

X092876

Speaker

James Cockayne (NSW Anti-Slavery Commissioner) addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 4.

Item 5

Report on City of Sydney Suppliers and Investments in Relation to the Boycott, Divestment and Sanctions Campaign

The Corporate, Finance, Properties and Tenders Committee decided that consideration of this matter shall be deferred to the meeting of Council on 17 February 2025.

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 the review of City of Sydney suppliers and investments in relation to the United Nations Office of the High Commissioner for Human Rights database of companies involved in one of ten defined activities (paragraph 96 A/HRC/22/63) that raise particular human rights violations concerns;

(B) Council note that staff have examined all existing financial investments and contractual relationships and reviewed them against the UNHRC register;

(C) Council note that no existing investments or contractual relationships with entities included on the register were found;

(D) Council endorse the proposed principles, set out in the body of this report, that will guide future decisions in relation to the UNHRC list and note that the principles will be available on the City's website;

(E) Council note that the Investment Policy already includes clauses which prohibit investments in financial institutions associated with human rights abuses;

(F) Council note the Modern Slavery Policy, which prohibits procurement from entities associated with human rights abuses; and

(G) Council note that the Chief Executive Officer will review the application and relevance of these resolutions after two years, with the outcome of that review to be reported to Council via the CEO Update.

Officer's Report

The officer's report on this matter can be found at Item 5 on the agenda of the meeting of the Corporate, Finance, Properties and Tenders Committee on 10 February 2025.

X101909

Speakers

Alia Alhafny (City of Sydney for Palestine), Michelle Berkon (City of Sydney for Palestine / Jews Against the Occupation '48), Rand Khatib and Mark Friedgut (Selbourne Chambers) addressed the meeting of the Corporate, Finance, Properties and Tenders Committee on Item 5.

Item 6

Investments Held as at 31 December 2024

It is resolved that the Investment Report as at 31 December 2024 be received and noted.

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

X020701

Item 7

Investments Held as at 31 January 2025

It is resolved that the Investment Report as at 31 January 2025 be received and noted.

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

X020701

Item 8

City of Sydney Advisory Panels

It is resolved that:

(A) Council endorse the City of Sydney Advisory Panel Terms of Reference as shown at Attachment A to the subject report;

(B) authority be delegated to the Chief Executive Officer to make amendments to the City of Sydney Advisory Panel Terms of Reference to correct any minor drafting errors or to resolve any unintended inconsistencies and finalise design, artwork and accessible formats for publication;

(C) Council note that Expressions of Interest processes for Advisory Panel members required will be conducted;

(D) Council note that the proposed LGBTQIA+ Advisory Panel will not proceed;

(E) Council note that the proposed Environment and Climate Change Advisory Panel is undergoing further review and consideration; and

(F) Council note that further details will be provided via the CEO Update.

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

S111818

Item 9

Land Classification - 22 O'Riordan Street, Alexandria

It is resolved that Council endorse the classification of the City owned property at 22 O'Riordan Street, Alexandria (being Folio Identifier 1/1004389) as operational land in accordance with section 31 of the Local Government Act 1993 (NSW).

(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.)

X109578.016

Item 10

Project Scope - 343 George Street - Renewal and Upgrade

It is resolved that Council:

(A) endorse the scope of works described in the subject report for the purpose of proceeding with lodgement of required planning approvals, detailed design and documentation and tender for staged construction of the works; and

(B) note the financial implications outlined in Confidential Attachment C to the subject report.

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

X098324

Item 11

Lease Approval - 343 George Street, Sydney

It is resolved that:

(A) Council approve the granting of a new leases to Burberry Pacific Pty Limited (ACN 098 381 161), commencing on 1 August 2025 for a term of 5 years with an option to renew for a further 5 years for the Ground Floor Retail and Basement Storage, 343 George Street, Sydney, in accordance with Confidential Attachment A to the subject report; and

(B) authority be delegated to the Chief Executive Officer to enter into and administer any documentation required to give effect to the new lease referred in (A) above and in accordance with 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 Kok, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X103815

Item 12

Negotiation Outcome - Tender T-2023-1041 - Sydney Park Brick Kilns Precinct Upgrade

It is resolved that:

(A) Council note the outcome of the negotiations for the construction of the Sydney Park Brick Kilns Precinct Upgrade as detailed in Confidential Attachment B to the subject report;

(B) Council accept the offer from Respondent M for Sydney Park Brick Kilns Precinct Upgrade for the price and contingency, outlined in Confidential Attachment B to the subject report;

(C) Council note that the total contract sum and contingency for Sydney Park Brick Kilns Precinct Upgrade is outlined in Confidential Attachment B to the subject report;

(D) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the negotiation outcome; and

(E) Council approve additional project funding as outlined in Confidential Attachment B to the subject report.

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

X082505.008

Item 13

Tender - T-2024-1330 - Reject and Negotiate - Redfern Neighbourhood Parks - Head Design Consultant

It is resolved that:

(A) Council decline to accept the tender offers for Redfern Neighbourhood Parks - Head Design Consultant for the reasons set out in Confidential Attachment B to the subject report;

(B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender;

(C) 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;

(D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and

(E) 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 Councillor Kok, seconded by Councillor Worling, and carried unanimously.)

X108573

Item 14

Exemption from Tender and Contract Variation - Chinatown Gates - Supply of Ornamental Timber Panels

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 vary the contract with IAS Fine Art Logistics Pty Ltd for the supply of the Chinatown Gates ornamental timber panels as more particularly described in Confidential Attachment A to the subject report;

(B) Council note that a satisfactory result would not be achieved by inviting tenders for the supply of the Chinatown Gates ornamental timber panels because:

(i) an existing contract for the supply and freighting of the timber panels is in place;

(ii) no other suppliers were identified at the time the existing contract was awarded as being able to provide the goods and services; and

(iii) no other suppliers have been identified since the award of the contract as being able to provide the goods and services;

(C) authority be delegated to the Chief Executive Officer to vary the contract with IAS Fine Art Logistics Pty Ltd; and

(D) Council note the revised contract sum as set out in the 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 Kok, seconded by the Chair (the Lord Mayor), and carried unanimously.)

X094712

Item 15

Exemption from Tender - Copyright Agency Ltd Licence Agreement

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 City's copyright licence agreement;

(B) Council note that a satisfactory result would not be achieved by inviting tenders for this work because the Copyright Agency Ltd is the only Australian provider of copyright licences to organisations on behalf of their members for use of their work; and

(C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the renewal of the copyright licence agreement for a term of 5 years.

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

X113821

Item 16

Exemption from Tender - IT Licence, Subscription, Maintenance and Support Contracts

It is resolved that:

(A) Council approve an exemption from tender i in accordance with section 55(3)(i) of the Local Government Act 1993 for the provision of the maintenance, support, subscription and licencing of the software applications, platforms and hardware appliances upon the expiry of the current agreements for the respective extension period along with the optional extension, if appropriate, as listed in Confidential Attachment A to the subject report, noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;

(B) Council note the reasons why a satisfactory outcome would not be achieved by inviting tenders differ for each application, platform or appliance and include:

   (i) high costs and/or extensive business disruption associated with a transition to a new provider;

   (ii) upgrades or changes to service requirements are planned to be implemented within the next 5 years; and

   (iii) cost to take the arrangement to market would be disproportionate to the potential value of change;

(C) Council note that the detailed reasons as to why a satisfactory result will not be achieved by inviting tenders are outlined further in Confidential Attachment A to the subject report;

(D) Council enter into the subscription, licencing, maintenance and support agreements for the relevant products or with the relevant suppliers upon the expiry of the current agreements for the respective extension period along with the optional extension, if appropriate, as listed in Confidential Attachment A to the subject report;

(E) Council note the value for each product or supplier for the extension period and optional extension is noted in Confidential Attachment A to the subject report; and

(F) authority be delegated to the Chief Executive Officer to finalise, execute and administer (including exercising options, if appropriate) the subscription, licencing, maintenance and support agreements for the relevant products or with the relevant suppliers as listed 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 Kok, seconded by the Chair (the Lord Mayor), and carried unanimously.)

S064539