



Report to General Manager

Attachments:
Nil

SUBJECT: Property Management Services Contract – Tender No. 9/2019

AUTHOR: Risha Joseph, Property Officer

ENDORSED BY: Duncan Mitchell, Director Engineering and Property Services

EXECUTIVE SUMMARY:

Tenders were called and were received until 4.00 pm on 14 November 2018 for the submission of tenders to undertake the Property Management Services Contract, Tender No. 9/2019.

In order for Councillors to discuss the content of this Commercial in Confidence report it will be necessary to close the Council meeting to the public.

FINANCIAL IMPLICATIONS:

The current Property Management Services contract that Council has is due to expire on 28 February 2019. Council would like to commence the new contract by 1 March 2019.

Funding for this contract will be provided under the existing Property budget allocation for 2018/19 and 2019/20.

Comment by Responsible Accounting Officer:

Funding for the project is appropriate.

RECOMMENDATION:

- 1. THAT** Council rejects all of the submitted tenders for the Property Management Services Contract, Tender No. 9/2019.
 - 2. THAT** in accordance with Clause 178(3) of the NSW Local Government (Regulations) 2005 part 7 Tendering, Council resolves to enter into direct negotiation with the two highest ranked tenderers for the Property Management Services Contract, Tender No. 9/2019.
 - 3. THAT** Council not call for fresh tenders to be submitted because it considers negotiation with the two highest ranked initial tenderers promotes the competitive principles of tendering and will enable Council to achieve better value for money and better service levels.
 - 4. THAT** authority be delegated to the General Manager or delegate to negotiate with the two highest ranked tenderers and enter into a contract for Councils Property Management Services.
 - 5. THAT** once the direct negotiations are finalised, information relating to the successful service provider be published in Council's Register of Contracts as required by *Government Information (Public Access) Act 2009 - Part 3 Division 5* - Government Contracts with Private Sector.
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LINK TO COMMUNITY STRATEGIC PLAN

Direction: 2. Our Built Infrastructure

Outcome: 2.1 Infrastructure and assets meet community needs

BACKGROUND

The existing Property Management Services Contract is currently with Colliers International (NSW) Pty Ltd and will expire on 28 February 2019. Tenders were called in order to have another contract in place effective from 1 March 2019.

North Sydney Council's property portfolio is large and varied and currently comprises 356 individual leases across a range of properties. In addition, Council also promotes and manages a large network of Outdoor Dining licences which enables local restaurants and cafes to expand their business operations onto Councils footpaths in a simple, safe and cost effective way.

In 2017/18 Council's Property Portfolio brought in total revenue to Council of \$7,399,427. This is a significant increase from 2012/13 when the portfolios total revenue to Council was \$5,564,366.

Table 1. North Sydney Councils current lease and licence portfolio.

Leases Types	Number of Leases
Commercial	82
Community Centres	21
Community Housing	32
Licences	4
Public Land	4
Recreational	7
Residential	12
Roads	13
Outdoor Dining Licenses	181
Total	356

To effectively manage this large and varied property portfolio, Council engages Property Consultants. The existing Property Management Services Contract was awarded to the current Consultant, Colliers International (NSW) Pty Ltd in 2013, who completed a 2-year contract, followed by 2 x 2 years' renewal options.

The services provided under the contract include:

- Lease negotiation and management.
- Manage and advise Council on service contracts.
- Call tenders for building works when necessary.
- Invoicing and collection of lease rentals on behalf of Council.
- Review of lease rentals (Market rent reviews).

- Arrange general maintenance and repairs and authorise payment of invoices on behalf of Council.
- Liaise with architects, consulting engineers and other professional consultants as necessary.
- Arrange testing and inspection of properties including fire services and exit emergency lights and associated systems.
- Provide cost estimates for building upgrades and maintenance.
- Provide collection accounting and reporting services for Councils Property and Finance Departments.
- Liaise with Council's solicitors as required.
- Collection of arrear rentals.
- Attend to and pay all operating expenses.
- Maintain proper accounts and records.
- Prepare monthly, quarterly and annual reports.
- Prepare annual Fair Value Report on request by Council.
- Prepare quarterly and annual budget reports including income and expenditure results.
- Ensure CPI and rental increases are applied.
- Maintain an up-to-date Portfolio Calendar, Vacancy Schedule, Public Liability Schedule and lease renewal schedule.
- Oversee the management of Councils Outdoor Dining licences and collection of licence fees.
- Prepare Property Valuations as requested.

SUSTAINABILITY STATEMENT

The sustainability implications are of a minor nature and did not warrant a detailed assessment.

TENDERS RECEIVED

The methodology adopted to undertake the tender evaluation of Tender No. 9/2019 was based on selection criteria outlined in the tender documents and in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005.

Tenders were called and closed at 4.00 pm on 14 November 2018. Six (6) tenders were received by the appointed time. Listed in **strict alphabetical order**, the tenderers were:

Tenderer
CI Australia
Colliers International (NSW) Pty Ltd
Hybrid Property Group
Preston Rowe Paterson (Pty) Ltd
Pure Property Management Australia Pty Ltd
Richard Willis (Real Estate) Pty Ltd

Information provided by tenderers which is commercial-in-confidence has been protected and will not be disclosed in accordance with section 10A(2)(d) of the *Local Government Act 1993*.

A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer.

Application for access to documentation should be through lodgement of a GIPA Public Information application form and payment of prescribed fees.

Project Program

Anticipated Start: 1 March 2019

Anticipated Completion: 28 February 2021

Responsible Officer: Albert Lo, Property Assets Manager