



Ordinary Meeting of Council

SUPPLEMENTARY

AGENDA

24 February 2021

Commencing at 5.30pm

Queanbeyan Council Chambers

ITEMS 9.11 AND 9.12

On-site Inspections - Nil

SUPPLEMENTARY REPORTS

9.11 Loan Program 2020/21	3
9.12 Report on Request for Tender of Queanbeyan Civic and Cultural Precinct	11

LIST OF ATTACHMENTS –

(Copies available from General Manager's Office on request)

Open Attachments

Nil

Closed Attachments

Item 9.11	Loan Program 2020/21	
	<i>Attachment 1</i>	<i>Loan offers and indicative interest rates (Under Separate Cover)</i>
Item 9.12	Report on Request for Tender of Queanbeyan Civic and Cultural Precinct	
	<i>Attachment 1</i>	<i>Tender Evaluation Report for C2020-31 - Design Finalisation and Construction of Queanbeyan Civic and Cultural Precinct (Under Separate Cover)</i>

9.11 Loan Program 2020/21 (Ref: ; Author: Knight/Monaghan)

File Reference: 43.1.1-09

Summary

In line with the adopted Operational Plan, Council requires loans to be drawn to finance capital projects in the current and next financial years.

Council resolved to submit loan applications based on the estimated capital outlay requirements for 2020/21 for \$36,645,000, including \$19,752,000 for the first year construction costs of QCCP, and \$16,893,000 for the capital projects detailed in Council's operational plan. Council further approved loan applications for \$53,172,000 for the QCCP over the next 2 financial years.

TCorp has approved Council's loan application and Council has now received the letter of offer, Council has also received indicative borrowing rates from four commercial banks. This report provides a risk analysis of the financing strategy with a review of the financing options available.

Recommendation

That Council:

1. **Note that financing has been offered for the full \$72.924 required for QCCP from TCorp and commercial lenders.**
 2. **Accept the financing offer from NSW Treasury Corporation and authorise the Mayor and CEO to enter a loan agreement for a total of \$69,250,000 that includes:**
 - i) **\$19,752,000 2020/21 drawdown for QCCP**
 - ii) **\$32,605,000 2021/22 – 2022/23 drawdown for QCCP**
 - iii) **\$10,000,000 2020/21 drawdown for Regional Sports Complex**
 - iv) **\$6,893,000 2020/21 drawdown for remaining projects with loan financing in accordance with the report.**
 3. **Note the indicative TCorp interest rate of 2.32% as at February 2021, and note that the fixed interest rate will be set at the time of the loan drawdowns.**
 4. **Once council enters a construction contract for QCCP, review the project cashflow forecast and draw loan funds in 2020/21 to match current year project costs.**
 5. **Review the cashflow forecast for the Regional Sports Complex and the remaining projects as the projects progress in the coming months, and draw loan funds in 2020/21 to match current year expected project costs.**
 6. **Note that the drawdown amount may be lower than the TCorp approval for 2020/21, and authorise the CEO to apply to TCorp for financing to be held over to the next financial year, to match project requirements.**
 7. **Seek further competitive quotes from commercial lenders for the 2021-22 QCCP project cost, to ensure best value for money is obtained.**
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9.11 Loan Program 2020/21 (Ref: ; Author: Knight/Monaghan) (Continued)

Background

Council has adopted a financial strategy which takes advantage of the current low interest rate and high capital grant environment, to invest in new community infrastructure and capital renewal. In accordance with the resolution of Council, staff submitted loan applications to TCorp and commercial lenders for the capital projects summarised in the following table.

The total repayment amount (P&I) was calculated based on assumed interest rates at the time the report was written in October 2020.

Table 1: Loan Applications submitted to TCorp

Project	Capex	New Loans	Includes 2020-21 Loans	Asset sale	Capital Grants / Contributions	P&I per annum
Efficient street lighting upgrades	3,432	3,300	3,300	-	-	203
Regional Sports Complex - Stage 1	25,048	15,000	10,000	-	10,000	932
Queanbeyan Civic & Cultural Precinct	74,847	72,924	19,752	6,956	1,923	4,287
Carpark off Ellendon St	1,747	1,023	1,023	597	60	63
Carpark Wallace St	853	820	820	-	-	51
Braidwood Office smart hub/cultural space	3,340	250	250	-	3,000	15
Upgrade Bicentennial Hall - RCF Stage 1 & 2	3,259	500	500	-	1,549	31
Memorial Park Development	7,540	4,000	1,000	-	-	251
	289,728	173,267	36,645			10,595

TCorp have approved financing of \$52,357 for the QCCP, being the value of the community elements of the project, and commercial lenders have approved financing for the commercial elements.

Indicative interest rates were requested covering different loan terms and drawdown dates, based on the financing requirements for QCCP. TCorp offers a standard loan term of 20 years, on a fixed interest rate. Three of the banks offered loan terms of 25 and 30 years, and 2 of the banks offered fixed interest rates for forward drawdown rates. The confidential attachment summarises the loan offers received.

All of the interest rates were quoted on the same day; 15 February, to provide a fair comparison. It is noted that the current drawdown rates will change over time if funds are not immediately drawn down, however the forward interest rates are available to lock in with a forward loan contact.

Three of the commercial lenders have offered lending terms of up to 30 years, with competitive interest rates. The longer term is recommended for the commercial proportion of the loan, to match repayments across the longer term life of the building asset.

Two of the commercial lenders have offered progressive drawdown rates, with fixed interest rates to provide certainty over borrowing costs for future loans.

9.11 Loan Program 2020/21 (Ref: ; Author: Knight/Monaghan) (Continued)

TCorp is different from commercial lenders because it offers flexible drawdown to Council, allowing Council to make the loan agreement, with drawdown to occur at the time the funds are required, in each financial year. TCorp has no line fees or penalties, and fixes the interest rate at the date of the funds drawdown. TCorp also stipulates additional conditions on Council:

1. TCorp loans are only available for community infrastructure, and specifically prohibited for use for commercial activities, such as the leased floors of QCCP.
2. TCorp puts additional conditions on Council's investment portfolio, restricting the investment options available to Council, and Council has previously adjusted its investment policy to meet the conditions.
3. TCorp have specified additional conditions for lending for QCCP and the Regional Sports Complex:

Queanbeyan Civic and Cultural Precinct

- If the first Advance includes funds for the development and construction of the Queanbeyan Civic and Cultural Precinct (the QCCP Project), Council must provide confirmation that the QCCP Project is fully funded, and be able to demonstrate this by providing evidence of funding sources.
- Council must provide TCorp with monthly progress reports throughout every phase of the QCCP Project. The report will be in a format acceptable to TCorp and will provide confirmation of the project's progress against budget and timetable, and the expected cost and time to complete the QCCP Project;
- Council must provide TCorp with all material contracts relating to the QCCP Project when available (including the Project Development Agreement and fixed price Design and Construction Contract) or any other contracts relating to the QCCP Project, as requested by TCorp; and
- Council must promptly notify TCorp in writing upon becoming aware that the actual QCCP Project costs increase by greater than 10% of the Projected Project Cost

Queanbeyan Regional Sports Complex Stage 1

- Council must provide TCorp with quarterly progress reports throughout every phase of the construction of the Queanbeyan Regional Sports Complex. The report will be in a format acceptable to TCorp and will provide confirmation of the project's progress against budget and timetable, and the expected cost and time to complete the project; and
- Council must promptly notify TCorp in writing upon coming aware that the actual project costs increase by greater than 10% of the Projected Project Cost.

Implications***Legal***

NSW councils can borrow funds under section 621 of the Local Government Act 1993. The intention to borrow must be outlined in the council's Operational Plan.

Councils must also apply to the NSW Office of Local Government (OLG), returning an annual loan borrowing request issued in May each year. If, during the year, Council is required to

9.11 Loan Program 2020/21 (Ref: ; Author: Knight/Monaghan) (Continued)

increase its proposed borrowings or change the purpose of the initial request, a council resolution must be passed prior to drawing down any funds. If there is an increase, Council must also notify the Office of Local Government by re-submitting the electronic loan borrowing request form including the updated amounts.

Council submitted its loan borrowing return for 2020-21, with maximum borrowings of \$88,444,000, for 8 capital projects; making allowance for the upfront drawdown of QCCP financing.

Of the 8 projects, 2 require Capital Expenditure Reviews to be completed and approved by the OLG – the QCCP and the Regional Sports Complex. The Reviews allow the OLG to ensure that Council's investment decisions in major projects includes consistent and rigorous evaluation of the capital expenditure, including the merits of project and resource allocation. The Review for the QCCP has been approved.

The Review for the Regional Sports Complex is currently still in progress and TCorp financing of the Regional Sports Complex is dependent on the approval by the OLG.

Economic

The recovery of the Australian economy is dependent on the timing of the successful vaccination of the Australian population. As soon as mass vaccination levels are reached both locally and globally, business investment that was paused for 12 months is expected to boom. 20 year swap rates have been gradually, steadily increasing since November 20, showing optimism at the longer end of the interest rate curve.

Figure 1: 20 year BBSW 1.41 @ 30 November

Rates
BBSW As At Monday, 30 November 2020

1 Month	2 Month	3 Month	4 Month	5 Month	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year	15 Year	20 Year	30 Year
0.02	0.02	0.02	0.02	0.02	0.024	0.0305	0.077	0.134	0.236	0.3363	0.5675	0.89125	1.24875	1.4085	1.49

Figure 2: 20 year BBSW 1.90 @ 15 February

Rates
BBSW As At Monday, 15 February 2021

1 Month	2 Month	3 Month	4 Month	5 Month	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year	15 Year	20 Year	30 Year
0.0053	0.01	0.01	0.0193	0.02	0.02	0.02875	0.0685	0.1462	0.3335	0.53	0.9175	1.34625	1.7375	1.89625	1.9478

At its February meeting, the Reserve Bank Board (RBA) decided to maintain the targets of 10 basis points for the cash rate and the yield on 3-year Australian Government bonds, as well as the parameters of the Term Funding Facility – which continues to provide guaranteed bank lending until June 2021. The RBA remains committed to do what it can to support the economy through the recovery, by maintaining highly supportive monetary conditions until its goals are achieved, which is still some way off. In light of the outlook and the international context, the RBA decided to purchase an additional \$100 billion of bonds issued by the Australian Government and states and territories when the current bond purchase program is completed in mid April. These additional purchases will be at the current rate of \$5 billion a week.

9.11 Loan Program 2020/21 (Ref: ; Author: Knight/Monaghan) (Continued)

The RBA will not increase the cash rate until actual inflation is sustainably within 2% - 3% target range. For this to occur, wages growth will have to be materially higher than it is currently. This will require significant gains in employment and a return to a tight labour market. The Board does not expect these conditions to be met until 2024 at the earliest.

Financial**2020/21 Loan Program**

The proposed borrowings for 2020/21 are included in the adopted Operational Plan. The amounts in the table below are the estimated cost of interest for the life of the 2020/21 loan amount of \$36.6m calculated at 2.32% for a 20-year term.

Program Code	Expense Type	Funding source	Amount	Loan Period
31.4.8 Traffic / Safety (street lighting)	Interest	Energy Savings	\$834,000	20 years
4.3 Sports Fields	Interest	Sports Centre Fees	\$2,527,000	20 years
31.5 Parking	Interest	General Revenues	\$465,000	20 years
2.9 Customer	Interest	General Revenues	\$63,000	20 years
1.3 Community Gathering	Interest	General Revenues	\$126,000	20 years
12.2 Cemetery	Interest	Cemetery Fees	\$253,000	20 years
35.1 Buildings	Interest	General Revenues	\$4,991,000	20 years

Financing Risks

A comprehensive financing risk analysis has been provided to the May and October 2020 Council meetings, the following commentary provides an update based on current market assumptions.

Availability Risk

Availability Risk is the risk that Council might be unable to secure financing, resulting in the project being prevented or delayed until a solution was found. Consequentially, any project delay would lead to construction cost escalation, and risk the sunk costs that have already been invested.

Council's application to TCorp has been successful, securing the availability of finance for the non-commercial components. The interest rate will be determined at each annual drawdown date.

9.11 Loan Program 2020/21 (Ref: ; Author: Knight/Monaghan) (Continued)

All four of the major banks have offered financing to Council. Even if Council chooses to defer a commercial loan agreement until a future year, availability risk is considered low since current market conditions favour borrowers, with substantial liquidity in the sector due to RBA and Government stimulus.

In addition to the current financing requirements, Council has future borrowing strategies with \$75.5 million borrowings in the long term financial plan for future capital project requirements, and needs to be mindful of availability risk for its future borrowing requirements. If Council chooses to accept TCorp funding, it will be one of TCorp's largest borrowers, potentially affecting their future lending approval.

Staff have discussed this with the Head of LG Services and Senior Manager at TCorp, who have informally advised that TCorp sees itself as a long term partner to Council and would like to support Council with future project financing, in particular for the STP, which they consider to be their core business.

Interest Rate Risk

Interest rate risk is that interest rates may increase until a fixed rate is contracted with a lender (or may decrease after the loan is fixed.)

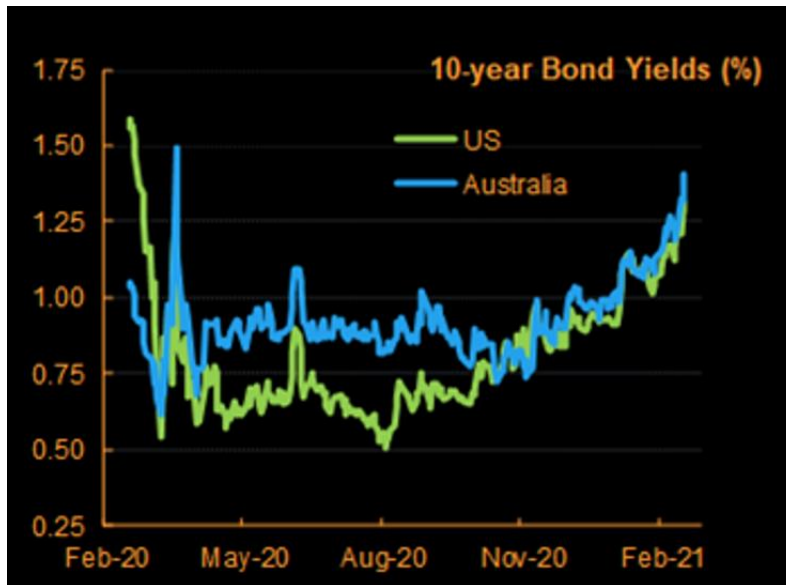
In the current economic environment, rates are expected to remain at low levels for at least 3 years. Whilst there is always a risk of upwards rate movement over the three-year borrowing period before council fixes its loans, based on the RBA outlook, large movements are considered unlikely.

Two lenders have offered progressive drawdown to Council, allowing Council to fix future year drawdown rates. The offer is attractive because it provides certainty over future rates, however also costs more than the current lowest rate available for the first year drawdown; and, has the potential to cost Council further interest if interest rates fall in future years. Council would only take up a future year rate if it took a position on interest rate movements over the next 2 years.

There is also short term interest rate risk, with large interest rate movement occurring sometimes over night.

The below graph shows the change in 10 year bond yields over the last 12 months, which have been rising steadily since November 2020.

Once a loan drawdown is approved, Council will work closely with TCorp to time a loan drawdown to secure the best available rate, however, this is also dependent on confirmation of the tender contract and revised estimates of project cashflow requirements for the QCCP, and the smaller projects.



Risk of Breaking Fixed Rate Loan

Once Council enters a contract for a fixed rate loan with a forward rate with a lender, it will be obliged to complete the contract and draw the funds at the agreed rate, for the agreed term, or face significant loan break fees. Therefore, Council will need to have a high degree of confidence in the cost and timing of construction, and the required amount of finance, before locking in a fixed rate.

Conclusion

Council cannot predict the best timing for loan drawdown with any certainty, to secure the best interest rate. We know that there is optimism in the global economy, but that it will take time to correct the damage that has been done over the past 12 months.

Council has received several loan borrowing options, with the lowest current interest rate offered by TCorp. Council is required to borrow at least \$20.567 million from a bank for the commercial elements of QCCP, and this funding can be drawn down in the second or third borrowing tranche.

Additionally, 2 banks have offered options at higher rates, but with the option to fix the forward drawdown amounts, that would provide some certainty over future year drawdowns.

Overall, economic conditions and historically low interest rates support Council's strategy as a borrower, and rates are expected to remain at low levels over the next 3 years. Council should only commit to borrowing when the construction tender agreed, and at that time should secure the lowest rate available from TCorp for the current year project costs.

Attachments

- Attachment 1 Loan offers and indicative interest rates (*Under Separate Cover*) -
CONFIDENTIAL

9.12 Report on Request for Tender of Queanbeyan Civic and Cultural Precinct
(Author: Tooth/Damo)

File Reference: ECM 100265-31-07

Summary

The Queanbeyan Civic and Cultural Precinct (QCCP) has been developed to be a transformational trigger for the rejuvenation of the Queanbeyan Central Business District.

The Business Case for the QCCP was prepared in 2019. It proposed that the new administration building for QPRC also contain the Queanbeyan Library along with three levels of office space for tenants.

Following acceptance of the Business Case, detailed design has progressed to a stage where it is ready to be finalised. In 2020 QPRC began the procurement process to select a contractor to deliver the project. Expressions of interest were sought from suitably qualified contractors. Six suitably qualified firms were selected to provide a tender for the design finalisation and construction of the QCCP.

This report to Council, and the attached Tender Evaluation Report for Contract 2020-31, describes the recommendation for the tender.

Recommendation

That in relation to Request for Tender C2020-31 for the Design Finalisation and Construction of the Queanbeyan Civic and Cultural Precinct:

- 1. Council decline to accept any of the tenders in accordance with Clause 178(1)(a) of the *Regulation*, as tenders are not advantageous to Council, having regard to all the circumstances.**
 - 2. Council enter into negotiations with Tenderer 1 as the highest scoring tenderer in accordance with Clause 178(3)(3) of the *Regulation*.**
 - 3. Should negotiations not achieve a favourable outcome with Tenderer 1, Council enter into negotiations with Tenderer 5 as the second highest scoring tender in accordance with Clause 178(3)(3) of the *Regulation*.**
 - 4. Council delegate to the Planning and Strategy Meeting of the Whole the authority to award the contract for the Design Finalisation and Construction of the Queanbeyan Civic and Cultural Precinct.**
-

Background

The project includes the construction of two towers with connections to the existing Bicentennial Hall building and improved access to The Q Theatre. More specifically, it involves the construction of approximately 10,000m² of commercial and public buildings on the site of the former Council administration building at 257 Crawford Street Queanbeyan. This includes approximately 6,500m² of public space, 1,450m² of community areas, 2,050m² of commercial space, approximately 4,000m² of Council administration and library spaces, and basement car parking. The project is targeting 5 Star Green Star and 5 Star NABERS certification.

Amendments to the public domain were presented to Council at a workshop on 10 February 2021, along with options to reduce the size of the basement. The workshop supported the

**9.12 Report on Request for Tender of Queanbeyan Civic and Cultural Precinct
(Author: Tooth/Damo) (Continued)**

option to reduce the area of the public domain and maintain the capacity of the basement car park. These amendments will be included in an amendment to the approved Development Application for the project.

The select Request for Tender was issued on 12 November 2020 for the Design Finalisation and Construction of the Queanbeyan Civic and Cultural Precinct Project (Project). Tenders closed on 23 December 2020.

Five tenders were received by the closing time. The attached Tender Evaluation Report provides details of all the submissions received and scores associated with each tender.

Implications***Legal***

Tenders were called and assessed in accordance with the requirements of Section 55 of the Local Government Act 1993 and Part 7 Local Government (General) Regulation 2005.

Policy

Tenders have been called in accordance with QPRC Procurement Policy.

Sustainability

The QCCP project will comply with Council's Sustainable Design Strategy for Council Buildings which requires Council infrastructure with a cost of over \$2 million to achieve a minimum 5 star sustainability rating. The design brief includes meeting a minimum NABERS 4 star rating for office buildings to meet the requirement of NSW government tenancies.

Asset

The redevelopment of the old administration building is substantially a renewal of an existing asset, upgraded to accommodate additional council and agency staff, incorporating relevant sustainability elements. Further to the scope published in 2017, the project has added:

- agency and commercial office levels and smart hub
- library
- basement carparking
- new public domain
- integration with the Bicentennial and the Q

The Property Council of Australia (PCA) A-grade standard will be targeted for the building, with the exception of a number of high cost items which are considered to only provide marginal improvements to the functionality of the building, such as a second chiller and distributed antenna system for in-building mobile phone coverage.

Social / Cultural

The delivery of the project will provide improved connectivity between the old chambers, the Q Theatre and Bicentennial Hall which will increase the functionality of the conference, community and cultural spaces. The extensive public domain and forecourt will provide a beautifully designed space for both civic and less formal social events.

Economic

Economic benefits of the project are described in the project Business Case October 2019.

**9.12 Report on Request for Tender of Queanbeyan Civic and Cultural Precinct
(Author: Tooth/Damo) (Continued)**

Strategic

A Development Application for the project was submitted to Council in December 2019. Council has referred the application to the Southern Regional Planning Panel (SRPP) for determination in accordance with State Environmental Planning Policy (State and Regional Development) 2011. Schedule 7 of this Policy categorises the development as a regionally significant development as it has a capital investment of more than \$5 million and Council is the applicant; the owner of the land on which the development is to be carried out; and the development is to be carried out by Council – consequently the assessment and determination are to undertaken independently of Council.

The Development Application was received, reviewed and deferred by SRPP pending receipt of further information from Council. A supplementary submission responding to the request for further information was provided to SRPP.

Approval for the Development Application was given by the Southern Regional Planning Panel was given on 27 November 2020.

There are a number of changes to the design at basement, ground and mezzanine levels that require an amendment to the approved Development Application. Documentation is being prepared to submit a Section 4.55 Modification Application (of the Environmental Planning and Assessment Act 1979). These include the most recent changes to the basement, public domain and surface car parking presented to Council on 10 February 2021.

The progress of this development is instrumental in implementing the ambitions of the QCBD Transformation Strategy and Masterplan.

Engagement

Council placed the QCCP concept design and detailed Business Case on public exhibition between 28 October and 29 November 2019. During this period, a number of engagement activities were undertaken to promote the project. These were more fully described in the report on community and staff consultation in the QCCP Business Case presented to Council at the December 2019 Council meeting.

As part of the QCCP project team, a Change Manager has been engaged to assist staff to transition from their multiple and varied workplaces to a new workplace environment. The Change Management team has prepared a strategy for engagement with staff and the community which will be endorsed by Council's Executive prior to implementation.

A series of community information session for the Monaro Street Upgrade Project are planned at which Council will also provide updates on the QCCP Project.

Financial

The project is included in the Long Term Financial Plan 2018-28 where it is noted Council resolved in 2018 that the cost of servicing debt for the new head office in Queanbeyan occupied by Council staff would be met by merger, building costs savings and service review savings. Estimates for QCCP include on-costs, professional fees and contingency. The Contingency held within the budget will vary depending on the scope of the public domain adopted by Council.

The Business Case for the project outlined the funding for the project. This included \$1.9m from grant funding, \$50.1m from borrowings and \$20.5m from property sales and related development proceeds.

9.12 Report on Request for Tender of Queanbeyan Civic and Cultural Precinct (Author: Tooth/Damo) (Continued)

The property sales component is now reduced to \$6.956m as the Government will be a tenant rather than purchasing a stratum in the development, and borrowings increase accordingly. Grants will be sourced to fit out the library and offset the cultural spaces integration. If that does not materialise in full, reserves (from property sales) would be raised for the balance.

Council's Long Term Financial Plan (LTFP) has been modelled on the basis of the full loan amount being repaid over 20 years, rather than the initial proposal to make early repayments once property sales are realised. Accordingly, debt for QCCP increases to \$72.924 million, P&I debt servicing increases to \$4.5 million per annum, and lease revenues offset that increase by \$550,000 (estimate allowed for State Government rental). No amount has been borrowed for capital costs incurred to June 2020.

As referenced above, the NSW Government has announced it will establish the southern headquarters of Department of Regional NSW in the new QCCP building, taking up a tenancy to accommodate up to 100 staff comprising ~ 1650m² GFA and approximately 20 car spaces.

Commercial terms and preparation of an agreement to lease is underway. The lease will contribute to servicing of the additional debt, designed to deliver cash-positive returns from year 10 (i.e. rent > P&I) for that proportional share of the debt.

The table below summarises funding sources for the \$74.847m project, inclusive of professional fees and contingencies.

Program Code	Expense Type	Funding source	Amount
	Capital	Debt	72.924
		Grant (culture/library)	1.923

Resources (including staff)

Internal staff resources will be required for the duration of the project to provide owner and occupant inputs to the detail design along with staff and community engagement.

The level of staff input to review the detail design as it progresses will be significant to maintain the project program. A change management process is in place to transition staff from 11 buildings in the CBD, into QCCP.

The Project Management Plan will further detail the level of staff involvement in the project. While APP were engaged to manage the project, oversight will continue with the Project Management Committee (executive and project support office).

Integrated Plan

The project business case outlines how the benefits generated by the project assist in meeting the objectives of Community Strategic Plan 2018-28.

QPRC Delivery Program 2018-21: Council will undertake the design, planning approvals and construction tender during 2019-20, with construction expected to commence in 2020-21.

QPRC Operational Plan 2019-20 provides for the head office project as part of the QCBD Transformation as per below.

9.12 Report on Request for Tender of Queanbeyan Civic and Cultural Precinct (Author: Tooth/Damo) (Continued)

Queanbeyan CBD Transformation	Estimated Cost \$,000	2018-19 \$,000	2019-20 \$,000	2020-21 \$,000
The Queanbeyan CBD Transformation Strategy draws on previous work undertaken by Council, including the CBD Master Plan. It aims to increase the number of residents and workers in the CBD to increase patronage into the retail and lifestyle precincts. To build confidence in business to invest in the CBD, Council is proposing to initially bring all of its Queanbeyan office-based staff to a single building to enable the other 11 buildings and cottages to be vacated and redeveloped into a mix of residential, commercial and aged care developments by the private sector.	65,947	3,022	12,665	50,260
Improving the amenity and safety of the CBD involves centralising carparking into undercover decked carparks in Morisset and Crawford Sts, and converting part of the Rutledge, Lowe and Morisset carparks into public domain to act as green pedestrian corridors between the Queanbeyan parks and the River.		Asset sales Reserves Grants and contributions	Assets sales Loans	Loans
Individual projects include: Rutledge walkway, Smart City, Queanbeyan Head Office and Smart Hub, Civic plaza, Lowe St pedestrian corridor, Morisset St improvements and more.				

The Resourcing Strategy 2017-21 includes the action to provide a contemporary workplace. This project achieves this strategy by providing a new workplace at 5 star green star and PCA A grade facility.

The Operational Plan should be updated to reflect the tenancy rather than strata sale for the Government occupancy.

Conclusion

The Tender Evaluation Report details the submissions received from five tenderers and includes the scores and ranks of each submission. The Report evaluates the submissions against numerous criteria, both technical and price, and concludes that Tenderer 1 is best placed to carry out the scope of work included in Contract C2020-31. Tenderer 1 has proposed amendments to both the General and Special Conditions of Contract. The proposed conditions cannot be counter-offered by Council without subsequent negotiations.

The Report recommends that Council decline to accept any of the tenders in accordance with Clause 178(1)(a) of the Regulation and Council enter into negotiations to agree on the proposed amendments to the General and Special Conditions of Contract.

If Council and Tenderer 1 cannot reach agreement on the amendments proposed, the report recommends that Council enter negotiations with Tenderer 5 noting they have scored the second highest in the evaluation of tenders.

This process will provide the best value of money outcome for Council and maintain compliance with Regulations.

Attachments

- Attachment 1 Tender Evaluation Report for C2020-31 - Design Finalisation and Construction of Queanbeyan Civic and Cultural Precinct (*Under Separate Cover*) - **CONFIDENTIAL**