



# Corporate & Works Committee

**Agenda:** *Corporate & Works Committee*

**Date:** *Monday 19 November 2007*

**Time:** *6.00pm*

## **Outline of Meeting Protocol & Procedure:**

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

## **Delegated Authority (“D” Items):**

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
- Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Quarterly review of Council's Management Plan.
- Finance Regulations, including:-
  - Authorisation of expenditures within budgetary provisions where not delegated;
  - Quarterly review of Budget Review Statements;
  - Quarterly and other reports on Works and Services provision; and
  - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Traffic Management - Works Implementation.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of Minutes of its Meeting.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed below.

## **Recommendation only to the Full Council (“R” Items):**

- Such matters as are specified in Section 377 and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
  - Statutory Reporting; - Delegations.
  - Adoption of Council's Management Plans; - Policies.
  - Quality Service/Communications; - Tenders as per Regulation requirements.
  - Leases.
  - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes

**Committee Membership:**

7 Councillors

**Quorum:**

The quorum for a Committee meeting is 4 Councillors.

# WOOLLAHRA MUNICIPAL COUNCIL

## Notice of Meeting

15 November 2007

To: His Worship The Mayor, Councillor Rundle, ex-officio  
Councillors      Andrew Petrie                      (Chair)  
                         Anthony Boskovitz  
                         John Comino                      (Deputy Chair)  
                         Claudia Cullen  
                         Marcus Ehrlich  
                         Fiona Sinclair King  
                         John Walker

Dear Councillors

### **Corporate & Works Committee Meeting – 15 November 2007**

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 19 November 2007 at 6.00pm.**

Gary James  
General Manager

# **Additional Information Relating to Committee Matters**

**Site Inspection**

**Other Matters**

## Meeting Agenda

<b>Item</b>	<b>Subject</b>	<b>Pages</b>
1	Leave of Absence and Apologies	
2	Late Correspondence	
3	Declarations of Interest	

### **Items to be Decided by this Committee using its Delegated Authority**

D1	Confirmation of Minutes of Meeting held on 5 November 2007	1
D2	Monthly Financial Report – October 2007	2
D3	279 Edgecliff Road, Woollahra – Road Reserve Encroachment – 148.279	12

### **Items to be Submitted to the Council for Decision with Recommendations from this Committee**

R1	Section 94 contributions Plan – Provision of Car Parking in Double Bay Commercial Centre – 136.G	20
R2	Tender for Three Rear Loading Compactors – Tender 07/17	56
R3	Drumalbyn Road, Bellevue Hill – Road Reconstruction – Tender No. 07/15	69
R4	Palmerston Street, Vaucluse – Road Reconstruction – Tender No. 07/16	74

**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of minutes of meeting held on 5 November 2007**  
**Author:** Les Windle, Manager – Governance  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 5 November 2007 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

**Recommendation:**

That the Minutes of the Corporate and Works Committee Meeting of 5 November 2007 be taken as read and confirmed.

Les Windle  
Manager - Governance

**Item No:** D2 Delegated to Committee  
**Subject:** **Monthly Financial Report - October 2007**  
**Author:** Tracey Walker, Financial Accountant  
Michelle Phair, Team Leader Financial Services  
**File No:** 987G  
**Reason for Report:** To present the monthly financial report for October 2007

**Recommendation:**

A. THAT the monthly financial report for October 2007 be received and noted.

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**Background:**

The monthly financial report for September 2007 is submitted to the Committee for consideration.

The monthly report includes the following:-

- Summary of Investments
- Summary of Receipts, Payments and Bank Balance

**Summary of Investments:**

The investment portfolio returns for the month of October 2007 were mixed. Oakvale returned 0.59% and Grange -1.57%. Portfolio returns calculated by Council since the portfolio's inception were -1.11% Grange and 4.50% for Oakvale.

Monthly reports from Oakvale and Grange are attached as **ANNEXURES 1 & 2** respectively.

Michelle Phair  
Team Leader Financial Services

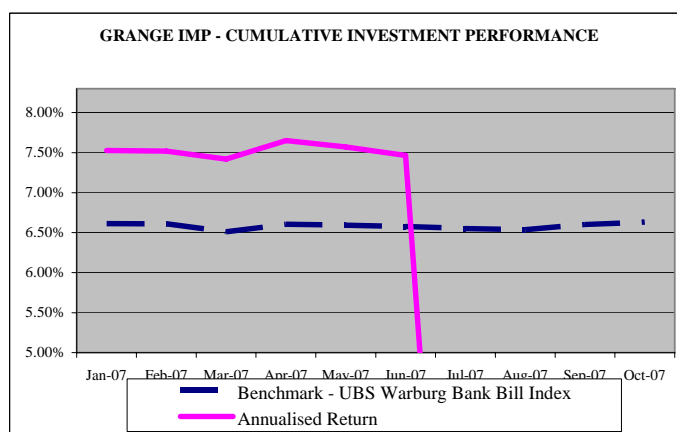
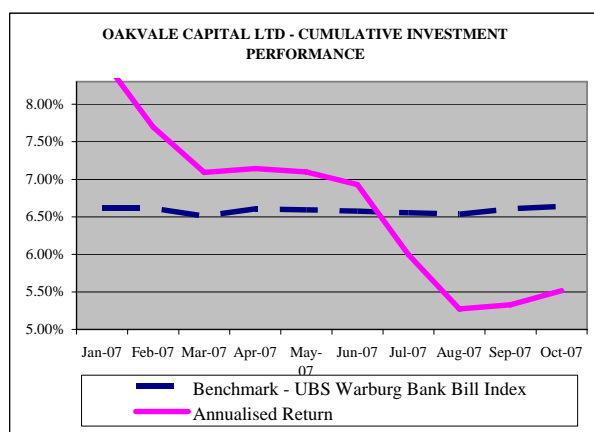
Tracey Walker  
Financial Accountant

Don Johnston  
Manager Finance

**INVESTMENTS AS AT 31 OCTOBER 2007**

CATEGORY	PURCHASE DATE	MATURITY DATE	DAYS	%	FACE VALUE \$	TOTAL \$
<b><u>1. WMC INVESTMENTS</u></b>						
<b><u>ANZ BANK LIMITED</u></b>						
BANK BILL	26/09/2007	26/11/2007	61	6.86	1,000,000.00	
BANK BILL	26/09/2007	19/12/2007	84	6.92	1,000,000.00	
<b><u>BANK WEST</u></b>						
TERM DEPOSIT	26/09/2007	20/12/2007	85	7.03	1,000,000.00	
<b><u>NAB LIMITED</u></b>						
BANK BILL	26/09/2007	26/11/2007	61	6.87	2,000,000.00	
<b><u>ST GEORGE BANK LTD</u></b>						
TERM DEPOSIT	26/09/2007	21/12/2007	86	6.95	1,000,000.00	
BANK BILL	26/09/2007	27/11/2007	62	6.88	1,000,000.00	
<b><u>COMMONWEALTH BANK</u></b>						
BANK BILL	26/09/2007	23/11/2007	58	6.86	2,000,000	
ONLINE SAVER A/C					154,202	9,154,202

CATEGORY	MONTHLY RETURN ANNUALISED %	MONTHLY BENCHMARK K %	MARGIN	TECHNICAL VALUATION \$	TOTAL \$
<b><u>2. OAKVALE CAPITAL Limited</u></b>					
Funds under management *	5.52	6.64	-1.12	9,005,223	9,005,223
* See Annexure 1					
<b><u>3. GRANGE SECURITIES Limited</u></b>					
Individually Managed Portfolio (IMP) *	-1.29	6.64	-7.93	19,018,970	19,018,970
* See Annexure 2					
<b>GRAND TOTAL</b>				<b>37,178,395</b>	



I hereby certify that the above investments have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's investment policy.

M. Phair  
TEAM LEADER FINANCIAL SERVICES

D. Johnston  
MANAGER FINANCE

Woollahra Municipal Council Portfolio							TECHNICAL VALUATIONS		
Security	Purchase Date	Final Maturity Date	Face Value (FV)	Premium / (Discount)	Purchase Price	31-Aug-07	30-Sep-07	31-Oct-07	
<b>GRANGE SECURITIES</b>									
<b>Issued by non-ADIs</b>									
Lehman Global Property Note	13/06/2007	15/06/2009	60,000	0	60,000	55,710	56,580	58,242	
Bishopgate (Wentworth AA-)	07/02/2007	30/09/2010	500,000	9,515	509,515	510,250	SOLD	0	
Herald Limited (Quartz AA)	04/07/2007	20/12/2010	400,000	2,428	402,428	380,204	384,436	377,832	
Saphir (Endeavour AAA)	04/07/2007	04/08/2011	500,000	10,450	510,450	504,955	SOLD	0	
BELO (Kalgoorlie AA+)	27/02/2007	27/02/2012	500,000	0	500,000	497,945	501,770	507,205	
Magnolia (Flinders AA)	08/06/2007	20/03/2012	500,000	4,950	504,950	427,805	431,145	444,690	
Omega (Henley AAA)	20/12/2006	22/06/2012	450,000	0	450,000	414,833	415,152	394,596	
Helium (Esperance AA+)	04/07/2007	20/03/2013	500,000	125	500,125	458,660	463,240	441,615	
Zircon (Merimbula AA)	06/06/2007	20/06/2013	250,000	0	250,000	213,115	213,815	197,993	
Corsair (Torquay AA)	04/07/2007	20/06/2013	500,000	400	500,400	452,310	446,400	420,570	
Start (Blue Gum AA-)	08/01/2007	22/06/2013	400,000	1,316	401,316	371,640	374,784	353,596	
Corsair (Kakadu AA)	22/01/2007	20/03/2014	500,000	-50	499,950	409,360	405,525	383,855	
Helium (Scarborough AA)	17/01/2007	23/06/2014	400,000	844	400,844	362,864	361,136	341,872	
Helium (Scarborough AA)	04/07/2007	23/06/2014	500,000	1,320	501,320	453,580	451,420	427,340	
Helium (Scarborough AA)	23/07/2007	23/06/2014	500,000	850	500,850	453,580	451,420	427,340	
Zircon (Coolangatta AA)	20/03/2007	20/09/2014	500,000	0	500,000	416,310	411,965	385,425	
Beryl (AAA Global Bank Note)	03/04/2007	20/09/2014	100,000	0	100,000	94,063	94,884	94,026	
Zircon (Coolangatta AA)	04/07/2007	20/09/2014	500,000	-50	499,950	416,310	411,965	385,425	
Beryl (AAA Global Bank Note)	04/07/2007	20/09/2014	350,000	-25	349,976	329,221	332,094	329,091	
Aphex (Glenelg AA-)	04/07/2007	22/12/2014	500,000	145	500,145	471,860	466,520	447,465	
Aphex (Glenelg AA-)	10/01/2007	22/12/2014	500,000	-30	499,970	471,860	466,520	447,465	
MAS6-7 (Parkes IIA 'AA-')	13/06/2007	20/06/2015	450,000	2,822	452,822	414,225	408,609	378,738	
MAS6-7 (Parkes IIA 'AA-')	04/07/2007	20/06/2015	500,000	2,700	502,700	460,250	454,010	420,820	
Zircon (Miami AA)	16/04/2007	20/03/2017	50,000	-5	49,996	37,751	37,295	34,649	
			9,910,000	37,706	9,947,706	9,078,660	8,040,685	7,699,850	
<b>Issued by ADIs</b>									
Bendigo Bank FR Sub Debt (BBB+)	08/06/2007	24/10/2007	500,000	1,935	501,935	504,420	507,390	MATURED	
ANZ Principal Protected Yield Curve Note (AA)	17/07/2007	17/07/2008	100,000	0	100,000	95,680	94,330	98,850	
Bank of Queensland (BBB+)	08/06/2007	08/08/2007	500,000	815	500,815	MATURED	0	0	
Bank of Queensland (BBB+)	04/07/2007	30/10/2008	1,000,000	10,620	1,010,620	1,015,050	1,020,030	1,005,860	
Home Building Society FRN (BBB+)	10/01/2007	17/08/2009	500,000	6,080	506,080	502,375	504,890	510,095	
Home Building Society FRN (BBB+)	11/01/2007	17/08/2009	500,000	6,070	506,070	502,375	504,890	510,095	
Royal Bank of Scotland (AA)	04/07/2007	28/10/2009	500,000	2,000	502,000	503,830	506,255	497,615	
Elders Rural Bank Sub Debt (BBB-)	04/07/2007	23/03/2010	500,000	3,880	503,880	508,075	497,275	497,985	
NM Rothschild FRSD (unrated)	09/07/2007	10/08/2010	1,000,000	1,310	1,001,310	998,800	1,005,390	1,007,320	
HSBC Sub Debt (AA-)	04/07/2007	20/05/2011	500,000	-50	499,950	497,550	498,830	498,950	
Suncorp Metway Sub Debt (A)	19/01/2007	22/06/2011	500,000	705	500,705	502,705	495,730	496,240	
St George Bank Sub Debt (A+)	10/01/2007	26/07/2011	1,000,000	1,120	1,001,120	999,170	1,003,670	985,200	
HSBC FRN (AA-)	07/02/2007	22/09/2011	500,000	1,170	501,170	498,985	492,570	494,130	
CBA FRN (AA)	19/01/2007	28/09/2011	500,000	1,600	501,600	503,970	495,915	497,365	
CBA FRN (AA)	31/01/2007	28/09/2011	500,000	1,635	501,635	503,970	495,915	497,365	
CBA FRN (AA)	04/07/2007	28/09/2011	500,000	1,805	501,805	503,970	495,915	497,365	
Westpac FR Sub Debt (AA)	07/02/2007	24/01/2012	500,000	295	500,295	498,665	499,195	491,105	
Royal Bank of Scotland (AA)	31/07/2007	17/02/2012	1,000,000	1,460	1,001,460	994,210	994,740	995,820	
Adelaide Bank FRN (BBB+)	04/07/2007	28/03/2012	500,000	885	500,885	500,950	486,165	482,345	
			11,100,000	43,335	11,143,335	10,634,750	10,599,095	10,063,705	
Macquarie Cash Trust (AAA)			CASH	0	CASH	594,720	32,951	605,415	
Bank West 11am at call			650,000	0	650,000	650,000	650,000	650,000	
			650,000	0	650,000	1,244,720	682,951	1,255,415	
<b>Total Grange Securities</b>			<b>21,660,000</b>	<b>81,041</b>	<b>21,741,041</b>	<b>20,958,129</b>	<b>19,322,730</b>	<b>19,018,970</b>	

Security	Purchase Date	Final Maturity Date	Face Value (FV)	Premium / (Discount)	Purchase Price	31-Aug-07	30-Sep-07	31-Oct-07
<b>OAKVALE CAPITAL</b>								
Aramis (Merrill Lynch) - ABS	02/04/2007	20/12/2012	1,000,000	0	1,000,000	1,000,607	989,114	995,740
Momentum CDO-Credit Linked Note	29/06/2007	30/06/2012	1,000,000	0	1,000,000	983,010	971,310	969,240
Emerald Reverse Mortgage Series 2007-1 Class	06/07/2007	06/07/2011	1,000,000	0	1,000,000	1,009,060	1,015,240	1,003,530
Merrill Lynch-Blackrock Diversified Credit Fu	05/01/2007		3,000,000	0	3,000,000	3,080,550	3,085,840	3,110,620
Adelaide Bank Managed Funds AAA Saver			3,526,093	0	3,526,093	3,526,093	3,526,093	2,926,093
<b>Total Oakvale Capital</b>			<b>9,526,093</b>	<b>0</b>	<b>9,526,093</b>	<b>9,599,320</b>	<b>9,587,597</b>	<b>9,005,223</b>
<b>WMC Investments</b>								
St George Bank Bank Bill (6.88% 62 days)	26/09/2007	27/11/2007	1,000,000	0	1,000,000		1,000,000	1,000,000
St George Bank Term Deposit (6.95% 86 days)	26/09/2007	21/12/2007	1,000,000	0	1,000,000		1,000,000	1,000,000
NAB Bank Bill (6.87% 61 days)	26/09/2007	26/11/2007	2,000,000	0	2,000,000		2,000,000	2,000,000
ANZ Bank Bill (6.86% 61 days)	26/09/2007	26/11/2007	1,000,000	0	1,000,000		1,000,000	1,000,000
ANZ Bank bill (6.92% 84 days)	26/09/2007	19/12/2007	1,000,000	0	1,000,000		1,000,000	1,000,000
Bank West Term Deposit (7.03% 85 days)	26/09/2007	20/12/2007	1,000,000	0	1,000,000		1,000,000	1,000,000
Metway Term Deposit (6.86% 34 days)	26/09/2007	30/10/2007	1,000,000	0	1,000,000		1,000,000	MATURED
CBA Bank Bill (6.86% 58 days)	26/09/2007	23/11/2007	2,000,000	0	2,000,000		2,000,000	2,000,000
CBA Online Saver			CASH	0	CASH	7,587,009	0	154,202
<b>Total WMC Investment</b>			<b>10,000,000</b>	<b>0</b>	<b>10,000,000</b>	<b>7,587,009</b>	<b>10,000,000</b>	<b>9,154,202</b>
<b>Total Portfolio</b>			<b>41,186,093</b>	<b>81,041</b>	<b>41,267,133</b>	<b>38,144,458</b>	<b>38,910,327</b>	<b>37,178,395</b>

**Summary of Receipts, Payments and Bank Balance**

Cash Book Balance as at 30 September 2007 2,627,263.56

**Receipts**

Rates 548,909.71  
Other 4,173,629.74 4,722,539.45

**Total Receipts**

Description	Amount
Rates Receipts	548,909.71
Deposits & Bonds	301,364.00
Parking Fines	278,033.00
Other Debtor Receipts	207,300.90
S94A Contributions	199,942.97
GST Refund - September	164,871.00
Disposal of Plant Assets	117,890.53
Car Park Lease	108,656.45
Parking Meters	97,505.27
Trade Waste Debtors	87,574.29

**Payments - Cheque**

Cheque Payments (1,828,607.84)  
Cancelled Cheques 124,009.01  
Total Cheque Payments for period (1,704,598.83)

Cheque No	Cheque Date	Payee	Description	Amount
196751	11/10/2007	GMW Urban Pty Ltd	Progress Payment - Five Ways Paddington	- 239,274.95
197036	18/10/2007	Energy Australia	Street Lighting - September	- 70,788.83
197017	17/10/2007	Withheld	Security Deposit Refund	- 70,200.00
196654	04/10/2007	City Ford	Purchase of Council's Fleet	- 61,907.44
197196	25/10/2007	Austexc Pty Ltd	Drainage Works - Little Queens Avenue	- 56,845.80
197058	18/10/2007	State Debt Recovery Office	Infringement Processing Fees - September	- 53,182.80
197279	25/10/2007	Trivett Classic	Purchase of Council's Fleet	- 51,364.86
197076	18/10/2007	Withheld	Security Deposit Refund	- 43,200.00
197273	25/10/2007	Suttons City Holden	Purchase of Council's Fleet	- 39,876.49
197217	25/10/2007	Ogis Engineering Pty Ltd	Dinghy Racks	- 39,733.10

**Payments - EFT**

EFT Payments (4,709,984.66)  
Returned EFT Payments 0.00  
Total EFT Payments for period (4,709,984.66)

Reference	EFT Date	Payee	Description	Amount
15641	30/10/2007	StateCover Mutual Limited	2nd Instalment - Workers Compensation	-559,833.42
15567	18/10/2007	StateCover Mutual Limited	Workers Compensation - Capital Levy	-307,630.07
15574	18/10/2007	WSN Environmental Solutions	Tipping Charges - 27/08 to 16/09/07	-132,040.30
15470	11/10/2007	Local Govt Super Scheme-Div.A	Employee Superannuation Contributions	-130,816.37
15521	18/10/2007	Collex Waste Management Pty Ltd	Weekly Recycling Collection - September	-112,676.05
17	29/10/2007	Australian Taxation Office	PAYG Wk 17	-106,357.63
14	04/10/2007	Australian Taxation Office	PAYG Wk 14	-96,720.14
18	30/10/2007	Australian Taxation Office	PAYG Wk 18	-94,253.01
15	16/10/2007	Australian Taxation Office	PAYG Wk 15	-93,655.14
16	18/10/2007	Australian Taxation Office	PAYG Wk 16	-89,701.14

**Payments - Direct Debits From Bank A/c**

Payroll (1,499,989.11)  
Credit Card Payments (8,236.31)  
Councillor fees - October (18,000.00)  
Bank Charges (12,566.88)  
Total Direct Debits for period (1,538,792.30)

**Total Payments**

- 7,953,375.79

**Cash Book Balance as at 31 October 2007**

- 603,572.78

Unpresented Cheques No. of Cheques: 263 399,726.05

Outstanding Deposits & Miscellaneous Items 1,144,093.40

**Reconciled Cash Book Balance as at 31 October 2007** 940,246.67

**Bank A/c Balance as at 31 October 2007** 940,246.67

**Unpresented Cheques > \$30,000.00**

Cheque No.	Cheque Date	Payee	Amount
197196	25/10/2007	Austexc Pty Ltd	56,845.80
197279	25/10/2007	Trivett Classic	51,364.86

**Item No:** D3 Delegated to Committee  
**Subject:** **279 Edgecliff Road, Woollahra – Road Reserve Encroachment**  
**Author:** Anthony Sheedy, Property Officer  
**File No:** 148.279  
**Reason for Report:** To give consideration to the closure and subsequent sale of encroachment on roadway adjoining the property.

**Recommendation:**

- A. That the proposal to sell a portion of unmade road reserve adjoining 279 Edgecliff Rd, Woollahra be advertised and notified to adjoining properties.
- B. That a further report be submitted, following part A above.

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**Background:**

The corporate and Works committee considered this proposal on 5 November 2007, where it was resolved:

*“That the site be inspected prior to the Corporate and Works Committee meeting of 19 November 2007.”*

A copy of the previous Corporate and Works Committee report of 5 November 2007 is attached.

I note that this report contained an arithmetical error in relation to the estimated size of the subject unmade road reserve proposed for sale. The triangular land portion was stated to be an estimated 20.52 square metres; based on dimensions of 0.66 metres by 31.09 metres. However, the calculated area of 20.52 square metres should then have been halved as per the formulae for triangular shapes. The estimated area is 10.26 square metres.

**Proposal:**

To formalise the existing encroachment on Council’s unmade road reserve in Attunga St; by sale of the subject portion to the adjoining property owner of 279 Edgecliff Rd, Woollahra.

**Conclusion:**

Should the Corporate and Works Committee agree to proceed with this proposal following inspection; it is recommended that the proposal be advertised and notified to adjoining property owners.

Anthony Sheedy  
Property Officer

Warwick Hatton  
Director, Technical Services

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**ANNEXURES:**

1. Copy of report to Corporate and Works Committee, 5 November 2007.

**Item No:** R1 Recommendation to Council

**Subject:** **Section 94 Contributions Plan – Provision of Car Parking in Double Bay Commercial Centre**

**Author:** Chris Bluett – Manager Strategic Planning

**File No:** 136.G

**Reason for Report:** To respond to a decision of Council on 27 November 2006 regarding car parking contributions in the Double Bay Commercial Centre under Woollahra Section 94 Contributions Plan 2002.  
To respond to a notice of motion adopted by the Council on dated 9 July 2007.  
To obtain a decision of the Council to amend Woollahra Development Control Plan for Off-street Car Parking and Servicing Facilities.  
To obtain a decision of the Council to amend Woollahra Section 94 Contributions Plan 2002.

**Recommendation:**

- A. That a draft development control plan be prepared to amend Woollahra Development Control Plan for Off-street Car Parking and Servicing Facilities by removing the requirement for additional off-street car parking and the requirement for a contribution under Woollahra Section 94 Contributions Plan 2002 for development involving a change of use in the Double Bay Commercial Centre, unless the proposed development will result in a net increase in gross floor area.
- B. That a draft contributions plan be prepared to amend Woollahra Section 94 Contributions Plan 2002 by:
- i. reducing the contribution for car parking in the Double Bay Commercial Centre from \$38,496 per space to \$27,325 per space,
  - ii. making consequential changes to the Contributions Plan, including changes to the following clauses:
    - a. clause 2.2 (works schedule) – to update the total cost figure for providing additional public parking in the Cross Street Car Park,
    - b. clause 3.3 (land and development to which plan applies) – to identify the exemption for change of use proposals and to provide a cross reference to the Car Parking DCP,
    - c. clause 4.7.2 (additional public facilities), clause 4.7.3 (apportionment of costs) and clause 4.7.4 (contribution calculations) – to update the total cost figure for providing additional public parking in the Cross Street Car Park; to insert the new contribution rate; and to note the exemption for change of use proposals.
- C. That a report be submitted to the Urban Planning Committee setting out the proposed amendments to Woollahra Section 94 Contributions Plan 2002 and Woollahra Development Control Plan for Off-street Car Parking and Servicing Facilities.
-

## Introduction

This report is submitted to the Corporate and Works Committee for its consideration of the financial aspects of proposed alterations to the Woollahra Section 94 Contributions Plan 2002 (Contributions Plan). Part C of the recommendation to this report calls for a report to the Urban Planning Committee dealing with the proposed amendments to the Contributions Plan and Woollahra Development Control Plan for Off-street Car Parking and Servicing Facilities (Car Parking DCP).

## Background

The Contributions Plan has been considered by the Committee and Council in the following recent reports:

- Corporate and Works Committee 6 November 2006
- Council Meeting 13 November 2006 (deferred)
- Corporate and Works Committee 20 November 2006 (**annexure 1**)
- Council Meeting 27 November 2006

At its meeting on 27 November 2006 Council made a decision which addressed the Contributions Plan and the Woollahra Section 94A Development Contributions Plan 2005 (see parts A and B of the decision). The full decision was:

- A. *That a draft section 94A development contributions plan be prepared to amend Woollahra Section 94A Development Contributions Plan 2005 in the manner set down in the advice from Dr Lindsay Taylor, from Lindsay Taylor Lawyers, dated 22 November 2006, a copy of which was attached as an annexure to the Officer's Report to the Council meeting on 27 November 2006.*
- B. *That no amendments, other than those required by part A, be made to the Woollahra Section 94 Contributions Plan 2002 or the Woollahra Section 94A Development Contributions Plan 2005 at this time.*
- C. *That a further report on development contributions towards public car parking in the Double Bay Commercial Centre be prepared and submitted to the Corporate and Works Committee after the report from the consultant's undertaking work on the business management strategy for the Double Bay Commercial Centre has been received.*
- D. *That the report include a review of the current and future car parking requirements compared to the forecast requirements in the current Section 94 Plan and costing for the construction of any new car parks, including the alternative of increasing the capacity of the Cross Street car park.*
- E. *That the further report be brought back to the Committee in or before March 2007.*
- F. *That the Mayor write to the Minister for Planning expressing Council's concerns that it had not received formal notification of his announcement of 10 November 2006 which is to come into effect on 1 December 2006, being four days hence.*

More recently the Council adopted the following notice of motion on 9 July 2007:

- That the Report on the review of the Double Bay Carparking strategy and Council's current Section 94 Plan be brought forward as a Matter of Urgency, having regard to:*
- *the recent Court proceedings involving the Fivex Pty Ltd development at corner New South Head Road and Knox Street, Double Bay;*

- *other current redevelopment applications in the Double Bay Commercial Centre;*
- *issues involving Council's Double Bay carparking levy under the current Section 94 Plan; and,*
- *previous Notices of Motion relevant to these issues.*

*The report to canvass:*

- (a) a review of the rates applied in the levy in lieu of carparking provision in Double Bay,*
- (b) recommendations for the channeling of section 94 funds raised in Double Bay Commercial Centre both past and present into necessary infrastructure works (not limited to carparking provision); and,*
- (c) a review of Council's Carparking Development Control Plan (with particular emphasis on Double Bay).*

This report addresses item C of Council's decision on 27 November 2007 and the adopted notice of motion from 9 July 2007. In providing our response we have had regard to six primary information sources:

1. Hill PDA, *Double Bay Commercial Centre Development Study*, January 2007.
2. Parking studies undertaken for the major redevelopment projects at 376-382 New South Head Road, Double Bay and 2-22 Knox Street, Double Bay.
3. The Land and Environment Court orders in regard to the appeal *Fivex Pty Limited v Woollahra Municipal Council*, 18 May 2007 (**annexure 2**).
4. Advice from Patrick Larkin, barrister, acting for Council in the Fivex appeal, 23 May 2007. (**annexure 3**).
5. John Barker, *Estimated Construction Costs of Proposed Works to the Cross Street Car Park in Double Bay*, 17 May 2007. Report prepared by John Barker, quantity surveyor from Rider Hunt, Sydney, Pty Ltd, a Court appointed expert in the Fivex appeal.
6. Statement from Craig McLaren, traffic engineer from McLaren Traffic Engineering a Court appointed expert in the Fivex appeal, 27 April 2007.

We have not carried out the work contemplated in item D of the Council's decision on 27 November 2006 in view of the outcome for the Fivex appeal, the findings of the Court appointed quantity surveyor and advice from Patrick Larkin. However, the Council may wish to consider further investigations about the provision of parking in Double Bay as part of the Double Bay business management strategy. We see these investigations including:

- a full analysis of existing and anticipated floor space in the Centre, and
- a review of the 1999 Double Bay traffic and parking study.

To be most effective, we consider these investigations should be carried out by retail and traffic specialists. If the Council wanted to pursue this work, a budget allocation would need to be made after a fee estimate was prepared for the consultant services.

Our report follows the structure set out below:

- An overview of the key findings from the Hill PDA Double Bay Commercial Centre Development Study. These findings are relevant to our recommended amendments to car parking requirements for new development in the Double Bay Centre.
- An outline of the Court orders in regard to the Fivex appeal. These orders are relevant to our recommended amendments to the section 94 contribution rate for car parking in the Double Bay Centre.
- Options for amending the Contributions Plan.
- Proposed amendments to the Contributions Plan and Car Parking DCP.
- Discussion on channelling section 94 funds into infrastructure works.

## **Double Bay Commercial Centre Development Study**

Hill PDA was commissioned to undertake market research and provide advice to assist Council in considering options for a more active role in the business management and economic revitalisation of the Double Bay Commercial Centre. A report on the Hill PDA study was presented to the Urban Planning Committee meeting on 14 May 2007. The main research and survey findings from the study are summarised in **annexure 4**. These findings have influenced the recommendation of this report.

The conclusions from the research and surveys were:

1. There was a low response rate to the survey questions that directly or indirectly involved section 94 car parking contributions. Hence, this part of the study does not provide substantial and reliable factual information to allow a conclusion that the section 94 car parking contribution is a disincentive to business operations or commencements in the Centre.
2. A common theme arising from research and surveys of customers, tenants and land owners is the need to improve the mix of retail shops in the Centre.
3. The Centre needs to be able to respond to changing social characteristics and market conditions.
4. Growth in food retailing (such as supermarket and grocery items) is necessary and desirable for the economic well being of the Centre and as a service to the local community.
5. Currently, most retail shops in the Centre are classified as small businesses. Historically this has been the dominant composition of the Centre. With minor exceptions it is expected that the Centre will continue to be dominated by small businesses.
6. There is a desire to retain and enhance Double Bay as a centre for high fashion.
7. Decrease in demand for retail floor space reflects a lack of interest in businesses seeking to establish or expand in the Centre.
8. The role of parking meters in the broader parking strategy for the Centre is not understood by tenants, customers and land owners. For example, the improved turnover of kerbside spaces due to the introduction of parking meters is not acknowledged.
9. Consideration of changes to the section 94 contribution for car parking should not be based on anecdotal evidence or the meager responses provided by the land owners. Consideration should focus on whether changes to the contribution or its removal will assist with improving business in the Centre. For example, will a change assist in improving the range of uses in the Centre, particularly uses such as food retailing?

### **Fivex Pty Limited v Woollahra Municipal Council**

Councillors will be familiar with the Fivex Pty Limited v Woollahra Municipal Council appeal to the Land and Environment Court. The appeal was lodged against the Council's determination of an application under section 96 of the Act to modify a development consent for a new retail and commercial building at 376-382 New South Head Road, Double Bay. The applicant had sought a modification of condition 57 which required a section 94 monetary contribution of \$1,231, 872 for provision of 32 public car parking spaces in lieu of on-site parking. The amount was calculated using a contribution rate of \$38,496 per space. The applicant sought a reduction of the contribution to \$420,000, based on a requirement for only 28 parking spaces at a rate of \$15,000 per space. The

Council's review under the section 96 application increased the required parking to 33 spaces and consequently the monetary contribution rose to \$1,270,368.

In the appeal the main issues were:

- The appropriate method of calculating car spaces according to the Section 94 Contributions Plan.
- Relative public benefit offsets covered by a proposed car sharing arrangement via a planning agreement.
- Whether the section 94 contribution was reasonable.

Discussions between the parties were held following the receipt of reports from a number of Court appointed experts. Consequently, Council and the appellant agreed to consent orders which reduced the contribution to \$693,000, being \$21,000 per space. The Court orders are attached as **annexure 2**. Paragraph 6 of the orders states:

In so far as there has been no detailed assessment of the issues or evidence in this matter by the Court, I accept there is some discretion for the Court to vary s94 contributions within the context of the contribution plan, which allows offsets in some circumstances. Accordingly, in the absence of submissions to the contrary or objections, I accept the parties review of all evidence, including that of the Court appointed experts, results in the reduced car parking contribution of \$693,000 being an acceptable commercial agreement between the parties and reasonable in the circumstances of the case.

There are two important points to note in this statement. First, the Court said that the figure was the result of "an acceptable commercial agreement between the parties." Second, the Court considered the figure to be "reasonable in the circumstances of the case." Consequently, we consider the Council is not bound to accept the contribution rate arising from the Fivex appeal as a figure that should be applied across the Double Bay Commercial Centre. The Fivex appeal related to a particular development proposal and the outcome was subject to negotiation between the Council and the applicant. However, we do consider the research undertaken in the Fivex appeal can be used to inform a new contribution rate. We discuss this matter further in section 5.4, below.

### **Options for amending the Contribution Plan**

The following four options take into account the notices of motion of 11 July 2005, 14 August 2006 and 29 January 2007. In commenting on these options we have taken into account the Court orders for the Fivex appeal and results of the Hill PDA study.

- (i) Retain the current car parking contribution without change.
- (ii) Suspend the car parking contribution for a specified period.
- (iii) Remove the car parking contribution.
- (iv) Reduce the car parking contribution.

#### Retain the current car parking contribution without change

In view of the outcomes of the Fivex appeal and, in particular the findings reached by the Court appointed quantity surveyor, we do not consider retention of the current car parking contribution rate is sustainable.

#### Suspend the car parking contribution for a specified period

This option is addressed in sections 4.2 and 4.3 of the report to the Corporate and Works Committee on 20 November 2007 (**annexure 1**). We do not recommend this option for two reasons:

- A reduction in the contribution rate over a specified period is not a fair and equitable approach for all applicants over the longer term.

- It would be difficult to determine the period or periods over which the reduction should occur, particularly if economic cycles are intended to be governing factors.

#### Remove the car parking contribution

There are a several situations in which this option could be considered:

- For nominated uses.
- For all development proposals.
- For changes of use only.

#### ***Nominated uses***

The option of removing car parking contributions for nominated uses, when required due to a shortfall in car parking, is currently being exercised in the Double Bay Commercial Centre in a limited manner under provisions of the Car Parking DCP. Clause 6.13 of the Car Parking DCP provides exemptions for outdoor eating areas on footpaths and for proposals involving a change of use from a shop or commercial premises to a café or restaurant.

Other uses that might be added to clause 6.13 could be drawn from the recent work done by Hill PDA. For example, the Hill PDA study identified a need to support and promote Double Bay as a district centre for high fashion. The study also identified an undersupply of food and grocery retailing and suggested that high quality electronic goods and entertainment and cultural facilities should be encouraged.

The Hill PDA study emphasised the dynamic nature of retailing and hence the need for business centres to be responsive to market changes and retail trends over time. Therefore, rather than selecting a short list of uses that would be exempt from the operation of car parking contributions, it would be more effective to consider exempting all development proposals or proposals involving a change of use.

#### ***All development proposals***

This option covers redevelopment proposals, alterations and additions and change of use proposals. Both redevelopment and alterations and additions are likely to result in a physical expansion of the centre and an increased demand for parking. By comparison, change of use proposals will, over time, result in increases and decreases in parking demand due to the variable nature of retailing. Where physical growth does not occur, fluctuations in the intensity of land use throughout a centre, with associated variations in parking demand, may not impose unreasonable impacts on the centre or adjoining areas. However, physical expansion, which results in increased shop and office accommodation, is likely to produce a fixed increased demand for parking. For these reasons, it is not considered preferable to exempt development proposals that will result in a net increase in floor space.

#### ***Change of use proposals***

This is the preferred option as it provides flexibility in meeting market changes and is equitable since it does not favour one business over another. The option is not limited to the retail market as it can address a change of use to commercial purposes, personal services, entertainment and cultural facilities, and educational and community services.

#### Reduce the car parking contribution rate

In view of the information gathered as part of the Fivex appeal we consider the car parking contribution rate can be reduced. We have used the estimated construction costs for an additional 86 parking spaces at the Cross Street car park provided by the Court appointed quantity surveyor, Mr Barker. This estimate produces a contribution rate of \$27,325 per space.

This contribution would only be required in certain circumstances. Under the preferred option set out in section 4.3 (above), contributions would not be required for a change of use proposal that did not involve a net increase in floor space. A contribution could be required where there was a net increase in floor space and the additional off-street parking arising from the increased floor space could not be provided on site.

If a contribution is initially considered necessary as a result of a planning assessment, there are provisions within the existing Contributions Plan under which the contributions may be varied in nature or waived. Instead of paying a monetary contribution an applicant may satisfy the demand created by the proposed development for public facilities, such as additional car parking, by means of a material public benefit. This option is available under clause 3.9 of the Contributions Plan, which sets out criteria for assessing the appropriateness of the material public benefit. The Council can waive the contribution in full where it considers the contribution “would not be appropriate because of the development history of the property or the extent to which a development proposal would achieve an adopted planning objective or some other public benefit.” This option is available under clause 3.14 of the Contributions Plan.

Payment of a contribution may be deferred or made through periodic installments where an applicant is unable to make an immediate payment. Clause 3.8 of the Contribution Plan deals with deferred and periodic payment and sets out criteria to assess requests.

### **Amendment to Car Parking DCP and Section 94 Contributions Plan**

Amendments to both the Car Parking DCP and Contributions Plan are required to implement the recommended changes. These amendments will need to follow a statutory process of public exhibition with a minimum exhibition period of 28 days.

#### ***Car Parking DCP amendment***

The amendment would involve introducing a provision similar to clause 6.13 of the DCP. Clause 6.13 relates to cafes and restaurants and provides exemptions from contributions and off-street parking. The report contained in **annexure 1** sets out clause 6.13.

The new clause might take the following form:

#### ***Premises within the Double Bay Commercial Centre***

The Council will not require additional off-street car parking for development proposals involving a change of use on land zoned business in the Double Bay Commercial Centre, unless the proposal will also result in a net increase in gross floor area.

The Council will not require a contribution under the Section 94 Contributions Plan for development proposals involving a change of use on land in the Double Bay Commercial Centre to which that Plan applies, unless the proposal will also result in a net increase in gross floor area.

This clause does not affect the operation of clause 6.13.

#### ***Contributions Plan amendments***

The primary change to the Contributions Plan involves an amendment to clause 2.1 (Schedule of contribution rates) reducing the contribution from \$38,496 per space to \$27,325 per space. There are consequential changes to other clauses of the Contributions Plan. These will include changes to:

- clause 2.2 (works schedule) – to update the total cost figure for providing additional public parking in the Cross Street Car Park,
- clause 3.3 (land and development to which plan applies) – to identify the exemption for change of use proposals and to provide a cross reference to the Car Parking DCP,

- clause 4.7.2 (additional public facilities), clause 4.7.3 (apportionment of costs) and clause 4.7.4 (contribution calculations) – to update the total cost figure for providing additional public parking in the Cross Street Car Park; to insert the new contribution rate; and to note the exemption for change of use proposals.

### **Channelling section 94 funds into infrastructure works**

In the notice of motion adopted on 9 July 2007 the Council asked that the report reviewing the Contribution Plan include:

*recommendations for the channelling of section 94 funds raised in Double Bay Commercial Centre both past and present into necessary infrastructure works (not limited to carparking provision)*

This point can be answered by looking at two limitations on section 94. Primarily, section 94 funds must be spent on the particular purpose for which they were obtained through condition of development consent. This means that Council cannot redirect funds that were obtained for a specific purpose towards another purpose. Furthermore, Council cannot borrow between section 94 accounts in order to pay for the cost of providing public facilities. For instance, funds accumulated in a car parking fund could not be borrowed to meet the cost of providing new child care facilities.

Section 94 funds have been raised in the Double Bay Commercial Centre for expenditure within the Centre on public car parking and civic improvement works. Separate accounts are maintained for each purpose. Funds are also raised from development in the Double Bay Commercial Centre for expenditure on public recreation and open space facilities across the Municipality and for administration of the Contributions Plan. Funds obtained for car parking, civic improvement works, open space and recreation works, and administration cannot be channelled into other infrastructure works irrespective of an identified need for those works.

The second limitation is that section 94 contributions, with minor exceptions, can only be used for one off capital costs and cannot be used for recurrent costs such as general maintenance costs.

In view of the limitations on the use of section 94 contributions we do not consider Council can redirect section 94 funds in the manner contemplated in the notice of motion.

### **Impact on income and expenditure**

Since the commencement of the Contributions Plan on 31 March 2003 a total of \$797,652 in car parking contributions has been received. This includes the Fivex contribution. All contributions have been obtained from redevelopment proposals involving increases in gross floor area rather than change of use proposals. Based on this trend, it is likely that our recommendations to amend the Contributions Plan to exclude change of use proposals would not impact on income.

The reduction of the contribution rate from \$38,496 per space to \$27,325 per space does not represent a potential loss of income. This is because the reduced rate has been calculated using a review of construction costs carried out in the Fivex appeal.

### **Conclusion**

The Double Bay Commercial Centre Retail Study undertaken by Hill PDA examined retail trends and vacancy rates and conducted surveys of tenants, shoppers and property owners. Unfortunately, it is not possible to identify from the Study how influential the car parking contribution is in affecting retail trends and vacancy rates within the Centre.

The Study highlights the need to reinforce and promote the Centre's high fashion profile by attracting particular fashion brand names. The Study also identifies the need for a wider mix of retail businesses, particularly grocery and food uses. It is likely that most of these uses will be provided by small business operators, which is consistent with the current composition of businesses in the Centre.

As part of its role in the business management strategy, and as a way of assisting with the promotion of business activities in the Centre, the Council could remove the car parking contribution requirement for all change of use proposals. If the Council wishes to proceed along these lines, amendments to the Car Parking DCP and the Contributions Plan will be necessary. The recommendation provided in this report sets out actions to facilitate these amendments. We also recommend that a further report on the precise changes to the Contributions Plan and Car Parking DCP be considered by the Urban Planning Committee.

The evidence available to us about existing parking supply and demand in the Centre indicates that the recommended approach to remove the car parking contributions for a change of use is reasonable. This is because increased demand for car parking over time will be driven by future increases in retail and commercial floor space. On this basis we consider that the Council should retain a requirement for parking and a section 94 contribution in lieu of on-site parking in cases where a development proposal will result in a net increase in gross floor area.

The amount of contribution for public car parking spaces can be reduced in view of the outcome for the Fivex appeal.

Allan Coker  
Director Planning and Development

Chris Bluett  
Manager Strategic Planning

**Annexure:**

1. Report to Corporate and Works Committee 20 November 2006.
2. The Land and Environment Court orders in regard to the appeal Fivex Pty Limited v Woollahra Municipal Council, 18 May 2007.
3. Advice from Patrick Larkin, barrister, acting for Council in the Fivex appeal, 23 May 2007.
4. Hill PDA, *Double Bay Commercial Centre Development Study*, January 2007 -

**Item No:** R2 Recommendation to Council  
**Subject:** **Tender for Three Rear Loading Compactors**  
**Author:** Mark Ramsay Manager Depot & Waste Services  
**File No:** Tender 07/17  
**Reason for Report:** The acquisition of replacement compaction units required for the Solid Waste Section

**Recommendation:**

- A. That Council accept the tender received from Macdonald Johnston Engineering Pty Ltd for the supply and delivery of two "JP5" 19cm rear load compactor units at a cost of \$256,500.00 (Exc GST) for use in the collection of domestic waste rubbish.
- B. That the purchase of the rear load compactor units be funded from the Internal Plant Reserve
- C. The successful and unsuccessful tenderers are advised accordingly.

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**Background:**

In June 2007, Council adopted a report recommending that the twice weekly garbage collection service be altered to once a week. It was noted within the report that in carrying out this change, Council could reduce the compactor unit fleet size by one compaction unit. To do this, Council will need to replace the three existing side loading compaction units with two rear loading units. In order to have these vehicles ready by the expected start date of the new service, the first quarter of 2008, these purchases are required as soon as possible.

The total expenditure for these vehicles will be \$572,904.00 (Excl GST), and is to be divided between the purchase of the cab/chassis and the compaction units. The vehicles identified for replacement are plant numbers 603, 606 & 610.

The purchase of the Volvo cab-chassis has been undertaken under NSW State Government Contract 653-C, following consultation with the appropriate operators, at a cost of \$316,404.00 (Excl GST)

As the estimated value for the two compaction units exceeds \$150,000, public tenders were called in accordance with the Local Government Act.

As the City of Botany Bay are also replacing two of their rear load compaction units, a joint tender was called for.

The tender specification consisted of four main parts.

1. Conditions of Tender
2. General Condition of Contract
3. Tender Specification
4. Tender Response

A copy of Tender 07/17 is on file for perusal.

## Tender Assessment

The tender for two Rear Loading Compactors was advertised in the tender section of the Sydney Morning Herald on Tuesday 25<sup>th</sup> September 2007 and the Wentworth Courier on Wednesday 26<sup>th</sup> September 2007.

Tenders for these units closed at 10.00am on Tuesday 16 October 2007. A total of two (2) tenders were received prior to the closing date and time.

All the tenders received by the closing time are listed in the following table:

<b>TENDERER</b>	<b>LUMP SUM TENDER PRICE – FOR TWO UNITS</b> as shown on the Tender Form (Excluding GST)
Binskie Services Pty Ltd	\$260,360.00
MacDonald Johnston Engineering Pty Ltd	\$256,500.00

The tenders were assessed in accordance with the agreed selection criteria stated in the tender documents. The tender panel comprised Mr Joe Cavagnino who was acting as the independent member of the tender panel, Mr Brian Toms who is the Commissioning Officer and Mr Patrick Geoghan who is acting as the drivers/operators representative. The representative from Botany Council was Mr Michael Hill, Manager Civil Services. Mr Phillip Julian, Technical Officer Parks, acted as the Tender Reviewer to ensure that the tender was assessed by at least three staff members from three different sections of Council.

The members of the panel from these areas are:

- The Purchasing Coordinator, who is responsible for making sure the tender process adheres to the Local Govt Tendering Regulation and Council's procedures and that all tenders are managed consistently. The Purchasing Coordinator is not involved in the projects being tendered and is considered to fulfil the role of an independent member of the panel.
- The "Commissioning Officer" is the Council Officer managing the asset, who is responsible for preparing and coordinating the tender documentation and responsible for meeting the Council's objectives with respect to time, budget and quality of finished works or services provided.
- The "Drivers or Operators Representative" is the Council Officer that is responsible for making sure that the operators are purchasing vehicles that are suitable for the daily operational needs of the Council.
- The "Tender Reviewer" was included in this panel because in this particular case the Commissioning Officer and the Operators Representative were from the same section of Council

## Probity Adviser

Following recent reports to Council regarding the tender evaluation process and the Corporate and Works Committee's recommendation of 3 September 2007, it was recommended that the procedure of including a probity adviser during the tender assessment stage should be continued but only for high risk, high value and sensitive projects. In this case, the contract of the purchase of two (2) Rear Load Compactors was deemed to be outside the above definition and it was agreed that the assessment could be carried out by the panel without the need for a probity observer.

## TENDER ANALYSIS

Prior to the closing date, on the 16 October 2007, the tender panel agreed on the weightings that would be used against the published selection criteria.

The tenders were given a score on each item of the selection criteria, which resulted in a score out of 100, with points being allocated as indicated in the following table.

The table shows the scores and rankings of all tenders considered;

TENDERER	Operational & Technical Capability 25	Delivery 10	Occupational Health & Safety 15	Environmental 10	Availability of Spare Parts & Customer Service 10	Price 25	Addressing Tender Requirements 5	Total Score 100	Ranking
MacDonald Johnston Engineering Pty Ltd	25	6.25	15.00	8.75	10.00	25.00	5.00	95.00	1
Binskie Pty Ltd	25	10	13.13	8.75	7.50	24.63	3.75	92.76	2

- Operational & Technical Capability:** Information was requested pertaining to the technical requirements of the units and the supplier's current Council client base. From this information the evaluation panel assessed the level of operational and technical capability for each tenderer.
- Delivery:** the shortest time is deemed to achieve 100% for that weighting. Other tenderers' delivery are then ranked by a percentage fraction of the shortest time frame.
- Occupational Health & Safety:** Information was requested pertaining to the supplier's occupational health and safety policy and demonstrated safety features on each unit. From the information received the evaluation panel were able to assess the suppliers OH&S capability.
- Environmental:** Information was requested pertaining to demonstrated environmental policies, and environmental programs and audits.
- Availability of spare parts and Customer Service:** Information was requested pertaining to turnaround time for spare parts, location of spare parts for pick up and customer service systems.
- Price:** the lowest price is deemed to achieve 100% for that weighting. Other tenderers' prices are then ranked by a percentage fraction of the lowest price.
- Addressing the Tender:** Points were deducted for missing or incomplete information required to be submitted with the Tender.

## WORKING DEMONSTRATION

As Council is currently operating at least one of the units offered by both companies, a working demonstration was not called for.

The units specified have currently been in operation in the waste section for a number of years and have proven to be extremely reliable. The units meet all current OH&S and Workcover requirements.

## Proposal

The purchase of these units will improve the efficiency of the service provided in all aspects of domestic waste collection within the Woollahra Council Municipality and are essential to carry out the new service in the Paddington area.

**Identification of Income & Expenditure:**

The total cost of two units from Macdonald Johnston Engineering Pty Ltd is \$256,500.00 (Excl GST).

The total cost of the two Volvo cab/chassis, already purchased under Government Contract 653-C, is \$316,404.00(Excl GST).

The total cost to Council for the two complete vehicles is \$572,904.00 (Excl GST).

\$270,000 was allocated in the 2007/2008 capital plant budget for the replacement of plant number 603. The cost of the other unit will be funded through the internal plant reserve and will be offset through the sale of 606 & 610, the two remaining side loading compaction units, estimated to be approximately \$100,000. All costs will be recovered by means of Woollahra Council's internal plant hire service charges.

**Conclusion:**

The committee recommends that Council accept the tender offered by Macdonald Johnston Engineering Pty Ltd for the purchase of two only rear load compaction units.

Mark Ramsay  
Manager Depot & Waste Services

Warwick Hatton  
Director Technical Services

**ANNEXURES:**

1. Tender Evaluation and Assessment
2. Risk Assessments

**Item No:** R3 Recommendation to Council  
**Subject:** **Drumalbyn Road Bellevue Hill – Road Reconstruction**  
Joe Cavagnino – Purchasing Coordinator  
**File No:** Tender No 07/15  
**Reason for Report:** To recommend to Council the acceptance of a Tender

**Recommendation:**

- A. That Council enter into a Contract with Tropic Asphalts Pty Ltd for the Drumalbyn Road Bellevue Hill Road Reconstruction project for the sum of \$235,116 (exc GST).
- B. That successful and unsuccessful tenderers be advised accordingly.

**Background:**

Council adopted an Asset Management Strategy in 2005, which includes a detailed condition indicator analysis of all our infrastructure assets. This condition analysis identified that the road pavement, kerb and guttering, and some sections of footpath in Drumalbyn Road, Bellevue Hill require renewal. The area of works to be carried out under this contract is shown in the location map and aerial photograph below.



**LOCATION MAP AND AERIAL PHOTOGRAPH**

In order to carry out the works, detailed design plans and specifications were prepared for the full extent of works. Tenders were invited in September 2007 from contractors with the necessary experience to undertake these works. The extent of the works to be carried out under this contract is for the area of Drumalbyn Road, from Bundarra Avenue to No.79 Drumalbyn Road, Bellevue Hill and generally comprises of:

- The removal and reconstruction of concrete kerb and gutter on both sides of the street.
- The removal and reconstruction of concrete driveways and footpaths.
- Minor drainage works including the excavations and reconstruction of concrete stormwater pits and pipes, and reconnection of household drainage lines.
- Road reconstruction, including full subgrade reconstruction, regrading, and milling and filling of the road pavement surface. The regrading will greatly improve the excessive camber in the road, enhancing access to off street parking and pedestrian amenity.

### Tender Assessment

Tenders for this work closed at 2.30pm on Thursday 4 October 2007. A total of seven (7) tenders were received prior to the closing date and time.

All the tenders received by the closing time are listed in the following table:

<b>TENDERER</b>	<b>LUMP SUM TENDER PRICE</b> as shown on the Tender Form (excluding GST)
Byrne Civil Engineering Constructions Pty Ltd	\$311,418.50
Eco Civil Constructions Pty Ltd	\$309,232.00
JN Civil Pty Ltd	\$270,230.50
Kelbon Concrete & Paving	\$322,632.00
North Shore Paving Co Pty Ltd	\$317,597.95
Transfield Services Pty Ltd	\$545,731.45
Tropic Asphalts Pty Ltd	\$235,116.00

The tenders were assessed in accordance with the agreed selection criteria stated in the tender documents. The tender panel comprised Mr Joe Cavagnino who was acting as the independent member of the tender panel, Mr Jake Matuzic who is the Commissioning Officer and Mr Nick Marston who is the Project Manager managing the delivery of the Project.

The members of the panel from these areas are:

- The Purchasing Coordinator, who is responsible for making sure the tender process adheres to the Local Govt Tendering Regulation and Council's procedures and that all tenders are managed consistently. The Purchasing Coordinator is not involved in the projects being tendered and is considered to fulfil the role of an independent member of the panel.
- The "Commissioning Officer" is the Council Officer managing the asset, who is responsible for preparing and coordinating the tender documentation and responsible for meeting the Council's objectives with respect to time, budget and quality of finished works or services provided.
- The "Superintendent of the Project" is the Council Officer or contract Project Manager managing the delivery of the project who will be responsible for the day to day running of the works, or supervising the provision of the service, or in the case of major plant, supervising the operational use of the item.

## Probity Adviser

Following recent reports to Council regarding the tender evaluation process and the Corporate and Works Committee's recommendation of 3 September 2007, it was recommended that the procedure of including a probity adviser during the tender assessment stage should be continued but only for high risk, high value and sensitive projects. In this case, the contract for Palmerston Street Vauclose Road Reconstruction was deemed to be outside the above definition and it was agreed that the assessment could be carried out by the panel without the need for a probity observer.

## TENDER ANALYSIS

Prior to the closing date, on the 4<sup>th</sup> October 2007, the tender panel agreed on the weightings that would be used against the published selection criteria.

The tenders were given a score on each item of the selection criteria, which resulted in a score out of 100, with points being allocated as indicated in the following table.

The table shows the scores and rankings of all tenders considered;

TENDERER	Demonstrated Experience 15	Duration of Works 7.5	Program & Methodology 7.5	Quality Management 10	Organisational Capability 10	Price Components 5	Price 35	Addressing Tender Requirements 10	Total Score 100	Ranking
Byrne Civil	6.96	3.75	4.50	7.50	8.00	3.25	26.42	9.12	69.51	6
Eco Civil	7.50	3.00	4.88	8.50	8.50	4.75	26.61	9.71	73.44	4
JN Civil	8.04	3.00	5.25	5.50	7.50	3.50	30.45	10.00	73.24	5
Kelbon	8.57	3.75	6.00	8.50	9.00	4.50	25.51	10.00	75.83	3
North Shore Paving	9.11	3.75	6.00	8.50	9.50	4.75	25.91	9.41	76.93	2
Transfield	9.11	1.88	5.63	8.50	9.50	4.50	15.08	10.00	64.19	7
Tropic Asphalt	7.50	7.50	4.13	8.50	9.00	4.50	35.00	8.53	84.66	1

8. **Demonstrated Experience:** Information was requested pertaining to size and value of past works, types of works performed and complexity of past works. From this information the evaluation panel assessed the level of demonstrated experience for each tenderer.
9. **Duration of Works:** the shortest time is deemed to achieve 100% for that weighting. Other tenderers' duration of works are then ranked by a percentage fraction of the shortest time frame.
10. **Program & Methodology:** Information was requested pertaining to project program and time to complete, construction management plan, traffic management plan, environmental management plan and community liaison plan. From the information received the evaluation panel were able to assess the contractor's ability to sequentially carry out the works.
11. **Quality Management:** Information was requested pertaining to quality systems, quality of works, quality of past council works and the quality of key subcontractors.
12. **Organisational Capability:** Information was requested pertaining to quality systems, occupational health and safety systems, industrial relations, management team experience and plant & equipment. From this information the evaluation panel assessed the level of demonstrated quality management experience for each tenderer.
13. **Price Components:** Tenderers provided information on prices that were outside the lump sum price. The assessment panel considered areas such as qualifications, was the job fully priced, risk of additional claims and necessary rates for pricing extras.
14. **Price:** the lowest price is deemed to achieve 100% for that weighting. Other tenderers' prices are then ranked by a percentage fraction of the lowest price.
15. **Addressing the Tender:** Points were deducted for missing or incomplete information required to be submitted with the Tender.

## Assessment Summary

Tropic Asphalt are the highest ranked tenderer overall, and also have the lowest lump sum price at **\$235,116**.

Whilst past projects completed by Tropic Asphalt are not as complex or with project values as high as those completed by other tenderers, Tropic Asphalts has an extensive amount of experience on road works similar in nature to the Drumalbyn Road works. Past works completed by Tropic Asphalts have required similar expertise in traffic management and environmental issues. Tropic Asphalts have also worked with a number of Councils, and have repeat work with these Council's which demonstrates they are reputable and have an understanding of the processes within a Council framework.

Tropic Asphalts also has the shortest duration at **four (4) weeks** and the programme provided for Palmerston is sufficient to determine the proposed methodology

Tropic Asphalts has a satisfactory Quality Management System in place, and is sufficient for the purposes of these works.

Tropic Asphalts own an impressive supply of building equipment, and therefore we are comfortable that they will have the equipment available which will be needed for the works. All of the listed personnel have sufficient experience.

Tropic Asphalts provided enough information to satisfy the Council that they have the necessary experience and capacity to successfully complete the Drumalbyn Road project.

### Identification of Income and Expenditure:

A total sum of \$164,764 is allocated in the 2007/08 Environmental and Infrastructure Works Program for the Drumalbyn Road Reconstruction works. The lump sum cost to complete the works using the preferred tenderer is \$235,116 (excluding GST). In addition approximately \$15,000 of the available budget has been spent on preparing the design and tender documentation, and a provisional amount of approx \$7,000 for project management (3%) should be budgeted for. The revised total amount of \$257,116 is required, which exceeds the budget available.

The primary reasons for the increased construction costs are the significant costs associated with the full depth reconstruction of the road pavement, which requires the excavation and removal of the existing failed sub-grade road pavement. The road pavement has significantly deteriorated since the project was first identified as part of Council's adopted infrastructure renewal program condition indicator analysis completed in 2004.

It is estimated that an additional \$92,352 is required to complete the project, to cover potential variation claims, all project management costs and any further design incidentals. It is proposed that the additional budget be part funded from the *Deferment of the Gurners Street footpath reconstruction*, total remaining budget \$85,160 and the remaining balance of \$7,192 to be funded from the *O'Sullivan Road kerb and gutter reconstruction project*.

The O'Sullivan Road kerb and gutter reconstruction project is the next lowest priority works that is programmed for renewal in the 2007/08 Environmental and Infrastructure Works Program. The survey, design and preparation of tender documentation is currently being completed. It is recommended that the construction of this project be deferred to 2008/09 unless savings across the Environmental and Infrastructure Works Program become available.

The Gurner Street footpath reconstruction project cannot be commenced until after the completion of the adjacent Five-ways Streetscape Upgrade Project. The works required may be reduced as some of the works required may be completed as part of the Five-ways upgrade. Until such time this is completed the remaining footpath works in Gurner Street cannot be determined. It is recommended that the construction of this project be deferred to 2008/09 unless savings across the Environmental and Infrastructure Works Program become available.

The above proposed changes will be reported in Council's December Budget Review. The result of the above changes will mean that there is an available budget of \$257,116 to complete the work.

**Conclusion:**

The tender panel recommends that Council enter into a Contract with Tropic Asphaltting Pty Ltd for the Drumlbyn Road Reconstruction Works Project for the sum of \$235,116 (excluding GST).

Joe Cavagnino  
Purchasing Coordinator

Warwick Hatton  
Director Technical Services

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**Annexures:**

Nil

**Item No:** R4 Recommendation to Council  
**Subject:** **Palmerston Street Vacluse – Road Reconstruction**  
**Author:** Joe Cavnino – Purchasing Coordinator  
**File No:** Tender No 07/16  
**Reason for Report:** To recommend to Council the acceptance of a Tender

**Recommendation:**

- A. That Council enter into a Contract with Tropic Asphalts Pty Ltd for the Palmerston Street Vacluse Road Reconstruction project for the sum of \$189,422.00 (excluding GST).
- B. That successful and unsuccessful tenderers be advised accordingly.

**Background:**

Council adopted an Asset Management Strategy in 2005, which includes a detailed condition indicator analysis of all our infrastructure assets. This condition analysis identified that the road pavement, kerb and guttering, and footpath in Palmerston Street, Vacluse require renewal. The area of works to be carried out under this contract is shown in the location map and aerial photograph below.



**LOCATION MAP AND AERIAL PHOTOGRAPH**

In order to carry out the works, detailed design plans and specifications were prepared for the full extent of works. Tenders were invited in September 2007 from contractors with the necessary experience to undertake these works. The extent of the works to be carried out under this contract is the area of Palmerston Street, from Cambridge Ave to Russell Street and comprise generally of the following:

- The removal and reconstruction of concrete kerb and gutter on both sides of the street.
- The removal and reconstruction of concrete driveways and footpaths.
- Road reconstruction, including full subgrade reconstruction, regrading, and milling and filling of the road pavement surface.

### Tender Assessment

Tenders for this work closed at 2.30pm on Thursday 4 October 2007. A total of eight (8) tenders were received prior to the closing date and time.

All the tenders received by the closing time are listed in the following table:

<b>TENDERER</b>	<b>LUMP SUM TENDER PRICE</b> as shown on the Tender Form (excluding GST)
Byrne Civil Engineering Constructions Pty Ltd	\$242,505.00
C&J Chrisos Constructions Pty Ltd	\$245,329.00
Eco Civil Constructions Pty Ltd	\$255,841.34
JN Civil Pty Ltd	\$247,326.00
Kelbon Concrete & Paving	\$260,874.00
North Shore Paving Co Pty Ltd	\$273,482.35
Transfield Services Pty Ltd	\$316710.90
Tropic Asphalts Pty Ltd	\$189,422.00

The tenders were assessed in accordance with the agreed selection criteria stated in the tender documents. The tender panel comprised Mr Joe Cavagnino who was acting as the independent member of the tender panel, Mr Jake Matuzic who is the Commissioning Officer and Mr Nick Marston who is the Project Manager managing the delivery of the Project.

The members of the panel from these areas are:

- The Purchasing Coordinator, who is responsible for making sure the tender process adheres to the Local Govt Tendering Regulation and Council's procedures and that all tenders are managed consistently. The Purchasing Coordinator is not involved in the projects being tendered and is considered to fulfil the role of an independent member of the panel.
- The "Commissioning Officer" is the Council Officer managing the asset, who is responsible for preparing and coordinating the tender documentation and responsible for meeting the Council's objectives with respect to time, budget and quality of finished works or services provided.
- The "Superintendent of the Project" is the Council Officer or contract Project Manager managing the delivery of the project who will be responsible for the day to day running of the works, or supervising the provision of the service, or in the case of major plant, supervising the operational use of the item.

## Probity Adviser

Following recent reports to Council regarding the tender evaluation process and the Corporate and Works Committee's recommendation of 3 September 2007, it was recommended that the procedure of including a probity adviser during the tender assessment stage should be continued but only for high risk, high value and sensitive projects. In this case, the contract for Palmerston Street Vaucluse Road Reconstruction was deemed to be outside the above definition and it was agreed that the assessment could be carried out by the panel without the need for a probity observer.

## TENDER ANALYSIS

Prior to the closing date, on the 4<sup>th</sup> October 2007, the tender panel agreed on the weightings that would be used against the published selection criteria.

The tenders were given a score on each item of the selection criteria, which resulted in a score out of 100, with points being allocated as indicated in the following table.

The table shows the scores and rankings of all tenders considered;

TENDERER	Demonstrated Experience 15	Duration of Works 7.5	Program & Methodology 7.5	Quality Management 10	Organisational Capability 10	Price Components 5	Price 35	Addressing Tender Requirements 10	Total Score 100	Ranking
Byrne Civil	6.96	6.43	4.50	7.50	8.00	3.25	27.34	9.12	73.10	7
C&J Chrisos	8.57	6.43	6.38	9.50	8.50	4.75	27.02	9.71	80.85	2
Eco Civil	7.50	4.50	4.88	8.50	8.50	4.75	25.91	9.71	74.24	5
JN Civil	8.04	4.50	5.25	5.50	7.50	3.50	26.81	10.00	71.09	8
Kelbon	8.57	6.43	6.00	8.50	9.00	4.50	25.41	10.00	78.41	3
North Shore Paving	9.11	5.63	6.00	8.50	9.50	4.75	24.24	9.41	77.14	4
Transfield	9.11	5.00	5.63	8.50	9.50	4.50	20.93	10.00	73.17	6
Tropic Asphalt	7.50	7.50	4.13	8.50	9.00	4.50	35.00	8.53	84.66	1

16. **Demonstrated Experience:** Information was requested pertaining to size and value of past works, types of works performed and complexity of past works. From this information the evaluation panel assessed the level of demonstrated experience for each tenderer.
17. **Duration of Works:** the shortest time is deemed to achieve 100% for that weighting. Other tenderers' duration of works are then ranked by a percentage fraction of the shortest time frame.
18. **Program & Methodology:** Information was requested pertaining to project program and time to complete, construction management plan, traffic management plan, environmental management plan and community liaison plan. From the information received the evaluation panel were able to assess the contractor's ability to sequentially carry out the works.
19. **Quality Management:** Information was requested pertaining to quality systems, quality of works, quality of past council works and the quality of key subcontractors.
20. **Organisational Capability:** Information was requested pertaining to quality systems, occupational health and safety systems, industrial relations, management team experience and plant & equipment. From this information the evaluation panel assessed the level of demonstrated quality management experience for each tenderer.
21. **Price Components:** Tenderers provided information on prices that were outside the lump sum price. The assessment panel considered areas such as qualifications, was the job fully priced, risk of additional claims and necessary rates for pricing extras.
22. **Price:** the lowest price is deemed to achieve 100% for that weighting. Other tenderers' prices are then ranked by a percentage fraction of the lowest price.
23. **Addressing the Tender:** Points were deducted for missing or incomplete information required to be submitted with the Tender.

## Assessment Summary

Tropic Asphalt are the highest ranked tenderer overall, and also have the lowest lump sum price at **\$189,422**.

Whilst past projects completed by Tropic Asphalt are not as complex or with project values as high as those completed by other tenderers, Tropic Asphalts has an extensive amount of experience on road works similar in nature to the Palmerston Road works. Past works completed by Tropic Asphalts have required similar expertise in traffic management and environmental issues. Tropic Asphalts have also worked with a number of Councils, and have repeat work with these Council's which demonstrates they are reputable and have an understanding of the processes within a Council framework.

Tropic Asphalts also has the shortest duration at **six (6) weeks** and the programme provided for Palmerston is sufficient to determine the proposed methodology

Tropic Asphalts has a satisfactory Quality Management System in place, and is sufficient for the purposes of these works.

Tropic Asphalts own an impressive supply of building equipment, and therefore we are comfortable that they will have the equipment available which will be needed for the works. All of the listed personnel have sufficient experience.

Tropic Asphalts provided sufficient information to satisfy the Council that they have the necessary experience and capacity to successfully complete the Palmerston Road project.

### Identification of Income and Expenditure:

A total sum of \$175,137 is allocated in the 2007/08 Environmental and Infrastructure Works Program for the Palmerston Street Reconstruction Project. The lump sum cost to complete the works using the preferred tenderer is \$189,422 (excluding GST). In addition approximately \$20,000 of the available budget has been spent on preparing the design and tender documentation, and a provisional amount of approx \$6,000 for project management (3%) should be budgeted for. The revised total amount of \$215,422 is required, which exceeds the budget available.

The primary reasons for the increased construction costs are the significant costs associated with the full depth reconstruction of the road pavement, which requires the excavation and removal of the existing failed sub-grade road pavement. The road pavement has significantly deteriorated since the project was first identified as part of Council's adopted infrastructure renewal program condition indicator analysis completed in 2004.

It is estimated that an additional \$40,305 is required to complete the project, to cover potential variation claims, all project management costs and any further design incidentals. It is proposed that the additional budget be funded from the *Deferment of the O'Sullivan Road kerb and gutter reconstruction Project*, total remaining budget \$88,456. (less \$7,192 proposed supplement funding for Dramalbyn Road Reconstruction. – See separate report)

The O'Sullivan Road kerb and gutter reconstruction project is the next lowest priority works that is programmed for renewal in the 2007/08 Environmental and Infrastructure Works Program. The survey, design and preparation of tender documentation is currently being completed. It is recommended that the construction of this project be deferred to 2008/09 unless savings across the Environmental and Infrastructure Works Program become available.

The above proposed changes will be reported in Council's December Budget Review. The result of the above changes will mean that there is an available budget of \$215,422 to complete the work.

**Conclusion:**

The tender panel recommends that Council enter into a Contract with Tropic Asphaltting Pty Ltd for the Palmerston Street Reconstruction Works Project for the sum of \$189,422 (excluding GST).

Joe Cavagnino  
Purchasing Coordinator

Warwick Hatton  
Director Technical Services

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**Annexures:**

Nil