



# Corporate & Works Committee

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

**Date:** *Monday 7 April 2008*

**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

3 April 2008

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 – 7 April 2008**

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 7 April 2008 at 6.00pm.**

Gary James  
General Manager

# **Additional Information Relating to Committee Matters**

## **Site Inspection**

A Site Inspection will be held at:

Item D4 - 104 Hopetoun Avenue, Vaucluse at 5.00 pm – 7 April 2008

Item D5 - 790 New South Head Road, Rose Bay at 5.30 pm – 7 April 2008

## **Other Matters**

## Meeting Agenda

Item	Subject	Pages
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 17 March 2008	1
D2	CDO Update – 389.G	2
D3	Disclosure of Interest Returns submitted by new designated employees January to March 2008 – 169.G	3
D4	104 Hopetoun Avenue, Vaucluse – Proposed Road Lease - 240.104	6
D5	790 New South Head Road, Rose Bay – Proposed Road Closure and Sale – 329.790	16
D6	Customer Service and Communications Principal Activity – Draft 2008-2011 Management Plan – 827.G 05-08	24
D7	Environmental Works and Infrastructure Program Principal Activity – Draft 2008-2011 Management Plan – 827.G 04-07	37
D8	Organisation Support Principal Activity – Draft 2008-2011 Management Plan – 827.G 08-11	52
D9	Roads, Traffic and Transport Principal Activity – Draft 2008-2011 Management Plan – 827.G 04-07	83
D10	Investments Update – 389.G	99

**\*Note: Confidential Report Circulated Under Separate Cover**

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

R1	Fisher Ave Vaucluse Drainage Works – Tender 07/09	101
R2	Energy Performance Contract – Tender 07/06	107

**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of Minutes of Meeting held on 17 March 2008**  
**Author:** Les Windle, Manager – Governance  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 17 March 2008 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 17 March 2008 be taken as read and confirmed.

Les Windle  
Manager - Governance

**Item No:** D2 Delegated to Committee  
**Subject:** CDO Update  
**Author:** Michelle Phair, Team Leader Financial Services  
**File No:** 389.G  
**Reason for Report:** To update the Committee on Council's CDO investments.

**Recommendation:**

That the report be received and noted

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**Background:**

At the Extraordinary Council meeting held on 17 September 2007 a confidential resolution was adopted. In open session, the Mayor advised:

*That the Council has resolved to embark upon a course of action to continue the monitoring and reviewing of Council's investments and that the Council's decisions made in closed session are to remain confidential.*

An update report will come to each meeting of the Corporate & Works Committee as a result of this resolution.

**Discussion:**

*Bid Updates:*

The latest CDO bid updates will be tabled at the meeting.

*Investment Working Group:*

A separate report has been submitted for consideration of the Corporate & Works Committee outlining the actions of the Investment Working Group.

**Conclusion:**

Council will continue to monitor and review its investments and provide an update report to each meeting of the Corporate & Works Committee.

Michelle Phair  
Team Leader Financial Services

Don Johnston  
Manager Finance

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**Annexures:** Nil.

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**Item No:** D3 Delegated to Committee  
**Subject:** **Disclosure of Interest Returns Submitted by New Designated Employees January to March 2008**  
**Author:** Les Windle – Manager Governance  
**File No:** 169.G  
**Reason for Report:** To table the disclosure of interest returns that have been lodged by new designated employees during the period January to March 2008

**Recommendation:**

- A. That the Disclosure of Interest Returns of the new designated persons who were required to submit a Primary Return during the period January to March 2008 be tabled.
- B. That Council notes that the Primary Disclosure of Interest Returns have been submitted in accordance with the requirements of the Local Government Act 1993.
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**Background:**

Designated persons are required to lodge a disclosure of interest return:

- (1) within three months of becoming a designated person, (Primary Return) and
- (2) for each July 1 to June 30 period (Ordinary Return).

A designated person is described in Section 441 of the Local Government Act as:

*S441 Who are 'designated persons'*

*For the purposes of this chapter, "designated persons" are:*

- *the general manager*
- *other senior staff of the council*
- *a person (other than a member of the senior staff of the council) who is a member of staff of the council or a delegate of the council and who holds a position identified by the council as the position of a designated person because it involves the exercise of functions under this or any other Act (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict of interest between the person's duty as a member of staff or delegate and the person's private interest*
- *a person (other than a member of the senior staff of the council) who is a member of a committee of the council identified by the council as a committee whose members are designated persons because the functions of the committee involve the exercise of the Council's functions under this or any other Act (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the member's duty as a member of the committee and the member's private interest.*

The occupants of the following Council positions have been determined to be designated persons for the purpose of Section 441 of the Local Government Act:

Directors	Senior staff of Council
Managers	Deemed to exercise designated persons functions
Infrastructure Asset Management Engineer	Exercises designated persons functions
Assessment Officers/Planners	Exercises designated persons functions
Blg/DA Compliance Officers	Exercises designated persons functions
Design/Urban Design Team Leaders	Exercises designated persons functions
Development Assessment Engineers	Exercises designated persons functions
Environmental Health Officers	Exercises designated persons functions
Fire Safety Officers	Exercises designated persons functions
Heritage Officers	Exercises designated persons functions
Landscape Development/Tree Officers	Exercises designated persons functions
Co-ordinator Parks/Trees Maintenance	Exercises designated persons functions
Property Services Co-ordinator	Exercises designated persons functions
Property Officers	Exercises designated persons functions
Co-ordinator Regulatory Services	Exercises designated persons functions
Traffic Team Leader	Exercises designated persons functions
Admin Assistant – Printing & Purchasing	Exercises designated persons functions
Branch Librarians	Exercises designated persons functions
Plant & Fleet Co-ordinator	Exercises designated persons functions
Purchasing Co-ordinator	Exercises designated persons functions
Trades Supervisor	Exercises designated persons functions
Co-ordinator Civil Works	Exercises designated persons functions
Maintenance Supervisor	Exercises designated persons functions
Environmental protection Co-ordinator	Exercises designated persons functions
Project Managers	Exercises designated persons functions
Business Centres & Street Cleaning Co-ordinator	Exercises designated persons functions
Consultant Planners	Exercises designated persons functions

The Local Government Act requires, at Section 450A(1), the General Manager to keep a register of returns disclosing the interests of Councillors and designated persons.

Section 450A(2)(a) requires the returns lodged with the General Manager be tabled at the first meeting held after the last day for lodgement. The purpose of this report is to table the Primary Disclosure of Interest Returns of designated persons who were required to lodge a return during the period January 1, 2008 to March 31, 2008.

### **Tabling of Returns:**

Four new designated persons were required to submit Primary Disclosure of Interest Returns during the period and each designated person submitted their return in accordance with the legislative requirements.

**Conclusion:**

The designated persons required to complete Primary Disclosure of Interest Returns during the quarter ended 31 March 2008 completed their declarations in accordance with the legislative requirements.

The Returns are tabled in accordance with the requirements of the Local Government Act and it is recommended that the information be noted.

Les Windle  
Manager - Governance

Geoff Clarke  
Director Corporate Services

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**ANNEXURES:**

Nil

**Item No:** D4 Delegated to Committee  
**Subject:** **104 Hopetoun Avenue, Vacluse - Proposed Road Lease**  
**Author:** Anthony Sheedy, Property Officer  
**File No:** 240.104  
**Reason for Report:** To give consideration to the lease of unmade roadway adjoining the property.

**Recommendation:**

- A. That the proposal to lease a portion of the unmade road reserve adjoining 104 Hopetoun Avenue, Vacluse be advertised and notified to adjoining properties.
- B. That, should the Corporate and Works Committee choose not to proceed with a lease, an Order be given by Council to the applicant for the removal of all unapproved structures on the Road Reserve adjoining 104 Hopetoun Avenue, Vacluse.

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**Background:**

The Corporate and Works Committee considered this matter on 3 March 2008, where it was resolved:

*“A: That the site be inspected prior to the Corporate and Works Committee meeting of 17 March 2008 and a further report be submitted.*

*B. That should the Corporate and Works Committee choose not to proceed with a lease, an order be given by Council to the applicant for the removal of all unapproved structures on the Road reserve adjoining 104 Hopetoun Ave, Vacluse.”*

A copy of the previous Corporate and Works Committee report of 3 March 2008 is attached (Annexure 1).

Council has received an application from the owners of 104 Hopetoun Ave, Vacluse, to lease a 51.52 square metre rectangular shaped section of unmade road adjoining their property. Their intention is to formalise an existing encroachment, which is used to extend the available area at the front of the property for children to play in.

The subject unmade road reserve has steeply sloping topography, which increases the difficulty for easy pedestrian passage on areas other than the Council’s concrete footpath. This area of encroachment is significant and takes up a large portion of the unmade road reserve; other than the pedestrian footway. A low-rise rendered masonry wall and metal fence have been constructed on the road reserve; which effectively forms a boundary fence thus annexing the road reserve.

A review of the Development applications DA 942/01 & DA 781/02/1 & 2 by Mr & Mrs Carolan; shows that no approval was given in the consent conditions for the low rise masonry wall and garden landscaping.

Late correspondence dated 29/2/08 from the Vacluse Progress Association (VPA) was tabled at the meeting of 3 March 2008. A copy of the covering letter has also been attached to the report (Annexure 2).

The Association's President, Michael Rolfe argued that *"the existing encroachment has interrupted the visual continuity of the avenue format of street planting, and of the boundary line along Hopetoun Avenue. It has not added to the visual amenity of the public estate nor has it provided any other public benefit (having) changed the landform and obstructed the natural slope of the reserve land contrary to the intent of the RDCP."*

Due to the sloping topography, the road reserve between the footpath and property boundary is largely unsuitable for pedestrian traffic and requires some form of soil stabilisation by low rise retaining walls. These walls are also in evidence on the road reserve adjoining the property of 102 Hopetoun Avenue. In the circumstances a smooth passageway along the boundary line is not possible as proposed by the VPA, nor an *"uninterrupted visual continuity of the avenue format of street planting"*.

The road reserve adjoining 104 Hopetoun Ave has low rise shrubs (garden plantings) and mature trees upon it which retain the scenic qualities provided by natural vegetation. From the road kerb it is not possible to see any steel fencing as it is hidden by vegetation in this instance.

The VPA stated that *"endorsement and retention of the occupation under a lease would constitute Council endorsement of the unauthorised occupation and works ...and form a powerful precedent for retention of the other unauthorised encroachments in the vicinity."* However, there is already precedent in other parts of the LGA i.e. Cranbrook Rd, Bellevue Hill where Woollahra Council has issued leases and sold unmade road reserve in similar situations of alienation of the road reserve for private use. It is upon this basis that Property staff have recommended that a lease is appropriate.

The VPA have also asserted that *"our general interest in this matter lies in the need for vigilance in protection of the public estate from unauthorised encroachment, and in the development and application of appropriate principles to govern its management and use by private interests."*

This report is in response to protection of the public estate from illegal encroachments and formalising them with a lease that can be terminated at short notice. We would also require that any structures be removed at the owner's cost in this legal agreement, if the lease is to be terminated. This lease proposal will identify, acknowledge and record land as temporary public land occupation. The intention to lease will be publicly advertised, and the lease will be subject to payment of rent commensurate with the valuation of land use, by a certified Valuer.

Applicants Mr & Mrs Carolan have provided further clarification of their occupation in email dated 28/2/08 stating that that the low rise masonry wall existed on the road reserve before they purchased the property in 1999. They simply made it good and stabilised it by applying a concrete render. The Carolan's believe that the wall would have been built some time in the past to maintain the Council footpath area. If the wall were to be removed the footpath would not be supported, and Council would need to determine another way to retain the soil due to the steeply sloping topography. Mr & Mrs Carolan state that the landscaping adds to the street amenity, and removes Council's need to provide maintenance for this area.

The owners have agreed to pay all Council's costs in connection with the lease of the unmade road portion.

Following site inspection, the next step in Council's leasing procedure is to advertise this matter. Alternatively, Council may resolve to not proceed with a lease, and an Order be given by Council to the applicant for the removal of all unapproved structures on the Road Reserve adjoining 104 Hopetoun Avenue, Vaucluse.

**Conclusion:**

The Manager Public Infrastructure has advised that there are no road widening plans in respect of land adjoining 104 Hopetoun Avenue and, because of the steeply sloping topography, the subject land was of little practical value for pedestrian access.

It is beneficial for the owner of 104 Hopetoun Avenue to lease the unmade road portion. There is also community benefit to the Council in the proceeds from the lease of a portion of road, which is not required for road purposes.

Council's Property staff recommends that the Committee consider the leasing option further, and arrange to publicly advertise the proposal including sending notice to the adjoining owners.

Alternatively, if Council takes the view not to lease this parcel, it is recommended that an 'Order' to demolish and make good the site be issued to the owners in respect of these unauthorised encroachments.

Anthony Sheedy  
Property Officer

Warwick Hatton  
Director Technical Services

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**ANNEXURES:**

1. Copy of the previous Corporate and Works Committee report of 3 March 2008.
2. Late correspondence dated 29/2/08 from the Vaocluse Progress Association.

**Item No:** D5 Delegated to Committee  
**Subject:** **790 New South Head ROAD, Rose Bay - Proposed Road Closure & Sale**  
**Author:** Anthony Sheedy, Property Officer  
**File No:** 329.790  
**Reason for Report:** To give consideration to the closure and sale of unmade roadway adjoining the property.

**Recommendation:**

- A. That the proposal to sell a portion of unmade road reserve adjoining 790 New South Head Rd 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 17 March 2008, where it was resolved:

*“That the site be inspected prior to the Corporate and Works Committee meeting of 7 April 2008.”*

A copy of the previous Corporate and Works Committee report of 17 March 2008 is attached (Annexure 1).

Council has received a request from the owners of 790 New South Head Road, Rose Bay to purchase a triangular shaped section of unmade road adjoining their property.

This unmade road reserve area is an estimated 38 square metres in size. The subject land comprises a ground level concrete driveway and grassed verge. I understand that because New South Head Rd has high traffic volumes, the owner wants to purchase this road reserve portion from Council to enable safer motor vehicle access and egress from the property.

The owners have agreed to accept payment of all Council’s costs in this matter as confirmed in their letter received by Council 14 February 2008.

**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. A further report will be submitted to the Committee after the advertisement period has been completed.

Anthony Sheedy  
Property Officer

Warwick Hatton  
Director, Technical Services

**ANNEXURES:**

- 1. Copy of the previous Corporate and Works Committee report of 17 March 2008.

**Item No:** D6 Delegated to Committee  
**Subject:** **Customer Service and Communication Principal Activity - Draft 2008-2011 Management Plan**  
**Author:** Geoff Clarke - Director Corporate Services  
Justine Henderson – Communications Manager  
**File No:** 827.G 05-08  
**Reason for Report:** To review the principal activity prior to its inclusion in the draft management plan

**Recommendation:**

That, subject to any variation to the budget, the programs and projects for the Customer Service and Communications Principal Activity be included in the draft Management Plan.

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**Background:**

Principal Activity No 6 of the Management Plan is "Customer Service and Communication". This principal activity has the following sub-activities:

6.1 Customer Service and Communication

Included as an Annexure to this report is the proposed Customer Service and Communication Principal Activity of the Management Plan with detailed comments on the programs and projects in each sub activity.

The Annexure includes all the details of the proposed projects and initiatives and this report aims to provide a brief overview for Councillors.

This section of the Management Plan outlines specific responsibilities and projects implemented by both the Customer Service and Communication Division. It should be noted that the value of good customer service and communication needs to be both recognised and demonstrated in all areas of Council's business and by all members of staff. Good customer service and communication is essential to our corporate culture and the community's perception of our organisation. Every community contact is an opportunity to build our reputation for friendly and professional service.

The focus of the Management Plan for this period will be on using technology to improve and develop better opportunities for sharing information in both Customer Service and Communications.

Following is the commentary on each sub-activity:

**6.1 Customer Service:**

The customer service section of the Council aims to meet the needs of its community through providing an excellent level of service to its customers. We do this by responding to customer requests for information, and other Council products and services, in a consistent, accurate, reliable, and appropriate manner. Additionally as the front line of Council our aim is to provide the organisation with valuable insight into 'what our customers are asking of us'. This is achieved through the gathering of customer centred information and through the correlation and dissemination of customer feedback. It is this information which is useful for service improvement throughout the organisation.

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To support our stated aims, during the planned year, our efforts will be concentrated around:

- Development of Council's website to best meet customer needs
- Review of the website architecture to ensure it is easy for customers and staff to use
- The development of an intranet to streamline access to shared information and procedures
- The development and implementation of a 'knowledge management system' - to aid in the delivery of consistent and reliable information for the benefit of staff and customers
- The redesigning of workflows to accommodate customer focused models
- the implementation of a new customer request management system – to aid in the delivery of Council's e-services and
- the continuous up-skilling of our customer service staff.

Additionally we will continue to monitor how various customer service requests are managed, organisationally wide, as well as continuing to develop better reporting frameworks through the integration of data among customer service channels (e.g. phone, Customer request system, applications, web, etc.) and organisational functions.

### **COMMUNICATION:**

Three communications staff support and service the media, event, advertising and corporate communication needs of the organisation. A high level of support is provided to the office of the Mayor and the General Manager, with additional support offered to all other Divisional staff across Council on a variety of projects and media stories.

Improvements to Council's knowledge management, records and customer service management systems will deliver benefits to the accuracy and speed with which we respond to media inquiries. Communications staff will continue to work with local and metropolitan media to promote Council's services and facilities. Assistance will be provided to other members of staff in the preparation of media stories and media training. Our aim is to develop the skills and understanding of staff we work with to improve the way they deliver communication to their customers. Our objective will be to build a greater understanding of communication during the project planning stage, rather than at the end of a project.

Event evaluation will provide for continuous improvement and the opportunity to maximise branding and recognition for the Council and meet the needs of the community. The development and review of events and risk related checklists will help deliver safe and productive events that meet the Council's objectives and engage our local community.

Continued support will be provided to the office of the Mayor and General Manager on speech writing, issues management, complex customer service requests, and crisis management.

There has been a shift in the way our community wants information delivered and more emphasis will be placed on providing information via email groups and on our website. Events will involve participation from a range of Council divisions that share similar objectives which will maximise potential outcomes.

Both divisions will work together and with other divisional staff to help promote good customer service and communication throughout the organisation.

**Geoff Clarke**  
**Director Corporate Services**

**Justine Henderson**  
**Communications Manager**

#### **Annexures:**

- 1 Proposed Customer Service and Communication Principal Activity of 2008-2011 Management Plan

**Item No:** D7 Delegated to Committee

**Subject:** **Environmental Works & Infrastructure Program Principal Activity - Draft 2008-2011 Management Plan**

**Author:** Warwick Hatton - Director Technical Services

**File No:** 827.G 04-07

**Reason for Report:** To review the principal activity of Environmental Works and Infrastructure Program prior to inclusion in the draft management plan.

**Recommendation:**

That, subject to any variation to the budget, the programs and projects for the Environmental Works and Infrastructure Program principal activity be included in the draft Management Plan.

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**Background:**

Principal Activity No 8 of the Management Plan is the "Environmental Works and Infrastructure Program". This Principal Activity has the following sub-activities:

- 8.1 Administration
- 8.2 Water Quality "at source" treatment Program
- 8.3 Water quality "end of line" treatment Program
- 8.4 Watercourse and Bushland Vegetation Treatment Projects
- 8.5 Road Infrastructure Assets  
(Includes road pavements, footpaths and kerb & gutter works).
- 8.6 Seawalls
- 8.7 Retaining Walls
- 8.8 Floodplain Risk Management Program – Project Implementation
- 8.9 Stormwater Works

Included as an Annexure to this report is the proposed Environment Works and Infrastructure Program Principal Activity 8.0 with projects outlined in each sub activity.

**Environmental Works and Infrastructure Program**

Following is a summary of each sub-activity along with commentary on the main changes incorporated with each sub-activity.

NOTE: These works are funded by an Environmental Works and Infrastructure Levy, and a Stormwater Management Service Charge.

Capital works projects associated with stormwater are covered in this Principal Activity, whereas studies, investigations, design and monitoring, and education and community information programs associated with stormwater are covered in Principal Activity 2 Natural Environment.

**8.1 Administration**

This sub-activity covers the project administration of all works which are included in the combined Environmental Works and Infrastructure program.

## **8.2 Water Quality "At Source" treatment Program**

The objectives of this program are to prevent pollutants, litter, vegetation matter and sediment entering the Harbour. Individual targeted education programs will be implemented to better inform the community on stormwater pollution and environmental sustainability and a targeted cigarette litter reduction campaign along with porous pavements trials, are the types of projects that meet the objective of treating stormwater at source. These projects are detailed in Principal Activity 2 Natural Environment, see Sub-Activity 2.2 - Stormwater Systems, for monitoring, and Sub-Activity 2.8 Sustainability Education.

For installation of "at source" stormwater devices see Sub-Activity 8.9 - Stormwater Works.

## **8.3 Water Quality "End of Line" treatment Program**

The objectives of this program are to prevent pollutants, litter, vegetation matter and sediment entering the Harbour. This may be achieved by projects such as installation of larger water quality devices, such as Gross Pollution Traps and Stormwater Booms, constructed low in the catchment at the end of the stormwater network, prior to discharging into the Harbour. These projects are detailed in Principal Activity 2 Natural Environment, see Sub-Activity 2.2 - Stormwater Systems for monitoring, and Sub Activity 8.9 - Stormwater Works for Installation of "End of Line" stormwater devices.

## **8.4 Watercourse and Bushland Vegetation Treatment Program**

The objective of this program is to prevent uncontrolled run-off, erosion, nutrient transport and weed intrusion into remnant bushland.

The main bushland areas targeted will be in Cooper Park, comprising improvements to drainage systems entering Cooper Park remnant bushland areas and erosion control at Small Street. A major project, commenced in 2007-08, will be the carrying out of the Cooper Park rehabilitation project. Stormwater harvesting opportunities will be investigated and proposals submitted to Council.

## **8.5 Road Infrastructure Assets (Includes road pavements, footpaths and kerb & gutter works)**

The objective of this sub-program is to improve the condition of the road, footpath and kerb and gutter assets by renewing those sections which have been ranked as first priority by our condition indicator analysis. A detailed program of works is attached.

## **8.6 Seawalls**

The objective of this sub-program is to repair and restore seawalls located on public land to prevent structural collapse and erosion material from behind the seawalls entering the harbour. A prioritised works program will be developed. Seawalls will be reconstructed at Watsons Bay, Pilot station to Baths, and Stage 2 of Rose Bay.

## **8.7 Retaining Walls**

The objective of this sub-program is to repair and restore retaining walls located on public land to prevent structural collapse. An inventory and condition assessment is being carried out and from this a prioritised works program is being developed. Specific projects will be reported to Council during the year.

## **8.8 Floodplain Risk Management Program – Project Implementation**

Floodplain studies and risk management plans are being undertaken in Woollahra's major catchments. See Principal Activity 2 Natural Environment, Sub-Activity 2.2 - Stormwater Systems. From these will be developed priority projects for implementation, funded from the Stormwater Management Charge. Specific projects will be reported to Council during the year.

### **8.10 Stormwater Works**

The objective of this sub-program is to improve the condition of the stormwater drainage assets by renewing those sections which have been ranked as first priority by our floodplain studies and floodplain risk management plans, and by condition analysis. Some works are associated with road infrastructure projects detailed in 8.5 above. A detailed program of works is attached.

Warwick Hatton  
Director Technical Services

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#### **Annexures:**

1. Proposed 2008-11 Management Plan Environmental and Infrastructure Works Program  
Principal Activity

**Item No:** D8 Delegated to Committee  
**Subject:** **Organisation Support Principal Activity - Draft 2008-2011 Management Plan**  
**Author:** Don Johnston – Manager Finance  
Warwick Hatton – Director Technical Services  
**File No:** 827.G 08/11  
**Reason for Report:** To review the principal activity prior to its inclusion in the draft management plan

**Recommendation:**

That, subject to any variation to the budget, the programs and projects for the Organisation Support principal activity be included in the draft Management Plan.

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**Background:**

Principal Activity No 7 of the Management Plan is "Organisation Support". This principal activity has the following sub-activities:

- 7.1 Governance
- 7.2 Finance
- 7.3 Risk Management
- 7.4 Human Resources
- 7.5 Information Technology
- 7.6 Property Management
- 7.7 Management Executive
- 7.8 Technical Services Management

Included as an Annexure to this report is the proposed Organisation Support Principal Activity of the Management Plan with detailed comments on the programs and projects in each sub activity

The Annexure includes all the details whereas set out in the following part of this report is a commentary. The purpose being to provide Councillors with a snapshot of the key influences or issues arising from this proposal

Following is the commentary on each sub-activity:

**7.1 Governance:**

The Governance area is primarily involved in supporting and facilitating the meeting process. Records Management is also part of the sub activity. The major projects in the governance area for this year focus on our statutory responsibilities following the local government elections in September 2008. These are the review of Council Delegations and Code of Conduct. We will also be developing a new Councillor induction program and information handbook.

In the Records area the further implementation of the electronic document management system will be pursued during the year including a review of policies and procedures and staff training.

## **7.2 Finance:**

Finance provides financial, budgetary, cost and revenue control and management reporting to staff, management and the Council, maintains the financial records of the Council and also administers the collection of Rates and charges and other debt based revenue. This year will see improvement of our long term financial strategy in conjunction with the development of our community strategic plan and the continuation of our transition to fair value accounting. There will be continued emphasis on improved reporting to the organisation and Council.

## **7.3 Risk Management:**

The function of risk management is to develop, implement and maintain risk management systems in the areas of Occupational Health and Safety, Public liability, Professional indemnity, Motor vehicles, Plant and equipment, Corporate and governance, and Environmental risks. These risks are minimised by active participation of staff and managers in risk control activities. The plan includes continuing with the implementation of Corporate Risk Management Plan, in particular Departmental Reporting to Directors and Manex, the review and refinement of programs to minimise our self funded losses in the areas of Workers Compensation, Public and Professional Liability, Motor Vehicle and Property and the incorporation of risk prevention strategies and systems into our operational management programs to maximise the community's wellbeing in the public domain.

## **7.4 Human Resources:**

The Human Resource function is concerned with services surrounding employees and assisting managers and supervisors to lead and develop their respective teams. The first half of the financial year will see the continuing implementation of the training and development area of the new HR system along with the completion of the staged rollout of on-line services for managers and staff. Legislative changes will see the need for negotiation of collective agreements to replace existing Preserved State Agreements or in new areas. The review of policies and procedures to ensure legislative compliance will continue.

The Human Resources team will also be involved in the review of Council's EEO Management Plan. This Plan appears separately to the Organisation Support principal activity as mandated supplementary information.

## **7.5 Information Technology:**

Information technology is fundamental to our business. We have a sound IT infrastructure by supporting its incremental development. This year the main IT projects are: Server upgrades including consolidation of servers using visualization technology for future cost benefits and improved business continuity; 3D modeling for development applications assessment to improve the decision making process regarding development applications; Improvements to the DA Online Tracking enquiry to provide better information to applicants and to minimise the number of DA enquiries handled by our Customer Service staff and Planning staff. We also propose to continue to maintain and develop the existing network infrastructure.

## **7.6 Property Management:**

In consultation with the Assets Working Party, a study of our property assets and community facilities was carried out in 2006-07, and recommendations put forward for future upgrading, development or disposal, as appropriate, of our community facilities, income generating properties and operational properties. The Property Assets Strategy will be progressed in the form of feasibility studies and subsequent reports to Council. Adopted recommendations will be implemented.

Tenders for management of Lyne Park Kiosk & Amenities and Dunbar House will be called. We will continue to manage Council's involvement in the Cosmopolitan site redevelopment, which includes stratum subdivision, new ground and stratum leases and transfer of assets to Council, and represent Council's ownership interests regarding the future of the Kiaora Lands site. 2008/2009 will also see the finalisation of energy efficiency upgrades under Council's recently adopted Energy Performance Contract.

## **7.7 Management Executive:**

We will continue the process of continuous review of each division of the organisation. A key project for 2008/2009 will be the development of a Community Strategic Plan in consultation with our community arising from proposed integrated planning reforms.

## **7.8 Technical Services Management:**

This sub activity includes the cost centre of the director and support staff, and Technical Services management team. Activities and initiatives are shown in the relevant sub activity areas. Collective agreements will be negotiated in the various Technical Services operational areas.

Don Johnston  
Manager Finance

Warwick Hatton  
Director Technical Services

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## **ANNEXURES:**

- 1 Organisation Support Principal Activity – Draft 2008-2011 Management Plan

**Item No:** D9 Delegated to Committee  
**Subject:** **Roads, Traffic and Transport Principal Activity - Draft 2008-11 Management Plan**  
**Author:** Warwick Hatton - Director Technical Services  
**File No:** 827.G 04-07  
**Reason for Report:** To review the principal activity of Roads, Traffic & Transport prior to inclusion in the draft management plan

**Recommendation:**

That, subject to any variation to the budget, the programs and projects for the Roads, Traffic and Transport principal activity be included in the draft Management Plan.

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**Background:**

Principal Activity No 3 of the Management Plan is "Roads, Traffic and Transport". This principal activity has the following sub-activities:

- 3.1 Road and Infrastructure Asset Management
- 3.2 Maintenance and Construction
- 3.3 Traffic and Transport
- 3.4 Parking Facilities
- 3.5 Parking Enforcement (Regulatory Services)
- 3.6 Streetscape

Included as an Annexure to this report is the proposed Traffic & Transport Principal Activity of the Management Plan with detailed comments on the programs and projects in each sub activity

The Annexures include all the details whereas set out in the following part of this report is a commentary, the purpose being to provide Councillors with a snapshot of the key influences or issues arising from this proposal

The operating and capital budgets will be considered in a separate budget report which reviews the overall financial position of the Council.

Following is the commentary on each sub-activity:

**3.1 Road and Infrastructure Asset Management**

The Infrastructure Asset Renewal strategy was adopted in late 2004. Capital works programs and funding options were developed for a five year Infrastructure Renewal Program. This program and an Environmental Works Program are funded by an Environmental and Infrastructure Works Levy as an integrated program of capital works (see Environmental and Infrastructure Works Program as Principal Activity 8).

The asset strategy for road, footpath and kerb and guttering assets will be reviewed and updated in 2008-09 and the program rolled forward. An inventory and condition ratings are being developed for retaining walls, as the basis for a prioritised works program.

### **3.2 Maintenance and Construction**

Programmed maintenance activities, response to customer requests and construction of programmed capital works are the core functions in this Sub-Activity. The Asset Management Information System (AMIS) has been extended to enhance our responsiveness and reporting capacity. A minor capital works program will be implemented to supplement programmed maintenance and the Infrastructure Renewal program (see Principal Activity 8).

### **3.3 Traffic and Transport**

The Ministry of Transport began a review of bus services in our area in 2007-08. A Community Forum was held in November 2007 to give our residents an opportunity to raise their concerns. The draft review is proposed to be released mid-year 2008 and at this time another community forum will be held. A Council submission will be prepared on the draft review.

The Woollahra Traffic and Transport Strategy continues to be reviewed and implemented. Reports will continue to be submitted to Council on specific issues. A number of issues identified in the Strategy, such as public transport and local community transport, are being addressed by an inner-city forum which has been established with adjoining Councils. Community Forums are being held to address resident concerns in relation to public transport, among other issues.

The impact of the Cross City Tunnel will continue to be monitored and reported to Council. In Paddington, staged introduction will continue of traffic management works arising from the PAMP (pedestrian movement) study, and the installation of the 40kmh speed limit zone. Application has been made to the RTA to extend the Paddington 40kmh zone into the Woollahra Shopping precinct. The RTA has indicated that this will be considered after the Paddington 40kmh zone has been deemed to be completely successful.

A traffic management strategy has been adopted for Darling Point, parts of which will be implemented in 2008/9.

The Bike Plan will be reviewed as well as continued implementation of the current Bicycle Plan works to complete Routes 41, 42 and 50 in 2008/2009.

We will continue our program of upgrading bus shelters.

### **3.4 Parking Facilities**

Resident parking schemes throughout the municipality are being reviewed. Reports will be provided on an area by area basis with the object of improving their effectiveness, availability of spaces and responsiveness to customer needs.

Woollahra 1 and 2 Resident Parking Areas were reviewed in 2007-08. The remaining zones will be reviewed in 2008/9. As areas are reviewed, boundary streets will be re-signposted to allow residents from the abutting zones to park on either side of the streets.

### **3.5 Parking Enforcement (Regulatory Services)**

Council's Parking officers enforce the rules and regulations that apply to on-street parking and parking in Council controlled car parks. During this period we will continue to implement the recommendations of the management review of the parking enforcement activities undertaken in 2006.

### **3.6 Streetscape**

Capital works upgrading programs (paving, planting, lighting and street furniture) will be carried out in business areas in Double Bay, Bellevue Hill and Oxford Street, Paddington.

**Warwick Hatton**  
**Director Technical Services**

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#### **Annexures:**

1. Proposed Roads, Traffic & Transport Principal Activity of 2008-11 Management Plan

**Item No:** D10 Delegated to Committee  
**Subject:** **Investments Update**  
**Author:** Gary James, General Manager  
**File No:** 389.G  
**Reason for Report:** To update the Committee on Council's investments.

**Recommendation:**

That the Committee resolve into closed session to consider the confidential report on Council's investments under the terms of the Local Government Act 1993, Section 10A(2)(g) "*advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege*".

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**Background:**

At the Council meeting held on 12 November 2007 the following resolution, recommended by Corporate & Works Committee, was adopted:

*That Council authorise a Committee made up of not more than 4 Councillors (appointed by and including the Mayor and the Chairman of the Corporate and Works Committee), in consultation with an independent investment advisor, Council's Financial Controller and the General Manager, such Committee to have the following responsibilities and powers:*

- 1. To meet as necessary to make decisions on sale of CDO's (including by telephone backup).*
- 2. To make urgent determinations (where appropriate) on sale of CDO's and to instruct staff to implement such determination, on an urgent basis.*

As a result of this resolution, the Investment Working Group was convened and the members appointed include, Mayor Geoff Rundle, Councillor's Andrew Petrie, Isabelle Shapiro and Claudia Cullen, the General Manager (Gary James) and Manager Finance (Don Johnston). The Investment Working Group has provided confidential update reports to each meeting of the Corporate & Works Committee.

**Resolution to move into closed session:**

If Council wishes to discuss information contained in the confidential report the committee must resolve into closed session.

The Local Government Act 1993 under Section 10A(2)(g) allows a committee of the Council to resolve to move into closed session where there is to be a discussion of matters regarding "*advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege*".

**Discussion:**

A separate confidential report appears later in the business paper.

**Conclusion:**

The Investment Working Group has been active in monitoring the status of investments and pursuing investment advisors on the issues in question. The confidential report outlines the issues surrounding Council's investment advisors and actions taken. The Investment Working Group seeks endorsement from the Committee for these actions.

Gary James  
General Manager

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**Annexures:** NIL

**Item No:** R1 Recommendation to Council  
**Subject:** Fisher Ave Vacluse Drainage Works  
**Author:** Joe Cavnino, Purchasing Coordinator  
**File No:** Tender No 07/09  
**Reason for Report:** To recommend to Council the acceptance of a Tender

**Recommendation:**

- A. That Council enter into a Contract with Eco Civil Constructions Pty Ltd) for Fisher Avenue Drainage Works) for the sum of \$185,780.35 (excluding GST).
- B. That successful and unsuccessful tenderers be advised accordingly.

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**Background**

In June 2007 Council sought tenders for the supply and installation of stormwater augmentation works in two locations, the first being the intersection of Fisher and Gilliver Avenues, Vacluse and the second in the area surrounding Boronia Road Bellevue Hill. The tender was broken up into four separate parts, which provided Council the option of carrying out any or none of the parts, as follows.

- Part A - the intersection of Fisher and Gilliver Avenues, Vacluse;
- Part B - Bunyula Rd South;
- Part C - Bunyula and Boronia Rd Intersection;
- Part D - Boronia Road Low Point, Bellevue Hill.

The work generally comprises

- Ripping up and removal of existing stormwater lines;
- Relocation and protection of existing services as required;
- Installation of new stormwater lines and pits and connect into existing stormwater network; and
- Restoration of all disturbed surrounding areas.



Location Map and Aerial Photograph

Tender 07/09 for Fisher Avenue Vacluse Drainage Works) was advertised in the Tenders section of the Sydney Morning Herald commencing on Tuesday 29 May 2007, and in the Wentworth Courier on Wednesday 30 May 2007.

Tenders for this project closed at 2.00pm) on Tuesday 19 June 2007. A total of four (4) tenders were received prior to the closing date and time.

During the tender period a pre-tender meeting was held. All tenderers who had registered their interest in the tender were invited to attend. Questions raised by tenderers were answered and a record of the questions and answers was circulated to all tenderers who attended, or who were unable to attend but registered their wish to receive information.

All the tenders received by the closing date and time are listed in Table 1:

**Table 1**

<b>TENDERER</b>
<i>Athassel Excavations Pty Ltd</i>
<i>Chrisos Constructions Pty Ltd</i>
<i>Eco Civil Constructions Pty Ltd</i>
<i>Byrne Civil Pty Ltd</i>

During the evaluation process it became evident that there was insufficient funding to carry out all Parts A to D of the project. Furthermore, geotechnical advice received indicated that carrying out the proposed work for Part D posed considerable risk and requires further investigation of appropriate solutions. Part D involves the installation of a large diameter pipe through a drainage easement in sandy soil and is bounded on both sides by two building structures very close to the proposed excavation. Therefore, for the above reasons and the fact that Parts B and C relied on Part D being carried out, it was decided that only the work in Part A should be carried out at this stage.

In January 2008, Council wrote to all the tenderers explaining that it would only be proceeding with Part A of the work at this stage and offered them an increase of 3.3% to their submitted tendered price. The price increase was offered because of the considerable time that had lapsed since the close of the tender, and the option of re-tendering would entail additional time and costs to Council and tenderers. The 3.3% increase was based on the Construction Price Index percentage increase, determined by a qualified quantity surveyor, for the period from July 2007 to March 2008 inclusively.

All the tenderers accepted doing Part A only at the 3.3% increase to their tendered prices.

Also during this time two members of the tender panel had resigned from Council. A new tender panel was formed to evaluate Part A of the tender.

### **Tender Assessment – Part A - Fisher Avenue Vacluse**

The new tender assessment panel comprised Mr Joe Cavagnino, as the convenor and independent member of the tender panel, Mr Jake Matuzic, Acting Manager Civil Works & Infrastructure, the Commissioning Officer and Mr Sam Badalati, Project Manager Civil Works, the Project Manager for the delivery of the project.

Council has resolved that a probity adviser should be included during the tender assessment stage for high risk, high value or sensitive projects. This contract was deemed to meet this definition and it was agreed that a probity adviser should be included in the tender process. Mr Les Windle acted as Probity Adviser.

Prior to the closing date, on 19 June 2007 the tender panel agreed on the weightings that would be used against the advertised selection criteria and these weightings were used for the evaluation.

The tender panel carried out an initial evaluation of the tenders and deemed Byrne Civil Pty Ltd tender to be non-conforming, for the following reasons:

- Byrne Civil Pty Ltd had a number of critical qualifications that were deemed to be outside the scope of the original tender and could affect the lump sum price. This together with little or no information provided in many of the tenderer's returnable schedules, deemed this tenderer non-conforming.

The tenders deemed conforming and their lump sum prices are listed in Table 2:

**Table 2**

<b>TENDERER</b>	<b>Lump sum tender price* (excl GST) Part A – Fisher Avenue Vaocluse Drainage Works</b>
<i>Athassel Excavations</i>	\$191,159.75
<i>Chrisos Constructions</i>	\$191,362.22
<i>Eco Civil Constructions</i>	\$185,780.35

\*Note: Lump Sum Prices are inclusive of the agreed 3.3% CPI increase.

The tenders were assessed in accordance with the selection criteria stated in the tender documents. Clarification was sought on matters that were found to be unclear or incomplete in one or more tenders. All tenderers were offered the opportunity to provide clarification in writing on these matters.

The tenders were given a preliminary score on each item of the selection criteria, which resulted in a total score out of 100. Tenderers were ranked in accordance with their scores.

Post-Tender Interviews were conducted with the three highest ranked tenderers. The purpose of the interviews was to review and test the information provided by the tenderers with regard to the published selection criteria, and where necessary to raise concerns which the panel may have had with any aspect of a tender. Following the interviews, where necessary, the panel amended tenderers' scores, and reviewed rankings. Final scores and rankings are shown in Table 3.

As all of the three highest ranked tenderers had previously worked as contractors for Woollahra Council, it was not considered necessary to contact referees.

### **Assessment of highest ranked tenderers**

Table 3 shows the post interview tender scores and rankings of all tenders considered.

**Table 3**

TENDERER	Demonstrated Experience 15	Duration of Works 15	Program & Methodology 15	Quality Management 5	Organisational Capability 5	Price Components 5	Price 35	Addressing Tender Requirements 5	Total Score 100	Ranking
<i>Athassel Excavations</i>	7.5	15	11.25	3.75	4.25	4.00	34.02	5.00	84.77	2
<i>Chrisos Constructions</i>	7.5	7.5	11.25	3.75	4.25	2.75	33.98	5.00	75.98	3
<i>Eco Civil Constructions</i>	7.5	15	11.25	3.75	4.25	4.00	35.00	5.00	85.75	1

1. **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 tender panel assessed the level of demonstrated experience for each tenderer.
2. **Duration of Works:** The shortest time is deemed to achieve 100% of the score for this criterion. The shortest time is divided by other tenderer's times to give their respective scores as percentages.
3. **Program & Methodology:** Information was requested pertaining to project program, construction management plan, traffic management plan and environmental management plan. From the information received the evaluation panel assessed the contractor's ability to sequentially carry out the works.
4. **Quality Management:** Information was requested pertaining to quality systems, quality of works, quality of past council works and the quality of key subcontractors.
5. **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.
6. **Price Components:** Tenderers provided information on price components of the lump sum price, and rates for types of work. The assessment panel considered areas such as qualifications, was the job fully priced, risk of additional claims and necessary rates for pricing extras.
7. **Price:** the lowest price is deemed to achieve 100% of the score for this criterion. The lowest price is divided by the other tenderers' prices to give their respective scores as percentages.
8. **Addressing the Tender:** Points were deducted for missing or incomplete information required to be submitted with the Tender (and not clarified in writing where requested).

### Assessment Summary

The three tenderers were asked to attend a post tender interview to give the tenderers an opportunity to explain their tender submission, to clarify any issues and to enable the tender panel to form a more informed view on who to recommend. The interviews were held on Friday, 7 March 2008.

The schedule of rates included in the tender documents asks for a provisional rate for excavation and removal of rippable rock. Excavation of rippable rock, generally used for excavation of shallow layers of softer rock in road construction, is carried out by using the tyne of a mechanical excavator. Excavation of rock in a trench for laying pipes is generally carried out by a hydraulic hammer or a combination of rock saw and hydraulic hammer and is a more expensive process.

The provisional rate provided for excavation and removal of rippable rock was:

- \$80 per cubic metre from Eco Civil;
- \$210 per cubic metre from Athassel Excavations;
- \$474 per cubic metre from Chrisos Constructions.

During the post tender interviews all three tenderers brought up the point that they considered excavation of rippable rock was an inappropriate rate and that excavation would be by hydraulic hammer or a combination of rock saw and hydraulic hammer and that the rate would be higher. The provisional rate for excavation and removal for rock would be:

- \$185 per cubic metre from Eco Civil,
- \$210 per cubic metre from Athassel Excavation and
- \$663 per cubic metre from Chrisos Construction.

Athassel's Excavation rate of \$210 per cubic metre remained the same as this tenderer had allowed for rock excavation by hydraulic hammer.

While the contract will be a Lump Sum Contract, the Schedule of Rates provided in the tender allows for a provisional sum for rock excavation. The extent of rock excavation is uncertain. To cover this uncertainty, Provisional Sums have been used where the tenderers were asked to provide rates only and these rates will be applied to actual work carried out. The advantage of using a schedule of rates for the uncertain part of the work is that Council will only be paying for work that is carried out. The disadvantage is that the total cost of the work is not known before the work starts.

Jeffery and Katauskas, Geotechnical Engineers were engaged to undertake an investigation to determine the extent of rock in the excavation area. Three test holes along the excavation area indicate that some 70% of the excavation will be in rock.

The scores in the above table, based on the post tender interview with the three tenderers, indicate all three tenderers are capable of successfully carrying out the work.

A letter was received from Chrisos Constructions on 11 March 2008 stating that:

1. Item A2.5 Rock excavation in the schedule of rates increased by \$189 per cubic metre from \$474 per cubic metre to \$663 per cubic metre + GST.
2. Item A3.6 supply and install GPT in the schedule of rates increased by \$6,200 + GST.
3. They would require a 15% price increase to the lump sum price due to increase in supplier pricing.

These price increases make the offer by Chrisos Constructions commercially non competitive compared to the other two tenderers especially in relation to the rock excavation, which is some 3.5 times more expensive than the other two tenderers. They also substantively alter the tender submitted. Chrisos Constructions was eliminated from consideration.

Of the remaining two tenderers, Athassel Excavations and Eco Civil both scored well and there was only one point difference in their scores.

The provisional rock excavation rate for Athassel is \$210 per cubic metre and for Eco Civil is \$185 per cubic metre. The tender Schedule of Quantities shows the excavation quantity to be 440 cubic metres. Based on the geotechnical report approximately 70% of excavation is in rock. The likely rock excavation cost for Athassel would be  $0.7 \times 440 \times \$210 = \$64,680$  and for Eco Civil  $0.7 \times 440 \times \$185 = \$56,980$ , which would be additional to the Lump Sum Price.

### **Tender Assessment Panel Opinion**

Taking all factors into consideration, the panel considered the offer from Eco Civil Construction provides the best value to Council based on:

- the information provided in their tender response;
- the post tender interviews;
- the lowest price and lowest rate for rock excavation; and

- the company has previously carried out work for Council and has performed well (Rose Bay Promenade reconstruction and water saving project).

The tender panel is of the opinion that the tender from Eco Civil Constructions Pty Ltd is the most advantageous to Council in terms of value for money, quality of work and the ability to complete the works within an acceptable time frame.

**Identification of Income and Expenditure:**

The lump sum cost to complete the works using the preferred tenderer is \$185,780.35 (excluding GST). In addition, provisional amounts of \$57,000 for rock excavation, \$8,000 for Sydney Water Fees for relocating a water main and \$7,500 for project management should be allowed for. The revised total amount required is \$258,280, which exceeds the budget available.

Funds totalling \$89,051 plus \$127,436 (equals \$216,487) for Fisher Avenue and Boronia Road upgrade road and drainage works for Boronia Road Upgrade works are allocated in the 2007/08 budget. Amounts of \$10,578 plus \$1,532 (total \$12,110) have been spent or committed to date. Available funding for Fisher and Boronia is therefore \$204,377. It is proposed that the remaining \$53,903 be provided from Stormwater Management Charge funds.

**Conclusion:**

The tender panel recommends that Council enter into a Contract with Eco Civil Constructions Pty Ltd for Fisher Avenue Drainage Works) for the sum of \$185,780.35 (excluding GST).

Joe Cavagnino  
Purchasing Coordinator

Warwick Hatton  
Director Technical Services

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**Annexures:**

**Item No:** R2 Recommendation to Council  
**Subject:** Energy performance contract  
**Author:** Rebecca Peacock – Environmental Protection Coordinator  
**File No:** Tender 07/06  
**Reason for Report:** Outcome of the Detailed Feasibility Study of Council sites and recommendation to enter into an Energy Performance Contract.

### **Recommendation**

- A. THAT Council enter into an Energy Performance Contract with Energy Conservation Systems contained as annexure 2 of the report to Corporate and Works Committee meeting on 31 March 2008.
- B. That the energy conservation measures be funded from Council's Property Reserve.
- C. That further reports be provided on progress in implementing the energy conservation measures.

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### **Background**

The *Energy Administration Amendment (Water and Energy Savings) Act 2005* (the Act) allocates responsibility to the Department of Energy, Utilities and Sustainability (DEUS) to promote improvements in the water and energy efficiency of key businesses, local government and NSW government agencies. Under the Act high water and energy using businesses, government agencies and large local councils (designated users) are legally required to develop Water and Energy Savings Action Plans. The draft plans are to be submitted to the Minister of Utilities for approval prior to finalisation.

The requirement to prepare both a Water Savings Action Plan and Energy Savings Action Plan was reported to the Community and Environment Committee on the 19 September 2005 and the 28 November 2005. The draft Water Savings Action Plan was endorsed by Council on the 26 June 2006 and approved by the Minister of Utilities on the 25 February 2007.

A report was presented to the Community and Environment Committee on the 30 April 2007, recommending that Council commence the Energy Performance Contract process as a way to complete the technical aspects of the Energy Savings Action Plan. Energy Performance Contracts provide businesses with a low risk way to implement energy and water efficiency improvements. The risk is transferred to the energy service company who guarantees both the performance of the technology and the energy savings. If the contracted savings are not achieved, the energy service company must either do further work to achieve the targets or pay the difference.

The following recommendations were endorsed by the Committee on the 30 April 2007 and at full Council on the 14 May 2007:

- A. *THAT Council enter into a Detailed Feasibility Study Agreement with Energy Conservation Systems.*
- B. *THAT the outcome of the Detailed Feasibility Study be reported to Council with a recommendation as to whether Council should proceed to enter into an Energy Performance Contract, and if so, on what terms.*

As resolved in part A of the report, Council signed a Detailed Feasibility Study Agreement with Energy Conservation Systems (the consultants) on the 22 August 2007 to carry out the Detailed Feasibility Study of sixteen Council sites. These included the top nine energy using sites covered by the Energy Savings Action Plan.

The draft Energy Savings Action Plan was presented to the Community and Environment Committee on the 31 March 2008 which resolved:

- A. *THAT the draft Energy Savings Action Plan, contained in annexure 2 of the report to the Community and Environment Committee Meeting on 31 March 2008, be endorsed for the purpose of referral to the Minister of Utilities for approval.*
- B. *That a further report be brought to the Committee on the progress in implementing the Energy Savings Action Plan including initiatives that could see Council achieve a ranking of best practice in the Local Government industry.*

The Detailed Feasibility Study formed the basis of the Energy Savings Action Plan and is attached as an annexure to the Energy Savings Action Plan report.

Preparation of the Energy Savings Action Plan and the Energy Performance Contract process has been undertaken in partnership with the Manager Property and Projects, Manager Finance and MANEX. Council has received independent advice from our solicitors regarding the Energy Performance Contract, and they are satisfied that the contract meets Council's needs.

## **Purpose**

The purpose of this report is to present the final Detailed Feasibility Study to the Corporate and Works Committee and to recommend that Council enter into an Energy Performance Contract with Energy Conservation Systems. This is in direct response to recommendation B of the report to the Community and Environment Committee on the 30 April 2007.

## **Detailed Feasibility Study**

The scope of the Detailed Feasibility Study was established through the Request for Proposal and the Detailed Feasibility Study Agreement, which listed the sixteen sites to be included in the study and the financial parameters the consultants were bound to meet i.e. internal rate of return and capital expenditure. The sites were:

- Woollahra Council Chambers,
- Cross Street Car Park,
- O'Dea Avenue Works Depot,
- Grafton Street Car Park,
- Fletcher Street Depot,
- Sherbrooke Hall,
- Double Bay Library (including the Annex),
- Rose Bay Pump House,
- Sir David Martin Reserve,
- EJ Ward Centre,

- Quarry Street Depot,
- Kiaora Road Car Park,
- Woollahra Senior Citizens Club,
- Trumper Park Lighting,
- Trumper Park Amenities, and
- Steyne Park Amenities.

Through the Detailed Feasibility Study process, two of the sixteen sites (Quarry Street Depot and the Woollahra Senior Citizens Club) were not visited or audited with the consultants stating that they could be looked at for a future Energy Performance Contract. Six of the sites investigated initially were eliminated from further investigation due to the limited scope of energy conservation measures available. These were Trumper Park (Lighting and Amenities), Rose Bay Pump House, Kiaora Road Car Park, EJ Ward Centre and Steyne Park Amenity. One site was audited (Sir David Martin Reserve) but energy conservation measures were not identified.

The Detailed Feasibility Study involved the audit of Council's sites, the identification of energy conservation measures at selected sites and the calculation of costs, savings and payback periods for each of these sites. Energy Conservation Systems carried out the Detailed Feasibility Study in October / November 2007 and presented Council with the final report in February 2008.

The consultant identified a number of energy conservation measures to be implemented at seven of the fourteen sites investigated further in the Detailed Feasibility Study. These sites are:

- Woollahra Council Chambers,
- Cross Street Car Park,
- O'Dea Avenue Works Depot,
- Grafton Street Car Park,
- Fletcher Street Depot,
- Sherbrooke Hall, and
- Double Bay Library (including the Annexe).

The energy conservation measures from the first five sites listed above, known as the base projects, meet Council's IRR requirements and therefore form the basis of the Energy Performance Contract with Council. Energy Conservation Systems have calculated that the capital cost to implement the base project energy conservation measures included in the Detailed Feasibility Study is \$227,594.

Implementation of these energy conservation measures will save Council a total of 259,409 kWh of energy, 243.8 tonnes of CO<sup>2</sup>e (equivalent tonnes of CO<sup>2</sup>), and \$38,255 in utilities and maintenance costs annually. Implementation of the base project Energy Performance Contract has an internal rate of return of 17.09% and a payback period of 5.9 years. Energy Conservation Systems calculate that there will be an 18.6% energy savings on the base year energy use with the implementation of the base energy conservation measures.

The energy conservation measures for the last two sites listed are optional under the terms of the contract. Energy Conservation Systems are confident that there is potential for a stage two Energy Performance Contract project with Council. Implementation of the optional energy conservation measures, at an estimated cost of \$32,048, would further reduce energy use by 24,462 kWh, save an additional 23 tonnes of CO<sup>2</sup>e annually, and combined with the base projects, will save 20.4% of base year energy levels.

It is proposed to proceed with the base projects, and monitor and report on their progress and outcome in accordance with Recommendation B of the Community and Environment Committee resolution of 31 March (see above). It is also proposed to explore the potential for grant funding for the optional projects, through the Public Facilities Program introduced by the State Government as a part of the NSW Energy Savings Fund to support savings in public and educational facilities.

Council will apply for funding for the optional projects under round two of the grant program to be announced later in 2008. If Council is unsuccessful in receiving grant funding under this program, a further report will be provided for Council's consideration as to whether the optional projects should also be funded from the Property Reserve.

A copy of the Detailed Feasibility Study is attached as **Annexure 1**.

If Council was to enter into an Energy Performance Contract, the consultant has guaranteed the costs and savings quoted in the Detailed Feasibility Study for a period of 90 days following the submission of the Study to Council. Energy Conservation Systems submitted the final Detailed Feasibility Study to Council on the 11 February 2008, with the 90 day period ending on 4 May 2008. Therefore, Council must sign the contract with Energy Conservation Systems before the 4 May 2008, for the costs and savings quoted in the Detailed Feasibility Study to be guaranteed.

Implementation of the base year energy conservation measures will be staged over a fourteen week period, which it is proposed to commence in May 2008.

### **Identification of income and expenditure**

To implement the energy conservation measures at the quoted cost and to achieve the savings identified in the Detailed Feasibility Study, Council will need to enter into an Energy Performance Contract with Energy Conservation Systems by 4 May 2008. A copy of the Energy Performance Contract document is attached as **Annexure 2**. Energy Conservation Systems will invoice Council upon signing the Energy Performance Contract for the cost of the Detailed Feasibility Study (\$15,100), as this has now been completed.

In order to fund the base project works within the time frame it is recommended that an allocation of \$227,594 be made from the Property Reserve in the March quarter budget review.

### **Conclusion**

Council embarked on the Energy Performance Contract process as a way to not only provide the technical information for the preparation of the Energy Savings Action Plan, but also as a low risk way of delivering energy conservation measures and energy savings in Council facilities. Council engaged Energy Conservation Systems to undertake a Detailed Feasibility Study of sixteen Council sites, including the nine to be included in the Energy Savings Action Plan. Energy conservation measures were identified at seven of these sites. The base projects identified from five of these sites formed the basis of the Energy Performance Contract between Energy Conservation Systems and Council. The capital cost to implement the base project energy conservation measures included in the Detailed Feasibility Study is \$227,594. Implementation of the base projects energy conservation measures will save Council annually a total of 259,409 kWh of energy, 243.8 tonnes of CO<sup>2</sup> e, and \$38,255 in utilities and maintenance costs. Implementation of these projects has an internal rate of return of 17.09%. There is a payback period of 5.9 years based on the annual savings and initial capital outlay.

By entering into an Energy Performance Contract with Energy Conservation Systems to undertake the works identified in the Detailed Feasibility Study, Council will be fulfilling our statutory obligations regarding the implementation of the Energy Savings Action Plan. Entering into an Energy Performance Contract is a cost effective way to implement energy conservation measures and to monitor energy and cost savings (\$227,594) when compared to the costs of undertaking the energy audits of nine Council sites (quoted at between \$36,000 and \$65,000) and having to pay for the implementation and monitoring of the energy conservation measures on top of this amount.

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**ANNEXURES:**

1. Detailed Feasibility Study
2. Energy Performance Contract