



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 22 January 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;
 - Adoption of Council's Management Plans;
 - Quality Service/Communications;
 - Leases.
 - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes
- Delegations.
- Policies.
- Tenders as per Regulation requirements.

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

18 January 2007

To: Her Worship the Mayor, Councillor Huxley, ex-officio
Councillors Julian Martin (Chair)
 Marcus Ehrlich
 Wilhelmina Gardner
 Isabelle Shapiro
 David Shoebridge (Deputy Chair)
 Fiona Sinclair King
 John Walker

Dear Councillors

Corporate & Works Committee Meeting – 22 January 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 22 January 2007 at 6.00pm.**

Gary James
General Manager

Additional Information Relating to Committee Matters

Site Inspection

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 11 December 2006	1
D2	Monthly Financial Report – December 2006 -987.G	2
D3	Disclosure of Interest Returns Submitted By New Designated Employees October to December 2006 -169.G	6

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

R1	Blaxland Road, Bellevue Hill – Road Reconstruction and Streetscape Project – Tender 06/14	9
R2	Waverley/Woollahra Process Plant - 1060.G	12

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 11 December 2006**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 11 December 2006 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 11 December 2006 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: D2 Delegated to Committee
Subject: **Monthly Financial Report - DECEMBER 2006**
Author: Tracey Walker, Financial Accountant
Michelle Phair, Acting Manager Finance
File No: 987G
Reason for Report: To present the monthly financial report for December 2006

Recommendation:

A. THAT the monthly financial report for December 2006 be received and noted.

Background:

The monthly financial report for December 2006 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:

Following consideration of the expressions of interest we have engaged two investment advisors which we will compare over coming months. Each advisor takes a different approach to the management of the portfolio. Under the first approach, management of the portfolio is placed in the hands of Grange Securities Ltd, (for example: IMP). Grange, in line with our investment policy and guidelines and within the Local Government Ministers Order will make the investment decisions, however should we choose to do so we have the option to remove an investment from the portfolio. Under the second approach, Oakvale Capital will provide us with investment advice with regard to products available in the marketplace and the final investment decision will be ours. It should be noted over the next 12 months we will be largely guided by the advice provided by Oakvale in order to facilitate the comparison between the two advisors.

At this time we are in a transition phase and as our current investment holdings mature we will be placing approximately half of our portfolio with each of these advisors although we will continue to maintain a small proportion of the portfolio for cashflow management purposes. From January 2007 we commenced placing investments with these advisors and to this end, from next month, the investment report will be broken into 3 sections:

1. Our Investments
2. Oakvale Capital Ltd
3. Grange Securities Ltd

When the portfolio has been distributed to the advisors we will invite representatives to address the Corporate and Works Committee in regard to their methodology, strategy and the portfolio of investments we hold with them. This will provide an opportunity for Councillors to ask questions directly to them.

Tracey Walker
Financial Accountant

Michelle Phair
Acting Manager Finance

INVESTMENTS AS AT 31/12/06

<u>CATEGORY</u>	<u>PURCHASED</u>	<u>MATURING</u>	<u>DAYS</u>	<u>%</u>	<u>B/B</u>	<u>MARGIN</u>	<u>AMOUNT</u> \$	<u>TOTALS</u> \$	<u>% of TOTAL</u>
<u>BANKWEST (S&P) RATING, A1)</u>									
11AM CALL				6.25			1,202,791.94		
TERM DEPOSIT	04-Oct-06	03-Jan-07	91	6.29	6.18	0.11	1,000,000.00		
TERM DEPOSIT	22-Nov-06	21-Feb-07	91	6.46	6.36	0.10	1,000,000.00		
TERM DEPOSIT	08-Nov-06	07-Mar-07	119	6.54	6.43	0.11	750,000.00		
TERM DEPOSIT	15-Nov-06	14-Mar-07	119	6.51	6.42	0.09	1,000,000.00	4,952,791.94	17.53%
<u>ADELAIDE BANK (S&P RATING AAA)</u>									
11AM CALL				6.45			5,000,353.42	5,000,353.42	17.70%
<u>LOCAL GOVT FINANCIAL SERVICE P/L (S&P RATING, A1)</u>									
C.R.I.	20-Nov-06	20-Feb-07	92	6.48	6.36	0.12	1,000,000.00	1,000,000.00	3.54%
<u>AUST CENTRAL CREDIT UNION Limited</u>									
TERM DEPOSIT	22-Nov-06	21-Mar-07	119	6.62	6.39	0.23	1,200,000.00	1,200,000.00	4.25%
<u>CREDIT UNION AUSTRALIA Limited</u>									
TERM DEPOSIT	06-Dec-06	06-Feb-07	62	6.50		6.50	1,500,000.00		
TERM DEPOSIT	13-Sep-06	14-Feb-07	154	6.52	6.26	0.26	1,500,000.00	3,000,000.00	10.62%
<u>CPS CREDIT UNION (SA) Limited</u>									
TERM DEPOSIT	11-Oct-06	11-Apr-07	182	6.56	6.33	0.23	1,200,000.00	1,200,000.00	4.25%
<u>GREATER BUILDING SOCIETY Limited</u>									
TERM DEPOSIT	12-Sep-06	10-Jan-07	120	6.42	6.20	0.22	1,000,000.00		
TERM DEPOSIT	03-Oct-06	17-Jan-07	106	6.39	6.20	0.19	1,500,000.00		
TERM DEPOSIT	03-Oct-06	31-Jan-07	120	6.41	6.20	0.21	2,000,000.00	4,500,000.00	15.93%
<u>HERITAGE BUILDING SOCIETY</u>									
TERM DEPOSIT	30-Nov-06	10-Jan-07	41	6.45	6.36	0.09	3,000,000.00		
TERM DEPOSIT	22-Dec-06	08-Jan-07	17	6.65	6.36	0.29	997,540.00	3,997,540.00	14.15%
<u>SAVINGS & LOANS CU (SA) Limited</u>									
TERM DEPOSIT	01-Nov-06	03-Jan-07	63	6.54	6.35	0.19	1,400,000.00		
TERM DEPOSIT	27-Sep-06	24-Jan-07	119	6.43	6.23	0.20	1,000,000.00		
TERM DEPOSIT	25-Oct-06	07-Feb-07	105	6.54	6.32	0.22	1,000,000.00	3,400,000.00	12.04%
GRAND TOTAL								28,250,685.36	100.00%

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.

J.C. Blake
FINANCE OFFICER

D. Johnston
FINANCE MANAGER

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 30 November 2006 2,115,847.74

Receipts

Rates 1,974,388.29
Other 6,597,431.34
Total Receipts 8,571,819.63

Description	Amount
Rates	1,990,014
Developer Contributions	545,163
Deposits & Binds	371,425
Road Grants	295,000
Sundry Debtor Receipts	258,196
Parking Fines	250,505
Disposal of plant & equipment	217,144
Residential Parking Permits	94,422
Kindergarten Deposits	72,667
GST Refund - November BAS	69,935

Payments - Cheque

Cheque Payments (1,881,282.51)
Cancelled Cheques 2,522.50
Total Cheque Payments for period (1,878,760.01)

Cheque No.	Cheque Date	Payee	Amount
193137	15/12/2006	NSW Fire Brigade	-386,254.00
192995	08/12/2006	Corporation Sole EPA Act	-173,878.00
193236	21/12/2006	Hewlett Packard Aust. Pty Ltd	-104,577.00
193141	15/12/2006	Professional Air Conditioning Services	-96,391.50
193146	15/12/2006	State Debt Recovery Office	-72,574.70
193018	08/12/2006	Premier Parking	-54,160.05
193222	21/12/2006	City Ford	-49,549.62
193214	21/12/2006	Avante Linemarking Pty Ltd	-44,281.79
192969	04/12/2006	Steven Strathis Building Pty Ltd	-38,300.00
193244	21/12/2006	Mainmark Corporation Pty Ltd	-33,874.50

Payments - EFT

EFT Payments (8,154,981.34)
Returned EFT Payments 24,011.90
Total EFT Payments for period (8,130,969.44)

EFT No.	EFT Date	Payee	Amount
2112	22/12/2006	Australian Taxation Office	-521,640.13
12805	08/12/2006	Volvo Truck & Bus	-167,127.40
12738	01/12/2006	WSN Environmental Solutions	-164,756.40
12787	08/12/2006	MacDonald Johnston Engineering Co	-125,169.00
12933	21/12/2006	Stone Mason & Artist Pty Ltd	-124,780.00
12713	01/12/2006	Collex Waste Management Pty Ltd	-110,618.51
12822	15/12/2006	Build & Const Ind LS Payments Corp	-108,607.50
12781	08/12/2006	Hughes Contractors Pty Ltd	-87,382.08
12901	21/12/2006	Garwood International Pty Ltd	-84,797.90
12866	15/12/2006	WSN Environmental Solutions	-81,542.50

Payments - Direct Debits From Bank A/c

Payroll (1,233,710.50)
Councillor Fees (17,941.40)
Bank Charges (22,896.07)
Total Direct Debits for period (1,274,547.97)
Total Payments - 11,284,277.42

Cash Book Balance as at 31 December 2006 - 596,610.05

Unpresented Cheques No. of Cheques: 164 1,073,663.92
Outstanding Deposits & Miscellaneous Items 249,966.39
Reconciled Cash Book Balance as at 31 December 2006 727,020.26
Bank A/c Balance as at 31 December 2006 727,020.26

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Payee	Amount
193137	15/12/2006	NSW Fire Brigades	386,254.00
192995	08/12/2006	Corporation Sole EPA Act	173,878.00
193236	21/12/2006	Hewlett Packard Aust. Pty Ltd	104,577.00
193146	15/12/2006	State Debt Recovery Office	72,574.70
193222	21/12/2006	City Ford Mascot	49,549.62
193214	21/12/2006	Avante Linemarking Pty Ltd	44,281.79
193244	21/12/2006	Mainmark Corporation Pty Ltd	33,874.50

Item No: D3 Delegated to Committee
Subject: **Disclosure Of Interest Returns Submitted By New Designated Employees October To December 2006**
Author: Merle Karp – Team Leader 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 October to December 2006

- A. That the Disclosure of Interest Returns of the new designated persons who were required to submit a Primary Return during the period October to December 2006 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.

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
Assessment Management Engineer	Exercises designated persons functions
Assessment Officers	Exercises designated persons functions
Blg/DA Compliance Officers	Exercises designated persons functions
Design/Urban Design Team Leaders	Exercises designated persons functions
Development 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
Parks Co-ordinator	Exercises designated persons functions
Property Officers	Exercises designated persons functions
Program Development Officers	Exercises designated persons functions
Ranger Supervisor	Exercises designated persons functions
Traffic Team Leader	Exercises designated persons functions
Waste Services Team Leader	Exercises designated persons functions
Admin Assistant – Printing & Purchasing	Exercises designated persons functions
Adult Lending Services Librarian	Exercises designated persons functions
Branch Librarians	Exercises designated persons functions
Children's & Young Adult Librarian	Exercises designated persons functions
Information Systems Librarian	Exercises designated persons functions
Plant & Fleet Co-ordinator	Exercises designated persons functions
Purchasing Team Leader	Exercises designated persons functions
Trades Superintendent	Exercises designated persons functions
Co-ordinator Civil Services	Exercises designated persons functions
Construction Engineer	Exercises designated persons functions
Maintenance Supervisor	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 October 1, 2006 to December 31, 2006.

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 December 2006 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.

Merle Karp
Team Leader - Governance

Geoff Clarke
Director Corporate Services

ANNEXURES:

Nil

Item No: R1 Recommendation to Council
Subject: **Blaxland Road, Bellevue Hill - Road Reconstruction and Streetscape Project**
Author: Joe Cavagnino - Purchasing Co-ordinator
File No: Tender 06/14
Reason for Report: To recommend to Council the acceptance of a Tender

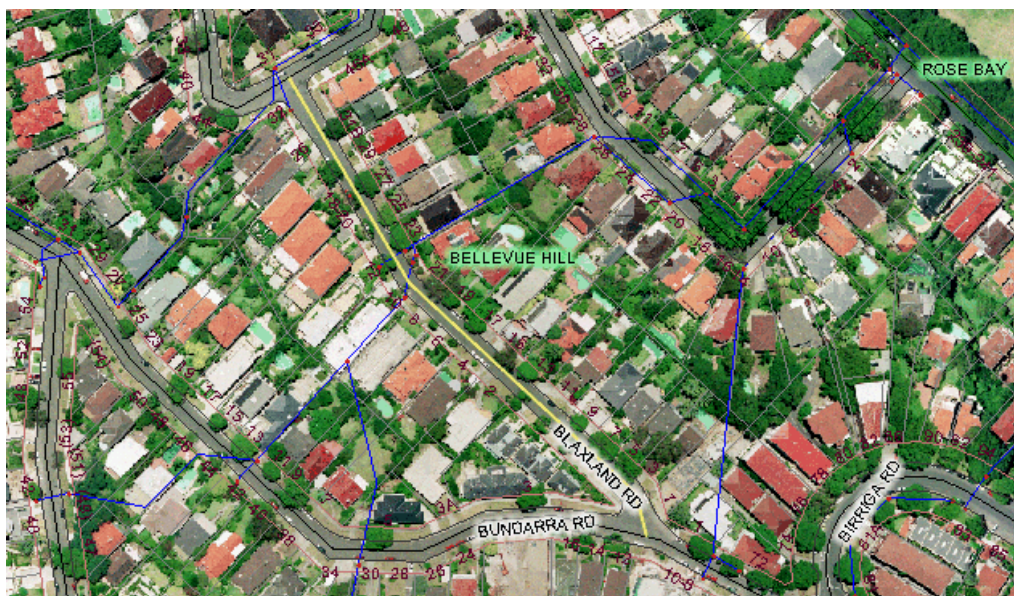
Recommendation:

- A. That Council enter into a Contract with J.N. Civil P/L for the Reconstruction of Blaxland Road, Bellevue Hill, for the Lump Sum Price of \$222,401.40 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 of our infrastructure assets. This condition analysis identified that the road pavement, kerb, gutter, driveway crossings and segments of footpath in Blaxland Road Bellevue Hill, between Bunyula Road and Bundarra Road, are deteriorated and require renewal.

The area of works to be carried out under this contract is shown in the location map and aerial photograph below.



Tender Assessment

A pre-tender meeting was held at Council's offices on Tuesday, 13 December 2006. The purpose of the meeting was to give the prospective tenderers an opportunity to ask for clarification of any aspect of the works which they may not have been able to determine from the documents. The meeting also gave Council's project managers a forum to explain Council's requirements and specific aspects of the works which the tenderers should be aware.

Tenders for this work closed at 2.30 pm on 20 December 2006. Nine (9) tenders were received and are listed in the following table:

TENDERER	PRICE (excl. GST)	TIME (weeks)
Byrne Civil	293,000.61	6
Eco Civil	262,087.00	6
JN Civil Pty Ltd	222,401.40	8
Kelbon	286,005.00	7
Kingston Industries Pty Ltd	382,200.00	10
North Shore Paving Co Pty Ltd	387,596.75	16
Ozpave (Aust) Pty Ltd	227,713.11	9.5
Sydney Civil	255,664.00	8
Transfield	563,572.00	13

The tenders were assessed in accordance with the selection criteria stated in the tender documents. The tender panel comprised; Mr Jake Matuzic, Team Leader Infrastructure Asset Management, Mr Ian Young, Council's Civil Project Manager and Mr Joe Cavignino, Council's Purchasing Officer. Prior to the closing date, 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 following table shows the scores and rankings of all tenders considered:

TENDER ANALYSIS

TENDERER	Relevant Skills 10	Methodology & Works Programme 20	Relevant Experience & Demonstrated Performance 10	Financial Capacity 5	Environmental & Safety Performance 10	Addressing Tender Requirements 10	Price 35	Total Score 100	Ranking
Byrne Civil	6.00	10.00	8.50	2.50	8.00	6.00	26.57	67.57	7
Eco Civil	6.00	10	7.50	2.50	9.00	5.50	29.70	70.20	6
JN Civil Pty Ltd	9.00	15.5	8.50	2.50	9.00	10.00	35.00	89.50	1
Kelbon	7.50	17.57	8.00	2.50	9.00	10.00	27.22	81.79	3
Kingston Industries Pty Ltd	9.00	6	9.00	2.50	9.00	8.50	20.37	64.37	8
North Shore Paving Co Pty Ltd	9.00	11.75	9.00	2.50	9.00	10.00	20.08	71.33	5
Ozpave (Aust) Pty Ltd	9.00	15.32	9.00	2.50	9.00	10.00	34.18	89.00	2
Sydney Civil	7.50	16.00	8.00	2.50	9.00	7.00	30.45	80.45	4
Transfield	6.00	4.62	7.50	2.50	9.00	5.00	13.81	48.43	9

1. Relevant skills of the named personnel – this rating is based on the details provided in the Tender schedules,
2. Methodology and works programme – this rating is based on the detailed programme of works and the resources listed submitted in the tender schedules and assessed by the panel and agreed.
3. Price – the lowest tenderer's price is deemed to achieve 10 for that weighting. Other tenderer's prices are then ranked by a percentage fraction of the lowest price.
4. Relevant skills, experience & demonstrated performance are based on the opinion formed by the assessment panel assessing the information provided in the Tender schedules, known performance by the contractors who have previously worked for Council & verified by responses from referees. The figures represent the agreed scores by the assessment panel.
5. Financial Capacity – this rating is the financial capacity of the tenderer to run the works for the duration of the contract and is as assessed by Council's financial consultants
6. Environmental and safety performance record – this rating is based on tender information.

7. Addressing the requirements of the tender – this rating is based on the tenderers compliance with all tender requirements including attendance at the pre-tender meeting.

The 2 highest ranked tenderers being; J.N.Civil and Ozpave P/L are currently undertaking work for Council and the project management staff who are supervising these contractors reported that they are both capable of carrying out the required works.

Therefore, based on the results of the tender assessment and the ranking of the tenderers, the information presented to the tender panel and the demonstrated previous experience with similar works, the panel considered that J.N.Civil Pty Ltd is capable of completing the project and should be engaged.

Identification of Income & Expenditure:

A sum of \$216,589 was originally allocated in the 2006/07 Infrastructure Renewal Program Budget for the Blaxland Road Reconstruction Project. An additional amount of \$23,411 has been identified for allocation to this project from savings made from the Magney Street Project from within the Infrastructure Renewal Program. This allocation has been reported in the December Budget Review, bringing the total available budget for this project to \$240,000.

The cost to complete the works using the preferred tenderer is \$222,401.40 (excluding GST). The budget available is more than the tendered amount and also covers potential variation claims, all project management costs and any further design incidentals.

Conclusion:

The tender panel recommends that Council enter into a Contract with J.N.Civil Pty Ltd for the Blaxland Road, Bellevue Hill – Road Reconstruction and Streetscape Works Project for the sum of \$222,401.40 (excluding GST), including an allowance for provisional items.

Joe Cavagnino
Purchasing Coordinator

Warwick Hatton
Director Technical Services

Annexures:

Nil

Item No: R2 Recommendation to Council
Subject: Waverley/Woollahra Process Plant
Author: Gary James, General Manager
File No: 1060.G
Reason for Report: To report to the Council on the recommendation from the WWPP Committee meeting of 19 December 2006, to sell the Waverley Woollahra Process Plant (WWPP) site.

Recommendation:

1. That the Committee resolve into “Closed Session” and the meeting be closed to the press and the public in accordance with Section 10A(2)(c) of the Local Government Act as the information to be considered (see confidential Annexure 2) could confer a commercial advantage or disadvantage on the parties involved if it was conducted in “Open Session” .
2. That the recommendations of the Corporate and Works Committee resolved in closed session remain confidential until Waverley Council has met and resolved its position, following which the Council’s decisions and all supporting reports (except for confidential annexures) shall be made public.

Introduction:

In May 2005, the City of Sydney advised that they were proceeding with the finalisation of the LEP over the Green Square lands in which Waverley and Woollahra Councils’ Process Plant site is located. In August 2005, Landcom, in its capacity as an infrastructure partner with the City of Sydney for the development of Green Square Town Centre, identified the site as essential to the early development of the Town Centre infrastructure and indicated a preliminary interest in acquiring the Process Plant site.

An initial offer was received on 7 July 2006 from Landcom to purchase the site. Since the receipt of that offer, the Waverley/Woollahra Process Plant Committee (the Joint Committee) has commissioned two independent valuations of the site for comparison with the Landcom offer. Additionally, legal advice has been obtained from Clayton Utz Lawyers in relation to the joint Councils’ ability to enter into direct discussions with Landcom, rather than going to tender.

The legal advice confirmed that Section 55(3) of the Local Government Act exempts the Councils from the need to pursue an open tender process where land is being sold. The legal advice recommended that the Councils should have regard to the ICAC Guidelines with particular reference to:

- obtaining best value for money
- demonstrating accountability and transparency
- dealing with conflicts of interest.

These ICAC Guidelines have been followed as part of the negotiation process for the disposal of the Process Plant site to Landcom.

All of these issues were addressed in the General Managers' report submitted to the Joint Committee. The submission of that report to the Joint Committee satisfies the ICAC Guidelines, and this is reflected in the Waverley and Woollahra Councils' resolutions dated 25 September 2006, attached as Annexure 1, to enter into discussions with Landcom regarding the potential sale of the WWPP site. The Council resolution 25 September 2006 and the report recommending the course of action, (excluding confidential appendices), are attached as Annexure 1.

After the actions outlined in the September 2006 resolution were undertaken and completed, the Joint Committee met on Tuesday 19 December 2006 to consider a report from myself and the General Manager of Waverley Council in relation to the potential sale of the Process Plant site.

The Joint Committee at its meeting held on 19 December 2006 resolved to recommend:

THAT the Waverley Woollahra Process Plant Committee,

A. Having regard to:

- (i) the independent valuations received by the Councils from CBRE and Landsburys,*
- (ii) the commercial advice provided by Michael Collins & Associates (MCA),*
- (iii) the legal advice provided at Tabs A and B of the General Managers' Report to the*
- (iv) Committee on 29 August 2006 which indicates that the Councils are able to procure a sale of the WWPP Site by direct negotiation with a single proponent,*
- (v) the achievement of all of the advantages of the Direct Dealing Strategy outlined in Tab E of the General Managers' Report to the Committee on 29 August 2006,*
- (vi) the receipt of an unconditional sale offer which transfers demolition and contamination remediation responsibility for the WWPP Site to the purchaser, and*
- (vii) the receipt of an offer that is ... (percentage deleted for confidentiality reasons) above the average rezoned values provided by the valuers,*

advise Waverley and Woollahra Councils that it is satisfied that Landcom's offer ... (amount deleted for confidentiality reasons) for the WWPP Site demonstrates best value for public money, and recommends to Waverley and Woollahra Councils that they:

- 1. approve the sale of the Process Plant site at 355 Botany Road, Waterloo to Landcom for a price of... (amount deleted for confidentiality reasons) on the basis that:*
 - (a) the sale is unconditional,*
 - (b) all demolition and site remediation responsibilities will be undertaken by the purchaser, and*
 - (c) contracts be exchanged by no later than 28 February 2007;*
- 2. agree to allow Landcom access to the WWPP Site following the exchange of contracts to enable Landcom to undertake additional contamination testing, groundwater monitoring and inspection of the building;*

- B. Requests the General Managers to provide a copy of this Report to the DLG in accordance with resolution 4 of the Minutes of the Waverley Woollahra Process Plant Committee of 29 August 2006;*
- C. Requests the General Managers to proceed to prepare a Report to the Councils supporting the above recommendations. (this report)*

The detailed analysis is contained in the confidential report of the General Managers and its attached Tabs (circulated as confidential Annexure 2).

The sale of the WWPP site is a target in Council's 2006-2009 Management Plan. The Department of Local Government and ICAC have been consulted about the proposal for a direct sale of the site. The Department has been notified of the Joint Committee's recommendations.

Conclusion:

The facility has been out of operation and the site has been unused for ten years. Sale of the site is in the joint Councils' interests. If Council approves the sale, settlement is likely to be achieved by 30 June 2007 provided no unexpected issues arise during the sale process. Adoption of the Joint Committee resolution is recommended.

Gary James
General Manager

Annexures:

- Annexure 1: Council resolution 25 September 2006 and General Manager's report to Corporate & Works dated 18 September 2006.
- Confidential Annexure 2: Minutes of WWPP Joint Committee 19 December 2006 and General Managers' 14 December 2006 Report to WWPP Joint Committee, including Tabs A-F.