



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 22 June 2009*

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:

6 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

18 June 2009

To: His Worship The Mayor, Councillor Andrew Petrie ex-officio
Councillors Greg Medcraft (Chair)
Anthony Boskovitz
Peter Cavanagh (Deputy)
Nicola Grieve
Ian Plater
Isabelle Shapiro

Dear Councillors

Corporate & Works Committee Meeting – 22 June 2009

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 June 2009 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 1 June 2009	1
D2	9 Fisher Avenue, Vaucluse – Proposed Road Closure and Sale – 166.9	2
D3	Monthly Financial Report – May 2009	5

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

R1	Delivery Program 2009 to 2013 and Operational Plan 2009/10 – 827G 2008/2011 and 331G 2008/2009	14
R2	Holdsworth Community Centre and Services – strategic Plan 2009/10 and Quarterly Reports for October 2008 to March 2009	21
R3	Watsons Bay Tea Gardens Building Project - Tender No 08/09	81

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 1 June 2009**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 1 June 2009 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 1 June 2009 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: D2 Delegated to Committee
Subject: **9 Fisher Avenue, Vacluse - Proposed Road Closure And Sale**
Author: Zubin Marolia
Manager – Property and Projects
File No: 166.9
Reason for Report: To give consideration to the closure and subsequent sale of unmade roadway adjoining the property.

Recommendation:

That the site be inspected prior to the Corporate and Works Committee meeting of 6 July 2009.

Background:

Council has received a request from the owner of 9 Fisher Avenue, Vacluse to purchase an estimated 124 square metre irregular shaped section of Gilliver Avenue road reserve which adjoins their property; for the purpose of formalising the existing encroachment upon the road reserve, being brush fencing and landscaping. The subject area is identified hatched on the attached plan.

The subject land has been inspected by Council’s Manager, Civil Works & Infrastructure. It is steeply sloping with no need for pedestrian access, and there is no benefit to Council to widen the road at this location.

Successive owners of this property have enjoyed the benefit of occupation of this land for many years. There is no community benefit to be gained by removing the encroachments. Therefore, it is considered appropriate that the encroachments are formalised by the owner purchasing the land at the market price as determined by valuation.

The owner of 9 Fisher Avenue, Vacluse has agreed to pay all Council’s costs in connection with the purchase of the subject road reserve portion.

Conclusion:

In accordance with Council’s Policy and Procedure for the Sale of Council Land, it is recommended that the Committee inspect the site in the first instance.

Zubin Marolia
Manager – Manager Property & Projects

Warwick Hatton
Director, Technical Services

Annexures:

1. Request to purchase land adjoining 9 Fisher Avenue.
2. Plan identifying the subject road reserve portion.

Item No: D3 Delegated to Committee
Subject: **Monthly Financial Report – May 2009**
Author: Don Johnston, Manager Finance
File No: 349G
Reason for Report: To present the monthly financial report for April 2009

Recommendation:

THAT the monthly financial report for May 2009 be received and noted.

Background:

The monthly financial report for May 2009 is submitted to the Committee for consideration.

The monthly report includes the following:

- Summary of Receipts, Payments and Bank Balance
- Summary of Investments
- Details of Investment Portfolio
- Weighted Average Maturity and Weighted Average Returns Charts
- Maturity Profile Chart
- Movements in Book Value of Investments

Following the Committee’s consideration of the April 2009 report, when it was noted that adjustments to the carrying amount of Council’s investment portfolio had not been made arising from the default of two securities, a further table, Movements in Book Value of Investments has now been provided. This table indicates the movements in book value brought to account as a result of security maturities, defaults and coupon payments. Please note that the coupon payments are paid to Council via a custody cash account within the Grove Portfolio Online / ANZ custodial arrangements.

This report, and future reports, will also highlight the investment transactions that occurred during the month that is the subject of the report.

Investment Transactions for the Month

Date	Transaction	Description	Amount (\$)
4 May	Maturity	Macquarie Bank TD, 181 days @ 7.00%	(1,000,000.00)
4 May	Maturity	Macquarie Bank TD, 91 days @ 5.00%	(1,500,000.00)
14 May	Maturity	Capital repayment from Blackrock Managed Fund	(123,131.17)
29 May	Purchase	Police & Nurses Credit Society TD 60 days @ 4.26%	1,000,000.00
29 May	Purchase	The Rock Building Society TD 60 days @ 3.70%	1,000,000.00
Various	Maturity	Net Movement in Online Savings Cash Account	(169,464.37)
Various	Deposit	Net Movement in GPO ANZ Cash Account (Coupon payments + Blackrock repayment + GPO interest – GPO Fees)	234,682.15
		Net Change in Portfolio	(311,651.05)

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 30 April 2009 21,747.67

Receipts

Rates 4,358,977.01
Other 10,321,204.59 14,680,181.60

Total Receipts

Description	Amount
S/Dr's-Rates	-4,358,977.01
Sundry Debtors Control	-663,274.25
Parking Fines	-343,914.06
Financial Assistance Grant	-336,410.25
Deposits & Bonds Control Account	-270,837.40
GST Clearing Balance Account	-129,051.00
Trade Waste Debtors Control	-118,693.61
Disposal (Asset) Clearing A/C	-86,386.50
Other Developer Contributions	-82,132.42
Build/Construction LS Levy Clearing	-45,277.34

Payments - Cheque

Cheque Payments -1,081,177.26

Cancelled Cheques 478.00

Total Cheque Payments for period -1,080,699.26

Cheque No	Cheque Date	Payee	Description	Amount
203770	14/05/2009	Energy Australia	Street lighting - Apr'09	-110,639.48
203998	28/05/2009	Telstra	General works - asset reloc - Cross St., D'bay	-89,394.58
203810	15/05/2009	Withheld	Refund of security deposit	-77,500.00
203840	21/05/2009	Civil Constructions Pty Ltd	General works - Nelson St., Woollahra	-43,206.62
203761	14/05/2009	Barloworld Volkswagen	Fleet purchases	-27,963.00
203713	07/05/2009	City Ford	Fleet purchases	-27,732.35
203929	28/05/2009	City of Sydney Council	Rates - O'dea Av., Waterloo	-23,996.30
203808	15/05/2009	Australian Taxation Office	Balance of FBT payable for 08/09	-21,531.00
203772	14/05/2009	Getex Pty Ltd	Compilation of building materials register	-21,180.50
203825	18/05/2009	Withheld	Interest on Deposit Bond	-19,164.01

Payments - EFT

EFT Payments -8,767,010.62

Returned EFT Payments 0.00

Total EFT Payments for period -8,767,010.62

Reference	EFT Date	Payee	Description	Amount
21338	28/05/2009	StateCover Mutual Limited	Workers Compensation premium - 4th instal	-444,490.15
21215	21/05/2009	MacDonald Johnston Engineering	Fleet purchases	-300,056.17
21082	07/05/2009	WSN Environmental Solutions	Waste tipping charges - 9/3 - 29/3	-163,165.66
21211	21/05/2009	Local Govt Super Scheme-Div.A	Employer/employee super contribs Apr'09	-135,140.80
21157	19/05/2009	Optus Billing Services	Aerial to underground relocation works	-113,263.17
21352	28/05/2009	WSN Environmental Solutions	Waste tipping charges - 30/3 - 12/4	-109,645.94
200509	20/05/2009	Australian Taxation Office	PAYG WK 47	-103,396.14
280509	28/05/2009	Australian Taxation Office	PAYG WK 48	-102,533.54
130509	13/05/2009	Australian Taxation Office	PAYG WK 46	-98,178.14
60509	06/05/2009	Australian Taxation Office	PAYG WK 45	-97,092.95

Payments - Direct Debits From Bank A/c

Payroll -1,337,826.02

Bank Charges -6,578.78

Credit Cards 0.00

Councillors' fees 0.00

Council Rates 0.00

Total Direct Debits for period -1,344,404.80

Total Payments

-11,192,114.68

Cash Book Balance as at 31 May 2009 3,509,814.59

Unpresented Cheques No. of Cheques: 190 436,239.00

Outstanding Deposits & Miscellaneous Items -1,421,552.91

Reconciled Cash Book Balance as at 31 May 2009 2,524,500.68

Bank A/c Balance as at 31 May 2009 2,524,500.68

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Payee	Amount
203810	15/05/2009	Withheld	77,500.00
203998	28/05/2009	Telstra	89,394.58

INVESTMENTS AS AT 31 MAY 2009

CATEGORY	FACE VALUE \$	BOOK VALUE \$
1. LEHMAN BROTHERS (formerly Grange Securities Ltd)		
Funds previously under management	17,911,989	10,822,242
2. OAKVALE CAPITAL Limited		
Funds previously under management	6,247,114	3,335,459

RATING	CATEGORY	PURCHASE DATE	MATURITY DATE	TOTAL TERM (DAYS)	REMAINING DAYS TO MATURITY	%	FACE VALUE \$	BOOK VALUE \$	GOV'T GUARANTEE
3. WMC DIRECT INVESTMENTS									
AA	<u>ST GEORGE BANK LIMITED</u> TERM DEPOSIT	22/01/2009	19/06/2009	148	19	3.64	1,000,000	1,000,000	Guaranteed
AAA*	<u>SAVINGS & LOANS CREDIT UNION</u> TERM DEPOSIT	10/12/2008	10/12/2010	730	558	5.15	1,000,000	1,000,000	Guaranteed
AAA*	<u>BANK OF CYPRUS AUSTRALIA</u> TERM DEPOSIT	04/03/2009	02/06/2009	90	2	4.30	1,000,000	1,000,000	Guaranteed
AAA*	<u>AUSTRALIAN CENTRAL CREDIT UNION</u> TERM DEPOSIT	04/03/2009	03/07/2009	121	33	4.01	1,000,000	1,000,000	Guaranteed
AAA*	<u>POLICE & NURSES CREDIT SOCIETY</u> TERM DEPOSIT	29/05/2009	28/07/2009	60	58	4.26	1,000,000	1,000,000	Guaranteed
AAA*	<u>THE ROCK BUILDING SOCIETY</u> TERM DEPOSIT	29/05/2009	28/07/2009	60	58	3.70	1,000,000	1,000,000	Guaranteed
AAA*	<u>BANK OF QUEENSLAND</u> TERM DEPOSIT	04/03/2009	04/03/2010	365	277	4.25	1,000,000	1,000,000	Guaranteed
BBB	<u>IMB LTD</u> TERM DEPOSIT	27/11/2008	27/11/2009	365	180	5.00	1,000,000	1,000,000	Guaranteed
		02/12/2008	02/12/2009	365	185	5.00	1,000,000	1,000,000	Guaranteed
AAA*	<u>MACQUARIE BANK</u> TERM DEPOSIT	05/03/2009	11/06/2009	98	11	4.20	1,000,000	1,000,000	Guaranteed
AAA*	<u>ELDERS RURAL BANK</u> TERM DEPOSIT	24/11/2008	24/11/2009	365	177	6.55	1,000,000	1,000,000	Guaranteed
AAA*	<u>BANK WEST</u> TERM DEPOSIT	27/11/2008	27/11/2009	365	180	5.00	1,000,000	1,000,000	Guaranteed
AAA*	<u>AUSTRALIAN DEFENCE CREDIT UNION</u> TERM DEPOSIT	13/03/2009	12/06/2009	91	12	6.63	1,000,000	1,000,000	Guaranteed
AAA*	<u>INVESTEC BANK</u> TERM DEPOSIT	28/11/2008	26/11/2009	363	179	5.65	1,000,000	1,000,000	Guaranteed
AAA*	<u>ARAB BANK</u> TERM DEPOSIT	10/12/2008	10/12/2010	730	558	5.65	1,000,000	1,000,000	Guaranteed
AAA*	<u>CREDIT UNION AUSTRALIA</u> TERM DEPOSIT	28/01/2009	28/07/2009	181	58	4.30	1,000,000	1,000,000	Guaranteed
AAA*	<u>BENDIGO BANK</u> TERM DEPOSIT	21/01/2009	16/10/2009	268	138	4.65	1,000,000	1,000,000	Guaranteed
AAA*	<u>VICTORIA TEACHERS CREDIT UNION</u> TERM DEPOSIT	21/01/2009	21/12/2009	334	204	4.25	1,000,000	1,000,000	Guaranteed
AA	<u>COMMONWEALTH BANK</u> TERM DEPOSIT	16/12/2008	16/12/2011	1095	929	6.03	1,000,000	1,000,000	
	ONLINE SAVER A/C						1,552,009	1,552,009	
	Total WMC Direct Investments						20,552,009	20,552,009	
	Weighted Average Days to Maturity of WMC Direct Investments				200.84				
	Weighted Average Return of WMC Direct Investments (excluding CBA floating rate deposit)					4.85			
	% Government Guarantee of WMC Direct Investments								88%
	PORTFOLIO TOTALS						44,711,112	34,709,709	

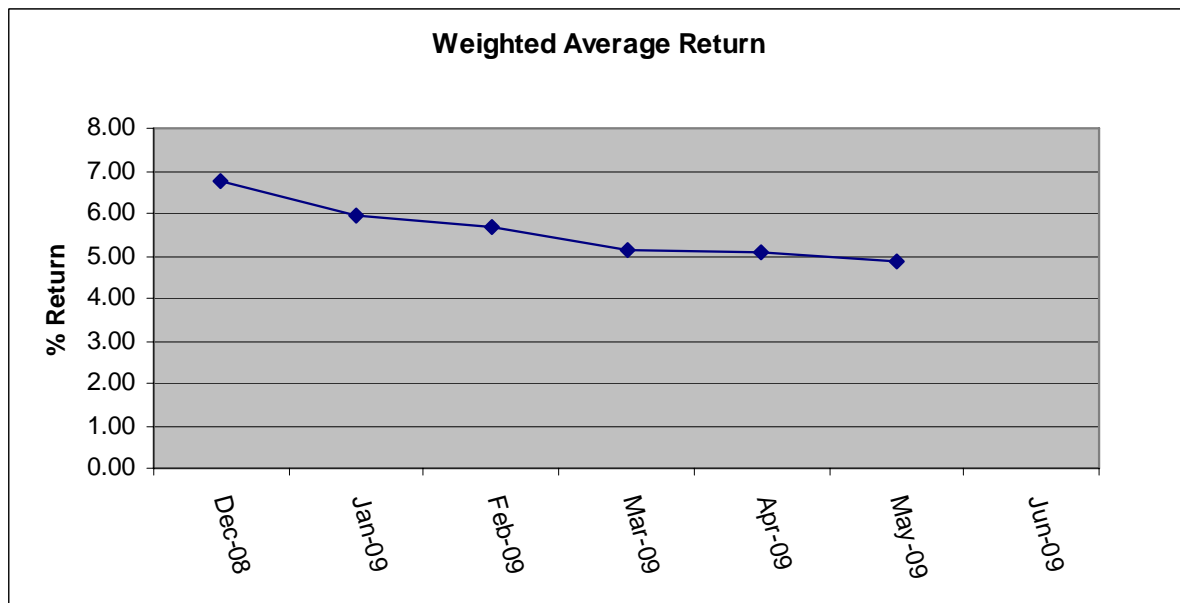
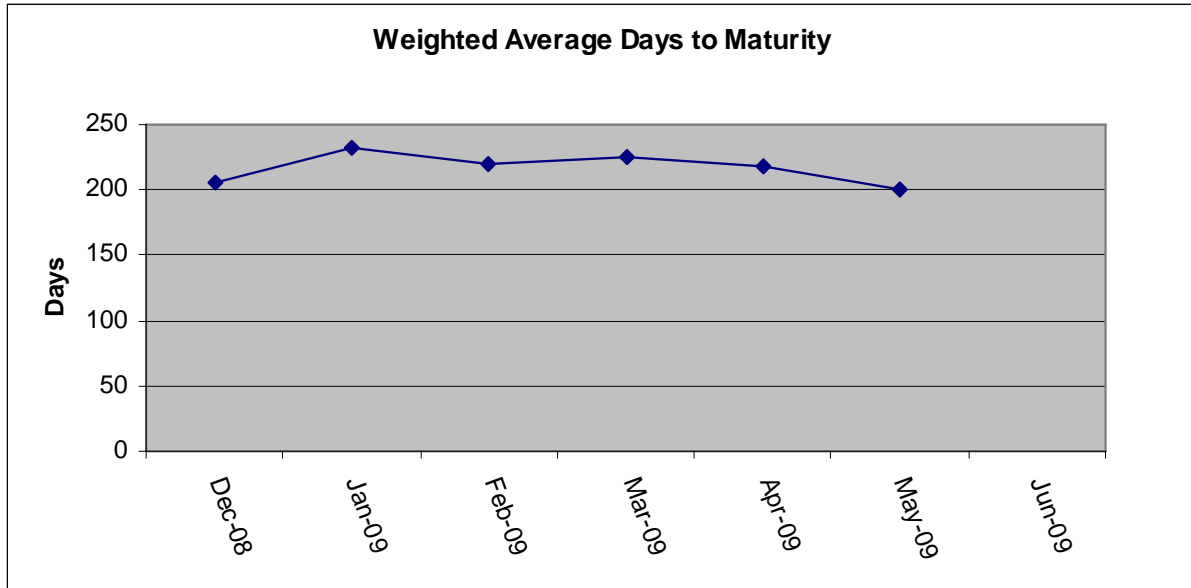
* Government Guaranteed deposits have been rated AAA

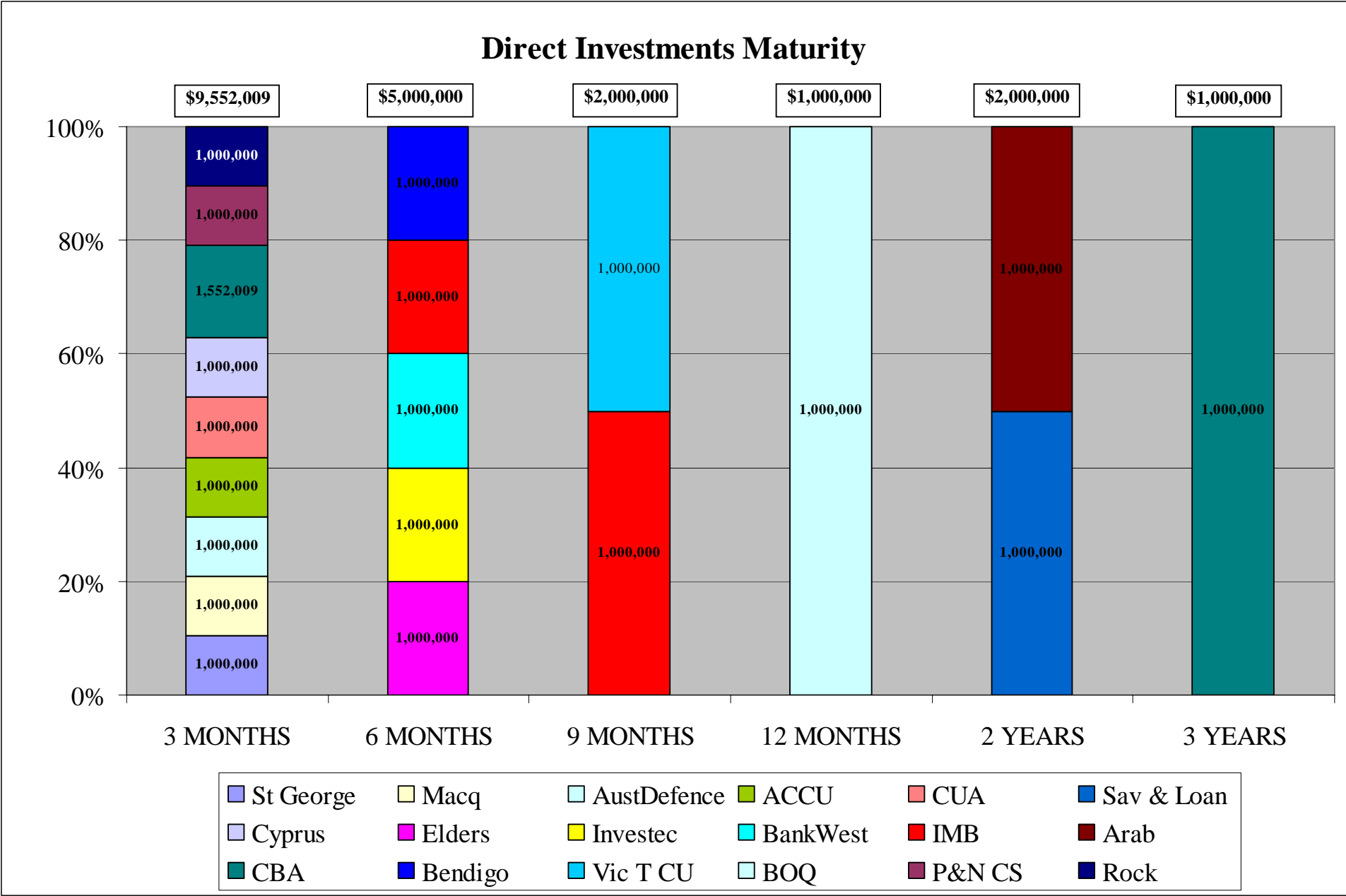
I hereby certify that the above investments have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's investment policy.

Don Johnston
Manager Finance

INVESTMENTS PORTFOLIO AS AT 31 MAY 2009							
Security	Classification	Purchase Date	Final Maturity Date	Face Value (FV)	Total Purchase Price	Current Book Value	Notes
1. LEHMAN BROTHERES (formerly GRANGE SECURITIES)							
Issued by non-ADIs							
Lehman Global Property Note	Other	13/06/2007	15/06/2009	60,000	60,000	5,000	1
Herald Limited (Quartz AA)	CDO	04/07/2007	20/12/2010	400,000	403,644	221,624	1
BELO (Kalgoorlie AA+)	Other	27/02/2007	27/02/2012	500,000	500,000	357,830	1
Magnolia (Flinders AA)	CDO	08/06/2007	20/03/2012	500,000	513,670	324,180	1
Omega (Henley AAA)	CDO	20/12/2006	22/06/2012	450,000	450,000	140,018	1
Helium (Esperance AA+)	CDO	04/07/2007	20/03/2013	500,000	501,565	110,825	1
Zircon (Merimbula AA)	CDO	06/06/2007	20/06/2013	250,000	250,000	37,105	1
Corsair (Torquay AA)	CDO	04/07/2007	20/06/2013	500,000	501,860	91,945	1
Start (Blue Gum AA-)	CDO	08/01/2007	22/06/2013	400,000	402,768	118,832	1
Corsair (Kakadu AA)	CDO	22/01/2007	20/03/2014	500,000	503,300	83,725	1
Helium (Scarborough AA)	CDO	17/01/2007	23/06/2014	400,000	402,620	80,456	1
Helium (Scarborough AA)	CDO	04/07/2007	23/06/2014	500,000	502,270	100,570	1
Helium (Scarborough AA)	CDO	23/07/2007	23/06/2014	500,000	503,810	100,570	1
Zircon (Coolangatta AA)	CDO	20/03/2007	20/09/2014	500,000	500,000	61,100	1
Beryl (AAA Global Bank Note)	Other	03/04/2007	20/09/2014	100,000	100,000	57,151	1
Zircon (Coolangatta AA)	CDO	04/07/2007	20/09/2014	500,000	501,430	61,100	1
Beryl (AAA Global Bank Note)	Other	04/07/2007	20/09/2014	350,000	350,917	200,029	1
Aphex (Glenelg AA-)	CDO	10/01/2007	22/12/2014	500,000	501,960	125,745	1
Aphex (Glenelg AA-)	CDO	04/07/2007	22/12/2014	500,000	501,405	125,745	1
MAS6-7 (Parkes IIA 'AA-')	CDO	13/06/2007	20/06/2015	450,000	461,687	32,117	1
MAS6-7 (Parkes IIA 'AA-')	CDO	04/07/2007	20/06/2015	500,000	504,315	35,685	1
Zircon (Miami AA)	CDO	16/04/2007	20/03/2017	50,000	50,137	7,546	1
				8,910,000	8,967,358	2,478,896	
Issued by ADIs							
Home Building Society FRN (BBB+)	FRN	10/01/2007	17/08/2009	500,000	511,820	453,835	1
Home Building Society FRN (BBB+)	FRN	11/01/2007	17/08/2009	500,000	511,920	453,835	1
Royal Bank of Scotland (AA)	FRN	04/07/2007	28/10/2009	500,000	508,290	466,345	1
Elders Rural Bank Sub Debt (BBB-)	FRN	04/07/2007	23/03/2010	500,000	504,780	428,445	1
NM Rothschild FRSD (unrated)	FRN	09/07/2007	10/08/2010	1,000,000	1,013,290	789,560	1
HSBC Sub Debt (AA-)	FRN	04/07/2007	20/05/2011	500,000	503,915	437,220	1
Suncorp Metway Sub Debt (A)	FRN	19/01/2007	22/06/2011	500,000	503,285	451,250	1
St George Bank Sub Debt (A+)	FRN	10/01/2007	26/07/2011	1,000,000	1,014,990	905,830	1
HSBC FRN (AA-)	FRN	07/02/2007	22/09/2011	500,000	505,470	456,615	1
CBA FRN (AA)	FRN	19/01/2007	28/09/2011	500,000	503,640	479,285	1
CBA FRN (AA)	FRN	31/01/2007	28/09/2011	500,000	504,785	479,285	1
CBA FRN (AA)	FRN	04/07/2007	28/09/2011	500,000	502,360	479,285	1
Westpac FR Sub Debt (AA)	FRN	07/02/2007	24/01/2012	500,000	501,590	455,330	1
Royal Bank of Scotland (AA)	FRN	31/01/2007	17/02/2012	1,000,000	1,014,560	865,130	1
Adelaide Bank FRN (BBB+)	FRN	04/07/2007	28/03/2012	500,000	501,445	480,480	1
				9,000,000	9,106,140	8,081,730	
Macquarie Cash Trust (AAA)	Cash			1,989	1,989	1,989	4
Grove Portfolio Online	Cash			259,627	259,627	259,627	4
				261,616	261,616	261,616	
Total Lehman Brothers				18,171,616	18,335,113	10,822,242	
2. OAKVALE CAPITAL							
Emeral Reverse Mortgage Series 2007-1 Class B	Mortgage Backed	06/07/2007	06/07/2011	1,000,000	1,000,000	851,350	1
Momentum (Calyon Nickel) Credit Linked Note	CDO	15/05/2007	30/06/2012	1,000,000	1,000,000	0	3
Aramis (Merrill Lynch) Clear 40 - ABS	CDO	02/04/2007	20/12/2012	1,000,000	1,000,000	0	3
Blackrock (Merrill Lynch) Diversified Credit Fund	Managed Fund	05/01/2007		3,247,114	3,247,114	2,484,109	2
Total Oakvale Capital				6,247,114	6,247,114	3,335,459	

Security	Classification	Purchase Date	Final Maturity Date	Face Value (FV)	Total Purchase Price	Current Book Value	Notes
3. WMC INVESTMENTS							
Bank of Cyprus (4.3% 90 days)	TD	04/03/2009	02/06/2009	1,000,000	1,000,000	1,000,000	4
Macquaries Bank (4.2% 98 days)	TD	05/03/2009	11/06/2009	1,000,000	1,000,000	1,000,000	4
Australian Defence Credit Union (4.22% 91 days)	TD	13/03/2009	12/06/2009	1,000,000	1,000,000	1,000,000	4
St George (3.64% 148 days)	TD	22/01/2009	19/06/2009	1,000,000	1,000,000	1,000,000	4
Australian Central Credit Union (4.01% 121 days)	TD	04/03/2009	03/07/2009	1,000,000	1,000,000	1,000,000	4
Credit Union Australia (4.3% 181 days)	TD	28/01/2009	28/07/2009	1,000,000	1,000,000	1,000,000	4
Police & Nurses Credit Society (4.26% 60 days)	TD	28/05/2009	28/07/2009	1,000,000	1,000,000	1,000,000	4
The Rock Building Society (3.7% 60 days)	TD	28/05/2009	28/07/2009	1,000,000	1,000,000	1,000,000	4
Bendigo Bank (4.65% 268 days)	TD	21/01/2009	16/10/2009	1,000,000	1,000,000	1,000,000	4
Elders Rural Term Deposit (6.55% 365days)	TD	24/11/2008	24/11/2009	1,000,000	1,000,000	1,000,000	4
Investec Aust Ltd (5.65% 363 days)	TD	28/11/2008	26/11/2009	1,000,000	1,000,000	1,000,000	4
Bank West Term Deposit (5.00% 365 days)	TD	27/11/2008	27/11/2009	1,000,000	1,000,000	1,000,000	4
IMB Term Deposit (5.00% 365 days)	TD	27/11/2008	27/11/2009	1,000,000	1,000,000	1,000,000	4
IMB Term Deposit (5.00% 365 days)	TD	02/12/2008	02/12/2009	1,000,000	1,000,000	1,000,000	4
Victoria Teachers CU (4.25% 334 days)	TD	21/01/2009	21/12/2009	1,000,000	1,000,000	1,000,000	4
Bank of Queensland (4.25% 365 days)	TD	04/03/2009	04/03/2010	1,000,000	1,000,000	1,000,000	4
Arab Bank Ltd (5.65% 730 days)	TD	10/12/2008	10/12/2010	1,000,000	1,000,000	1,000,000	4
Savings & Loans CU (5.15% 730 days)	TD	10/12/2008	10/12/2010	1,000,000	1,000,000	1,000,000	4
CBA TCD (90 day BBSW + 1.60% - 3 yrs)	TD	16/12/2008	16/12/2011	1,000,000	1,000,000	1,000,000	4
CBA Online Saver	Cash			1,552,009	1,552,009	1,552,009	4
Total Direct Investments				20,552,009	20,552,009	20,552,009	
Total Portfolio				44,970,738	45,134,236	34,709,709	
PORTFOLIO SUMMARISED BY CLASSIFICATION							
CDO				9,900,000	9,956,441	1,858,887	
FRN				9,000,000	9,106,140	8,081,730	
Mortgage Backed				1,000,000	1,000,000	851,350	
Managed Fund				3,247,114	3,247,114	2,484,109	
TD				19,000,000	19,000,000	19,000,000	
Cash				1,813,624	1,813,624	1,813,624	
Other				1,010,000	1,010,917	620,010	
				44,970,738	45,134,236	34,709,709	
1. Book Value (Fair Value) as at 30 June 2008							
2. Current Value. Fund Closed - Assets being sold and repaid							
3. Defaulted							
4. Face value of deposit / bank bill							
CDO - Collateralised Debt Obligation							
CDOs are constructed from a portfolio of assets. These assets are divided by the issuer into different tranches: senior tranches (rated AAA), mezzanine tranches (AA to BB), and equity tranches (unrated). Losses are applied in reverse order of seniority and so junior tranches offer higher coupons (interest rates) to compensate for the added default risk.							
FRN - Floating Rate Note							
Floating rate notes (FRNs) are bonds that have a variable coupon, equal to a money market reference rate, plus a spread. The spread is a rate that remains constant. Almost all FRNs have quarterly coupons, i.e. they pay out interest every three months.							
Managed Fund							
Managed Funds are a way of investing money with other people to participate in a wider range of investments than those feasible for most individual investors, and to share the costs of doing so.							
Mortgage Backed Security							
A mortgage-backed security is an asset-backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans. Payments are typically made monthly over the lifetime of the underlying loans.							
Term Deposit							
Term Deposit is a money deposit at an approved deposit taking (ADI) institution for a fixed term at a fixed interest rate. When the term is over it can be withdrawn or it can be held for another term.							





Movements in Book Value of Investments

Lehman Brothers

	Securities	Cash (Macq Trust)	Grove Portfolio Online	Total Book Value
01/07/2008	11,573,626.00	42,058.90		11,615,684.90
July Coupons		65,596.67		11,681,281.57
August Coupons		85,717.40		11,766,998.97
September Coupons		52,010.31		11,819,009.28
Withdrawal		(193,372.97)		11,625,636.31
October Coupons		43,867.25		11,669,503.56
November Coupons		42,851.01		11,712,354.57
ANZ Yield Curve Note Maturity (\$100k FV \$50k)	50,000.00			11,762,354.57
BOQ FRN Maturity (\$1,000k FV \$963k)	37,000.00			11,799,354.57
Withdrawal (incl ANZ & BOQ maturities)		(1,218,239.11)		10,581,115.46
Withdrawal		(20,489.46)		10,560,626.00
November Coupons			41,950.56	10,602,576.56
Macquarie Trust interest		1,988.94		10,604,565.50
December Coupons			212,334.91	10,816,900.41
GPO Fee			(763.51)	10,816,136.90
GPO Interest			239.47	10,816,376.37
January Coupons			31,192.79	10,847,569.16
GPO Fee			(1,049.54)	10,846,519.62
Withdrawal			(230,000.00)	10,616,519.62
GPO Fee			(1,049.71)	10,615,469.91
February Coupons			57,128.05	10,672,597.96
Blackrock Redemption			378,902.76	11,051,500.72
Withdrawal			(456,000.00)	10,595,500.72
GPO Fee			(939.52)	10,594,561.20
March Coupons			108,287.41	10,702,848.61
Withdrawal			(133,000.00)	10,569,848.61
GPO Fee			(971.61)	10,568,877.00
April Coupons			18,682.41	10,587,559.41
GPO Interest			20.37	10,587,579.78
May Coupon - NM Rothschild FRN			10,294.52	10,597,874.30
Blackrock Redemption			123,131.17	10,721,005.47
Blackrock Interest			51,747.02	10,772,752.49
GPO Fee			(934.17)	10,771,818.32
May Coupons - Home BS, RBS & HSBC FRNs			23,321.68	10,795,140.00
Late payment - March Coupons - Adelaide & CBA FRNs			21,660.00	10,816,800.00
May Coupon - BELO Kalgoorlie			5,441.56	10,822,241.56
		10,562,614.94	259,626.62	

Oakvale Capital

	Securities	Blackrock Managed Fund	Grove Portfolio Online	Total Book Value
01/07/2008	1,186,720.00	3,029,599.95		4,216,319.95
Interest		5,524.56		4,221,844.51
Aramis Default	(40,180.00)			4,181,664.51
Momentum Default	(295,190.00)			3,886,474.51
Redemption (454,374.3392 units @ \$0.8339)		(378,902.76)		3,507,571.75
FV adj. (454,374.3392 units @ \$0.1078)		(48,981.55)		3,458,590.19
Redemption (Units and unit price TBA)		(123,131.17)		3,335,459.02
FV adj. (TBA based on units and unit price)				
	851,350.00	2,484,109.02		

Don Johnston
Manager Finance
Annexures: Nil

Item No: R1 Recommendation to Council
Subject: **Delivery Program 2009 to 2013 and Operational Plan 2009/10**
Author: Kylie Walshe, Director Community Services
Don Johnston, Manager Finance
File No: 827G 2008/2011 and 331G 2008/2009
Reason for Report: For the Committee to review any submissions received following public exhibition of the draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 and make a recommendation regarding the adoption of the Delivery Program 2009 to 2013 and Operational Plan 2009/10.

Recommendation:

1. THAT Council adopt the exhibition copy of the Draft Delivery Program 2009 to 2013 and Operational Plan 2009/10, with minor amendments, as its Delivery Program 2009 to 2013 and Operational Plan 2009/10.
2. THAT Council make and levy the Rates set out in the Rating Structure – Scenario 1: Special Variation Approved - incorporating the 3.5% permissible increase plus a 2.55% Special Variation, at total increase of 6.05%, subject to approval by the Minister for Local Government.
3. THAT a further report be presented to the Corporate & Works Committee on any required amendments to the Delivery Program 2009 to 2013, Operational Plan 2009/10 and 2009/2010 Budget if Council's Special Rate Variation Application is not approved.

Background:

At its meeting on 11 May 2009 Council resolved:

- A. *That the Draft 2009/10 Budget summary information presented as Annexure 2 to this report be endorsed and included in the Draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 for public exhibition.*
- B. *That the Draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 be endorsed (subject to incorporation of the amendments discussed at the Strategic and Corporate Meeting) and placed on public exhibition for 28 days in satisfaction of the requirements of s405 of the Local Government Act 1993 and submissions sought from the public in respect of the Draft Plans.*
- C. *That a further report be presented to Council following the public exhibition period advising of any submissions received.*
- D. *Council note that a further review of the Draft 2009/10 Budget may be necessary following the receipt of advice from the Minister for Local Government in respect of Council's Special Rate Variation Application.*
- E. *That the Strategic & Corporate Committee note the matters raised at the Budget Working Party Meeting held on 15 April 2009 and the responses to those matters detailed in Annexure 1 to this report.*

- F. That the fees and charges adopted on 16 March 2009 be amended for exhibition purposes in accordance with the charges arising from the "Local Government Filming Protocol" as detailed in the late correspondence from Bruce Rann, Council's Acting Manager Public Open Space dated 8 May 2009.

The contents of the draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 have been developed through a series of Council workshops and Committee meetings. The following timetable has been followed.

2009 Corporate Planning Timetable

Date	Activity
18 February	Councillor Workshop to discuss future priorities for inclusion in the <i>Preliminary draft Community Strategic Plan & draft Delivery Program 2009 to 2013 and Operational Plan 2009/10.</i>
16 March	Draft 2009/2010 Schedule of Fees & Charges and 2009/2010 Rating Structure considered by the Corporate & Works Committee, including proposed special rate variation application.
30 March	2009/2010 Draft Budget considered by the Corporate & Works Committee.
15 April	Budget Working Party meeting to discuss the draft Budget 2009/10.
20 April	Corporate and Works Committee meeting to consider the <i>Preliminary draft Community Strategic Plan.</i>
24 April	Circulation of <i>draft Delivery Program 2009 to 2013 and draft Operational Plan 2009/10</i> to Councillors.
5 May	Strategic & Corporate Committee meeting to endorse the <i>Preliminary draft Community Strategic Plan</i> and consider the <i>draft Delivery Program 2009-2013 & Operational Plan 2009/10</i> , including the 2009/10 budget.
11 May	Council meeting to endorse exhibition of <i>draft Delivery Program 2009-2013 & draft Operational Plan 2009/10.</i>
13 May – 10 June	Public Exhibition of <i>draft Delivery Program 2009-2013 & Operational Plan 2009/10</i> (28 days).
22 June	Corporate & Works Committee meeting to consider submissions received and recommend adoption of <i>draft Delivery Program 2009-2013 & Operational Plan 2009/10 to Council.</i>
29 June	Council meeting to adopt the <i>Delivery Program 2009 - 2013 & Operational Plan 2009/10.</i>

Exhibition of the draft Delivery Program 2009-2013 and draft Operational Plan 2009/10 commenced on Wednesday 13 May 2009 and closed on Wednesday 10 June 2009.

The exhibition copy of the draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 has been circulated previously. Subject to the consideration of this report, and Council's adoption of the recommendation, a copy of the adopted Delivery Program 2009 to 2013 and Operational Plan 2009/10 will be circulated to Councillors.

Submissions received:

Submissions on the draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 were invited as part of the public exhibition process and closed on 10 June 2009. One submission was received and is attached as **ANNEXURE 1**.

Submission	Response
Disputes the way that Council measures performance and sets priorities through the setting of goals and objectives are so broad that they avoid dissent.	The Delivery Program and Operational Plan sets goals, with priorities that will be pursued by Council from 2009 to 2013. There are supported by specific actions for the year 2009/10 that are all measurable.
Measuring performance through community satisfaction does not allow critical judgement of the services provided by Council.	As Council is a service organisation it is considered highly appropriate to measure performance through community satisfaction.
Motherhood statements should be avoided, measuring procedures have to be real, objective and comparative.	The Delivery Program and Operational Plan sets goals, with priorities that will be pursued by Council from 2009 to 2013. There are supported by specific actions for the year 2009/10 that are all measurable.
A suggestion to apply value for money, productivity measures or equity assessment should be applied to Council activities.	Council has an ongoing program of benchmarking for services to ensure that the community receives services that are efficient, effective and meet community needs.
No identification of savings made from outsourcing.	Council uses outsourcing and resource sharing as it is committed to a process of continual improvement. These measures are used to test the market, bring about savings and/or service improvements. Recent resource sharing has resulted in significant cost savings, with these savings providing Council with funds to pursue other priorities.
The application for the special rate variation sidesteps the underlying problem with the mechanism used to collect the Fire Service levy. Council should be actively seeking to change the collection basis of this levy.	Council has, at every opportunity, sought to have the current land value based distribution of the NSW Fire Brigades Levy replaced with a mechanism it feels is more equitable and, in its June 2008 submission to the IPART <i>Review of State Taxation</i> , strongly opposed the recommendation relating to the funding of fire services.
Council has not directed sufficient attention to the issue of meaningful reporting and accountability to ratepayers.	Council will report on a quarterly basis on its progress against the adopted Delivery Program 2009-2013 and Operational Plan 2009/10 and through an Annual Report at the end of the financial year.
Over \$1.3 M will be used for interest repayments from past loans. Objects to the use of debt.	Council made policy decisions in 2005/2006 and 2007/2008 to take up loan funds to complete important public infrastructure works.
Critical of the budget process being based on the existing services and service levels.	Setting of services and service levels are policy decisions of the Council. The draft budget is prepared based on trying to retain services and service levels based on previous decisions, although this is becoming increasingly difficult. As part of the budget process staff identify opportunities to vary service levels (up and down) with a view to Council reaffirming or varying services.

Amendments:

The issues raised in the submission have been addressed above. No amendments to the draft Delivery Program 2009-2013 and draft Operational Plan 2009/10 are recommended in response to the submission.

The draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 was reviewed internally during the exhibition period and a number of minor amendments are recommended. These amendments will be made to improve the reading of the document and have no impact on the intent of the goals, strategies, priorities or actions in the draft Delivery Program 2009-2013 and Operational Plan 2009/10.

Further Review of the 2009/10 Budget:

The 2009/2010 Budget is predicated on the latest forecast of Council's financial position as at 30 June 2009 made in the March quarterly Budget Review. The 2009/2010 Budget will be further reviewed in light of the confirmation of Council's 30 June 2009 result. This review is planned for early August.

Conclusion:

On 11 May 2009 Council resolved to place the draft Delivery Program 2009 – 2013 and Operational Plan 2009/10 on public exhibition. Consideration of the draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 along with consideration of the Schedule of Fees & Charges, Rating Structure and Budget for 2009/2010 has been undertaken by Councillors at workshops and committee meetings held in February to May 2009.

One submission has been received as a result of the public exhibition of the draft Plan. It is recommended that the draft Delivery Program 2009 to 2013 and Operational Plan 2009/10 that has been on public exhibition be adopted as Council's Delivery Program 2009 – 2013 and Operational Plan 2009/10, with the minor amendments as detailed in this report.

Don Johnston
Manager Finance

Kylie Walshe
Director Community Services

Gary James
General Manager

ANNEXURES:

Annexure 1 Submission received in response to the draft Delivery Program 2009 to 2013 and Operational Plan 2009/10.

Item No: R2 Recommendation to Council
Subject: **Holdsworth Community Centre and Services- Strategic Plan 2009/10 and Quarterly Reports for October 2008 to March 2009**
Author: Kylie Walshe
File No: 126.G
Reason for Report: To present the Holdsworth Community Centre & Services Strategic Plan 2009/10 and Quarterly Report for October to December 2008 and January to March 2009.

Recommendation:

- A. That Council adopt the Holdsworth Community Centre & Services Strategic Plan 2009/10.
- B. That Council review the 2009/10 budget allocation to Holdsworth Community Centre & Services when the 2009/10 quarterly reports are presented to Council.
- C. That Council note the Holdsworth Street Community Centre combined Quarterly Report for Quarter 2, October to December 2008 and Quarter 3, January to March 2009.

Background:

Council has a long and successful relationship with Holdsworth Street Community Centre ('HCC'), now trading by the name Holdsworth Community Centre & Services. Over that time Council has funded the Centre to provide a range of direct services to the Woollahra community, ranging from community transport to aged, disability and family services. HCC is an incorporated body that has used the funding provided by Council as leverage to attract a significant amount of funding from other State and Commonwealth funding sources, thus improving the services available to Woollahra residents.

Council entered into a Funding and Management Agreement ('Agreement') with Holdsworth Street Community Centre Woollahra Incorporated on 1 July 2006. The Agreement outlines the delegation and planning and reporting requirements of HCC to Council. See Annexure 1 for the signed agreement.

The Planning and Budgeting requirements are in Section 3 of the Agreement. It states that:

3.1 HSCC must submit a draft strategic plan and budget for the following financial year to the Council for its approval by the end of February each year or such other date as is agreed between the parties in writing.

3.2 The draft strategic plan and budget must not be inconsistent with the Management Plan.

3.3 The draft strategic plan and budget must include the following:

3.3.1 Strategic direction, policies and procedures for HSCC;

3.3.2 Any proposed delegated functions;

3.3.3 Program and services to be provided by HSCC in order to perform the functions to be delegated to HSCC which shall include, as a minimum the programs and services detailed in Annexure 2;

- 3.3.4 *Other programs and services proposed to be offered by HSCC;*
- 3.3.5 *Proposed sources of funding to be sought by HSCC;*
- 3.3.6 *A proposed budget for the forthcoming financial year;*
- 3.3.7 *All fees to be charged by the Centre;*
- 3.3.8 *Proposed key performance indicators (KPIs) for the upcoming year, including for:*
 - a) *Customer Services;*
 - b) *Operational matters; and*
 - c) *Financial matters.*

The Holdsworth Community Centre & Services Strategic Plan 2009/10 is attached in Annexure 2 and meets all the requirements of the Funding and Management Agreement between Council and Holdsworth Street Community Centre.

This report also includes the combined Quarterly Report for Quarter 2, October to December 2008 and Quarter 3, January to March 2009. The reporting requirements in relation to the quarterly reports are in Section 7:

- 7.2 *HSCC shall provide to Council:*
 - 7.2.1 *Quarterly financial reports*

Strategic Plan 2009/10:

HCC has provided Council with Holdsworth Community Centre & Services Strategic Plan 2009/10 (Annexure 2). This Plan continues the commitment of Holdsworth to provide services to a wide range of residents of Woollahra, with the aim of social inclusion. It builds on the directions set in 2008/09 which resulted in dramatic increases in the quality and quantity of services provided to the Woollahra community.

The Strategic Plan shows the exceptional commitment of the Management Committee, staff and volunteers at the Centre to attract new clients and meet the ever increasing needs of the community. In particular, Aged Services, Community Transport and Carer Services are all planned to continue the high quality and level of service delivery, firmly confirming HCC as a key provider of community services to the Woollahra community.

One component of the Strategic Plan included on page 8 and page 18, Annexure 1, is a proposal to work with Council to develop an appropriate model to manage the Woollahra Seniors and Community Centre. It is recommended that Council support continued work on this proposal in 2009/10, with the understanding that a detailed assessment of the implications of the proposal will be undertaken prior to any decision by Council on the future management of the Centre.

Budget 2009/10:

As most programs provided by HCC have multiple funding sources, the model used for the allocation of Council funds follows the requirement of the Funding and Management Agreement that HCC sources funding from other sources and uses any funding from Council as gap funding.

The budget attached to the Strategic Plan includes a \$720,000 allocation from Council. During the 2009/10 budget deliberations by Council HCC requested an additional \$25,000. This has not been supported by Council and is not included in the draft budget 2009/10. As Council is committed to the continuation of current service levels, it is recommended that a review of Council's financial support to HCC be undertaken when the quarterly reports for 2009/10 are presented, subject to Council's financial position and priorities.

Quarterly Report - Quarter 2, October to December 2008 and Quarter 3, January to March 2009:

HCC has also provided Council with a combined Quarterly Report for Quarter 2, October to December 2008 and Quarter 3, January to March 2009, reporting on activities and progress against the strategic plan and budget for 1 October 2008 to 31 March 2009. (Annexure 3)

The HCC October 2008 to March 2009 Quarterly Report continues to show significant improvement in financial management, an increase in service outputs and a reduction in the overall financial deficit budgeted for the 2008/09 year. Particular mention should also be made of the increase in service levels and clients in playgroup and seniors programs. HCC is on track to deliver against the KPIs in the 2008/09 Strategic Plan.

Identification of Income & Expenditure:

The adoption of the recommendations in this report will have no effect on Councils current operational budget.

From 2001 to 2007 Council allocated \$670,000 to HCC for the provision of services and activities to the Woollahra community, with the exception of 2005/06 where \$610,000 allocated. The allocation in 2008/09 is \$720,000.

Conclusion:

The relationship between Holdsworth Community Centre & Services and Council is unique, with funding provided by Council more than doubled by other funding sources. This report recommends the adoption of the Holdsworth Community Centre & Services Strategic Plan 2009/10 as it shows an ongoing commitment to improving the lives of the Woollahra community.

Kylie Walshe
Director Community Services

ANNEXURES:

- Annexure 1 Funding & Management Agreement between Woollahra Municipal Council and Holdsworth Street Community Centre
- Annexure 2 Holdsworth Community Centre & Services Strategic Plan 2009/10
- Annexure 3 Holdsworth Community Centre & Services – Quarterly Report for Quarter 2, October to December 2008 and Quarter 3, January to March 2009.

Item No: R3 Recommendation to Council
Subject: **Watsons Bay Tea Gardens Building Project**
Author: Mark Ramsay – Manager Depot & Waste Services
File No: Tender No 08/09
Reason for Report: To recommend to Council the acceptance of a Tender

Recommendation:

- A. That Council enter into a Lump Sum contract for \$255,000.00 (excluding GST) with Bilas Knight Pty Ltd for the renovations to the Watsons Bay Tea Gardens building.
 - B. That the successful and unsuccessful tenderers be advised accordingly.
-

Background

Watsons Bay Tea Gardens are located at 8 Marine Parade, Watsons Bay. The Tea Gardens building currently comprises male and female toilets and change room facilities and a café. These facilities are used by patrons of the café and the users of the adjacent Watsons Bay Baths.

Council at its meeting on 10 June 2008 resolved as follows:

- A. *That Council proceed with the relocation of the Watsons Bay Library from Dunbar House to the Watsons Bay Tea Rooms.*
- B. *That all renovation works necessary to relocate the library be completed outside the summer season.*

Conversion of the current female change room wing into a space that can be used for branch library purposes, involves minor structural alterations, new windows, doors and ceiling. The branch library space created will be fitted out separately once the refurbishment works have been completed.

Accordingly, tenders were invited for the construction works to convert one amenity wing of the Tea Gardens building into branch library space and upgrade the other amenity wing to provide accessible male and female change rooms and toilet facilities. Conversion of the current male change room wing will create separate male and female change rooms/toilets, with new cubicles, fittings and fixtures, including separate male and female facilities for people with disabilities. Works also included in this tender are provision of fire separation for the Café, energy and water saving measures, external pathways and internal slab works.

Invitation to Tender

Tender 09/08 for Watsons Bay Tea Gardens Branch Library and Amenities Building Project was advertised in the Tenders section of the Sydney Morning Herald commencing on Tuesday 28 April, and in the Wentworth Courier on Wednesday 29 April.

Tenders for this project closed at 2pm on Tuesday 21 May. A total of seven (7) 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

TENDERER
1. Bilas Knight Pty Limited
2. Buildability Constructions Pty Limited
3. Eggerking & Co
4. Inaphase Pty Limited
5. Manbuilt Projects
6. Project Vision
7. Sydney Design & Constructions

Tender Assessment

The tender assessment panel comprised Mark Ramsay, – Manager, Depot & Waste Services as the convenor and independent member of the tender panel, Zubin Marolia, Manager Property and Projects as the Commissioning Officer and Dustin Gentele as the Contract Administrator.

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 21 May 2009, the tender panel agreed on the weightings that would be used against the advertised selection criteria.

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

Table 2

TENDERER	Lump Sum Tender Price
1. Bilas Knight Pty Limited	\$255,000.00
2. Buildability Constructions Pty Limited	\$524,651.00
3. Eggerking & Co	\$463,846.00
4. Inaphase Pty Limited	\$479,489.00
5. Manbuilt Projects	\$513,856.00
6. Project Vision	\$426,358.00
7. Sydney Design & Constructions	\$516,980.00

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 (3) highest ranked tenderers namely, Bilas Knight, Eggerking & Co and Inaphase. 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. Eggerking & Co's score was adjusted as areas of concern became apparent in their pricing and members of the selection panel believe this would increase the cost risk to the project. This amended score shifted Eggerking & Co from ranking two (2) to ranking four (4). Final scores and rankings are shown in Table 3. It was decided not to conduct an interview with Project Vision as they had scored low in the demonstrated capability criteria and there was a 17.89 points difference between them and the highest ranked tenderer Bilas Knight.

Referees of the original three top ranked tenderers were contacted and their opinions sought on previous projects carried out.

Assessment of Tenderers

Bilas Knight Pty Ltd – Conforming, ranked no. 1

Bilas Knight has completed many projects of this type, size and complexity in the past especially with other Councils in the Sydney and outer Sydney area. No visual examples were provided with their tender submission. CV's were provided by Bilas Knight for the proposed project team. Key personnel have over 10 years experience in the construction industry.

Bilas Knight has nominated subcontractors to undertake the majority of the construction works, with carpentry trades being conducted in-house. Their proposed programme runs for 12 weeks, with the closure of the kiosk taking 1-2 days. Their programme indicated good detail.

Bilas Knight's Quality Assurance and OH&S system, although not ISO 9001 compliant, is based on the ISO 9001 standard and shows evidence of a well documented system. Bilas Knight's environmental management also showed evidence of a well documented system; however this will need to be site specific.

Bilas Knight has not undertaken work for Woollahra Council previously, however reference checks were undertaken with other Local Councils who advise they undertook works, similar to the Watsons Bay Tea Gardens project, to a satisfactory standard, within approved budget and agreed timing. Two referees for Bilas Knight have outlined issues with their concreter which increases risk for the project. The concreting trade will need to be reviewed prior to construction and measures implemented and monitored throughout the construction phase.

Bilas Knight's lump sum price was the lowest at \$255,000 and their price is very low compared to the other tenderers. However, based on their reference checks and examples of experience in similar past projects, the members of the selection panel were satisfied that Bilas Knight can successfully undertake this project for the tendered price.

Inaphase Pty Ltd – Conforming, ranked no. 2 (previously 3)

Inaphase has completed several projects of this type, size and complexity in the past. Several visual examples of amenities works were provided with their tender submission. CV's were provided by Inaphase for the proposed project team. Key personnel have over 10 years experience in the construction industry.

Inaphase has nominated subcontractors to undertake all of the construction works. Their proposed programme runs for 12 weeks, with the closure of the kiosk taking 1-2 days. Their programme indicated good detail.

Inaphase's Quality Assurance and OH&S system, although not ISO 9001 compliant, shows evidence of a satisfactorily documented system. Inaphase's environmental management also shows evidence of a satisfactorily documented system, however this will need to be site specific.

Inaphase has not undertaken work for Woollahra Council previously, however reference checks were undertaken with one other Local Council who advise they undertook works, similar to the Watsons Bay Tea Gardens project, to a satisfactory standard, within approved budget and agreed timing.

Inaphase's lump sum price was the fourth lowest at \$479,489. Inaphase have outlined a total of six provisional items posing a greater cost risk to the project.

Eggerking & Co – Conforming, ranked no. 4 (previously 2)

Eggerking & Co has completed several projects of this type, size and complexity in the past. No visual examples were provided with their tender submission. CV's were provided by Eggerking & Co for the proposed project team. Key personnel have over 10 years experience in the construction industry.

Eggerking & Co has nominated subcontractors to undertake the majority of the construction works, with carpentry trades being conducted in-house. Their proposed programme runs for 16 weeks, with the closure of the kiosk taking 3-4 days. Their programme indicated excellent detail.

Eggerking & Co's Quality Assurance and OH&S system, although not ISO 9001 compliant, shows evidence of a well documented system. Inaphase's environmental management also shows evidence of a well documented system, however this will need to be site specific.

Eggerking & Co has not undertaken work for Woollahra Council previously, however Eggerking & Co have previously worked with other Councils. Reference checks were undertaken with consultants who advise they undertook works, similar to the Watsons Bay Tea Gardens project, to a satisfactory standard, within approved timing, however budget was not known. Following the post tender interview, Eggerking & Co's score was adjusted due to issues they raised at the post tender interview over the lack of detail in the drawings and specifications provided. These issues and the number of qualifications made by Eggerking & Co raised concerns with the selection panel of their capacity to carry out the construction works based on the drawings and specifications provided without increasing the cost risk to the project.

Eggerking & Co's lump sum price was the third lowest at \$463,846.

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

Table 3

TENDERER	Demonstrated Experience <i>Weighting: 15</i>	Duration of works <i>Weighting: 10</i>	Program & Methodology <i>Weighting: 15</i>	Quality Management <i>Weighting: 10</i>	Capability <i>Weighting: 10</i>	Pice Components <i>Weighting</i>	Price <i>Weighting</i>	Total Score <i>Weighting: 100</i>
Bilas Knight	15	10	11.25	7	6.25	6.67	30	86.17
Inaphase	15	10	11.25	5.5	6.25	5.83	15.95	69.79
Project Vision	11.25	10	11.25	4.5	5	8.33	17.94	68.28
Eggerking & Co	11.25	7.5	15	6	5	5.83	16.49	67.08
Sydney D&C	12.5	7.5	11.25	5.5	6.25	8.33	14.8	66.13
Buildability	11.25	8.57	11.25	5	5	8.33	14.58	63.99
Manbuilt	8.75	7.5	7.5	1.5	5	8.33	14.89	53.47

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.

1. **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.
2. **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.
3. **Quality Management:** Information was requested pertaining to quality systems, quality of works, quality of past council works and the quality of key subcontractors.
4. **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.
5. **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.
6. **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.

Tender Assessment Panel Opinion

The tender panel is of the opinion that the tender of Bilas Knight for a Lump Sum contract for \$255,000.00 (excluding GST) for the renovations to the Watsons Bay Tea Gardens building 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 sum of \$150,000 has been allocated in the current capital works budget for the refurbishment of the toilet and change room facility, and an allocation of \$10,700 is proposed for disability access works in the 2008-09 budget. Due to the extended scope of works such as provision of fire separation for the Café, energy and water saving measures, hydraulic services, external pathways and internal slab works, the tendered cost for carrying out these works exceeds the budget allocation. Therefore, an additional \$120,000 is required to carry out the toilet and change room upgrade and allow for contract administration fees.

As advised in previous reports, it is proposed to include the additional funding requirement for the change-rooms within the current budget for the Watsons Bay Baths (estimated cost \$1.58m). The change room's upgrade is an integral part of the baths upgrade which is to be funded from the Environmental and Infrastructure Renewal levy.

Conclusion:

The tender panel recommends that Council enter into a Lump Sum contract for \$255,000.00 (excluding GST) with Bilas Knight Pty Ltd for the renovations to the Watsons Bay Tea Gardens.

Mark Ramsay
Manager Depot & Waste Services

Warwick Hatton
Director Technical Services

Annexures:

NIL

POLITICAL DONATIONS DECISION MAKING FLOWCHART FOR THE INFORMATION OF COUNCILLORS

