



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 7 August 2006*

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.
- 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 August 2006

To: His Worship the Mayor, Councillor Petrie, ex-officio
Councillors John Walker (Chair)
 Keri Huxley (Deputy Chair)
 Claudia Cullen
 Marcus Ehrlich
 Tanya Excell
 Wilhelmina Gardner
 Fiona Sinclair King

Dear Councillors

Corporate & Works Committee Meeting – 7 August 2006

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 August 2006 at 6.00pm.**

Gary James
General Manager

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

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

R1	Dry Waste Tender – 588.G	46
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Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 17 July 2006**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 17 July 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 17 July 2006 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: D2 Delegated to Committee
Subject: **Roads, Traffic And Transport Principal Activity - 4th Quarter Management Plan Review**
Author: Warwick Hatton - Director Technical Services
File No: 827.G 04-07
Reason for Report: To review the status of works, services, and Notices of Motion for the Management Plan principal activity of Roads, Traffic & Transport for the year ending 30 June 2006

Recommendation:

- A. That the status of projects for the Roads, Traffic & Transport principal activity be noted.
 - B. That the variations to projects be agreed subject to adoption of the relevant budget variations included in the separately reported end of year financial review.
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Background:

Section 407(1) of the Local Government Act requires that Council review the progress of the adopted management plan on a quarterly basis. Included with this report is the fourth quarterly review of Principal Activity No 3 of the Management Plan, which 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 Management
- 3.4 Parking
- 3.5 Other Transport Facilities
- 3.6 Streetscape

Included as an Annexure to this report is the Roads, Traffic & Transport Principal Activity of the Management Plan with detailed comments on the status of items in each sub activity

The Annexures include all the details whereas set out in the following part of this report is a commentary on variations, changes, exceptions, completed work, achievements, etc, the purpose being to provide Councillors with a snapshot of the key influences or issues arising from this quarterly review.

"Notices of Motion" which have a major impact on approved management plan core activities and projects have been included in the management plan as variations so as to facilitate the changing of priorities in an orderly and transparent manner.

Comments on budget variations where they are material or have an impact on the program of works or projects may be included in this report. However, the budget review and confirmation of any changed forecast will be considered in a separate budget report which reviews the overall financial position of the Council at the end of the year.

Following is the commentary on each sub activity:

3.1 Road and Infrastructure Asset Management

The infrastructure asset management strategy and capital works program was reviewed and funding options were further developed. An application was made to the Department of Local Government to abandon the existing Environmental Levy and apply for a combined Environmental and Infrastructure Renewal Levy. This application was not approved by the Minister, however the existing Environmental Levy was retained, and an Infrastructure Renewal Levy was approved.

3.2 Maintenance and Construction

All routine maintenance activities and programmed capital works were carried out in accordance with the Management Plan targets.

The following capital works projects were completed:

Kerb and Gutter Reconstruction was completed at Benelong Crescent Bellevue Hill, Courtenay Road Rose Bay, Glenmore Road Edgecliff, Fletcher Street Woollahra, Ocean Street Woollahra, Powell Road Rose Bay and Wentworth Road Vacluse.

Road Reconstruction and Resurfacing was undertaken on sections of the following roads, Adelaide Street Woollahra, Bellevue Road Bellevue Hill, Darling Point Road Darling Point, Edgecliff Road Woollahra, Ocean Street Woollahra, Sutherland Street Paddington, Underwood Street Paddington, Benelong Crescent Bellevue Hill, Courtenay Road Rose Bay, Glenmore Road Paddington, Rose Bay Avenue Bellevue Hill, Fletcher Street Woollahra, Powell Road Rose Bay, Edward Street Edgecliff, Spring Street Double Bay, Wentworth Road Vacluse, Ormond Street Paddington and Greenoakes Avenue Double Bay.

Footpath reconstruction was completed at Edgecliff Road Woollahra, Ocean Street Edgecliff, Benelong Crescent Bellevue Hill, Courtenay Road Rose Bay, Glenmore Road Edgecliff, Fletcher Street Woollahra, Boundary Street Paddington, Powell Road Rose Bay, Kiaora Road Double Bay, Wentworth Road Vacluse and Greenoakes Avenue Double Bay.

Retaining wall structures within road reserves were reconstructed at Goomerah Reserve Darling Point, Forbes Street Paddington and Fletcher Street Woollahra.

Seawall structures were reconstructed between Bay Street to Beach Street Double Bay, and an investigation and design for the seawall was completed at Dumaresq Reserve Rose Bay.

3.3 Traffic and Transport Management

The impact of the Cross City Tunnel was monitored and continues to be monitored. Plans were finalised and construction was completed in respect of traffic calming measures related to the CCT. Plans were finalised for the 40K Zone in Paddington with works scheduled for the first half of 2006/2007. The Paddington PAMP report was finalised and a three stage implementation program was adopted. Preliminary plans were developed for a 40K zone in Bellevue Hill shopping centre. Wombat crossings with raised pedestrian platforms were installed in Gurner Street and a plan has been developed in consultation with the Glenmore Road Primary School for improved pedestrian amenity in Gurner Lane.

Procedures for Work Zones and Disabled Parking were developed and guidelines were adopted for regulatory signposting and for the staged replacement, as required by the RTA, of all No Standing signs with No Parking or No Stopping.

Reports were prepared on car volume pressures within the Municipality and declassification of the Barcom-Boundary Street corridor. A review was conducted of progress in implementing the Woollahra Traffic and Transport Strategy as a preliminary to reviewing the Strategy.

Inner City Council forum of traffic officers was established to discuss inter-council traffic matters.

3.4 Parking

Surveys were completed of ferry usage at Lyne Park, and of residents parking in Bondi Junction, Woollahra, Edgecliff, Paddington, Bellevue Hill and Rose Bay. Reports on each area are to be prepared progressively during 2006/2007.

Inventory of parking signs was completed. Mandatory replacement of No Standing signs commenced and is planned to be completed by December 2006 in accordance with RTA directive.

3.5 Other Transport Facilities

A prioritised works program for bike routes was adopted. Bike routes were completed or commenced in Woollahra, Paddington, Victoria Road, O'Sullivan Road and Bellevue Road and designs were adopted for Edgecliff and Hopetoun Avenue.

The Bicycle Working Party in November 2004 adopted a capital works program. This was integrated with the Infrastructure Renewal Strategy and implementation is substantially completed. Plans were prepared for the Hopetoun Avenue bicycle route, which it is proposed to exhibit shortly.

Approval was received late March for the restoration of the Parsley Bay Jetty and the upgrading of the surface of the Lyne Park Boat Ramp. These works have now been completed. Work commenced on the redesign of the Lyne Park Ferry Wharf to provide disabled access, but this was suspended due to the pending agreement on the handover of the wharves to the State Government.

3.6 Streetscape

A staged implementation strategy for the three major programmed streetscape projects was prepared.

Detailed designs were prepared for Military Road, Watsons Bay, and negotiations were carried out with Energy Australia regarding undergrounding of power lines, and the bus shelter design for this location was exhibited. A report will be provided to Council in August 2006.

The Rose Bay Promenade development application was prepared and lodged. Determination of the DA was deferred in order for a public forum to be conducted on options for treatment of the balustrade. Council resolved to retain and restore the balustrade and an amended DA is being prepared. Design and documentation is proceeding on the footway and balustrade restoration.

Consultants were appointed to design and document the Five Ways upgrading works, and meetings were held throughout the year with the Paddington Traffic Working Party and local stakeholders to resolve traffic and design issues. Subsequently, a public forum was organised, and a report will be provided to Council in August 2006.

Warwick Hatton

Director Technical Services

Annexures:

1. June 2006 Quarterly Review of Principal Activity: Roads, Traffic and Transport
 2. June 2006 Quarterly Review of Outstanding Notices of Motion, Roads, Traffic and Transport
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Item No: D3 Delegated to Committee

Subject: **OrganIsation Support Principal Activity - 4th Quarter ManagEmEnt Plan Review**

Author: Geoff Clarke - Director Corporate Services
Warwick Hatton - Director Technical Services

File No:

Reason for Report: To review the status of works, services, and Notices of Motion for the Management Plan principal activity of Organisation Support for the year ending 30 June 2006

Recommendation:

- A. That the status of projects for the Organisational Support principal activity be noted.
 - B. That the variations to projects be agreed subject to adoption of the relevant budget variations included in the separately reported end of year financial review.
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Background:

Section 407(1) of the Local Government Act requires that Council review the progress of the adopted management plan on a quarterly basis. Included with this report is the fourth quarterly review of Principal Activity No 7 of the Management Plan, which is "Organisation Support". This principal activity has the following sub- activities:

- 7.1 Governance and Records Management
- 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 and Services
- 7.9 Works and Services Administration

Included as annexure to this report are:

- 1. The Organisation Support Principal activity of the Management Plan with detailed comments on the status of items in each sub activity
- 2. Any uncompleted adopted "Notices of Motion" related to the Organisation Support principal activity

The annexures include all the details whereas set out in the following part of this report is a commentary on variations, changes, exception, completed work, achievements, etc. The purpose being to provide Councillors with a snapshot on the key influences or issues arising from this quarterly review.

"Notices of Motion" which have a major impact on approved management plan core activities and projects have been included in the management plan as variations so as to facilitate the changing of priorities in an orderly and transparent manner.

Comments on budget variations where they are material or have an impact on the program of works or projects may be included in this report. However the budget review and confirmation of any changed forecast will be considered in a separate budget report which reviews the overall financial position of the Council at the end of the year.

Following is the commentary on each sub activity

7.1 Governance and Records Management

This sub-activity covers the areas of governance, committee, council and councillor support, and records management. All general management plan items identified have been completed. Routine records management activities have continued. The implementation of the document management system has been delayed to ensure the supplier demonstrates satisfactory implementation in other Councils. This has had a knock on effect with some other related records projects

7.2 Finance

All routine and project activities have been completed in accordance with the Management Plan targets. The major project for the quarter has been the finalisation of the budget and reports to various committees on budget related issues.

7.3 Risk Management

Projects and core activities are proceeding in accordance with the revised management plan targets. A significant amount of effort is being placed on prevention activities and the underlying support systems. This year has seen the completion of a comprehensive risk management plan and risk action plan by managers. A comprehensive procurement procedure has been developed and is currently being rolled out throughout the organisation

7.4 Human Resources

As reported in the last quarterly report staff turnover continues to provide a high workload for the HR staff in the recruitment area. It is becoming increasingly difficult to attract and retain certain professional staff due to industry wide shortages. A comprehensive response to retaining and attracting staff is being developed. Implementation of the new Human Resource Information System is in progress and modules will be progressively rolled out over the remainder of the year.

7.5 Information Technology

Projects and core activities are proceeding in accordance with the management plan. Work has been completed on a network upgrade which has included new firewall, email, security, web filtering and remote access software. Upgrade of software for council's financial system, property, rating and GIS have been completed. Work has been substantially completed on the selection and implementation of a new content management system for the development of a refreshed council web site.

7.6 Property Management

The refurbishment of lunch room facilities and offices at Fletcher St Depot was completed. Additional office space was constructed at Holdsworth Street Community Centre for the staff and the library space converted for community space. Paving for Cannonbury Cottage was completed. Internal refurbishment of the kindergarten and Rose Bay Cottage were successfully undertaken. The Cosmopolitan Center ground lease negotiations were concluded and the drafting of legal documents is being finalised and reports provided to the Working Party. Quotations for The Property Asset Study were invited and are being assessed. Internal refurbishment of the Gunyah facility following the Scouts vacating some areas was undertaken.

Investigations at Trumper Park and Lyne Tennis tennis centres were undertaken following reports of for tree-root infestation, some rectification works were completed and others underway.

In accordance with the Council Policy on Leasing & Licensing, tenders for the management of Redleaf kiosk were invited and temporary caretaker agreements for this facility and Tea Rooms at Watsons Bay were negotiated.

Street Furniture upgrades were carried out in various locations. Contamination audit for Sir David Martin Reserve has been completed and the relevant areas remediated. Installation of acoustic flooring, curtains and other noise management initiatives were carried out on the upper floors of the Drill Hall. Negotiations have also been ongoing with Maritime Services and Sailability in relation to a licence to manage the marina and hardstand. The RANSA lease was extended and internal refurbishment works were completed.

Grants for the installation of rainwater tanks at five locations were obtained and installation at two locations has been completed.

7.7 Management Executive

Systematic reviews within Divisions proceeded in accordance with the Plan.

7.8 Technical Services Management

Reviews were conducted of the benchmarking studies previously carried out in 2001-2, to identify continuing or new opportunities for productivity improvements. As a result of the reviews, procedures and operations were revised in a number of areas, Open Space Works was restructured as Parks and Street Trees, and the Project Management Section of Property and Projects was reorganised to deliver expanded infrastructure renewal and streetscape capital works programs.

Procedures for TPO applications, traffic investigations, work zone applications, fleet management and asset procurement and disposal were revised. Technical Officer positions were introduced in Parks and Street Trees to carry out condition surveys and customer request inspections and to plan work schedules. Negotiations commenced on a workplace agreement in Parks and Street Trees, based on a productivity improvement review of schedules and specifications, but were suspended pending the outcome of legal challenges to the Workchoices legislation.

Works and Services was restructured to create the departments of Civil Works and Depot and Waste Services. Appointments were made to the positions of Manager Depot and Waste Services, Manager Civil Works, and Civil Works Coordinator. Technical Officer positions were also introduced to provide improved customer service, work planning and quality control. A benchmarking review of maintenance and construction operations is under way and will be completed early in 2006-7.

7.9 Works and Services Management

This area is now covered by 7.8.

Geoff Clarke
Director - Corporate Services

Warwick Hatton
Director - Technical Services

Annexures:

1. June 2006 quarterly review of principal activity: Organisation Support
2. June 2006 quarterly review of Outstanding Notices of Motion Organisation Support

Item No: D4 Delegated to Committee
Subject: **Council's Web Site - progress report on upgrade**
Author: Geoff Clarke
Director Corporate Services
File No:
Reason for Report: To inform the committee on the progress of the upgrade of the Council's Web Site

Recommendation:

That the report on progress be noted.

Background:

The web site was developed in 1999 and has evolved since that time. It now has a number of shortcomings and the current content management system "Web Blocks" does not have the functionality to allow us to solve these problems. The project involves the replacement of the current content management system and a redesign of the site. Funds have been provided in the 2005/2006 budget for this project.

The project plan provides for the following major stages:

1. Web Site Redesign –(completed)
2. Content Management system (CMS) Specification and selection (completed)
3. Design of Look and Feel of Site (nearing completion)
4. Building and Deploying New Site (in progress)

Details of each of the stages is as follows

Stage 1 - Web Site Redesign

The design of the site involved extensive research of customer needs, interviewing customers and staff and testing design concepts with customers. This resulted in the preparation of site structure diagrams and selected "wireframes" of the site. A wireframe is an outline of how key pages on the new site will be laid out and what component and links needed to be included. Examples of the site structure and the wireframes will be available at the committee meeting. The wireframe is not the graphic design of the site.

Stage 2 – Content Management System (CMS) Specification and Selection

We used the outcome of the redesign process as a key input into this stage. We prepared a specification for our CMS requirements. We called for expressions of interest, evaluated the submissions and selected a system. We selected "My Source Matrix" an "open source" content management system supplied by a Sydney based company called Squiz.net. Squiz.net has a significant client base in Australia and overseas. Clients include other councils, many federal and state government departments and agencies, private companies, schools and universities. Squiz are endorsed by both the NSW Dept of Commerce and the Australian Government Information Management Office as a preferred supplier of CMS.

Stage 3 – Design of Look and Feel of Site

This stage reflects the need to refresh the 'look and feel' of the website. The design is based around the information architecture and wireframes from Stage 1. We prepared a brief for the designers and they prepared initial design options. We selected an option which is being refined to meet the requirements of the brief. Examples of our progress on the design of the look and feel will be available at the committee meeting. The look and feel design has also been subject to user testing.

The design is intended to promote Council as an efficient and effective provider of services to the community (both residents and businesses).

While we have finalized key elements of the design it may take some weeks before the final look and feel is settled. This is because we are in the process of getting the right images (photographs) to display in the banner of the home page and major sections of the web site.

Stage 4 – Building and Deploying New Site

We are currently installing the site on our internal network. Staff have been trained in its operation and maintenance. We are in the process of migrating the content from the existing site to the new site, and preparing new content to 'fill the gaps'. When we have this transfer substantially completed we will decommission the old site and replace it with the new site. It is planned to "go live" with the new site before the end of September.

Conclusion:

The upgrade of the website is nearing completion following a user-centred design process. The design of the site involved extensive research of customer needs, interviewing customers and staff and testing design concepts with customers. A new content management system has been selected and installed. Building the new site is in progress and it is planned that the new site will go live before the end of September.

Geoff Clarke
Director Corporate Services.

Annexures:

Nil

Item No: R1 Recommendation to Council
Subject: Dry Waste Tender
Author: Mark Ramsay - Manager Depot & Waste Services
File No: 588.G
Reason for Report: Recommendation to Council to enter into negotiations

Recommendation:

- A. That Council note the Tender Report for the Selective Tender for Dry (or Hard) Waste Recovery/Disposal for Product and Material collected from the Waste Services of SSROC Councils.
- B. That Council, under Regulation 178 (1)(b) of the Local Government (General) Regulation 2005, decline to accept any of the tenders.
- C. That Council, under Regulation 178 (3)(e) of the Local Government (General) Regulation 2005, enter into negotiations with Veolia Environmental Service Pty Ltd and WSN Environmental Services.
- D. That Council, under Regulation 178 (4)(a) of the Local Government (General) Regulation 2005, decline to invite fresh tenders or applications because Council has undertaken a full expression of interest and tender process to test the market conditions for such a contract and that there are no grounds to carry out a new round of tenders because the scope of tender and the likely tenderers for these services would remain unchanged.
- E. That Council, under Regulation 178 (4)(b) of the Local Government (General) Regulation 2005, enter into negotiations with the service providers named in Recommendation C above, because:
 - a. Woollahra Council, in association with the councils of Botany Bay, Randwick, Waverley and Marrickville, will have a strong bargaining position to offer aggregated collected material to the preferred tenderers named in Recommendation B above by negotiating the omission of those clauses in the draft conditions of contract which do not offer significant protection or benefit to Council.
 - b. it is in the interests of Council to secure a fixed price contract for this collected material rather than continue to pay a varying and unstable gate (or 'shingle') price, which prevents Council from forward planning secure budgetary allocations for this service, and
 - c. without a secure contract, Council will be less able to direct the recovery and processing of an increasing proportion of collected material by the service provider.

Background:

This tender report sets out the approach taken by those SSROC member councils who were willing and able to participate in a short-term contract for the recovery/processing or disposal of dry (or hard) waste material collected from the councils' waste services. The participating councils collectively dispose of over 45,000 tonnes pa of dry (or hard) waste collected from clean-ups, street litter and related activities. Woollahra tips approximately 800 tonnes of dry waste a year at a cost last financial year of approximately \$61,500.

The SSROC member councils who participated in this project were the Council of the City of Botany Bay, Kogarah Municipal Council, Marrickville Council, Randwick City Council, Rockdale City Council, Sutherland Shire Council, Waverley Council and Woollahra Municipal Council. Whilst Hurstville City Council participated in the preliminary stages of the project, they were unable to participate in the tender and contracting of the services.

Over a number of years, SSROC member councils have collectively tendered, as a group of councils, for a range of goods and services on behalf of their communities in the southern Sydney region. This approach has given councils significant benefits in terms of cost savings and an improved quality of product and service delivery. During the past four years, this approach has extended to the grouping of waste management services delivered to councils' residents.

In 2004, the first group contract of this type was entered into by the councils of Marrickville, Rockdale City and Waverley with Visy Recycling for sorting/processing of material collected from the councils' kerbside recycling services. These councils have received the following benefits from this contract:

- Lower gate fees
- Shorter travel distances for collection vehicles to transport the recyclables to processing facilities
- Opportunities to collect a wider range of material for processing.

Building on the success of this initiative, in late 2004, the member councils of City of Botany Bay, Hurstville City, Kogarah, Marrickville, Randwick City, Rockdale City, Sutherland Shire, Waverley and Woollahra tendered for the disposal of material collected in their general waste stream. In July the following year, the councils entered into individual contracts with WSN Environmental Solutions. A firm contract price and secure terms and conditions were agreed, which have provided a stable commercial environment for the councils to develop medium to long-term strategies for municipal waste management.

1. Intended Outcomes

This tender has been undertaken to achieve four main objectives:

1.1 Cost Reduction

As noted above, the participating councils collectively dispose of over 45,000 tonnes pa of dry (or hard) waste collected from clean-ups, street litter and related activities. This amount represents quite significant "buying power" in the changing waste disposal market. The participating councils believe that they can receive price competitive tenders from both the well-established and newer waste processing businesses entering the market if a collective group tender is undertaken.

1.2 Cost Stability

A group arrangement allows the participating councils to purchase a service for the recovery/processing/disposal of waste over an extended period. Currently, service providers receiving the types of material being offered under this contract, have no certainty or continuity of supply from councils. As a result, it is commercially unviable to either invest in capital equipment for separating/sorting material received from these waste streams or bulking up product, which is currently not under contract. This regional tender offers councils greater price stability with an ability to forward plan budgetary provisions for waste disposal over the term of the contract.

1.3 Advantageous Arrangements

At the present time, councils have no agreed terms or conditions for the transfer of collected material to 'down-stream' facilities, such as material receiving facilities for this type of product. Under contractual arrangements, councils will have greater security of supply in the type of product accepted at the receiving facility and councils' preferred location for such facilities. Under a tender process, the councils are able to set the terms and conditions of such arrangements.

1.4 Greater Diversion and Recovery from Landfill

With a greater quantity of product under contract, the service provider/s have a greater opportunity to separate and bulk up common materials for recovery and processing. It is of particular commercial interest for those service providers, who do not operate or have easy access to Class 2 landfills, to carry out diversion practices.

2. Procurement Process

To maintain member councils' progress in working towards the diversion targets set by State Government, a further regional waste initiative was progressed during 2005. It is that initiative which is the subject of this tender process. It has involved the selection of recovery and processing, or disposal, options for material collected from councils' periodic clean up collection services and associated street cleaning and litter reduction services. This initiative has been called the *Dry (or Hard) Waste Recovery/Disposal Contract*.

Whilst the successful conclusion of the tender process for the general waste contract did not occur until mid 2005, member councils saw significant benefit in proceeding with this initiative in early 2005.

The main milestones of the process are set out below:

2.1 Service Scoping

In February and March 2005, a set of meetings were convened to:

- identify which council services could supply the type of product/material for the recovery/disposal service being tendered,
- set the goals which the service should aim to provide,
- consider applying for protection under the anti-competitive provisions of the Trade Practices Act, and
- select a suitable procurement approach

These meetings resulted in an agreement to seek protection under the Trade Practices Act and to progress the tender process with an interim 'Expressions of Interest' stage. This interim stage would seek out the waste industry's expectations and possible opportunities for increased resource recovery of waste material.

2.2 Application to the Australian Competition and Consumer Commission (ACCC)

In September 2005, on behalf of the participating councils, SSROC applied to the ACCC for a determination under sub-section 88(1) of the *Trade Practices Act 1974* to approve this group procurement approach. SSROC also applied for, and was subsequently granted in October, an interim approval by the ACCC to proceed with the Expressions of Interest / tender process, whilst the Commission deliberated on the main application.

2.3 Expressions of Interest Stage

Expressions of Interest (EoI) documents were prepared in parallel with the ACCC application. The aims of the EoI were to seek:

better financial arrangements than the current recovery/disposal system operated by the councils,
appropriate contract period/s for the Services,
contractual arrangements, which would profitably divert material from landfill,
a value system for material recovery and re-processing / reuse,
arrangements which would provide flexibility for improvement,
a common set of standards and benchmarks for recovery, and
any improvements for health and safety through implementing new recovery methods by the potential Service Provider/s

Following interim approval being granted by the ACCC, the EoI was advertised in early October and held open for a four-week period. Proposals were received from the following businesses:

Alexandria Landfill
Veolia Environmental Services (formerly known as Collex)
Sell and Parker
Pioneer Waste Management
WSN Environmental Services

The participating councils met in early December to assess the proposals submitted. The following conclusions were reached:

1. Each proposal submitted provided good commercial opportunities for the councils to proceed to tender. As a result, it was agreed to use a selected tender approach and include all the EoI respondents on a selected tender list.
2. The contract term was to be four years with a two year option to extend.

2.4 Selective Tender Stage

In January 2006, SSROC prepared the draft tender documents for initial review.

During February and March, the participating councils assessed and finalised the procurement documents for tender.

Each of the EoI respondents confirmed their interest in being included on the list of selected tenderers.

On 19 April, tender documents were issued to each tenderer.

A tender briefing meeting was held on 2 May to clarify aspects of the tender and answer questions from the tenderers.

Three sets of addenda information were issued to the tenderers during the tender period to clarify aspects of the tender documentation.

An extension to the tender close date was requested and granted from 12 May to 26 May.

3. Tender Close and Evaluation

3.1 Tender Panel

Prior to the tender close, a tender panel (the Panel) was formed to assess the tender submissions, prepare a tender report and make recommendations to the participating councils.

The Panel comprised of the following representatives from the participating councils:

Mark Wood	representing Botany Bay City Council
Fiona Stock	representing Kogarah Council
Rebecca Abela	representing Marrickville Council
Warrick Hay	representing Randwick City Council
Dan Meehan	representing Rockdale City Council
Ron Smith	representing Sutherland Shire Council
Paul Morse	representing Waverley Council
Mark Ramsay	representing Woollahra Council
Joe Cavagnino	representing SSROC Supply Managers Group

Other attendees were:

David Somerville representing SSROC

Hurstville City Council agreed to act as the host council for receipt and stewardship of the tender submissions.

Tender Close

Tenders closed at 2.00pm on Friday 26 May 2006 at Hurstville City Council offices.

3.2 Selection Criteria

The following criteria were identified to assess each tender submission:

- Compliance with tender requirements and completeness of the tender submission, including the provision of the appropriate forms
- Demonstrated technical and operational capability
- Demonstrated financial capability
- Demonstrated ability to deliver beneficial environmental outcomes
- Demonstrated capability in organisational and management systems
- Demonstrated capability to minimise adverse effects of operations on the community
- Competitive pricing structure to provide value for money to the Councils
- Innovation and continuous improvement.

3.3 Weightings for the Selection Criteria

The Tender Panel met two hours before the tender close to discuss and agree on the weighting for each of the criteria. The agreed weightings were as follows:

Criteria	Weighting
Compliance to tender requirements and completeness of the tender submission, including the provision of the appropriate forms	Yes / No
Demonstrated technical and operational capability	15%
Demonstrated financial capability	4%
Demonstrated ability to deliver beneficial environmental outcomes	15%
Demonstrated capability in organisational and management systems	12%
Demonstrated capability to minimise adverse effects of operations on the community	4%
Competitive pricing structure to provide value for money to participating councils	40%
Innovation and continuous improvement	10%
Total	100%

3.4 Tenders Received

Tender submissions were received from the following companies:

Alexandria Landfill Pty Ltd
Veolia Environmental Services Pty Ltd (formerly known as Collex)
Pioneer Waste Management Pty Ltd
WSN Environmental Services Pty Ltd

No tender submission was received from Sell and Parker

3.5 Probity

Randwick City Council owns and operates a commercial green waste processing facility. The tendering of material for this contract included the pricing for receipt and processing of green waste collected in the clean up service. Randwick publicly stated that it would not tender for this component of the service. However, in order that the competitive prices for green waste submitted by the tenderers were not able to be accessed by Randwick, SSROC ensured that copies of the tender submissions issued to Randwick excluded these green waste prices.

3.6 Selection Process

The Tender Panel agreed to:

- separate each criteria into a more detailed set of sub-criteria for assessment, and
- provide a yes/no response for the submissions which related to aspects of complying with the conditions of tender.

3.7 The Initial Tender Assessment

The tender pricing schedules were divided into three parts to allow the tenderers to submit separate prices for general dry waste, metals, and green waste. The evaluation scoring was carried out separating the scoring into these three pricing components for each tender submitted. The Panel agreed to defer assessment of the green waste proposals whilst Randwick was involved in assessing, with the other councils, the other components of the tender submissions.

In assessing the price of each tender, in terms of value for money, each council allocated a weighting to their score to include the operational transport costs for delivering material to each of the facilities tendered by the tenderers.

When the scoring process was completed, it was unclear whether or not each tenderer had submitted a fixed price which covered all costs, excluding GST but including the known increases over the next five years in the cost of Section 88 waste charge for waste disposed to landfill, for the term of the contract.

3.8 Request for Tender Clarification

As a result of this pricing uncertainty, SSROC issued a request for all tenderers to resubmit their tender prices based on a 'Price per tonne paid by Council to the Tenderer' box, a fixed price for the term of the Contract. This price was to allow for and include all statutory charges, statutory rates and any other mandatory payments (including any required payment of the Section 88 Contribution), which were publicly known at the time of tender and required to be paid over the duration of the contract by the Tenderer in order to carry out the Services. SSROC stated that, should any new statutory charges, statutory rates or any other mandatory payments be publicly announced and promulgated by any Statutory Authority and require payment by the Service Provider (successful Tenderer) between the Tender Close Date and the expiry of the Contract, then the councils would negotiate with the Service Provider an adjusted Unit Rate to reflect the reasonable commercial cost of this adjustment incurred by the Service Provider. Apart from where an adjustment was to occur under this requirement, the only adjustment to the Unit Rate (the agreed Tender Price) was to occur as stated in Clause 9.8 of the Conditions of Contract (draft).

The request and schedules were issued on 14 June. All tenderers resubmitted their prices by the deadline set of 2pm Monday 19 June.

When the resubmitted prices were evaluated, there was no change in the order of preference already set by councils in the evaluation process.

3.9 Results of the Tender Assessment

The key results of each of the tenders assessed were as follows:

Alexandria Landfill Pty Ltd

- A conforming tender was submitted
- All the returnable schedules were completed
- The proposal lacked details of the company's organisational structure, quality assurance procedures, health and safety requirements or guarantee of financial security
- Two facilities were offered as points of delivery for all collected material, being the Alexandria Landfill, Albert Street, St Peters and Alexandria Landfill, Wallgrove Road, Eastern Creek

Veolia Environmental Services

- A conforming tender was submitted
- All the returnable schedules were completed
- Two facilities were offered as points of delivery for all collected material, being the Port Botany Resource Recovery Centre and the Greenacre Resource Recovery Centre

Pioneer Waste Management

- A conforming tender was submitted
- All the returnable schedules were completed
- One facility was offered as the point of delivery for all collected material, being Endeavour Recovery and Recycling Centre, Taren Point

WSN Environmental Solutions

- Qualifications to their original bid were removed when resubmitted prices were tendered
- All the returnable schedules were completed

- Three facilities were offered as points of delivery for collected material, being the WSN, Burrows Road, Alexandria, WSN Chullora Waste and Recycling Centre and Lucas Heights Waste and Recycling Centre

A summary of the scores (out of 100) received by each tenderer is set out below:

3.10 Clean Up Material and Street Sweeping/Litter

	Alexandria Landfill	Veolia Environ Services	Pioneer Waste	WSN Environ. Solutions
Botany Bay	33	81	65	63
Kogarah	27	54	86	73
Marrickville	32	81	63	63
Randwick	35	83	71	67
Rockdale	25	71	78	67
Sutherland	29	62	79	78
Waverley	30	81	66	66
Woollahra	31	78	64	69

3.10 Metal Purchasing

	Alexandria Landfill	Veolia Environ. Services	Pioneer Waste	WSN Environ. Solutions
Botany Bay	33	70	67	71
Kogarah	-9	21	86	33
Marrickville	32	70	68	75
Randwick	41	72	73	75
Rockdale	31	60	79	75
Sutherland	11	46	79	59
Waverley	33	77	68	74
Woollahra	31	67	66	77

The volumes of material specific to the metals-only stream were too small to justify separate contracts being drawn up to manage these separate material streams. It was agreed to judge the merits of each tender submission by assessing the separately priced services as a whole

Green Waste

Tender Prices were resubmitted but there was a general indication from panel members that the prices presented were higher than current gate prices and that there would be little benefit from councils pursuing the tender analysis further.

4. Selection of a Service Provider

The conclusion of the evaluation process indicated that:

the Pioneer Waste Management submission appeared to be the most attractive proposal to be selected by those councils in the southern part of the region – namely Rockdale City Council, Kogarah Council and Sutherland Shire Council.

the Veolia Environmental Services submission appeared to be the most attractive proposal to be selected by those councils in the northern part of the region – namely City of Botany Bay Council, Marrickville Council, Randwick City Council, Waverley Council and Woollahra Council

However, the following issues have prevented the Tender Panel from recommending acceptance of either of the preferred tenderers submissions:

1. The prices resubmitted by Pioneer Waste Management, of \$88.86 per tonne, were significantly higher than the current gate price payable at the present time. None of the 'southern' councils could recommend accepting the payment of such an unattractive unit rate to the service provider over the term of the contract, given that the price included the up-front cost for absorbing the progressive increased rate of the Section 88 contribution over the term of the contract
2. Following the resubmission of their tender prices, the Panel interviewed Veolia to clarify their pricing levels, set at \$77.20 per tonne. It became evident that the prices were non-conforming because they did not include all statutory levies and charges as required in the resubmitted schedule.

The Tender panel then undertook a review of the Aims and Objectives of the Contract and agreed to recommend councils decline all tenders as a number of these items were not going to be achieved by accepting any of the submitted tenders.

It was then agreed by the Tender panel that, due to the constraints of the locations of some of the sites tendered, the aims and objectives detailed in this report would best be reached for Woollahra, Botany Bay, Randwick, Marrickville and Waverley, by entering into negotiations with both WSN Environmental Solutions and Veolia Environmental Services.

Conclusion:

Due to the non-conformities in the tenders mentioned above, it is recommended that Woollahra Council decline to accept any of the tenders and in association with the councils of Botany Bay, Randwick, Waverley and Marrickville, enter into negotiations with WSN Environmental Solutions and Veolia Environmental Services.

Mark Ramsay
Manager Depot & Waste Services

Warwick Hatton
Director Technical Services

Annexures:

Nil

Item No: R2 Recommendation to Council
Subject: Redleaf Pool Kiosk lease tender 06/04
Author: Anthony Sheedy – Property Officer
File No: Tender 06/04
Reason for Report: To recommend to Council the acceptance of a Tender

Recommendation:

- A. That Council enter into a lease agreement with Café Industries Pty Ltd for a five year initial term plus five year renewal option, at a commencement rent of \$31,200 plus GST, with rent review to market at the completion of Year Three, upon exercise of the renewal option, Year Three of the option term and to CPI in the intervening years.
 - B. That successful and unsuccessful tenderers be advised accordingly.
-

Background

The Council, at its meeting on 22 July 2002, resolved to grant a lease of the Redleaf Pool Kiosk for a period of five years, commencing 1 October 2002. The lessee was responsible for the kiosk (including upgrading), raking of the beach, cleaning of beachside shower pits, and toilet /shower/ male & female amenities block. A continuing history of rent arrears led to the termination of the lease in April 2005. At that time, the rent was \$27,736 per annum (exclusive of GST).

Subsequently, an interim kiosk service has been provided through the grant of a twelve month Independent Contractor Deed of Agreement. Currently, there is no kiosk service being provided as the Contractor Deed of Agreement has expired.

Property staff have been evaluating the lease terms and conditions in regards to enhancing the commerciality of the Kiosk lease and returning benefits to Council. The tender documentation included a proposal to lease on a 5+5 year basis for three options:

- (a) lease kiosk / rake beach / provide beach bin collection / clean toilets,
- (b) lease kiosk / toilet cleaning only, and
- (c) lease kiosk only.

The tender No 06/04 for the Kiosk was publicly advertised on 6 June 2006, in accordance with Council's lease policy and legislative requirement.

Tender Assessment

Tenders for the Redleaf Pool Kiosk lease closed at 3.00pm on 27 June 2006. Five complying tenders were received and are listed in the table below. Tenderers were asked to submit a lease rent (exclusive of GST) for one or more of the following three lease options.

Option 1: Lease of Kiosk **including** cleaning of the Dressing Sheds/Toilet Area and the Beach Area.

Option 2: Lease of Kiosk **including** cleaning of the Dressing Sheds/Toilet Area but **excluding** cleaning of the Beach Area.

Option 3: Lease of Kiosk **excluding** cleaning of the Dressing Sheds/Toilet Area **and excluding** cleaning of the Beach Area.

TENDERER	Lease Rent Per Annum	Lease Option 1, 2 or 3	Estimated pa Cleaning Costs	Net Return to Council
Café Industries Pty Ltd	\$31,200	Option 1	included	\$31,200
Caffe Brioso Pty Ltd	\$25,000	Option 3	\$26,880	-\$1,880
Youngmi Hong	\$21,273	Option 3	\$26,880	-\$5,607
Reynolds McIntyre Catering	\$36,000	Option 1	included	\$36,000
Natasha Sullivan	\$46,800	Option 3	\$26,880	\$19,920

Note: Council has estimated that the cost of cleaning the dressing sheds/toilet area, raking the beach and removing the beach garbage bins is \$26,880 per annum. This estimate was included in the Disclosure Statement attached to the Tender documents. To provide a lease return comparison, the cost of cleaning these areas must be subtracted from the tendered price where option 1 has *not* been chosen. Tenderers who have submitted an Option 3 lease tender are Café Brioso Pty Ltd, Youngmi Hong and Natasha Sullivan. Therefore, the net rental return to Council for Café Brioso is \$-1,880, Youngmi Hong \$-5,607 and Natasha Sullivan \$19,920.

The above tenders have been assessed in accordance with the selection criteria stated in the tender documents. The tender panel comprised Council staff Wayne Coggins, Property Services Coordinator, Anthony Sheedy, Property Officer and Joe Cavagnino, Purchasing Coordinator.

The tenders were given a score on each item of the selection criteria, which resulted in a score out of 80, with 10 points being allocated to experience, 10 points for capacity, 20 for return to Council, 10 points for ability, 10 points for financial capability, 10 points for business plan and 10 points for Occupational Health & Safety. These weightings were determined prior to the tender closing date and time.

The two highest ranked tenderers (Café Industries Pty Ltd & Natasha Sullivan) were further invited into the Council Chambers on 20 July 2006 for interview by the tender evaluation panel. Both tenderers were asked an identical series of six questions relating to experience, return, ability, financial capacity, business plan, and occupational health & safety. The interview responses enabled the panel to finalise its tender scores, with Café Industries Pty Ltd demonstrating a stronger overall tender and more relevant experience in similar kiosk operations.

Tender Analysis

The following table shows the averaged scores and rankings compiled by the tender evaluation panel of all complying tenders considered for the Redleaf Pool Kiosk lease.

Please note that scores for ability, experience and capacity are based on the opinion formed by the assessment panel from information provided in the Tender schedules and verified by responses from referees. The figures tabled below represent the agreed scores from the assessment panel.

The tender with highest net return to Council is deemed to achieve 100% for that weighting. Other tenderers' net offers are then ranked as a ratio of the highest price.

TENDERER	Experience 10	Capacity 10	Return 20	Ability 10	Financial Capability 10	Business Plan 10	OH&S 10	Total Score 80	Rank
Café Industries Pty Ltd	9	8	18	8	8	8	8	67	1
Caffe Brioso Pty Ltd	6	6	8	6	6	5	2	39	4
Youngmi Hong	3	3	7	3	3	3	3	25	5
Reynolds McIntyre Catering	4	5	20	5	5	5	5	49	3
Natasha Sullivan	8	8	15	7	9	7	7	61	2

A brief summary of each submission is as follows:

Café Industries Pty Ltd

This Tenderer has extensive hospitality industry experience, particularly in kiosk/café operations. Present and former business history includes Bar Colluzi, Oxford St Bondi Junction, owned and operated a 120 seat Café 1997-2001, and the management and operation of a Café/kiosk at the entrance to the Royal Sydney Botanic Gardens 2000-2004. They have been managing the Seasalt Kiosk /Café at Clovelly Beach from 2004 to present time.

Café Industries have chosen Option 1. Their business plan is sound although few details were given of financial capacity in the tender. However, during the interview the tenderer clarified any financial uncertainties and agreed to provide a bank statement. They also had no objection to Council undertaking an independent financial search. Tender cost estimates for kiosk setup and an included table of annual cash flow is considered appropriate for the expected seasonal income of this business.

Their choice of menu is varied and adequate for most tastes. An included plan for food safety was well received and the tenderer demonstrated a good knowledge of occupational health and safety.

Café Industries offers the second highest return to Council of \$31,200, (exclusive of GST). This offer is considered to be comparable to the market rent and we believe a sustainable level of rent to be paid by this tenderer in the long term.

The tender panel ranked Café Industries first with a score of 67/80 and this reflects their good rental offer, the strong overall tender and interview presentation, excellent relevant experience and detailed business plan.

Café Brioso Pty Ltd

Café Brioso Pty Ltd has relevant hospitality industry experience, particularly in Café setup and Coffee Cart retail operations. Their former business history includes consultancy work throughout the United States in the setup of Cafés, 1992-1995. Over the past ten years, the tenderer has setup, owned and operated Cafés in Paddington and Coffee Carts at the University of New South Wales. The sole company Director, Mark Whittingham, also has Diplomas in Food and Beverage; and Hotel and Restaurant Management.

Café Brioso Pty Ltd chose lease Option 3 and offered \$25,000, (exclusive of GST). This would yield a negative overall return to Council and was considered unsatisfactory by the tender panel. The tendered business plan was also deemed relatively inadequate by the tender panel and, therefore, scored low. Notably, there were no supplied cash flow projections for the business. Similarly, the tender did not contain satisfactory reference to occupational health and safety issues.

Overall, this tenderer was ranked fourth by the panel, with a score of 39/80 and, relative to the other tenders received, did not provide a sufficient return nor adequately address the tender criteria.

Youngmi Hong

This tenderer did not demonstrate directly relevant hospitality industry experience in their tender.

Youngmi Hong chose lease Option 3 and offered \$21,273, (exclusive of GST). This would yield a negative overall return to Council and was considered unsatisfactory by the tender panel. The tendered business plan, financial capability, capacity and ability were also deemed relatively inadequate by the tender panel. Similarly, the tender did not contain satisfactory reference to occupational health and safety issues. Tender presentation was comparatively poor.

Overall, this tenderer was ranked fifth by the panel with a score of 25/80 and, relative to the other tenders received, did not provide a satisfactory return nor sufficiently address the tender criteria.

Reynolds McIntyre Catering

This tenderer did not demonstrate directly relevant experience in the management and operation of a kiosk in their tender. No detailed information was supplied in the tender of past and present business history. The tender made many claims, but the detail and evidence substantiating the claims was missing from this tender.

Reynolds McIntyre Catering chose lease Option 1 and offered \$36,000, (exclusive of GST). This was the highest tendered lease rent offer. However, the tendered business plan, financial capability, capacity and ability were deemed to be relatively weak by the tender panel. Similarly, the tender did not contain satisfactory reference to occupational health and safety issues. The tender presentation was also comparatively poor.

Overall, this tenderer was ranked third by the panel, with a score of 49/60. Despite having the highest return offer, the panel believes, from the information provided in the tender, that any acceptance of this rent would carry with it significant business risk.

Natasha Sullivan

Natasha Sullivan has extensive hospitality industry experience, particularly in Catering and Café design / start-up operations. Present and former business history includes:

Mason Rose Fine Foods and Catering, Managing Director and Head Chef 2002-2005

Potts Point Deli on Macleay, Consultant and Food designer 2001-2002.

Natasha Gray Catering, 1999 – 2001.

Nove Restaurant at Woolloomooloo Bay, Manager and Host, 1998 – 1999

The Edge Restaurant at Surry Hills, Manager, 1996-1998.

While Natasha Sullivan has experience in all aspects of owning and managing hospitality based businesses, her husband, Anthony Sullivan, will be principally involved in the financial control of the business. Anthony Sullivan is a Chartered Accountant, who has specialised in the Café and Catering market, being responsible for building financial models for franchisor Gloria Jeans Coffees.

Natasha Sullivan chose Option 3 for the lease and offered \$46,800 (exclusive of GST). This offer was ranked third best financial return to Council. Her business plan and tender was initially well received, although the tender panel expressed some concern about the relatively poor return to Council and the high cash flow projections for kiosk gross turnover. These projections were at least three times higher than the tender panel's most optimistic expectation.

During the later interview, this tenderer was unable to satisfactorily demonstrate how the gross turnover projections could be achieved, leaving the tender panel concerned about her ability to realise the business plan and make long term rental payments.

Natasha Sullivan's choice of menu was extensive, well priced and excellently presented in the tender. The tenderer included general information and a policy statement on occupational health and safety in the tender, although during the interview she was unable to satisfactorily demonstrate adequate knowledge of food safety and site specific garbage bin removal issues.

The tender panel ranked Natasha Sullivan second overall with a score of 61/80. This reflects their relatively low rental offer, their good overall tender and interview presentation, superior relevant experience and detailed business plan.

Identification of Income & Expenditure:

Café Brioso Pty Ltd and Youngmi Hong chose to tender for Option 3 (Kiosk only management), and their tender rent offers were respectively \$25,000 and \$21,272 per annum, (exclusive of GST). These offers were assessed as giving a negative overall return, as Council would be responsible for beach raking, removal of beach garbage bins and toilet cleaning expenses, which are estimated to be \$26,880 per annum, as stated in the tender disclosure statement. The tender panel, therefore, ranked these offers lowest in regard to the return criteria.

Reynolds McIntyre Catering chose Option 1 and offered \$36,000 per annum, (exclusive of GST). This was the highest tendered rent offer but it is considered to be inflated relative to the market and possibly an unsustainable rental given the site's operational constraints. Because of the lack of detail provided in the tender, the panel also perceived a high financial risk associated with accepting Reynolds McIntyre Catering lease rental offer.

Natasha Sullivan chose Option 3 and offered \$46,800 per annum, (exclusive of GST). Her offer was ranked third best financial return to Council. This offer would result in an income gap of \$7,816 per annum (exclusive of GST) over the rent paid by previous lessee, after deducting the Council's estimated expenses for beach raking, removal of beach garbage bins and toilet cleaning.

Café Industries chose Option 1 and offered a lease rental of \$31,200 per annum, (exclusive of GST). This offer ranked second best financial return to Council but is believed to be comparable to the expected market rent for the site. Because of the thorough detail provided in the tender, the tender panel perceived a lower financial risk associated with Café Industries lease rental offer and were encouraged by the additional 12.5% or \$3,464 per annum, (exclusive of GST) in net income to Council over that paid by the previous lessee.

Conclusion:

The tender panel recommends that Café Industries Pty Ltd be offered the lease for the Redleaf Pool Kiosk, Double Bay.

The Option 1 lease rental offer of Café Industries Pty Ltd results in an increase of 12.5% or \$3,464 per annum in additional income to Council. Their operational estimates and solid business plan impressed the tender evaluation panel over and above any other complying tender received. When compared to the other tenders, the tender panel also perceived a lower financial risk associated with Café Industries proposed management and operation of the Redleaf Pool kiosk.

Both the Tender received and the later interview clearly demonstrated that Café Industries have superior relevant experience and the ability to deliver an outstanding kiosk service for Council.

Anthony Sheedy
Property Officer

Warwick Hatton
Director Technical Services

Annexures:

Nil

Item No: R3 Recommendation to Council
Subject: Code of Meeting Practice - Public Forum
Author: Bart Herden - Team Leader Governance
File No: 467.G
Reason for Report: For Council to consider whether to continue to include the Public Forum section in the Code of Meeting Practice

Recommendation:

That Council adopt a minor amendment to section 2.42 Public Forum (of the Code of Meeting Practice) such that the following words are deleted at the beginning of the section:

~~“Until 30 June 2006 unless Council resolves otherwise,”~~

The amended section to read as follows:

2.42 Public Forum

Council will allow members of the public to address a Council Meeting on any local government related matter excluding matters that are

*on the Council Meeting Agenda or
any application already lodged with the Council for decision or that
criticises or complains about Councillors or Council staff.*

The Council Meeting Business paper will include a section called “Public Forum” immediately following consideration of Mayoral Minutes.

The procedure for the conduct of the Public Forum will be as follows:

- (1) Each person wishing to address a Council Meeting is required to complete a “Public Forum Registration Form” and submit it to a Council staff member prior to the commencement of the meeting.*
- (2) A maximum time limit of 3 minutes for each address will be allowed at the Council Meeting.*
- (3) The maximum number of addresses at each Council Meeting will be 3.*

Background:

Council at its meeting on 14 March 2005 resolved the following:

- A. That it be agreed in principle that a public forum be included as a standard item at each council meeting*
- B. That the following general requirements for its operation be agreed in principle*
 - 1. Members of the public be permitted to make up to a 3 minute address to the Council.*
 - 2. The subject and content of the address cannot be about items on the agenda of the meeting.*
 - 3. That up to 3 addresses be permitted at each meeting.*

4. *That those making the address register their intention to address before the commencement of the meeting.*
 5. *That the addresses occur after the Mayoral Minute in the order of business.*
 6. *That no resolution arising from the address be permitted unless there is unanimity and no opposition to the resolution.*
 7. *That proposed resolutions where there is not unanimity may be framed as Notices of Motion for the subsequent meeting of the Council.*
 8. *That minor issue or questions be answered in the same manner as "Questions Without Notice".*
 9. *That provision be made in the meeting procedure for procedural motions to extend or limit the number, extent and nature of addresses by individuals.*
- C. *That amendments to the Code of Meeting practice and guideline for members addressing be prepared and submitted to the committee for consideration prior to formalising the introduction of the public forum.*

A report was considered by the Corporate and Works Committee on the 23 May 2005. Subsequently the Council, at its meeting of 30 May 2005, resolved:

1. *THAT the following Section relating to Public Forums at Council Meetings be included in the revised draft Code of Meeting Practice:*

2.42 Public Forum

Until 30 June 2006 unless Council resolves otherwise, Council will allow members of the public to address a Council Meeting on any local government related matter excluding matters that are

*on the Council Meeting Agenda or
any application already lodged with the Council for decision or that
criticises or complains about Councillors or Council staff.*

The Council Meeting Business paper will include a section called "Public Forum" immediately following consideration of Mayoral Minutes.

The procedure for the conduct of the Public Forum will be as follows:

- (1) *Each person wishing to address a Council Meeting is required to complete a "Public Forum Registration Form" and submit it to a Council staff member prior to the commencement of the meeting.*
 - (2) *A maximum time limit of 3 minutes for each address will be allowed at the Council Meeting.*
 - (3) *The maximum number of addresses at each Council Meeting will be 3.*
2. *THAT the revised draft Code of Meeting Practice be publicly exhibited in accordance with the Local Government Act requirements.*
 3. *THAT a further report be submitted to the Committee following completion of the public exhibition period.*

Around the same time Council was considering the introduction of a Public Forum, Council was also considering other changes to the Code of Meeting Practice through reports submitted to the Corporate and Works Committee on 23 May 2005 and 4 July 2005 (see **annexures 1 and 2**).

On 11th July 2005 Council resolved to place the draft Code of Meeting Practice, including the Public Forum provisions, on public exhibition.

Following public exhibition, a further report was considered by the Corporate and Works Committee on 26 September 2005 (see **annexure 3**). Subsequently the Council, at its meeting of 10 October 2005, adopted the draft Code of Meeting Practice which included the introduction of Public Forums at Council meetings (to commence on 31 October 2005). The Council resolution stated:

- A. *That the draft Code of Meeting Practice be adopted.*
- B. *That Public Forums at Council Meetings commence on 31st October 2005.*
- C. *That the Rose Bay Gardens Estate Residents Action and Improvement Group be thanked for their submission.*

Therefore, in accordance with resolution B above, Section 2.42 (Public Forum) of the adopted Code of Meeting Practice currently states:

2.42 Public Forum

Until

30 June 2006 unless Council resolves otherwise, Council will allow members of the public to address a Council Meeting on any local government related matter excluding matters that are

on the Council Meeting Agenda or any application already lodged with the Council for decision or that criticises or complains about Councillors or Council staff.

The Council Meeting Business paper will include a section called "Public Forum" immediately following consideration of Mayoral Minutes.

The procedure for the conduct of the Public Forum will be as follows:

- (1) Each person wishing to address a Council Meeting is required to complete a "Public Forum Registration Form" and submit it to a Council staff member prior to the commencement of the meeting.*
- (2) A maximum time limit of 3 minutes for each address will be allowed at the Council Meeting.*
- (3) The maximum number of addresses at each Council Meeting will be 3.*

The recommendation before the Corporate and Works Committee seeks to adopt a minor amendment to Section 2.42 (Public Forum) of the Code of Meeting Practice such that the following words are deleted at the beginning of the section:

~~"Until 30 June 2006 unless Council resolves otherwise,"~~

Proposal:

Since the commencement of Public Forums at Council meetings on 31 October 2005, Council has received four (4) public forum registration submissions, of which the following topics were addressed and subsequent Council resolutions recorded:

Council meeting 14 November 2005 (1 submission):

Topic presentation: Improving public consultation and notification –from Toni Zeltzer

Council Resolution:

Suspension of Standing Orders

“That in accordance with Council’s Code of Meeting Practice, the Deputy Mayor consider, as a Matter of Urgency, the timing of the Rose Bay Promenade meeting due to a discrepancy in meeting dates as determined by the Corporate and Works Committee and subsequently by the Urban Planning Committee and additionally, the issues raised in the Public Forum by Toni Zeltzer.”

and

“That the Rose Bay Promenade meeting be deferred until Council resumes business in the New Year.”

Council meeting 13 February 2006 (2 submissions):

Topic presentation: Notre Dame University (Sacred Heart Church) – from Laelie Schwartz

Topic presentation: Sacred Heart Church - from Jo Holder

Council Resolution:

“That Council forward a submission to the City of Sydney on the development application.”

Council meeting 27 February 2006 (1 submission):

Topic presentation: Catalina Flying Memorial Ltd – from Phillip Dulhunty OAM, accompanied by Nancy Bird-Walton AO, OBE, Hon ME(Syd) and Sir Richard Kingsland AO, CBE, DFC.

Council Resolution:

“That Council staff meet with representatives of the Catalina Flying Memorial Ltd to discuss the proposed memorial and a report be submitted to Council.”

Evidence from the above Council resolutions suggests that continuation of the Public Forum provides a constructive mechanism for members of the public to bring to light any local government related issues which, in turn, allows the Council the option of making a formal decision on the night of the meeting.

Local issues affecting Woollahra residents and members of the public alike are encouraged, providing the topic of presentation does not:

- (1) directly relate to matters already on the Council agenda
- (2) directly relate to an application already lodged with the Council for decision
- (3) criticise or complain about Councillors or Council staff

To date, there is no evidence to suggest that, through the inclusion of a Public Forum, the integrity of the Code of Meeting Practice is in any way compromised nor has it affected the normal business conducted during Council meetings. Although public forum submissions have been generally low since its commencement, there appears to be support from Councillors that it remain as a standard item at each Council meeting.

Consultation:

Given the previous changes in the Draft Code of Meeting Practice (prior to adoption on 10 Oct 2005), which included the introduction of a Public Forum, the requirements under Section 361 and 363 of the Local Government Act, 1993 (LGA) have been implemented accordingly. That is, the requirement of Council to advertise the proposed changes and allow for public submissions.

Options:

Should Council choose to adopt the amendment to the Code of Meeting Practice (as recommended) it should determine if the amendment is a substantial change to the applicable section of the Code. A substantial change to the Code requires that it be readvertised and publicly exhibited for a period of not less than 28 days and allow a period of not less than 42 days for the public to make submissions on the proposed changes.

If Council is of the opinion that any further amendment would not constitute a substantial change, it may adopt the Code without having to apply Sections 361 and 363 of the LGA.

Conclusion:

The recommendation before the Committee effectively seeks the Council's endorsement to include a Public Forum at Council meetings indefinitely. Council can of course change its view regarding this at a future time, in which case it may choose to resolve otherwise. Given the proposed amendment to Section 2.42 (Public Forum) of the adopted Code of Meeting Practice is considered minor, it is not considered there would be a further requirement for public exhibition.

Section 2.42 (Public Forum) is submitted to Council for consideration, it is recommended the minor amendment to the current wording be adopted.

Bart Herden
Team Leader - Governance

Geoff Clarke
Director Corporate Services

Annexures:

1. Corporate and Works Committee Report 23 May 2005 – Council Meetings - Public Forums
2. Corporate and Works Committee Report 4 July 2005 – Code of Meeting Practice
3. Corporate and Works Committee Report 26 Sept 2005 – Draft Code of Meeting Practice

Item No: R4 Recommendation to Council
Subject: **Payment of Expenses and Provision of Facilities to The Mayor, Deputy Mayor and Councillors Policy**
Author: Les Windle - Manager Governance
File No: 18.G
Reason for Report: For Council to fulfil its legislative requirement to review and publicly exhibit a proposed Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors

Recommendation:

That the current Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy be placed on public exhibition for a period of not less than 28 days and a further report be submitted to the Committee at the conclusion of the exhibition period.

Background:

Council adopted the current *Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy* in May 2005.

The Local Government Act has, since that time, been amended to require Councils to adopt such a policy within five months after the end of each financial year.

Section 252 of the Local Government Act states:

252 Payment of expenses and provision of facilities

- (1) *Within 5 months after the end of each year, a council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office.*
- (2) *The policy may provide for fees payable under this Division to be reduced by an amount representing the private benefit to the mayor or a councillor of a facility provided by the council to the mayor or councillor.*
- (3) *A council must not pay any expenses incurred or to be incurred by, or provide any facilities to, the mayor, the deputy mayor (if there is one) or a councillor otherwise than in accordance with a policy under this section.*
- (4) *A council may from time to time amend a policy under this section.*
- (5) *A policy under this section must comply with the provisions of this Act, the regulations and any relevant guidelines issued under section 23A.*

Note: No guidelines have been issued under section 23A of the Local Government Act and clause 403 of the Local Government (General) Regulation 2005 states:

403 Payment of expenses and provision of facilities

A policy under section 252 of the Act must not include any provision enabling a council:

- (a) *to pay any councillor an allowance in the nature of a general expense allowance, or*
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- (b) *to make a motor vehicle owned or leased by the council available for the exclusive or primary use or disposition of a particular councillor other than a mayor.*

Proposal:

Council must now consider the Policy and undertake the new consultation and implementation requirements which are detailed below.

Council's current Policy addresses the payment of expenses and/or provision of facilities to the Mayor, Deputy Mayor and Councillors under the following headings:

- Expenses – Conferences/Seminars
- Categories of payment or Reimbursement
- Child care costs
- Insurance cover
- Legal expenses and assistance
- Facilities provided to the Mayor, Deputy Mayor and Councillors
- Reimbursement of expenses incurred by the Mayor, Deputy Mayor and Councillors
- Funding of additional facilities purchased by the Mayor, Deputy Mayor and Councillors.

Council may propose to exhibit the current Policy as it is or introduce amendments to the Policy. Either way Council must still undertake the full consultation process. The existing Policy reflects the deliberations of the current Council and has only recently been adopted after an extensive review and consultation process, where no public submissions were received.

Consultation:

The Local Government Act has also been amended in relation to the consultation requirements before any expenses and facilities policy can be adopted or amended. Section 253 addresses the consultation requirements and states:

- 253 ***Requirements before policy concerning expenses and facilities can be adopted or amended***
- (1) *A council must give public notice of its intention to adopt or amend a policy for the payment of expenses or provision of facilities allowing at least 28 days for the making of public submissions.*
 - (2) *Before adopting or amending the policy, the council must consider any submissions made within the time allowed for submissions and make any appropriate changes to the draft policy or amendment.*
 - (3) *Despite subsections (1) and (2), a council need not give public notice of a proposed amendment to its policy for the payment of expenses or provision of facilities if the council is of the opinion that the proposed amendment is not substantial.*
 - (4) *Within 28 days after adopting a policy or making an amendment to a policy for which public notice is required to be given under this section, a council is to forward to the Director-General:*
 - (a) *a copy of the policy or amendment together with details of all submissions received in accordance with subsection (1), and*
 - (b) *a statement setting out, for each submission, the council's response to the submission and the reasons for the council's response, and*
 - (c) *a copy of the notice given under subsection (1).*
 - (5) *A council must comply with this section when proposing to adopt a policy each year in accordance with section 252 (1) even if the council proposes to adopt a policy that is the same as its existing policy.*

Before Council can adopt or amend an expenses and facilities policy it must give public notice of not less than 28 days of the proposed policy. At the conclusion of the exhibition period the Council must consider any submission made to it and if considered necessary, make appropriate changes to the proposed policy. If the changes to the policy are considered substantial, the proposed amended policy will be required to be re-exhibited. If the proposed changes are in the opinion of the Council to not be substantial then the amended proposal will not need to be re-exhibited.

Following adoption of the policy by Council, the policy together with details of all submissions received and a statement from Council setting out the response to each submission must be forwarded to the Director General of the Department of Local Government.

Conclusion:

Council must review its expenses and facilities policy within five months of the end of the (financial) year and must publicly exhibit any proposed policy, even if it is the existing policy, for not less than 28 days. As the existing policy has recently been adopted by the current Council following extensive consideration and public exhibition, it is recommended that this policy be placed on public exhibition and a further report be submitted to the Committee following the exhibition period.

Les Windle
Manager Governance

Geoff Clarke
Director Corporate Services

Annexures:

1. Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy