



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 18 September 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

14 September 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 – 18 September 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 18 September 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

D1	Confirmation of Minutes of Meeting held on 4 September 2006	1
D2	Monthly Financial Report – August 2006	2
D3	Investment Policy – 349.G	5
D4	Dumaresq Reserve Seawall Reconstruction – Tender 06/05	13
D5	Council Depot – O’Dea Avenue – Amelia Street right or way – 797.G	18

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

R1	Waverley/Woollahra Process Plant – 281.G	22
	Note: Confidential Annexure Distributed Separately	
R2	Graffiti Management Policy – 1041.G	38

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 4 September 2006**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 4 September 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 4 September 2006 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: D2 Delegated to Committee
Subject: **Monthly Financial Report - August 2006**
Author: Tracey Walker, Financial Accountant
File No: 987G
Reason for Report: To present the monthly financial report for August 2006

Recommendation:

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

Background:

The monthly financial report for August 2006 is submitted to the Committee for consideration.

The monthly report includes the following:-

- Summary of Investments.
- Summary of Receipts and Payments and statement of bank balance

Tracey Walker
Financial Accountant

Don Johnston
Manager Finance

Annexures:

Nil

INVESTMENTS AS AT 31/08/06

<u>CATEGORY</u>	<u>PURCHASED</u>	<u>MATURING</u>	<u>DAYS</u>	<u>%</u>	<u>B/B</u>	<u>MARGIN</u>	<u>AMOUNT</u> \$	<u>TOTALS</u> \$	<u>% of TOTAL</u>
<u>BANKWEST (S&P) RATING, A1)</u>									
11AM CALL				5.95			2,313,262.21		
TERM DEPOSIT	28-Jun-06	04-Oct-06	98	6.16	6.04	0.12	1,500,000.00		
TERM DEPOSIT	12-Jul-06	08-Nov-06	119	6.16	6.01	0.15	750,000.00		
TERM DEPOSIT	04-Aug-06	15-Nov-06	103	6.32	6.20	0.12	1,000,000.00		
TERM DEPOSIT	09-Aug-06	22-Nov-06	105	6.31	6.20	0.11	1,000,000.00	6,563,262.21	24.46%
<u>LOCAL GOVT FINANCIAL SERVICE P/L (S&P RATING, A1)</u>									
C.R.I.	21-Aug-06	20-Nov-06	91	6.29	6.17	0.12	1,000,000.00	1,000,000.00	3.73%
<u>AUST CENTRAL CREDIT UNION Limited</u>									
TERM DEPOSIT	22-Aug-06	22-Nov-06	92	6.42	6.17	0.25	1,200,000.00	1,200,000.00	4.47%
<u>CREDIT UNION AUSTRALIA Limited</u>									
TERM DEPOSIT	10-May-06	06-Sep-06	119	6.16	5.93	0.23	2,000,000.00		
TERM DEPOSIT	14-Jun-06	13-Sep-06	91	6.20	5.95	0.25	1,500,000.00		
TERM DEPOSIT	09-Aug-06	06-Dec-06	119	6.46	6.22	0.24	1,500,000.00	5,000,000.00	18.64%
<u>CPS CREDIT UNION (SA) Limited</u>									
TERM DEPOSIT	05-Jul-06	11-Oct-06	98	6.20	5.97	0.23	1,500,000.00	1,500,000.00	5.59%
<u>GREATER BUILDING SOCIETY Limited</u>									
TERM DEPOSIT	23-Jun-06	25-Oct-06	124	6.30	6.03	0.27	2,000,000.00	2,000,000.00	7.45%
<u>HERITAGE BUILDING SOCIETY</u>									
TERM DEPOSIT	22-Jun-06	20-Sep-06	90	6.16	5.99	0.17	1,000,000.00		
TERM DEPOSIT	29-Aug-06	30-Nov-06	93	6.40	6.2	0.20	1,014,956.11		
TERM DEPOSIT	30-May-06	30-Nov-06	184	6.21	6.02	0.19	2,000,391.05	4,015,347.16	14.97%
<u>SAVINGS & LOANS CU (SA) Limited</u>									
TERM DEPOSIT	24-May-06	20-Sep-06	119	6.11	5.92	0.19	1,000,000.00		
TERM DEPOSIT	31-May-06	27-Sep-06	119	6.13	5.94	0.19	1,000,000.00		
TERM DEPOSIT	28-Jun-06	18-Oct-06	112	6.29	6.07	0.22	2,000,000.00		
TERM DEPOSIT	23-Aug-06	01-Nov-06	70	6.36	6.17	0.19	800,000.00		
TERM DEPOSIT	02-Aug-06	01-Nov-06	91	6.39	6.19	0.20	750,000.00	5,550,000.00	20.69%
GRAND TOTAL							-	26,828,609.37	100.00%

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

J.C. Blake
FINANCE OFFICER

D. Johnston
FINANCE MANAGER

Summary of Receipts, Payments and Bank Balance

Cash Book Balance as at 31 July 2006	(267,568.70)
Receipts	
Rates	10,307,712.51
Other	3,400,326.81
Total Receipts	13,708,039.32
Payments - Cheque	
Cheque Payments	(1,046,564.35)
Cancelled Cheques	37,771.45
Total Cheque Payments for period	(1,008,792.90)
Payments - EFT	
EFT Payments	(7,521,985.95)
Returned EFT Payments	0.00
Total EFT Payments for period	(7,521,985.95)
Payments - Direct Debits From Bank A/c	
Payroll	(2,068,517.45)
Councillor Fees	(17,406.15)
Bank Charges	(15,489.39)
Credit Card Payments	(3,353.30)
Council Rate Payments	(34,263.60)
Total Direct Debits for period	(2,139,029.89)
Total Payments	(10,669,808.74)
Cash Book Balance as at 31 August 2006	2,770,661.88
Unpresented Cheques No. of Cheques: 171	300,141.79
Outstanding Deposits & Miscellaneous Items	993,098.51
Reconciled Cash Book Balance as at 31 August 2006	4,063,902.18
Bank A/c Balance as at 31 August 2006	4,063,902.18

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Amount
190938	28/07/2006	39,721.99
191156	17/08/2006	42,200.00

Item No: D3 Delegated to Committee
Subject: **Investment Policy**
Author: Don Johnston, Manager Finance
File No: 349G
Reason for Report: To provide a report on opening Council's Investment Policy taking in all investment options permitted by the Ministerial Investment Order

Recommendation:

THAT Council adopt the draft Investment Policy and Guidelines attached as Annexure 1.

Background:

At the last meeting of the Corporate & Works Committee representatives from Grange Securities gave a presentation on the range of investment options available under the Ministerial Investment Order. Following the presentation it was resolved, in part:

THAT a further report be prepared for consideration by the Committee that explores the option of extending the range of investment options taking into consideration all those permitted by the Ministerial Investment Order and any matters raised following the presentation by Grange Securities.

There were no matters raised by the Committee following the presentation. This report provides a draft Investment Policy, attached as ANNEXURE 1, for consideration by the Committee.

Proposal:

The proposed draft Investment Policy has been provided by Grange Securities in line with the presentation to the Committee, that is, opening it to all options permitted by the Order. The proposed policy does not increase risk, indeed by diversifying the portfolio the level of overall risk will fall.

The potential investment options indicated in the presentation on a risk versus return scale has been attached as ANNEXURE 2. Also attached, as ANNEXURE 3, is the graph showing the various returns other local government authorities are achieving through a more diverse portfolio. Council's returns over the 2005/2006 financial year were around the 6% mark while the chart indicates that high 6's to low 7's is achievable. A 1% improvement would provide additional revenue of around \$200,000.

In taking this step into a broader range of investments Council will need to engage specialist investment advisors to either directly manage Council's portfolio, effectively outsourcing our treasury management function (through a vehicle such as Grange's Independently Managed Portfolio), or to continue to invest directly based on specialist advice. We will look at options in this regard should the draft policy be adopted.

The Policy statement itself is quite simple and has been supplemented by Investment Guidelines. The guidelines provide some parameters for investment to manage the risk profile of Council's portfolio. The guidelines include such things as limiting exposure to a single issuer to 20% of the overall portfolio and proportions of the portfolio to be held within various credit rating (Standard & Poors) ranges.

Conclusion:

It was clear from the presentation that Council can improve its returns without adversely impacting on the risk profile of its portfolio. Opening Council's policy to the full extent of the Minister's Order has been proposed in the draft Investment Policy attached which has been provided by Grange Securities in line with its presentation. As a supplement to the Policy, Guidelines have been proposed to manage the risk profile of the portfolio.

Don Johnston
Manager Finance

Geoff Clarke
Director Corporate Services

Annexures:

1. Draft Investment Policy and supplementary Investment Guidelines
2. Risk v's Return depiction of investment options *
3. Various Local Government Returns *

* Provided from the presentation to the Corporate & Works Committee by Grange Securities on 4 September.

Item No: D4 Delegated to Committee
Subject: **Dumaresq Reserve Seawall Reconstruction**
Author: Joe Cavagnino – Purchasing Coordinator
File No: Tender 06/05
Reason for Report: To recommend to Council the acceptance of a Tender

Recommendation:

- A. That Council enter into a Contract with Stone Mason and Artist Pty Ltd for the Reconstruction of Dumaresq Reserve Seawall, for the Lump Sum Price of \$122,600.00 (excluding GST) plus any costs resulting from provisional items.
- B. That successful and unsuccessful tenderers be advised accordingly.
-

Background

Council adopted an Asset Management Strategy in 2005, which included a detailed condition indicator analysis of all of our infrastructure assets. The condition analysis for seawalls was completed by C.W. Henstock & Associates Pty Ltd in 1998, which included an engineering inspection of seawalls on the foreshore alignment of Woollahra Municipality. This report identified the Dumaresq Reserve Seawall as requiring renewal.

The Dumaresq Reserve Seawall is located at the end of Dumaresq Road, Rose Bay. The seawall is constructed from sandstone blocks founded on a sandstone footing and is between 800-1800mm high above sand level. Individual sandstone blocks have experienced moderate to major erosion in certain segments of the wall. In places, local depressions have developed behind the wall as a result of subgrade material being washed from behind the wall into the harbour, due to overtopping of the wall during periods of high tide and water being draining through localised gaps and mortar joints in the wall. The adjoining reserve behind the wall is generally level.

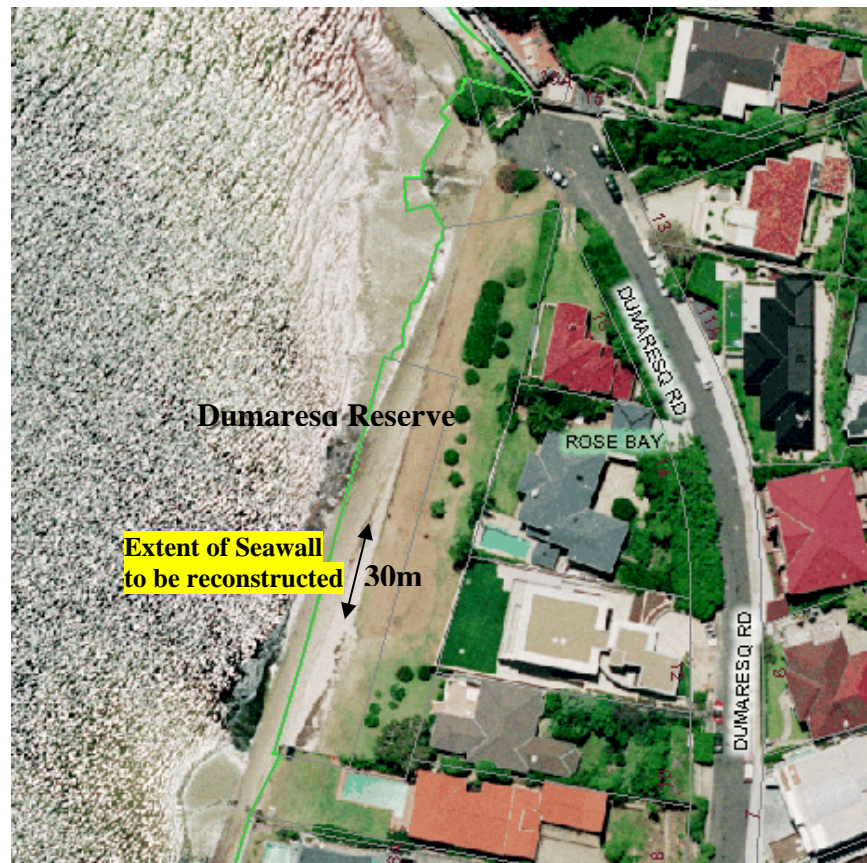
Further deterioration of the seawall since the original inspection was completed has resulted in approximately 22m length of wall collapsing, due to settlement and erosion of the base course stones and loss of structural integrity of the wall. As such the Dumaresq Reserve seawall has failed and was nominated for renewal in 2005/06 as part of Council's adopted 5 year infrastructure renewal program.

In 2005/06 we engaged a design consultant, Gary Blumberg and Associates to carry out detailed investigation and design including preparation of tender documentation for the reconstruction of the Dumaresq Reserve Seawall. The following is a summary of the investigation and design that was completed:

- A detailed survey of the existing seawall picking up all features such as the foundation level of the toe of the wall, the level of the top of the wall, vertical alignment, natural grass levels to 3m behind the wall and all major changes in the condition of the wall.
- Delivery of an options report for the reconstruction of the failed section of the seawall subsequently delivery of detailed design plans, specifications and cost estimates for the preferred design option.
- A report detailing any remediation and/or recommended restoration works for the remainder of the seawall to maintain its structural stability and extend its current useful life, to be considered in future works to the seawall.

- Tender and contract documentation in accordance with Council's adopted specifications and contract NPWC 3 (1981),
- Review of Environmental Factors that would satisfy a Part V application under the EP&A Act.

The principal objective of this project is to reconstruct the failed section of seawall. A 22m section of the seawall at the southern end of the reserve has failed for a combination of reasons: dislodgement at the toe from beach erosion, high pore pressures from inadequate drainage, and subsequent settlement, rotation and sliding. The extent of the works to be carried out under this contract is also shown in the plan below.



LOCATION PLAN AND AERIAL PHOTOGRAPH

The works to be undertaken to repair the failed section of seawall include the following activities:

- Demolition and dismantlement of the failed 22m section of the seawall.
- Reconstruction of a 30m length of seawall integrating the new wall into the existing serviceable sections of the wall, either side of the failed 22m section, including:
 - Excavation and construction a new mass concrete footing for the new wall at an appropriate level determined by the engineering design.
 - Mortared stonework using new imported sandstone for the face of the new wall and re-use of suitable existing sandstone blocks at the back of the wall,
 - Placement of sub surface drainage through and behind the repaired seawall to ensure adequate drainage and preventing the build up of pore pressure, and
 - Turf reinstatement in the Reserve.

Tender Assessment

Tenders for this work closed at 3.00pm on 17 August 2006.

The tender submitted by Unicorn Landscaping Stone Masonry Pty Ltd was rejected as a non-conforming tender. Unicorn Landscaping Stone Masonry Pty Ltd submission did not comply with the general conditions of tendering and was incomplete.

Five (5) complying tenders were received and are listed in the following table:

TENDERER	LUMP SUM TENDER PRICE (excluding GST)
Australian Prestressing Services Pty Ltd	\$184,323.00
Celtic Civil Pty Ltd	\$147,240.00
Civil Works (NSW) Pty Ltd	\$116,180.00
Deloma Pty Ltd	\$117,545.00
Stone Mason and Artists Pty Ltd	\$122,600.00

The tenders were assessed in accordance with the selection criteria as stated in the tender documents. The tender panel comprised Mr Jake Matuzic, Team Leader Infrastructure Asset Management, Mr Sam Badalati, Project Manager and Mr Joe Cavagnino, Purchasing Coordinator.

The tenders were given a score on each item of the selection criteria which resulted in a score out of 100, with 25 points being allocated to relevant experience, 25 points for capacity and expertise, 15 points for time to complete the works and 35 points for price. These weightings were determined prior to the tender being advertised.

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

TENDER ANALYSIS

TENDERER	Relevant Experience 25	Capacity & Expertise 25	Time to Complete the Works 15	Price (excluding GST)	Price 35	Total Score 100	Ranking
Australian Prestressing Services Pty Ltd	18.67	19.00	9.38	\$184,323.00	22.06	69.10	4
Celtic Civil Pty Ltd	15.67	17.67	5.36	\$147,240.00	27.62	66.31	5
Civil Works (NSW) Pty Ltd	17.33	18.00	15.00	\$116,180.00	35.00	85.33	2
Deloma Pty Ltd	18.00	15.00	10.71	\$117,545.00	34.59	78.31	3
Stone Mason and Artists Pty Ltd	23.33	23.33	9.38	\$122,600.00	33.17	89.21	1

1. Relevant experience, demonstrated performance and capacity and expertise are based on the opinion formed by the assessment panel assessing the information provided in the Tender schedules, known performance by the contractors who have previously worked for Council and verified by responses from referees. The above figures represent the agreed scores from the assessment panel.
2. Price – the lowest price is deemed to achieve 100% for that weighting. Other tenderer's prices are then ranked by a percentage fraction of the lowest price.
3. Time – the shortest time is deemed to achieve 100% for that weighting. Other tenderer's prices are then ranked by a percentage fraction of the lowest price.

The three highest ranked tenderers, Stone Mason and Artist Pty Ltd, Civil Works (NSW) Pty Ltd, and Deloma Pty Ltd were invited to a post-tender interview by the tender selection panel. The purpose of the post-tender interview was to clarify details of each of the tenders and gather further information pertaining to the contractor's relevant experience in similar projects. Following is a brief summary of information provided at the post-tender interview and a discussion on how the three highest ranked tenderers were scored and assessed against each of the selection criteria.

Deloma - this contractor provided a reasonable understanding of most aspects of the project. He is a very small contractor with very limited manpower resources. At times he indicated he would be working on site on his own, which introduces an unreasonable level of O H & S risk if an accident were to occur while he was on his own. He also did not adequately consider the lead time required with the supply and preparation of sandstone. The panel also considered that his knowledge with dealing with the potential acid sulphate soils was minimal.

Civil Works (NSW) Pty Ltd – this contractor provided a program to complete the works in 4 to 5 weeks including the supply and preparation of sandstone. He claimed to have access to sandstone from a supply left over from works he is currently doing. However, this claim has to be tested and the quality of the stone is unknown. Civil Works appears to have the manpower required to undertake this project. This contractor showed satisfactory knowledge of the works and appears capable of undertaking the project. However he has limited experience as a principal contractor, being subcontracted out on projects and his capability as a principal contractor is untested.

Stone Mason & Artist – this contractor performed very well at the interview and showed a good appreciation for the project demonstrated by his response to questions on site preparation, project planning, resulting from his past experience in working with sandstone in a marine environment. Some of the projects undertaken by this contractor include ongoing maintenance of Fort Denison, the restoration of the seawall for Sydney Water Police, and Rushcutters Bay Olympic Sailing Venue for St Hilliers Construction. Stone Mason and Artist has also carried out many projects for Woollahra Council, which include the design and reconstruction of sandstone seawall at Lyne Park, the repair and part reconstruction of the seawall at Double Bay Park, the sandstone masonry work at the Royal Women's Hospital site and many other repairs to sandstone retaining walls.

Stone Mason and Artist have sufficient supply of sandstone in their yard to complete this project. This sandstone has been tested and was used on the Double Bay Park seawall. Certification of the stone will be provided.

The reason that this contractor's time for completing the work is longer is that he proposes to carry out a controlled demolition of the seawall only exposing the minimum length of seawall at any particular time. Other contractors proposed to demolish the whole wall before starting reinstatement with the potential of losing the bank in a storm event. He did however reduce his time of construction from 12 weeks to 8 weeks.

Overall the panel was most impressed with Stone Mason and Artist. This contractor's level of confidence at the interview stems from his considered approach to all aspects of the project and his demonstrated previous experience in successfully completing similar projects.

Therefore, based on the results of the tender assessment carried out, the information presented to the tender panel at the post-tender interview, the panel recommends that Council proceed to enter into a contract with Stone Mason and Artist to carry out the work at Dumaresq Reserve.

Identification of Income & Expenditure:

A sum of \$88,771 was originally allocated in the 2005/06 Infrastructure Renewal Program Budget for Dumaresq Reserve Seawall renewal works. During 2005/06 we undertook the detailed investigation and design at a cost of \$36,905. The remaining 2005/06 budget allocation of \$51,219 was revoted by Council to the 2006/07 Infrastructure Renewal Program.

In addition, a sum of \$170,000 is allocated in the 2006/07 Infrastructure Renewal Program Budget for the Dumaresq Reserve Seawall renewal works. Therefore there is a total available budget of \$221,219 to undertake this project.

The cost to complete the works using the preferred tenderer is \$122,600.00 (excluding GST). The budget available exceeds the tendered amount, and also covers potential variation claims, project management costs and any further design incidentals.

Conclusion:

The tender panel recommends that Council enter into a Contract with Stone Mason and Artist Pty Ltd for the Reconstruction of Dumaresq Reserve Seawall for the sum of \$122,600.00 (excluding GST) plus any costs resulting from provisional items.

Joe Cavagnino
Purchasing Coordinator

Warwick Hatton
Director – Technical Services

Item No: D5 Delegated to Committee
Subject: **Council Depot - O'Dea Ave - Amelia Street right of way**
Author: Anthony Sheedy, Property Officer
File No: 797.G
Reason for Report: To consider a request from the owners of an adjoining property for use of an area of Council's Depot to allow improved access to their property.

Recommendation:

That Council grant South Dowling Pty Ltd a licence for a right of way access across a 65.83 sqm portion of Council's O'Dea Street Depot adjoining Amelia Street, Waterloo; subject to the following conditions:

1. Licence term is for 2 years, commencing 3 February 2006.
2. A licence fee payment of \$3967 per annum plus GST, subject to annual CPI increase.
3. The applicant agreeing to pay all Council's costs associated with the licence preparation.

Background:

Council has received a request from the owners of 28 Amelia Street, Waterloo (South Dowling Pty Ltd) to use an area of Council's O'Dea Ave Depot in Waterloo to allow improved access to their property.

The previous owner of 28 Amelia Ave, Pias Settlements P/L leased their building to Panavision Australia P/L. To assist vehicle access by the larger Panavision trucks to the warehouse, Pias Settlements P/L requested that Council grant them a licence over an area of Council's Depot adjoining Amelia Street which extended the existing 'right of way' by some 5.4 metres (65.83 sqm). This can be seen on the attached plan (Annexure 1).

Council resolved on 27 March 2000:

1. *That Council consent to the licensing of an area of Council's Depot abutting the right of way from Amelia St, subject to the following conditions:-*
 - a) *Licence term - 5 yrs from the date associated works are completed*
 - b) *Rental \$2,000 per annum subject to annual increases in line with CPI*
 - c) *The applicant being responsible for the relocating of Council's gate and fence to the satisfaction of Council's Director – Technical Services*
 - d) *The applicant being responsible for all costs, including legal and survey, associated with the licencing*
2. *That the Common Seal of Council be affixed to the legal documents subject to the certification from Council's Solicitors that Council's interests are protected.*

Following the 27/3/2000 resolution, Pius Settlements P/L commenced the proposed site works and relocated Council's gate and fence. A new sliding gate was constructed in the boundary fence to provide access to the licensed area. These works were completed to Council's satisfaction and in such a manner as to ensure that the Depot site security was maintained at all times, and that gave Panavision a 24 hour 'right of way' access to its 28 Amelia Ave warehouse facility.

Under this arrangement there would be no sharing of the common gate and therefore security of the Depot would be assured. This arrangement has been working well and to my knowledge there have been no reported security breaches or access problems at this site.

The subject portion of land is not required by Council apart from access to the Depot, and which remains intact. This license will simply grant 24 hour access over the land, and in no way becomes a registrable 'right of way' on Council's Certificate of Title to the O'Dea Ave Depot land. The right will end when the licence terminates.

Pias Settlements Pty Ltd has recently sold their interest in the land adjoining the Council Depot to South Dowling Pty Ltd. Panavision Australia P/L is now a tenant of South Dowling P/L but still requires a 24 hour 'right of way' access for its larger motor vehicles. South Dowling P/L now requests that Council enter into a new licence for a 2 year term.

The site has been valued by Council's Valuer (NSW Department of Commerce), and they have determined that as at 30 May 2006 "that the current market rental for a right of access over 52-54 O'Dea Avenue, Waterloo is \$3967". This amount is exclusive of GST, which is payable by the licensee under the terms of the Licence Agreement.

The applicant has accepted a licence fee of \$3967 per annum plus GST for a 'right of way' licence over the subject land area comprising some 65.83 square metres. South Dowling Pty Ltd has also agreed to pay all Council's costs including valuation, legal fees for licence preparation, and stamp duty as applicable. Because the licence term is only 2 years it is considered that an annual rent review to CPI is appropriate.

Conclusion:

It is recommended that Council enter into a 2 year term licence agreement with South Dowling Pty Ltd, proprietors of 28 Amelia St, Waterloo at the rental of \$3967 per annum plus GST as determined by the NSW Department of Commerce, with annual rent review to CPI.

Because this licence is not being registered at the LPI, the Manager – Governance has advised that use of the Council Seal is unnecessary. The General Manager is delegated to execute the licence.

The applicant has provided written acceptance of Council's licence terms and conditions, and now requests formalisation of the Licence Agreement.

Anthony Sheedy
Property Officer

Warwick Hatton
Director of Technical Services

Annexures:

1. Plan showing existing right of way and additional area required.

Item No: R1 Recommendation to Council
Subject: **Waverley/Woollahra Process Plant**
Author: Gary James, General Manager
File No: 281.G
Reason for Report: To report to the Council in relation to the potential sale of the Waverley Woollahra Process Plant site.

Recommendation:

That the recommendations of the Waverley Woollahra Process Plant Joint Committee meeting held on Tuesday 29 August 2006 be noted and endorsed.

Introduction:

The Waverley/Woollahra Process Plant Committee met on Tuesday 29 August 2006 to consider a joint report from myself and the General Manager of Waverley Council in relation to the potential sale of the Process Plant site following an offer to purchase from Landcom.

There has been a longstanding desire by Woollahra and Waverley Councils to dispose of the site since its closure.

There has been uncertainty as to the future development potential of the land because of rezoning considerations that were being considered by the former South Sydney City Council and the current Sydney City Council.

In May 2005, the City of Sydney advised that they were proceeding with the finalisation of the LEP over the Green Square lands in which our site is located. In August 2005, Landcom, in its capacity as an infrastructure partner to the City of Sydney for the development of Green Square Town Centre, identified the site as essential to the early development of the Town Centre infrastructure and indicated a preliminary desire to acquire the Process Plant site. An offer from Landcom was received on 7 July 2006 and a copy of that offer has been circulated with the confidential sheets attaching to this report.

Since the receipt of the offer, the Process Plant Committee has commissioned two valuations over the Site for comparative purposes with the Landcom offer. Additionally, legal advice from Clayton Utz Lawyers was obtained in relation to the Councils' ability to enter into direct discussions with Landcom and regard has been given to ICAC Guidelines. These guidelines should be followed as part of any negotiation process resulting in the disposal of the Process Plant site to Landcom.

All of these issues have been addressed in the joint report and are reflected in the Recommendation of the Joint Committee.

In summary, the legal advice confirms that Section 55(3) of the Local Government Act exempts Council's from the need to pursue an open tender process where land is being sold. The legal advice recommends that the Council should have regard to the ICAC Guidelines with particular reference to:

- obtaining best value for money
 - demonstrating accountability and transparency
 - dealing with conflicts of interest.
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The joint report submitted to the Joint Committee and the submission of that report to that Council satisfies the ICAC Guidelines.

Landcom's offer to purchase the site and the report from Michael Collins and Associates on the independent valuations of the Waverley Woollahra Process Plant site have also been circulated on confidential sheets. Michael Collins and Associates operates on behalf of the Joint Committee in this manner.

Summary:

In the interests of public accountability and transparency, I am including the resolutions adopted by the Joint Committee at its meeting held on 29 August 2006 in this report for the notation and endorsement by the Council.

The resolutions were in terms:

1. *That the two Councils formally note the Joint Report of the Waverley and Woollahra General Managers advising:*
 - a. *That the receipt of an offer from Landcom to purchase the WWPP Site (following the WWPP Committee already noting this at its 20th July 2006 meeting).*
 - b. *That legal advice has indicated that the Councils are able to receive an offer from Landcom in relation to the WWPP Site, undertake direct negotiations and, in certain circumstances guided by probity rather than legal considerations, enter into a direct deal to sell the WWPP Site to Landcom.*
 - c. *That in response to that offer, the WWPP Committee called on the two General Managers to commission two independent valuations and commercial advice about the offer, all of which has been received and considered by the WWPP Committee.*
 - d. *That after receiving the two independent valuations, and in order to finalise the commercial advice, and in recognition of the legal advice about the ICAC 2006 Guidelines (concerning testing a potential purchaser's offer price) the General Managers called for, received and analysed the valuation supporting the Landcom offer.*
 - e. *That the potential for a conflict of interest by Waverley Council regarding the possible uplift in value of Waverley Council's Depot Site at Green Square, however the Councils determined that this is not an issue of any substance that could affect the process.*
2. *That given the valuation and commercial advice supports proceeding to direct negotiations, and that legal advice confirms that the Councils have the power to do so, that the Councils resolve:*
 - a. *To enter into direct discussions with Landcom regarding the potential sale of the WWPP site with a view to negotiating a price and commercial terms and conditions which are considered by the Councils to be advantageous in that they will provide best demonstrated value to the Councils.*

- b. That those negotiations be undertaken on behalf of the Councils by Michael Collins and Associates in association with officers of the two Councils or other advisers at the discretion and with the agreement of the two General Managers.*
- c. That the DLG and ICAC be informed that the Councils intend to commence direct discussions with Landcom following the receipt of legal advice, two independent valuations and commercial advice.*
- d. That the Councils make further contact with DLG prior to entering formally into a sale with Landcom.*
- e. That the WWPP Committee receive a further report when Councils' negotiators are satisfied that the negotiations with Landcom are concluded and prior to any final recommendation being developed for the two Councils as to the disposal of the WWPP site.*

It is expected that discussions will commence with Landcom in early October. The Council will be further advised of those discussions through the normal Joint Committee reporting processes.

Endorsement of the Joint Committee resolutions is recommended.

Gary James
General Manager

Annexures:

Annexure 1: Minutes of WWPP Joint Committee 29 August 2006
Annexure 2: WWPP Joint Committee Report

Distributed Separately: Confidential Sheets

Item No: R2 Recommendation to Council
Subject: **Graffiti Management Policy**
Author: Wayne Coggins – Property Services Coordinator
File No: 1041 G
Reason for Report: To recommend to Council the acceptance of a Quotation

Recommendation:

- A. That Council accept the quotation from Graffiti Clean for the sum of \$138,600, including GST, for the provision of a graffiti removal service for a twelve month trial period.
- B. That the contract be funded from the reallocation of \$106,000 from the general reserve established from the Lyne Park Wharf project funds, releasing operational funds to cover the trial graffiti removal program
- C. That, once commencement date has been established, details of the service be advertised in the local press, the Mayoral Column and on the Website.
- D. That an interim report be provided advising of progress, six months from the commencement date of the trial period.

Background

Council, at its meeting held on 24 July 2006, resolved the following in relation to The Graffiti Management Policy:

- a. *That Council adopt the attached revised policy for the removal of graffiti.*
- b. *That competitive quotations be sought for a trial to be conducted for twelve months with respect to the removal of graffiti from private property.*
- c. *That a further report be provided on funding options for the trial.*
- d. *That the matter be widely published including the inclusion of information in rate notices and also contact with local schools.*
- e. *That we continue to pursue public utilities to achieve a better response to the problem of reduction of graffiti on their assets.*
- f. *That an interim report be provided in 6 months and a further report following the 12 months trial period.*
- g. *That Councillor Shapiro be thanked for her efforts in this matter.*

Request for Quotation

Quotations were invited from four graffiti removal contractors to carry out graffiti removal service for the twelve month trial period including private property. The contractors issued with quotation forms were Graffiti Clean, Permastop Rust Pty Ltd, Hydrawash and Graffiti Gone. The quotation requests included the following specification:

- Fixed price quotation for graffiti removal service within the Woollahra Municipality for a twelve month period.
- Price is to be inclusive of all labour, plant and material costs. Council will pay the quoted sum monthly in twelve instalments

- Service is to include a dedicated vehicle and operator carrying out inspection/removal service (five days a week/eight hours a day). As part of this proposal, Council wishes to reserve the right to install signage (such as Woollahra Council Graffiti Management Unit) on the vehicle.
- The service will involve all council properties being inspected and removal being carried out up to three times a week and the remaining time to be dedicated to the systematic removal of graffiti from commercial and private property.
- A spread of hours between 4.00am and 4.00pm (8 hours only per day) will be required to meet requirements of servicing commercial areas. The starting and finishing time will be generally agreed prior to commencement of contract, but may be varied from time to time to meet requirements, especially for residential areas which cannot commence before 7.00am.
- Council's Property Services Coordinator will administer the contract and may at any given time during the nominated hours of work alter the priorities for the day to meet Council requirements.
- The removal process may include a combination of chemical, high pressure cleaning and painting to remove the graffiti. As the majority of the graffiti is on painted surfaces, we will require the successful contractor to have paint matching capability to ensure there is no scarring or colour variation left behind following removal.
- The contractor must be able to demonstrate safe environmental procedures covering areas such as noise and waste water collection/disposal methods.
- The contractor should identify all chemicals to be used and will be required to supply relevant Material Safety Data sheets.

Section 67C of the Local Government Act 1993, requires that a record be kept of all graffiti removed from private property. Therefore, Council will require the successful contractor to establish and maintain a web-based database of all graffiti removed along with photographs. This database will also include a hotline where residents can report graffiti for future removal. The cost of this service for up to three user accounts will be included in the lump sum price for twelve months.

Prior to the closing date for quotations on the 30 August 2006, the selection criteria weightings were formulated to assess the quotations by the Property Services Coordinator and Manager Property & Projects. All quotations were received by the due date of 30 August 2006.

Assessment of Quotations:

The four quotations were assessed, using the previously formulated weightings with the following results:

Weighting	20	30	10	20	10	10		
Tenderer	Experience	Price	Equipment	Ability (staff/set-up etc)	Environmental Procedures	OH&S	Total	Rank
Graffiti Gone	18	2	9	9	9	9	47	4
Graffiti Clean	18	30	10	9	9	9	85	1
Permastop	18	26	7	8	7	8	67	2
Hydrawash	15	22	7	7	8	7	66	3

1. Relevant skills, experience and demonstrated performance are based on the opinion formed by the assessment panel assessing the information provided in the quotation form, known performance by the contractors who have previously worked for Council and verified by responses from referees. The above figures represent the agreed scores from the assessment panel.
2. Price – the lowest price is deemed to achieve 100% for that weighting. Other submitted prices are then ranked by a percentage fraction of the lowest price.

A brief summary of each submission is as follows:

Graffiti Clean - \$138,600 (\$126,000 excluding GST)

Graffiti Clean have submitted the most competitive quotation and have addressed all the criteria. In the specification contractors were asked to provide a paint matching capability to avoid leaving scarring on sites following removal, especially in locations where graffiti has been in place for some time. Graffiti Clean have better demonstrated their ability to meet this specification than the other contractors.

A number of reference checks were performed and all gave a good account of their dealings with Graffiti Clean, all pointing out the efficiency of their service, rapid response to requests and overall ease of dealing with the company. One of the references was from the Sydney Metro Light Rail and Monorail, who engaged Graffiti Clean to maintain the light rail and monorail corridors. They had high praise for the quality of their work, cost effectiveness and the quality of their finished work, in particular their ability to do on the spot colour matching.

Permastop Rust Pty Ltd -\$152,900 (\$139,000 excluding GST)

Permastop have carried out graffiti removal work for Woollahra Council since December 2003 and have provided a Council with a high level of service. They have inspected approximately 80 sites per day, three days a week, for the majority of that time and have only charged for the actual graffiti removed. While their service to Council is to be commended, they have not demonstrated their ability to carry out on the spot colour matching, which is critical when removing graffiti from private property. Permastop's price is approximately 10.4% above that of Graffiti Clean.

Hydrawash - \$172,700 (\$157,000 excluding GST)

Hydrawash have also previously carried out graffiti removal for Woollahra Council up until 2003 when Permastop were appointed having supplied more competitive rates. Like Permastop they have demonstrated they have the resources to carry out the service but similarly have not addressed their ability to do on the spot colour matching. Hydrawash's price is approximately 24.6% above that of Graffiti Clean.

Graffiti Gone - \$293,700 (\$267,000 excluding GST)

Graffiti Gone have submitted a detailed and comprehensive proposal and have more than demonstrated their expertise on graffiti removal work. However, similar to Permastop and Hydrawash they have not outlined their ability to carry out on the spot colour matching as requested in the specification. Moreover, Graffiti Gone's price is approximately 112% above that of Graffiti Clean and does not represent a cost effective solution to Woollahra Council's graffiti management.

Identification of Income & Expenditure:

The 2006/07 Property Maintenance Budget has allocated a very limited amount for the removal of graffiti from Council facilities only. In recent years the preventative maintenance of these structures has suffered as most of the budget has had to be spent on removal of graffiti from Council facilities. The maintenance budget has an allocation for \$20,000 for the rectification of graffiti damage to Council facilities. In order to accept Graffiti Clean's quotation for \$126,000 (excluding GST), a further allocation of \$106,000 will be required for the initial 12 month trial period.

During the preparation of the 2005/2006 financial report the unexpended funds from the Lyne Park Wharf project were transferred to reserve for future expenditure. Sufficient funds could be transferred from this reserve to fund projects in the 2006/2007 Capital Budget that are currently funded from general revenue to free up operating revenue to fund the graffiti removal program for the remaining nine months of this financial year. The remainder of the contract sum will be budgeted in the 2007/2008 operating budget.

Conclusion:

It is recommended that the quotation submitted by Graffiti Clean for the sum of \$138,600 including GST be accepted. The results will be closely monitored and progress of the trial and recommendations for ongoing future strategy will be the subject of further reports.

Wayne Coggins
Property services Coordinator

Warwick Hatton
Director Technical Services

Annexures:

Nil