

CITY OF ARMADALE

A G E N D A

OF TECHNICAL SERVICES COMMITTEE TO BE HELD IN THE COMMITTEE ROOM, ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON MONDAY, 25 MARCH 2002, AT 7.00 PM.

PRESENT:

APOLOGIES:

OBSERVERS:

IN ATTENDANCE:

DISCLAIMER

The Disclaimer for protecting Councillors and staff from liability of information and advice given at Committee meetings to be read by the Chairman.

DECLARATION OF MEMBER'S INTERESTS

DEPUTATION

QUESTION TIME

CONFIRMATION OF MINUTES

RESOLVED

Minutes of the Technical Services Committee Meeting held on 25 February 2002, be confirmed.

ITEMS REFERRED FROM INFORMATION BULLETIN – ISSUE NO. 6

The following items were included for information in the “Technical Services” section:

- Report on Outstanding Matters –Technical Services Committee
- Canning Catchment Coordinating Group – 13 February 2002
- Perth Biodiversity Project

If any of the items listed above requires clarification or a report for a decision of Council, this item to be raised for discussion at this juncture.

INDEX

TECHNICAL SERVICES COMMITTEE

25 MARCH 2002

PARKS AND RESERVES

ARMADALE AQUATIC CENTRE - VERGE TREATMENT.....	8
MINNAWARRA PARK - SEATING WITHIN GAZEBO	3
TREE MANAGEMENT	5

WASTE SERVICES

SOUTH EAST METROPOLITAN REGIONAL COUNCIL	11
--	----

ENGINEERING, DESIGN AND DEVELOPMENT

ADMINISTRATION BUILDING – OVERCROWDED CAR PARK.....	13
RIVER ROAD, KELMSCOTT – PETITION TO RELOCATE FOOTPATH	14

TENDERS

TENDER 37/01 – TENDER FOR SUPPLY AND TRADE/OUTRIGHT PURCHASE OF MOTOR VEHICLES	31
TENDER NO. 1/02 - SUPPLY OF CONCRETE.....	43
TENDER NO. 31/01 - SUPPLY OF ONE BACKHOE LOADER	18
TENDER NO. 32/01 - SUPPLY OF PERSONNEL.....	23

MISCELLANEOUS

TECHNICAL SERVICES FIVE YEAR WORKS PROGRAMME	47
--	----

MINNAWARRA PARK - SEATING WITHIN GAZEBO

WARD Armadale
FILE REF: A5901
DATE March 2002
REF PL
RESPONSIBLE EDTS
MANAGER

In Brief:

- Outlines options for providing seating in Minnowarra Park for Senior Citizens.
- The choice of materials and designs for seating within the gazebo are currently being investigated.
- Three seats be installed within the gazebo in Minnowarra Park at a total cost of \$1,200.

Tabled Items

Nil.

Officer Interest Declaration

Nil.

Strategic Implications

Physical Infrastructure

Develop precinct plans and commence townscape, streetscape and parkland improvements to enhance the distinctive character of the City.

Legislation Implications

General assessment of relevant legislation (eg Local Government Act) has not revealed any restrictions.

Council Policy/Local Law Implications

General assessment has not revealed any applicable Policies/Local Laws.

Budget/Financial Implications

\$800 Parks and Reserves Development.

\$400 Street Furniture – Seats (Civil Works).

On-going maintenance costs within current budget allocation.

Consultation

Community and Corporate Services

Technical Services Directorate

BACKGROUND

At its Ordinary Meeting on 2nd July 2001, Council resolved (T75/01) as follows:

- “2. That a report be provided to the Technical Services Committee outlining options for providing seating in Minnowarra Park for Senior Citizens.”

At the Technical Services Committee on 25th February 2002:

“Councillor Zelones advised the Committee that he had spoken to the Manager Parks and Reserves regarding additional seating in Minnowarra Park, in particular within the gazebo and asked for an update.

The Manager Parks and Reserves informed the Committee that he had spoken to Community Services regarding the various options available as consideration had to be made for the

various functions and events, which are held within the park and gazebo to ensure that seating would not restrict its use. Consideration is being given to the potential for fold up seating in the gazebo”.

DETAILS OF PROPOSAL

(Technical Services Committee Minutes – 24 May 2000)

Committee discussed the appropriateness of considering proposals for structures in Minnowarra Park on an ad-hoc basis. It is important that proposals are considered in light of Minnowarra Park’s overall concept and unique value to the region.

The choice of materials and designs for seating within the gazebo are currently being investigated to ensure the aesthetics and function of the gazebo are not compromised.

When considering any development proposal, the ongoing maintenance implications and whole of life costs need to be fully considered.

COMMENT

Within the Parks and Reserves Five Year Programme is an annual allocation of \$2000 for miscellaneous seating within the municipality. At this stage the remaining funds available within the current financial year is \$800. To allow for three seats to be installed within the gazebo in Minnowarra Park, the additional funding of \$400 is required to complete the project. This amount is to be allocated from street furniture – seats (Civil Works).

RECOMMEND

That three seats to be installed within the gazebo in Minnowarra Park at a total cost of \$1,200 from budgeted funds allocated within Parks and Reserves and Civil Works.

MOVED

MOTION CARRIED/LOST ()

TREE MANAGEMENT

WARD All
FILE REF: CTE/4
DATE March
REF PL
RESPONSIBLE EDTS
MANAGER

In Brief:

- Progress report contains early advice concerning an appropriate level of community consultation for the review of tree policy and Tree Management Plan.
- Proposal to commission an Arboricultural Consultant to prepare a City-wide objective criteria for assessing and managing the City's trees assets.
- Recommend that Council consider the allocation of \$10,000 in the first year (2002/03) of the Five Year Programme to commission an arboricultural consultant.

Tabled Items

Nil.

Officer Interest Declaration

Nil.

Strategic Implications

Physical Infrastructure

Implement long term preventative maintenance and refurbishment programmes

Legislation Implications

Assessment of legislation indicates that the following regulations apply:

Occupational Safety and Health Act 1984

Local Government Act 1995 Schedule 3.2.7

Council Policy/Local Law Implications

Assessment of Policy/Local Law indicates that the following are applicable:

Policy 2.1.55 – Streetscape Management Policy – Street Tree Removals and Replacements, Trees in Streets, Ways and Reserves

Budget/Financial Implications

\$10,000 for independent arboriculturalist

Influenced by future advice and further research into formulating a comprehensive Tree Management Plan to conform to the City's social and duty of care responsibilities

Consultation

- Independent Arboriculturalist
- At this stage, broad community consultation is not appropriate as the brief is based on establishing minimum levels of risk assessment under the City's existing Duty of Care obligations.

BACKGROUND

At its Ordinary Meeting held on the 10th December 2001 (T165/01), Council resolved as follows:

1. *That Parks and Reserves remove and replace those trees that are presently 'unsuitable', in accordance with the tabled programme.*

2. *That the Technical Services Directorate continue it's research into reviewing the City's Policy relating to trees and a tree management plan, providing progress reports to the Technical Services Committee every two months.*
3. *That the progress reports contain early advice concerning an appropriate level of community consultation.*

In accordance with this recommendation, and in light of previous recommendations of Council, the Technical Services Directorate has commenced a review of the City's tree policy and tree management practices. This review includes:

- Determining appropriate tree condition classifications with a view to improve existing management of council assets.
- Prioritise maintenance in accordance with the identified condition classifications.
- Establishing (if necessary) a new tree policy that is sustainable and would be compatible with the City's social and legislative responsibilities.
- Developing a Tree Management Plan that conforms to a new policy (considering the selection, planting, maintenance, removal, replacement and value of trees to the City).

Residents, ratepayers and councillors make more enquiries and requests about trees than any other item in Technical Services. Each year tree requests make up around 40% of all Works Requests in Technical Services.

The City of Armadale acknowledges that the trees for which it is responsible have significant amenity and environmental value and, therefore, need to be managed professionally on a long-term basis.

For this reason, Council Officers have determined to commission an Arboricultural Consultant to prepare a City-wide objective criteria for identifying and classifying trees that require maintenance or removal. This in turn, will lead to the development of a City-wide "Tree Management Plan", ensuring that trees will be managed in a professional and sustainable manner.

The various tasks and issues that the consultant may be required to address in the first instance would include;

- Establish benchmarks to facilitate the classification and recognition of tree status.
- Based on the above, prioritise maintenance criteria whose implementation would address any tree concerns.
- Consider the status of existing trees and make recommendations for their ongoing management and maintenance.

DETAILS OF PROPOSAL

Council Officers propose that Council allocate additional funding of \$10,000 in the first year (2002/03) of the 5 Year Plan for the specific purpose of commissioning an independent arboricultural consultant, in accordance with an established brief to assist in the future development of a sustainable Tree Management Plan for the City's tree assets.

COMMENT

Analysis

The City's current tree management practices are under review. If a comprehensive review would be expected to occur in a timely manner, additional funds would be required. The anticipated cost of the initial investigation would be approximately \$10,000.

This cost would include fees for the consultation with a professional, independent arboriculturalist and the initial development of a policy and criteria that would consider an appropriate level of risk associated with managing trees.

It must be noted that the \$10,000 cannot come from existing funds, as all existing funds are for operational expenses. In past years, existing funds have been fully expended. Through the provision of an objective criteria for assessing trees, the City can then develop a comprehensive Tree Management Plan.

Options

In regard to changing or altering the tree policy and management, the City has two options:

- leave the present policy in place, leaving interpretation to individual Managers
- provide additional funding for the commissioning of an independent arboricultural consultant, to establish objective criteria for assessing and managing trees through accepted and consistent, standards and practices.

Conclusion

Trees provide many personal, environmental and aesthetic benefits to the urban environment of the local community. It is recommended that the City provide additional funding to commission an independent arboricultural consultant.

RECOMMEND

That Council consider the allocation of \$10,000 in the first year (2002/03) of the Technical Services Five Year Works Programme for the specific purpose of commissioning an independent arboricultural consultant, in accordance with an established brief to assist in the future development of a sustainable Tree Management Plan for the City's tree assets.

MOVED

MOTION CARRIED/LOST ()

ARMADALE AQUATIC CENTRE - VERGE TREATMENT

WARD Westfield
FILE REF: A173263/1
DATE 20 March
REF PL
RESPONSIBLE EDTS
MANAGER

In Brief:

- The Technical Services Directorate was requested to investigate and outline a proposal for the beautification of the entry to Armadale Aquatic Centre.
- Recommend landscaping and improvement works be undertaken in 2004 / 05 financial year at an estimated cost of \$20,000 and ongoing maintenance cost of \$5,000 per annum.

Tabled Items

Concept Landscape Development Plan – Armadale Aquatic Centre Entry

Officer Interest Declaration

Nil.

Strategic Implications

Physical Infrastructure

Implement long term high quality refurbishment programmes

Legislation Implications

General assessment of relevant legislation (eg Local Government Act) has not revealed any restrictions.

Council Policy/Local Law Implications

General assessment has not revealed any applicable Policies/Local Laws.

Budget/Financial Implications

Shown within Councils' 5 Year Works Programme 2004 / 05 allocation \$20,000.

Not shown within Councils' 5 Year Works Programme - Ongoing maintenance allocation \$5,000.

Consultation

Nil.

BACKGROUND

At its Ordinary Meeting on 5th November 2001, Council recommended (T127/01) as follows:

“That a report be provided to the November Technical Services Committee which outlines a proposal for the beautification of the bush in front of the Armadale Aquatic Centre.”

The Aquatic Centre, located on Champion Drive, Westfield is one of Councils' high profile facilities, attracting over 170,000 visitors per annum.

The existing entry statement is now many years old and somewhat overgrown, with many of the shrubs now old and woody (requiring removal). This site is also a haven for wind blown litter which detracts from the appearance of the general area. Dense shrubbery along the Aquatic Centre fence continues to inhibit the accessibility of the Centre from pool patrons. As a result, it requires frequent pruning.

DETAILS OF PROPOSAL

Integration of the natural environment into urban developments through careful landscaping has become a key component of modern design. The recent announcement of several major development projects, places the City in a position to set a high standard for future works. The Armadale Aquatic Centre is a prime location to set this benchmark.

The proposal is to –

- Remove existing shrub vegetation to approximately 20 metres either side of the entrance road whilst retaining significant trees and shrubs.
- Plant a small expanse of quality turf, surrounded by native garden beds consisting of predominantly native species found in neighbouring Bob Blackburne Flora Reserve.
- Irrigate all new areas with below ground automatic reticulation from the Aquatic Centre water supply.

COMMENT

Analysis

The City of Armadale should be seen as setting the standard for landscape developments and verge treatments within the City. Areas containing high quality streetscapes are proven to:

- Appreciate in value more rapidly than those without.
- Have lower incidences of crime
- Attract higher levels owner occupier residences
- Attract greater commercial investment

It is in the City's best interest to promote quality development. The best method to achieve this end is through example. The City's recent achievements in Best Practice for Management should be reflected by community developments of an equally high standard.

With regard to the proposal to beautify the bush area in front of the Aquatic Centre, minor clearing and pruning works have been carried out within 2001 / 02 and further ongoing maintenance at the entry to the Aquatic Centre from Champion Dr, will continue in 2002 / 03 with future development of the site programmed in 2004 / 05.

Council Officers and the Manager of the Aquatic Centre met recently to discuss a safety audit undertaken by the Royal Lifesaving Association. Among other matters, the question of the remote areas of the Aquatic Centre adjacent to Champion Drive were raised.

The ideas and proposals relating to landscaping and security at the Aquatic Centre will need to be further developed.

Conclusion

That Council approve the inclusion of the Armadale Aquatic Centre Entry Statement Development into the Draft Parks & Reserves 2004 / 05 Development Budget at an estimated cost of \$20,000, with an ongoing maintenance cost of \$5,000.

RECOMMEND

That landscaping and improvement works at the Armadale Aquatic Centre be considered for inclusion in the 2004 / 05 Budget, as listed in the Technical Services Five Year Works Programme, at an estimated capital cost of \$20,000 with an ongoing maintenance cost of \$5,000.

MOVED

MOTION CARRIED/LOST ()

SOUTH EAST METROPOLITAN REGIONAL COUNCIL

WARD All
FILE REF: CTE/10
DATE 27 February 2002
REF BS
RESPONSIBLE MANAGER MTS

In Brief:

- Recommend that the unconfirmed Minutes of the South East Metropolitan Regional Council for February 2002 be noted.

Tabled Items

Nil.

Officer Interest Declaration

Nil.

Strategic Implications

Long Term Strategic Planning
Promote Waste Minimisation

Legislation Implications

General assessment of relevant legislation (eg Local Government Act) has not revealed any restrictions.

Council Policy/Local Law Implications

General assessment has not revealed any applicable Policies/Local Laws.

Budget/Financial Implications

Nil.

Consultation

Nil.

BACKGROUND

To ensure that Council is kept informed of the Regional Council's deliberations, Council resolved (T162/01) that the Minutes of these meetings be presented through the Technical Services Committee rather than the Information Bulletin to ensure that relevant items can be discussed.

The February 2002 unconfirmed Minutes of the South East Metropolitan Regional Council (to be confirmed at its Meeting being held on 18 April 2002) are *at Attachment "A1" of the Agenda (see Summary of Attachments – Green Page)*.

COMMENT

The following reports from the attached unconfirmed Minutes have been identified as being of interest to the City and should be noted:

- 14.1 Appointment of Chief Executive Officer

No conforming tender for the Chief Executive Officer position was received. The Technical Advisory Committee is working with the Acting Chief Executive Officer, whose contract has been extended to 30th June 2002, to appoint a Chief Executive Officer by negotiation. Both the Cities of Gosnells and South Perth are considering offering to undertake the services specified in the Tender document.

- 14.2 Financial Report for 31 January 2002
- 14.3 Progress Report on Various Procedural Matters
- 14.4 Compliance Report for Year 2001

RECOMMEND

That the unconfirmed February 2002 Minutes of the South East Metropolitan Regional Council be noted.

MOVED

MOTION CARRIED/LOST ()

ADMINISTRATION BUILDING – OVERCROWDED CAR PARK

The matter of the overcrowded car park at the Administration Centre was referred to the Technical Services Committee by Councillor Cominelli.

Councillor Cominelli has provided the following information:

The Car Park has become far more busy over recent times. It is almost impossible to find a space after 9.00am.

I believe that the problem has become worse since the old Administration Building has been used for TAFE students. More bays seem to be required for Council's own operations, the Courthouse and its security staff.

RIVER ROAD, KELMSCOTT – PETITION TO RELOCATE FOOTPATH

WARD Kelmscott
FILE REF: RDR/6
DATE 11 March 2002
REF SB
RESPONSIBLE MANAGER MTS

In Brief:

- Council is in receipt of a letter and petition requesting the relocation of a section of pathway in River Road, Kelmscott.
- Details three options for Council's consideration.
- Recommends that the path not be relocated.

Tabled Items

Letter and Petition.

Officer Interest Declaration

Nil.

Strategic Implications

Physical Infrastructure

Develop an integrated transport system including safety aspects.

Legislation Implications

General assessment of relevant legislation (eg Local Government Act) has not revealed any restrictions.

Council Policy/Local Law Implications

General assessment has not revealed any applicable Policies/Local Laws.

Budget/Financial Implications

Not budgeted. Cost of relocation of path \$4,500. Value of relocation to Council \$0.

Consultation

Ward Councillors, Executive Director Technical Services and residents

BACKGROUND

The following is an extract from a covering letter, to a petition signed by 33 individuals, and received by Council from a resident of River Road, Kelmscott.

“Since the reconstructure of the Footpath in 1993, we, my husband and I, all Pedestrians, neighbours and visitors, have been in danger of being run over by inconsiderate speeding cyclists, skateboard and rollerblade riders, scooters and go-carts (children using the path as a play area). We feel that the present position of the path, with the bends and slopes, encourages the children to use it as a race track! This creates a Hazard for people of all ages, especially the aged, and young families with their toddlers and pets. A lot of people use this Footpath, it is a popular area for young and old.

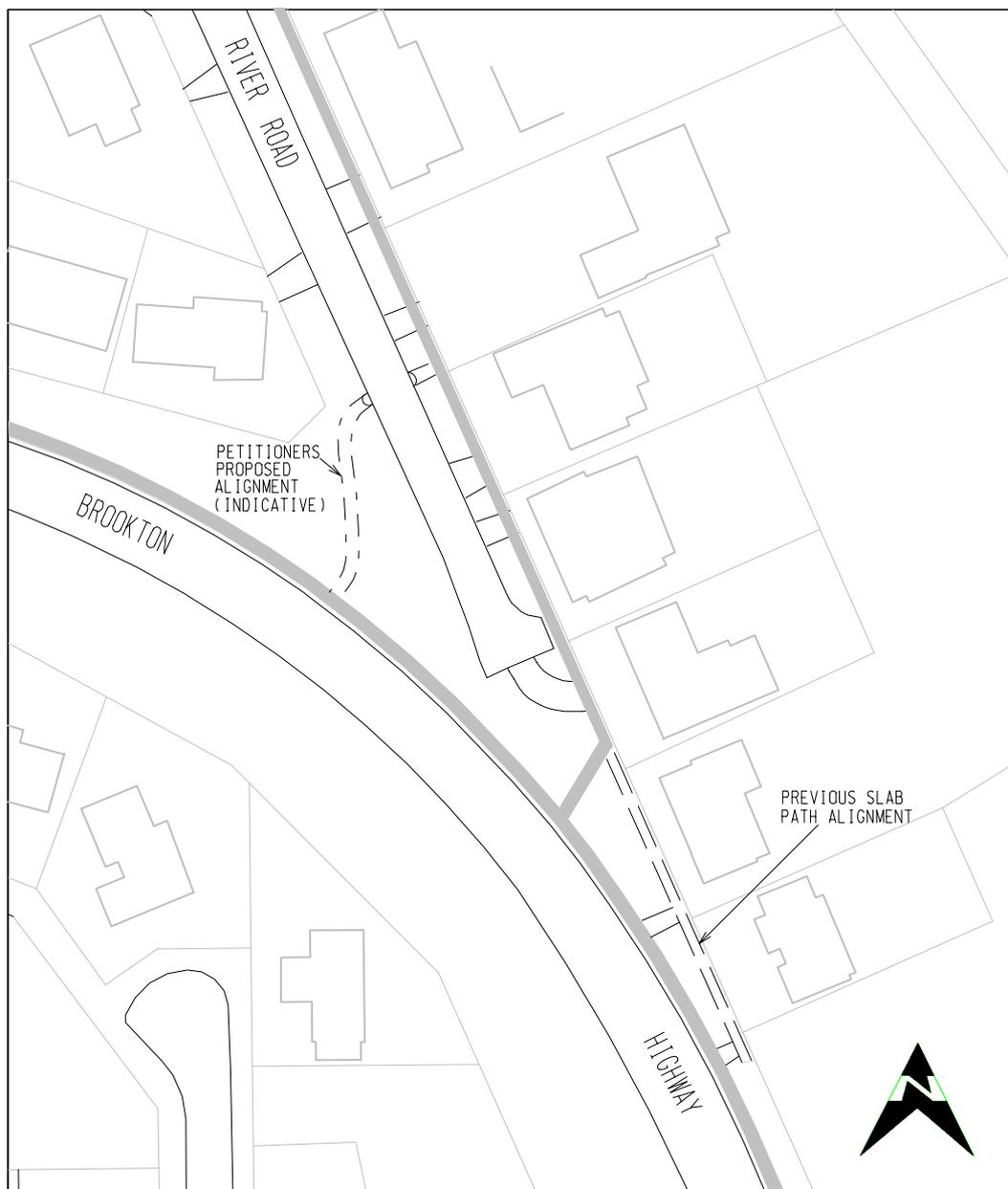
We have tried to solve this problem but we only get abused and now we can take no more, we are at the end of our patience. In desperation we write to you. Several people have been hit by unruly cyclists, my husband and myself have been knocked also.

The cyclists and pedestrians will be a lot safer if the small section of the path was re-located to the Shire Land just a few metres up River Road. The old path could still be used for walkers, if a few more bollards were installed. The new path would enhance the area, and, as the land is not directly in front of a residence there would be clear vision of the cyclists, the path having no hidden bends. With bollards in place, the area would be safer, and no cars would be able to take a short cut through to the Brookton Highway. We still have a few motor cycles that use the path.

The petition attached to the letter reads:

“For relocation of “Footpath” between Brookton Highway and River Road. To make this area safer for pedestrians, by redirecting the cyclists to a safer entry from Brookton Highway.”

The plan below details the location:



DISCUSSION

The footpath in River Road is 1.5 metres wide, formed with cast insitu concrete and situated on a boundary alignment on the eastern verge. The localised realignment of the path took place as a measure to deter vehicle drivers from crossing the verge between River Road and the Brookton Highway and vice versa by removing the ‘through’ visibility on the old path alignment.

The situation of pathways and crossovers sharing the verge area is common throughout residential metropolitan areas, and both path users and accessing vehicles alike must exercise caution and consideration of others as a basic requirement of usage.

Options

There are three options for Council to consider, these being:

- a) relocate the path to the opposite side of the road
- b) undertake local remedial action at bend
- c) no action.

a) Path Relocation

The petition requests the relocation of the path away from the eastern verge at the end of River Road to the western verge, over land not adjacent to any residential housing. The estimated cost of such a relocation is \$4,500. In order for this option to be pursued it would require funding from the path construction programme, by inclusion into the programme when it is next revised. It should be noted that in this option the petitioners suggestion that the old path could still be used by walkers is not practical. It is impossible to construct a path that would allow walkers but bar other users such as wheelchairs, prams, scooters and skateboards. This option would require the removal of the old path. Unsolicited on site discussions with another resident from River Road revealed that there may be some opposition encountered from some residents to this option.

b) Localised Action

Whilst the bend in the path reduces visibility it can be argued that it also reduces speed, thereby drawing the conclusion that to ‘iron’ out the bend will merely lead to an increase in, for example, cyclist speed at this location, a speed that would be in line with the remainder of the River Road path.

An estimate of cost to ‘iron’ out the bend is in the order of \$500. Funding for this option could be allocated from budgeted 2001/02 Bike Plan Improvements. It should be noted however that this solution is not acceptable to the main petitioner.

c) No Action

For Council to take action over this matter is to acknowledge that the problem of different types of users sharing the verge area, at this location, is a concern over and above the majority of verge areas under Council’s care and control, that must be shared in the same way.

Conclusion

It is considered that relocation of a path from the eastern to the western side of River Road in the vicinity of Brookton Highway, due to a potential clash between path users and vehicles accessing properties in the verge area, is not in this case a warranted use of Council resources.

RECOMMEND

That Council not approve of the relocation of the path in River Road, Kelmscott between the Brookton Highway and River Road from the eastern Verge to the western verge and that the principle petitioner be advised of Council's decision.

MOVED

MOTION CARRIED/LOST ()

TENDER NO. 31/01 - SUPPLY OF ONE BACKHOE LOADER

WARD All
FILE REF TEN/31/01
DATE 25 March 2002
REF BC
RESPONSIBLE EDTS
MANAGER

In Brief:

- Tender No. 31/01 was recently called for The Supply of One Backhoe Loader
- 12 tenders were received by the specified closing time.
- Recommend that Council accept the tender from Hitachi for this tender.

Tabled Items

Tender documents; tenders received; summary of tender assessment.

Officer Interest Declaration

Nil.

Strategic Implications

Corporate Services

To achieve maximum community benefit from effective use of resources (staff, finances and information technology).

Legislation Implications

Assessment of legislation indicates that the following regulations apply:

Local Government Act and Tender Regulations.

Council Policy/Local Law Implications

General assessment has not revealed any applicable Policies/Local Laws:

Policy No. 2.1.54: Tendering and Purchasing Policy.

Budget/Financial Implications

\$17,415 reduction in transfer to Schedule M121, Vehicle and Plant Acquisition and Replacement account due to less than budgeted costs.

Consultation

Departmental Manager / Supervisor.

BACKGROUND

Council currently owns two Caterpillar backhoe loaders, both used by Civil Works for construction and drainage projects. P187 is offered for trade or outright purchase. This backhoe was purchased in 1994 and has worked approximately 8,000 hrs, which is slightly higher than the recommended replacement criterion of 7,500 hrs.

This machine has been reliable over the past 7 years and has performed adequately undertaking a variety of tasks. Westrac has provided good back up service for the machine and can be relied upon to supply parts when required.

Details of the backhoe loader offered for tender are shown in Table 1.

Table 1 : Vehicle Description

Plant No.	Reg. No	Description	Purchase Date
P187	AK007	Caterpillar 428 Backhoe	October 1994

The budgeted amount for the net changeover is listed in Table 2.

Table 2 : Budget Details

Plant No	Expenditure Budget	Income Budget	Changeover Budget
P187	\$130,000	\$45,000	\$85,000

DETAILS OF PROPOSAL

Seven companies submitted tenders for the Supply of One Backhoe Loader. They are Casewest, Construction Equipment Australia (CEA), Chesterfield Australia, Hitachi Construction Machinery, Komatsu, McIntosh and Son and Westrac.

CEA, Chesterfield Australia, Komatsu and Westrac offered more than one conforming tender.

SELECTION CRITERIA

The selection criteria and weightings for the evaluation of the tender are as follows.

Table 3: Selection Criteria

Supply and Trade-in of Backhoe Loader

ITEM No.	DESCRIPTION	WEIGHTING
1.	Tender Proposal	15%
2.	Operational Assessment	20%
3.	Mechanical Assessment	20%
4.	Comparative Costs	45%
	TOTAL	100%

Outright Purchase of Backhoe Loader

1.	Price Offered (Unconditional)	100%
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TENDERS RECEIVED

Listed in Table 4 are details of tenders received.

Table 4: Tenders Received

Company	Komatsu	Komatsu	Chesterfield	Chesterfield	Chesterfield	CEA	CEA	Casewest	Westrac	Westrac	Hitachi	McIntosh
Make	Komatsu	Komatsu	Fermec	Fermec	Fermec	JCB	JCB	Case	Caterpillar	Caterpillar	John Deere	New Holland
Model	WB9 R-2	WB9 7R-2	760	860	960	3CX-C	3CX-PS	580 LE	424D	428D	315SG	LB 95
New price less GST	\$100,112	\$115,308	\$106,696	\$115,996	\$121,682	\$104,422	\$113,561	\$98,010	\$118,073	\$122,825	\$100,750	\$108,108
Net Trade Price	\$42,075	\$42,075	\$36,630	\$36,630	\$36,630	\$32,670	\$32,670	\$35,640	\$42,075	\$42,125	\$33,165	\$35,640
Changeover cost	\$58,037	\$73,233	\$70,066	\$79,366	\$85,052	\$71,752	\$80,891	\$62,370	\$75,998	\$80,701	\$67,585	\$72,468

TENDER EVALUATION

Seven backhoe loaders tendered were inspected and assessed by Council's operational and mechanical staff. Five machines tendered were not inspected as they were similar to inspected machines and in most cases had either larger engines or were fitted with power shift transmissions (automatic type machine).

All machines inspected were of a high standard and met Council's requirements. Operational staff assessed the Caterpillar and the John Deere as being the best backhoe loaders for ergonomics and features. Mechanical staff rated the John Deere highest for ease of maintenance and for vehicle design and construction.

Council owns John Deere and Caterpillar equipment, which have proved reliable.

TENDER RANKINGS

The tender rankings resulting from the application of the selection criteria are listed in Table 6.

Table 6: Tender Ranking

Company	Make	Model	Ranking
Hitachi	John Deere	315SG	1
Westrac	Caterpillar	428D	2
Westrac	Caterpillar	424D	3
CEA	JCB	3CX-PS	4
Casewest	Case	580 LE	5
CEA	JCB	3CX-C	6
Komatsu	Komatsu	WB9 7R-2	7
Komatsu	Komatsu	WB9 R-2	8
McIntosh	New Holland	LB 95	9
Chesterfield	Fermec	760	10
Chesterfield	Fermec	960	11
Chesterfield	Fermec	860	12

The John Deere backhoe loader scored exceptionally well against all areas of the selection criteria and has therefore been ranked number one. The John Deere backhoe loader meets all requirements of the specification and has a number of additional features superior to other backhoe loaders.

John Deere is sold and serviced by Hitachi Construction Equipment (Australia) which is a large company and has seven service vans operating throughout Perth. Parts can also be sourced from the previous John Deere dealer, CJD equipment, as well as John Deere's Australian warehouse in Perth. John Deere backhoes have been sold in Western Australia for over 20 years.

Reference checks with a neighbouring Council, who currently own two John Deere backhoes, confirm that John Deere backhoes are a reliable machine and give satisfactory performance.

The detailed tender assessment summary will be tabled at the meeting.

CONCLUSION

The John Deere backhoe loader meets all requirements of the specification and has a number of additional features superior to other backhoe loaders.

It is recommended that the tender be awarded to Hitachi Construction Equipment (Australia) who have satisfied the selection criteria and are ranked number one in the tender evaluation.

RECOMMEND

That with Tender No. 31/01, Tender for Supply of One Backhoe Loader, Council accept the tender of Hitachi Construction Equipment (Australia), in accordance with their submitted tender, Council's contract documentation and budget allocation, for the following tender prices:

- **Purchase of a John Deere 315SG for \$100,750 excluding GST, trading AK 007 (P187) Caterpillar 428B Backhoe Loader at \$33,165 excluding GST realising a changeover of \$67,585 excluding GST.**

MOVED

MOTION CARRIED/LOST ()

TENDER NO. 32/01 - SUPPLY OF PERSONNEL

WARD ALL
FILE REF TEN/32/01
DATE 25 February 2002
REF BC
RESPONSIBLE EDTS
MANAGER

In Brief:

- Tender No. 32/01 was recently called for The Supply of Personnel.
- 16 tenders were received by the specified closing time.
- The tenders from Drake Personnel, Logo Appointments, Monadelphous and Westaff have been assessed as being the most advantageous to Council.
- Recommend acceptance of these tenders.

Tabled Items

Tender documents; tenders received; summary of tender assessment.

Officer Interest Declaration

Nil.

Strategic Implications

Corporate Services

To achieve maximum community benefit from effective use of resources (staff, finances and information technology).

Legislation Implications

Assessment of legislation indicates that the following regulations apply:

Local Government Act 1995 and Tender Regulations.

Council Policy/Local Law Implications

Assessment of Policy/Local Law indicates that the following are applicable:

Policy No. 2.1.54 - Tendering and Purchasing Policy.

Budget/Financial Implications

Approximate total current budget allocation	\$400,000
Estimated contract management/supervision costs	\$394,000

Consultation

Human Resources Department, Departmental Managers

BACKGROUND

The City of Armadale invited tenders from suitably qualified and experienced organisations for the provision of personnel hire to the City of Armadale for a period of 2 years. The contract includes a review of performance at the end of every six months.

The tender was divided into various schedules to allow companies to tender for one or all schedules. These schedules include:

- Schedule A – Management
- Schedule B – Mechanics
- Schedule C – Plant Operators
- Schedule D – Unskilled Labour
- Schedule E – Officers

For all of the schedules, a panel of organisations will be appointed to provide these services. Services will be provided to meet requirements across all areas of the City's operations.

EXISTING CONTRACT INFORMATION

No contract is currently in place for the hire of personnel. Managers have used contractors on an operational needs basis. Currently, several companies supply personnel to the City of Armadale. These companies include Blue Collar, Flexi Staff, Lefroy Employment Group, Logo Appointments and Monadelphous. These companies have provided good service in the past.

DETAILS OF PROPOSAL

Services to be provided under the Contract include:

1. Provide additional labour resources during times of peak workloads.
2. Relief of permanent staff during significant periods of leave.
3. Provide resources and expertise for approved projects as needed.

Services will be requested on a needs basis for temporary engage when either full-time or part-time. Duration may range from several days to several months at a time, depending upon operational requirements. Work will be undertaken at the contracted hourly rate.

NEW CONTRACT INFORMATION

Essential details of the new contract are as follows:

Table 1 : New Contract Information

Contract Type	Schedule of Rates
Contract Duration	2 Year Period
Commencement Date	1 April 2002
Expiry Date	31 March 2004
Extension Permitted	No
Rise And Fall Included	No

SELECTION CRITERIA

The selection criteria and weightings for the evaluation of the tender are as follows.

Table 2 : Selection Criteria

ITEM NO.	DESCRIPTION	WEIGHTING
1.	Capability/competence of Tenderer to perform the work required	10%
2.	Experience of Tenderer in supplying similar goods or completing similar projects	30%
3.	Understanding of Requirement	20%
4.	Tendered Price/s	40%
	TOTAL	100%

TENDERS RECEIVED

Conforming Tenders

Seven tenderers submitted prices as per several schedule of rates. These companies are BDS recruit, Drake Personnel, Logo Appointments, Monadelphous, Westaff, WIN Tec Resources and Workskills Professionals.

All hourly rates submitted are fixed for the life of the contract. These hourly rates were then multiplied against the projected hours of personnel hire required in each schedule over the life of the two-year contract to give an estimated total cost for each schedule. Monadelphous submitted an “Alternative Tender” as well as a conforming tender. The “Alternative Tender” included fixed rates that are subject to rise or fall due to award and superannuation adjustments. An additional 4% has been added to the estimated schedule totals for this “Alternative Tender” to allow for an upper range rise in rates for the two-year life of the contract.

A summary of estimated costs for a two-year contract, based on tendered prices and forecasted hours used for the contract are shown below:

Table 3 : Estimate Schedule Totals

Company	Estimated Schedule Totals					
	A	B	C	D	E	TOTAL
BDS recruit	\$52,185	\$27,972	\$16,318	\$77,988	\$203,005	\$377,468
Drake Personnel	\$50,468	\$30,850	\$18,380	\$81,256	\$215,042	\$395,995
Logo Appointments	\$44,289	\$30,045	\$17,452	\$85,941	\$218,102	\$395,830
Monadelphous	\$53,365	\$28,717	\$16,301	\$77,985	\$201,190	\$377,556
Westaff	\$53,320	\$31,094	\$16,170	\$77,487	\$202,875	\$380,947
WIN Tec Resources	\$53,446	\$32,847	\$21,221	\$81,312	\$203,973	\$392,800
Workskills Professionals	\$63,263	\$0	\$0	\$0	\$220,778	\$284,041
Monadelphous Alternative	\$53,068	\$30,311	\$16,953	\$80,651	\$220,778	\$401,760

Note: 4% added to Monadelphous Alternative tender as allowance for variable prices over two years.

Non-Conforming Tenders

The tender for Supply of Personnel was written as a fixed priced contract and must make allowance for inflation over the period. The reasons for choosing a fixed priced contract over a variable contract were:

- Reasonably low inflation
- Ease of administration across all departments of Council
- Number of expected tenderers
- Competitive nature of the personnel hire industry
- Length of contract (2 years)
- Wage rises are determined either by Enterprise Agreements or through the Australian Industrial Relations Commission.

Companies could submit a tender with variable prices provided they submitted a conforming tender (with fixed prices). Monadelphous were the only company to submit an Alternative Tender with variable prices.

Although the tender documentation clearly requested fixed prices, 9 companies submitted tenders with rates subject to variations. These companies were CPE Tempforce, Employment National, Integrated Workforce, Lefroy Employment Group, Lyncroft Recruitment and HR, Manpower, Professional Placements, Sound Personnel and Workpac.

In addition, CPE Tempforce and Lyncroft submitted incomplete price schedules for those schedules for which they were bidding.

As these tenders were non-conforming tenders, they have not been considered in this report.

TENDER EVALUATION

As can be seen by the selection criteria, while the tender evaluation weights price more heavily, the tenderers experience and understanding of local government labour requirements are also important criteria. Those companies that provide competitive prices and have provided personnel for similar labour markets score highly against the selection criteria.

Of the seven conforming tenderers, Logo Appointments and Monadelphous have been used regularly over the past years by the City of Armadale. Both companies have provided excellent service in the past and have a good working relationship with the City of Armadale.

BDS recruit, Drake Personnel, Westaff, WIN Tec Resources and Workskills Professionals are all national companies with branches in Perth. BDS recruit has been operating since 1964 and employs 30 internal staff. Drake Personnel has been established in Australia since 1966 with 44 staff employed in Western Australia. Westaff has been established for 30 years with 28 offices in Australia. WIN Tec Resources was incorporated in 1999 and has offices in Perth, Karratha and Kuala Lumpur. Workskills Professionals was established in 1993 and has an annual turnover of \$8,600,000.

TENDER RANKINGS

The tender rankings resulting from the application of the selection criteria are as follows.

Table 4 :Tender Ranking – Schedule A Managers

Tenderer	Ranking
Logo Appointments	1
Drake Personnel	2
Westaff	3
Workskills Professionals	4
BDS recruit	5
Monadelphous	6
Monadelphous Alternative	7
WIN Tec Resources	8

It is recommended that with Tender No. 32/01, Tender for the Supply of Personnel, Council accept the tenders of Logo Appointments, Drake Personnel and Westaff as a panel of suppliers for Schedule A for the period 1 April 2002 to 31 March 2004 in accordance with

their submitted tender, Council's contract documentation and budget allocation. The chart below shows the estimated contract costs using tendered schedule of rates:

Table 5 : Estimated Contract Costs – Schedule A Managers

Company	Price
Logo Appointments	\$44,289
Drake Personnel	\$50,468
Westaff	\$53,320

Table 6 : Tender Ranking – Schedule B Mechanics

Tenderer	Ranking
Monadelphous	1
Monadelphous Alternative	2
Logo Appointments	3
Drake Personnel	4
Westaff	5
BDS recruit	6
WIN Tec Resources	7

It is recommended that with Tender No. 32/01, Tender for the Supply of Personnel, Council accept the tenders of Monadelphous, Logo Appointments and Drake Personnel as a panel of suppliers for Schedule B for the period 1 April 2002 to 31 March 2004 in accordance with their submitted tender, Council's contract documentation and budget allocation. The chart below shows the estimated contract costs using tendered schedule of rates:

Table 7 : Estimated Contract Costs – Schedule B Mechanics

Company	Price
Monadelphous	\$28,717
Logo Appointments	\$30,045
Drake Personnel	\$30,850

Table 8 : Tender Ranking – Schedule C Plant Operators

Tenderer	Ranking
Logo Appointments	1
Monadelphous	2
Monadelphous Alternative	3
Drake Personnel	4
Westaff	5
BDS recruit	6
WIN Tec Resources	7

It is recommended that with Tender No. 32/01, Tender for the Supply of Personnel, Council accept the tenders of Logo Appointments, Monadelphous and Drake Personnel and as a panel of suppliers for Schedule C for the period 1 April 2002 to 31 March 2004 in accordance with

their submitted tender, Council's contract documentation and budget allocation. The chart below shows the estimated contract costs using tendered schedule of rates:

Table 9 : Estimated Contract Costs – Schedule C Plant Operators

Company	Price
Logo Appointments	\$17,452
Monadelphous	\$16,301
Drake Personnel	\$18,380

Table 10 : Tender Ranking – Schedule D Unskilled

Tenderer	Ranking
Logo Appointments	1
Monadelphous	2
Monadelphous Alternative	3
Drake Personnel	4
Westaff	5
BDS recruit	6
WIN Tec Resources	7

It is recommended that with Tender No. 32/01, Tender for the Supply of Personnel, Council accept the tenders of Logo Appointments, Monadelphous and Monadelphous Alternative and as a panel of suppliers for Schedule D for the period 1 April 2002 to 31 March 2004 in accordance with their submitted tender, Council's contract documentation and budget allocation. The chart below shows the estimated contract costs using tendered schedule of rates:

Table 11 : Estimated Contract Costs – Schedule D Unskilled

Company	Price
Logo Appointments	\$85,941
Monadelphous	\$77,985
Drake Personnel	\$81,256

Table 12 : Tender Ranking – Schedule E Officers

Tenderer	Ranking
Logo Appointments	1
Drake Personnel	2
Westaff	3
Workskills Professionals	4
Monadelphous	5
Monadelphous Alternative	6
WIN Tec Resources	7
BDS recruit	8

It is recommended that with Tender No. 32/01, Tender for the Supply of Personnel, Council accept the tenders of Logo Appointments, Drake Personnel and Westaff as a panel of suppliers for Schedule E for the period 1 April 2002 to 31 March 2004 in accordance with

their submitted tender, Council's contract documentation and budget allocation. The chart below shows the estimated contract costs using tendered schedule of rates:

Table 13 : Estimated Contract Costs – Schedule E Officers

Company	Price
Logo Appointments	\$218,102
Drake Personnel	\$215,042
Westaff	\$202,875

The detailed tender assessment summary will be tabled at the meeting.

ESTIMATED ANNUAL COST

The estimated two-year cost of this contract based on the number one ranked companies contracted schedule of rates is as follows:

Table 14 : Estimated Annual Cost

Schedule	Company	Estimated Price
A - Managers	Logo Appointments	\$44,289
B - Mechanics	Monadelphous	\$28,717
C - Plant Operators	Logo Appointments	\$17,452
D - Unskilled	Logo Appointments	\$85,941
E - Officer	Logo Appointments	\$218,102
Total		\$394,501
Compared with Budget		\$400,000

The estimated annual cost was calculated by multiplying the tendered unit rates by the annual quantities estimated by the Council. These costs may vary using the number two or number three-ranked company if the number one ranked company is unable to supply the personnel.

CONCLUSION

It is thus recommended that the tender be awarded to a panel of companies for each schedule who have satisfied the selection criteria and are ranked number one, two or three in the tender evaluation.

RECOMMEND

It is recommended that with Tender No. 32/01, Tender for the Supply of Personnel, Council accept the tenders of Drake Personnel, Logo Appointments, Monadelphous and Westaff for the period 1 April 2002 to 31 March 2004 in accordance with their submitted tender, Council's contract documentation and budget allocation, for the following schedules:

Schedule	Panel
A - Managers	Logo Appointments, Drake Personnel and Westaff
B - Mechanics	Monadelphous, Logo Appointments and Drake Personnel
C - Plant Operators	Logo Appointments, Monadelphous and Drake Personnel
D - Unskilled	Logo Appointments, Monadelphous and Drake Personnel
E - Officer	Logo Appointments, Drake Personnel and Westaff

MOVED

MOTION CARRIED/LOST ()

TENDER NO. 37/01 – SUPPLY AND TRADE/OUTRIGHT PURCHASE OF MOTOR VEHICLES

WARD ALL
FILE REF: TEN/37/01
DATE February 2002
REF BC
RESPONSIBLE EDTS
MANAGER

In Brief:

- Tender No. 37/01 was recently called for the Supply and Trade/Outright Purchase of Motor Vehicles.
- Six tenders were received by the specified closing time.
- The tenders of Denis Maynard, Easifleet Management, McInerney Ford, Perth Auto Alliance and Youngs Holden for various vehicles have been assessed as being the most advantageous to Council.
- Recommend acceptance of these tenders.

Officer Interest Declaration

Mr Denis Maynard is an employee of the City of Armadale working for Technical Services / Mechanical Services as a Serviceperson.

Strategic Implications

Corporate Services

To achieve maximum community benefit from effective use of resources (staff, finances, and information technology).

Legislation Implications

Assessment of legislation indicates that the following regulations apply:

Local Government Act and Tender Regulations

Council Policy/Local Law Implications

Assessment of Policies/Local Laws indicates that the following are applicable:

Policy 2.1.54 - Tendering and Purchasing Policy

Budget/Financial Implications

Schedules A, D, E and G form part of the overall budget for Corporate and Community Services light vehicle changeovers which totals \$58,400. The total changeovers for Schedules A, D, E and G total \$756 over budget, however, the changeovers for this year total \$52,406 which is \$5,994 below the budgeted amount.

Schedule C is the only vehicle budgeted for Development Services light vehicle changeover which totals \$6,500. The changeover for this vehicle is \$975 below the budgeted amount.

Schedule B and F represents a \$1,533 shortfall in Schedule M121 Vehicle and Plant Acquisition and Replacement to be offset by a \$1,533 increase in transfer from Technical Services Plant and Equipment Reserve Account and/or reductions in the transfer as a result of other changeovers, which are less than the budgeted amount with no budget implications.

Consultation

Departmental Managers / Vehicle Users

BACKGROUND

Tenders were called for the supply of seven vehicles Tender No. 37/01. A total of six companies and one staff member submitted tenders. The seven tenderers are Easifleet, McInerney Ford, Perth Auto Alliance, Prosser Toyota, Young Holden and Mr Denis

Maynard. Perth Auto Alliance submits tenders on behalf of a conglomerate of Ford Dealers within the Perth metropolitan area.

The vehicles offered for trade or outright purchase are listed in Table 1.

Table 1: Vehicle Description

Schedule	Plant No	Reg. No	Description
A	P552	AK 8836	Ford Fairlane Sedan
B	P507	AK 042	Holden Berlina Sedan
C	P538	AK 079	Ford Fairmont Sedan
D	P570	AK 070	Ford Fairmont Sedan
E	P360	AK 027	Ford Forte Wagon
F	P382	AK 084	Ford Forte Sedan
G	P576	AK 025	Ford Courier Super Cab

COMMENT

The budgeted amount for the net changeover is listed in Table 2.

Table 2: Budget Details

Plant No	Expenditure Budget	Income Budget	Changeover Budget
P552	\$35,400	\$30,000	\$5,400
P507	\$31,000	\$24,500	\$6,500
P538	\$31,000	\$24,500	\$6,500
P570	\$31,000	\$24,500	\$6,500
P360	\$24,500	\$15,000	\$8,000
P382	\$23,000	\$15,000	\$6,500
P576	\$26,500	\$18,500	\$8,000

SELECTION CRITERIA

The selection criteria and weighting for the evaluation of Tender /01 – Tender for Supply and Trade/Outright Purchase of Motor Vehicles is listed in Table 3.

Table 3: Selection Criteria

Supply and Trade-in of Motor Vehicles

ITEM No.	DESCRIPTION	WEIGHTING
1.	Tender Proposal	15%
2.	Operational Assessment	20%
3.	Mechanical Assessment	20%
4.	Comparative Costs	45%
	TOTAL	100%

Outright Purchase of Motor Vehicles

ITEM No.	DESCRIPTION	WEIGHTING
1.	Price Offered (Unconditional)	100%

An analysis has been undertaken using trade values from Glass's Guide on all vehicles to assess the average trade value and most economic changeover period.

VEHICLE ANALYSIS

All passenger vehicles are purchased via the tendering process, either by the City's own tendering system or through the CAMS state government tender system.

Managing the fleet asset involves constant monitoring of new and used vehicle trends, which include prices, introduction of new models, changeover trends, whole of life costs and usage patterns.

Different makes and models have different retained values. Retained values refer to the value (usually expressed as a percentage) that the vehicle is worth after a period of time compared to the original purchase price. This varies from year to year and changes as market forces impact on used vehicle values.

For example, Ford Fairlane, Ford Fairmont, Holden Berlina, Holden Acclaim and Holden Commodore Executive retain high values for the first 12 months (averaging 76.5%) compared to Ford Falcon Futura and Ford Falcon Forte, which have poor retained values for the first 12 months (averaging 65%).

As there is a strong demand for near new Fairlanes and Fairmonts, these vehicles are tendered regularly to test the market and because their retained values are considerably lower as the cars age as the demand for them weakens.

The current practice of keeping Ford Falcon Forte for 30 months or 60,000 km is a direct result of the declining 12 and 24 month retained values for this vehicle making the longer period a better proposition.

These retained values are taken into account as one of the selection criteria during the tender analysis process.

The combination of retained values and operating costs sets the most economical changeover periods for each vehicle. Glass's Guide is used to assess the average trade value for each vehicle in order to determine whether the tender bid is value for money for the City.

Usually, two or three vehicle tenders are undertaken per annum. Although it would be easier to conduct one tender per annum, there are a number of risks in doing so. Firstly a large number of cars for sale at the one time may adversely influence the trade values offered and secondly, spreading the sale of the vehicle over a number of tenders over the year may take advantage of different market forces such as a shortage of used vehicles which in turn would achieve higher trade offers.

Schedule A

Ford Fairlane, AK 8836 (P552) has travelled approximately 30,000kms. The average trade price figure for a Ford Fairlane sedan that has travelled 30,000 km is 30,500 excluding GST. Listed below are the company tender details showing trade prices offered and an analysis on current and future values including operating costs.

Company	Conforming Tenders				
	Perth Auto Alliance	McInerney	Youngs	Easifleet	Easifleet
Vehicle	Ford	Ford	Holden	Ford	Holden
Model	Fairlane Ghia AU2	Fairlane Ghia AU2	Statesman	Fairlane Ghia AU2	Statesman
New price Less GST	\$34,427	\$33,947	\$37,032	\$33,718	\$36,980
Trade Price Less GST	\$30,545	\$28,683	\$30,909	\$28,182	\$28,182
Offered Changeover cost	\$3,882	\$5,265	\$6,123	\$5,537	\$8,798
Future value of vehicle	\$30,500	\$30,500	\$31,600	\$30,500	\$31,600
Operating Costs	\$3,756	\$3,756	\$3,911	\$3,756	\$3,911
Ranking As Per Selection Criteria	1	2	3	4	5

Trade prices offered vary between \$28,182 and \$30,909 with Perth Auto Alliance offering close to the current market trade price of \$30,500 for this vehicle. This vehicle has reached its most economical changeover period for this make and model, which is between 9 and 12 months.

Perth Auto Alliance's tender is offering a Ford Fairlane for \$34,427 with a trade in of \$30,545, which ranks as the number one tender as per the selection criteria. It is therefore recommended that Perth Auto Alliance's tender for the supply of a Ford Fairlane sedan for \$34,427, trading AK 8836 (P552) Ford Fairlane at \$30,545 realising a changeover of \$3,882 excluding GST be accepted.

Schedule B

Holden Berlina Sedan AK 042 (P507) has travelled approximately 65,000 kms. The average trade price figure anticipated for an 18-month-old Holden Berlina that has travelled 60,000 km is between \$21,000 and \$25,000 excluding GST.

Tender details showing trade prices offered for this vehicle are shown opposite. Most of the trade prices offered are within or over the estimated anticipated trade prices for this vehicle. This vehicle forms part of a salary package and as such must be replaced with a "Ford Fairmont or equivalent", it has reached its most economical changeover period for this make and model.

The outright purchase offer by Mr Denis Maynard for \$22,909 is \$1,499 higher than McInerney Fords and \$1,293 higher than Perth Auto Alliances offer. Vehicle and plant tenders are written to allow outright purchase offers independent of new vehicle sales. Mr Maynard's outright purchase offer has been evaluated with tenders for the supply of vehicles, which have then been assessed as separate bids.

Mr Maynard's outright purchase bid combined with McInerney Ford's offer to supply a Ford Fairmont has been assessed as the number one ranked offer against the selection criteria.

It is therefore recommended that McInerney Fords tender for the supply of a Ford Fairmont for \$28,512 be accepted and that AK 042 (P507) Holden Berlina be sold outright to Mr Maynard for the sum of \$22,909 realising a changeover of \$5,603 excluding GST be accepted.

Company	Conforming Tenders										
	McInerney With Maynard's Outright Purchase	Perth Auto Alliance With Maynard's Outright Purchase	Youngs (Alternative)	McInerney	Perth Auto Alliance	Youngs (Alternative) With Maynard's Outright Purchase	Youngs	Youngs With Maynard's Outright Purchase	Easifleet With Maynard's Outright Purchase	Easifleet	Denis Maynard
Vehicle	Ford	Ford	Holden	Ford	Ford	Holden	Holden	Holden	Holden	Holden	0
Model	Fairmont AU3	Fairmont AU3	Berlina Series 2	Fairmont AU3	Fairmont AU3	Berlina Series 2	Commodore 'S' Pack	Commodore 'S' Pack	Calais Supercharged	Calais Supercharged	0
New price Less GST	\$28,512	\$28,797	\$29,109	\$28,512	\$28,797	\$29,109	\$28,304	\$28,304	\$35,082	\$35,082	\$0
Trade Price Less GST	\$22,909	\$22,909	\$23,636	\$21,410	\$21,636	\$22,909	\$23,636	\$22,909	\$22,909	\$21,092	\$22,909
Offered Changeover cost	\$5,603	\$5,888	\$5,473	\$7,102	\$7,161	\$6,200	\$4,667	\$5,394	\$12,173	\$13,991	\$0
Future value of vehicle	\$24,800	\$24,800	\$26,500	\$24,800	\$24,800	\$26,500	\$25,300	\$25,300	\$28,800	\$28,800	\$0
Operating Costs	\$6,361	\$6,361	\$7,139	\$6,361	\$6,361	\$7,139	\$7,139	\$7,139	\$7,139	\$7,139	\$0
Ranking As Per Selection Criteria	1	2	3	4	5	6	7	8	9	10	11

Schedule C

Ford Fairmont, AK 079 (P538) has travelled approximately 27,000 kms. The average trade price figure for a 14-month-old Ford Fairmont that has travelled 27,000 km is between \$22,500 and \$27,500 excluding GST.

Listed below are the company tender details showing trade prices offered.

Company	Conforming Tenders				
	Perth Auto Alliance	McInerney	Youngs (Alternative)	Youngs	Easifleet
Vehicle	Ford	Ford	Holden	Holden	Holden
Model	Fairmont AU3	Fairmont AU3	Berlina Series 2	Commodore 'S' Pack	Calais Supercharged
New price Less GST	\$28,797	\$28,512	\$29,109	\$28,304	\$35,082
Trade Price Less GST	\$23,273	\$21,912	\$23,182	\$23,182	\$21,910
Offered Changeover cost	\$5,525	\$6,600	\$5,927	\$5,122	\$13,172
Future value of vehicle	\$24,800	\$24,800	\$26,500	\$25,300	\$28,800
Operating Costs	\$4,704	\$4,704	\$5,545	\$5,545	\$5,545
Ranking As Per Selection Criteria	1	2	3	4	5

The trade prices offered are close to the estimated trade value, with three changeover figures under the budgeted figure of \$6,500. This vehicle forms part of a salary package and as such must be replaced with a “Ford Fairmont or equivalent”, it has reached the most economical changeover period for this make and model of one to two years.

The number one ranked tender for Schedule C against the selection criteria is the tender of a Ford Fairmont from Perth Auto Alliance. The changeover cost is \$5,525 excluding GST, which is \$975 below the budgeted amount.

It is therefore recommended that Perth Auto Alliances tender for the supply of a Ford Fairmont for \$28,797, trading AK 079 (P538) Ford Fairmont for the sum of \$23,273 realising a changeover of \$5,525 excluding GST be accepted.

Schedule D

Ford Fairmont, AK 070 (P570) has travelled approximately 40,000 kms. The average trade price figure for a 15-month-old Ford Fairmont that has travelled 40,000 km is between \$20,800 and \$26,800 excluding GST.

Listed below are the company tender details showing trade price offered.

Company	Conforming Tenders			
	Perth Auto Alliance	McInerney	Youngs (Alternative)	Youngs
Vehicle	Ford	Ford	Holden	Holden
Model	Fairmont AU3	Fairmont AU3	Berlina Series 2	Commodore 'S' Pack
New price Less GST	\$28,797	\$28,512	\$29,109	\$28,304
Trade Price Less GST	\$22,091	\$20,966	\$22,273	\$22,273
Offered Changeover cost	\$6,706	\$7,545	\$6,836	\$6,031
Future value of vehicle	\$24,800	\$24,800	\$26,500	\$25,300
Operating Costs	\$4,704	\$4,704	\$5,545	\$5,545
Ranking As Per Selection Criteria	1	2	3	4

This vehicle forms part of a salary package and as such must be replaced with a “Ford Fairmont or equivalent”.

The trade prices offered are within the current trade values, however, no changeover figures were under the budgeted figure of \$6,500. This vehicle has travelled slightly higher than average kilometres for a vehicle this age. This vehicle has reached the most economical changeover period for this make and model of one to two years. It is possible to hold this vehicle for another 6 to 12 months, however current trends show that there would be no financial gains in doing so. In addition, there is a risk of a newer model being introduced in this time, which will in turn, lower trade values further.

The number one ranked tender for Schedule D against the selection criteria is the tender of a Ford Fairmont from Perth Auto Alliance. The changeover cost is \$6,706 excluding GST, which is \$206 above the budgeted amount.

It is therefore recommended that Perth Auto Alliances tender for the supply of a Ford Fairmont for \$28,797, trading AK 070 (P570) Ford Fairmont for the sum of \$22,091 realising a changeover of \$6,706 excluding GST be accepted.

Schedule E

Ford Falcon Forte Wagon, AK 027 (P360) has travelled approximately 55,000 kms. The average trade price figure for a 29-month-old Ford Falcon Forte Wagon that has travelled 55,000 km is between \$12,200 and \$13,900 excluding GST.

Listed below are the company tender details showing trade price offered.

Conforming Tenders							
Company	Perth Auto Alliance	McInerney	Youngs	Prosser Toyota	Easifleet	Easifleet	Easifleet
Vehicle	Ford	Ford	Holden	Toyota	Holden	Ford	Mitsubishi
Model	FORTE AU3	FORTE AU3	Commodore Exec	Camry Conquest	Commodore Exec	FORTE AU3	Magna Exec
New price Less GST	\$25,225	\$24,682	\$24,748	\$27,101	\$24,975	\$24,948	\$24,258
Trade Price Less GST	\$14,182	\$12,138	\$12,727	\$10,000	\$11,364	\$11,364	\$11,364
Offered Changeover cost	\$11,043	\$12,544	\$12,021	\$17,101	\$13,612	\$13,585	\$12,894
Future value of vehicle	\$15,700	\$15,700	\$15,100	\$16,900	\$15,100	\$15,700	\$13,000
Operating Costs	\$5,851	\$5,851	\$6,799	\$5,851	\$6,799	\$5,851	\$6,629
Ranking As Per Selection Criteria	1	2	3	4	5	6	7

The trade prices offered varied significantly between tenderers. This is probably due to whether there is a demand for this particular make or model amongst the car dealerships. The current trade prices are well below the budgeted trade price of \$15,000 predicted 8 months ago for this vehicle.

This vehicle was tendered in October 2000, however, due to the fall in trade prices attributed to the introduction of the GST, was held over for 12 months. The budgeted change over was \$2,500 with the lowest change over figure offered being \$6,679. The vehicle was carried forward with the changeover increased from to \$8,000 accordingly to compensate for the fall in trade prices. The trade in offers in October 2000 averaged \$14,382.

This vehicle is 29 months old and close to the end of the vehicle warranty period of 36 months. This vehicle has reached the most economical changeover period. Holding this vehicle for any longer incurs risks associated with the vehicle not covered by warranty.

The number one ranked tender for Schedule E against the selection criteria is the tender of a Ford Forte Wagon from Perth Auto Alliance. The changeover cost is \$11,043 excluding GST, which is \$3,043 above the budgeted amount of \$8,000. This \$3,000 over budget can be accounted for by the rise in new vehicle prices from \$21,800 in October 2000 to the latest tendered amount of \$25,225 an increase of \$3,425 over 16 months.

It is recommended that Perth Auto Alliances tender for the supply of a Ford Falcon Forte Wagon for \$25,225, trading AK 027 (P360) Ford Falcon Forte Wagon for the sum of \$14,182 realising a changeover of \$11,043 excluding GST be accepted.

Schedule F

Ford Falcon Forte Sedan, AK 084 (P382) has travelled approximately 31,000 kms. The average trade price figure for a 32-month-old Ford Forte that has travelled 30,000 km is between \$14,000 and \$16,200 excluding GST.

Listed below are the company tender details showing trade price offered.

Company	Conforming Tenders						
	Youngs	McInerney	Perth Auto Alliance	Easifleet	Easifleet	Prosser	Easifleet
Vehicle	Holden	Ford	Ford	Holden	Ford	Toyota	Mitsubishi
Model	Commodore Exec	FORTE AU3	FORTE AU3	Commodore Exec	FORTE AU3	Avalon Conquest	Magna Exec
New price Less GST	\$23,021	\$23,215	\$24,164	\$23,036	\$24,170	\$23,784	\$22,865
Trade Price Less GST	\$14,091	\$14,687	\$13,727	\$14,365	\$14,365	\$11,818	\$14,365
Offered Changeover cost	\$8,930	\$8,527	\$10,436	\$8,672	\$9,805	\$11,966	\$8,500
Future value of vehicle	\$16,350	\$15,100	\$15,100	\$16,350	\$15,100	\$15,100	\$13,300
Operating Costs	\$6,629	\$5,681	\$5,681	\$6,629	\$5,681	\$6,799	\$6,289
Ranking As Per Selection Criteria	1	2	3	4	5	6	7

This vehicle was offered for tender in July 2001 when it had travelled 23,000 kms. The average trade value offered was \$14,390 with the new car offer for a Ford Falcon Forte at \$23,723 representing a changeover cost of \$9,333. Holding this vehicle for an additional 8 months has had financial benefits to Council with Youngs Holden now offering a Holden Commodore Executive with a changeover of \$8,930, a saving of \$403.

The majority of trade prices offered are within the current trade values, however, no changeover figures were under the budgeted figure of \$6,500. This vehicle has travelled lower than average kilometres for a vehicle this age. An analysis of changeover periods suggests that the most economical changeover period for this make and model of vehicle is two to three years. At 32 months of age, this vehicle has reached the most economical changeover period.

The number one ranked tender for Schedule F against the selection criteria is the tender of a Holden Commodore Executive from Youngs Holden. The changeover cost is \$8,930 excluding GST, which is \$2,430 above the budgeted amount.

It is therefore recommended that Youngs Holden's tender for the supply of a Holden Commodore Executive for \$23,021, trading AK 084 (P382) Ford Falcon Forte Sedan for the sum of \$14,091 realising a changeover of \$8,930 excluding GST be accepted.

Schedule G

Ford Courier Super Cab, AK 025 (P576) has travelled approximately 61,000 kms. The average trade price figure for a 38-month-old Ford Courier that has travelled 60,000 km is between \$13,600 and \$15,700 excluding GST.

Listed below are the company tender details showing trade price offered.

Company	Conforming Tenders				
	Easifleet	Youngs	McInerney	Perth Auto Alliance	Prosser
Vehicle	Ford	Holden	Ford	Ford	Toyota
Model	Courier Sup. Cab	Rodeo Space Cab	Courier Sup. Cab	Courier Sup. Cab	Hilux
New price Less GST	\$24,256	\$27,141	\$24,695	\$25,112	\$26,072
Trade Price Less GST	\$16,255	\$14,545	\$11,967	\$12,182	\$11,818
Offered Changeover cost	\$8,001	\$12,596	\$12,727	\$12,930	\$14,254
Future value of vehicle	\$16,600	\$20,800	\$16,600	\$16,600	\$20,300
Operating Costs	\$8,316	\$8,316	\$8,316	\$8,316	\$8,316
Ranking As Per Selection Criteria	1	2	3	4	5

This vehicle was tendered in August 2001 but was not traded due to poor trade in offers. The lowest price offered for a new Courier in August was \$25,963 with the highest trade in offer being \$12,727, representing a changeover cost of \$13,236. Although the vehicle was nearing three years of age, the trade offer and changeover costs were not considered good value for Council and it was recommended to hold onto the vehicle for another year as it was predicted that this would provide greater value to Council.

The trade prices offered are variable ranging from \$11,818 to \$16,255. Easifleet trade in offer exceeds the highest offer expected. Holding this vehicle for an additional 5 months has had financial benefits to Council with Easifleet's offer of a Ford Courier Super Cab having a changeover of \$8,001, a saving of \$5,235.

The number one ranked tender for Schedule G is the tender of a Ford Courier Super Cab from Easifleet. The changeover cost is \$8,001 excluding GST, which is \$1 more than the budgeted amount of \$8,000.

It is therefore recommended that Easifleet's tender for the supply of a Ford Courier Super Cab for \$24,256, trading AK 025 (P576) Ford Courier Super Cab for the sum of \$16,255 realising a changeover of \$8,001 excluding GST be accepted.

TENDER EVALUATION

Trading of the vehicles in all seven schedules is recommended as the analysis shows them to be beneficial to Council.

A summary of the tender figures is shown in Table 4, which shows a \$2,290 increase in changeover figures to those budgeted. Schedules A, C, D, E and G are not funded from the Technical Services Plant and Equipment Reserve Account but as a budgeted figure in various budget schedules.

Schedules A, D, E and G form part of the overall budget for Corporate and Community Services light vehicle changeovers which totals \$58,400. The total changeovers for Schedules A, D, E and G total \$756 over budget, however, the changeovers for this year total \$52,406 which is \$5,994 below the budgeted amount.

Schedule C is the only vehicle budgeted for Development Services light vehicle changeover which totals \$6,500. The changeover for this vehicle is \$975 below the budgeted amount.

Schedule B and F represents a \$1,533 shortfall in Schedule M121 Vehicle and Plant Acquisition and Replacement to be offset by a \$1,533 increase in transfer from Technical Services Plant and Equipment Reserve Account and/or reductions in the transfer as a result of other changeovers, which are less than the budgeted amount with no budget implications.

Table 4: Recommended Changeovers

Sched.	Dealer	Description	New Price Exc. GST	Trade Exc. GST	Changeover	Budget	Var.
A	Perth Auto Alliance	Fairlane Ghia AU2	34,427	30,545	3,882	5,400	-1,518
B	McInerney With Maynard's Outright Purchase	Fairmont AU3	28,512	22,909	5,603	6,500	-897
C	Perth Auto Alliance	Fairmont AU3	28,797	23,273	5,525	6,500	-975
D	Perth Auto Alliance	Fairmont AU3	28,797	22,091	6,706	6,500	206
E	Perth Auto Alliance	Forte AU3	25,225	14,182	11,043	8,000	3,043
F	Youngs Holden	Commodore Exec	23,021	14,091	8,930	6,500	2,430
G	Easifleet	Courier Sup. Cab	24,256	16,255	8,001	8,000	1
	TOTAL				49,690	47,400	2,290

RECOMMEND

That in accordance with Tender No 37/01 – Tender for Supply of Motor Vehicles:

1. **That Council accept the following tendered prices for the supply of Motor Vehicles in accordance with the submitted tender and Council's contract documentation for Tender No. 37/01: -**
 - a) **Schedule A – Perth Auto Alliance's tender for the supply of a Ford Fairlane sedan for \$34,427, trading AK 8836 (P552) Ford Fairlane at \$30,545 realising a changeover of \$3,882 excluding GST be accepted.**
 - b) **Schedule B - McInerney Fords tender for the supply of a Ford Fairmont for \$28,512 be accepted and that AK 042 (P507) Holden Berlina be sold outright to Mr Maynard for the sum of \$22,909 realising a changeover of \$5,603 excluding GST be accepted**

- c) **Schedule C - Perth Auto Alliance tender for the supply of a Ford Fairmont for \$28,797, trading AK 079 (P538) Ford Fairmont for the sum of \$23,273 realising a changeover of \$5,525 excluding GST be accepted**
- d) **Schedule D - Perth Auto Alliances tender for the supply of a Ford Fairmont for \$28,797, trading AK 070 (P570) Ford Fairmont for the sum of \$22,091 realising a changeover of \$6,706 excluding GST be accepted.**
- e) **Schedule E - Perth Auto Alliances tender for the supply of a Ford Falcon Forte Wagon for \$25,225, trading AK 027 (P360) Ford Falcon Forte Wagon for the sum of \$14,182 realising a changeover of \$11,043 excluding GST be accepted.**
- f) **Schedule F - Youngs Holden's tender for the supply of a Holden Commodore Executive for \$23,021, trading AK 084 (P382) Ford Falcon Forte Sedan for the sum of \$14,091 realising a changeover of \$8,930 excluding GST be accepted.**
- g) **Schedule G - Easifleet's tender for the supply of a Ford Courier Super Cab for \$24,256, trading AK 025 (P576) Ford Courier Super Cab for the sum of \$16,255 realising a changeover of \$8,001 excluding GST be accepted**

MOVED

MOTION CARRIED/LOST ()

TENDER NO. 1/02 - SUPPLY OF CONCRETE

WARD All
FILE TEN/1/02
DATE 19 March 2002
REF JC
RESPONSIBLE MCW
MANAGER

In Brief:

- Tender No. 1/02 was recently called for the Supply of Concrete
- 2 tenders were received by the specified closing time.
- The submitted tenders from CSR Readymix and Pioneer Construction Materials have been assessed as being the most advantageous to Council.
- Recommend to accept both tenderers for the supply of concrete as detailed.

Tabled Items

Tender documents; tenders received; summary of tender assessment.

Officer Interest Declaration

Nil.

Strategic Implications

Corporate Services

To achieve maximum community benefit from effective use of resources (staff, finances and information technology).

Legislation Implications

Assessment of legislation indicates that the following regulations apply:

Local Government Act and Tender Regulations.

Council Policy/Local Law Implications

Assessment of Policy/Local Law indicates that the following are applicable:

Policy No. 2.1.54 - Tendering and Purchasing Policy.

Budget/Financial Implications

Total current budget allocation

\$within project costs.

Estimated contract management/supervision costs

\$N/A

Consultation

Nil

BACKGROUND

During the course of the construction and maintenance operations for roads and associated works, there is a need to have concrete supplied to the work sites to achieve completion of the works at the approved schedule.

The annual volume of concrete required by the City operations is anticipated to be approximately 500 cubic metres with an expected daily usage of at least 1.50 cubic metre. As the value of the supplied service will exceed \$50,000 a tender to conform to the Local Government Act and Council's Purchasing Policy is required.

EXISTING CONTRACT INFORMATION

This is not applicable as no existing contract applied.

DETAILS OF PROPOSAL

The tender involves the supply of concrete for a period of 1 year to different construction and maintenance projects within the City.

NEW CONTRACT INFORMATION

Essential details of the new contract are as follows:

Table 1: New Contract Information

Contract Type	Schedule of Rates
Contract Duration	1 year
Commencement Date	30 April 2002
Expiry Date	30 June 2003
Extension Permitted	No
Rise And Fall Included	No

SELECTION CRITERIA

The selection criteria and weightings for the evaluation of the tender are as follows.

Table 2: Selection Criteria

ITEM No.	DESCRIPTION	WEIGHTING
1.	Capability/competence of Tenderer to perform the work required	15%
2.	Experience of Tenderer in supplying similar goods or completing similar projects	15%
3.	Understanding of Requirement	10%
4.	Tendered Price/s	60%
	TOTAL	100%

TENDERS RECEIVED

Tenders were received from Pioneer Construction Materials and CSR Readymix.

Details of tenders received are as follows:

Table 3: Tenders Received

Tenderer	Tender Prices (per m ³)				
	20 Mpa	25 Mpa	32 Mpa	40 Mpa	Estimate value 20 Mpa for 500 m ³
Pioneer Construction Materials	\$121.00	\$126.50	\$134.20	\$143.00	\$60,500
CSR Readymix	\$121.00	\$124.30	\$128.70	\$141.90	\$60,500

Surcharges for the supply of concrete in loads less than 3.4m³.

The following table shows the cost for the supply of 1.5m³ of concrete including the surcharge:

Table 4: Prices (including surcharges for 1.50m³)

Tenderer	Tender Prices with surcharge applied				
	20 Mpa	25 Mpa	32 Mpa	40 Mpa	Estimate value 20 Mpa for 500 m ³ if supplied in 1.50m ³ loads.
Pioneer Construction Materials. (No discount price offered)	\$238.50	\$246.75	\$258.30	\$271.50	\$79,500
CSR Readymix	\$256.50	\$261.45	\$268.05	\$287.85	\$85,500
CSR(Discount price*)	\$253.20	\$258.15	\$264.75	\$284.55	\$84,400

Note: Discount price applies for early settlement of accounts.

Table 5: Prices (without surcharges for 3.40m³)

Tenderer	Tender Prices for standard loads of 3.40m ³ .				
	20 Mpa	25 Mpa	32 Mpa	40 Mpa	Estimate value 20 Mpa for 500 m ³ if supplied in standard loads.
Pioneer Construction Materials. (No discount price offered)	\$411.40	\$430.10	\$456.28	\$486.20	\$60,500
CSR Readymix	\$411.40	\$422.62	\$437.58	\$482.46	\$60,500
CSR(Discount price*)	\$403.92	\$415.14	\$430.10	\$474.98	\$59,400

TENDER EVALUATION

The two tenderers have experience with local government contracts and have been suppliers to the City of Armadale in the past.

The overall tender evaluation for all the different types of concrete shows that the price from CSR Readymix is lower than the price from Pioneer for concrete classes from 25Mpa to 40Mpa and is equal for 20Mpa. However, it is expected that Council will require small loads (less than 3.4m³) during the course of any work within the City operations and surcharges will be applied. (See Table 4).

As the surcharges are applied, the prices from Pioneer Construction Materials will be most advantageous to Council.

ESTIMATED ANNUAL COST

Not applicable

TENDER RANKINGS

The tender rankings resulting from the application of the selection criteria are as follows:

Table 6: Tender Ranking

Tenderer	Ranking
CSR Readymix	1 {Equal}
Pioneer Construction Materials	1 {Equal}

The detailed tender assessment summary will be tabled at the meeting.

CONCLUSION

It is recommended that the tender be awarded to Pioneer Construction Materials for loads less than 3.4m³ and CSR Readymix for loads of 3.4m³ or larger.

Depending on the construction industry situation in the State at any one time, a situation can arise where a company is completely committed and not be able to meet Council's needs, it is therefore considered advantageous to have more than one supplier for the supply of concrete.

RECOMMEND

- 1. That with Tender No. 1/02, Tender for the Supply of Concrete, Council accepts the tender from Pioneer Construction Materials for supplying loads less than 3.4m³ and CSR Readymix for supplying loads larger than 3.4m³ for the period of one year in accordance with their submitted tender, Council's contract documentation and budget allocation.**
- 2. That Council accepts both tenderers for the supply of any load size when any of the above companies are completely committed and are not able to supply the service when required by Council's operations.**

MOVED

MOTION CARRIED/LOST ()

TECHNICAL SERVICES FIVE YEAR WORKS PROGRAMME

WARD All
FILE REF: ENG/1
DATE 15 March 2002
REF WAB
RESPONSIBLE CEO
MANAGER

In Brief:

- Submission of the Five Year Works Programme for Technical Services Directorate.
- Recommend that the Technical Services Five Year Works Programme 2002-2006 be adopted.

Tabled Items

Technical Services Five Year Works Programme 2002-2006.

Officer Interest Declaration

Nil.

Strategic Implications

Physical Infrastructure

2.1 (c) Develop 4 year plans for each area.

Incorporates elements of strategic five year programme previously considered by Council.

Legislation Implications

Assessment of legislation indicates that the following regulations apply.

Council Policy/Local Law Implications

Works completed in accordance with policies.

Budget/Financial Implications

Sets out level of funding required for Technical Services for next five years.

Consultation

Internal only.

BACKGROUND

At its Ordinary Meeting on 5th March 2002, Council resolved (T28/02) as follows:

- “2. That the meeting time of 7:00pm, Wednesday 13 March 2002 be noted for a possible Workshop involving all Councillors, tentatively to discuss the Five Year Works Programme and outstanding matters relating to the Five Year Plan and Strategic Plan (details to be confirmed in a notice prior to the Workshop).*
- 3. That it be noted that the Workshop will be for briefing and discussion only, prior to consideration of reports and recommendations at subsequent Committee meetings.”*

DETAILS OF PROPOSAL

The first Five Year Works Programme was submitted to Council in 1999. The first three years have become the 1999/2000, 2000/2001 & and 2001/2002 budgets. Council's deliberations leading up to the adoption of the 2001/2002 Budget and Five Year Financial Plan resulted in the sum of \$1.5m being redirected to other areas of activity within the City.

The new Programme has added the 2005/2006 year. The Programme is in 2001/2002 dollars. The Five Year Works Programme incorporates the current Five Year Financial Plan, which is under review.

The draft Five Year Works Programme was provided to Councillors on the 8th March 2002.

An overview of the Directorate's activities and funding needs on a programme basis will be provided to the Meeting. The Directorate's activities as presented in the Five Year Works Programme are essentially asset management based i.e. the work is to do with operating, maintaining and refurbishing our asset base. The only new works are related to major roads and buildings to meet known demands, and have significant associated grant funding.

The first year (2002/2003) of the Five Year Works Programme will be presented for adoption as the 2002/2003 Budget. Adoption of Technical Services Five Year Works Programme as a guide is the first step in the budget process.

The Five Year Works Programme is a dynamic document and its adoption does not preclude adjustments to accommodate changing City or asset condition priorities.

A summary of works for each Department is at Attachment "A2" of the Agenda (see Summary of Attachments – Green Page).

RECOMMEND

That the Technical Services Five Year Works Programme 2002 – 2006 be adopted as a guide to future programming and Budget discussions.

MOVED

MOTION CARRIED/LOST ()

LATE ITEMS

COUNCILLORS' ITEMS

MEETING CLOSED _____PM.

TECHNICAL SERVICES COMMITTEE

SUMMARY OF "A" ATTACHMENTS

25 MARCH 2002

Attachment No.	Subject	Page
A-1	South East Metropolitan Regional Council Minutes – February 2002	51
A-2	Five Year Works Programme – Departmental Summary	66

**SOUTH EAST METROPOLITAN
REGIONAL COUNCIL
MINUTES OF
ORDINARY COUNCIL MEETING
THURSDAY 21 February 2002
COUNCIL CHAMBERS, CITY OF ARMADALE**

TABLE OF CONTENTS

1. **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**
2. **RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE**
3. **DISCLOSURE OF INTERESTS**
4. **ANNOUNCEMENTS BY THE CHAIR OR PERSON PRESIDING WITHOUT DISCUSSION**
5. **RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**
6. **PUBLIC QUESTION TIME**
7. **APPLICATIONS FOR LEAVE OF ABSENCE**
8. **PETITIONS, DEPUTATIONS AND PRESENTATIONS**
9. **CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**
 - 9.1 Ordinary General Meeting held on 13 December 2001 at the City of Gosnells
10. **QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**
11. **QUESTIONS WITHOUT NOTICE**
12. **ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETING MAY BE CLOSED TO THE PUBLIC**
13. **BUSINESS NOT DEALT WITH FROM PREVIOUS MEETING**
14. **REPORTS OF OFFICERS**
 - 14.1 Appointment of Chief Executive Officer
 - 14.2 Financial report for 31 January 2002
 - 14.3 Progress Report on Various Procedural Matters
 - 14.4 Compliance Report for Year 2001

15. **REPORTS OF COMMITTEES**
16. **REPORTS OF DELEGATES**
17. **ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
18. **NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIR OR PERSON PRESIDING OR BY DECISION OF THE MEETING**
19. **CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**
20. **ADVICE OF NEXT MEETING**
21. **CLOSURE OF MEETING**

Distribution:-

Cr Deb Hopper, JP	Member
Cr Roger Stubbs, JP	Member
Cr Carol Matison	Member
Cr Julie Brown, JP	Member
Commr Eric Lumsden	Member
Commr Stephanie Smith	Member
Mr. Ray Tame	Chief Executive Officer, City of Armadale
Mr. Andrew Bruce	Director of Technical Services, City of Armadale
Mr. Bob Sutton	Coordinator of Waste Management, City of Armadale
Mr. Werner Corbe	Director of Commercial Services, City of Gosnells
Mr. Dave Denton,	Manager of Waste and Infrastructure, City of Gosnells
Mr. Ross Povey	Director of Strategic Planning, City of South Perth
Mr. Sebastian Camillo	Manager Environmental Health Serv., City of South Perth
Mr. Harold C McKenzie	Acting Chief Executive Officer

SOUTH EAST METROPOLITAN REGIONAL COUNCIL

MINUTES OF ORDINARY MEETING

Minutes of the Ordinary Meeting of the South East Metropolitan Regional Council, held in the Council Chambers, City of Armadale, Orchard Avenue, Armadale.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

6.04pm The Chair declared the meeting open and welcomed all present to the Ordinary Meeting of Council.

There were no visitors to be announced.

2. RECORD OF ATTENDANCE, APOLOGIES AND APPROVED LEAVE OF ABSENCE

2.1 Present

Cr Deb Hopper,	Member (Chair)
Cr Roger Stubbs	Member
Cr Carol Matison	Member
Cr Julie Brown	Member
Commr Stephanie Smith	Member
Mr. Harold McKenzie	Acting Chief Executive Officer
Mr. Ray Tame	Chief Executive Officer, City of Armadale
Mr. Andrew Bruce	Director of Technical Services, City of Armadale
Mr. Bob Sutton	Coordinator of Waste Management, City of Armadale
Mr. Werner Corbe	Director of Commercial Services, City of Gosnells
Mr. Ross Povey	Director of Strategic Planning, City of South Perth
Mr. Sebastian Camillo	Manager Environmental Health Serv., City of South Perth

2.2 Apologies

Commr Eric Lumsden	Member
Commr Julian Donaldson	Deputy for Commr Lumsden
Mr. Dave Denton,	Manager of Waste and Infrastructure, City of Gosnells

2.3 Absent

Nil

2.4 Approved Leave of Absence

Nil

3. DISCLOSURE OF INTERESTS

Commr Steve Smith recorded her interest in Report Item 9.1 as a local government consultant, but declared no conflict of interest in the deliberations. (Completed form on file)

4. ANNOUNCEMENTS BY THE CHAIR OR PERSON PRESIDING WITHOUT DISCUSSION

Nil

5. RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil.

6. PUBLIC QUESTION TIME

There were no members of the public present.

7. APPLICATIONS FOR LEAVE OF ABSENCE

Nil.

8. PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil.

9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**9.1 Ordinary Meeting of Council held on 13 December 2001**

COUNCIL DECISION - ITEM 9.1

MOVED Brown/Matison:

That the Minutes of the Ordinary Meeting of Council held on 13 December 2001 in the Council Chambers, City of Gosnells be confirmed.

CARRIED (5/0)

10. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAVE BEEN GIVEN

Nil.

11. QUESTIONS WITHOUT NOTICE

Nil.

12. ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETING MAY BE CLOSED TO THE PUBLIC

Nil.

13. BUSINESS NOT DEALT WITH FROM PREVIOUS MEETING

Nil.

14. REPORTS

Subject	APPOINTMENT OF CHIEF EXECUTIVE OFFICER
Report Item No.	1
Author	Harold C McKenzie, Acting Chief Executive Officer
Date of Report	13 February 2002
File Reference	(TBA)

PURPOSE OF THIS REPORT

This report details progress on the appointment of a Chief Executive Officer, with the necessary resources to carry out the functions of the Regional Council.

The Acting Chief Executive Officer accepted the position for six months to allow for the initial processes to be investigated and put in place. This commitment concludes during February 2002.

BACKGROUND

1. For some time, possibly several years, the position of CEO is only expected to require the services and the resources on a part time basis. A difficulty to be recognized is that the scale of the required services could increase considerably within 12 to 18 months, thus requiring some flexibility in the appointment/contract.
2. The TAC during a meeting on 8 November further considered the alternatives available. The conclusion was that the best outcome could be achieved by calling tenders for the position and the required resources.
3. Council resolved at the Ordinary Meeting held on 13 December 2001:
 1. *That the Acting Chief Executive Officer be authorized to call tenders for the appointment of a Chief Executive Officer (part time) with the required support resources.*
 2. *That the Acting Chief Executive Officer with the assistance of the Technical Advisory Committee assisted by a Chief Executive Officer of one of the Participants, assess the submissions received and submit a report with a recommendation(s) to the next Ordinary Meeting of Council in February 2002.*
 3. *That if one or more of the Participants submits a Tender, then the Acting Chief Executive Officer be authorized to enlist an independent panel to carry out the assessment of the submissions received and submit a report with a recommendation(s) to the next Ordinary Meeting of Council in February 2002.*

COMMENT

1. Tenders were advertised in the 'West Australian' on Saturday 15 December 2001.
2. The closing time for the submission of Tenders was 4.00pm on 15 January 2002.
3. Four sets of documents were issued by 19 December. Three out of the four inquirers were known to the Acting CEO.
4. On 27 December 2001, unsolicited Addendum No. 1 was issued to provide some additional information to allow Tenderers to better assess their time commitments to meetings of Council,

TAC, MWAC, OAG and possible commitments to representing the SEMRC at various forums, seminars and the like.

5. On 28 December as a result of a request for details of the Annual Budget, Addendum No. 2 was issued. This Addendum stressed that the Annual Budget adopted by Council was to be used only as a guide. In particular, it was pointed out that the values shown in the Budget for the part time CEO position and the support resources were not to influence a Tenderer's assessment of the costs involved. If need be, Council may have to consider a Supplementary Budget prior to or early after an appointment was made.
6. On 10 January 2002, one set of Tender Documents and the Addendum were returned as the potential Tenderer had decided not to submit a Tender.
7. Tenderers were required to provide a Monthly Fee for carrying out the Regular Functions of the position of CEO and the associated support services and a fee for carrying out Major Functions and Initiatives specifically requested by Council. In addition the cost of disbursements were to be provided.

At the close of Tenders, only one Tender was available and recorded.

8. The Tender received was from an association of two of those who originally sought Tender Documents. These being:-

Ms Jan Grimoldby, 28 Stirling Road, Claremont and Smillie Consultancy Pty Ltd, Principal being Mr Bob Smillie of 135 Mortimer Road, Casuarina. (referred to below as the JV).

The fee structure submitted for the first year was:-

- | | | |
|------|---------------------------------------|--|
| 8.1. | Regular Functions | \$33,792 (incl. GST), for an estimated 394 hours |
| 8.2. | Major Projects | \$22,880 (incl. GST), for an estimated 290 hours |
| 8.3. | Disbursements | \$7,800 |
| 8.4. | Extra over services at \$88 per hour. | |

The Acting CEO and Mr. Dave Denton, City of Gosnells carried out the Tender Opening process at the City of Gosnells. No response was received from the fourth person who sought documents.

9. The JV submitted that Ms Jan Grimoldby and Mr Bob Smillie would act as joint CEO.s.
10. The TAC met on 17 January to consider the JV proposal and to provide guidance on the next step. Issue of concern raised were:-

- The JV Tender could be considered non-conforming, but possibly there was an opportunity for negotiation.
- The legality of having joint CEO.s working from separate addresses.
- Councilors, Officers and any external body/person would not have a focal point.
- The apparent high cost of the JV proposal, in particular the Disbursements, which were the equivalent of \$20 per hour.
- The JV was a mix of an individual and business firm.
- Some of the items listed under Major Projects were included in the Brief under Regular Functions.

Resulting from this meeting the Acting CEO was requested to:-

- Write to the JV raising the above concerns and seeking a response by 29 January.
- Invite the JV to an interview with the TAC on 7 February.

- Seek legal advice (from Watts and Woodhouse) on the above concerns.
11. A response from Watts and Woodhouse dated 23 January clearly indicated that under the Act, the CEO should be a natural person. The response also raised a number of issues to be considered - such as a contract of employment, superannuation, L.S.L and other employee entitlements.
12. A response from the JV was received on 31 January. This response proposed that Jan Grimoldby be appointed CEO and that Bob Smillie be appointed Deputy CEO. The details being:-
- Only one person would attend a meeting at any one time.
 - A simple contract could exist between the SEMRC and Jan Grimoldby, or between Smillie Consultancy Pty Ltd, which could provide Jan's services.
 - There is no duplication in the fee structure, which was requested to be reviewed after 4 months.
 - Their normal hourly fee is \$110 and \$121, but because of continuity, it is set at \$88 per hour.
 - Some of the tasks under Regular Functions were considered too complex to be estimated, hence their inclusion under Major Projects.
 - Disbursements have been reviewed and reduced to an estimated \$4,000.
13. As a result of the interview on 7 February between the JV and the TAC with Mr. Ray Tame, CEO Armadale in attendance, the JV was requested to clarify several issues, these being in the main:-
- The Tender Documents only required one person, that is a part time CEO with resources to service the needs of the Regional Council. A deputy CEO is not required.
 - It was indicated by the JV that one or more items in the Tender Documents had been purposely excluded (e.g. Cost of a Bank Guarantee as Performance Bond)
 - That the submitted fees was inclusive of all leave items, superannuation and personal insurances.

FINANCIAL IMPLICATIONS

The cost of the management services, if possible should be matched to the provisions allowed for in the Annual Budget. If this is not practical, then some budget adjustments in the current Annual Budget may be necessary.

The current Annual Budget allows for the following specific amounts relating to administration:-

	<u>Budget</u>	<u>Current Status</u>
Chief Executive Officer (part time)	\$5,000	<i>\$3,659</i>
Coordinator/Secretary (part Time)	\$17,500	<i>\$11,238</i>
Travel Expenses for above	\$2,500	<i>\$1,091</i>
Parking	<u>\$100</u>	<u><i>\$13</i></u>
Sub-total	\$25,100	<i>\$16,001</i>
Disbursements		
Postage	\$300	<i>\$118</i>
Communications	\$300	<i>Nil</i>
Photocopying	<u>\$400</u>	<u><i>\$168</i></u>
Sub-total	<u>\$1,000</u>	<u><i>\$286</i></u>
Total	\$26,100	<i>\$16,287</i>

(The figures shown in italics shows the current expenditure to 31 January 2002 against what might be termed 'Regular Functions').

Based on the current services and resources, the budget provisions may be just adequate. Other amounts such as a Contingency of \$5,000 and Management Advice of \$3,000 could be used to overcome any shortfall, if need be

To date, no effort has been put into items such as a Project and Business Plan, Principal Activities Plan, Annual Financial report, Annual Audit.

Major Projects for example, may include a complete survey and compilation of all the existing waste management infrastructure spread across the three Participants and an assessment of how it may be better used on a Regional basis. Other tasks that may be considered are recycling initiatives, disposal and treatment of waste, new technologies, assessing community expectations, etc.

Another example of a Major Project might be a first level Strategic Plan for say the next three years.

Consideration of a Major Project may also lead to an opportunity to attract funding support from a Government grant.

Under the Establishment Agreement, a Major Project requires the support of the Regional Council and the three Participants. If the Regional Council is to progress, then commitments to larger projects and studies should be expected to be a logical progression.

From 8.1 and 8.3 above, the cost of servicing the administrative needs of the Council could be expected to increase to a least \$40,000 per year and if some activities under 8.2 were committed, then the total expenditure may be in the order of \$60,000 to \$65,000 per year.

The Acting CEO has expressed his availability to having his current period of engagement extended to allow for further negotiations or investigations to proceed.

ADDITIONAL INFORMATION

The Acting Chief Executive Officer tabled additional information that had been received since the issue of the meeting agenda. This was a response from Ms Jan Grimoldby as a result of her attendance at a meeting with the Technical Advisory Committee. (Refer to Attachment No. 2 to these Minutes).

VOTING REQUIREMENTS

By majority of Members present.

OFFICER/TAC RECOMMENDATIONS

1. That the Tender submitted by Ms Jan Grimoldby and Smillie Consultancy Pty Ltd be declared non-conforming.
2. That the Acting CEO's appointment be extended for a further period up to 4 months, being at a maximum, the end of June 2002.
3. That negotiations continue with Ms Jan Grimoldby in an endeavor to reach a workable and acceptable solution.

The Acting Chief Executive Officer in response to a question advised that the additional information tabled for the meeting did not change the submitted recommendations.

COUNCIL DECISION - ITEM 14.1

MOVED Matison/Stubbs

1. That the Tender submitted by Ms Jan Grimoldby and Smillie Consultancy Pty Ltd by declared non-conforming.
2. That the Acting CEO's appointment be extended for a further period up to 4 months, being at a maximum, the end of June 2002.
3. That the Acting Chief Executive Officer liaise with the Technical advisory Committee to investigate the options available.

CARRIED (5/0)

Subject	FINANCIAL REPORT 31 JANUARY 2002 AND QUARTERLY FINANCIAL STATEMENTS TO 31 DECEMBER 2001
Report Item No.	2
Author	Harold C McKenzie, Acting Chief Executive Officer
Date of Report	12 February 2002
File Reference	(TBA)

PURPOSE OF THIS REPORT

The purpose of this report is to provide an update on receipts and expenditure items since 30 November and to present the quarterly Financial Statements.

BACKGROUND

This Report is submitted to comply with the requirements of the Local Government Act and the associated Regulations.

COMMENT

Table No. 1 attached lists:-

- Progressive Listing of Receipts and Expenditure from 1 July 2001 to 31 January 2002.
- Cash (Bank) Balance at 31 January 2002.

Table No. 2 attached shows in spreadsheet format, details of the "Progressive Cost Reconciliation Against Budget".

Table No. 3 attached shows the Operating Statement for the 3 month period ending 31 December 2001.

Table No. 4 attached shows the Statement of Cash Flows for the 3 month period ending 31 December 2001.

ACCOUNTS FOR PAYMENT

Ongoing expenditure for secretarial and support services during January (\$1,132.38) and February may be anticipated.

A payment of \$4,426 to the ATO is due by the 28 February to cover GST since the Regional Council commenced its own bank account on 19 September 2001. An invoice from Watts and Woodhouse for \$1,034.00 being for legal advice has been paid since 1 February.

VOTING REQUIREMENTS

By majority of Members present.

OFFICER/TAC RECOMMENDATIONS

1. That the Financial Report to the 31 January 2002 be adopted.
2. That the quarterly Financial Statements to 31 December 2001 be adopted.

COUNCIL DECISION - ITEM 14.2

That Council adopt the recommendations.

MOVED Brown./Smith

CARRIED (5/0)

Subject	PROGRESS REPORT ON VARIOUS PROCEDURAL MATTERS
Report Item No.	3
Author	Harold C McKenzie, Acting Chief Executive Officer
Date of Report	12 February 2002
File Reference	(TBA)

PURPOSE OF THIS REPORT

The purpose of this report is to provide an update on various procedural matters carried over from previous reports.

BACKGROUND

Items outstanding at the previous meeting were:-

- Bank Account, adding extra signatories,
- Develop Standing Orders, Local Law.

Authority was given for the Acting Chief Executive Officer to progress the above as necessary.

ACTION TAKEN/PROGRESS**1. Bank Account**

Extra signatories completed and bank records updated.

2. Standing Orders Local Law.

The Draft Standing Orders Local Law submitted with the Agenda for the Inaugural Meeting held on the 23 August 2001 has been under review by an officer from each of the Participants.

COMMENT

The outcome of this review is:-

- Officers of the City of Armadale have prepared a schedule to show where there are differences between their Standing Orders Local Law and the proposed SEMRC Standing Orders Local Law.
- Officers of the Cities of City of South Perth and Gosnells have not reported any significant concerns. Generally, they are prepared to support the Standing Orders Local Law.

The Standing Orders Local Law should now be progressed according to the Act and the appropriate Regulations as below.

Item	Action	Target Date
1	The Chair is to read aloud, a summary of the purpose and effect of the proposed Local Law.	Thursday 21 February
2	The Local Law has to be given statewide public notice stating the purpose and the effect of the Local Law. The notice to state where the Local Law may be inspected and obtained.	Saturday 2 March
3	Submissions to be made before a day specified in the notice being not less than 6 weeks after the notice is given.	Monday 15 April
4	A copy of the notice and the proposed Local Law to be provided to the Minister.	Monday 4 March
5	A copy of the notice to be displayed in a public place.	Monday 4 March
6	The SEMRC to adopt the Local Law, providing it is not significantly different to what was proposed. (If this date is not achieved/practical due to any objections, then the adoption of the Local Law would then proceed to the Ordinary Meeting on 20 June).	Thursday 18 April
7	After making the Local Law, the Local Law is to be again published in the Gazette and a copy is to be given to the Minister.	TBA later
8	After publication in the Gazette, statewide notice is to again be given stating the title, purpose and effect of the Local Law and advising where copies may be obtained.	TBA later
9	The Local Law will come into effect 14 days after it has been published in the Gazette (or such other day as may be specified in the Local Law).	TBA later

FINANCIAL IMPLICATIONS

The above matters either have no financial impact on the budget or are covered by provisions in the budget.

VOTING REQUIREMENTS

By majority of Members present.

OFFICER/TAC RECOMMENDATIONS

That the Standing Orders Local Law be progressed in accordance with the above programme.

ADVICE BY CHAIR TO MEETING OF COUNCIL

The Chair read aloud to the meeting the following notice:-

"In accordance with the requirements of the Local Government Act 1995, the meeting is advised that:-

The purpose of the Standing Orders Local Law is to provide for the orderly conduct of meetings of council and committees, the establishment of committees of council, certain administrative matters and for the safe custody and use of the common seal.

The effect of the Standing Orders Local Law will be that all council and committee meetings, certain administrative matters and the use of the common seal will be governed by the standing orders unless otherwise provided in the Act and Regulations".

COUNCIL DECISION - ITEM 14.3

That Council adopt the recommendations.

MOVED Matison/Brown

CARRIED (5/0)

Subject	COMPLIANCE AUDIT RETURN FOR YEAR 2001
Report Item No.	4
Author	Harold C McKenzie, Acting Chief Executive Officer
Date of Report	..11 February 2002
File Reference	(TBA)

PURPOSE OF THIS REPORT

The purpose of this report is to submit to Council, details of the 2001 Compliance Audit Return.

BACKGROUND

An annual Compliance Audit Return for the period 1 January to 31 December is required to be submitted to the Department of Local Government and Regional Development by 31 March in each year. This requirement applies to all Local Governments.

As the SEMRC was only formed on 3 July 2001, it has been determined that the Report is still required to be submitted and to cover the Compliance requirements from 3 July to 31 December 2001.

COMMENT

A copy of the completed Return is attached to this Agenda, marked Attachment No. 1.

This year's Return requires responses to some 154 items.

Of these 33 have been answered with a 'Yes', 2 have been marked with a 'No' and 119 are considered "Not Applicable". Where appropriate, additional notes have been provided. Of the two negative results created by the completion of the Return, one has since been addressed and the other received Ministerial Approval (i.e. the late submission of the Annual Report).

The Return needs to be adopted by Council and then certified/signed by the Chair and the Acting CEO and to be submitted to the Department before 31 March 2002.

VOTING REQUIREMENTS

By majority of Members present.

OFFICER RECOMMENDATION

1. That the Compliance Audit Return for the period 3 July to 31 December 2001 be adopted.
2. That the Chair and the Acting CEO certify/sign the 2001 Compliance Audit Return and that it along with the copy of the relevant section of the Minutes of this meeting be submitted to the Department of Local Government and Regional Development before 31 March 2002.

COUNCIL DECISION - ITEM 14.4

That Council adopt the recommendations.

MOVED Stubbs/Smith

CARRIED (5/0)

15. REPORTS OF COMMITTEES

Nil

16. REPORTS OF DELEGATES

Cr Matison as Delegate reported on her attendance at the Municipal Waste Advisory Council (MWAC) meeting held at Local Government House on Wednesday 20 February 2002 at 4.00pm.

The details of this report are included in these Minutes as Attachment No. 3.

COUNCIL DECISION - ITEM 16

That the Report from Cr Matison be received.

MOVED Stubbs/Brown

CARRIED (5/0)

17. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

18. NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIR OR PERSON PRESIDING OR BY DECISION OF THE MEETING

The Acting Chief Executive Officer sought the leave of the Chair to advise the meeting that he had become aware of an administrative/operative problem in the Establishment Agreement.

In summary, what had arisen was:

- The Establishment Agreement commenced to function on 3 July 2001. This being the Operative Date.
- Council was required to elect a Chairman and Deputy Chairman at the first meeting following the Operative Date. This had been achieved in August 2001.
- Clause 7.3(1)(b)(I) then required the Council to again elect a Chairman and a Deputy Chairman at the first meeting of Council in the May following the Operative Date.
- Clause 7.3(1)(b)(ii) then required a similar election every two years thereafter.

The above means that Council must carry out an officer election this coming May and then in May 2004. Such elections would then be out of sequence with the local government elections scheduled for May 2003 and May 2005. It was possible as a result of the local government elections, for more officer elections of the SEMRC to eventuate than was intended.

The acting Chief Executive Officer undertook to obtain the necessary advice and then take whatever action necessary to address the problem. Advice would be forwarded to Members and Officers at the earliest practical.

19. CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

20. ADVICE OF NEXT MEETING

The next meeting will be held at the City of South Perth on Thursday 18 April 2002 at 6.00pm.

21. CLOSURE OF MEETING

The meeting was declared closed at 6.26pm

These minutes were confirmed at a meeting on
Signed (Chair)

Please Note:

A copy of Attachment Nos. 1 has not been added to the circulated Minutes. Please refer to the Attachment with the issued Agenda.

A copy of Attachment Nos. 1 has been added to the official Minute Book.

H C McKenzie
Acting CEO.

Period / Invoice Date	Payee's Name	Notation	Cheque No.	Amount (\$)
		1/7/2001 Balance of funds held by City of South Perth and transferred to SEMRC		28,201.61
3/7/01 to 30/9/01		Previously listed by City of South Perth		- \$8,639.65
19/9/01	Cash	Transfer from Float to open account at CBA		+ \$20.00
16/10/01	H C McKenzie	Secretarial Services and Travel	000001	- \$2,196.20
Sept/Oct	CBA	Stamp Duty, Service Fees, etc		- \$6.25
1/11/01	CBA	Stamp Duty, Service Fees, etc		- \$5.00
8/11/01	H C McKenzie	Secretarial Services and Travel	000002	- \$2,473.45
8/11/01	Petty Cash	Reimbursement of Float	000003	- \$149.10
26/11/01		Annual Contribution received from City of South Perth		+ \$14,518.57
27/11/01	WAMA/MWAC	Contributions - Standard Contributions - Additional	000004	- \$10,203.60 - \$3,588.20
3/12/01	CBA	Interest		+\$2.86
3/12/01	CBA	Bank Fees		-\$11.20
12/12/01		Annual Contribution received from City of Armadale		+\$20,061.36
14/12/01	H C McKenzie	Secretarial Services and Travel	000005	-\$2,227.17
2/1/02	CBA	Bank Fees		\$5.00
2/1/02		Annual Contribution received from City of Gosnells		+\$30,250.00
7/1/02	The West Australian	Tender advert	000006	-\$418.00
7/1/02	Eastern Metro Regional council	Photocopying	000007	-\$70.30
7/1/02	H C McKenzie	Secretarial Services and Travel	000008	-\$1,910.41
		Balance at 31/1/02		\$61,150.87

**DETAILS OF RECEIPTS AND EXPENDITURE SINCE 1 July 2001
(effective from 3 July 2001)**

TABLE No. 1

Five Year Works Programme 2002 - 2006

CIVIL WORKS

1. CIVIL WORKS - NEW WORKS

1.1 Road Works

The updated Five Year Programme has again been developed from original ROMAN data but also has considered that ratepayers expectation is a sealed road of similar standard to that provided in new sub divisional estates.

During the last few years the Council has been successful in obtaining Local Government Road Fund Grants and it has been assumed that in the years beyond 03/04 Council will be able to maintain a good level of grant success. If however this should not be the case, then additional Council funds will be required to maintain the programme.

The Grants Commission Roadwork Grant and the Direct Grant over the five year programme have been only increased by a very modest percentage. This is in line with previous increases.

Municipal funding for roadwork has been reducing over a long period. The comparisons below show a levelling off of funding of approximately \$1.4 million area. After taking account of inflation this indicates a reduction in road funding of approximately 23%. To maintain the programmes detailed in this document will requires a commitment by Council of municipal funding at this level. Any reduction will impact significantly on the ability to deliver the necessary works.

MUNICIPAL FUNDING

YEAR	FUNDING
1995/96	\$1,732,300
1996/97	\$1,761,700
1997/98	\$1,656,700
1998/99	\$1,451,700
1999/00	\$1,413,100
2000/01	\$1,447,400
2001/02	\$1,476,000

1.2 Local Area Traffic Management (LATM)

Annually Council has set aside a total amount of approximately \$100,000 for the treatment of local roads. The installation of these LATM devices within streets is generally to reduce the speeding on the local neighbourhood systems.

An amount of approximately \$35,000 annually will be used in the next five years to support conflict areas between vehicular traffic and cycle traffic eg. ramps, relocation or modification of short cycle pathways, crossing points, etc.

The remaining \$65,000 will be used to address other traffic management issues within the local road system as identified by traffic studies, accident records and community requests.

The LATM funds have in the past also provided a source for additional matching moneys for "Blackspot Funding" where necessary.

A detailed list of known LATM / traffic calming projects will only be submitted after full investigation and safety audit where necessary.

1.3 Drainage Works

The annual forecast in the drainage budget for the next five years and beyond includes significant funding for upgrading of the existing systems based on the anticipated demand of further development in established neighbourhoods.

The reduction of the infiltration area at each property will severely be reduced by halving building blocks and doubling the area of impervious surface. This effectively creates a four times larger run off of rainfall that must be discharged through the system and consequently requires significant increases in the existing systems.

Water sensitive urban design, the installation of downstream defenders, water treatment trains, wet and dry detention basins and the installation of subsurface drainage systems in the "older" suburbs to protect the road infrastructure from water penetration also necessitates system upgrades.

The annual allocation for storm water drainage systems is \$370,000.

The Technical Services Directorate has recently applied for Federal Government grants for flood mitigation, river improvement and protection against floods. These grants if successful, must be monitored by the Waters and Rivers Commission (as the state flood agency) and Local Government. The first round has called for registration of interest providing data and information on floods and effected areas over the past two decades. Two projects have been lodged with the Water and Rivers Commission for assessment.

The final report on the Slab Gully waterways and drainage improvement study (consultants report by May 2002) will greatly improve our situation together with previous data collected and reports made available by Water Corp and Waters and River for the Wungong/ Brookdale area.

Throughout the mid 1990's, Council has allocated significant funds in this area, see below:

YEAR	FUNDING
1995/96	\$761,490
1996/97	\$880,626
1997/98	\$821,800
1998/99	\$918,933
1999/00	\$764,798
2000/01	\$549,616
2001/02	\$271,800

The historical budgets in this area were allocated to address major main drain issues that became evident from flooding caused by storms with extreme intensities.

While a significant amount of these problems have been addressed, there are still drainage systems that need to be upgraded and in the case of Slab Gully Road, a new system installed. This Five Year Programme, addresses the known issues and the level of funding should now be held around \$350,000pa to ensure these problems can be addressed in a logical and sound fashion.

1.4 Car Park Construction

The works as detailed in this five year programme have been developed with consultation with Recreation Services and other users.

2. CIVIL WORKS - ASSET PRESERVATION

2.1 Road Resurfacing

Road resurfacing is an integral element of any road pavement management system.

This element of pavement management if funded correctly ensures future ratepayers/users are not going to be burdened with more expensive reconstruction works, i.e. resurfacing today will ensure that the road pavement gains another 15-20 years of life. The current budget of around \$520,000pa has been identified as being at the low end of the funding necessary to ensure maintenance of acceptable standards.

2.2 Car Park Resurfacing

This programme has been developed following an audit of all Council parking facilities. It considers maintenance of the existing bitumen parking facilities to an acceptable level. Another element of this work has been the introduction of a planned approach to the white lining of these parking facilities.

3. CIVIL WORKS - MAINTENANCE

3.1 Road Maintenance

With the recent major shift in the public liability position for Local Government, it has been necessary to re-evaluate our public liability exposure within road reserve infrastructure. To this end, it became obvious that increased inspections and documentation were needed.

This process has now been introduced utilising the Asset Preservation Officer who is currently about half way through establishing and implementing a suitable inspection process.

Flowing from these inspections, minor maintenance works programmes are developed. While this in itself has not created more maintenance work, it has increased the rate at which we are addressing maintenance/asset preservation works. This has caused an increase in the expenditure which has placed a strain on the current road maintenance

budget 2001/2002. An increase in future years is now required over and above normal inflation/growth factors to maintain this process.

3.2 *Bridge Maintenance*

In the 1990/91 Road Reclassification Review, MRWA announced it would cease to be the authority responsible for maintenance on bridges on Local Government roads. For approximately 4-5 years after this, MRWA still undertook most maintenance on bridges and it was not until 1996 that it totally stopped regular inspection and maintenance.

From this date, all maintenance on bridges has been funded by Council. Due to the fairly good condition of our bridges at this time, only minor expenditures occurred. With the ageing of the timber bridges in the municipality more significant maintenance issues are now being identified and need to be addressed to avoid load limit restrictions.

This new budget allocation of \$45,000 has been created as Council's inspection has identified a reasonable amount of work urgently required on timber structures which cannot be funded from the current road maintenance allocation.

Already in this financial year, Council has had to undertake major works on the Forrest Road Bridge at the Wungong Brook to avoid a significant load restriction being imposed. The cost of works on this structure to date is \$13,000.

The budget allocation of \$45,000 is far short of the recommended ultimate MRWA maintenance funding for the number of structures under our control (\$120,000pa) but is considered sufficient to fund the known issues over the foreseeable future.

Five Year Works Programme 2002 - 2006

PARKS AND RESERVES MANAGEMENT

4. PARKS AND RESERVES - NEW WORKS

The Draft Five Year Plan of the Parks Department has been altered significantly from the previous years, to meet the requirements of the available municipal funds.

4.1 Streetscape/Landscape Enhancement

Five Year plan projects are generally the same, with the exception of the introduction of strategic works shown in the programme, which are of a corporate nature to enhance the greater Armadale eg. Image / Amenity Enhancement, Enquiry-By-Design and Wright Lake Project.

4.2 Park Facilities

These projects are generally the same as previous years, however in the areas of both park improvements and bore reticulation significant works have been reallocated to the area of works beyond to ensure the areas of asset preservation and on-going maintenance continue to be a priority, ensuring existing parks facilities are adequately maintained.

Park improvement works at the Shale Quarry have been prioritised for 2002/03 to facilitate it's re-opening.

4.3 Sporting Facilities

These works are reliant on grant submissions previously approved by Council and in accordance with prioritised requests of the City's sporting clubs and associations.

4.4 Environmental / Natural Areas Management

The works in this area are primarily for the implementation of prioritised strategies of the management plans approved by the City.

On-going funding support both the Upper Canning Southern Wungong Catchment Team and the Bushcare Environmental Advisory Committee. (Council Officers prioritise the submissions for allocation from the BEAC budget.)

Council Officers are currently working on an Environmental Weed Strategy for the City which will require future funding consideration.

5. PARKS AND RESERVES - ASSET PRESERVATION

5.1 Park Facilities

5.1.1 Bore / Reticulation Replacement

Works in this area are essential to ensure the asset condition does not decline which would result in additional high capital expenditure.

5.1.2 Playground Equipment

The playground equipment has recently had a condition assessment to ensure the highest possible standard. A re-evaluation of all the City's playgrounds is currently being undertaken with a view to giving strategic consideration of this asset.

5.1.3 Fencing

Minor fencing works are now shown in the later years of the programme.

5.1.4 Street Tree Replacement Program

This area is currently under consideration by Officers and is being reported to Council's Technical Services Committee on a regular basis to ensure effective street tree management.

5.1.5 Sporting Facilities

These works are to replace existing infrastructure and are reliant on grant submissions and club contributions, previously approved by Council and in accordance with prioritised requests of the City's sporting clubs and associations.

5.1.6 Cricket Wickets

These works are required to upgrade the facilities to meet the safety standards and increasing demands of the sporting community.

5.1.7 Turf Renovation

The Turf Renovation program is required to ensure high quality playing surfaces for the diverse range of sporting activities within the City.

6. PARKS AND RESERVES - MAINTENANCE

6.1 Tree Maintenance

6.1.1 Street Tree Maintenance

Street tree pruning has now been incorporated into the Street Tree Maintenance account to minimise duplication of accounts. Tree maintenance continues to have growing demands as indicated by the increased number of works requests in this area and to meet statutory requirements.

6.1.2 Storm Damage

There is an allocation in the Parks and Reserves 2001/2002 budget of \$20,000 for storm damage, based on the average cost for storm damage clean-ups over the past five years. The following table is actual expenditure over past years.

YEAR	ACTUAL	BUDGET
1998/99	\$10,941	\$5,000
1999/00	\$52,967	\$5,000
2000/01	\$21,095	\$20,000
2001/02	\$110,000 YTD	\$20,000
2002/03	0	\$30,000 (DRAFT)

The level of funding included in the budget for the clean-up of storm damage is considered inadequate given the expectation of the community to remove storm damage material from private property and the nature of this activity.

6.2 Parks Maintenance

This area includes the maintenance of a range of reserve type and service levels accordingly. Parks Maintenance activities require greater expenditure over capital improvements due to increased demands and expectations of the community, duty of care to ensure parks facilities are adequately maintained and ongoing Citywide image enhancement.

There have also been several factors that have influenced the requirement for an increase in expenditure. Some of these include maintenance associated with the provision of additional capital projects:

6.2.1 Centenary Of Federation

Community art projects eg sculptures, monuments, bridge etc.

6.2.2 Neighbourhood Improvement Project

Provision of playgrounds, lighting, landscaping etc.

6.2.3 Streetscape Development

On-going streetscape development throughout the City eg Lake Road, Blackspot Roundabouts (7)

6.2.4 Maintenance of new POS

Stage 2 Brookwood Estate (3.14Ha), additional POS vested with the City (7.47Ha)

6.2.5 Armadale Golf Course

As per Recommendation of Council T176/01

“3. That any ongoing maintenance for the Armadale Golf Course be allocated as extra funds in the 2002/03 Parks and Reserves maintenance budget.”

6.2.6 *Lighting Projects*

Associated with active sporting reserves, forming part of Councils' lighting strategy for sporting reserves.

6.3 *Verge Maintenance*

The mowing programme for mowing major road verges is now in place in accordance with current funding levels, subject to seasonal climatic conditions.

The continued utilisation of contractors to supplement day labour with this activity is considered to be appropriate at this time.

To ensure continuous improvement and Citywide image enhancement, this activity will require ongoing funding commitment.

Five Year Works Programme 2002 - 2006

PROPERTY MANAGEMENT

7. *PROPERTY MANAGEMENT - GENERAL*

Subsequent to a report by external consultants during the latter part of 2001 on building condition assessment (yet to be considered by Council), utilisation and cost estimates for asset preservation, the draft anticipated allocation of funding for New Works have been redistributed to Asset Preservation over the next five years to accommodate the justifiable costs identified in that report. The maintenance allocation is unchanged.

It is considered to be more beneficial to bring the existing building assets into line with current building codes, access requirements and serviceability levels rather than embark on new construction at this time.

New works that remain within the proposed Five Year Programme are:

- Upgrading of the Armadale Recreation Centre *
- Alterations and refurbishment of the Armadale Senior Citizens Centre *
- Enquiry by Design

*These are considered to be strategic projects and have approved Grant funding attached.

In the final year of the programme an amount has been unallocated. It is expected that additional projects yet to be identified will require funding and would include projects identified by the Armadale Redevelopment Authority, Disaster Recovery issues related to the City's buildings and operations such as network preservation and further remedial works outlined in the Consultants report on building condition assessments mentioned above.

It is expected that the remedial works proposed will enhance the use and hiring potential of the City's assets and be more beneficial to the community.

The following chart indicates the proposed Property Management Five Year Programme and current budget:

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Maintenance	\$868,990	\$896,445	\$901,234	\$901,234	\$900,784	\$926,853
Asset Preservation	\$156,500	\$160,750	\$260,650	\$238,920	\$292,900	\$265,850
New Works	\$467,200	\$659,631	\$232,131	\$360,131	\$215,131	\$262,131

8. *NEW WORKS – IN FIRST YEAR*

Details of works in the first year of the programme are:

8.1 *Administration Building (\$57,000)*

The following amounts are directly related to the strategic plan and security.

Strategic Plan Corporate Services Steps to the Future 1.4: review the functionality of the office layout having regard for customer service and team building factors and implement outcomes.

Work Station Upgrade - \$30,000

Internal Security - \$ 4,000

The continuing improvement to security of the building, including the Finance area.

Smoke Detection and Fire Alarms - \$ 3,000

Air-conditioning Reserve Fund - \$20,000

Consultants, Direct Engineering Services carried out an assessment of the air conditioning system in the Administration Building. Based on this information it was considered that the existing system is beyond its life expectancy of 12 to 15 years and replacement of the units is considered to be the most cost effective approach to eliminate control.

There will be an additional heat load generated by more staff which will also put pressure on the existing units.

The total cost of replacement would be in the order of \$230,000. It is considered that the best way of undertaking this project would be to set aside funds each year and to replace the units as they breakdown.

8.2 *Security of Buildings – Upgrade (\$6,000)*

On-going installation of Security Systems to Council's Buildings for the reduction of theft and damage.

8.3 *Armadale Senior Citizens Centre (\$300,000)*

Funds are scheduled for the implementation of the recommendations outlined in the Seniors Needs 2001 Report.

8.4 *Armadale Recreation Centre (\$150,000)*

Upgrading of Amenities Stage 3.

8.5 *Emergency Lighting Upgrade (\$2,500)*

Continuation of the upgrade of Emergency Lighting in public buildings to comply with current regulations.

8.6 *Building Modifications for Disabled (\$15,000)*

Council's ongoing commitment to improving Community Facilities for the Disabled.

8.7 *Smoke Detection Upgrade various buildings (\$5,000)***8.8 *Enquiry by Design (\$125,000)***

An amount of \$125,000 has been included from Enquiry by Design - Quick Wins as per the "Principle Activity Plan and Five Year Financial Plan".

SUMMARY

The Capital Works Budget is in general linked to grants and as near as practicable has been prioritised to produce the best results for Council at the minimum cost.

9. *PROPERTY MANAGEMENT - ASSET PRESERVATION*

The total expenditure for asset preservation is \$160,750. This is similar to last year's budget.

10. *PROPERTY MANAGEMENT - MAINTENANCE*

The total expenditure for maintenance is \$896,445. This is an increase of \$24,502 on the previous year due to an increase in Property Insurance premiums to the value of \$22,000 and additional funding for maintenance of the Roleystone Fire Station.

SUMMARY

The Maintenance and Asset Rehabilitation Budget is the minimum that is required to maintain the present standard of service, and to commence a programme of restoration of Council's building stock. Along with ongoing future funding as identified in the Five Year Plan, Council's Property Management Section will be able to maintain its buildings at a level that sets the standards for all buildings throughout the City.

Five Year Works Programme 2002 - 2006

WASTE MANAGEMENT

11. WASTE SERVICES

The Waste Service's Five Year Programme has been developed assuming that there will be no change to current operations over the period, other than those caused by natural growth. It is unlikely that this will happen, as there are a number of events that could have a considerable impact on waste disposal over the next few years. If and when these occur, the programme will be adjusted accordingly. There is unlikely to be any significant effect on municipal funding demands because the Waste Management programme is self-funding via charges and rates. Examples of future events/ issues that may affect the programme are: -

- Secondary waste recovery processes are being developed and are looking promising.
- Legislative changes are near completion and are likely to place new constraints and requirements on waste disposal.
- Surrounding landfill sites have closed increasing the pressure on the Armadale site.
- Land developments are taking place within the buffers of the landfill site and these could cause early closure and cost Council millions of dollars.
- The contract for the collection and disposal of recyclable material finishes in May 2003. Whether Council wishes to continue with this method of disposal needs to be determined.
- Armadale is now a member of a Regional Council.

The direction these events are likely to take over the next 5 years and the resulting costs are difficult to forecast. There is the added problem that, if there are no significant changes with processing waste, and operations continue as they are currently, major machinery purchases will be required to cover the operations over the next 10 to 15 years.

To make provisions for the uncertainty facing Waste Services, the Waste Management Reserve fund is essential. Besides acting as a possible buffer for possible changes in direction, the reserve is required to cover the following future and ongoing expenditure:

- With the closure of the Landfill Site \$4-5million could be needed to establish a transfer station or alternative methods of disposal.
- For each year the landfill site is closed it could cost Council \$1-2 million in additional waste disposal costs and lost revenue.
- Between \$80,000 and \$150,000 is needed per year for the ongoing rehabilitation of the Landfill Site.
- Armadale has 40,000 mgb's, worth \$2million. Half of the bins are 12-15 years old and require replacing. The remainder are at least 8 years and will need to be replaced in 4-6 years. \$150,000 per year needs to be put aside into a reserve fund for the replacement of the bins.

The Waste Management Reserve currently stands at \$941,000.

The \$400,000 allocated yearly to the reserve barely covers the expected future costs and may have to be increased in the future.

Five Year Works Programme 2002 - 2006

DEPOT AND PLANT MANAGMENT

12. SUPPLY SERVICES

12.1 Vehicles and Plant Acquisition and Replacement

The Vehicles and Plant Acquisition and Replacement Schedule (M121) is a component of the Ten Year Plant Replacement Programme adopted by Council in March 1998 (T105/98). The programme is reviewed constantly by monitoring new plant, vehicle and equipment price variations and equipment condition. Ongoing consultation with Managers ensures that appropriate plant and equipment is sourced to meet business requirements within budget constraints.

Plant usage trends figure prominently in the final analysis for plant changeover. Market forces impact on change over figures, which determine the amount of depreciation to be charged against works for each item of plant. This charge then provides for an allocation of funds to the Plant Replacement Reserve which is used to fund future replacements.

Condition monitoring determines the most economical time to replace equipment. Replacement times for vehicles need to be adjusted to suit changing usage patterns, which in turn effects both Schedule M121 and the Ten Year Plant Replacement Programme.

Invariably the Forward Works Programme changes as the Ten Year Plant Replacement Programme is updated with every new purchase. The main changes to the proposed 2002-03 M121 budget compared to the Five Year Programme as adopted previously, are:

1. Deferment of the changeover of a waste truck due for changeover in May 2003 until July 2003 with the effect of transferring the expenditure of \$280,000 to the 2003-04 budget.
2. Increase in changeover period of most passenger vehicles from 1 - 2 years to 2 - 3 years with the effect of reducing expenditure by \$37,856.

The 2006-07 budget year has been added as per the Ten Year Plant Replacement Programme, which is similar to the 2005-06 year in income and expenditure. It includes the changeover of the following major plant and trucks:

1. Ammann AVP 3510Y Diesel Plate Compact
2. Howard EHD 180 RTM Slasher
3. Iseki SF 330 Mower
4. Superior 1.8 m Deck for P347
5. Massey Ferguson Tractor
6. Falcon AU 1 Utility
7. Falcon AU XL S/Side Box Utility
8. Toyota Dyna 300 Dual Cab
9. Toyota Dyna 300 Dual Cab
10. Isuzu NPR 300 Crew Cab
11. Toyota Dyna 300 Dual Cab
12. Toyota Dyna 300 Dual Cab
13. Holden Rodeo Single Cab Turbo Diesel
14. Holden Commodore Utility

15. International Acco 1850/6800l water tank
16. Isuzu NPR 300 Crew Cab

13. SUPPLY SERVICES - SCHEDULE M122

Supply Services (M122) has remained constant over the Five Year Programme. Essentially this budget is an operating budget with one or two minor development programmes per year.

The 2002-03 budget has seen an increase of \$36,395 compared to the previously adopted Forward Works Programme. This is due to both the funds associated with the Depot Management Plan and the Fuel Bowser Cover being reallocated to meet over expenditure in other areas of Council. These two projects have been budgeted in the 2002-03 budget.

The 2006-07 budget year has been added which includes the usual income and expenditure and includes further expenditure on the forecasted Depot Management Plan recommendations.

14. MECHANICAL SERVICES - SCHEDULE M128

All Mechanical Services costs are fully allocated to Works and Services expenditure.

The 2006/ 07 budget year has been added to the Forward Works Programme, which includes the usual income and expenditure based on previous expenditure for maintenance, overhauls and breakdowns.

Five Year Works Programme 2002 - 2006

OTHER PUBLIC WORKS

15. Crossovers - Schedule M133

Crossover construction within the municipality has shown a slow but steady increase in the past 3 years, with new properties taking up approximately 75% of all construction based on an estimate of 335 crossovers.

No changes have been implemented for administration and other charges or contributions and the total allocation is estimated at approximately the same for the incoming budget.

16. Street Lighting - Schedule M134

Western Power's "Street Vision" price for the 2002/03 financial year has been based on the average annual increase received over the last four (4) years of 6. % or \$29,000 pa which includes the maintenance cost for additional street lighting installed during the past 12 months and of course the power consumption for the whole as well as the consumption of the replacement and newly installed lighting.

Five Year Works Programme 2002 - 2006

CLIENT SERVICES

17. Contract Administration & Design - Schedule M142

All client services funding based on existing budget levels plus minor allowance (0.8%) for population growth and also inclusion of previously identified strategic funding from :

- Drainage Audit
- Asset Management Software
- Golf Course