



Agenda

Ordinary Meeting

Notice is hereby given that a Ordinary Meeting of Council will be held at Council Chambers, 1 Belgrave Street, Manly, on:

Monday 17 October 2005

Commencing at 7:30 pm for the purpose of considering items included on the Agenda.

Persons in the gallery are advised that the proceedings of the meeting are being taped for the purpose of ensuring the accuracy of the Minutes. However, under the Local Government Act 1993, no other tape recording is permitted without the authority of the Council or Committee. Tape recording includes a video camera and any electronic device capable of recording speech.

*Copies of business papers are available at the Customer Services Counter at Manly Council, Manly Library and Seaforth Library and are available on Council's website:
www.manly.nsw.gov.au*

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CLOSED SESSION

QUESTIONS WITHOUT NOTICE

MATTERS OF URGENCY

(In accordance with Clause 14 of the Local Government (Meetings) Regulations, 1993)

******* END OF AGENDA *******

TO: Ordinary Meeting - 17 October 2005
REPORT: Mayoral Minute No. 7
SUBJECT: Encouraging The Use of Solar Energy in Manly
FILE NO:

At the second session of the Manly Futures Forum held on Saturday September 24th, attendees heard from acclaimed Australian scientist Dr Tim Flannery. One of the topics he chose to speak on was the increasingly disturbing subject of Climate Change and its associated consequences of species extinction, loss of significant areas of habitat and an increase in heat-waves.

The Australian Bureau of Meteorology reports that in 2004, the nation experienced warmer than normal conditions across most of the country. Preliminary data indicates that the all-Australian annual mean temperature for 2004 was 0.45°C above the 1961-90 long-term average. The annual mean maximum temperature was 0.51°C above normal, and the mean minimum temperature 0.39°C above normal. These figures were boosted by several extensive warm spells, including an exceptional two-week heat-wave during February, which affected a large proportion of the continent and resulted in many new temperature records.

Perhaps of greatest concern to a coastal area such as Manly is Dr Flannery's predictions regarding the rise in global sea-levels, possibly by up to 6 metres in some areas.

While there are some experts who differ with Dr Flannery's position, there are a significant number who are making similar dire warnings. There appears to be a consensus that as a civilisation we need to make drastic changes to avoid a disastrous future.

The key recommendation from numerous experts is that we must reduce our dependence on fossil fuels. While Local Government is limited in what we can do to address such an issue, I believe there is a significant role that Council could and should play in encouraging our residents and ratepayers towards renewable sources of energy, particularly the use of solar energy in domestic dwellings.

Through the work of the Manly Environment Centre and our Natural Resources Branch, staff of Manly Council are already taking a leading role in education on energy issues and I believe that the time is now right for Council to build on that position and explore ways in which we can encourage the use of solar energy in both new and existing dwellings. As the biggest hindrance to purchasing solar energy units appears to be the significant costs involved, I believe Council could liaise with providers of solar energy to offer discounts or incentives to our ratepayers. Alternatively, finance packages could be structured to alleviate the cost burdens involved. In regards to new dwellings, we could explore ways of using our Development Control Plans to encourage the use of more sustainable energy sources.

I understand that Council staff are already actively pursuing grant funding through the latest Government Energy Projects, building on our Cities for Climate Change Initiative and in keeping with the implementation of Manly's Sustainability Strategy.

I believe there is an exciting opportunity for Manly Council to lead the way in implementing practical measures at a Local Government level to address the growing concern regarding Climate Change.

RECOMMENDATION

- (1) Manly Council's Scientific Advisory Panel compile a report for Council on the issue of Climate Change and the potential implications for the Manly Local Government area**

Mayoral Minute No. 7 (Cont'd)

- (2) Council call for a report from staff exploring options of how Council could initiate an incentive scheme for *existing* dwellings to be fitted with solar energy units – perhaps through discounts with certain solar energy providers, offering an incentive to ratepayers who chose to install solar energy units or by structuring finance packages to alleviate the burden of significant costs.
- (3) Council call for a report from staff exploring the possibility of amending the Development Control Plans so that all new dwellings will be required to install Solar energy units.

ATTACHMENTS

There are no attachments for this report.

OM171005MM_1

***** End of Mayoral Minute No. 7 *****

TO: Ordinary Meeting - 17 October 2005
REPORT: Mayoral Minute No. 8
SUBJECT: Public Consultation on Desalination
FILE NO:

At the Sydney Coastal Councils Group meeting held on Saturday, September 18th, delegates took part in a discussion regarding the State Government's plans for a desalination plant at Kurnell in Sydney's south.

Councillors will be aware that the State Government is arguing that a desalination plant is necessary to sustain Sydney's water supply. Due to the growing population, prolonged drought conditions and a failure of consumers to reduce their water consumption, serious pressures are mounting on the Government to provide the city's 4 million residents with a reliable supply of this precious resource.

There is considerable debate about the State Government's choice of desalination as a solution with many experts expressing a preference for Stormwater reuse or sewer reuse on economic and environmental grounds.

There has also been serious concern expressed by many stakeholders that there has been a distinct lack of public consultation on the part of the NSW Government.

In response, the Sydney Coastal Councils Group (SCCG) unanimously supported a motion that called on the Premier to engage in a 3 month consultation process with the public before proceeding with the desalination process. This call for a public forum to find answers to Sydney's water needs has been supported by a number of highly regarded organisations including:

- Clean Up Australia
- Australian Conservation Foundation
- Nature Conservation Council NSW
- Total Environment Centre
- Kensington Group
- Sutherland Environment Centre
- Shoalhaven River Alliance
- The Australian Marine Conservation Society

The SCCG has called on its member councils to pass similar individual motions as a sign of solidarity and support. There is a sense of urgency given the State Government's history of haste on this issue and the fact that this project falls under the parameters of the Significant Development Act introduced earlier this year by the State Government

It is well documented that Manly Council was a potential site for a desalination plant and I'm sure my fellow councillors agree that had we been selected, we would have expected a thorough and comprehensive process of public consultation from the State Government

RECOMMENDATION

- (1) That Manly Council calls on the NSW Government to promote and lead three months of public debate and consultation on "Finding Answers to Sydney's Water Needs"; and that this debate would
 - (a) Circulate existing good ideas and invite new ones, all to be incorporated in an "Integrated Water plan for Greater Sydney";
 - (b) Emphasise responsibility at every level of society, i.e of families, businesses, industry and all levels of government

Mayoral Minute No. 8 (Cont'd)

- (c) Demonstrate the necessity of a mix of policies, such as vigorous public education, water-saving devices, rainwater harvesting, leakage fixing, dam improvements, pricing curbs and stormwater recycling measures;
- (d) Include an examination of the view that desalination is considered an expensive and energy-demanding measure of last resort.

ATTACHMENTS

There are no attachments for this report.

OM171005MM_2

***** End of Mayoral Minute No. 8 *****

TO: Ordinary Meeting - 17 October 2005
REPORT: Notice of Rescission No. 9
SUBJECT: Rignold Street Seaforth, Property No. 36A - Notice of Rescission
FILE NO:

Councillor Evans, Councillor Norek, and Councillor Aird will move:

“ That the Council’s decision of 19 September 2005 being Item 52 in respect of 36A Rignold Street, Seaforth be and is hereby rescinded.”

If the above Notice of Rescission is carried it is proposed to move the following alternate motion:

“ That the court determine the plans for 36A Rignold Street in light of the Council’s motion of 8 August 2005 regarding this Development Application including the waterview losses experienced by residents in Boronia Lane”.

Note: Further detail has been received since the LUM meeting of 19 September 2005 for this Development Application and is attached for Councillors information.

ATTACHMENTS

AT-1 Notice of Rescission 36A Rignold Street 1 page(s)
AT-2 36A Rignold St revised Plans 3 page(s)

OM171005NR_1

***** End of Notice of Rescission No. 9 *****

Notice of Rescission Report No. 9
Rignold Street Seaforth, Property No. 36A - Notice of Rescission
Notice of Rescission 36A Rignold Street



RESCISSION MOTION
(Code of Meeting Practice - Clause 34)

That the Council's decision of: 36A Rignold St
being Item No: Report No 52 in respect of _____
36A RIGNOLD ST SEAFORTH
be and is hereby rescinded.

Date: 19 Sept 2005

Councillor: JO EVANS [Signature]
Mark Nowak [Signature]
BARBARA AIRD [Signature]

This notice should be signed by three (3) Councillors dated and delivered to the General Manager during the meeting at which the resolution to be rescinded is carried.

ATTACHMENT 2

Notice of Rescission Report No. 9 Rignold Street Seaforth, Property No. 36A - Notice of Rescission 36A Rignold St revised Plans

DA 529/04 36A Rignold Street, Seaforth

Current status

Council considered this matter at its Ordinary Meeting 19 September, 2005. At the meeting revised plans were presented. These plans showed the proposed double garage repositioned from the southern side of the site to the northern side of the site and the relative levels of the dwelling lowered by 0.5m. The repositioning of the garage provided a minimum 5.0m setback to the Boronia Lane boundary. The plans were inconsistent in that the south elevation showed a full hipped roof to the double garage whilst the north elevation showed a hip to the front of the double garage only. The location of the dwelling relative to property boundaries, the floor plan layout and dimensions of the dwelling remain unchanged from previous submissions.

Council's resolution 19 September 2005 (now the subject of a rescission motion) was;

"That approval for Development Application No.529/04 for erection of a new dwelling and detached double garage at No.36A Rignold Street Seaforth be granted based on the following conditions:

- the building be reduced in height by one metre;
- the garage be moved to the northern side of the block;
- the garage roof eastern gable be changed to a hipped roof;
- two extra parking spaces next to the garage be provided for visitors;
- additional suitable screening trees be planted to protect privacy to the north elevation first floor balcony; and
- the applicant withdraws court action once written approval from Council has been received."

The revised plans (as presented to Council 19 September 2005) were notified to adjoining and nearby owners on 27 September 2005.

In response to notification of the revised plans Council received seven (7) individual submissions and one joint submission with five (5) signatories. The joint submission includes a report by Mike George Planning Pty Ltd; Planning Consultants (see copy on Council's file).

The submissions raise the following issues:

- The proposed dwelling is still designed as two fully self contained dwelling units which exceeds Council's density controls for the site. The design is such that future owners could subdivide the building into two separate dwellings with two separate families. There appears to be no reason why a carers flat could not be accommodated within the dwelling in a more appropriate manner that would preclude the future subdivision of the building into two separate dwellings.
- Despite the building being lowered 500mm it is still a 3 storey building, inconsistent with predominantly 2 storey dwellings in the locality and contrary to objectives for building height contained in the DCP.
- No ridge height nominated.
- Appears that side setbacks and wall height still do not comply with Council's policy.
- Garage setback from street still does not comply with Council's minimum standards.

ATTACHMENT 2

Notice of Rescission Report No. 9 Rignold Street Seaforth, Property No. 36A - Notice of Rescission 36A Rignold St revised Plans

- No landscape plan submitted. An arborists report should be obtained to assess trees to be removed and impact of excavation on adjoining trees.
- No OSD details provided.
- Dwelling virtually unchanged – still 3 storeys with 7 bedrooms and 7 bathrooms.
- Plans demonstrate the applicant's continued unwillingness to address concerns and provide a meaningful compromise.
- Legal advice (Henry Davis York) and town planning advice (Mike George Planning) categorically state that performance based criteria must be given equal weight to numerical controls. We insist that in assessing the full compliance of this DA, Council ensures these well established principles will be adhered to.
- Building excessively large and bulky with excessive vertical proportions and is not in keeping with surrounding residences. The building would dominate the surrounding streetscape.
- Development should "minimize impact ...on privacy, views solar access and general amenity of adjoining and nearby residences."
- Building character, finishes and materials reflect a pedestrian project home design which shows no attempt at architectural merit and detracts from the special visual character of the area.
- 3 storey building where DCP specifies preference for 2 storey dwellings. This is not a steeply sloping block where 3 storey dwellings are found (Seaforth Crescent).
- Continued breach of wall height north and north west elevations.
- Excavation is excessive. Extensive excavation along our common boundary will require major retaining walls with potential stability problems. Details of engineering treatment are non existent.
- Excavation not a solution to excess height.
- Balcony impacts on privacy.
- Loss of trees and natural screening – undue loss of trees along our common boundary.
- Loss of amenity due to removal of natural bushland and visibility of large 3 storey building particularly west elevation.
- All areas of non compliance mentioned in Environmental Services report No52 remain.
- Relocation of garage does not address tree loss, only repositioning of the dwelling footprint and garage can adequately achieve this.
- It is necessary to provide additional off street parking on this DA. Also request condition stipulating construction traffic enter via southern end of Boronia Lane. Note northern end is one way and only to be used as an exit.
- Non compliant overdevelopment which is totally unsympathetic with our bushland setting will set the precedent for the future DIPNR vacant block.
- Still non compliant and a huge waste of time – insignificant revisions.
- View loss unacceptable.
- As a resident of a neighbouring area of Seaforth (Clavering Road) which will be subject to radical and permanent changes over the next few years, I am deeply concerned that the Council finds it difficult to act upon what appears to be a non complying submission.
- The special and difficult circumstances facing the applicant's family should receive all the necessary attention but should be accommodated within the guidelines set out for all.

ATTACHMENT 2

Notice of Rescission Report No. 9 Rignold Street Seaforth, Property No. 36A - Notice of Rescission 36A Rignold St revised Plans

Further Revised Plans

Council received further revised plans 28 September 2005 which show the relative levels of the dwelling lowered a further 0.5m (1.0m total below that originally proposed). The plans show the garage on a minimum 6.0m setback to the Boronia Lane "boundary", and include provision of two additional car parking spaces adjacent to the southern side of the double garage. The plans remain inconsistent in that the south elevation shows a full hipped roof to the double garage whilst the north elevation shows a hip to the front of the double garage only. The location of the dwelling relative to property boundaries and the floor plan layout and dimensions of the dwelling remain unchanged from previous submissions.

The following is an assessment of the current (28 September 2005) proposal's compliance with the numerical standards of the D.C.P.

	<u>Permitted/ Required</u>	<u>Proposed</u>	<u>Complies Yes/No</u>
Floor space ratio	0.4:1	0.38:1	Yes
Wall height north side	7.3m	7.2m	Yes
south side	7.2m	4.8m	Yes
Roof height	3m	2.7	Yes
Setback Front (Rignold St)	6m DCP 25m (Restriction as to user)	34m	Yes
Setback Rear (Boronia L)	8m	6m-8.0m (garage) 13.17(dwelling)	No Yes
North setback side	1.66m (two storey) 2.4m (three storey)	2.6m 3.79m	Yes Yes
South setback side	1.6m	1.9m	Yes
Open space - total	55%	77.8%	Yes
Open space - total	714.7sqm	1010.8sqm	Yes
Open space - soft	35%	84%	Yes
Number of Endemic Trees	4 tree	>4 tree	Yes
Excavation	Max 3.0m	3.0m	Yes
Private Open Space	18sqm /lot	>18sqm	Yes
Car Parking – Residents	2 spaces	2 spaces	Yes
Energy Efficient Rating	40% water 25% energy thermal	40% water 26% energy pass	Yes

Planning Comments

The only area of non compliance with the numeric requirements of Council's Development Control Plan for the Residential Zone (DCP) is in respect of the setback from the Boronia Lane boundary. The DCP states the front street is determined by postal address. Council records show the site is known as No36A Rignold Street. Therefore the site has a frontage to Rignold Street and adjoins Boronia Lane to the rear.

The DCP requires a minimum setback of 8.0m to the rear boundary. The proposal shows the dwelling complies with the rear setback however the double garage stands 6.0m to 8.0m from the splayed rear boundary. Having regard to the topography of the area, access arrangements and the configuration of the subdivision it is expected that the future character of the area would result in Boronia Lane being the apparent frontage with Rignold Street

ATTACHMENT 2

Notice of Rescission Report No. 9 Rignold Street Seaforth, Property No. 36A - Notice of Rescission 36A Rignold St revised Plans

'frontage' having the character of a rear boundary. The proposed setback from Boronia Lane of an average 7.0m would be generally consistent with the front setback required under the DCP (minimum 6.0m) and this aspect of the proposal is considered acceptable.

The revised plans show provision of hard surface area for parking of 2 vehicles adjacent to the southern side of the double garage. The southern most additional car parking space and access will encroach into the stand of trees in the south east corner of the site and will necessitate removal of at least two of these trees, accordingly this aspect of the proposal is not supported.

TO: Ordinary Meeting - 17 October 2005
REPORT: Notice of Rescission No. 10
SUBJECT: North Steyne, Property No. 118 - Notice of Rescission
FILE NO:

Councillor Aird, Councillor Evans, and Councillor Lambert will move:

“That the Council’s decision of 19 September 2005 being Item 51 in respect of 118 North Steyne, Manly be and is hereby rescinded.”

If the above Notice of Rescission is carried, it is proposed to move the following alternate motion:

“ That Development Application No 508/04, for the alterations and additions to the existing cottage (including the replacement of the rear and new attic area), and the erection of a six storey residential flat building containing five units with basement carparking at 118 North Steyne, Manly be refused for the following reasons:

1. The proposal contravenes the aims and objectives of the Manly Local Environmental Plan 1988, having regard to Section 79C(1)(a) of the Environmental Planning & Assessment Act 1979.
2. The proposal is contrary to the provisions of the Manly Residential Development Control Plan for the Residential Zones 2001, having regard to Section 79C(1)(a) of the Environmental Planning & Assessment Act 1979.
3. The proposal is an overdevelopment of the site, having regard to Section 79C(1)(a), (b), (c), (d) and (e) of the Environmental Planning & Assessment Act 1979.
4. The proposal will have a detrimental impact on the views, privacy and overshadowing of the surrounding properties, having regard to Section 79C(1)(a), (b), (c), (d) and (e) of the Environmental Planning & Assessment Act 1979.
5. The proposal will have a detrimental impact on the heritage significance of the site, in particular, on the existing cottage known as ‘Brise de Mer’ and its garden, having regard to Section 79C(1)(a),(b), (c), (d) and (e) of the Environmental Planning & Assessment Act 1979.
6. The proposal is contrary to the public interest, having regard to Section 79C(1)(e) of the Environmental Planning & Assessment Act 1979.”

ATTACHMENTS

AT-1 Notice of Rescission 118 North Steyne 1 page(s)

OM171005NR_2

***** End of Notice of Rescission No. 10 *****



NOTICE OF RESCISSION

This notice should be signed by three (3) Councillors dated and delivered to the General Manager during the meeting at which the resolution to be rescinded is carried.

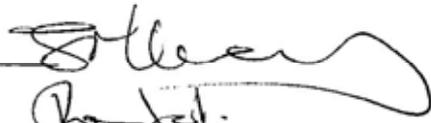
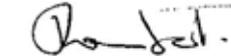
That the Council's decision of: 19.9.05

ENVIRONMENTAL SERVICES
being Item No. DIVISION REPORT NO. 51 in respect of 118 NORTH STEYNE,

MANTLE. * MATTER ARISING (FOR SUPPLEMENTARY REPORT)

be and is hereby rescinded.

Date: 19.9.05

- Councillor:
1. B. AIRD 
 2. J. EVANS 
 3. J. LAMBERT 

If the above Notice of Rescission is carried, it is proposed to move the following alternate motion -

MOVE STAFF RECOMMENDATION FOR REFUSAL
(FOR THE REASONS OUTLINED IN THE STAFF REPORT)

TO: Ordinary Meeting - 17 October 2005
REPORT: Notice of Motion No. 33
SUBJECT: Fibrous Dust Found In Residential Properties
FILE NO:

Councillor Pedersen will move:

That Council again acknowledges the ongoing resident concerns regarding reports of unusual levels of airborne fibrous dust found in their homes.

That the General Manager or Mayor arrange for the publication of a notice in the Manly Daily encouraging residents to contact the Manly Environment Centre with any concerns, observations or samples of the fibrous dust.

NOTE:

That the Environment Committee resolved on 15 September 2005 that;

"Council should write to Sydney Water to fund an independent investigation of the levels of unusual dust in the Manly area. The study should determine the levels, toxicity and nature of the dust. Council should alert the Catholic Church and Lend Lease to the existence of the dust and explore the possibility of commissioning a study."

ATTACHMENTS

There are no attachments for this report.

OM171005NM_1

***** End of Notice of Motion No. 33 *****

TO: Ordinary Meeting - 17 October 2005
REPORT: Notice of Motion No. 34
SUBJECT: Section 94 Plan
FILE NO:

Councillor Norek will move:

That the General Manager be requested to provide a response to Part 1 and Part 2 as follows:

Part 1

In relation to the RTA, Education Department and DIPNR land in Seaforth - the apparent failure to collect Section 94 contributions, by the NSW Government, on the sale of that land and, thereafter not forward the Section 94 Contributions to Manly Council, may be actionable.

- A. When the NSW Government proposed to sell the land owned by the RTA, were they aware that a section 94 Contribution was expected due, at the time, to the successful sale to Manly Council?
- B. Given no Section 94 contribution, from the sale of this land, has been received by Manly Council, does that mean that the sale price received by the NSW Government did, or did not have a section 94 portion included?
- C. What efforts has the Council made to secure payment from the NSW Government?

Part 2

A. What a residential landowner, under the new scheme, will be expected to pay in the following circumstances:

- a. Residential additions by owner (including addition of bedroom/s);
- b. Residential additions by owner (NOT including addition of bedroom/s).
- c. New residential dwelling on land previously not built on.
- d. Demolition of existing dwelling and construction of new residential dwelling by owner.
- e. Alterations by owner.

B. If any of the above amounts depend on the size of the development, what are the criteria by which the different assessments will be calculated? Please give several specific examples of the various sizes and what the section 94 Contributions will attract.

C. Concerning ratepayers of 10 or more years standing, if they otherwise fall within the new section 94 provisions, will they be exempt from paying a contribution because of their rate paying longevity?

Notice of Motion No. 34 (Cont'd)

- D. Regarding business premises - what is the situation concerning the following:
- a. What will future Section 94 contributions be used for in the CBD,
 - b. What has the Section 94 Contributions received from CBD developments during the last 10 years been spent on.
 - c. What is Council going to do with the Parking Contributions it receives as a result of Amendment 4 to the DCP. How can you ask for a parking contribution and not use the money for more parking in the CBD.
 - d. Has Council obtained independent advice that the calculation of the new Section 94 Contribution rates is based on accepted practice that will stand up if challenged in Court?
 - e. How does Council justify a 400% increase in Section 94?

Part 3

I further move that:

Section 94 contributions for new residential homes on vacant blocks where an existing dwelling is demolished and/ or replaced by a new residential home to be set at \$6,000 per home, CPI indexed annually.

Background:

Development Contribution made under Section 94 is a considerable public policy issue. Therefore, it needs clarity, particularly in light of the recent Court of Appeal decision in relation to Baulkham Hills Council.

Morning Herald article, 5th of October, 2005 titled "Creative Councils face huge refunds". The Court of Appeal - judgment by Justice Ken Handley ruled on 4th of October, 2005 the way Baulkham Hills Shire set it developer Contribution charges was "unlawful."

Mr Justice Handley found that while councils are allowed to use a readily accessible index to automatically increase the fees, ruled that councils should use an independent index maintained by a third party, and was not authorised to create a new one. It was suggested that using the (CPI)

Consumer price index would have marginally increased fees per quarter.

Due to the particular methodology used, Council such as Baulkham Hills and Liverpool could face challenging claims down the track.

In my view, any contributions should be reasonable. And that it is to be hoped the Council will use every endeavour to obtain any Section 94 contribution due on the sale of the RTA etc. land, from the State Government.

ATTACHMENTS

There are no attachments for this report.

OM171005NM_2

***** End of Notice of Motion No. 34 *****

TO: Ordinary Meeting - 17 October 2005

REPORT: Item For Brief Mention No. 9

SUBJECT: Item for Brief Mention

FILE NO:

1. Minutes Of Meetings:

- (i) ACCESS COMMITTEE MINUTES OF MEETING HELD ON 15 SEPTEMBER, 2005
- (ii) MANLY YOUTH COUNCIL MINUTES OF MEETING HELD ON 19 SEPTEMBER, 2005
- (iii) MANLY SISTER CITIES COMMITTEE MINUTES OF MEETING HELD ON 14 SEPTEMBER, 2005
- (iv) MANLY NEIGHBOURHOOD RENEWAL PROGRAM COMMITTEE HELD 14 SEPTEMBER, 2005
- (v) MANLY COMMUNITY SAFETY COMMITTEE MEETING HELD 15 SEPTEMBER, 2005
- (vi) MANLY COMMUNITY ENVIRONMENT COMMITTEE HELD 18 AUGUST 2005

RECOMMENDATION

1. That the recommendations of **Minutes of Meetings, as listed in item 1**, being **(i) to (vi)**, as listed above, be **adopted**.

ATTACHMENTS

There are no attachments for this report.

OM171005IBM_1

***** End of Item For Brief Mention No. 9 *****

TO: Ordinary Meeting - 17 October 2005
REPORT: Corporate Services Division Report No. 22
SUBJECT: Financial Statements for the Year Ended 30 June 2005
FILE NO:

SUMMARY

Formal presentation of the Auditor's Report and council's Financial Statements for the Year ended 30 June, 2005 in accordance with the requirements of the local government act.

REPORT

Council's Financial Statements for the year ended 30 June, 2005 have been audited and a copy of the annual Financial Reports with the Auditor's report were forwarded to the Department of Local Government on 5 October 2005. A copy of the statements has been circulated separately to all Councillors and will be tabled at the meeting.

In accordance with the requirements of the Local Government Act, a notice was published in The Manly Daily of 11 October, 2005 advising that the accounts were available for inspection at the Council Offices, and that the accounts would be formally presented to Council at its Meeting to be held on 17 October, 2005.

A representative from Council's auditor, Mr Norm Mah Chut from Spencer Steer, will be in attendance at the meeting to present the Auditors Report and to answer any questions.

In accordance with Section 420 of the Act, submissions were invited in respect of the accounts. None has been received to date.

Financial Results:

For the year ended 30 June 2005, Council recorded an Operating Surplus of \$ 1.876 million from Ordinary Activities before Capital Amounts.

The Operating result after Capital Amounts - Grant & Contributions is a surplus of \$ 3.172 million.

A summary of the Financial Statements for the year ended 30 June, 2005 is detailed below:-

	Current Year (\$'000) 2005	Previous Year (\$'000) 2004
Statement of Financial Performance		
Total Revenues from Ordinary Activities	41,543	38,623
Total Expenses from Ordinary Activities	39,667	37,413
Outside Equity Interests/Corrections		
Surplus (deficit) from Ordinary Activities before Capital Amounts	1,876	1,210
Surplus/(Deficit) after All Activities	3,172	2,617
	Current Year (\$'000) 2005	Previous Year (\$'000) 2004
Statement of Financial Position		
Total Current Assets	14,219	13,880

Corporate Services Division Report No. 22 (Cont'd)

Total Current Liabilities	(6,040)	(6,849)
Total Non-Current Assets	211,280	207,641
Total Non-Current Liabilities	(11,710)	(10,095)
Total Equity	207,749	204,577

Performance Measurements

Current ratio	2.35:1	2.03:1
Unrestricted current ratio	2.02:1	1.90:1
Debt service ratio (%)	3.25%	2.86%
Rates & Annual Charges coverage ratio (%)	54.35%	55.58%
Rates & Annual/Extra Charges outstanding (%)	3.70%	4.17%

Operating Result

The Statement of Financial Performance above records an overall improvement of \$555,000 over the previous year. This was in part achieved as a result of:

- rates levied increased by \$677,000 (3.77%) to \$18.811 million;
- domestic waste management charges increased by \$570,000 (13.85%) to \$4.685 million;
- other revenues increased by \$1.063 million fees & charges; and \$1.167 million other revenues (including insurance claims and legal costs recovery). Loss on disposal of assets amounted to \$259,000.

Performance Measures:

Council has previously adopted a policy of ensuring that its:-

- (a) **Current Ratio** (i.e. Current Assets less Restricted Assets divided by Current Liabilities) is maintained at a desirable ratio of 1.15:1 and not less than 1:1.

The Current Ratio as at 30/6/05 is 2.35:1.

- (b) **Unrestricted Current Ratio** (i.e. Current Assets less Externally Restricted Assets divided by Current Liabilities less Specific Purpose Liabilities) is maintained at a desirable ratio of 1.05:1 and not less than 1:1.

The Unrestricted Current Ratio as at 30/6/05 is 2.02:1.

These performance ratios are well in excess of Council's policy.

Conclusion:

All Councils are required to have their annual financial statements prepared and audited by 31 October, and a copy lodged with the Department of Local Government by 7 November. A copy of Council's annual Financial Reports with the Auditor's report were forwarded to the Department of Local Government on 5 October 2005.

In summary, on the consolidated basis (including joint ventures), Council's financial statements show:

1. An increase in Net Assets for the year of \$3.172 million (increase of \$2.617 million previous year).
2. Expenses from ordinary operations amounted to \$39.667 million (\$37.413 million).

Corporate Services Division Report No. 22 (Cont'd)

3. Ordinary Revenues before Capital Items of \$41.543 million (\$38.623 million).
4. Surplus from Ordinary Activities before Capital Items of \$1.876 million (\$1.210 million).
5. Surplus from Ordinary Activities after Capital Items of \$3.172 million (\$2.617 million).
6. Operating Revenues increased by \$2.920 million and there was an increase in Operating Expenses of \$2.254 million.
7. Current Assets exceed Current Liabilities by \$8.179 million (\$7.031 million).
8. The Current Ratio (a good indicator of ability to operate and meet debts) in the short terms is 2.35:1 (2.03:1). The Unrestricted Current Ratio is 2.02:1 (1.90:1).
9. Operating revenue required to service debt is 3.25% (2.86%) on total loan borrowings of \$5.616 million (\$5.983 million).
10. Percentage of rates, annual charges and arrears collected was 96.3% (95.8%).
11. Cash and Investments held at 30 June 2005 were \$21.435 million (\$20.852 million). Of this amount \$3.866 million (\$3.127 million) is externally restricted, and \$16.476 million (\$16.524 million) is internally restricted

RECOMMENDATION

That Council receive the Annual Financial Report together with the Auditors Report for the Year ended 30 June 2005.

ATTACHMENTS

Financial Report for the year Ended 30 June 2005 has been circulated separately..

OM171005CSD_3

***** End of Corporate Services Division Report No. 22 *****

TO: Ordinary Meeting - 17 October 2005
REPORT: Corporate Services Division Report No. 23
SUBJECT: Report on Council Investments as at 30 September, 2005
FILE NO:

SUMMARY

Latest accounting statements for the period to 30 September, 2005.

1. Statement showing general fund bank account balance as at 30 September, 2005.
2. Cash investments as at 30 September 2005.

REPORT

1. Statement Showing General Fund Bank Account Balance as at 30 September 2005.

Limit of overdraft arranged with bank	\$400,000.00 Dr
Bank Balance as at 30 September, 2005 (1)	\$542,558.87 Cr

2. Details of Council Investments Pursuant to the General Regulation as at 30 September, 2005.

In accordance with clause 212 of the Local Government (General) Regulation 2005, a report setting out the details of money invested must be presented to Council on a monthly basis.

For the information of Councillors, the following cash investments were held by Council as at 30 September, 2005.

Invest Date	Maturity/ Call date	Institution	Term (Days)	Rate	Amount	Interest
15/07/02	15/07/07	HSBC	1826	6.34	1,000,000.00	15,858.24(2)
15/08/02	15/07/07	HSBC	1795	6.34	2,008,481.93	31,716.49(2)
30/07/02	12/12/06	Bendigo Bank	1596	7.64	510,200.00	9,545.87(3)
14/10/02	12/12/06	Bendigo Bank	1520	7.64	504,476.45	9,545.87(3)
08/08/02	08/08/07	Bank of Qld	1826	6.95	1,000,000.00	17,374.99(4)
02/09/02	28/09/06	Suncorp Metway	1487	6.75	1,005,210.00	33,750.00(5)
18/02/03	18/02/08	Macquarie Bank	1826	5.75	1,000,000.00	28,750.00(6)
02/04/04	02/04/09	Adelaide Bank	1826	6.59	500,000.00	8,231.25(7)
03/12/04	03/12/09	NM R'child & Son (Aust)	1826	6.63	700,000.00	11,602.47(8)
15/12/04	15/12/09	ACCU	1826	6.82	1,000,000.00	17,041.75(9)
21/05/04	21/05/07	CBA	1095	6.20	719,877.16	44,632.38(10)
11/07/05	11/10/05	Aust Central C/U	92	5.95	1,000,000.00	14,997.26
11/07/05	11/10/05	IMB	92	5.80	1,250,000.00	18,273.97
11/07/05	11/10/05	Bank West	92	5.70	2,000,000.00	28,734.24
26/07/05	26/10/05	Aust Central C/U	92	5.91	1,000,000.00	14,896.44
07/09/05	11/10/05	BankWest	34	5.66	3,000,000.00	15,816.99
27/09/05	25/10/05	Dresdner Bank AG	28	7.00	500,000.00	2,684.93
		IMB	@CALL	5.45	1,600,000.00	
		CBA	@CALL	5.45	<u>3,153,903.83</u>	
					23,452,149.37	

1) Balances \$500,000 to \$750,000 earn RBA cash rates less 0.75%pa

Corporate Services Division Report No. 23 (Cont'd)

- 2) Interest to 15 October, 2005 only
- 3) Interest to 12 December, 2005 only
- 4) Interest to 8 November, 2005 only
- 5) Interest to 28 March, 2005 only
- 6) Interest to 18 February, 2006 only
- 7) Interest to 2 October, 2005 only
- 8) Interest to 2 December, 2005 only
- 9) Interest to 15 December, 2005 only
- 10) Interest to 21 May, 2006.

Except for (5), (6) and (10) interest is calculated at a floating rate, fixed for the duration of each subsequent quarter, based on the prevailing interest rates at the quarterly reset date(s).

Investment Performance	Council	Benchmark*	90 day BBSW**
Returns - September 2005 [%pa]:	6.07	5.87	5.62

* benchmark is 90day BBSW plus 0.25%pa

** 90 day BBSW is the average 90 day bank bill rate for the month.

Certification – Responsible Accounting Officer

The Chief Financial Officer hereby certifies that the investments listed above have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy.

RECOMMENDATION

1. That the statement of General Fund Bank Account balance as at 30 September, 2005 be received and noted.
2. That the certification by the Chief Financial Officer be noted.
3. That details of Council's cash investments as at 30 September, 2005 be received and noted.

ATTACHMENTS

There are no attachments for this report.

OM171005CSD_1

***** End of Corporate Services Division Report No. 23 *****

TO: Ordinary Meeting - 17 October 2005
REPORT: Corporate Services Division Report No. 24
SUBJECT: Purchasing and Procurement Policy
FILE NO:

SUMMARY

The intent of this policy is to provide clear guidelines for the procurement of materials, equipment and services, through quotations and tendering, to assist in ensuring best value for money, good management practices, transparency, probity and environmental performance.

REPORT

Council is committed to ensuring a fair, transparent and accountable process in the purchase of goods and the contracting of services. This policy applies to all Councillors and staff of Manly Council.

The purpose of this policy is to provide clear guiding principles for the procurement of materials, equipment and services, through quotations and tendering, to assist in ensuring best value for money, cost effectiveness, meeting the needs of the community, good management practices, transparency, probity and environmental performance.

A probity plan is inherent in the policy for ensuring overall fairness and integrity in the procurement of materials, equipment and services for Council and for the disposal of assets.

The Policy provides that in addition to any legislative requirements which Council must comply with in its purchasing decisions (Local Government Act 1993 (Cl.55); Local Government (General(Tendering)) Regulation 2005), Council's procurement related activities shall be conducted in a manner that complies with the following general procurement principles and policies:

- The Economy principle - the need to obtain the best possible value for public money.
- The Equity principle - the need for fairness and impartiality in all stages of the purchasing process.
- The Efficiency principle - the need to have a good purchasing system that eliminates waste and rework while upholding the principles of economy and equity.
- The Sustainability principle - the need to have a system that will result in high quality sustainability outcomes in the process of producing the best value and quality outcomes for the community
- The Occupational Health and Safety principle - the need to ensure that Council staff work with equipment and in surroundings with utmost safety.

Open and effective competition and obtaining value for money should be observed in the procurement of goods and services to ensure optimum quality, price, delivery and service.

Whilst quality, price, delivery and service would generally be considered the main criteria in assessing Council's procurement of goods and services; experience, conformance with specifications (including environmental performance), OH&S record and systems and project specific matters are all matters to be considered in the purchasing equation. Council expects its contractors and suppliers to comply with ethical business standards and practices in its procurement activities.

Corporate Services Division Report No. 24 (Cont'd)

The Policy also requires staff to take account of the following policies and documents in the purchasing decision: Manly Sustainability Strategy; Zero Waste Strategy; Manly Council Management Plan; Ethical Standards Considerations.

RECOMMENDATION

That the draft Purchasing and Procurement Policy as attached, be placed on public exhibition for twenty eight (28) days and that a subsequent report be submitted to Council for adoption.

ATTACHMENTS

AT-1 Draft Purchasing Policy 25 page(s)

OM171005CSD_2

***** End of Corporate Services Division Report No. 24 *****

Manly Council



Draft
**PURCHASING AND
PROCUREMENT POLICY**

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APPENDICES

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APPENDIX B	Sustainability Procurement Guidelines
APPENDIX C	Environmental Procurement Checklist
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Manly Council

Purchasing and Procurement Policy

1. PURPOSE

Council is committed to ensuring a fair, transparent and accountable process in the purchase of goods and the contracting of services and in the disposal of land and other assets. This policy applies to all Councillors and staff of Manly Council.

The purpose of this policy is to provide clear guiding principles for the procurement of materials, equipment and services, through quotations and tendering, to assist in ensuring best value for money, cost effectiveness, meeting the needs of the community, good management practices, transparency, probity and environmental performance.

A probity plan is inherent in this policy for ensuring overall fairness and integrity in the procurement of materials, equipment and services for Council and the disposal of assets.

2. PROCUREMENT POLICIES

Council's procurement related activities shall be conducted in a manner that complies with these general procurement principles and policies:

- The Economy principle - the need to obtain the best possible value for public money.
- The Equity principle - the need for fairness and impartiality in all stages of the purchasing process.
- The Efficiency principle - the need to have a good purchasing system that eliminates waste and rework while upholding the principles of economy and equity.
- The Sustainability principle - the need to have a system that will result in high quality sustainability outcomes in the process of producing the best value and quality outcomes for the community
- The Occupational Health and Safety principle - the need to ensure that Council staff work with equipment and in surroundings with utmost safety.

Open and effective competition and obtaining value for money should be observed in the procurement of goods and services to ensure optimum quality, price, delivery and service.

While quality, price, delivery and service shall generally be considered the main criteria in assessing Council's procurement of goods and services; experience, conformance with specifications (including environmental performance), OH&S record and systems and project specific matters are all matters to be considered in the purchasing equation. Council expects its contractors and suppliers to comply with ethical business standards and practices in its procurement activities.

This document should be read in conjunction with the Local Government Act 1993 (Cl.55), and the Local Government (Tendering) Regulation 1999. In addition the following policies and documents may be of assistance in guiding Council's purchasing decisions:

- Manly Sustainability Strategy
- Zero Waste Strategy
- Manly Council Management Plan
- Ethical Standards Considerations
- "Sustainability Procurement Guidelines" (attached)
- OH&S Considerations (attached)

Council shall strictly implement its Code of Conduct, guidelines and other relevant policies on matters relating to its procurement activities.

3. CATEGORIES OF PROCUREMENT

3.1. Petty Cash

Petty cash is used to meet the need for the procurement of small incidental goods and urgent situations for Council and is limited to \$100 per individual transaction. Splitting of purchases to circumvent the limit or the multiple purchases of the same items over a period of time is not permitted. Petty cash claims are to be approved by authorised officers and records of claims and receipts should be maintained.

The General Manager is delegated authority to determine all matters relating to petty cash, in order to allow the level of the floats and the limits placed on petty cash vouchers to be amended administratively. In this regard, the petty cash limit may be varied from the \$100 limit in extenuating or emergency circumstances when a cash requisition is required.

3.2 Purchase Orders

A purchase order is Council's official document used to purchase goods or services from an external supplier. A purchase order confirms the contractual arrangement between Council and the supplier and is used primarily to procure off the shelf supply items and services up to \$150,000.

All purchasing transactions other than petty cash and items not otherwise covered by contract or acceptance of quotations to specification or the procurement of a consultancy or professional service contractor are to be formalised by issuing a purchase order.

A purchase order may be issued by an authorised officer subject to the order being endorsed and approved by the appropriate Manager or Divisional Head. The officer authorised to approve the issuing of the purchase order must ensure that the appropriate expenditure authority exists and that budgeted and approved funds have been allocated for the purpose of the expenditure. The invoice for the goods or service should be matched to the order, verified and authorised for payment by the approving officer.

Council's decentralised purchasing system places the onus on the approving officers to maintain probity in the respective budgetary cost centres. At all times line management is responsible and accountable for the application of competent management principles in the purchase order process.

The purchase order serves to record the commitment in the financial system and to facilitate payment, including progress payments.

3.3 Exceptions

In the interest of maintaining efficiency in the purchasing process there are some instances where the procedures outlined in this policy can be bypassed. These instances include:

- Where the Goods/Materials/Services being purchased are of a nominal cost ie. where the expected cost is under \$1,000.
- Services such as utilities ie. Phone, power, water & gas bills that do not have purchase orders raised in the normal course of business.
- Where goods/materials/services are required for an emergency or unplanned event. Where this is the case a **Council Works Order** with details of the emergency or unplanned event will need to be completed and attached to the payment request.
- **Library Requisitions** - In order to facilitate the purchase of Library books and reduce administration, the attached "Library Purchase Requisition" may be used for the purchase of books and audiovisual materials (including CD-Roms and electronic purchases). It cannot be used for other purchases. The L order number on the top left hand corner indicates that the Library has ordered the material. Suppliers are required to quote this order number on all deliveries and invoices. Library Purchase Orders will be signed by the staff member responsible for ordering the material and the Manager, Cultural and

Information Services. When the Invoice for the goods is received, a Purchase Order in Authority is to be raised as a "confirmation order" to assist with payment of the Invoice. The order description will make reference to the Library Order eg " Books as per Library Order L123245". The Order will then be processed and completed for payment.

3.4 Quotations

A quotation is an external supplier's bid or offer to provide goods or services. A quotation represents a statement of price, terms of sale and description of goods or services offered by the supplier to Council. Quotations are utilised to ensure that Council receives value for money based on fair competition.

Quotations may be requested either verbally or in writing subject to financial limits. All quotations whether verbal or written are to be documented. Quotations are to be obtained for all the potential procurement costs for goods, equipment or services not available through long term supply contracts or Government contracts.

3.5 Long term supply contracts

Council may choose to pursue long term contracts from suppliers for goods to allow Council to take advantage of the buying power opportunities offered to larger organisations. Advantages include quality of product, financial efficiencies, reduced inventory and delivery on demand. Such arrangements with suitable suppliers minimise the need to obtain competitive quotes. Such contracts may also be awarded in conjunction with other councils or regional organisation of Councils. Goods are supplied in accordance with the terms and conditions and nominated price stipulated in the contract.

3.6 Government Contracts

Council has access to certain goods and equipment under various Government Contracts or through SHOROC. This enables Council to take advantage of the Government or SHOROC price structure with significant savings in a number of areas. The Purchasing section should be contacted to ascertain whether the item being purchased is available from these sources or if the item has been the subject of a current Council called quotation or Tender process. This should be done as part of the initial planning of the purchase.

Council currently utilises SHOROC preferred suppliers (who have been appointed following an advertised invitation process) for certain supplies.

The NSW State Contracts Control Board (Supply NSW) has arranged and administers a variety of contracts for goods and services. The Commonwealth Government also has 'Common Use Contracts' through which procurement can be undertaken. Council can take advantage of these contracts where the goods and services are not available through long term supply contracts.

As with long term supply contracts procurement is undertaken through Council's purchase order system with no financial limits applying to specific purchases, other than the \$150,000 threshold before tenders must be called. Council's expenditure authorities still apply but quotes may be required to ensure best value and dependant upon the merits of the particular market being tested.

Quotes would be obtained directly from the supplier or contractor and would be subject to the financial limit, the evaluation of quotes and selection of a preferred supplier, all of which are to be fully documented.

3.7 Contracting

Contracts usually involve various degrees of risk to Council and the contractor. It is appropriate that Council (as the Principal) determines contractual arrangements in order to minimise procurement risk.

Risk can be minimised in the procurement process through the use of contracts which can require conditions relating to guarantees as to operation or performance of the procured items; long-term supply of goods / equipment in an unspecified quantity; and ensure special safeguards, such as security deposits or performance bonds, which are required to protect Council's interests and assets.

Competitive tendering provides Council with a range of choices in selecting the best tender from competing suppliers and contractors and gives to all prospective tenderers adequate, fair and equal opportunity to bid on goods, services and works required by Council.

The principles that guide Council in the tender process and ensure the probity of the process are detailed in this Policy and include the method of tender, preparation of tenders and contract documents; specifications; calling for tenders; assessment/evaluation; selection; and ongoing contract administration.

4 COUNCIL'S PROCUREMENT SYSTEM

Procurement of all goods, materials, equipment, works and services by Council will occur by one of the following methods and are subject to financial limits and conditions.

4.1. Direct Procurement

Providing the pricing is competitive, a single source supplier may be selected, and direct procurement may occur, or where such goods, services or materials may be obtained under NSW State Government contract.

4.2. Verbal Instruction for Quotation

A minimum of three (3) quotations are sought verbally from selected suppliers and proposed verbally. The process to be fully documented by maintaining records of the verbal instructions issued, the quotations received and the supplier selected.

4.3. Written Instruction for Quotation

A minimum of three (3) quotations are sought in writing from selected suppliers and proposed in writing. The process is to be fully documented by keeping copies of the instructions issued, the quotations received and the supplier selected.

4.4. Written Instruction with Specification for Quotation

Staff prepare a specification for goods, material, works and services with an estimated value in excess of \$25,000 as if tenders would be called. A minimum of three (3) quotations based on the specification document are sought in writing from selected suppliers and proposed in writing. The process is to be fully documented by keeping copies of the instructions and specifications issued, the quotations received and the evaluation leading to the supplier selected.

4.5. Public Quotations / Expressions of Interest

Quotations are publicly advertised and invited and fully documented. A specification is prepared for goods, material, works and services or for capital works with an estimated value in excess of \$25,000.

4.6. Tenders

Tenders are publicly advertised and invited and fully documented and be the subject of a report to Council.

Annual Schedule of Rates

Tenders for Annual Schedule of Rates may be called for fixed rates from contractors for projects required to be carried out by Council on an 'as-required' basis. Such projects may include maintenance tasks, procurement of goods, or minor capital works. No more than three contractors are to be selected for inclusion in the Annual Schedule of Rates Contracts for any category of work to be conducted. Contracts under the Annual Schedule of Rates may be let by Council directly, or may operate under those let by bodies including SHOROC, NSROC or the NSW State Government. The outcome of the tender process, on which Council's Annual Schedule of Rates contracts are formed, must be the subject of a report to Council.

Joint tenders or quotations

Joint tenders or quotations for materials equipment, works or services may be conducted in association with regional bodies of council such as SHOROC or NSROC, or with individual councils where there may be an agreed benefit in doing so.

5. FINANCIAL LIMITS

5.1. Limits that apply

Financial limits apply to the methods that Council utilises to obtain goods and services. If items or services are available under a long term supply contract awarded by Council or as part of a joint tender or quotation or Government Contract the financial limits outlined below for quotations do not apply.

The General Manager is delegated authority to authorise the awarding of works and expenditure. Section 55 of the Local Government Act 1993 and the Local Government Tendering Regulation 1999 provides that works in excess of \$150,000.00 must be awarded by Council by way of public tender. Council retains the right at the General Managers discretion to call public tenders for works less than \$150,000 where it is in the public interest or where the it is advantageous to do so.

The General Manager is delegated authority to amend the number of quotations required. There may be instances when there are insufficient suppliers in the market place to require minimum 3 quotations, whilst there may be times when goods, materials or services are available in a highly competitive market and it is in the best interest to obtain a greater number of quotations.

The following financial limits apply:

(a) Up to \$1,000

Competitive quotes are not required. However where feasible a written or verbal quote should be supplied. Manager approves purchase order.

Where Council regularly purchases from the same supplier, Managers must test the market by checking with other suppliers to ensure they are obtaining competitive rates.

Providing the pricing is competitive, a supplier may be selected and direct procurement may occur where expenditure on a good, service or material will not exceed \$1,000 in a twelve month period or where such goods, services or materials may be obtained under NSW State Government contract or long term supply contract.

Records of instructions and quotations received must be maintained.

(b) \$1,001 to \$5,000

Procurement of goods, equipment, works and services with a value less than \$5,000 (single order value or value in a 12 month period) and which is not available through SHOROC or NSW State Government contract or a long term supply contract may be purchased to the best advantage by obtaining a minimum of two (2) quotations, verbal or written, from suppliers.

The selected offer is to be documented in writing and the process is to be fully documented including maintaining copies of all instructions and quotes.

(c) \$5,001 to \$50,000

For works with a value between \$5,000 and \$25,000 a minimum of three (3) known suppliers must be invited to provide quotations (verbal or written). The selected offer for goods, equipment, works and services is to be documented in writing and records kept of all instructions and quotes.

For works in excess of \$25,000 an instruction to quote must be in the form of a specification as if a tender was to be invited and the response from the supplier must be in writing and include all details requested in

the instruction/specification. The selected offer for goods, equipment, works and services is to be documented in writing and records kept of all instructions and quotes. The General Manager may determine that it is in the public interest to invite either “expressions of interest”/ public quotations or tenders if the nature of the work or service is such that the quotation system does not adequately cover Council’s risks.

Manager/Divisional Head approves and signs purchase requisition. Major items such as motor vehicles, plant items, capital building and construction works, leasing agreements, and computing equipment require General Manager’s approval.

(d) \$50,001 to \$150,000

A minimum of five (5) known suppliers (where possible) must be invited to quote. The instruction to quote must be in the form of a specification as if a tender was to be invited and the response from the supplier must be in writing and include all details requested in the instruction/specification. The selected offer for goods, equipment, works and services is to be documented in writing and records kept of all instructions and quotes. The General Manager may determine that it is in the public interest to invite either public quotations or tenders if the nature of the work or service is such that the quotation system does not adequately cover Council’s risks.

Manager/Divisional Head approves and signs purchase requisition. Major items such as motor vehicles, plant items, capital building and construction works, leasing agreements, and computing equipment require General Manager’s approval.

(e) Greater than \$150,000

Tenders or Expressions of Interest are to be publicly tendered in accordance with:

- i) Local Government Act 1993
- ii) Local Government (General) Regulation 2005 (Part 7 –Tendering)
- iii) Council’s Polices and Procedures

Where it is deemed in the public interest or to fully test the market, Council may at its discretion, call tenders or expressions of interest for procurement of goods, equipment, works and/or services with a value of less than \$150,000

5.2. Delegated Authority

Delegations to the General Manager to approve works in accordance with this Policy are as follows:-

Value	Tendering Method	Authority
(a) Up to \$1,000	Verbal instruction. Minimum of 1 verbal quotes.	General Manager/ Divisional Manager/ Managers
(b) \$1,001 to \$5,000	Written instruction. Minimum of 2 verbal or written quotes.	General Manager/ Divisional Manager/ Managers
(c) \$5,001 to \$25,000	Written instruction with specification and fully documented. Minimum of 3 quotes (verbal or written).	General Manager/ Divisional Manager/ Managers
(d) \$25,001 to \$50,000	Expressions of Interest. Written instruction with specification and fully documented. Minimum of 3 written quotes.	General Manager/ Divisional Manager/ Managers
(e) \$50,001 to \$150,000	Written instruction with specification and fully documented. Minimum of 5 written quotes (where possible).	General Manager/ Divisional Manager

Works with an estimated value greater than \$150,000 are to be publicly tendered and awarded by Council in accordance with the Local Government Act 1993, Local Government (General) Regulation 2005, and Council's Policies and Procedures.

The term "works" referred to in the Delegations Manual shall mean and include "materials, equipment, works or services" subject to the exemptions provided under Section 55 (3) of the Local Government Act.

6. OTHER CONSIDERATIONS

6.1. Consultancies and Professional Services

Instructions issued for a quotation for consultancies and professional services not subject of a tender process must be accompanied by a written brief/specification and receipt of confirmation of tasks or written proposal of the consultant/professional. All processes and the evaluation of the quotations are to be fully documented. Any instructions that the General Manager deems to be in the public interest to be subject of a public quotation or a tender/EOI are to be dealt with in accordance with those requirements detailed in this policy.

All consultants/professionals contracted by Council shall be advised of Council's commitment to the Manly Sustainability Strategy and Zero Waste Strategy and shall be required to document, in all presentations including reports, advice or recommendations, such matters as the use of recycled content products and usability of green products that may be consistent with Council's Policies.

6.2. E-Commerce

Council utilises the electronic exchange of business transactions to pay suppliers for goods and services via EFT direct to the financial accounts of participating suppliers. Some orders for goods and services are placed via the internet. The placement of Council orders online is not yet available.

The advantages of electronic transactions include the efficient and timely procurement of goods and the inherent efficiencies in reducing paperwork and the associated processing costs.

6.3. Goods and Services Tax (GST)

Goods and Services Tax is levied on the taxable supply as defined by the relevant GST legislation. Suppliers add 10% GST to their price and then pay that GST that they billed to the Australian Tax Office. The supplier then receives a credit of GST paid on their inputs to the process.

Council's contract conditions require suppliers to disclose any GST amount sought to be recovered from Council by means of a tax invoice. Council will then be able to claim a credit for that GST amount.

6.4. Corporate Credit Cards

Access to a corporate credit cards is restricted. Councillors and staff have access to Cabcharge vouchers/cards on a needs basis to be used in conjunction with official Council business. The use of these cards assists in achieving efficiencies in the purchasing and payment process and advantages include the prompt payment of suppliers, reduction in paperwork, reduced administrative costs, improved cash management, internal control and audit, and greater convenience.

7. TENDERING

7.1. Tendering Basics

Council has no obligation to accept any tender submitted.

Council favours open tendering and a report to and resolution of Council is required for any selective tendering process. The General Manager is delegated authority to determine the method of tendering. Methods of tendering are:

(A) Open Tendering

Tenders for the proposed contract are invited by public advertisement.

(B) Selective Tendering

Invitations to tender for a proposed contract are made by a public advertisement calling for expressions of interest. After considering applications, Council may select applicants to tender for the proposed contract or decline to invite tenders from any of the respondents.

Where the market for a good or service is specialised, invitation to submit an expression of interest may be made to selected suppliers or service providers on the basis that the expression of interest will be treated as a tender submission and provided that the invitation from Council is accompanied by a full specification of the goods or service required.

Council will call tenders for provision of any materials, equipment, works or services in excess of \$150,000 in accordance with the Local Government Tendering Regulations 1999. Exceptions to this may apply in some circumstances and are listed in section 55 (3) of the Local Government Act.

The General Manager may determine that it is in the public interest to invite either public quotations or tenders for works less than \$150,000 if the nature of the work or service is such that the quotation system does not adequately cover Council's risks.

Council's documentation on each tender or quotation issued should include:

- conditions of tender
- specifications of tender or quotation
- selection criteria
- the advertisement containing details of lodgement and closing dates for submissions
- details of any proposed pre-tender meeting
- a list of general conditions of contract
- any other relevant material such as quotation forms, etc.
- a copy of Council's 'Code of Conduct'
- a copy of Council's 'Ethical Considerations'.

The Administration section of the Department dealing with the tender process will in consultation with the relevant Manager issue the tender documentation relating to the calling of tenders and maintain a record of names and contact details of all representatives and organisations requesting such documents.

All tenders submitted to Council are to be deposited in the Tender Box located in the ground floor foyer of the Civic Centre, by the submitter, on or before the closing date. This is Council's preferred method of lodgement. Keys to the Tender Box are held by the Manager Governance. Tenderers may alternatively lodge tenders electronically by facsimile or email provided all tender documentation is forwarded and all conditions are met and are retrievable prior to the closing time. The tender will otherwise be non-conforming.

All individuals and organisations lodging tenders and/or quotations with Council for provision of materials, equipment or services valued in excess of \$5, 000, must have an Australian Business Number (ABN), and must be registered for Goods and Services Tax. All such submissions must clearly state the submitter's ABN. The successful tenderer must submit all requests for payment in a 'tax invoice' format. All tax invoices must adhere to the Australian Taxation Office's guidelines.

No contract shall be broken into separate parts to circumvent the requirements of this policy.

Lobbying of Councillors and staff by tenderers or their agents is not permitted and shall result in their disqualification from the tender process on that occasion. For the purposes of this clause "lobbying" shall include seeking to influence; seeking to obtain support or assistance; and urging or persuading.

Any staff member or Councillor who has a pecuniary interest in, or becomes aware of any interest in, a company tendering for Council work, or who has an association with a company tendering for work, must complete a pecuniary interest form. They must remove themselves from the tender and selection process,

Incentives offered by tenderers may only benefit Council as a whole and may not be of any direct or implied benefit to member(s) of staff or Councillors.

Compliance with the provisions of the Local Government Act 1993, the Local Government Regulations 1993, Council's Code of Conduct and this policy, is necessary for every tender invitation issued by Council.

All tenderers shall be advised of Council's commitment to the Manly Sustainability Strategy and Zero Waste Strategy and the requirement to comply with any specification consistent with Council Policies.

7.2. General Terms and Conditions of Tendering

The General Manager is the 'appropriate person' to receive tenders submitted to Council in accordance with Clause 4 of the Regulations, and will also be responsible for monitoring compliance with the policy.

Variation (including clarification and explanation) of a tender may only occur in accordance with Clause 17 of the Local Government (Tendering) Regulation and any communication for such purpose shall be with the General Manager or officer managing the tender process and shall be minuted.

The officer managing the tender process may determine that it is appropriate to conduct a pie-tender meeting for potential tenderers prior to the close of tenders, to clarify important matters relating to the tender and the process. Whether that meeting is to be compulsory for tenderers is a matter for the contract manager to determine and clearly specify in the tender documentation. Details of such meetings shall be clearly identified in the tender documentation and details of attendees and general discussion shall be recorded.

All Tender submissions, quotations and expressions of interest issued by Council will clearly state that Council is committed to open and transparent government.

Information presented in tender submissions shall only be treated as confidential if disclosure of this information would be likely to prejudice the commercial position of the tenderer or reveal a trade secret.

Council retains the right to treat any information contained within a tender submission as confidential if disclosure of that information to the market place will prejudice both Council's and the tenderer's position, particularly in instances when Council does not accept a tender and has the need to re-tender.

Any information requested by the submitter to be treated as confidential must be clearly marked and must be able to be separated from the body of the tender submission.

Any request for confidentiality by a submitter must be accompanied by reasons for such a request.

Council reserves the right to decline any tender submission where excessive confidentiality is sought.

Tenderers must clearly indicate which aspects of their submissions are 'Commercial in Confidence'. All material not so indicated will be deemed not to be confidential.

Any one of the following (General Manager, Chief Financial Officer, Manager Governance, Manager Administration or another officer authorised by the General Manager must be in attendance at the opening of tenders received at the time specified for the close of tenders. Members of the public in attendance for the opening of tenders must be permitted to view the opening and are entitled to ask and to be told whether a specific tender has been received and the number of tenders received.

Immediately following the opening of tenders, either the delegated Officer must record the names of the tenderers and the amounts (if applicable and appropriate) that appear to have been tendered for the contract and prepare a tender list specifying, in apparent order of those amounts, the names of the tenderers. (The tender list does not show the amounts tendered.) The tender list must then be placed on public display on the noticeboard located in the Customer Service Department. The officer preparing the tender list may add to the list other information considered appropriate.

The tender list shall remain on public display until the tender is determined by Council. Once each tender has been determined by Council, a notice specifying the name of the tenderer whose tender was accepted and the amount of the successful tender, will be placed on public display, or if no tenders were accepted, a notice to that effect.

All documents issued by Council relating to the issue of tenders, quotations, or expressions of interest, will contain the above information for the information of all submitters.

Council retains the right to decline to consider a tender where all aspects of the tender are 'Commercial in Confidence', thereby eroding the Council's commitment to openness.

No contractor shall occupy a site in any way, begin any work, or incur any costs on Council's behalf unless a signed contract or letter of acceptance, together with a Council Purchase order has been issued.

Subcontractors Statement

In order to satisfy s175B of the *Workers Compensation Act 1987*, Part 5B s31G-31J of the *Payroll Act 1971* and s127 of the *Industrial relations Act*, a Subcontractors Statement, as attached, is required to be completed by the successful Contractor in relation to all major Contracts entered into by Council.

7.3. Tender Specifications and Assessment Criteria

7.3.1. Specifications

Tender specifications will be written in a way that will encourage open and effective competition by providing the best possible opportunity for potential suppliers to develop solutions capable of satisfying predetermined requirements.

Specifications will not include any feature which discriminates, either directly or indirectly, against any supplier or group of suppliers. Specification of any feature that could be perceived as discriminatory, such as items that are specific to a particular technology or brand, should be avoided. Specifications should encourage suppliers, wherever possible, to offer alternative options which can reasonably be adapted to meet requirements.

It is equally important not to state requirements of any tender too broadly, or to require suppliers to develop tailored solutions unnecessarily. Whether or not tender specifications are framed to encourage innovative responses, it may be of benefit to Council to evaluate tender submissions which do not fully comply with the specifications. Such responses would be considered 'non-conforming' if alternatives are not permitted. Alternative responses can offer innovations which may not be obtained by strict adherence to specific details and which writers of specifications did not envisage. If alternative responses are appropriate, documents should state whether, and under what conditions, alternatives to a specification are allowed. The options may include:

- no alternative will be considered, or
- an alternative may only be submitted with a tender which fully conforms with the specification.

Each specification is to be authorised and endorsed by the appropriate Divisional Manager.

7.3.2. Service Contract Specifications

Service Contract specifications should be reported to Council for approval prior to inclusion in the tender documentation and calling of tenders or quotations. This will ensure that the level of service provided for in contracts is meeting community expectations.

7.3.3. Assessment Criteria for Tenders

Every tender called by Council will be assessed using the following standard assessment criteria as a minimum. Whilst other criteria may be used which are more specific to each tender, the following criteria must be applied to all assessments:

Capability Assessment shall include the experience of the tenderer and the experience and qualifications of the key personnel who will be operating the contract, including management and supervision, and the capability of the contractor to work within the relevant policies of Council. Reference checks should be conducted to evaluate any tenderers capabilities.

Technical & Methodological Assessment shall evaluate how the tenderer proposes to fulfil the obligations of the tender, and whether the tender submission meets the requirements set out in the specification.

Financial Assessment must include identification of all relevant costs, individual analysis of costings contained in each submission, and cost comparisons between all competing submissions. The initial (once only), and ongoing costs, must be identified and calculated in the process of assessment of tender submissions.

An independent financial assessment and report on potential contractors and suppliers of major goods and services should be obtained from Council's auditor in relation to a tenderer being recommended for selection for major projects and may be considered in the event of 2 or more tenderers unable to be separated in the assessment and evaluation phase of the tender process.

Occupational Health and Safety Assessment must be performed where the tender involves the completion of works of any description. Where appropriate the successful tenderer will have an Occupational Health and Safety policy in place. Where such a policy does not exist, the tenderer must include in their submission, a detailed outline of how occupational health and safety issues will be addressed in the course of completing works for Council.

When purchasing goods, materials or services for Council, the provisions of the O H & S Act 2000 should be adhered to. The provisions of the Act include:

- ensuring that any plant or substance provided for use by the employees at work is safe and without risks to health when properly used.
- providing such information, instruction, training and supervision as may be necessary to ensure the employees health and safety at work.
- All safety aid operating information must be supplied with all products and equipment.
- a work method statement must be completed before any plant items are purchased.

Environmental Assessment is essential where environmental issues may be involved. All persons or organisations responding to public calls for tenders, quotations or expressions of interest shall be asked to provide the following information within their submissions:

- a copy of their environmental policy or equivalent
- details of their environmental management strategy (where appropriate)
- their commitment to due diligence in regard to environmental legislation
- documentation outlining past performance in regard to environment protection and enhancement initiatives
- evidence of selection and use of products based on a principle of 'value for money' over their life cycle, and consideration of other issues such as low wastage levels and use of recycled content and usability of those products.

Other considerations to be taken into account in the assessment of tenders and quotations may include:

- Implications of contractor failure and the risk of being contractually obligated to one provider.
- Where plant and equipment is involved, the likely state of plant and equipment at the time of renewal, and the need to plan ahead for capital replacement.
- The possible benefits to be gained by purchasing from a geographical location which may provide benefit to Council. For example, improved communication, after sales service, reduced freight costs, local knowledge of conditions and sites.
- Council will require contractors to have systems in place which ensure that subcontractors are paid during the execution of the contract, or to satisfy Council that suitable alternative arrangements are in place.
- Wherever tenders are invited, or where any purchase orders are raised for goods or services, preference, where all other factors are equal, shall be given to Australian made products.

7.3.4. Weighting of Assessment Criteria

Assessment criteria shall be ranked in order of importance and a weighting applied to each criteria. The two highest ranked evaluation criteria should be given the most weight and the total of their weighting should be at least 80% of the combined total for all weighted criteria. The weightings applied to criteria shall be determined by the Manager overseeing the tender in consultation with the tender panel convened to assess and select a tender. The assessment criteria and their weightings must then be included in the tender documentation.

Other details relating to the application of weightings to assessment criteria and the associated procedures in assessing tender responses are included in Council's Contract Administration Manual.

7.3.5 Key Considerations in Assessing Tenders

Impartiality

Impartiality must be observed throughout the entire tendering process so as not to exclude or favour any tenderer

Insurance

The type and level of insurances required, particularly public liability insurance, will be investigated when arranging a specification for the particular contract.

Best Value

Council will base procurement decisions on a principle of "value for money" over the life cycle of products rather than "lowest cost".

Environmental Performance

Council will give preference to, and purchase, environmentally performing products that are cost competitive.

Transparency of Process

Principles of transparency, consistency and probity will be applied to all processes in the preparation, advertisement, assessment and management of tenders and quotations by Council.

Conflict of Interest

Any conflict of interest must be reported to the General Manager and dealt with immediately. This will apply to Councillors, Council staff and tenderers.

Accountability

Accountability is important as funds must be used in the most cost effective and efficient manner.

Monitor and Evaluate Performance

To ensure probity, on completion of each tender a formal performance review must be completed and documented by the Manager overseeing the tender.

Non Conforming Tender

A tender is nonconforming when there is an absence of any requirement clearly detailed in the Conditions of Tendering. If a tender received is non-conforming, the report to Council must state the reason why the tender was classed as non-conforming and not considered.

7.4. Consultancies and Professional Services

Consultants commissioned to undertake any work involving the submission of a report, advice, or recommendations to Council on any matter shall be required to disclose any pecuniary interest prior to the commissioning of the work.

Any invitation to tender or offer distributed or advertised by Council shall include a statement that a declaration will be required to be submitted prior to the commissioning of any work.

Council will retain the right not to proceed unless an acceptable declaration to Council is submitted. Council will incur no liability, and no binding agreement will be formed, until a declaration is received and accepted.

If, during period of contract, the consultant is made aware of any pecuniary interest not previously known or recorded, an amended declaration is to be completed and immediately brought to the attention of the General Manager.

7.5. Non-acceptance of a tender

If, following a tender process, a tender cannot be accepted due to there being no conforming tenders, or two or more conforming tenders cannot be separated on merit in terms of making a selection, Council may determine that no tender be accepted and that the General Manager be delegated authority to negotiate an outcome with one or more of the tenderers.

7.6. Tender Panels

The Manager overseeing the tender will convene a Tender Panel to oversee and assist in the calling, assessment and selection of specific tenders and quotations. The composition of the tender panel will be determined by the Manager using Council staff expertise relevant to the area associated with the tender, however must be approved by the General Manager.

From time to time it may be necessary to utilise external expertise to assist the panel in development of specifications, assessment and selection. In these instances, the same standards of declaration of interests apply as those that apply to consultants and professional services. Any appointment of a consultant or professional services in a tender process must be approved by the General Manager.

The extent of involvement of consultants or professional services in any part of the tender process should be clearly disclosed to tenderers.

The Panel's role will include:

- Review all tender specifications prior to issue, including seeking the approval of Council to service contract specifications.
- Review selection criteria.
- Conduct pre-tender meeting and interviews as appropriate
- Oversee tender assessment process.
- Review tender evaluation and recommendations.
- Endorse recommendations.

The tender panel will ensure that the Chief Financial Officer is consulted in relation to the panel's selection recommendation to Council prior to the matter being determined by Council and that the recommendation receives the endorsement of the relevant Divisional Manager. The tender panel is responsible for overseeing all processes in calling and evaluating tenders with regard to probity, transparency and consistency

Upon acceptance of a tender by Council, the Manager overseeing the tender is responsible for monitoring and evaluating performance of the tender process to ensure that the procurement process adheres closely to the provisions of this Policy. The review is to be documented and referred to the relevant Divisional Manager.

Occupational Health and Safety

All officers purchasing goods and services must consider this checklist prior to purchase and commencement of use.

NO	ITEM	YES	NO
1	ERGONOMIC REQUIREMENTS Is an ergonomic assessment required prior to purchase? If so contact the Safety Officer	<input type="checkbox"/>	<input type="checkbox"/>
2	INSTRUCTION MANUAL Is there an instruction manual accompanying the goods and/or services? (Instruction Manuals are imperative to ensuring work method statements, operating procedures and training programs are up to date)	<input type="checkbox"/>	<input type="checkbox"/>
3	MATERIAL SAFETY DATA SHEETS Does the purchase require a MSDS? If so is one available? (all chemicals require MSDS's)	<input type="checkbox"/>	<input type="checkbox"/>
4	WORK METHOD STATEMENTS/STANDARD OPERATING PROCEDURES. Does the purchase comply with current statements and procedures? (if not, a new statement or procedures must be written)	<input type="checkbox"/>	<input type="checkbox"/>
5	PERSONAL PROTECTION EQUIPMENT. Does the purchase require new or modified PPE for staff? If so ensure stock is available prior to usage.	<input type="checkbox"/>	<input type="checkbox"/>
6	NOISE AND VIBRATION: Is the noise level greater than 85dba at operator level? If so look for alternate plant or substance where possible.	<input type="checkbox"/>	<input type="checkbox"/>
7	NOISE AND VIBRATION: Is there any vibration at the worker level? If so look for alternate plant or substance where possible.	<input type="checkbox"/>	<input type="checkbox"/>
8	TRAINING: Will staff require training prior to use? If so ensure it occurs.	<input type="checkbox"/>	<input type="checkbox"/>
9	CONSULTATION Has consultation occurred with relevant stakeholders?	<input type="checkbox"/>	<input type="checkbox"/>

Sustainability Procurement Guidelines

“Value For Money and the Sustainability Preference”

Purchasing decisions should be made on the basis of *value for money*, rather than just the cheaper up-front purchase price. Where choices are made on the basis of cost, reasons for not purchasing recycled or environmentally preferable products may be required.

It is recognised that in some cases the selection of environmentally preferable products and materials may be less competitive. Manly Council may exercise a price preference of up to 10% to encourage the purchase and use of recycled or environmentally preferable products – the “sustainability preference”.

Purchasing goals

Wherever possible, Manly Council employees and contractors will pursue the following goals and adhere to the specified principles when purchasing products, materials and services.

Zero Waste

- Purchases shall be only made once it has been determined that the product or service is necessary.
- Purchasing decisions shall be made in the context of the waste hierarchy to reduce, reuse and recycle.
- *REDUCE* – Using less in the first place and avoiding waste. Examples of this include purchasing in bulk to reduce packaging and the purchase of printing equipment that prints double sided.
- *REUSE* - Using the same item more than once, and extending the useful life of products and equipment before replacing an item. Aim to re-use or repair an existing product. Ensure that new purchases are durable, have a long service life and are easy to maintain and upgrade.
- *RECYCLE* - Purchase products that contain recycled materials or those that have or can be re-manufactured.

Zero Climate Damage

- Purchase energy efficient products and materials by checking that the energy rating and efficiency features are the best available for the price.
- Purchase materials and products that are free of toxic or polluting materials.
- Purchase renewable energy and reduce the purchase of fossil fuels.
- Purchase goods that have not been transported long distances.

Zero Habitat Destruction

Purchase paper and wood products obtained from recycled, plantation, salvaged or renewable sources.

Zero Pollution

Purchase products and materials that will not release toxic substances that can pollute water, land or air at any stage of their life cycle.

Zero Soil Degradation

Purchase products, materials and services that will not degrade or pollute the soil, or result in erosion through their use.

Ethical Standards Considerations

Council is currently working on the preparation of Ethical Standard criteria to enable the consideration of sustainability principles across the triple bottom line – ie. social, economic and natural environments – and guide the procurement of goods and services.

Environmental procurement checklist

The following checklist has been prepared to allow officers of Council to assess proposed purchases against sustainability principles. Answers to some of the following questions will need to be sourced from the supplier and/or producer.

Acquisition

The environmental objective is to avoid/reduce all unnecessary forms of procurement. Some consideration may include:

- Do other departments or sections within Council have a product surplus?
- Is the product available for short term rental?
- Can the Product be shared with other departments or sections (who may already have the material)?
- Is the quality being purchased appropriate?
- Can the product be easily relocated to another site/area?
- Are parts and service available locally?
- Is the product suitably labelled with relevant environmental information (including disposal, spill procedures etc)?

Waste Reduction

The environmental target is to reduce waste in general, specifically waste to landfill. Consideration should be given to:

- What is the durability of the product?
- Is the product easy and economical to service and maintain?
- Is the product designed to reduce consumption and minimise waste?
- Is the product reusable?
- Can the product be technically and economically recycled?
- Are there recycling collection systems for the product? Are they locally situated?
- Is the product returnable to the supplier at the end of its useful life?

Packaging

Unfortunately, packaging is hardly ever re-used and wastes scarce resources without adding much to a product's functionality. Some questions that should be asked include:

- Is the amount of packaging for the product necessary?
- Has consideration by the supplier been given to using bulk packaging?
- Can the packaging be reused or recycled?
- Can the product's packaging be sent back to the supplier for reuse?
- Are any recycled materials used in the product's packaging?

Material Source

The environmental objective is to use as few materials as possible as even renewable materials can place a burden on the environment. The following should be considered:

- What is the percentage of recycled material?
- What is the percentage of post-consumer materials that can be reused and/or recycled?
- Is the wood in the product from a sustainable well-managed forest?

Energy Efficiency

Energy efficiency is not just a cost issue. It has environmental impacts because producing energy consumes non-renewable resources. In Australia, most energy production also produces greenhouse gases. Consideration should be given to:

- Is the product as energy efficient as competitive products?
- Is a sleep/snooze mode available to conserve energy?
- Is the supply of electricity from rechargeable power sources?
- Are renewable fuels being used?
- Does this product require less energy to manufacture than competing ones?
- Are alternative technologies available which are more energy efficient?

Water Conservation

As for energy above, water should be conserved not just to save Council money but also to help the nation's scarce water resource. Questions that may be asked include:

- Is less or recycled water being used during operation compared to competing products?
- Is less or recycled water being used during production of the product?
- Is less pollution being produced in operation than competing products?

Hazardous Materials – Use and Disposal

The incorrect use of some materials can lead to land degradation and health and safety risks. Consideration should be given to:

- Is the product considered a hazardous material/substance?
- Is the product toxic to humans?
- Is it toxic to marine life?
- Is the product inflammable?
- Is the product biodegradable?
- Are the by-products of the product degradation safe for the environment?
- Are the products free of:
 - Banned substances?
 - Heavy Metals?
 - Volatile organic Compounds (VOC)?
 - Toxic Chemicals
- Is there any competitive product that uses fewer chemicals/pesticides?
- Does the product emit VOC's or other air pollutants?
- Are there special requirements for disposal (EPA Licence etc)?
- Are there special instructions for use of the product – to protect worker health and safety?

Service Provider Environmental Record

The service provider's environmental record is sometimes the only thing that can be checked. Where competing products have the same environmental impacts, the environmental performance of the service provider can assist in deciding the issue. Some questions that can be asked include:

- Does the service provider produce a public environmental report?
- Does the service provider have an environmental policy or Environmental Management System(EMS)?
 - If the service provider has an EMS is it certified?
- Has the service provider developed an environmental management plan and set quantified objectives and targets for environmental improvement?
- Does the service provider have programs in place or planned for promoting resource efficiency?
- Is there evidence of environmental or waste audits?
- Does the service provider carry out life-cycle analysis of the products or services (and its packaging)?

- Has any other established product verification process verified the environmental merits of the product?

- Has the service provider's environmental record been checked to verify:
 - That it has complied with all environmental legislation and regulations?

 - That all environmental issues are satisfactorily addressed?

(Information sourced from NSW Department of Public Works and Services, NSW Government Procurement Guidelines: Environmental Management, May 2000)

Manly's Ethical Charter

Council resolved to commit to the following Ethical Charter at the Planning and Strategy Committee Meeting of 14th February, 2005.

Council is committed to supporting the principles of Ecologically Sustainable Development (ESD) as defined in the Local Government Act 1993 and ethical business practices. Council believes that sustainability must be the guiding principle of our business, requiring policies that meet the needs and aspirations of the present generation without compromising the opportunity of future generations to fulfil their needs and aspirations. Council also supports the *Earth Charter* and recognise that it is sets the grounding principles for sustainability.

We support and will act on the following principles in our services:

- **Equity and justice** - We will act fairly, seeking to ensure equity, tolerance and removal of discrimination and support democratic societies that are just, participatory, sustainable and peaceful.
- **Respect** - We will treat other people and the environment with respect and acknowledge and support the values of indigenous peoples and minorities.
- **Sustaining the environment** - We will act with care and caution towards the environment, protecting the biosphere, its biodiversity, and using its resources sustainably for present and future generations.
- **Creating and sharing sustainable prosperity** - We will seek to create and share prosperity in a way that helps sustain our business, the community and the environment, and support locally based businesses who share these ethics where possible.
- **Responsibility** - We will take all responsibility for our actions and for any harm or good we cause. We will account for our actions, evaluating our progress in implementing these principles, and seek to continually improve. We also commit to combat corruption in all its forms, and the obstacles to good governance. We will not associate with organisations who act in direct contradiction to these principles.

This Ethical Charter places a requirement on Council to give significant consideration to the effects our business and operations may have on local and global sustainability. It will be integrated into Council's key policies to guarantee implementation.

NOTES

1. This form is prepared for the purpose of section 175B of the *Workers Compensation Act 1987*, Part 5B section 31G-31J of the *Pay-roll Tax Act 1971* and section 127 of the *Industrial Relations Act 1996*. If this form is completed in accordance with these provisions, a principal contractor is relieved of liability for workers compensation premiums, pay-roll tax and remuneration payable by the subcontractor.
2. For the purpose of this statement, a principal contractor is a person (or other legal entity), who has entered into a contract with another person (or other legal entity), referred to as the subcontractor, and employees/workers of that subcontractor will perform the work under contract. The work must be connected to the business undertaking of the principal.
3. In order to meet the requirements of s127 *Industrial Relations Act 1996*, a statement in relation to remuneration must state the period to which the statement relates.

Section 127(6) *Industrial Relations Act 1996* defines remuneration as '*remuneration or other amounts payable to relevant employees by legislation, or under an industrial instrument, in connection with work done by the employees.*'

Section 127(11) of the *Industrial Relations Act 1996* states '*to avoid doubt, this section extends to a principal contractor who is the owner or occupier of a building for the carrying out of work in connection with the building so long as the building is owned or occupied by the principal contractor in connection with a business undertaking of the principal contractor.*'

4. Payment claim details – Where a subcontractor has entered into a payment schedule with a principal contractor they must identify the period or payment to which the statement applies.
5. An accurate description of the work covered by the contract must be included.
6. In completing the statement, a subcontractor declares that they are a sole trader or partnership without workers or subcontractors and is not required to hold workers compensation insurance.
7. In completing the statement, a subcontractor declares that workers compensation premiums payable up to and including the date(s) on the statement have been paid, and all premiums owing during the term of the contract will be paid.
8. It is important to note that a business could be both a subcontractor and a principal contractor, if a business 'in turn' engages subcontractors to carry out work. If your business falls within this category you should also obtain statements from your subcontractors.
9. In completing the statement, a subcontractor declares that all pay-roll tax payable relating to work undertaken as part of the contract has been paid.
10. In completing the statement, a subcontractor declares that all remuneration payable has been paid.

It is noted that definitions of employer, employee, remuneration, and specific provisions for employers of outworkers in the clothing trades are as defined in s127A of the *Industrial Relations Act 1996*.

11. Failure to complete this statement may result in the principal contractor withholding any payment due to the subcontractor. Any penalty for late payment under the contract does not apply to any payment withheld under this subsection. Subcontractors may wish to keep a copy of the statement for their own records.

For more information, please visit the WorkCover website www.workcover.nsw.gov.au, Office of State Revenue website www.osr.nsw.gov.au, or Office of Industrial Relations, Department of Commerce website www.commerce.nsw.gov.au. Copies of the *Workers Compensation Act 1987*, the *Pay-roll Tax Act 1971* and the *Industrial Relations Act 1996* can be found at www.legislation.nsw.gov.au.

TO: Ordinary Meeting - 17 October 2005
REPORT: Corporate Planning and Strategy Division Report No. 58
SUBJECT: Little Manly Reserve Landscape Improvements Project Contract 05/23
FILE NO:

SUMMARY

Open quotations were recently advertised for the construction of landscape improvements at Little Manly Reserve. Quotations have been assessed and a recommendation for acceptance of a quotation is the subject of this report.

REPORT

Quotations for the Little Manly Reserve Landscape Improvements Project closed at 2pm on the 4th October 2005. Four conforming quotations were received and have been assessed in accordance with the stated selection criteria. The assessment spreadsheet is attached as a **Confidential Attachment**.

This proposed contract involves the demolition of some existing landscaping and its replacement with new pavement, retaining walls, pergola, steps and paths. A new Unisex accessible WC will also be constructed as an addition to the existing toilet/kiosk building.

The lowest quotation was received from Landscape 2000 for the lump sum of \$167,522 excluding GST. A check with nominated referees has revealed that this company is very capable of performing the work required under this proposed contract. Their construction program indicates that the work would be completed in December 2005.

This project is to be funded from grant funds and matching Council funds from the Environment Levy as part of the Little Manly Cove Coastline Management Plan Implementation.

RECOMMENDATION

That the quotation of Landscape 2000 for the lump sum of \$167,522 excluding GST for Little Manly Reserve Landscape Improvements Project be accepted by Council.

ATTACHMENTS

AT-1 Little Manly Reserve Landscape Improvement Project - *CONFIDENTIAL* 1 page(s)
ATTACHMENT - for the information of Councillors

OM171005CPSD_1

***** End of Corporate Planning and Strategy Division Report No. 58 *****

TO: Ordinary Meeting - 17 October 2005
REPORT: Corporate Planning and Strategy Division Report No. 59
SUBJECT: Manly Oval/LM Graham Reserve Maintenance Service Agreement 05/19
FILE NO:

SUMMARY

- A report was submitted to the Planning and Strategy Meeting on 10th October, 2005 regarding the tenders.
- Council resolved to call for a further report on analysis of the Comparative Data and Tender Assessment.
- This report addresses the matters raised by Council

REPORT

Council when considering this matter at its meeting on 10th October, 2005 raised specific issues regarding the reference checking and performance of the various tenderers and raised questions regarding the consultation with the sporting groups which use the fields concerned.

It is now confirmed that the performance of the contractors had been a matter of discussion between Council's supervisory staff and representatives of the Rugby Club and Cricket Club and we have documentary evidence of their comments in relation to tenders. This has been taken into account in the staff recommendation.

Letters from the executives of the user groups of the ovals concerned are **tabled** for Councillors.

RECOMMENDATION

That the tender of Green Options for the lump sum of \$230,400 excluding GST for a two year term be accepted by Council and that Council authorise execution of the necessary documentation.

ATTACHMENTS

There are no attachments for this report.

OM171005CPSD_2

***** End of Corporate Planning and Strategy Division Report No. 59 ***** .