

TOWN OF COTTESLOE



FULL COUNCIL MEETING

MINUTES

**SPECIAL MEETING OF COUNCIL
HELD IN THE
COUNCIL CHAMBERS, COTTESLOE CIVIC CENTRE
109 BROOME STREET, COTTESLOE
7.00 PM, MONDAY, 18 MAY, 2009**

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1 DECLARATION OF MEETING OPENING/ANNOUNCEMENT OF VISITORS

The Mayor announced the meeting opened at 7.10pm.

2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Elected Members

Mayor Kevin Morgan
Cr Jay Birnbrauer
Cr Greg Boland
Cr Patricia Carmichael
Cr Dan Cunningham
Cr Jo Dawkins
Cr Victor Strzina
Cr John Utting
Cr Jack Walsh
Cr Ian Woodhill

Officers

| | |
|--------------------|--------------------------------------|
| Mr Carl Askew | Chief Executive Officer |
| Mr Graham Pattrick | Manager Corporate Services |
| Janna Lockyer | Community and Events Support Officer |

Apologies

Cr Bryan Miller

Officer Apologies

Mr Geoff Trigg
Mr Andrew Jackson

Leave of Absence (previously approved)

Nil

3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4 PUBLIC QUESTION TIME

Nil

5 PUBLIC STATEMENT TIME

Jane Davis - 23 Lillian Street Cottesloe - Item 10.1.1 – Joint Library for Cottesloe, Mosman Park and Peppermint Grove

The Mayor read the following statement for Jane Davis

“I wish to state my support for the green initiatives proposed for the new library. It is imperative that public buildings lead the way in demonstrating sustainable building practices.”

Juliet Ludbrook – 8 Platt Close Mosman Park – Item 10.1.1 - Joint Library for Cottesloe, Mosman Park and Peppermint Grove

Ms Ludbrook expressed concern that not all ESD initiatives were going to be included in the new Library project for Cottesloe, Mosman Park and Peppermint Grove. She felt that the project should be fully supported by the Councils as the library provides significant pleasure for our community. The project is a wonderful initiative and represents an opportunity to do something very special.

Marion Ewing – 11 Rosser Street Cottesloe – Item 10.1.1 - Joint Library for Cottesloe, Mosman Park and Peppermint Grove

Ms Ewing handed out to all Councillors and Officers a sheet which showed examples of other buildings with some of the ESD initiatives proposed for the joint library project. Ms Ewing went on to explain that the ESD initiatives were educational and made the library a state of the art building representing both leadership and best practice. The existing library is dated and local people support of the library with all initiatives and don't want to see some initiatives retro fitted. Council also needs to consider the potential cost savings from the ESD initiatives. It represents leading edge technology and she encouraged Council to vote to fund the full cost.

Rod Eagleton – Friends of the Library - 7 Nailsworth Street Cottesloe – Item 10.1.1 - Joint Library for Cottesloe, Mosman Park and Peppermint Grove

As president of the “Friends of the Library” Mr Eagleton expressed his personal support and that of the “Friends of the Library” for the proposed library development and felt that to retrofit some of the ESD initiatives would be more expensive further down the track than if they were to be fitted them now during the construction phase. It is time we had a new library and the ESD initiatives should be retained as an example of local communities working together. The impact on the budget is recognised but equally it will never be cheaper to build than now. With the imminent impact of the BER both the builder and his trades will be lost if we do not act now. Even with amalgamation there will still be a need for a “state of the art” Library and Community Centre.

Ron Norris – Mayor of the Town of Mosman Park – 3 Thelma Street Mosman Park – Item 10.1.1 - Joint Library For Cottesloe, Mosman Park and Peppermint Grove

Mayor Morris wished to inform The Cottesloe Council of the Town of Mosman Park's decision on the Joint Library project. The Town of Mosman Parks decision was to support the Library project in full and not to remove the ESD initiatives.

The library project represents excellence in building and public consultation. The ESD initiatives are tried and proven, 'established' technologies that make the facility "leading edge". This project is strategically important and cannot be ignored. I ask Council to contemplate and determine to meet the additional costs.

Christian Wetjen – 3/36 Scarborough Beach Road – Item 10.1.1 - Joint Library for Cottesloe, Mosman Park and Peppermint Grove

Mr Wetjen is the project Architect from Cox Howlett & Bailey Woodland. He showed pictures of the landscape perspectives for the proposed library from Newform Consultants and advised the project has been three years in the making. The ESD initiatives came about via public consultation and he spoke of the potential savings in water and energy to the facility. He also spoke of the ability to retrofit the ESD elements and potential changes that would be required. At the invitation of the Mayor he then responded to questions from Elected Members in relation to the project and the ESD initiatives, specifically the wind turbine, the various water treatment mechanisms and approvals from the Department of Water and Water Corporation.

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Mayor Morgan provided some introductory comments in relation to the library project, particularly identifying the significant community support for the project and the ESD initiatives in particular. He spoke of the tender process and negotiations to date and the time delays in the project. He suggested that Council had some choices to make with regard to project funding and in particular the recommendation before Council from the Tender Evaluation Committee.

The Mayor also noted that Council needed to be aware that the implications of the project on the Town's borrowing capacity, the potential opportunities for other capital transfers in the future, his concern that retrofitting of the ESD initiatives may not occur if not done up front, the impact of climate change on coastal communities and therefore the importance of these ESD initiatives in the future, and the potential ESD's that Cottesloe might want to consider as its contribution, such as the rainwater harvesting, thermal maze and bike storage.

8.1 SUSPENSION OF STANDING ORDER 12.1 – MEMBERS TO RISE

Moved Cr Strzina, seconded Cr Dawkins

BACKGROUND

At the September 2006 meeting of Council it was agreed that the suspension of Standing Order 12.1 be listed as a standard agenda item for each Council and Committee meeting.

Standing Orders 12.1 and 21.5 read as follows:

Members to Rise

Every member of the council wishing to speak shall indicate by show of hands or other method agreed upon by the council. When invited by the mayor to speak, members shall rise and address the council through the mayor, provided that any member of the council unable conveniently to stand by reason of sickness or disability shall be permitted to sit while speaking.

Suspension of Standing Orders

- (a) The mover of a motion to suspend any standing order or orders shall state the clause or clauses of the standing order or orders to be suspended.
- (b) A motion to suspend, temporarily, any one or more of the standing orders regulating the proceedings and business of the council must be seconded, but the motion need not be presented in writing.

COUNCIL RESOLUTION

That Council suspend the operation of Standing Order 12.1 which requires members of Council to rise when invited by the Mayor to speak.

Carried 10/0

9 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

10 REPORTS OF OFFICERS**10.1 CHIEF EXECUTIVE OFFICER****10.1.1 JOINT LIBRARY FOR COTTESLOE, MOSMAN PARK AND PEPPERMINT GROVE**

File No: SUB/547
Responsible Officer: Carl Askew
Chief Executive Officer
Author: Carl Askew
Chief Executive Officer

Proposed Meeting Date: 18 May 2009
Author Disclosure of Interest Nil

SUMMARY

This report summarises the current situation related to the joint Library development project and addresses, in particular, the latest recommendation from the Library Tender Evaluation Committee which requests, as a matter of urgency, that Council

1. Resolve to enter into the Project Construction and Management Agreement between the Shire of Peppermint Grove, the Town of Cottesloe and the Town of Mosman Park as prepared by Corrs Chambers Westgarth and presented to the Council meeting and authorise the Mayor and Chief Executive Officer to sign under seal the document once finalised.
 2. Authorises the Shire of Peppermint Grove to enter into a contract with the preferred tenderer, P S Structures, for the construction of the Cottesloe, Mosman Park, Peppermint Grove library, community centre and Peppermint Grove shire office
 3. Note that in the event of the Green Precincts Fund grant not being approved one or more of the local governments may agree to contribute over and above their proportion of the base contract price and this additional funding may be allocated to their preferred components of the ESD initiatives or any other scope reductions.
 4. In addition this report canvasses the financial implications of this project and specifically requests that Council consider referring for inclusion in its 2009/10 budget an increase in its loan borrowings for the Library project to no more than \$5m and subject to;
 - a. Compliance with all statutory processes related to loan borrowing, including approval from the Department of Treasury
 - b. Confirmation of the Green Precincts Fund grant application being unsuccessful.
-

BACKGROUND

The library currently operates through the use of a legal agreement that provides the basis for how the service is managed and the method of levying financial contributions.

Given the significance and size of the proposed library and community centre development it was proposed that a Steering Committee be formalised, included in the legal agreement and given the responsibility to manage the project. Subsequently a Tender Evaluation Committee was established to assess and determine the tender process for the project. At a recent meeting of the Tender Evaluation Committee an agreement was put forward to establish a system of control with regard to the management of the construction phase of the library project and this was considered and endorsed by Council in February 2009.

Tenders for the Library were advertised in September 2008 and closed on 15 October 2008. The 9 tender prices received were all in excess of the pre-tender estimates. Reasons for the difference between the initial estimates and the lowest conforming bid have been examined and reported by the project cost consultant. The primary reason given was that it was difficult to obtain competitive quotes from key trades (e.g. aluminium windows and hydraulics) at the time of tender. It was also identified by the design team that there were opportunities for significant post tender savings by a process of value management including examining alternative materials, methods and systems for the project.

Preferred tenderer status was awarded to PS Structures in October 2008 with the condition of award being that cost savings were to be achieved in accordance with the project construction budget.

It is intended that the Shire of Peppermint Grove appoint a project manager in consultation with the other local governments with the cost of that person to be shared by all three Local Governments on the basis previously agreed.

Information from the project consultants advises that;

that considerable effort by PS Structures and the consultant team have resulted in a substantial reduction in the construction value without compromising the standard of the building. These cost savings have been achieved by a combination of value management and re-tendering of the key subcontract trades.

The overall savings to date, through both re-tendering and value management, amount to approximately \$3.6m. This is a very favourable result, and the original architectural and environmental design intent has remained in tact. The major trades have been re-tendered where the scope and general specification has been retained. Substantial value management savings were achieved in the remaining key trades (such as concrete) by the use of alternative methods and materials and further gains through re-tendering would appear unlikely.

The project design team is of the view that savings on the PS Structures tender sum through the re-tendering of trades has been maximised. The complexity of the building, in particular the ESD initiatives have meant that some re-tendering gains (e.g. mechanical) have been limited. It is possible that other sub-contractors in the market place may tender lower prices however their capability for a project of this nature may not be adequate. PS Structures have selected subcontractors that are suitably experienced and capable for this project. The value of these subcontractors to the project should equal or outweigh their cost.

Re-tendering the entire project has been raised as an option. This has the potential to delay the project by two to three months, will incur additional consultant costs and will not provide certainty that this will result in a better outcome than has currently been achieved. This option is not recommended by the project team.

Proceeding with the project with PS Structures would minimise project risk in relation to procurement. They are a reputable building company with a good track record of achievement in projects of a similar scale to the library. The management team and key sub-contractors they are proposing to use appear well suited to the complexity of the project.

When the project is completed, the ongoing management and maintenance of the joint facility will rest with the Library Management Committee as in the past.

CONSULTATION

Library Steering Committee
Tender Evaluation Committee
Project Control Group
Shire President & CEO - Peppermint Grove
Mayor & CEO – Mosman Park
Mayor & CEO – Town of Cottesloe
Mr Christian Wetjen - Cox Howlett & Bailey Woodland
Mr Fred Chaney - Cox Howlett & Bailey Woodland
Mr Craig Grant - WALGA Probity Team
Mr Dominic Ward - Davson Ward
Mr Reuben Kooperman - Project Manager

STAFF COMMENTCommittee Considerations

In recent correspondence, PS Structures have advised the Library Project Steering and Tender Evaluation Committees:

Further to our recent discussion with Cox Architects, we herein confirm to extend our tender validity period till the end of April 2009 and would stress an element of urgency in maintaining momentum as the industry at the moment will allow reasonable negotiation with the trades but with the

advent of the BER works this opportunity will shortly expire. We therefore would suggest that after the end of April, we would wish to proceed on any possible proven escalation due to movements in subcontractors' activity. We trust you empathise with our predicament.

As a consequence of the above correspondence the Tender Evaluation Committee met on 17 April and noted the resolution of the Project Steering Committee as follows:

- *Mr. Wetjen be requested to compile a detailed report on the contract price scenario*
- *Mr. Kooperman be requested to provide independent comment on funding proposal for consideration by the Member Councils.*
- *Mr. Wetjen, report on the basis of prioritizing the options and savings needed to achieve the agreed figure so that the project may proceed and if grant funds become available the items not within the funding can be reinstated into the project.*
- *The information be forwarded to member Councils with a request that they commit to the project and approval of the formal addition of a Project Management Consultancy as needed.*
- *The Quantity Surveyor/Cost Manager and Architect be requested to attend the respective Council meetings to assist in explaining the complex funding scenario.*
- *Maunsell and Partners be requested to provide design documentation to change the storm water collection element of the project on the basis that the proposed savings of up to \$340,000 may be achieved and the delegated authority to proceed on design work be limited for the fee of up to \$15,000.*

A further outcome from the Tender Evaluation Committee on 17 April was the following resolution;

- 1 *The Architects be requested to:*
 - i) *Contact PS Structures and advise it of the funding dilemma and request that the contract price be held until 19 May 2009 whilst the Committee tries to get confirmation of the allocation of grant funds.*
 - ii) *Prepare a report to go to Member Councils to illustrate how the project maybe able to proceed with the option of retrofitting of the environmentally sustainable design elements and summarising the benefits of such strategy.*
- 2 *This Committee reconvene on May 11th to consider the funding position (especially if the applications for grant funds are unsuccessful) with a view to determining whether to recommend to Member Councils that the project proceed and on what basis.*

In relation to the above resolution the Tender Evaluation Committee reconvened on 13 May and resolved as follows;

The tender evaluation committee recommends that:

1. *Council resolves to enter into the Project Construction and Management Agreement between the Shire of Peppermint Grove, the Town of Cottesloe and the Town of Mosman Park as prepared by Corrs Chambers Westgarth and presented to the Council meeting and authorises the Mayor/President and Chief Executive Officer to sign under seal the document once finalised.*
2. *Council authorises the Shire of Peppermint Grove to enter into a contract with the preferred tenderer, P S Structures for the construction of the Cottesloe, Mosman Park, Peppermint Grove library, community centre and Peppermint Grove shire office.*
 - a) *The contract is to be for \$12,241,000 if the Green Precincts Fund Grant is unsuccessful which would be approximately \$2,659,709 Peppermint Grove Administration Building and \$9,581,291 for the Library and Community Centre.*
 - b) *The contract is to be for \$13,586,000 if the Green Precincts Fund Grant is successful which would be approximately \$2,948,884 Peppermint Grove Administration Building and \$10,637,116 for the Library and Community Centre.*
3. *In the event of the Green Precincts Fund grant not being approved one or more of the local governments may agree to contribute over and above their proportion of the base contract price and this additional funding may be allocated to their preferred components of the ESD initiatives or any other scope reductions.*
4. *The Chief Executive Officer's of the respective local governments seek legal advice from Corrs Chambers Westgarth on the sufficiency of the proposed recommendations with respect to all statutory and legal requirements to each council and ensure that the Council resolution is correctly aligned with the management agreement.*

Management Agreement

A draft Management Agreement has been prepared by Corrs Chambers Westgarth and was tabled for discussion and comment by the Project Steering Committee in April 2009. Feedback was provided and changes are now being made. A draft copy of this Agreement is attached to this report. Council is requested to consider the draft Agreement as part of its resolution.

Report from the Quantity Surveyor – Davson Ward

A report from the Quantity Surveyors provides a summary of the financial position of the project and is summarized below;

- The total cost of the construction contract works (library facilities, administration offices, car parking, drainage and external works/services is \$12.241m, of which approximately \$2.660 relates to the Peppermint Grove Shire Offices and \$9.581m relates to the Library/community centre.

- Fit out costs are \$960k, of which \$140k relates to the Peppermint Grove Shire Offices and \$820k relates to the Library/community centre.
- Additional project costs (Water Corp & Western Power fees & charges, bores for a/c, construction contingency and professional fees & disbursements) are \$2.42m, of which approximately \$520k relates to the Peppermint Grove Shire Offices and \$1.9m relates to the Library/community centre.
- Grant funds from Lottery West for the Library component are approximately \$650k.
- Fees and disbursements paid to date amount to \$1.256m.
- The overall total cost of the project is \$15.6m.
- The report from the architects has highlighted a number of initiatives that can be reduced from the current program of works and these currently total \$1.345m. As mentioned earlier these items are the subject of a grant application which, if successful, will see all initiatives included. This has been referenced within the recommendation from the Tender Evaluation Committee.

Report from the Architect - Cox Howlett & Bailey Woodland

The report from the Architect summarizing the outcomes of the successful tender negotiations with the preferred tenderer and outlining a number of cost savings to the project is shown at Attachment 1.

This report lists a number of Environmentally Sensitive Design (ESD) initiatives for the project, many of which are retained within the current scope of works, however some have been recommended to be reduced (but which have the capacity to be retrofitted) in order to ensure that the overall project budget is within the pre-tender estimate price.

Finance

As Councillors would be aware when the project commenced information was sought from the Department of Treasury in relation to the Town's borrowing capacity given its financial position and commitments. These figures were based upon the Town's financial position for 2007/08 and a borrowing figure of \$4.6m was supported, in principle, and subsequently advertised. It is to be noted that this figure was based upon an estimate only and, now that the actual figures are known, will be amended accordingly as part of Council's budgetary process. Given the significant time elapsed since the initial estimate was sought the Department of Treasury have been requested to consider our current loan capacity for this project based upon current information. It is anticipated that this information will be available before the Council meeting on Monday evening.

Based upon the current information provided by the Quantity Surveyor the costs of the project have been separated between Peppermint Grove Shire Offices and the Library & community facilities. Whilst the Shire of Peppermint Grove will pay all costs associated with their component of the development the balance (library and community facilities) will have their costs shared on a previously agreed proportional basis based upon

population. Under this arrangement the Peppermint Grove share is 9.25%, the Mosman Park share is 48.28% and Cottesloe has the balance at 42.47%.

Under this sharing arrangement costs to Cottesloe are;

- Total cost of library/community facility = \$11.65m (\$12.3m less Lottery West grant of \$650k)
- Town of Cottesloe's share = \$4.512m (\$11.65 x 42.47% less fees paid to date) based upon reduced number of ESD initiatives
- Cost to the Town of Cottesloe if the ESD initiatives are included but not funded through a grant = \$4.961m (an increase in loan borrowings of \$449k).

Options

As is evident from this report and the recommendation from the Tender Evaluation Committee, this matter now requires a decision by Council in terms of how to proceed with this development and in particular consideration of the financial implications. Significant time has elapsed since the tender process commenced and the preferred tenderer has worked within our processes to both maintain negotiations and await the outcome of various grant applications. Whilst it would now appear that one grant application (RLCIP) has not been successful the other (Green Precincts Fund) remains undetermined. As we are now unable to defer matters any further the project team have made a number of recommendations to bring the price within the initial scope of works estimate in order for the project to proceed. Those items reduced from the project scope will be those that can be retrofitted at a later date if and when the outcome of the grant is known or if additional funds are provided.

Council therefore has a number of options;

1. endorse the recommendation from the Tender Evaluation Committee and agree to fund the cost of the Library less the recommended savings (\$1.345m) associated with a number of environmentally sensitive design (ESD) initiatives.
2. endorse the recommendation from the Tender Evaluation Committee and agree to fund the total cost of the Library inclusive of all the recommended environmentally sensitive design (ESD) initiatives, noting that this will increase the overall cost of the project and Council's share if the Green Precincts Fund application is not successful.
3. determine to not support the project and request that it be re-tendered with a view to changing the scope and design to fit within Council's financial capacity to pay.

Option 1 is financially achievable based upon Council's current budget estimates and allows Council to await the outcome of the Green Precincts Fund application, at which time those items left out can be re-included. Option 2 must be contingent upon the Department of Treasury confirming Council's ability to borrow the additional loan funds and compliance with all statutory requirements or Council's willingness to increase rates to cover the additional costs. As with option 1 Council borrowing can be subsequently reduced if the Green Precincts Fund application is approved. Option 3 is not recommended given the significant investment in funds, time and resources to date as

well as the community feedback in relation to the design and concept plans for the new library/community centre. Overall Option 2 is recommended.

POLICY IMPLICATIONS

None Known.

STRATEGIC IMPLICATIONS

The successful conclusion of the Joint Library Project is an important part of the strategy of the Council for the provision of high standard facilities for the use of residents.

STATUTORY REQUIREMENTS

Section 6.20 of the *Local Government Act 1995* provides the following:

6.20. *Power to borrow*

1. *Subject to this Act, a local government may —*
 - a) *borrow or re-borrow money;*
 - b) *obtain credit; or*
 - c) *arrange for financial accommodation to be extended to the local government in ways additional to or other than borrowing money or obtaining credit,*

to enable the local government to perform the functions and exercise the powers conferred on it under this Act or any other written law.

2. *Where, in any financial year, a local government proposes to exercise a power under subsection (1) (“**power to borrow**”) and details of that proposal have not been included in the annual budget for that financial year —*
 - a) *unless the proposal is of a prescribed kind, the local government must give one month’s local public notice of the proposal; and*
 - b) *the resolution to exercise that power is to be by absolute majority.*

SUSTAINABILITY IMPLICATIONS

The building design that has been accepted includes a variety of features that are intended to increase the sustainability of the building and many of those features are unique in public buildings in the State. An application for financial support under the Green Precincts Fund has been submitted for those elements of the project.

FINANCIAL IMPLICATIONS

There are a number of implications that must be taken into account. The first is that the price submitted by the preferred tenderer was well above the original estimate of cost. An application for funding (\$2.8m) under the Regional and Community Infrastructure Program (RLCIP) was lodged and would allow the project to proceed in full whilst potentially reducing the financial imposition on each Council. Unfortunately whilst not officially advised, it appears that this grant has not been successful. An additional application has also been submitted for funding (\$1.5m) under the Department of the Environment, Water, Heritage and the Arts – Green Precincts Fund. Expressions of interest closed on 22 November and a response was received requesting a more

detailed submission which was prepared and submitted on 17 March 2009. The outcome of this grant is expected in late May 2009.

In March 2008 Council resolved to advertise a proposal to raise a non-budgeted loan of \$4.6m to be repaid over 20 years at the prevailing interest rate to fund the construction of the proposed new library and community facilities. The ability to increase loan borrowings will be determined by the Department of Treasury and is related to Council's debt service ratio. Officers anticipate confirmation of this information will be available before the Council meeting on Monday evening. At the time of advertising the initial loan of \$4.6m, the debt service ratio was 7.76%. (Typically rates in excess of 10% are not supported by Treasury) Given the time of year, the nature and length of the construction phase of the project, and subject to Treasury approval, it is recommended that if Council wishes to increase its loan borrowings for this project, that it do so as part of its 2009/10 budget process which will require both public advertising and an *absolute majority* decision of Council and will therefore satisfy all statutory requirements. Given the nature of the project and the existing budgeted contingencies, it will not be clear how much of the additional funds, in excess of those already approved by Council, will be required to be drawn down until much later. By making such an allowance within its 2009/10 budget Council will be able to *cover* this eventuality.

VOTING

Simple Majority

OFFICER RECOMMENDATION

Moved Mayor Morgan, seconded Cr Strzina

1. That Council:
 2. Resolve to enter into the Project Construction and Management Agreement between the Shire of Peppermint Grove, the Town of Cottesloe and the Town of Mosman Park as prepared by Corrs Chambers Westgarth and presented to the Council meeting and authorise the Mayor and Chief Executive Officer to sign under seal the document once finalised.
 3. Authorise the Shire of Peppermint Grove to enter into a contract with the preferred tenderer, P S Structures, for the construction of the Cottesloe, Mosman Park, Peppermint Grove library, community centre and Peppermint Grove shire office and;
 - a) The contract is to be for \$12,241,000 if the Green Precincts Fund Grant is unsuccessful which would be approximately \$2,659,709 Peppermint Grove Administration Building and \$9,581,291 for the Library and Community Centre.
 - b) The contract is to be for \$13,586,000 if the Green Precincts Fund Grant is successful which would be approximately \$2,948,884 Peppermint Grove Administration Building and \$10,637,116 for the Library and Community Centre.
 4. In the event of the Green Precincts Fund grant not being approved, one or more of the local governments may agree to contribute over and above their proportion of
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the base contract price and this additional funding may be allocated to their preferred components of the ESD initiatives or any other scope reductions.

5. Refer for inclusion in its 2009/10 budget an increase in its loan borrowings for the Library project to no more than \$5m and subject to;
 - a) Compliance with all statutory processes related to loan borrowing, including approval from the Department of Treasury
 - b) Confirmation of the Green Precincts Fund grant application being unsuccessful.

AMENDMENT

Moved Mayor Morgan, seconded Cr Carmichael

That the Officer recommendation be renumbered so that '1.' Be removed from in front of "That Council" and the other points start with 1 and end with 4.

Carried 10/0

AMENDMENT

Moved Mayor Morgan, seconded Cr Dawkins

That the Officer recommendation be changed to points one and two and in its place the recommendation is to read as follows:

1. Resolve to enter into the Project Construction and Management Agreement between the Shire of Peppermint Grove, the Town of Cottesloe and the Town of Mosman Park as prepared by Corrs Chambers Westgarth and presented to the Council meeting but subject to clauses 9.2, 10.1 and 14.8 being amended to read as set out below, and authorise the Mayor and Chief Executive Officer to sign under seal the document once finalised.

9.2 Power of Committee

The Project Steering Committee is hereby vested by the Participants with the following rights, authorities, powers, duties and discretions:

a) Control, and direct the development of the Project concept and its preparation for tender.

b) provide advice to the Tender Evaluation Committee and Project control Group in the carrying out of their functions.

10.1 Establishment of the Project Control Group

The Participants agree that there shall be established a committee to be known as the 'Project Control Group' comprising six members.

14.8 Project Manager

The Manager must appoint a Project Manager to amongst other things report direct to the Project Control Group and all costs of the

employment of the Project Manager are Expenses to which Participants must contribute in accordance with this Document.

2. *Subject to the prior execution by the Councils of the Project Construction and Management Agreement, authorise the Shire of Peppermint Grove to enter into a contract with the preferred tenderer, P S Structures, for the construction of the Cottesloe, Mosman Park, Peppermint Grove library, community centre and Peppermint Grove shire office and;*
 - a) *The contract is to be for \$12,241,000 if the Green Precincts Fund Grant is unsuccessful which would be approximately \$2,659,709 Peppermint Grove Administration Building and \$9,581,291 for the Library and Community Centre.*
 - b) *The contract is to be for \$13,586,000 if the Green Precincts Fund Grant is successful which would be approximately \$2,948,884 Peppermint Grove Administration Building and \$10,637,116 for the Library and Community Centre.*

Carried 10/0

AMENDMENT

Moved Cr Boland, seconded Mayor Morgan

That point three of the officer recommendation (renumbered to point two as part of the preceding amendment) be further amended so that parts (a) and (b) are replaced with a new part three as follows;

3. *Agree that the contract price is to be \$13,586,000 which would be approximately \$2,948,884 Peppermint Grove Administration Building and \$10,637,116 for the Library and Community Centre.*

Carried 9/1

COUNCIL RESOLUTION

That Council:

1. **Resolve to enter into the Project Construction and Management Agreement between the Shire of Peppermint Grove, the Town of Cottesloe and the Town of Mosman Park as prepared by Corrs Chambers Westgarth and presented to the Council meeting but subject to clauses 9.2, 10.1 and 14.8 being amended to read as set out below, and authorise the Mayor and Chief Executive Officer to sign under seal the document once finalised.**

9.2 Power of Committee

The Project Steering Committee is hereby vested by the Participants with the following rights, authorities, powers, duties and discretions:

- a) **Control, and direct the development of the Project concept and its preparation for tender.**

b) provide advice to the Tender Evaluation Committee and Project control Group in the carrying out of their functions.

10.1 Establishment of the Project Control Group

The Participants agree that there shall be established a committee to be known as the ‘Project Control Group’ comprising six members.

14.8 Project Manager

The Manager must appoint a Project Manager to amongst other things report direct to the Project Control Group and all costs of the employment of the Project Manager are Expenses to which Participants must contribute in accordance with this Document.

- 2. Subject to the prior execution by the Councils of the Project Construction and Management Agreement, authorise the Shire of Peppermint Grove to enter into a contract with the preferred tenderer, P S Structures, for the construction of the Cottesloe, Mosman Park, Peppermint Grove library, community centre and Peppermint Grove shire office.**
- 3. Agree that the contract price is to be \$13,586,000 which would be approximately \$2,948,884 Peppermint Grove Administration Building and \$10,637,116 for the Library and Community Centre.**
- 4. Refer for inclusion in its 2009/10 budget an increase in its loan borrowings for the Library project to no more than \$5m and subject to;**
 - a) Compliance with all statutory processes related to loan borrowing, including approval from the Department of Treasury**
 - b) Confirmation of the Green Precincts Fund grant application being unsuccessful.**

Carried 10/0

11 REPORTS OF COMMITTEES

12 ELECTED MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY ELECTED MEMBERS/OFFICERS BY DECISION OF MEETING

Nil

14 MEETING CLOSURE

The Mayor announced the closure of the meeting at 8.25pm

CONFIRMED: MAYOR DATE: / /