



CITY of PERTH

Lord Mayor and Councillors,

NOTICE IS HEREBY GIVEN that the next meeting of the **Finance and Administration Committee** will be held in Committee Room 1, Ninth Floor, Council House, 27 St Georges Terrace, Perth on **Tuesday, 12 July 2016 at 4.00pm.**

Yours faithfully

ROBERT MIANICH
DIRECTOR CORPORATE SERVICES

7 July 2016

Committee Members (appointed 22 October 2015):

Members:

Cr Davidson OAM JP (Presiding
Member)
Cr Chen
Cr Harley

1st Deputy:

Cr Green

2nd Deputy:

Cr Yong

EMERGENCY GUIDE

Council House, 27 St Georges Terrace, Perth



CITY of PERTH

The City of Perth values the health and safety of its employees, tenants, contractors and visitors. The guide is designed for all occupants to be aware of the emergency procedures in place to help make an evacuation of the building safe and easy.

BUILDING ALARMS

Alert Alarm and Evacuation Alarm.

ALERT ALARM

beep beep beep

All Wardens to respond.

Other staff and visitors should remain where they are.



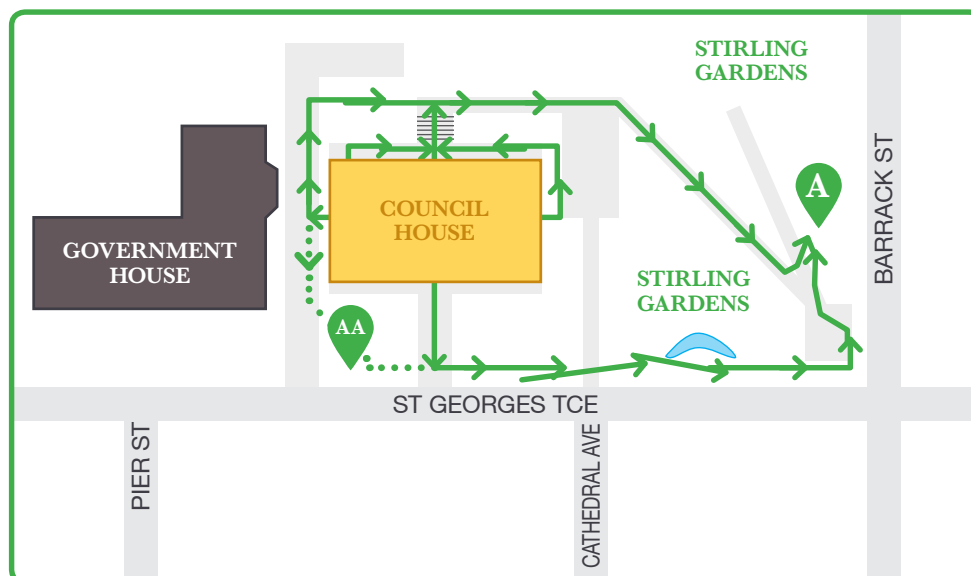
EVACUATION ALARM/PROCEDURES

whoop whoop whoop

On hearing the Evacuation Alarm or on being instructed to evacuate:

1. Move to the floor assembly area as directed by your Warden.
2. People with impaired mobility (those who cannot use the stairs unaided) should report to the Floor Warden who will arrange for their safe evacuation.
3. When instructed to evacuate leave by the emergency exits. **Do not use the lifts.**
4. Remain calm. Move quietly and calmly to the assembly area in **Stirling Gardens** as shown on the map below. Visitors must remain in the company of City of Perth staff members at all times.
5. After hours, evacuate by the nearest emergency exit. **Do not use the lifts.**

EVACUATION ASSEMBLY AREA



 Assembly Area

 Alternate Assembly Area

FINANCE AND ADMINISTRATION COMMITTEE

Established: 17 May 2005 (Members appointed 22 October 2015)

Members:	1st Deputy:	2nd Deputy:
Cr Davidson OAM JP (Presiding Member)	Cr Green	Cr Yong
Cr Chen		
Cr Harley		

Quorum: Two
Expiry: October 2017

TERMS OF REFERENCE: [Adopted OCM 24/11/15]

1. To oversee and make recommendations to the Council on matters related to:
 - a. the financial management of the City including budgeting, payment of accounts, collection of debts, investment of funds and write-offs;
 - b. strategic and annual plans;
 - c. management of local government property including issues relating to the City's civic buildings (Council House, Perth Town Hall, Perth Concert Hall and the City of Perth Library);
 - d. business opportunities and proposals, including those related to parking, having the potential to achieve new income or savings for the City, which may have been initiated by other Committees of the Council;
 - e. fees and charges levied by the City in accordance with Sections 6.16 or 6.32 of the Local Government Act 1995;
 - f. Elected Members, including protocols and procedures, benefits and allowances;
 - g. Council's policies, local laws and Register of Delegations;
 - h. the management and enforcement of permanent and temporary on-street parking proposals or restrictions and any associated fees or signage;
 - i. any other matters requiring a decision of the Council and not specifically defined in the Terms of Reference for any other Committee of the Council or where the substantive Committee is unable to be convened and a decision is necessary to fulfil operational requirements.

(Cont'd)

NOTE:

Delegated Authority 1.1.1 – Finance and Administration Committee provides authority for the Committee to:

1. Approve or decline requests for receptions of up to \$5,000 in value referred to the Committee by the Lord Mayor [FM Reg.12(1)(b)].
2. Purchase artworks worth over \$5,000 and the deaccession of artworks [FM Reg.12(1)(b) and s.3.58(2) and (3)].
3. Determine matters assigned by delegated authority to the Marketing, Sponsorship and International Engagement Committee and the Audit and Risk Committee, only where the respective Committee is unable to be convened and a decision is necessary to fulfil operational requirements.

This meeting is open to members of the public.

INFORMATION FOR THE PUBLIC ATTENDING COMMITTEE MEETINGS

Question Time for the Public

- An opportunity is available at all Committee meetings open to members of the public to ask a question about any issue relating to the City. This time is available only for asking questions and not for making statements. Complex questions requiring research should be submitted as early as possible in order to allow the City sufficient time to prepare a response.
- The Presiding Person may nominate a Member or officer to answer the question, and may also determine that any complex question requiring research be answered in writing. No debate or discussion is allowed to take place on any question or answer.
- To ask a question please write it on the white Question Sheet provided at the entrance to the Council Chamber and hand it to a staff member at least an hour before the meeting begins. Alternatively, questions can be forwarded to the City of Perth prior to the meeting, by:-
 - Letter: Addressed to GPO Box C120, Perth, 6839;
 - Email: governance@cityofperth.wa.gov.au.
- *Question Sheets are also available on the City's web site: www.perth.wa.gov.au.*

Deputations

A deputation wishing to be received by a Committee is to apply in writing to the CEO who will forward the written request to the Presiding Member. The Presiding Member may either approve the request or may instruct the CEO to refer the request to the Committee to decide whether or not to receive the deputation. If the Presiding Member approves the request, the CEO will invite the deputation to attend the meeting.

Please refer to the 'Deputation to Committee' form provided at the entrance to the Council Chamber for further information on the procedures for deputations. These forms are also available on the City's web site: www.perth.wa.gov.au.

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any Member or officer of the City during the course of any meeting is not intended to be and is not to be taken as notice of approval from the City. No action should be taken on any item discussed at a Committee meeting prior to written advice on the resolution of the Council being received.

Any plans or documents contained in this agenda may be subject to copyright law provisions (Copyright Act 1968, as amended) and the express permission of the copyright owner(s) should be sought prior to their reproduction.

FINANCE AND ADMINISTRATION COMMITTEE

12 JULY 2016

ORDER OF BUSINESS

1. Declaration of Opening
2. Apologies and Members on Leave of Absence
3. Question Time for the Public
4. Confirmation of Minutes – 21 June 2016
5. Correspondence
6. Disclosure of Members' Interests
7. Matters for which the Meeting may be Closed

In accordance with Section 5.23(2) of the *Local Government Act 1995*, should an Elected Member wish to discuss the content of the confidential schedule/s listed below, it is recommended that Committee resolve to close the meeting to the public prior to discussion of the following:

Schedule No.	Item No. and Title	Reason
Confidential Schedules 3 and 4	Item 3 – Tender 098-15/16 – Provision of Catering Services for the City of Perth	Section 5.23(2)(e)(ii)

8. Reports
9. Motions of which Previous Notice has been Given
10. General Business
 - 10.1 Responses to General Business from a Previous Meeting
Nil
 - 10.2 New General Business

(Cont'd)

11. Items for Consideration at a Future Meeting

Outstanding Reports:

- Council Dining Room (raised FA30/09/14, updated 21/04/15)
- Program for CCTV Cameras around the City (raised FA29/10/15, updated FA27/01/16)
- Council Policy 1.9 – Public Relations (raised FA21/06/16)
- Standing Orders Local Law Review (raised FA21/06/16)
- Smart Cities Plan (raised FA21/06/16)

12. Closure

INDEX OF REPORTS

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ITEM NO: 1

MINDARIE REGIONAL COUNCIL – PROPOSED AMENDMENTS TO CONSTITUTION

RECOMMENDATION: (APPROVAL)

That Council:

- 1. endorses the amendments to the Constitution Agreement of the Mindarie Regional Council as detailed within the Report; and***
- 2. authorises the Lord Mayor and Chief Executive Officer to apply the Common Seal of the City of Perth.***

BACKGROUND:

FILE REFERENCE: P1029803-2
REPORTING UNIT: Waste & Cleansing
RESPONSIBLE DIRECTORATE: Construction & Maintenance
DATE: 21 June 2016
MAP / SCHEDULE: Schedule 1 – Correspondence from the Mindarie Regional Council dated 29 April 2016

The Waste Authority WA (Department of Environment and Conservation) released its new waste strategy entitled 'Western Australian Waste Strategy 'Creating the Right Environment'' (the Strategy) in March 2012. The Strategy placed obligations on local government to reduce its reliance on landfill as a solution for Municipal Solid Waste (MSW) and set targets for it to do so as follows:

“Municipal Solid Waste Sector Targets

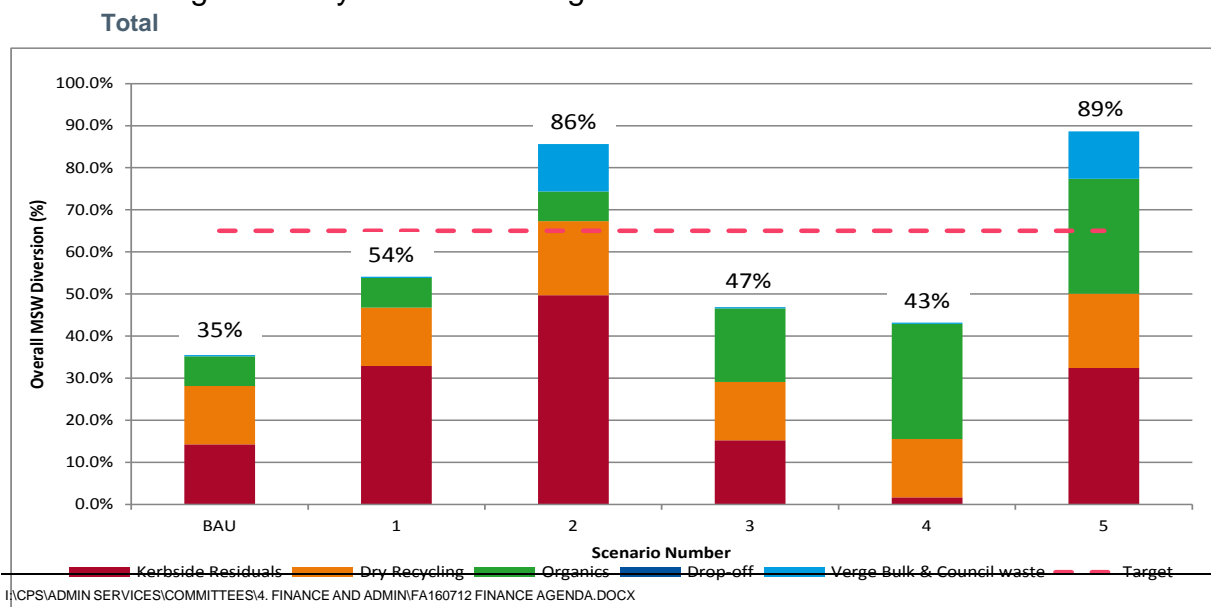
- 50% diversion from landfill of material presented for collection in the metropolitan region by 30 June 2015 (metropolitan region recovery in 2009/10 was 36%)*
- 65% diversion from landfill of material presented for collection in the metropolitan region by 30 June 2020.”*

Together with the Mindarie Regional Council (MRC) the Member Councils engaged consultants Hyder Consulting Pty Ltd (Hyder) to develop a study of alternative waste management solutions that would ensure that the diversion rates set by the Waste Authority were met. Hyder prepared a report entitled “Infrastructure Options Assessment” (the Report) that has been generally accepted by the MRC and its

Member Councils. Part 4 of the report addresses different models to manage MSW as detailed in the following table:

Scenario	Description
Business as usual	Existing arrangements regarding Neerabup Resource Recovery Facility (RRF) and landfill continue, with Stirling & Cambridge's garden organics (GO) sent to a separate compost facility, and residual waste from any processing is sent to landfill.
Scenario 1 2 bin system, second MBT	Collection systems as in business as usual (BAU), all general waste goes to Mechanical Biological Treatment (MBT) – either Neerabup RRF or a second MBT, only residuals from the MBT's go to landfill.
Scenario 2 2 bin, EfW	Collection systems as in BAU, existing flows of general waste to Neerabup RRF continue and remainder goes to an Energy from Waste (EfW) facility (including bulk waste, MBT and Materials Recovery Facility (MRF) residuals).
Scenario 3 - 3 bin – residual to Neerabup, GO separately	All councils implement a greenwaste bin, with collected material open-windrow composted. All general waste would be processed via Neerabup RRF. Remaining material would go to landfill.
Scenario 4 3 bin – residual to landfill	All councils have a third bin, Stirling for greenwaste only, all other councils collect all organics (including garden, food, nappies, contaminated paper etc) in the third bin for processing at Neerabup RRF and residuals go to landfill.
Scenario 5 3 bin residuals to EfW	All councils have a third bin, Stirling greenwaste only, all other councils collect all organics (including garden, food, nappies, contaminated paper, etc) in the third bin to be processed at Neerabup RRF with all residuals to energy from waste (including bulk waste and MRF residuals).

Each of the scenarios were tested against the Waste Authority's targets with only two demonstrating the ability to meet the targets as shown in the table below.



The MRC and the Member Councils have developed the scenarios further and the MRC has formally endorsed the concept of a Waste Precinct. The Waste Precinct includes the development of a sorting shed (for bulk verge waste), municipal recycling facility (yellow top bin) and a waste to energy facility (for the green and/or red top bins). It is likely that the facilities will be constructed in close proximity to the existing Resource Recovery Facility in the Neerabup Industrial Estate in the City of Wanneroo.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Part XXIX - Regional Councils of the <i>Local Government Act 1960</i> (Repealed) Schedule 9.3; Division 1; Clause 10 of the <i>Local Government Act 1995</i> (Transitional Provisions)
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the capacity of the organisation

DETAILS:

The Council of the MRC has endorsed both the Hyder Report and the concept of the Waste Precinct and has set aside funding in its 2016/17 draft budget for the initial stages of various projects associated with the Waste Precinct.

The MRC intends to fully test the market by openly tendering each of the projects. The tender will be flexible so as to obtain the strongest responses possible from the market. The MRC will require the facilities to be either constructed on land that it owns or alternatively allow the tenderer to nominate a preferred facility at another location. It is possible that the locations of facilities that are nominated by a tenderer could be outside the region.

In correspondence dated 29 April 2016 (refer Schedule 1) the MRC indicated that, based on advice from its solicitors, the current constitution would potentially prevent the MRC from accepting tenders that responded with the facilities being either on land that it owned, depending on how the facility was controlled and/or outside the region.

Included in the correspondence was a proposed Deed of Variation to the Constitution that would resolve this issue. The Deed includes an amendment to clauses 5.1(a) and 5.1(b) as follows.

“Clause 5.1(a)

In clause 5.1(a) delete the words “deliver to a building or place provided, managed or controlled for the purposes by the regional council and

Clause 5.1(b)

In clause 5.1(b) delete the words “which is delivered to a building or place provided, managed or controlled for the purposes by the regional councils”.

The correspondence goes on to request each of the Member Councils' to support this minor amendment.

The existing Constitution was established under the *Local Government Act 1960*, as such it is in need of replacement. The MRC is currently establishing a new Constitution Establishment Agreement that will be more effectively established under the current *Local Government Act 1995*.

FINANCIAL IMPLICATIONS:

There are no financial implications associated with this report.

COMMENTS:

An amendment to the Constitution entitled “Regional District and Regional Council Constitution Agreement” requires agreement of seven local governments (constituent municipalities) to agree to the changes before being sent on to the Minister for Local Government for approval. The seven constituent municipalities are the Cities of Wanneroo, Joondalup, Stirling, Perth and Vincent and the Towns of Victoria Park and Cambridge.



Our Ref: WST/211 : D/16/1623

29 April 2016

Mr Martin Mileham
City Perth
Council House
27 St George's Terrace
PERTH WA

Dear Martin *Martin*

RE: PROPOSED AMENDMENTS TO THE CURRENT CONSTITUTION

A report entitled "Mandarie Regional Council Strategic Action Plan – Waste Precinct Planning" was presented to the Council at its meeting on 14 April 2016. The report recommended the development of a Waste Precinct in close proximity to the existing Resource Recovery Facility at the Neerabup Industrial Estate and/or the Energy Precinct located in the City of Wanneroo. The Waste Precinct includes the development of a Sorting Shed (bulk verge waste), Municipal Recycling Facility (yellow top bin) and a Waste to Energy Facility (green and red top bins).

The report also identifies that the current Constitution would limit, if not prevent, the MRC from procuring some of the goods and/or services required for the development of the Waste Precinct and indicated that the Member Councils should either approve, in a timely manner, the final draft of the new Establishment Agreement (EA) or the minor amendments required to the current Constitution. The EA was previously distributed to the Member Council CEO's in correspondence dated 15 February 2016 for approval. The Council of the MRC resolved, inter alia, the following:

"That the Council:

4. *write to the Member Councils informing them of its decision to support the development of the Waste Precinct and impress on them the need to either;*
 - i) *approve, in a timely manner, the draft Establishment Agreement as presented to them in correspondence, from the MRC, dated 15 February 2016; or*
 - ii) *adopt amendments to the current Constitution.*

as the changes are required to enable the MRC to enter into negotiations and contracts associated with the infrastructure required for the Waste Precinct."



Based on discussions with the member councils it is evident that there is a will to approve the new EA, however it is clear that further work is required on its "Exemption" clause, which is likely to cause a delay in obtaining the necessary approvals.

In line with the Council's resolution our solicitor, Castledine Gregory has drafted a deed entitled 'Deed of Variation - Constitution Agreement of the Mindarie Regional Council' (the Deed) that seeks to amend the current Constitution to enable the MRC to purchase the goods and/or services required to facilitate the Waste Precinct. The solicitors have indicated that the Constitutional amendments required would be minor, as follows:

"Clause 5.1(a)

In clause 5.1(a), delete the words 'delivered to a building or place provided, managed or controlled for those purposes by the regional council'.

Clause 5.1(b)

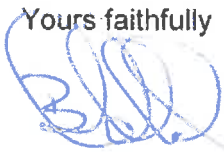
In clause 5.1(b), delete the words 'which is delivered to a building or place provided, managed or controlled for those purposes by the regional council'."

Given the amendments to the current Constitution are minor the MRC is seeking the Member Councils formal consideration of the attached Deed in a timely manner. If all of the Member Council's approve the amendments to the Constitution the MRC will have the Deed duly signed and sent on to the Minister for Local Government for his approval.

The MRC will continue to work with the Member Councils on the finalisation of the EA as it is contemporary, setting the processes required to accommodate MRC's new service model and protect the Member Councils.

If you require any further clarification on the above deed or the processes associated with the implementation of the Waste Precinct please do not hesitate in contacting me on 9306 6302.

Yours faithfully



**BRIAN CALLANDER
CHIEF EXECUTIVE OFFICER**

Encl.

bc/lm

Deed of Variation

Constitution Agreement of the Mandarie Regional Council

Between

Town of Cambridge

City of Joondalup

City of Perth

City of Stirling

Town of Victoria Park

City of Vincent

City of Wanneroo

(the Participants)

DRAFT

THIS DEED dated

BETWEEN TOWN OF CAMBRIDGE of 1 Bold Park Drive, Floreat, Western Australia
AND CITY OF JOONDALUP of Boas Avenue, Joondalup, Western Australia
AND CITY OF PERTH of Council House, 27 St George's Terrace, Perth, Western Australia
AND CITY OF STIRLING of 25 Cedric Street, Stirling, Western Australia
AND TOWN OF VICTORIA PARK of 99 Shepparton Road, Victoria Park, Western Australia
AND CITY OF VINCENT of 244 Vincent Street, Beederville, Western Australia
AND CITY OF WANNEROO of 23 Dundobar Road, Wanneroo, Western Australia
(together, the **Participants**)

Background

- A. By the Original Constitution Agreement and the Order of the Governor made on 22 December 1987, a regional district comprising the districts of the City of Perth, City of Stirling and City of Wanneroo was constituted pursuant to section 697 of the *Local Government Act 1960 (WA)*. The name of the regional district is the Mindarie Regional District and the name of its council is the Mindarie Regional Council.
- B. By the *Deed of Variation of Constitution* dated 1996 between the City of Perth, City of Stirling and City of Wanneroo, the Original Constitution Agreement was amended in the manner set out in that document.
- C. By the *Deed of Variation of Constitution Admitting New Municipalities* dated 25 November 1996 made between the Town of Cambridge, City of Perth, City of Stirling, Town of Victoria Park, Town of Vincent and City of Wanneroo, the Original Constitution Agreement was further amended in the manner set out in that document, admitting the Town of Cambridge, Town of Victoria Park and Town of Vincent as constituent municipalities of the Mindarie Regional Council.
- D. By the *Deed of Amendment of Constitution Agreement* dated 20 October 1999, made between the Town of Cambridge, City of Joondalup, City of Perth, City of Stirling, Town of Victoria Park, Town of Vincent and City of Wanneroo, the Original Constitution Agreement was further amended in the manner set out in that document.
- E. By the *Deed of Variation of Constitution Agreement of Mindarie Regional Council* dated 2004, made between the Town of Cambridge, City of Joondalup, City of Perth, City of Stirling, Town of Victoria Park, Town of Vincent and City of Wanneroo, the Original Constitution Agreement was further amended in the manner set out in that document.

- F. By virtue of the transitional provisions of the Act, the Mindarie Regional Council continues as a regional local government as if it had been constituted as a regional local government under the Act.
- G. The Participants have resolved on the dates referred to in Schedule 1 to amend the Current Constitution Agreement in the manner set out in this Deed, and to submit this Deed to the Minister for Local Government for approval under section 3.61 of the Act.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

In this Deed the following words have the following meanings, unless the contrary intention appears:

Act means the *Local Government Act 1995* (WA).

Commencement Date means the date upon which the Minister for Local Government approves this Deed under section 3.61 of the Act.

Current Constitution Agreement means the Original Constitution Agreement, as amended by:

- (i) *Deed of Variation of Constitution* dated 1996 between the City of Perth, City of Stirling and City of Wanneroo;
- (ii) *Deed of Variation of Constitution Admitting New Municipalities* dated 25 November 1996 between the Town of Cambridge, City of Perth, City of Stirling, Town of Victoria Park, Town of Vincent and City of Wanneroo;
- (iii) *Deed of Amendment of Constitution Agreement* dated 20 October 1999 between the Town of Cambridge, City of Joondalup, City of Perth, City of Stirling, Town of Victoria Park, Town of Vincent and City of Wanneroo; and
- (iv) *Deed of Variation of Constitution Agreement of Mindarie Regional Council* dated 2004 between the Town of Cambridge, City of Joondalup, City of Perth, City of Stirling, Town of Victoria Park, Town of Vincent and City of Wanneroo.

Original Constitution Agreement means the *Regional District and Regional Council Constitution Agreement* dated 1987 between the City of Perth, City of Stirling and the City of Wanneroo.

1.2 Interpretation

The rules of interpretation set out in the Current Constitution Agreement are repeated in this Deed with any necessary modifications.

2. Variations

As from the Commencement Date, the Participants agree to vary the Current Constitution Agreement as follows:

2.1 Clause 5.1(a)

In clause 5.1(a), delete the words 'delivered to a building or place provided, managed or controlled for those purposes by the regional council'.

2.2 Clause 5.1(b)

In clause 5.1(b), delete the words 'which is delivered to a building or place provided, managed or controlled for those purposes by the regional council'.

3. Confirmation

Except as expressly provided otherwise in this Deed, the terms of the Current Constitution Agreement continue to apply.

4. General

4.1 Governing law and jurisdiction

- (a) The Deed is governed by the law applicable in the State of Western Australia.
- (b) Each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

4.2 Further action

Each Participant must use its best efforts to do all things necessary or desirable to give full effect to the Deed and the matters contemplated by it.

4.3 Counterparts

This Deed may be executed in any number of counterparts and all counterparts shall together constitute one instrument.

4.4 Costs

Each Participant is to bear its own costs of, and incidental to, the preparation and execution of this Deed.

SCHEDULE 1

Participant	Date of resolution of Participant to enter into this Deed of Variation
Town of Cambridge	
City of Joondalup	
City of Perth	
City of Stirling	
Town of Victoria Park	
City of Vincent	
City of Wanneroo	

DRAFT

EXECUTED as a Deed

THE COMMON SEAL of the **TOWN OF CAMBRIDGE** was affixed hereto in the presence of:)
)
)

Date of affixing seal: _____

Mayor (signature) ←

Chief Executive Officer (signature) ←

Mayor (print full name)

Chief Executive Officer (print full name)

THE COMMON SEAL of the **CITY OF JOONDALUP** was affixed hereto in the presence of:)
)
)

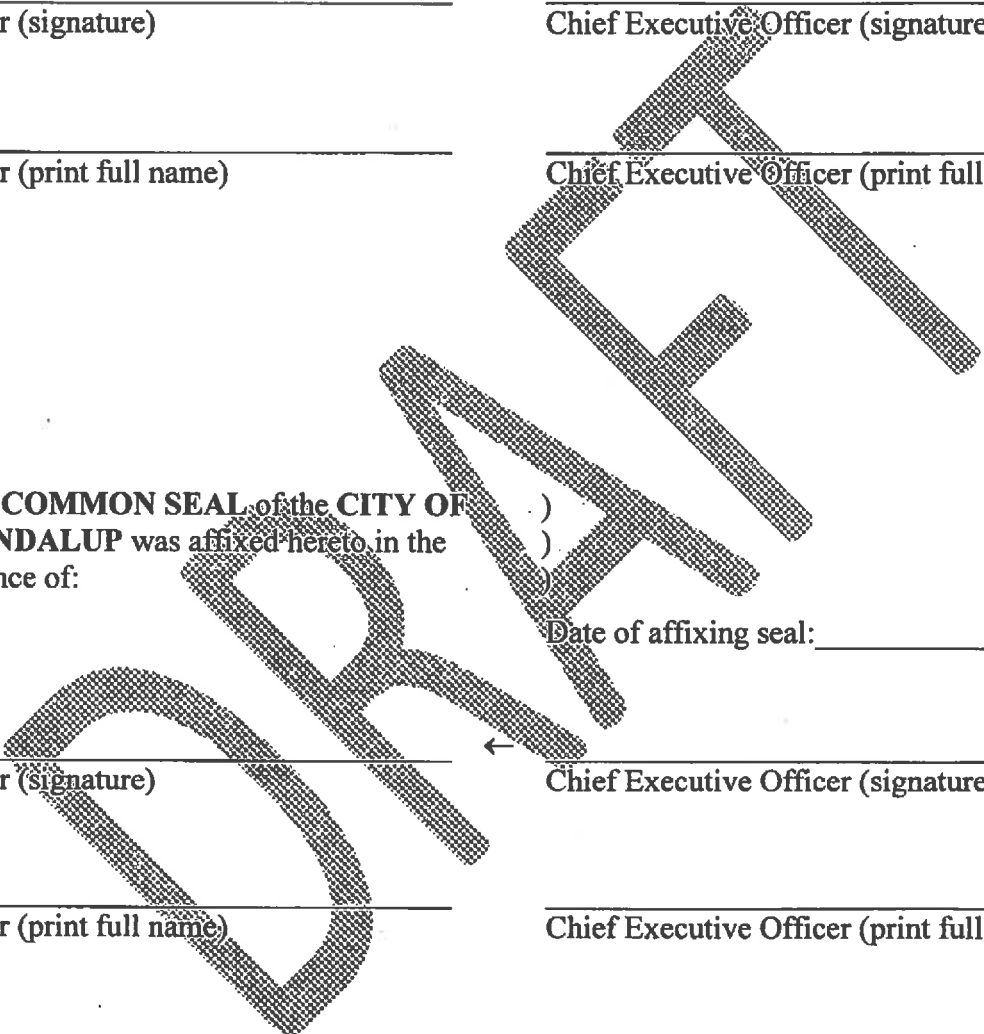
Date of affixing seal: _____

Mayor (signature) ←

Chief Executive Officer (signature) ←

Mayor (print full name)

Chief Executive Officer (print full name)



THE COMMON SEAL of the CITY OF PERTH was affixed hereto in the presence of:)
)
)

Date of affixing seal: _____

Mayor (signature)

Chief Executive Officer (signature)

Mayor (print full name)

Chief Executive Officer (print full name)

THE COMMON SEAL of the CITY OF STIRLING was affixed hereto in the presence of:)
)
)

Date of affixing seal: _____

Mayor (signature)

Chief Executive Officer (signature)

Mayor (print full name)

Chief Executive Officer (print full name)

THE COMMON SEAL of the TOWN OF VICTORIA PARK was affixed hereto in the presence of:)
)
)

Date of affixing seal: _____

Mayor (signature)

Chief Executive Officer (signature)

Mayor (print full name)

Chief Executive Officer (print full name)

THE COMMON SEAL of the **CITY OF**)
VINCENT was affixed hereto in the)
presence of:)

Date of affixing seal: _____

Mayor (signature)

Chief Executive Officer (signature)

Mayor (print full name)

Chief Executive Officer (print full name)

THE COMMON SEAL of the **CITY OF**)
WANNEROO was affixed hereto in the)
presence of:)

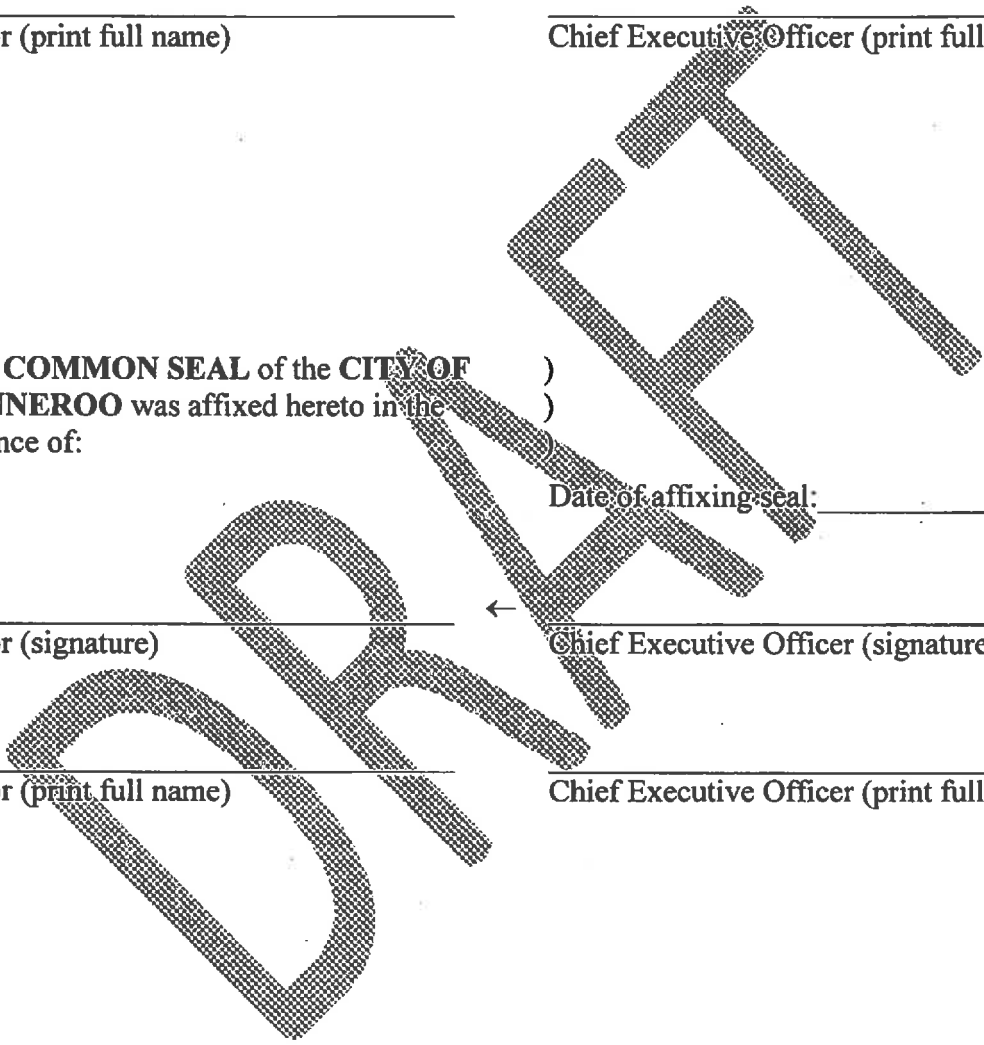
Date of affixing seal: _____

Mayor (signature)

Chief Executive Officer (signature)

Mayor (print full name)

Chief Executive Officer (print full name)



ITEM NO: 2

FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MAY 2016

RECOMMENDATION: (APPROVAL)

That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 May 2016 as detailed in Schedule 2.

BACKGROUND:

FILE REFERENCE: P1014149-25
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 22 June 2016
MAP / SCHEDULE: Schedule 2 – Financial Statements and Financial Activity Statement for the period ended 31 May 2016

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Section 6.4(1) and (2) of the <i>Local Government Act 1995</i> Regulation 34(1) of the <i>Local Government (Financial Management) Regulations 1996</i>
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Community Outcome Capable and Responsive Organisation A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

DETAILS:

The Financial Activity Statement is presented together with a commentary on variances from the revised budget.

FINANCIAL IMPLICATIONS:

There are no direct financial implications arising from this report.

COMMENTS:

The Financial Activity Statement commentary compares the actual results for the eleven months to 31 May 2016 with the revised budget approved by Council on **15 March 2016**.

**FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO
31 MAY 2016****REPORT OF VARIANCES TO BUDGET**

This report compares the actual performance for the eleven months to 31 May 2016 compared to the revised budget approved by Council on 15 March 2016.

Operating Revenue

- Parking revenue was \$(1,669,000) below the revised budget. The year to date variance consisted of \$(1,708,000) for Undercover Car Parks, \$164,000 for Open Air Car Parks and \$(125,000) for Kerbside Parking.

The main variances for Undercover Car Parks were State Library \$(342,000), His Majesty's \$(230,000) and Elder Street \$(271,000) below the revised budget. This is mainly due to less patronage as a result of high office vacancy rates in the City. Furthermore the International Conference and Exhibition on Liquefied Natural Gas reduced the number of available parking bays by 233 during March and April.

- Fines and Costs were lower than the revised budget by \$(281,000) predominantly due to parking fines.
- Investment income was above the revised budget by \$335,000. This was mainly due to improved performance of the Colonial Share Index fund in the last three months.
- Rubbish collection yielded \$(96,000) or 1% less than expected compared to the revised budget.
- Recurrent Grants were below the revised budget by \$(81,000). Operating grants for the Rod Evans Centre of \$16,000 and Youth Arts Projects of \$21,000 are yet to be received.
- Other Income was \$324,000 above the revised budget. Building Licence Fees generated \$163,000 more than anticipated in addition to higher than expected revenue for Planning Fees of \$65,000.

Operating Expenditure

- Employee costs ended the month below the revised budget with a \$548,000 variance due to vacant positions in the approved Workforce Plan.
- Materials and Contracts were \$5,547,000 below the revised budget. The variance included infrastructure maintenance which was lower than the revised budget by \$1,352,000 mainly consisting of Murray Street Mall general maintenance \$898,000 and the River Wall \$182,000. Property maintenance was also lower than budget by

**FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO
31 MAY 2016**

REPORT OF VARIANCES TO BUDGET

\$463,000 mostly due to Council House \$397,000, the Town Hall \$58,000 and Concert Hall \$45,000.

Furthermore the following accounts were also lower than the revised budget: Consultancy \$559,000, Other Professional Fees \$755,000, System Software maintenance \$341,000 and various smaller variances spread throughout the City.

- Utilities ended the month \$(55,000) over the revised budget.
- Depreciation was \$(327,000) or 1% over the revised budget with Computers \$(224,000) and Buildings \$(70,000) being the major causes for this variance.
- The interest expense was over the revised budget by \$(181,000) on a year to date basis. This is primarily due to the actual interest on the Perth City Library loan \$(110,000), Elder Street Undercover Car Park \$(41,000) and the Convention Centre Car Park \$(25,000) being higher than originally anticipated.
- Loss on disposal of assets was \$562,000 below the revised budget, due to the slower than anticipated close out of capital projects. This variance has reduced by \$197,000 from last month and is expected to align closer to the revised budget by the end of the financial year.
- Other Expenditure was \$591,000 below the revised budget at the end of May. Mainly due to Donations and Sponsorship having expensed \$575,000 less than anticipated.

Investing Activities

- Capital expenditure was \$8.0 million less than the revised budget. Expenditure for the month was \$3.5 million with significant spend on the following projects: Council House lift equipment and controls upgrade \$756,000, Supreme Court Gardens \$584,000 and Railway Street / Market Street shared path \$343,000.
- Transfers to Reserves are running lower than the revised budget.

**FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO
31 MAY 2016**

REPORT OF VARIANCES TO BUDGET

Financing Activities

- Transfers from Reserves are below the revised budget by \$(6.5 million). This is due to slower than anticipated progress on capital expenditure.
- Funding from carry forwards expected in the revised budget is dependent on the progress of the capital works program and as a result was \$(1.4 million) below the revised budget.
- Proceeds from the disposal of assets or investments realised were \$1.5 million more than expected compared to the revised budget.
- Capital Grants were \$(2.3 million) less than the revised budget mainly due to slower than anticipated receipts of grants for Supreme Court Gardens \$1.7 million and Roe Street footpath project \$1.1 million.

Amounts sourced from Rates

- Rates revenue raised was \$481,000 above the revised budget. During April \$516,000 of interim rates were issued for 556 Wellington Street (new King Square development); with an additional \$81,000 of interims raised in the same location during May.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 31 May 2016

	Revised Budget 2015/16 \$	Budget YTD 31-May-16 \$	Actual YTD 31-May-16 \$	Variance YTD 31-May-16 \$
Proceeds from Operating Activities				
Operating Revenue				
<i>Nature of Income</i>				
Parking Fees	75,497,882	69,012,071	67,343,250	(1,668,821)
Fines and Costs	9,375,930	8,598,725	8,317,588	(281,137)
Investment Income and Interest	4,554,961	4,206,461	4,541,176	334,715
Community Service Fees	1,593,139	1,452,534	1,374,150	(78,384)
Rubbish Collection	7,574,971	7,554,010	7,457,992	(96,018)
Rentals and Hire Charges	5,082,241	4,614,940	4,689,536	74,596
Recurrent Grants	1,313,946	1,210,396	1,129,272	(81,124)
Contributions, Donations and Reimbursements	590,288	531,097	575,844	44,747
Other Income	4,470,302	4,161,968	4,486,345	324,377
	110,053,661	101,342,202	99,915,152	(1,427,049)
Less: Operating Expenditure				
<i>Nature of Expenditure</i>				
Employee Costs	69,255,188	62,491,584	61,943,742	547,842
Materials and Contracts	52,758,422	46,680,719	41,134,040	5,546,679
Utilities	3,239,008	2,912,825	2,968,222	(55,396)
Insurance Expenditure	1,133,992	1,043,290	1,082,588	(39,298)
Depreciation and Amortisation	30,186,643	27,734,239	28,060,848	(326,609)
Interest Expenses	1,359,057	1,255,468	1,436,625	(181,156)
Expense Provisions	962,345	880,943	863,813	17,130
Loss on Disposal of Assets	1,766,210	1,636,356	1,074,749	561,606
Other Expenditure	24,650,812	22,389,851	21,798,973	590,878
	185,311,677	167,025,276	160,363,600	6,661,676
Add back Depreciation	(30,186,643)	(27,734,239)	(28,060,848)	326,609
(Loss) / Profit on Disposals	(1,766,210)	(1,636,356)	(1,074,749)	(561,606)
	153,358,824	137,654,681	131,228,002	6,426,679
Net Surplus/(Deficit) from Operations	(43,305,163)	(36,312,479)	(31,312,850)	4,999,629
Investing Activities				
Capital Expenditure	(68,552,612)	(49,373,333)	(41,404,705)	7,968,627
Repayment of Borrowings	(6,441,707)	(5,816,566)	(5,816,566)	-
Transfers to Reserves	(28,251,928)	(3,901,088)	(4,051,489)	(150,401)
	(103,246,247)	(59,090,987)	(51,272,760)	7,818,227
Financing Activities				
Transfer from Reserves	30,575,818	29,961,157	23,510,250	(6,450,907)
Carry Forwards	21,681,358	12,615,465	11,195,201	(1,420,264)
Proceeds from Disposal of Assets/Investments	1,729,345	1,523,000	3,013,340	1,490,340
Distribution from TPRC	1,833,333	-	-	-
Capital Grants	6,489,865	5,280,865	3,027,454	(2,253,411)
	62,309,719	49,380,487	40,746,245	(8,634,242)
Add: Opening Funds	636,302	636,302	636,302	-
Net Surplus/(Deficit) before Rates	(83,605,389)	(45,386,677)	(41,203,063)	4,183,614
Amount Sourced from Rates	82,953,186	82,704,781	83,186,148	481,367
Closing Funds	(652,203)	37,318,104	41,983,085	4,664,982
Net Cash on Hand				
Cash On Hand	5,235,228	6,903,597	9,165,146	2,261,549
Money Market Investments	105,808,536	110,660,000	108,843,880	(1,816,120)
Funds on Hand	111,043,764	117,563,597	118,009,026	445,429
Analysis of Funds on Hand				
Reserves	86,889,850	64,566,815	63,507,163	(1,059,652)
Provisions	11,608,196	13,213,545	11,154,545	(2,059,000)
Carry forwards	-	5,494,704	4,972,583	(522,121)
Restricted Grants not yet utilised	-	310,292	202,122	(108,170)
General Funds	12,545,718	33,978,241	38,172,613	4,194,372
Funds on Hand	111,043,764	117,563,597	118,009,026	445,429

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD 31-May-2016

	2015/16 Revised Budget	2015/16 Budget YTD	2015/16 Actual YTD	2015/16 Variance
	\$	\$	\$	\$
Current Assets				
Cash and Cash Equivalents	5,235,228	6,903,597	9,165,146	2,261,549
Deposits and Prepayments	1,655,094	1,959,517	3,060,933	1,101,416
Money Market Investments - Municipal Funds	18,918,686	46,093,185	45,336,717	(756,468)
Money Market Investments - Restricted Funds	86,889,850	64,566,815	63,507,163	(1,059,652)
Trade and Other Receivables	10,378,437	11,255,899	10,962,841	(293,058)
Inventories	2,721,425	1,778,225	968,739	(809,486)
Total Current Assets	125,798,720	132,557,238	133,001,539	444,301
Current Liabilities				
Trade and Other Payables	27,658,796	17,148,482	15,573,416	(1,575,066)
Employee Entitlements	11,608,196	11,621,854	11,154,545	(467,309)
Provisions	169,783	1,591,692	581,208	(1,010,484)
Borrowings	6,895,373	6,895,373	6,737,036	(158,337)
Total Current Liabilities	46,332,148	37,257,401	34,046,205	(3,211,196)
Working Capital Position Brought Forward	\$ 79,466,572	\$ 95,299,837	\$ 98,955,334	\$ 3,655,497
Deduct Restricted Cash Holdings	(86,889,850)	(64,566,815)	(63,507,163)	1,059,652
Deduct Unspent Borrowings	-	(310,292)	-	-
Deduct Restricted Capital Grants	-	(310,292)	(202,122)	108,170
Add Current Borrowings	6,771,075	6,895,373	6,737,036	(158,337)
Current Funds Position Brought Forward	(652,202)	\$ 37,318,104	\$ 41,983,085	\$ 4,664,982

EXPLANATORY NOTES – FINANCIAL ACTIVITY STATEMENT

BACKGROUND

- Regulation 34 of the Local Government (Financial Management) Regulations 1996 was amended effective from 1 July 2005.
- The amendment prescribes a monthly Financial Activity Statement (FAS) reporting the sources and application of funds, as set out in the Rate Setting Statement which is included in the Annual Budget.

PURPOSE

- The FAS reports the actual financial performance of the City in relation to its adopted budget, which has been structured on financial viability and sustainability principles.
- The FAS is intended to act as a guide to Council of the impact of financial activities and the reasons for major variances to the annual budget estimates.

PRESENTATION

- Regulation 34 prescribes the minimum detail to be included in the FAS. These are listed below.
 - Annual Budget estimates, and approved revisions to these, are to be included for comparison purposes.
 - Actual amounts of income and expenditure to the end of the month of the FAS.
 - Material variances between the comparable amounts and commentary on reasons for these.
 - The net current assets at the end of the month to which the FAS relates.
- An explanation of the composition of the net current assets at the end of the month to which the FAS relates; less committed and restricted assets.
- Councils are given the option of adopting a format which is considered most appropriate to their needs. These options are listed below.
 - According to nature and type classification,
 - by program, or
 - by business unit.
- It is recommended that while the information presented by cost objects (programs and activities) or by cost centres (business units) are useful for expense allocation and cost centre accountability purposes, they are less informative and difficult to comprehend in matters of disclosure and less effective in cost management and control.
- The FAS has therefore been presented in the format using nature and type classification as the most meaningful disclosure to the Council and public.

FORMAT

- The FAS is formatted to align with the Rate Setting Statement.
- The first part deals with operating income and expenditure, excluding rate revenue.
- The next classification is the amount spent on capital expenditure and debt repayments.
- The classification 'Financing Activities' provides a statement of sources of funds other than from operating or rates revenue, which are usually associated with capital expenditure.
- Attached to the FAS is a statement of 'Net Current Assets' for the budget and actual expenditure to the end of the month to which the FAS relates.
- Opening and closing funds represent the balance of 'Net Current Assets', not including any funds which are committed or restricted.
- "Committed assets" means revenue unspent but set aside under the annual budget for a specific purpose.
- "Restricted assets" means those assets the uses of which are restricted, wholly or partially, by regulations or other externally imposed requirements", e.g. reserves set aside for specific purposes.
- To avoid duplication in calculating 'Closing Funds on hand', certain balances, such as provisions and borrowings, are also deducted.
- The total Closing Funds on hand are to be taken into account when calculating the amount to be raised by rates each year.
- The classification "Net Cash on Hand" represents the balances of funds held in cash or invested and the analysis into those funds reserved, carried forward or remaining unspent at the end of the month to which the FAS relates.



CITY of PERTH

CITY of PERTH

Financial Statements

For the 11 months ended 31 May 2016

CITY OF PERTH

MUNICIPAL

Statement of Comprehensive Income for the 11 months ended 31 May 2016

(By Program)

	<i>Note</i>	Budget 2015/2016	Revised Budget YTD	Actual YTD 31/05/2016	YTD Variance	
		\$	\$	\$	\$	%
OPERATING REVENUE						
General Purpose Funding Rates		83,567,338	83,597,535	84,077,058	479,523	0.6%
General Purpose Funding Other		5,735,976	4,282,856	4,529,865	247,009	5.8%
Law, Order, Public Safety		46,225	15,511	26,149	10,638	68.6%
Health		864,920	818,815	889,880	71,065	8.7%
Education and Welfare		2,153,539	1,971,584	1,867,254	(104,330)	-5.3%
Housing		656,190	713,490	767,268	53,778	7.5%
Community Amenities		10,294,628	9,947,646	9,920,621	(27,025)	-0.3%
Recreation and Culture		1,859,860	1,569,689	1,656,479	86,790	5.5%
Transport		90,764,129	79,601,003	77,643,121	(1,957,882)	-2.5%
Economic Services		1,093,247	779,351	940,016	160,665	20.6%
Other Property and Services		717,071	749,230	783,183	33,953	4.5%
Total Operating Income		197,753,123	184,046,981	183,101,299	(945,682)	-0.5%
OPERATING EXPENDITURE						
Governance		11,262,129	11,136,345	10,490,481	645,864	5.8%
General Purpose Funding		3,089,672	3,333,234	3,441,595	(108,361)	-3.3%
Law, Order, Public Safety		3,868,851	3,242,993	3,350,742	(107,749)	-3.3%
Health		1,884,897	2,577,961	2,437,074	140,887	5.5%
Education and Welfare		3,870,122	3,250,789	3,230,830	19,959	0.6%
Housing		563,144	525,912	507,931	17,981	3.4%
Community Amenities		28,558,870	27,449,635	25,082,245	2,367,390	8.6%
Recreation and Culture		32,248,092	28,199,562	26,975,308	1,224,254	4.3%
Transport		85,571,552	74,523,427	71,717,931	2,805,496	3.8%
Economic Services		9,744,103	8,637,612	8,019,830	617,782	7.2%
Other Property and Services		7,266,137	2,370,994	3,837,905	(1,466,911)	-61.9%
Total Operating Expenditure		187,927,571	165,248,465	159,091,872	6,156,593	3.7%
NET FROM OPERATIONS		9,825,552	18,798,516	24,009,427	5,210,911	27.7%
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- General Purpose Funding		80,200	75,600	75,600	-	0.0%
- Recreation and Culture		3,207,250	2,790,000	1,078,974	(1,711,026)	-61.3%
- Transport		3,555,000	2,415,265	1,872,880	(542,385)	-22.5%
Total Grants/Contributions		6,842,450	5,280,865	3,027,454	(2,253,411)	-42.7%
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,558,253)	(1,636,355)	(1,074,750)	561,605	-34.3%
Change in net assets resulting from operations before significant items		15,109,749	22,443,026	25,962,131	3,519,105	15.7%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,833,333	-	-	-	0.0%
(Loss) on Disposal of Investments		-	(3,655)	(3,655)	-	0.0%
Change in net assets resulting from operations after significant items		16,943,082	22,439,371	25,958,476	3,519,105	15.7%

CITY OF PERTH
MUNICIPAL
Statement of Comprehensive Income for the 11 months ended 31 May 2016
(By Nature)

	Note	Budget 2015/2016	Revised Budget YTD	Actual YTD 31/05/2016	YTD Variance	
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		82,692,367	82,704,781	83,186,148	481,367	0.6%
Grants and Contributions for Non Capital Purposes		1,508,499	1,210,396	1,129,272	(81,124)	-6.7%
Donations and Reimbursements		452,347	531,097	575,844	44,747	8.4%
Fees and Charges		105,979,915	93,946,676	92,224,951	(1,721,725)	-1.8%
Interest and Investment Income		5,157,319	4,206,461	4,541,176	334,715	8.0%
Other Revenue		1,962,676	1,447,571	1,443,909	(3,662)	-0.3%
Total Revenue from Operating Activities		197,753,123	184,046,981	183,101,299	(945,682)	-0.5%
OPERATING EXPENDITURE						
Employee Costs		69,135,566	62,491,584	61,943,742	547,842	0.9%
Materials and Contracts		52,838,709	46,680,719	41,134,040	5,546,679	11.9%
Utilities		3,069,080	2,912,825	2,968,222	(55,397)	-1.9%
Depreciation and Amortisation		34,211,101	27,734,239	28,060,848	(326,609)	-1.2%
Interest		1,836,750	1,255,468	1,436,625	(181,157)	-14.4%
Insurance		1,166,259	1,043,290	1,082,588	(39,298)	-3.8%
Expenses Provision		962,345	880,943	863,813	17,130	1.9%
Other Expenses from Ordinary Activities		24,707,761	22,249,396	21,601,994	647,402	2.9%
Total Expenses from Ordinary Activities		187,927,571	165,248,465	159,091,872	6,156,593	3.7%
Change in Net Assets from Ordinary Activities before Capital Amounts		9,825,552	18,798,516	24,009,427	5,210,911	27.7%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		6,842,450	5,280,865	3,027,454	(2,253,411)	-42.7%
NET OPERATING SURPLUS						
		16,668,002	24,079,381	27,036,881	2,957,500	12.3%
DISPOSAL/WRITE OFF OF ASSETS						
	2	(1,558,253)	(1,636,355)	(1,074,750)	561,605	-34.3%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,833,333	-	-	-	0.0%
(Loss) on Disposal of Investments		-	(3,655)	(3,655)	-	0.0%
<i>Change in net assets resulting from operations after capital amounts and significant items</i>		16,943,082	22,439,371	25,958,476	3,519,105	15.7%

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 31 May 2016

	Note	31/05/2016	30/06/2015
CURRENT ASSETS			
		\$	\$
Cash and Cash Equivalents	11	9,165,146	21,164,777
Deposits/Prepayments	4	3,060,933	1,339,244
Investments	3, 11	108,843,880	91,045,389
Trade and Other Receivables	5	10,793,422	8,355,249
Rates Receivable	1	169,419	64,096
Inventories		968,739	1,394,201
TOTAL CURRENT ASSETS		133,001,539	123,362,956
NON CURRENT ASSETS			
Investments	3	5,081,539	7,110,313
Trade and Other Receivables	5	32,434	39,567
Property, Plant and Equipment	8	651,028,031	659,937,053
Infrastructure	8	470,994,447	480,607,504
Capital Work in Progress	8	96,678,759	69,215,093
TOTAL NON CURRENT ASSETS		1,223,815,210	1,216,909,530
TOTAL ASSETS		1,356,816,749	1,340,272,486
CURRENT LIABILITIES			
Trade and Other Payables	6	15,573,416	19,155,304
Employee Benefits	7	11,154,545	11,405,126
Provisions	7	581,208	703,725
Loan Liability	9	6,737,036	6,441,709
TOTAL CURRENT LIABILITIES		34,046,205	37,705,864
NON CURRENT LIABILITIES			
Employee Benefits	7	1,891,737	1,891,737
Provisions	7	4,227,002	3,869,667
Loan Liability	9	30,215,109	36,327,002
TOTAL NON CURRENT LIABILITIES		36,333,848	42,088,406
TOTAL LIABILITIES		70,380,053	79,794,270
NET ASSETS		\$1,286,436,696	\$1,260,478,216
EQUITY			
Accumulated Surplus		659,710,516	612,108,619
Asset Revaluation Reserve	10	560,560,439	560,795,095
Reserves	10	66,165,741	87,574,502
TOTAL EQUITY		\$1,286,436,696	\$1,260,478,216

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 11 months ended 31 May 2016

	Accumulated Surplus	Asset Revaluation Reserve	Cash Backed Reserves	Total Equity
Balance at 1 July 2014	\$ 587,289,902	\$ 372,942,447	\$ 85,605,577	\$ 1,045,837,926
Change in net assets resulting from operations	214,640,290	-	-	214,640,290
Transfer to Cash Backed Reserves	(25,386,259)	-	25,386,259	-
Transfers to Asset Revaluation Reserve	(189,027,761)	189,027,761	-	-
Transfers from Asset Revaluation Reserve	1,175,113	(1,175,113)	-	-
Transfer from Cash Backed Reserves	23,417,344	-	(23,417,344)	-
Balance at 30 June 2015	\$612,108,629	\$560,795,095	\$87,574,492	\$1,260,478,216
Balance at 1 July 2015	\$ 612,108,629	\$ 560,795,095	\$ 87,574,492	\$ 1,260,478,216
Change in net assets resulting from operations	25,958,476	-	-	25,958,476
Transfer to Cash Backed Reserves	(4,051,489)	-	4,051,489	-
Transfers to Asset Revaluation Reserve	(12,368)	12,368	-	-
Transfers from Asset Revaluation Reserve	247,023	(247,023)	-	-
Transfer from Cash Backed Reserves	25,460,250	-	(25,460,250)	-
Balance at the end of the reporting period	\$659,710,520	\$560,560,440	\$66,165,732	\$1,286,436,692

**CITY OF PERTH
MUNICIPAL**

Statement of Cash Flows for the 11 months ended 31 May 2016

	Note	Budget 2015/2016	YTD Actual 31/05/2016	YTD Variation	
		\$	\$	\$	%
Cash Flows from Operating Activities					
Receipts					
Rates		82,681,333	83,070,695	389,362	0.5%
Fees and Charges		104,237,072	89,770,403	(14,466,669)	-13.9%
Interest		5,009,468	4,357,956	(651,512)	-13.0%
Other		5,485,536	1,792,109	(3,693,427)	-67.3%
		197,413,411	178,991,163	(18,422,248)	-9.3%
Payments					
Employee Costs		(68,531,216)	(62,885,381)	5,645,835	8.2%
Materials and Contracts		(50,557,095)	(45,249,575)	5,307,520	10.5%
Interest		(1,686,749)	(1,399,527)	287,222	17.0%
Other		(24,363,418)	(25,854,205)	(1,490,787)	-6.1%
		(145,138,478)	(135,388,688)	9,749,790	6.7%
Net Cash Flows from Operating Activities	12	52,274,932	43,602,475	(8,672,457)	16.6%
Cash Flows from Investing Activities					
Receipts					
Distribution from TPRC		1,833,333	-	(1,833,333)	-100.0%
Proceeds from Disposal of Assets		1,523,000	988,221	(534,779)	-35.1%
Proceeds from Disposal of Investments(Non Current)		-	2,025,119	2,025,119	0.0%
Payments					
Purchase Land and Buildings		(13,036,542)	(19,835)	13,016,707	-99.8%
Purchase Infrastructure Assets		(37,840,203)	(500,202)	37,340,001	-98.7%
Purchase Plant and Mobile Equipment		(3,347,436)	(2,306,308)	1,041,128	31.1%
Purchase Office Furniture and Equipment		(561,648)	(387,429)	174,219	-31.0%
Work in Progress		-	(36,170,986)	(36,170,986)	0.0%
		(54,785,829)	(39,384,760)	15,401,069	28.1%
Net Cash Flows from Investing Activities		(51,429,496)	(36,371,420)	15,058,076	29.3%
Cash Flows from Financing Activities					
Repayment of Borrowings		(6,441,707)	(5,816,566)	625,141	9.7%
		(6,441,707)	(5,816,566)	625,141	9.7%
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		1,760,075	1,356,916	(403,159)	-22.9%
Capital		6,842,450	3,027,454	(3,814,996)	-55.8%
		8,602,525	4,384,370	(4,218,155)	-49.0%
Net Increase (Decrease) in Cash Held		3,006,254	5,798,859	2,792,605	92.9%
Cash at 1 July 2015		107,033,620	112,210,166	5,176,546	4.8%
Cash at 31 May 2016	11	110,039,874	118,009,026	7,969,152	7.2%

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2016

1 Rates Receivable

	Actual YTD 31/05/2016	2014/15 YTD 31/05/2015
	\$	\$
Outstanding Amount at 30 June 2015	64,096	52,088
Rates Levied for the Year	83,238,540	75,984,555
Late Payment Penalties	109,543	82,996
Ex Gratia Rates	17,464	10,283
Rates Administration Fee	295,252	297,941
Rates Instalment Interest	341,842	317,691
Back Rates	(69,855)	(142,029)
Bins Levy	33,737	3,887
	84,030,619	76,607,412
Amount Received during the Period	83,861,200	76,432,872
Outstanding Amount at 31 May 2016	\$169,419	\$174,540

2 Gain/(Loss) on Disposal/Write off of Assets

	Annual Budget	Actual YTD 31/05/2016
	\$	\$
Land and Buildings		
Proceeds on Disposal	-	-
Less: Carrying amount of assets sold/written off	-	29,092
(Loss) on Disposal/Write Off	-	(29,092)
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,721,201	1,024,055
(Loss) on Write Off	(1,721,201)	(1,024,055)
Plant and Mobile Equipment		
Proceeds on Disposal	1,523,000	987,531
Less: Carrying amount of assets sold/written off	1,360,052	978,148
Profit on Disposal/Write Off	162,948	9,383
Furniture and Equipment		
Proceeds on Disposal	-	690
Less: Carrying amount of assets sold /written off	-	31,676
(Loss) on Disposal/Write Off	-	(30,986)
Gain/(Loss) on Disposal/Write off of Assets	(\$1,558,253)	(\$1,074,750)

3 Investments

Current	31/05/2016	30/06/2015
Short Term Cash Investments *	\$	\$
Call Funds	5,100,489	23,629
Bank/Term Deposits	99,500,000	83,900,000
Managed Funds	4,243,391	4,118,105
Floating Rate Notes (FRN)	-	3,003,655
Total Current Investments	\$108,843,880	\$91,045,389

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	31/05/2016	30/06/2015
	\$	\$
Mortgage Backed Securities (MBS)	2,658,569	2,766,406
	2,658,569	2,766,406
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	420,412	398,074
Equity in Tamala Park Regional Council	1,992,558	3,935,833
	\$5,081,539	\$7,110,313

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Notes to the Balance Sheet for the 11 months ended 31 May 2016

4 Deposits/Prepayments

	31/05/2016	30/06/2015
	\$	\$
Prepaid Insurance	198,832	-
Prepaid Parking Bay Licence Fees	1,427,057	91,560
Other	1,435,044	1,247,684
	\$3,060,933	\$1,339,244

5 Trade And Other Receivables

	31/05/2016	30/06/2015
Current	\$	\$
Emergency Services Levy (ESL)	133,123	63,463
Accrued Interest and Investment Income	783,517	600,296
Accrued Income	1,342,500	1,251,900
Modified Penalties/Fines and Costs	7,626,403	7,156,124
Debtors - General		
Australian Taxation Office - GST Refundable	10,112	479,963
Works and Services	37,924	156,225
Other Debtors	4,130,895	1,701,472
	14,064,474	11,409,443
Less: Provision for Doubtful Debts	(3,271,052)	(3,054,194)
	\$10,793,422	\$8,355,249
Non Current		
Pensioners' Rates Deferred	32,434	39,567
	\$32,434	\$39,567

6 Trade And Other Payables

	31/05/2016	30/06/2015
Current	\$	\$
Trade Creditors	8,632,736	13,260,443
Emergency Services Levy	398,007	-
Interest Payable on Loans	278,113	241,015
Accrued Expenses - Operating	2,626,768	2,617,565
Accrued Expenses - Capital	346,049	360,328
Advances Received for Recoverable Works	54,169	77,424
Income Received / Raised in Advance	815,986	871,600
Other Creditors	2,421,588	1,726,929
	\$15,573,416	\$19,155,304

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2016

7 Employee Benefits

	31/05/2016	30/06/2015
Current	\$	\$
Leave Entitlements		
Annual Leave	4,513,445	4,795,260
Self Funded Leave	244,001	270,891
Long Service Leave	6,271,850	6,189,337
Recognition of Employees- Presentations	125,249	149,638
	\$11,154,545	\$11,405,126
Non Current		
Annual Leave	838,090	838,090
Long Service Leave	1,053,647	1,053,647
	\$1,891,737	\$1,891,737

Provisions

	31/05/2016	30/06/2015
Current	\$	\$
Workers Compensation	581,208	703,725
	\$581,208	\$703,725
Non Current		
Provision for Equipment Replacement PCEC	4,227,002	3,869,667
	\$4,227,002	\$3,869,667

8 Property, Plant and Equipment and Work in Progress

	31/05/2016	30/06/2015
	\$	\$
Land and Air Rights - at cost/fair value	380,359,193	380,366,194
Less: Accumulated Depreciation	(3,088,766)	(2,570,139)
	377,270,427	377,796,055
Buildings - at fair value	380,652,637	379,893,679
Less: Accumulated Depreciation	(153,447,034)	(146,015,858)
	227,205,603	233,877,821
Improvements - at fair value	8,010,841	8,010,841
Less: Accumulated Depreciation	(4,819,900)	(4,564,395)
	3,190,941	3,446,446
Infrastructure Assets - at cost/fair value	742,587,827	741,999,706
Less: Accumulated Depreciation	(271,593,380)	(261,392,201)
	470,994,447	480,607,505
Plant and Mobile Equipment - at cost/fair value	46,909,691	45,505,811
Less: Accumulated Depreciation	(28,069,850)	(25,351,476)
	18,839,841	20,154,335
Office Furniture and Equipment - at cost/fair value	38,502,677	36,740,437
Less: Accumulated Depreciation	(14,776,729)	(12,873,309)
	23,725,948	23,867,128
Agricultural - at cost	795,271	795,271
Less: Accumulated Depreciation	-	-
	795,271	795,271
Property, Plant and Equipment	1,122,022,478	1,140,544,561
Work in Progress - at cost	96,678,759	69,215,093
	96,678,759	69,215,093
Total Property, Plant and Equipment and Work in Progress	\$1,218,701,237	\$1,209,759,650

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2016

8 Property, Plant and Equipment and Work in Progress - Movement at Cost

	Balance 30/06/2015	Acquisitions Actual YTD 31/05/2016	Transfers Actual YTD 31/05/2016	Disposals/ Write off/ Actual YTD 31/05/2016	Revaluation Actual YTD 31/05/2016	Balance 31/05/2016
	\$	\$	\$	\$		\$
Land and Air Rights	380,366,194	-	-	(7,000)	-	380,359,194
Buildings	379,893,679	19,834	821,425	(82,300)	-	380,652,638
Improvements	8,010,841	1	-	-	-	8,010,842
Infrastructure Assets	741,999,706	500,202	4,257,858	(4,169,938)	-	742,587,828
Plant and Mobile Equipment	45,505,811	2,306,308	1,561,974	(2,464,402)	-	46,909,691
Office Furniture and Equipment	36,740,437	387,429	1,746,709	(371,898)	-	38,502,677
Agricultural	795,271	-	-	-	-	795,271
Work in Progress	69,215,093	36,156,707	(8,693,041)	-	-	96,678,759
	\$1,662,527,032	\$39,370,481	(305,075)	(\$7,095,538)	-	\$1,694,496,900

9 Loan Liability

	31/05/2016	30/06/2015
Current	\$	\$
Loans - Western Australian Treasury Corporation	6,737,036	6,441,709
Non Current		
Loans - Western Australian Treasury Corporation	30,215,109	36,327,002

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2015	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 31/05/2016
	\$	\$	\$	\$
Refuse Disposal and Treatment	2,843,524	248,816	-	3,092,340
Concert Hall - Refurbishment and Maint.	4,826,518	141,518	(131,881)	4,836,155
Asset Enhancement	29,008,935	713,943	(7,186,819)	22,536,059
Street Furniture Replacement	540,334	16,076	-	556,410
Parking Levy	17,132,501	3,568	(17,012,592)	123,477
Art Acquisition	315,397	8,953	(9,536)	314,814
Heritage Incentive	587,371	20,722	-	608,093
Parking Facilities Development	23,952,738	695,890	(1,119,422)	23,529,206
Employee Entitlements	1,053,647	890,902	-	1,944,549
David Jones Bridge	277,223	8,255	-	285,478
Bonus Plot Ratio	595,996	17,733	-	613,729
PCEC Fixed Plant Replacement	3,869,667	357,335	-	4,227,002
Enterprise and Initiative	2,570,651	927,778	-	3,498,429
	87,574,502	4,051,489	(25,460,250)	66,165,741
* Asset Revaluation	560,795,095	12,368	(247,023)	560,560,440
	\$648,369,597	\$4,063,857	(\$25,707,273)	\$626,726,181

* The Asset Revaluation Reserve is a non cash backed reserve and cannot be used ,except for adjustments to fixed assets on their revaluation, disposal or write off

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2016

11 Cash Reconciliation

	31/05/2016	30/06/2015
	\$	\$
Cash and Cash Equivalents	9,165,146	21,164,777
Short Term Cash Investments	108,843,880	91,045,389
	\$118,009,026	\$112,210,166

12 Reconciliation of Net Cash Provided By Operating Activities to Operating Surplus

	31/05/2016	30/06/2015
	\$	\$
Change in Net Assets Resulting from Operations	25,962,131	18,136,854
Adjustment for items not involving the movement of Funds:		
Depreciation	28,060,848	29,115,795
Doubtful Debts	216,858	267,593
(Gain)/Loss on Disposal/Write off/Contribution of Assets	1,074,750	2,584,345
	55,619,662	50,104,587
Revenues Provided By :		
Government Grants	(4,334,480)	(4,039,166)
Contribution from Other Parties	(49,890)	(15,000)
	(4,384,370)	(4,054,166)
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Inventories	425,462	713,171
Decrease in Deposits and Prepayments	-	81,566
Decrease in Accrued Interest and Dividend Income	-	749,725
Decrease in Debtors	-	1,650,216
Decrease in Deferred Debtors	7,133	4,638
Decrease in Accrued Income	-	-
Increase in Income Received /Raised in Advance	-	21,429
Increase in Accrued Interest Payable	37,098	-
Increase in Accrued Expenses	9,203	-
Increase in Provisions	-	1,084,280
Deduct		
Decrease in Trade and Other Payables	(3,535,041)	(836,489)
Decrease in Income Received /Raised in Advance	(78,869)	-
Decrease in Accrued Interest Payable	-	(43,792)
Decrease in Provisions	(15,763)	-
Decrease in Accrued Expenses	-	(201,269)
Increase in Trade and Other Receivables	(2,486,534)	-
Increase in Prepayments	(1,721,689)	-
Increase in Accrued Income	(90,600)	(420,854)
Increase in Accrued Interest and Investment Income	(183,220)	-
	(7,632,820)	2,802,621
Net Cash Provided by Operating Activities	\$43,602,475	\$48,853,042

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Notes to the Balance Sheet for the 11 months ended 31 May 2016

13 Ratios

	31/05/2016	30/06/2015
1 Current Ratio		
<u>Current Assets minus Restricted Assets</u>		
<u>Current Liabilities minus Liabilities</u> associated with Restricted Assets	2.04	1.02
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	5.19%	5.95%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	4.22%	4.48%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	45.92%	40.92%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	0.20%	0.08%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	6.31	2.07
7 Gross Debt to Revenue Ratio		
<u>Gross Debt</u>		
Total Revenue	20.18%	22.93%
8 Gross Debt to Economically Realisable Assets Ratio		
<u>Gross Debt</u>		
Economically Realisable Assets	4.17%	4.98%

Restricted Assets includes reserve funds and tied contributions not utilised at 31.05.2016

CITY OF PERTH

FAS GRAPHS

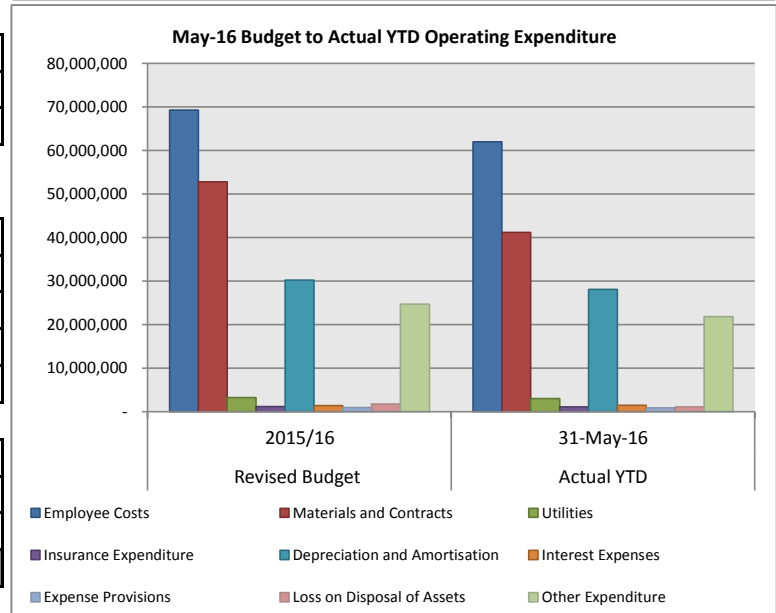
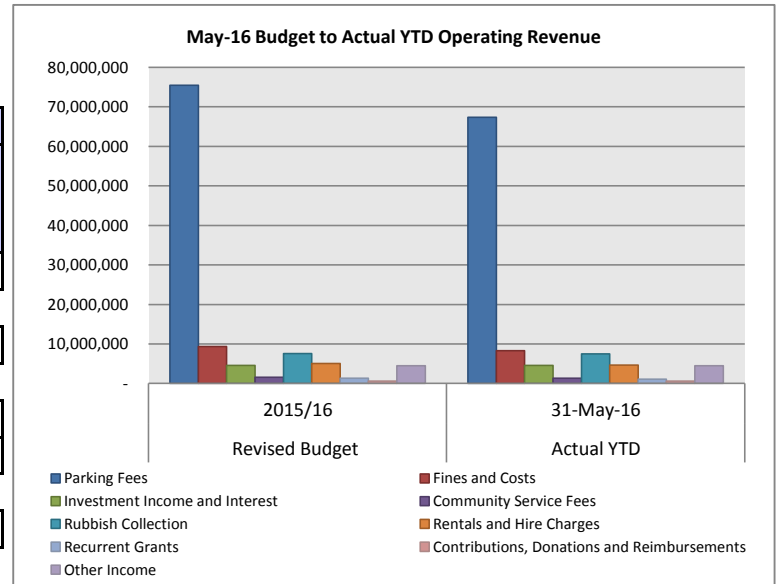
May-16

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Financial Activity Statement

Proceeds from Operating Activities	Annual	Year To Date May-16		
	Revised Budget 2015/16 \$000s	Budget YTD \$000s	Actual \$000s	Variance \$000s
Operating Revenue	110,054	101,342	99,915	-1,427
Less: Operating Expenditure	185,312	167,025	160,364	6,661
Add back Depreciation	-30,187	-27,734	-28,061	327
(Loss)/Profit on Disposals	-1,766	-1,636	-1,075	-561
Net Surplus/(Deficit) from Operations	-43,305	-36,312	-31,313	5,000
Investing Activities				
Capital Expenditure	-68,553	-49,373	-41,405	7,968
Repayment of Borrowings	-6,442	-5,817	-5,817	0
Transfers to Reserves	-28,252	-3,901	-4,051	-150
Financing Activities				
Transfers from Reserves	30,576	29,961	23,510	-6,451
Carry Forwards	21,681	12,615	11,195	-1,420
Proceeds from Disposal of Assets	1,729	1,523	3,013	1,490
Distribution from TPRC	1,833	0	0	0
Capital Grants	6,490	5,281	3,027	-2,254
Net Surplus/(Deficit) before Rates	-83,605	-45,387	-41,203	4,184
Add: Opening Funds	636	636	636	0
Less: Closing Funds	-652	37,318	41,983	4,665
Amount Sourced from Rates	82,953	82,705	83,186	481

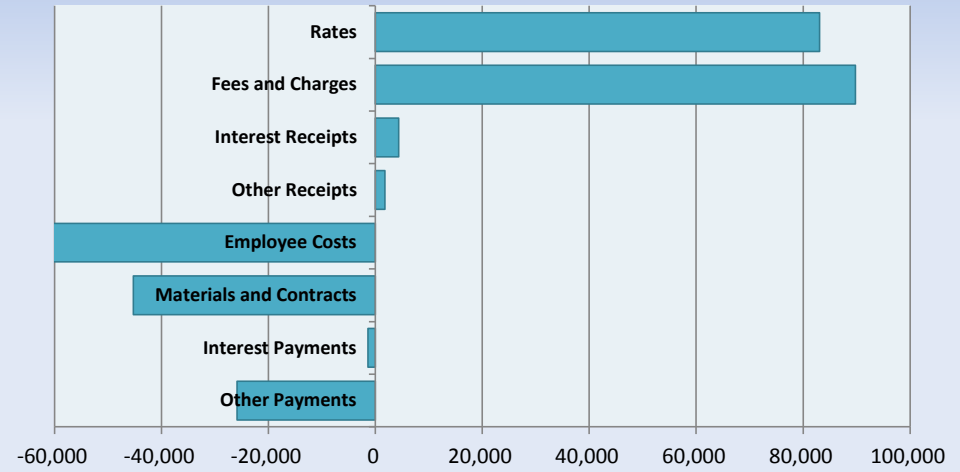


Cash

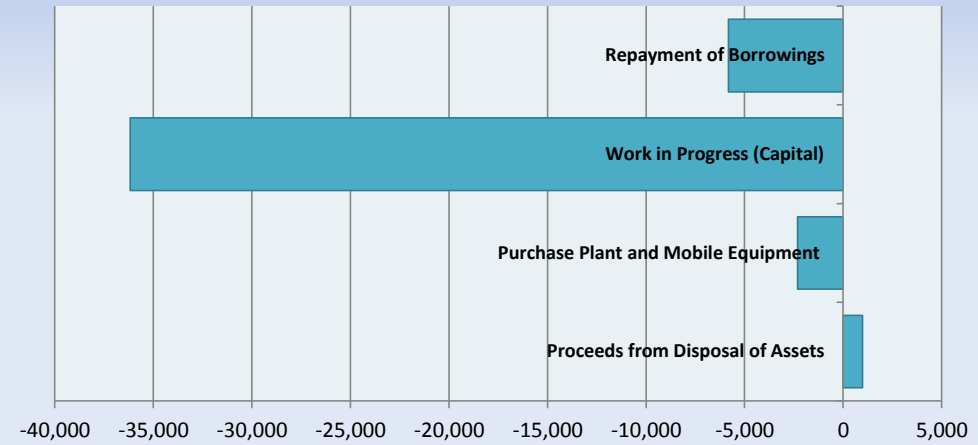
SUMMARY CASH FLOW STATEMENT

	Budget \$'000s 2015/2016	YTD Actual \$'000s May-16
Receipts from Customers	197,413	178,991
Payments to Suppliers and Creditors	-145,138	-135,389
Net Cash Inflow/Outflow from Operating Activities	52,275	43,602
Net Cash Inflow/Outflow from Investing Activities	-51,429	-36,371
Net Cash Inflow/Outflow from Financing Activities	-6,442	-5,817
Cash Flows from Government and Other Parties	8,603	4,384
Cash at 1 July 2015	107,034	112,210
Net Increase (Decrease) in Cash Held	3,006	5,799
Cash at 31 May 2016	110,040	118,009

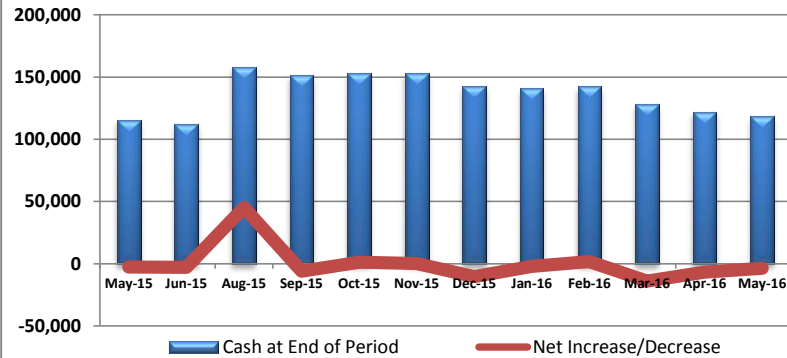
Cash Flows from Operating Activities \$'000s



Cash Flows from Investing Activities \$'000s

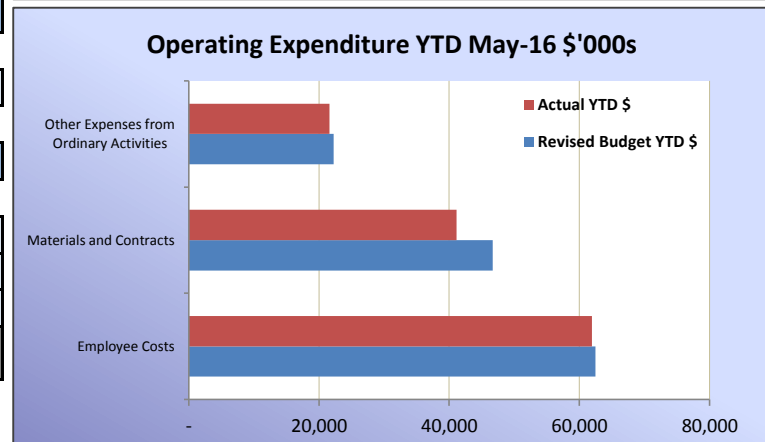
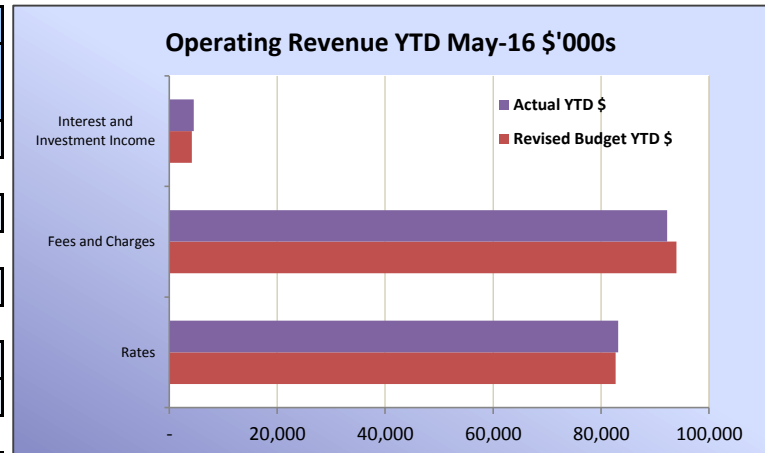


Monthly Cash Movements to May-16 \$'000s



Summary Operating Statement

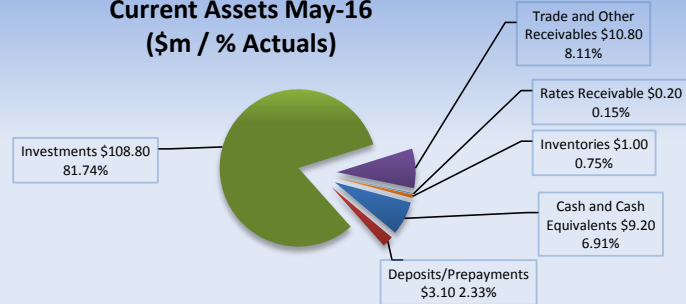
	2015/2016	Year To Date		
	Original Budget \$000	Revised Budget \$000s	Actual \$000s	Variance \$000s
Operating Revenue	197,753	184,047	183,101	-946
less Operating Expenses	-151,880	-136,259	-129,595	6,664
Earnings before Interest and Depreciation (EBID)	45,873	47,788	53,506	5,718
less Interest Expense	-1,837	-1,255	-1,437	-181
less Depreciation	-34,211	-27,734	-28,061	-327
Operating Surplus/(Deficit)	9,825	18,799	24,008	5,209
Grants and Contributions- Capital	6,842	5,281	3,027	-2,253
NET OPERATING SURPLUS	16,667	24,080	27,035	2,955
DISPOSAL/WRITE OFF OF ASSETS	-1,558	-1,636	-1,075	561
Distribution from TPRC	1,833	0	0	0
(Loss) on Disposal of Investments	0	-4	-4	0
Change in net assets resulting from operations after capital amounts and significant items	16,943	22,439	25,958	3,519



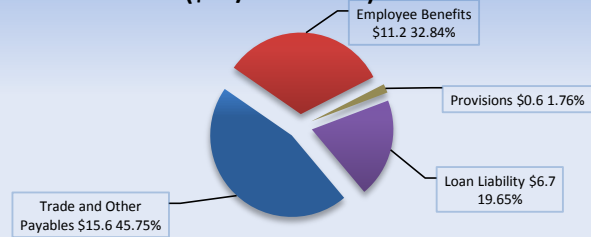
Summary Statement of Financial Position

	31-May-16	30-Jun-15
	Actual \$000s	Actual \$000s
Total Current Assets	133,002	123,363
Total Non Current Assets	1,223,815	1,216,910
TOTAL ASSETS	1,356,817	1,340,273
Total Current Liabilities	34,046	37,706
Total Non Current Liabilities	36,334	42,088
TOTAL LIABILITIES	70,380	79,794
NET ASSETS	1,286,437	1,260,478
COMMUNITY EQUITY		
Accumulated Surplus	659,711	612,109
Asset Revaluation Reserve	560,560	560,795
Reserves (Cash Backed)	66,166	87,575
TOTAL EQUITY	1,286,437	1,260,478

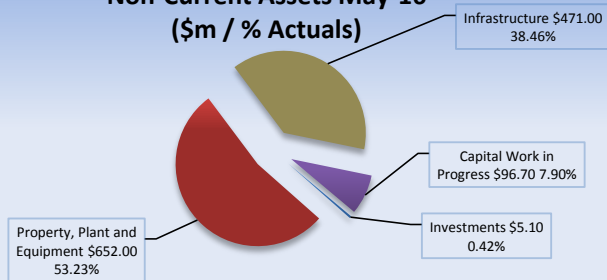
Current Assets May-16
(\$m / % Actuals)



Current Liabilities May-16
(\$m / % Actuals)



Non-Current Assets May-16
(\$m / % Actuals)



Non-Current Liabilities May-16
(\$m / % Actuals)



Ratio Analysis

	May-16
Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets)	2.04

Ability to generate working capital to meet our commitments

Target is greater than 2.00

	May-16
Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD)	6.77

Ability to fund capital and exceptional expenditure

Target is greater than 1.5

	May-16
Rate Coverage Ratio (Net Rate Revenue/Operating Revenue)	45.92%

Ability to reduce rates to ratepayers

Target is less than 40.00% - The percentage will diminish as the bulk of the rates are raised in July

	May-16
Debt Service Ratio (Interest and principal repayments/Available Operating Revenue)	4.22%

Ability to service loans including principal and interest

Target is less than 10.0%

	May-16
Cash Capacity in Months (Cash < 90 days invest / (Cash Operating Costs divided by 11 months)	3.51

Ability to manage cashflow

Target is greater than 2.0 months

	May-16
Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets)	4.17%

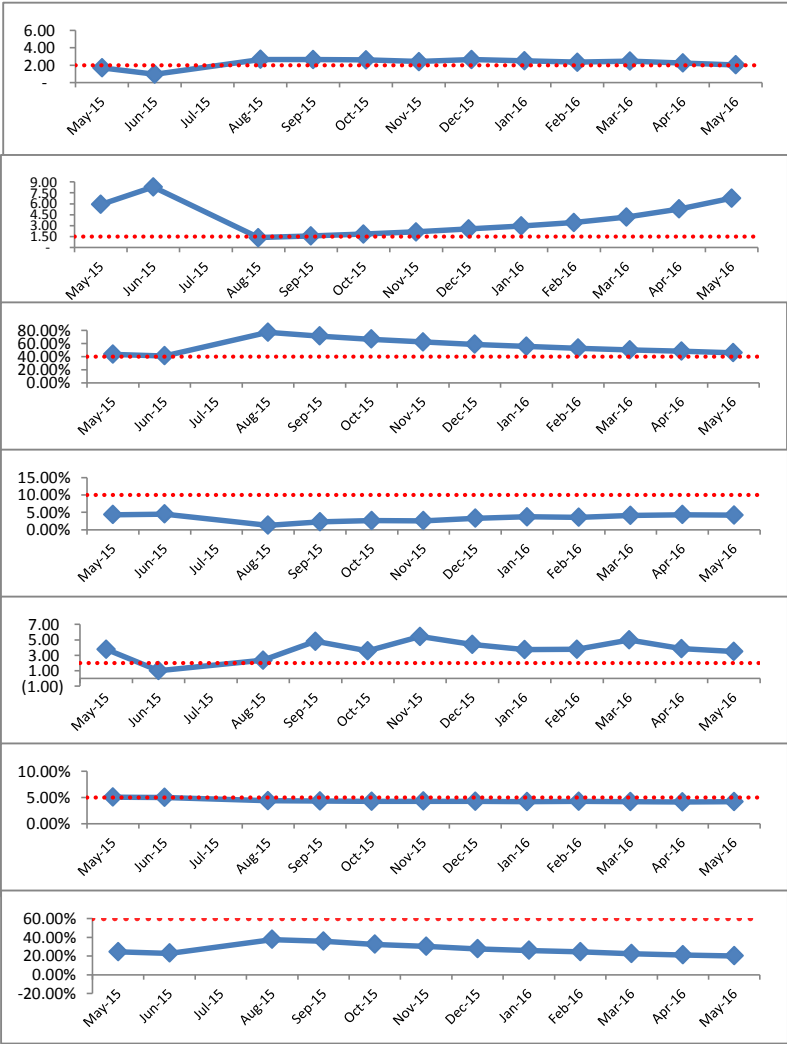
Ability to retire debt from readily realisable assets

Target is greater than 5.0%

	May-16
Gross Debt to Revenue Ratio (Gross Debt / Total Revenue)	20.18%

Ability to service debt out of total revenue

Target is less than 60.0%



ITEM NO: 3

TENDER 098-15/16 – PROVISION OF CATERING SERVICES FOR THE CITY OF PERTH

RECOMMENDATION: (APPROVAL)

That Council:

1. *accepts the most suitable applications being those submitted by the following:*

- ***Part A – Heyder & Shears Catering***
- ***Part B – Cupid Catering***

for the provision of catering services for the City of Perth, for a period of one year commencing on 6 August 2016 and with an option for a further two year extension; and

2. *authorises the Chief Executive Officer to execute and vary the Tender contracts.*

BACKGROUND:

FILE REFERENCE: P1032785
REPORTING UNIT: Marketing and Communications Unit
RESPONSIBLE DIRECTORATE: Economic Development and Activation Directorate
DATE: 4 July 2016
MAP / SCHEDULE: Confidential Schedule 3 – Price Comparison
Confidential Schedule 4 – Tender Evaluation Matrix
(distributed to Elected Members under separate cover)

Tenderers have been invited from suitably qualified and experienced suppliers for the specialised service of catering for the City of Perth.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 3.57 of the *Local Government Act 1995*
Part 4 of the *Local Government (Functions and General) Regulations 1996*

**Integrated Planning
and Reporting
Framework
Implications**

Strategic Community Plan

Council Four Year Priorities: Capable and Responsive Organisation

A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

Policy

Policy No and Name: 9.7 – Purchasing Policy

DETAILS:

The provision of catering services for the City of Perth will contain two parts based on the catering needs required by the City, they are:

Part A – Main Meals/Large Functions

Part B – Light Lunches/Finger Foods

At close of tender, the following submissions were received:

Part A – Four submissions

Part B – Five submissions

Submissions for Part A – Main Meals/Large Functions, were received from:

- Heyder & Shears Catering (ALJATO Pty Ltd and Imogen Corp Pty Ltd);
- Beaumonde Catering (Beaumonde Hospitality Australia Pty Ltd);
- By Word of Mouth Catering; and
- Temptations Catering (Markovich Investments on behalf of Family Trust Pty Ltd).

Submissions for Part B – Light Lunches/Finger Foods, were received from:

- Cupid Catering (The Lummis Family Trust Trading as Cupid Catering);
- Heyder & Shears Catering (ALJATO Pty Ltd and Imogen Corp Pty Ltd);
- Beaumonde Catering (Beaumonde Hospitality Australia Pty Ltd);
- By Word of Mouth Catering; and
- Temptations Catering (Markovich Investments on behalf of Family Trust Pty Ltd).

The outcome of the tender process was to appoint a suitable catering provider for the supply of food services as required in Part A – Main Meals/Large Functions and the supply of food services as required in Part B – Light Lunches/Finger Foods.

Tenderers had the opportunity of applying for both Part A and Part B or applying for one part of the tender based on their business competencies.

Tenderers were required to address the selection criteria in the specification and submit a Form of Tender that included a Schedule of Rates. Part A and Part B had separate selection criteria.

The selection criteria were as follows:

Part A

1. Tenderers are requested to address points raised in the specification document; in particular tenderers should indicate a proposed fee payable to the City of Perth for use of the facilities and services.
2. Tenderers must explain their proposed optional plans and food concepts in brief. Detailing the following:

Part A - Main Meals/Large Functions

3. Tenderers must briefly describe how they intend to meet the desired critical success factors.
4. Tenderers must supply a minimum of two written references from other clients detailing their satisfaction with their services and providing their contact details.

Part B

1. Tenderers are requested to address points raised in the specification document; in particular tenderers should indicate a proposed fee payable to the City of Perth for use of the facilities and services.
2. Tenderers must explain their proposed optional plans and food concepts in brief. Detailing the following:

Part B – Light Lunches/Finger Foods

3. Tenderers must briefly describe how they intend to meet the desired critical success factors.
4. Tenderers must supply a minimum of two written references from other clients detailing their satisfaction with their services and providing their contact details.

After reviewing the submissions, the most suitable tenderers for Part A and Part B were interviewed based on the assessment of each submission against the qualitative criteria using the score sheets. The companies interviewed were:

- Beaumonde Catering (Part A);
- Cupid Cateirine (Part B); and
- Heyder & Shears Catering (Part A & B).

The next part of the tender review process involved site visits with two companies which were selected by the panel. The selection was made by a consensus decision of the panel members on the assessment results made during the interview and weighting matrix that was completed.

They were Heyder & Shears Catering for Part A and Cupid Catering for Part B. These site visits were carried out to view the appropriate OSH and food safety standards in operation and evaluate the food samples provided against requirements.

Part A – Main Meals/Large Functions

Following a full evaluation of the submissions and taking into account price, menus, operational flexibility and overall standard of catering anticipated, the panel recommends that the offer from Heyder & Shears Catering be accepted for Part A of the tender. It should be noted the level of experience demonstrated from all tenders during the interview stage were of the highest quality.

Heyder & Shears Catering (ALJATO Pty Ltd and Imogen Corp Pty Ltd)

A discount was offered with the prices submitted. They offered the most competitive prices and were the best value for money for Part A out of the four tenderers. Heyder & Shears Catering use fresh local produce and maintain a high level of quality control systems during all types of purchases.

When compiling menus they place an emphasis on dietary requirements, portion sizes and use items on seasonal suitability while providing well balanced meals. They are flexible with any last minute changes and cancellations that are required. They demonstrated an effective communication system in providing quotes, suggestions on queries made and recording all feedback and responses. They would appoint one point of contact for the City of Perth.

They also employ skilled and experienced staff with a long service history with their company. Their premises were very clean, well equipped and designed to fit for the City's purpose. They have refrigerated vehicles to transport food safely and hygienically.

They provided good written references from clients receiving similar catering needs to the City of Perth.

Part B – Light Lunches/Finger Foods

Following a full evaluation of submissions under Part B and taking into account the prices, current satisfaction levels, expected future levels of satisfaction, flexibility demonstrated and delivery time limits, the panel recommends the offer from Cupid Catering be accepted for Part B.

It should be noted the level of experience demonstrated from all tenders during the interview stage were of the highest quality.

Cupid Catering (The Lummis Family Trust Trading as Cupid Catering)

Cupid Catering is the current provider for light lunches/finger foods within City of Perth. The prices currently offered and in the tender submission are very competitive. They use good quality fresh local produce supplied by a network of reliable suppliers. Cupid Catering can cater for all types of dietary requirements and have creative abilities with tastes and textures.

They are very flexible with last minute changes and cancellations and they will have one point of contact for the City of Perth. They offer a wide variety of menu options for breakfast, lunch, mid-morning and twilight functions to suit all types of service requirements.

Cupid Catering use commercial grade concealed boxes to transport food which is suitable for the type of food they deliver to the City of Perth. The City's kitchen facilities are used to assemble food made fresh to order.

They provided good written references from clients receiving similar catering needs to the City of Perth.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	Various Operating Accounts
BUDGET ITEM:	Civic Receptions, Dining Room and Council Meetings
BUDGET PAGE NUMBER:	5
BUDGETED AMOUNT:	\$ 246,072.00
AMOUNT SPENT TO DATE:	\$ 197,723.00
PROPOSED COST:	\$ 246,072.00 (on consumption per annum)
BALANCE:	\$ 0
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

COMMENTS:

To ensure the standard of catering remains high throughout the contract period and before any extension is confirmed, regular surveys will be carried out to measure satisfaction and regular feedback will be provided. The following terms will also be included in the contract:

The Catering Manager will monitor the standard of the Contractor's services over the period of the contract. Formal appraisals will be implemented in-line with the City's ongoing quality processes.

Performance measures will include, but not be limited to:

- customer satisfaction measured regularly by feedback and occasional surveys;
- the range, quality, consistency and presentation of the product served; and
- compliance with all health and other Statutory requirements in relation to food storage, handling, preparation, presentation, transportation and service, including and not limited to the provisions of the Food Standards Code, *Food Act 2008*, City of Perth requirements and Western Australian Legislation.

Should the companies fail to rectify issues brought to its attention, the City has the ability to terminate the contract with appropriate notice.

CONFIDENTIAL SCHEDULES 3 & 4
ITEM 3 – TENDER 098-15/16 – PROVISION OF CATERING
SERVICES FOR THE CITY OF PERTH

FOR THE FINANCE & ADMINISTRATION COMMITTEE
MEETING

12 JULY 2016

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