

# Finance and Administration Committee

Notice of Meeting  
7 March 2017  
4.00pm

Committee Room 1  
Ninth Floor  
Council House  
27 St Georges Terrace, Perth



## Agenda

### ORDER OF BUSINESS AND INDEX

- 1 Declaration of Opening
- 2 Apologies and Members on Leave of Absence  
Cr Chen (LOA)
- 3 Question Time for the Public
- 4 Confirmation of minutes – 7 February 2017
- 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*, the meeting will be required to be closed to the public prior to discussion of the following:

Item No.	Item Title	Reason
Confidential Item 8.8 and Attachment 8.8A	Outcome of the January 2017 Parking Promotion	s 5.23(2)(e)(ii)

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 attachment/s listed below, it is recommended that Council resolve to close the meeting to the public prior to discussion of the following:

Schedule No.	Item No. and Title	Reason
Confidential Attachment 8.6A, B & C	Item 8.6 - Tender 074-16/17 - Office Cleaning and Lock Up Services	s 5.23(2)(e)(ii)
Confidential Attachment 8.7A & B	Item 8.7 - Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities	s 5.23(2)(e)(ii)

- 8 Reports
  - 8.1 Investments and Investment Returns for Period ended 31 January 2017
  - 8.2 Payments from Municipal and Trust Funds – January 2017

- 8.3 Financial Statements and Financial Activity Statement for the Period Ended 31 January 2017
- 8.4 Budget Review 2016/17 – Forecast of the Operating and Capital Budget for the Year Ending 30 June 2017
- 8.5 City of Perth Art Collection – Art Acquisitions
- 8.6 Tender 074-16/17 - Office Cleaning and Lock Up Services
- 8.7 Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities
- 8.8 Outcome of the January 2017 Parking Promotion

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

11 Items for consideration at a future meeting

The following items are currently being investigated and actioned by Officers. Information will be provided to Elected Members when available.

- Potential Financial Opportunities and Shared Service across local governments (raised at FA 04/10/16).
- Council Policy 1.9 – Public Relations Policy – Media Statements and Press Releases (raised at FA 04/10/16, updated FA 06/12/16).
- City of Perth Art collection (raised at FA 04/10/16, updated FA 06/12/16).

Outstanding Reports:

- Council Dining Room (raised FA30/09/14, updated FA 21/04/15, 23/08/16 & 06/12/16).
- Audit of commercial buildings that are vacant / in disrepair (raised at Council 30/08/16).
- Air and land rights available to City of Perth for potential creation of affordable housing (raised at Council 30/08/16, updated FA 06/12/16).
- Council Policy 10.6 – Elected Member Expense Reimbursements (raised at FA 04/10/16, updated 06/12/17).

12 Closure



**MARTIN MILEHAM**  
**CHIEF EXECUTIVE OFFICER**

2 MARCH 2017

**This meeting is open to members of the public**

Please convey apologies to Governance on 9461 3250  
or email [governance@cityofperth.wa.gov.au](mailto:governance@cityofperth.wa.gov.au)

## 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.

**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.

# 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](mailto:governance@cityofperth.wa.gov.au).
- Question Sheets are also available on the City's web site: [www.perth.wa.gov.au](http://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](http://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.

# EMERGENCY GUIDE

Council House, 27 St Georges Terrace, 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.



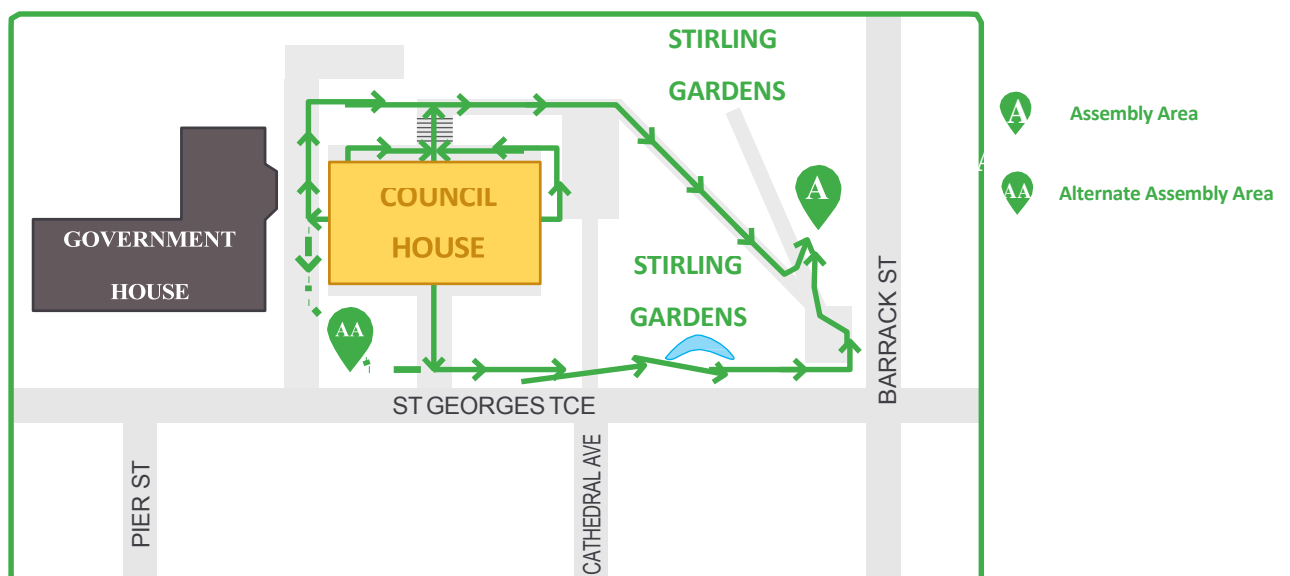
### EVACUATION ALARM / PROCEDURES

**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



**Agenda**      **Investments and Investment Returns for the Period Ended 31**  
**Item 8.1**      **January 2017**

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**Recommendation:**

*That the Finance and Administration Committee receives the report detailing investments and investment returns for the period ended 31 January 2017 as detailed in Attachment 8.1A of this report.*

FILE REFERENCE:                      P1032980-9  
 REPORTING UNIT:                      Finance  
 RESPONSIBLE DIRECTORATE:      Corporate Services  
 DATE:                                      16 February 2017  
 ATTACHMENT/S:                      Attachment 8.1A – Investment Report for the period ended 31 January 2017, Short Term Investments and Institution Credit and Rating

**Legislation / Strategic Plan / Policy:**

**Legislation**                              Section 6.14 of the *Local Government Act 1995*  
     Regulation 19C of the *Local Government (Financial Management) Regulations 1996*

**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.

**Policy**  
 Policy No and Name:                      9.3 – Management of Investments

**Financial Implications:**

Reported investment earnings (excluding interest on rates arrears) at \$334,820 after Trust Account adjustments, were \$21,339 below budget in January.

**Details:**

	<b>Actual</b>	<b>Budget</b>	<b>Variation</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest Earnings	334,820	356,159	(21,339)

Average Rate	2.57%
Benchmark Rate	1.86%
RBA Cash Rate	1.5%

\*Figures exclude interest on rate arrears.

**Call Accounts**

Balance at 31 January 2017	\$16.2 million
Interest Earned	\$24,236
Rate for balances over \$2 million	1.75%

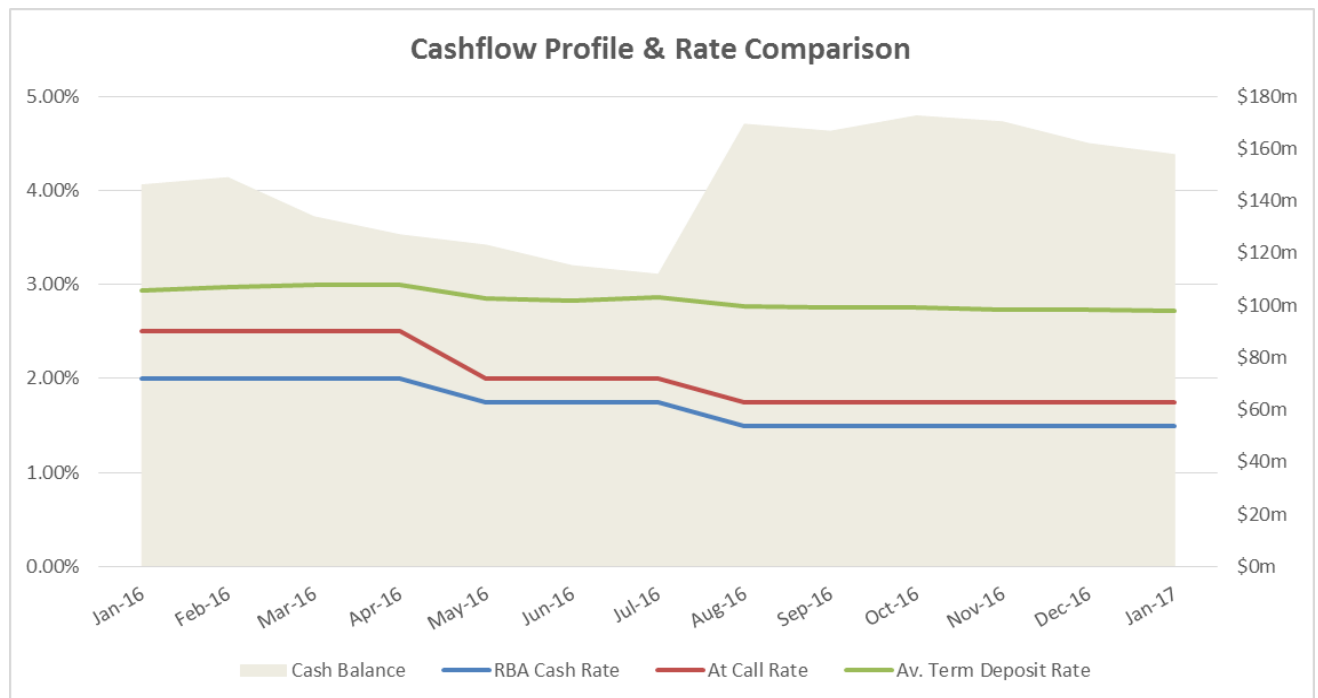
**Term Deposits**

Balance at 31 January 2017	\$141.6 million
Interest Earned	\$337,150
Average Rate (Municipal funds)	2.72%
Most Recent Rate (Municipal funds)	2.62%

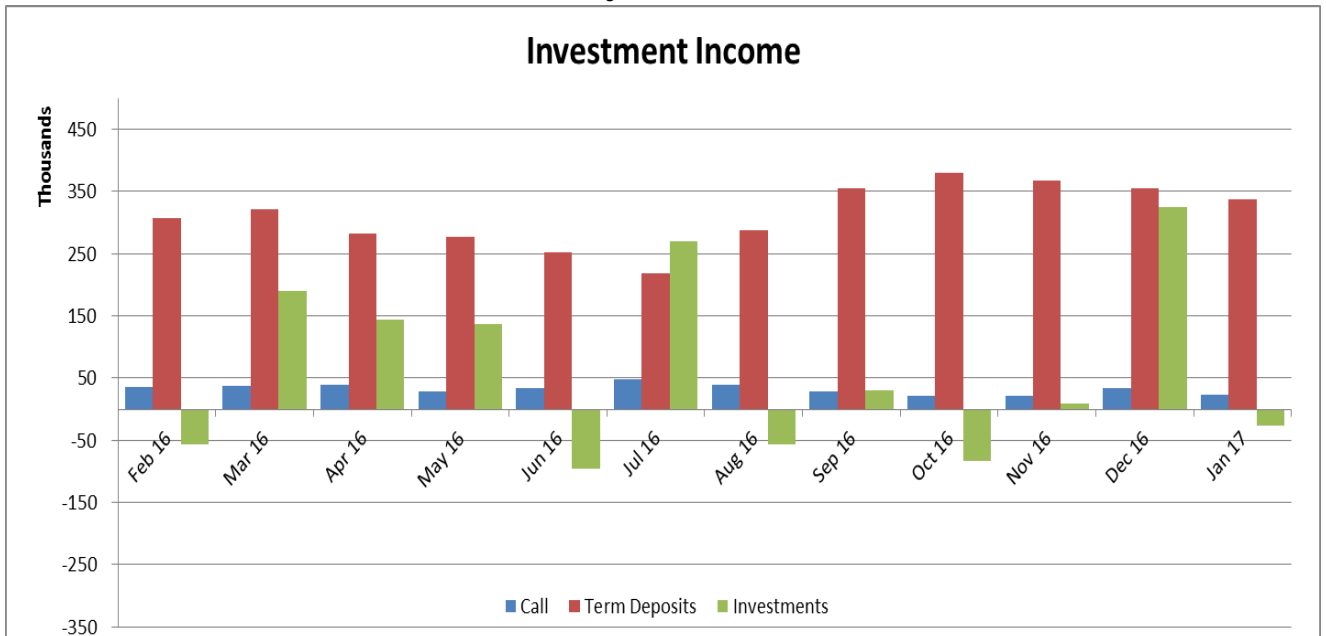
**Other Investments**

	Interest Earned \$	Interest Rate %
Emerald Mortgage Backed Security	9,762	2.65
Colonial Share Index Balanced Fund	(36,329)	N/A

The ASX 200 Index balanced fund fell slightly in January resulting in a negative return for the Colonial Share Index Fund.



The above chart shows the City’s cash flow cycle reflecting the significant inflow of rates income in August. It also compares the average interest rates the City earns with the RBA cash rate.



### Spread of Investments

The City's exposure to investment institutions is as follows:

Institution	Credit Rating	Percentage	Percentage Allowed
ANZ	A1+	6%	100%
Bankwest	A1+	1%	
NAB	A1+	30%	
		37%	
AMP	A1	6%	100%
Suncorp Metway	A1	14%	
		20%	
		57%	
Bank of Queensland	A2	35%	60%
ING	A2	3%	
		38%	
Barclays	NR	2%	10%
Colonial	NR	3%	
		5%	

### Comments:

The City continues to adhere to its policy of obtaining the best returns commensurate with risk and the constraints imposed by the State Government regulations.



**Agenda      Payments from Municipal and Trust Funds – January 2017**  
**Item 8.2**

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**Recommendation:**

***That in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, the list of payments made under delegated authority for the month ended 31 JANUARY 2017, be received and recorded in the Minutes of the Council, the summary of which is as follows:***

<b>FUND</b>	<b>PAID</b>
<b>Municipal Fund</b>	<b>\$ 14,510,159.59</b>
<b>Trust Fund</b>	<b>\$ 115,049.48</b>
<b>TOTAL:</b>	<b>\$ 14,625,209.07</b>

FILE REFERENCE:	P1033586-10
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	1 February 2017
ATTACHMENT/S:	A detailed list of payments made under delegated authority for the month ended 31 January 2017 can be accessed by Elected Members via the Elected Members Portal. Members of the public can access the list of payments on request.

**Legislation / Strategic Plan / Policy:**

<b>Legislation</b>	Regulation 13(1) of the <i>Local Government (Financial Management) Regulations 1996</i>
<b>Integrated Planning and Reporting Framework Implications</b>	<p><b>Strategic Community Plan</b></p> <p>Council Four Year Priorities: Community Outcome Capable and Responsive Organisation</p> <p>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.</p>

**Comments:**

Payments for the month of January 2017 included the following significant items:

- \$835,277.25 to the Western Australian Treasury Corporation for a loan payment of \$711,834.69 for the City of Perth Library and Public Plaza Project and \$123,442.56 for the half yearly Government Guarantee Fee payable for all City of Perth loans;

- \$334,797.68 to Civcon Civil and Project Management Pty Ltd for payments of \$171,025.51 for civil works relating to the Harvest Terrace shared path construction and \$163,772.17 for the Parliament Place road reconstruction; and
- \$314,355.58 to Schindler Lifts Pty Ltd for the November 2016 claim relating to the upgrade of the Council House elevators and associated maintenance call outs.

**Agenda**                      **Financial Statements and Financial Activity Statement for the**  
**Item 8.3**                      **Period Ended 31 January 2017**

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**Recommendation:**

***That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 January 2017 as detailed in Attachment 8.3A of this Report.***

FILE REFERENCE:	P1014149-25
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	16 February 2017
ATTACHMENT/S:	Attachment 8.3A – Financial Statements and Financial Activity Statement for the period ended 31 January 2017

**Legislation / Strategic Plan / Policy:**

**Legislation**                                      Section 6.4(1) and (2) of the *Local Government Act 1995*  
Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*

**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.

**Financial Implications:**

There are no direct financial implications arising from this report.

**Details:**

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

**Comments:**

The Financial Activity Statement commentary compares the actual results for the seven months to 31 January 2017 with the original budget approved by Council on **28 June 2016** and budget adjustments adopted by Council on **30 August 2016** and **1 November 2016**.

**Agenda**                      **Budget Review 2016/17 – Forecast of the Operating and Capital**  
**Item 8.4**                      **Budget for the Year Ending 30 June 2017**

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**Recommendation:**

***That Council:***

- 1. *in accordance with Regulation 33A(3) of the Local Government (Financial Management) Regulations 1996 (as amended) approves BY AN ABSOLUTE MAJORITY:***
  - 1.1 *the Budget Review 2016/17 as detailed in Attachment 8.4A, 8.4B, 8.4C, 8.4D and 8.4E noting the reduction in net result from operations of \$2,910,994;***
  - 1.2 *net capital expenditure reduction of \$15,122,476 as listed in Attachment 8.4C;***
  - 1.3 *the increase in transfers to reserves of \$200,000 related to an allocation to the Public Art Reserve; and***
  - 1.4 *the decrease in transfers from reserves of \$6,806,386 related to reductions in the capital works program;***
- 2. *notes that:***
  - 2.1 *the net reduction of \$15,122,476 on capital projects; reduced funding required from reserves of \$6,806,386; capital grants of \$1,558,113; contributions of \$2,064,291 and Municipal funds of \$4,693,687 required; and***
  - 2.2 *the closing funds position in accordance with the revised Budget has been reduced by (\$4,720,706) to \$2,777,559 and this will be carried in the Accumulated Surplus.***

FILE REFERENCE: P1031135  
 REPORTING UNIT: Finance  
 RESPONSIBLE DIRECTORATE: Corporate Services  
 DATE: 27 February 2017  
 ATTACHMENT/S: Attachment 8.4A - Operating Statement by Nature and Type  
 Attachment 8.4B - Operating Statement by Directorate and Unit 2016/17  
 Attachment 8.4C – Capital Works Projects  
 Attachment 8.4D – Revised Rate Setting Statement  
 Attachment 8.4E – Revised Current Position

## **Legislation / Strategic Plan / Policy:**

**Legislation** Section 6.8 of the *Local Government Act 1995*  
Regulation 33A of the *Local Government (Financial Management) Regulations 1996*

**Integrated Planning and Strategic Community Plan**  
**Reporting Framework** Council Four Year Priorities: Capable and Responsive Organisation  
**Implications** S18 Strengthen the capacity of the organisation

### **Policy**

Policy No and Name: 9.6 – Budget Variations

### **Purpose and Background:**

The City has conducted a budget review to forecast its results to the end of the financial year and to approve changes to the budget emerging from the review. The review is based on the actual results to 31 December 2016.

This review, completed by the Finance Unit, was signed off by the relevant Managers and Directors who are accountable and have taken responsibility for the forecasts.

The budget has the following objectives:

- To project the results to 30 June 2017;
- To identify surplus resources;
- To redeploy resources to new projects and projects that generates scope increments; and
- To allocate surplus funds to reserves where they are identified.

### **Details:**

The net operating results for the City will fall by (\$2.9 million) to \$2.5 million. Operating revenue is projected to fall by (\$6.3 million) to \$196.1 million and operating expenditure reduced by \$3.4 million to \$193.6 million. Capital Grants and Subsidies are expected to reduce by (\$3.7 million). This is mainly due to a reduction in contributions income for the Perth Concert Hall as a result of the timing of capital works.

### **Revenue by Nature and Type**

- Rates are forecast to end the year \$1,028,000 higher than anticipated. This is mainly due to interim rates earned to date have been higher than forecast due to completion of a number of significant buildings earlier than originally anticipated.
- Total predicted revenue from Parking fees have been reduced by (\$5,262,000); due to slower economic conditions and the ongoing construction activity in the City. Off Street parking revenue has been reduced by (\$5,732,000) partly offset by higher than expected revenue for kerbside parking and events parking.
- Fines and costs have been adjusted down by (\$1,809,000) mainly due to fewer projected parking fines.

- Community service fees have been reduced by (\$121,000), mainly due to the decreased demand for casual day care services.
- Investment income has been adjusted upwards by \$246,000; due to the current performance of the Colonial Share Index fund.
- Other revenue is forecast to fall by (\$177,000) mainly due to a reduction in license fees requests within the Health and Activities Approval Unit.

### **Operating Expenditure (by Nature and Type)**

- Employee costs remain in line with the revised budget. Year to date employee costs savings have been achieved; however costs associated with the continued implementation of the New City of Perth structure have been accounted for over the remainder of the financial year.
- Materials and contracts were \$3,143,000 less than previously forecast with major reductions in infrastructure maintenance \$829,000, Property maintenance \$592,000, system software maintenance \$587,000 and high pressure cleaning maintenance \$395,000. These savings were partly offset by higher than previously expected consultancy of \$937,000, external contract labour of \$343,000 and other professional fees \$313,000.
- Utilities are lower by \$265,000 in the climate for rising power costs.
- Depreciation and amortisation is \$94,000 or 0.3% lower than budget.
- Interest expenses are (\$162,000) higher than the revised budget with a variance in the loan for the new Perth City Library.
- Loss on disposal of assets is expected to be \$(495,000) above budget. As part of the capitalisation process of new assets, relevant obsolete assets were written off. The finalisation of the year end process resulted in a loss of \$899,000 for infrastructure assets realised during the year.
- Other expenditure has decreased by \$483,000 or 1.9% mainly due to a reduction in donations and sponsorships. It should be noted that the revised budget of \$24.6 million includes \$17.4 million in parking bay levy charged by the State Government.

### **Non-Operating Financing Activities**

- Capital expenditure has been reduced by \$15.1 million. The program of project works has progressed slower than anticipated; reprioritisation of some projects and adjustments to the total value of the program brings the total capital expenditure to be delivered by 30 June 2017 to \$51.8 million.
- Capital Grants and contributions have decreased by (\$3.7 million) primarily as a result of the delay in work on the Perth Concert Hall. The City will not be in a position to invoice the State Government for a contribution to the works in this financial year.

- Transfers from Reserves have been reduced by \$6.8 million due to the reductions in the capital expenditure program for the year.
- Transfers to Reserves have been increased by \$200,000 for an allocation to the Public Art reserve.

### Operating Expenditure (by Directorate and Unit)

In this breakdown the accompanying schedule includes a comments column which briefly explains the reason for increases and decreases.

### Capital Expenditure

- The capital budget has reduced by a net \$15,122,476.
- Attachment 8.4C provides details regarding the projects contained within the following categories:

Description	Budget \$000's	Forecast \$000's	Variance \$000's
<b>New Capital projects requiring funding</b>	0	1,695	(1,695)
<b>Ongoing projects with surplus funds</b>	22,285	8,854	13,431
<b>Ongoing projects requiring additional funds</b>	8,663	10,664	(2,001)
<b>Projects to be re-budgeted</b>	5,551	163	5,388
<b>TOTAL</b>	<b>36,499</b>	<b>21,376</b>	<b>15,122</b>

- The funding impact of the change arising from the review is:

Funding source	Amount \$000's
<b>Municipal Funds</b>	(4,694)
<b>Capital Contributions</b>	(2,064)
<b>Capital Grants</b>	(1,558)
<b>Reserve funds</b>	(6,806)
<b>TOTAL</b>	<b>(15,122)</b>

### Revised Rate Setting Budget Statement

This statement details the impact on the closing funds of the changes above. There is a net decrease of (\$4,720,706) in closing funds. These have arisen from the savings in operating expenditure of \$3,785,567 (excluding depreciation and disposals of assets) and a decrease in revenue, other than rates, of (\$7,323,577) resulting in an operating deficit of \$3,538,010 (excluding the change in depreciation). The amount sourced from rates has increased by

\$1,027,744. Additionally there are changes to capital and funding activities. Transfers to and from reserves reflect changes to capital spending.

**Financial Implications:**

The budget review has changed the overall financial position of the City. The closing funds position for the City is expected to be \$2.8 million on 30 June 2017.

**Comments:**

The City remains in a strong financial position, amidst the current difficult economic climate.



**Agenda**      **City of Perth Art Collection – Art Acquisitions**  
**Item 8.5**

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**Recommendation:**

*That the Finance and Administration Committee;*

- 1.    *approve the purchase of the work of art ‘YL15 (Eagle)’ from The Yilgarn Lacunae series by Gregory Pryor;***
- 2.    *approve the purchase of the selected works on paper (1 – 11) by Laurel and Brett Nannup; and***
- 3.    *approve the purchase of the ‘flora obscura’ series of photographic prints by Eva Fernandez.***

FILE REFERENCE:	P1017849-2
REPORTING UNIT:	Arts, Culture and Heritage
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
DATE:	27 February 2017
ATTACHMENT/S:	Attachment 8.5A – YL15 (Eagle) by Gregory Pryor Attachment 8.5B – Selected works by Laurel and Brett Nannup Attachment 8.5C – Flora Obscura Series by Eva Fernandez

**Legislation / Strategic Plan / Policy:**

<b>Integrated Reporting Implications</b>	<b>Planning and Framework</b>	<b>Corporate Business Plan</b>
		Council Four Year Priorities: Healthy and Active in Perth S15      Reflect and celebrate the diversity of Perth 15.2      Develop Arts and Cultural Development Strategy

**Policy**

Policy No and Name:	18.1 – Arts and Culture 18.2 – Collections Management
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**Financial Implications:**

ACCOUNT NO:	CW0396
BUDGET ITEM:	
BUDGETED AMOUNT:	\$60,000
AMOUNT SPENT TO DATE:	\$680
PROPOSED COST:	\$21,850
BALANCE REMAINING:	\$37,470
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

## **Purpose and Background:**

An opportunity has arisen for the City of Perth to purchase a number of important artworks by artists Gregory Pryor and Eva Fernandez and Noongar artists Laurel and Brett Nannup.

These recommendations are the culmination of targeted research over time and in context across the industry. The suitability of these artworks has been considered particularly in relation to Council Policy 18.2 Cultural Collections, which states that *“Through the strategic management of its Cultural Collections the City will ensure that the Collection’s future value and ongoing significance for Perth, Western Australia and the wider community is maintained”*.

## **Details:**

Information on the artists, the recommended artworks, their essential reporting considerations and acquisition criteria have been outlined in detail in Attachment 8.5A, 8.5B and 8.5C attached to this report. The recommended artworks are as follows:

Artist: Gregory Pryor

Title: YL15 (Eagle) from his recent body of work The Yilgarn Lacunae (Attachment 8.5A)

Medium: oil on linen

Dimensions: 60 x 80.4cm

Price: \$10,000

Artist/s: Laurel Nannup and Brett Nannup

Title: Selected works on paper # 1 – 11 (Attachment 8.5B)

Medium: linoprint on paper, etching on paper

Dimensions: variable

Price: \$7,800 (total for eleven works)

Artist: Eva Fernandez

Title: flora obscura 1 – 9 (Attachment 8.5C)

Medium: digital print on archival hahnemuhle fine art paper

Dimensions: 56 x 56cm each (9 works in total)

Price: \$4,050 (each work \$450)

## **Comments:**

These acquisitions have been recommended in line with the objective of Council Policy – 18.1 Arts and Culture which states that *“For Perth, as the State’s Capital City, to be recognised for its leadership in showcasing the City’s vitality, innovation and cultural diversity, through its distinctive Western Australian cultural expression”*.

These artworks represent a sound cultural and financial investment and will enable the City’s art collection to grow and develop in reputation and in its capabilities to engage the broader community in meaningful experiences.

## Agenda Item **Tender 074-16/17 - Office Cleaning and Lock Up Services** 8.6

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### **Recommendation:**

*That Council accepts the most suitable tender, being that submitted by Iconic Property Services (Tender 074-16/17 Office Cleaning and Lock Up Services), to provide:*

- 1. cleaning services at various properties owned by the City; and*
- 2. cleaning and lock up services to public toilets at various city locations,*

*for a period of three years, with the option to extend for a further two years in accordance with the Schedule of Rates in Confidential Attachment 8.6C and subject to annual CPI indexation.*

FILE REFERENCE:	P1032338
REPORTING UNIT:	Properties
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
DATE:	31 January 2017
ATTACHMENT/S:	Confidential Attachment 8.6A – Evaluation Matrix Confidential Attachment 8.6B – Pricing Evaluation Matrix Confidential Attachment 8.6C – Schedule of Rates (Confidential Attachments distributed under separate cover to Elected Members)

### **Legislation / Strategic Plan / Policy:**

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

**Integrated Reporting Implications** **Planning and Framework** **Strategic Community Plan**  
Council Four Year Priorities: Capable and Responsive Organisation  
S18 Strengthen the capacity of the organisation

### **Policy**

Policy No and Name: 9.7 – Purchasing

### **Financial Implications:**

Various operational expenditure accounts hold sufficient budget to cover the cost for each facility. The value of the contract, based on approximation of scheduled works, consumables and reactive, emergency works is: \$1,564,860.00 per annum

All figures quoted in this report are exclusive of GST.

## **Purpose and Background:**

The ongoing maintenance and cleaning of Council properties is undertaken by service providers on contract. Over time this has resulted in numerous separate cleaning contracts for different buildings, causing higher than necessary administration levels across several companies, and duplication of administration and management effort.

Furthermore, service delivery levels are not consistent across existing contracts, causing confusion and performance management issues.

To maximise the economy of scale opportunities, and to standardise the quality of cleaning services, these contracts have been consolidated into one.

Tender 074-16/17 – Office Cleaning and Lock Up Services was advertised in the West Australian on Saturday, 26 November 2016.

## **Details:**

26 sets of Tender documents were collected or downloaded during the Tender period and a mandatory site briefing was conducted on 30 November 2016.

The Tender closed at 2:00pm on Wednesday, 22 December 2016 and 10 submissions were received as follows:

- Alpha Corp Property Services;
- CCM Cleaning Services;
- CMC Property Services;
- GJK Facility Services;
- GWC Total Management;
- Iconic Property Services;
- Mission Impossible Cleaning;
- Multiclean WA;
- OCE Corp Cleaning; and
- DMC Cleaning.

All Tenderers attended the mandatory site briefing.

## **Evaluation**

Tenders were evaluated against the following criteria:

- Tenderer's relevant knowledge and experience;
- Quality management and customer service ability, OSH;
- Methodology and appreciation of the requirement of works;
- Tenderer's current resources; and
- Tendered prices and the cost of the total package of the benefits.

The tender evaluation matrix and pricing evaluation matrix are attached – Confidential Attachments 8.6A and 8.6B.

The following Tenders were considered non-compliant:

- CCM Cleaning Services – Omitted consumables, no QA system, Criterion four not addressed and non-compliant pricing;
- CMC Property Services – Consumables quantities not given, Northbridge arcade not addressed, Criterion four not addressed; and
- GJK Facility Services - Northbridge arcade not addressed, Criterion four not addressed.

### **Tenderer's relevant knowledge and experience**

Tender submissions were evaluated based on details provided regarding:

- Similar contracts undertaken in the past five years, particularly those that include the same type of assets as this Tender;
- Relevant specific staff experience in performing the required tasks including any qualifications;
- Equipment, materials and infrastructure to be used in undertaking the Scope of Works; and
- Contingency plan for how the works will be undertaken if the Contractor is unable to provide the service, e.g. holidays or sickness.

Four of the Tenderers, Iconic Property Services, Mission Impossible Cleaning, Multiclean WA and OCE Corporate Cleaning, met the requirements of this criterion without deficiency. Iconic Property Services and OCE Corporate Cleaning scored equal highest in this criterion.

### **Quality Management and Customer Service ability, OSH**

Tender submissions were evaluated based on details provided regarding:

- Details and evidence of Tenderer current quality assurance or management system;
- Tenderer capability to manage customer satisfaction / complaints during the contract term;
- Tenderer capability to manage, develop and improve contracts KPI, including responsiveness, quality and customer satisfaction; and
- Tenderer innovative capability to deliver cost-saving, better quality and continuous improvement of the cleaning services to the City.

Alpha Corp Property Services, GMC Property Services, Iconic Property Services, Mission Impossible Cleaning and OCE Corporate Cleaning met the requirements of this criterion without deficiency, with Iconic Property Services scoring highest.

### **Methodology and Appreciation of the requirement of works**

Tender submissions were evaluated based on details provided regarding:

- Knowledge of the facility subject to the Scope of Works;
- Provide schedule of cleaning (daily/weekly) for each facility, Site and/or Public Toilet;
- Provide roster indicating the number of staff proposed to undertake the works;
- Staff experience in the area;
- Understanding of the facility subject to the Scope of Works;
- How the Tenderer intends to manage the City's cleaning requirements;
- How the Tenderer intends to manage and record safe work practices and procedures prior to commencing a task (Permit to Work, Job Safety Analysis, and Take 5 etc);
- How the Tenderer will maintain the cleaning records and what systems the Tenderer will have in place to manage these records; and
- The innovative solutions the Tenderer intends to use when providing this service and how these innovations will benefit the City.

Two of the Tenderers, GWC Total Management and DMC Cleaning did not provide a satisfactory response to this criterion. The remaining Tenderers all addressed the requirement without deficiency with Alpha Corp Property Services, CMC Property Services, Multiclean WA and OCE Corporate Cleaning all scoring joint highest, and Iconic Property Services and Mission Impossible Cleaning joint second highest.

### **Tenderer's resources (Manpower, key personnel, other contracts) and similar work**

Tender submissions were evaluated based on the following details:

- Capability and resources that will be used to deliver the objectives of the contract;
- Current commitments and the ability to fulfil the requirements of large contracts;
- Personnel and other HR management skills; and
- Contracts administrations and management skills; how the Tenderer intends to deliver the objective of the contract, manage personnel time, cost and quality during this project.

Iconic Property Services, Multiclean WA and OCE Corporate Cleaning met the requirements of this criterion without deficiency, with Iconic Property Services scoring highest in this category.

### **Tendered Prices and the cost of the total package of the benefits**

Tender submissions were evaluated based on a matrix of cost to clean per site, cost of a day cleaner for three sites, consumables, costs for toilet lock-up and other relevant costs.

The lowest pricing structure was submitted by DMC cleaning. The second and third best pricing structures were submitted by Multiclean WA and Iconic Property Services respectively.

### **Evaluation Matrix**

The three highest scoring Tenderers were (in order from highest score to lowest):

1. Iconic Property Services;
2. Multiclean WA; and
3. OCE Corporate Cleaning

Following the qualitative and quantitative assessments a financial capability assessment and an occupational safety and health assessment were conducted on the highest scored Tenderer to ensure the full compliance of the highest shortlisted Tenderer with the City's OSH requirement and to mitigate any financial risks. Due to the high level of risk associated with the length of the contract term and the financial magnitude of the contract, a Standard Financial and Performance Assessment (Procurement) report was undertaken for the leading tenderer - Iconic Property Services Pty Ltd. The shortlisted Tenderer received a satisfactory OSH and Financial evaluation rating.

**Comments:**

Iconic Property Services currently provide the City with cleaning services under contract at several locations. They provided a well detailed Tender submission demonstrating a clear understanding of the City's business and the works involved for both office and toilets cleaning. They scored highest on the evaluation matrix and their tendered rates provide good value for money for the City of Perth. It is therefore recommended that the Tender submitted by Iconic Property Services for Tender 074-16/17 Office Cleaning and Lock Up Services be accepted for a period of three years with the option to extend for a further two years in accordance with the schedule of rates detailed in Confidential Attachment 8.6A – Pricing Evaluation Matrix.

**Agenda Item 8.7**      **Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities**

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**Recommendation:**

***That Council accepts the most suitable tender, being that submitted by Prosegur Australia Pty Ltd for Counting and Banking of Monies from Car Park Facilities (Tender 095-16/17), for a period of three years with an option to extend for a further period of two years, as per the schedule of rates detailed in Confidential Attachment 8.7B including CPI increases.***

FILE REFERENCE: P1033619  
 REPORTING UNIT: Commercial Parking  
 RESPONSIBLE DIRECTORATE: Community & Commercial Services  
 DATE: 21 February 2017  
 ATTACHMENT/S: Confidential Attachment 8.7A – Tender Evaluation Matrix  
 Confidential Attachment 8.7B – Comparative Pricing Analysis  
 (Confidential Attachments distributed under separate cover to Elected Members)

**Legislation / Strategic Plan / Policy:**

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

**Integrated Reporting Implications**      **Planning and Framework**      **Strategic Community Plan**  
 Council Four Year Priorities: Capable and Responsive Organisation  
 S19      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

**Financial Implications:**

ACCOUNT NO: CL09B13000-7229  
 BUDGET ITEM: Coin Collection  
 BUDGETED AMOUNT: \$159,931  
 AMOUNT SPENT TO DATE: \$ 84,450  
 PROPOSED COST: \$138,635  
 BALANCE REMAINING: \$ 75,481  
 ANNUAL MAINTENANCE: n/a



ESTIMATED WHOLE OF LIFE COST: n/a

All figures quoted in this report are exclusive of GST.

### **Purpose and Background:**

The City manages off-street parking facilities and on street parking bays located within the City of Perth CBD and surrounding areas. Cash is collected from payment machines and parking meters and delivered to a cash counting and banking contractor by a separate contractor responsible for cash collections.

A new contract is required for the counting and banking of the monies. The main requirement of the contract is that delivered cash is counted and banked within 24 hours of receiving and no later than 3.00pm the following working day into the City's bank account. The counting and banking contractor is also required to provide change in requested denominations on a weekly basis.

The current counting and banking contract expires at the end of the first-quarter of 2017. The request for Tender sought for submissions from suitably qualified contractors for the provision of counting and banking services for a period of three years with an option to extend for a further two years.

Tender - 95 16/17 Counting and Banking of Monies from Car Park Facilities was advertised in The West Australian on Wednesday, 18 January 2017. At the close of the Tender at 2.00pm Tuesday, 2 February 2017, submissions were received from the following:

- Linfox Armaguard Pty Ltd;
- Newcrest Security & Investigation Pty Ltd;
- Prosegur Australia Pty Ltd; and
- Southern Cross Protection Pty Ltd.

### **Details:**

The tender submissions were first evaluated on the qualitative selection criteria prior to consideration of the price offers. Tenderers were required to address each of the following selection criteria which were specified in the request for tender:

- Organisational and Resource Capacity;
- Track record and details of relevant experience in providing similar services;
- Methodology; and
- Quality Assurance.

#### **Linfox Armaguard**

The panel found the submission from Linfox Armaguard to be a fair offer. Linfox Armaguard demonstrated a good track record and provided good details of methodology on carrying out the work. However, information provided on Organisation and Resources Capacity was found to be limited and did not fully address the criteria. The tender evaluation panel (Panel) also found no supporting evidence on the quality assurance criteria.

## **Newcrest Security and Investigation Pty Ltd**

Newcrest's submission was found to be a fair offer. The response to the Organisational and Resource Capacity criteria had limited details on resources for counting and processing of cash. There was insufficient evidence for recent experience in provision of cash counting and banking services. However, Newcrest provided good details of cash processing and reporting and were scored high on the methodology criterion. It also provided good details on quality assurance procedures but failed to provide supporting evidence.

## **Prosegur Australia Pty Ltd**

Prosegur provided good details on organisational and resource capacity including details of its local branch. The submission demonstrated a good track record in providing similar services including a good portfolio of similar clients. Prosegur did not however, provide full details for all the information that was required for this criterion. The panel found details on methodology for cash counting and provision of change to be clear and well detailed, demonstrating a clear understanding of the scope of work. Prosegur's response to the quality assurance criteria made reference to its internal global quality management program and documented policies, but the Panel found the details and evidence to support the quality assurance procedures inadequate.

## **Southern Cross Protection Pty Ltd**

Southern Cross Protection submitted a good offer overall. It provided good details on organisational capacity including details of cash counting resources. The submission demonstrated good experience in the provision of similar services. It provided a detailed outline of the cash processing procedures and reporting. The panel found the response on quality assurance adequate; it included evidence to support processes that are in place.

The results of the qualitative evaluation were ranked based on the overall aggregate weighted scores as per the Qualitative Selection Criteria Evaluation Matrix (Confidential Attachment 8.7A).

<b>Tenderer</b>	<b>Rank</b>
Southern Cross Protection Pty Ltd	<b>1</b>
Prosegur Australia Pty Ltd	<b>2</b>
Newcrest Security & Investigation Pty Ltd	<b>3</b>
Linfox Armaguard Pty Ltd	<b>4</b>

The submissions from Southern Cross Protection and Prosegur were ranked the highest followed by Newcrest Security and Linfox Armaguard in the respective order. The panel found the submissions from Prosegur and Southern Cross to have satisfied the requirements of the overall qualitative criteria for the Tender. It was however, agreed to assess the pricing submissions from all the Tenderers.

## **Pricing Evaluation**

A pricing comparison was made for the total annual value of the contract (See Confidential Attachment 8.7B – Comparative Pricing Analysis). The pricing was ranked as per the Comparative Pricing Analysis and the results lowest to highest were as follows:

## Tender Price Ranking

Tenderer	Rank
Linfox Armaguard Pty Ltd	1
Prosegur Australia Pty Ltd	2
Southern Cross Protection Pty Ltd	3
Newcrest Security & Investigation Pty Ltd	4

Linfox Armaguard submitted the lowest pricing structure followed by Prosegur, Southern Cross and Newcrest Security respectively. It was however, noted that Linfox Armaguard included departures which provided for variation of their pricing outside the Consumer Price Index (CPI) price variation provision that had been specified in the Tender. Whilst Linfox Armaguard provided the lowest tender price for the contract, the panel found the requested contract amendments were unfair on other Tenderers who provided their offers on a fixed price basis with CPI adjustments. The departures also meant that the City would carry the risk of unbudgeted price increases that may arise during the course of the contract. The panel noted that Linfox Armaguard had also not fully satisfied the qualitative selection criteria and agreed to exclude it from further consideration. The panel also agreed to exclude Newcrest as its pricing was found to be exceedingly high and significantly above the City's budget for the services.

A comparison of the pricing from Southern Cross and Prosegur showed a significant difference in price due to the coin disposal fee of 1% that Southern Cross had proposed to charge on the contract. This made their offer uncompetitive compared to the offer from Prosegur which equated to an estimated total annual fee of \$138,635. The panel agreed that the pricing from Prosegur to be a fair offer and within the City's budget. Prosegur had also demonstrated that it had the capacity and capability to satisfactorily deliver the services as requested in the Tender, and its offer provided value for money for the City.

### **Comments:**

Based on a combination of qualitative factors and pricing to ascertain the best value for money, it is recommended that Prosegur Australia Pty Ltd be awarded the tender Counting and Banking of Monies from Car Park Facilities (Tender 095-16/17), for a period of three years with an option to extend for a further period of two years, as per the schedule of rates detailed in Confidential Attachment 8.7B including CPI increases.

**Confidential Outcome of the January 2017 Parking Promotion  
Agenda Item  
8.8**

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**Recommendation:**

***That Council notes the outcome of the City of Perth Parking Promotion conducted in January 2017.***

**In accordance with Section 5.23(2)(e)(ii) of the *Local Government Act 1995*, this item is confidential and has been distributed to the Elected Members under separate cover.**

FILE REFERENCE:	P1018589-3
REPORTING UNIT:	Commercial Parking
RESPONSIBLE DIRECTORATE:	Community and Commercial Services
DATE:	21 February 2017
ATTACHMENT/S:	Confidential Attachment 8.8A – Parking Promotion January 2017 Total Costs (Confidential Attachments distributed under separate cover to Elected Members)