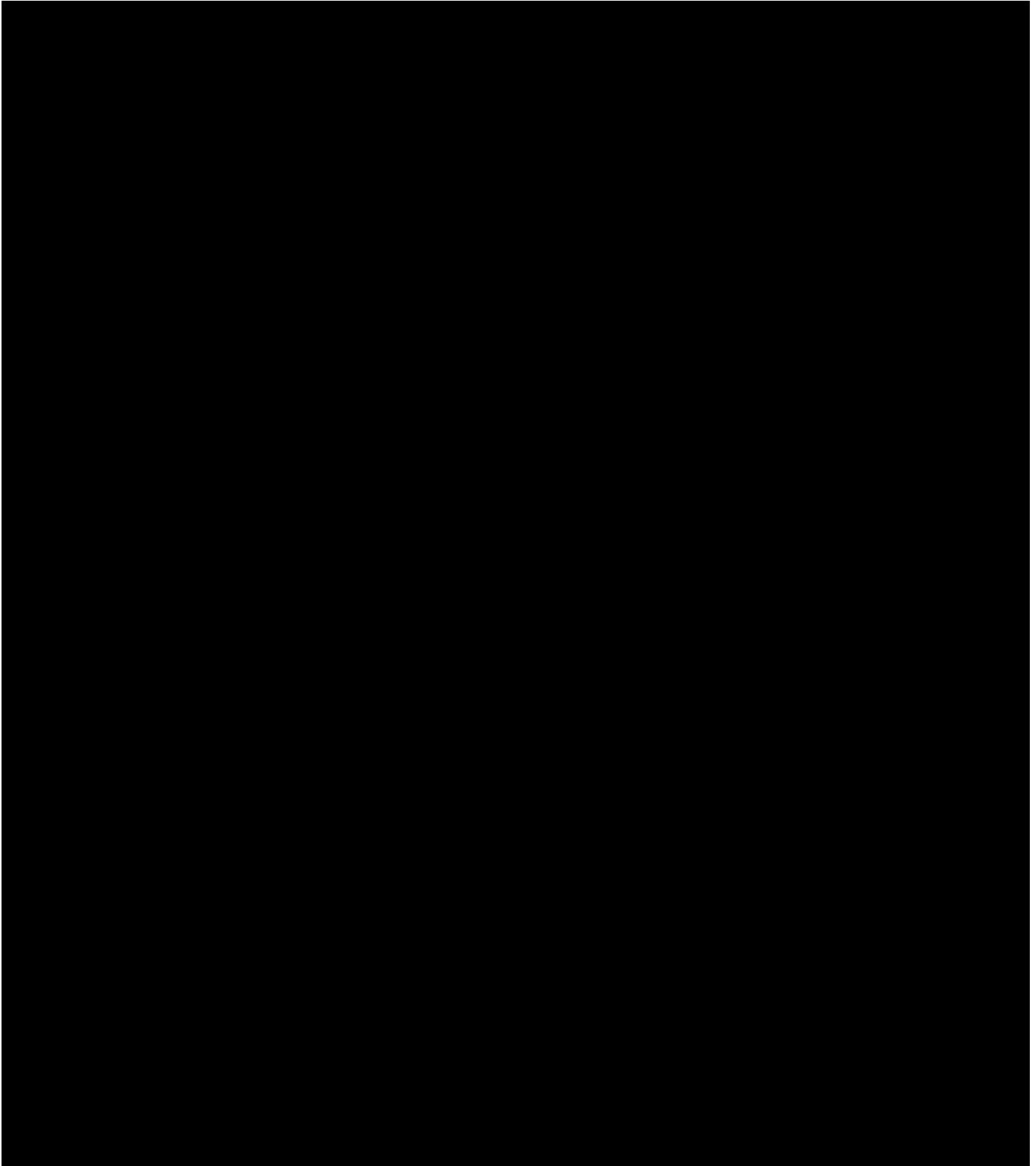


Confidential Minutes of the Ordinary Meeting of Council of the City of Holdfast Bay held in the Council Chamber, Glenelg Town Hall, Moseley Square, Glenelg, on Tuesday 12 March 2019.

17. ITEMS IN CONFIDENCE




17.1 **Kauri Community & Sports Centre – New EOI Tender (Report No: 74/19)****Motion – Exclusion of the Public – Section 90(3)(b & d) Order C120319/1408**

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 74/19 Kauri Community & Sports Centre – New EOI Tender in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 74/19 Kauri Community & Sports Centre – New EOI Tender on the following grounds:
 - b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business; or would prejudice the commercial position of the Council.
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.
3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Lonie, Seconded Councillor Snewin

Carried

Following an unsuccessful Head Lease negotiation with Kauri Community & Sports Centre Inc. (KCSC), Council resolved at its meeting on 10 October 2017 to seek Expressions of Interest (EOI) for the day-to-day operational management of the Kauri Community & Sports Centre ("*Centre/Facility*"). An EOI was advertised, and at the close of the EOI three (3) submissions were received.

Two submissions were deemed to be non-complying, and the third proposed costs that were considered excessive based on the services offered. The EOI was not therefore progressed. Administration subsequently proposed that a staff facility manager be appointed to manage and promote the facility, however this was not supported by Council.

Management of the Centre is therefore currently being provided by existing staff.

On 17 August 2018 Administration received a subsequent unsolicited proposal from one of the EOI proponents (Belgravia Leisure) to undertake management of the Centre. The proposal focused on activating the facility between the hours of 8:30 am and 4:00 pm Monday to Friday for an interim period of six (6) months at an estimated cost of approximately \$16,000, with Council receiving all revenue generated from programs using the Centre. This proposal was not supported by Council.

As management of the Centre is still being provided by existing staff as an extension of their normal duties, Administration is keen to formalize a more sustainable and effective management arrangement. It is therefore proposed that a 2nd EOI process be undertaken with a revised scope to appoint a suitable facility manager.

Motion

C120319/1409

1. That Administration undertakes an Expression of Interest Tender to seek parties interested in managing the Kauri Community & Sports Centre for an initial 3 year term;
2. Following the completion of the Expression of Interest, a report be submitted to Council outlining offers received; and

RETAIN IN CONFIDENCE - Section 91(7) Order

C120319/1410

That having considered Agenda Item 17.1 Kauri Community & Sports Centre – New EOI Tender in confidence under section 90(2) and (3)(b&d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the amount of the tender be held in confidence for a period of 24 months and that this order be reviewed every 12 months.

Moved Councillor Lonie, Seconded Councillor Snewin

Carried

17.2 **Council Wide Recycling Contract (Report No: 93/19)**

Motion – Exclusion of the Public – Section 90(3)(b & d) Order

C120319/1411

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance

at the meeting in order to consider Report No: 93/19 Council Wide Recycling Contract – Impact of China Sword Policy in confidence.

2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 93/19 Council Wide Recycling Contract – Impact of China Sword Policy on the following grounds:

b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is

conducting business; or
would prejudice the commercial position of the Council.

d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected

to prejudice the commercial position of the person who supplied the information, or
to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Lonie, Seconded Councillor Clancy

Carried

Council has a commercial contract with Solo Waste Management Services (Solo) to provide a fortnightly kerbside recycling collection and disposal service for mixed dry recyclables including paper, cardboard, PET bottles, mixed plastics, glass and cans.

Solo undertakes the kerbside collection and has a sub-contract with Visy Recycling to provide the sorting and recycling component of the service Materials Recovery

Facility (MRF) at Wingfield. Sorted recycles have previously been sold as feedstock for other downstream manufacturing or reprocessing.

Solo provide similar services to the Cities of Marion, West Torrens and Murray Bridge.

Downstream markets for sorted recyclables have existed locally, interstate and internationally depending on the product stream. Much of the sorted recyclable products were shipped internationally (predominantly to China) as feedstock for reprocessing or for manufacture. Some sorted products such as paper and cardboard were recycled interstate and a much smaller fraction (eg some recycled glass) were recycled within SA.

From around 2015, raw, part and fully reprocessed recyclables were traded like any other commodity and stable markets and trading patterns had developed. Councils were paid about \$10/t on average for their recycled materials by the MRF operator. The City of Holdfast Bay benefited from this commercial market.

On 1 January 2018, the Chinese Government implemented a policy known as China Sword. Under this policy, China sought to restrict the import of sorted recycles to force Chinese manufacturers to use domestically sourced wastes/recycles. Strict quality control restrictions were placed on imported recycles, which Australian recycling plants (MRFs) could not meet. The immediate effect was the collapse of export opportunities for Australian recycled materials and an immediate oversupply of recycled product within Australia.

The impact of the China Sword policy implementation on the recycling industry and Australian Councils has been significant.

International commodity trading of recycles has all but stopped, domestic recycle markets are in significant oversupply and some MRF operators are simply stockpiling sorted recycles due to loss of downstream markets. The SA recycle market has also been hit significantly by the China Sword policy with operators such as the Victorian based SKM abandoning their contracts and ceasing operations in SA.

The commercial impact in SA has been to shift pricing for recycles from a saleable commodity generating about \$10/t as a revenue, the gate fee for processing and disposing of recycles has gone to \$60/t (plus GST) cost – ie an effective price turnaround of \$70/t (plus GST) from 1 June 2018.

This report examines the impact of China Sword on CHB recycling contract and examines alternative strategies to address the sudden change in market conditions.

Motion

C120319/1412

- 1. That Council notes the report.**
- 2. That a further report be provided once the preferred strategy has been developed.**

Moved Councillor Shewin, Seconded Councillor Bouchee

Carried

RETAIN IN CONFIDENCE - Section 91(7) Order

C120319/1413

That having considered Agenda Item 17.2 Council Wide Recycling Contract in confidence under section 90(2) and (3)(b&d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and minutes be held in confidence for a period of 12 months and/or the Chief Executive Officer is authorised to release the documents if Council enters into an agreement and that this order be reviewed every 12 months.

Moved Councillor Miller, Seconded Councillor Lonie

Carried

17.3 **Brighton Oval Redevelopment – Commercial Strategy** (Report No: 95/19)

Motion – Exclusion of the Public – Section 90(3)(b and d) Order

C120319/1414

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 95/19 Brighton Oval Redevelopment – Commercial Strategy in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 95/19 Brighton Oval Redevelopment – Commercial Strategy on the following grounds:
 - b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is

conducting business; or
would prejudice the commercial position of the Council.
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected

to prejudice the commercial position of the person who supplied the information, or
to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Lonie, Seconded Councillor Chabrel

Carried

Design of the Brighton Oval redevelopment has reached an advanced stage and Council will shortly be asked to provide approval for the project to proceed to construction. In order to finalise this round of design and enable a final Guaranteed Maximum Price (GMP) to be submitted by Council's contractors Cook Building, Administration is seeking Council's direction in three (3) areas – finalising this stage of design with the sporting clubs, confirming items to be included in the design and agreeing a commercial strategy to conclude negotiations over the GMP.

This report outlines the proposed strategy and seeks Council's resolution to confirm these.

Short Term Suspension of Meeting

Her Worship the Mayor with the approval of two-thirds of the members present suspended the meeting procedures pursuant to Regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* for a period of 5 minutes to facilitate informal discussion in relation to the Brighton Oval Redevelopment- Commercial Strategy for discussion and will resume at the end of this time.

The meeting procedures were suspended at 8.15 pm.

The meeting resumed at 8.19 pm.

Motion

That Council endorses the following commercial strategy in relation to finalisation of the design phase of the Brighton Oval Redevelopment:

1. Administration to work with and assist the Clubs to finalise their kitchen, bar, cool room and canteen designs to a standard that suits the club's needs.
2. Council to provide funding in the amounts allocated in the original budget and any subsequent approved additional funding for the Clubs to undertake and pay for their own kitchen, bar and canteen fit-out including appliances such as cookers, range hoods, cool rooms/freezers,

refrigeration, kitchen and bar equipment to put effect to the preferred Club designs.

3. Council to provide building shells and any fixed joinery to enable club designed kitchens and cool rooms, together with bar and canteen equipment to be fitted and make available power, water, drains, other penetrations and supports suitable to allow the clubs to reasonably fit-out their facilities.
4. Facade treatments included as per drawings submitted to Council on 26 February 2019 (being a combination of timber slats, painted concrete and club logos generally in a V pattern) in project design and funded in Guaranteed Maximum Price submission.
5. Ceiling heights in the 1st floor clubrooms be set at minimum of 2.7m for back of house spaces (eg kitchens, storerooms, toilets) and ceiling heights in front of house spaces (eg club room, bars, board/meeting rooms) to be set at a minimum of 3.0m with any additional costs included in the GMP.
6. Administration to work to complete designs with the Clubs and Cook by mid-late March with the aim of bringing final 70% design drawings, GMP and construction agreement to Council in April 2019.
7. Should agreement with the Clubs over design issues not be completed by 22 March 2019, that Administration is authorised to finalise the 70% designs based on their best endeavours and to instruct Cook to prepare a revised GMP.
8. Following the design freeze, all further requests for design changes are referred to Administration for review, and where appropriate authorise inclusion in the project – noting that any change requests that result in additional costs will need to be funded by the clubs unless determined by Administration that such changes are at Council cost.
9. Council's appointed Quantity Surveyor to review the current GMP and assess it for cost effectiveness, quality of finishes and inclusions, and provide advice to Council on whether the GMP proposal represents value for money.
10. Administration is authorised to negotiate contract clarifications and terms to achieve a successful project outcome within the budget constraints.
11. Administration is requested to circulate any relevant design drawings, draft price schedules or other materials to Council with sufficient time for Council to assess the project, the proposed designs and financial information prior to the formal report seeking approval to proceed.

12. Council note that formal project approval to proceed to construction is currently schedule for consideration by Council on 9 April 2019.
13. Should the revised GMP exceed Council's Target Price, a further report be brought to council recommending contractual options, including potentially retendering the Cook contract as permitted under their Contract.

Adjournment

That the motion be deferred for a period up to 4 weeks to enable elected members, administration and the clubs to meet in a confidential workshop to consider the collective clubs' concerns regarding perceived design shortcomings, and to consider the alternatives open to Council and the clubs together with their financial implications. Motion to be brought back to Council no later than 9 April 2019.

Moved Councillor Bradshaw, Seconded Councillor Smedley

Lost

Amendment

C120319/1415

That Council endorses the following commercial strategy in relation to finalisation of the design phase of the Brighton Oval Redevelopment:

1. Administration to work with and assist the Clubs to finalise their kitchen, bar, cool room and canteen designs to a standard that suits the club's needs.
2. Council to provide funding in the amounts allocated in the original budget and any subsequent approved additional funding for the Clubs to undertake and pay for their own kitchen, bar and canteen fit-out including appliances such as cookers, range hoods, cool rooms/freezers, refrigeration, kitchen and bar equipment to put effect to the preferred Club designs.
3. Council to provide building shells and any fixed joinery to enable club designed kitchens and cool rooms, together with bar and canteen equipment to be fitted and make available power, water, drains, other penetrations and supports suitable to allow the clubs to reasonably fit-out their facilities.
4. Facade treatments included as per drawings submitted to Council on 26 February 2019 (being a combination of timber slats, painted concrete and club logos generally in a V pattern) in project design and funded in Guaranteed Maximum Price submission.
5. Ceiling heights in the 1st floor clubrooms be set at minimum of 2.7m for back of house spaces (eg kitchens, storerooms, toilets) and ceiling heights in front of house spaces (eg club room, bars, board/meeting rooms) to be set at a minimum of 3.0m with any additional costs included in the GMP.

6. **Administration to work to complete designs with the Clubs and Cook by mid-late March with the aim of bringing final 70% design drawings, GMP and construction agreement to Council in April 2019.**

Moved Councillor Patton, Seconded Councillor Snewin **Carried**

The amendment on being put was **Carried**

The motion, as amended, on being put was **Carried**

Division was called

A division was called and the previous decision was set aside:

Those voting for: Councillors Snewin, Clancy, Abley, Lonie, Patton, Lindop (6)

Those voting against: Councillors Bouchee, Bradshaw, Chabrel, Miller, Smedley, Fleming (6).

Her Worship the Mayor used her casting vote and declared the motion **Carried**

RETAIN IN CONFIDENCE - Section 91(7) Order

C120319/1416

That having considered Agenda Item 17.3 Brighton Oval Redevelopment – Commercial Strategy (Report No: 95/19) in confidence under section 90(2) and (3)(b&d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and minutes be held in confidence for a period of 12 months and/or the Chief Executive Officer is authorised to release the documents when Council has awarded a contract and that this order be reviewed every 12 months.

Moved Councillor Lonie, Seconded Councillor Abley

Carried

CONFIRMED

Tuesday 26 March 2019

MAYOR