



**Redland**  
CITY COUNCIL

# **AGENDA**

## **GENERAL MEETING**

**Wednesday, 22 July 2020**  
**commencing at 9.30am**

**The Council Chambers**  
**91 - 93 Bloomfield Street**  
**CLEVELAND QLD**

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## **1 DECLARATION OF OPENING**

On establishing there is a quorum, the Mayor will declare the meeting open.

### **Recognition of the Traditional Owners**

Council acknowledges the Quandamooka people who are the traditional custodians of the land on which we meet. Council also pays respect to their elders, past and present, and extend that respect to other indigenous Australians who are present.

## **2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE**

Motion is required to approve leave of absence for any Councillor absent from today's meeting.

## **3 DEVOTIONAL SEGMENT**

Member of the Ministers' Fellowship will lead Council in a brief devotional segment.

## **4 RECOGNITION OF ACHIEVEMENT**

Mayor to present any recognition of achievement items.

## **5 RECEIPT AND CONFIRMATION OF MINUTES**

General Meeting - 10 June 2020

Special Budget Meeting - 25 June 2020

## **6 MATTERS OUTSTANDING**

### **6.1 PETITION PRESENTED BY CR BISHOP REGARDING CANOE ENTRY AT QUEENS ESPLANADE BIRKDALE**

At the General Meeting 18 December 2019 (Item 9.4 refers), Council resolved as follows:

*Council resolves as follows:*

*That the petition be received and referred to the Chief Executive officer for consideration and a report to the local government.*

A report will be brought to a future meeting of Council.

### **6.2 COMMUNITY CONSULTATION - POTENTIAL AMENDMENT TO LOCAL LAW NO. 2 (ANIMAL MANAGEMENT) 2015, REGISTER - ANIMALS IN PUBLIC PLACES**

At the General Meeting 26 February 2020 (Item 10.1 refers), Council resolved as follows:

*That Item 13.2 Community Consultation - Potential Amendment to Local Law No. 2 (Animal Management) 2015, Register - Animals in Public Places (as listed on the agenda) be withdrawn and a city wide review undertaken and brought back to a future meeting.*

A report will be brought to a future meeting of Council.

### **6.3 FORMER BIRKDALE COMMONWEALTH LAND - STATUS UPDATE**

At the General Meeting 11 March 2020 (Item 14.5 refers), Council resolved as follows:

*That Council resolves as follows:*

- 1. To note this status update report on the former Commonwealth Land at 362-388 Old Cleveland Road East, Birkdale.*



2. *To note that officers will prepare a report to Council summarising the findings of the environmental, planning and land assessments, gap analysis and the outcomes of the community conversations once complete.*
3. *To note that officers will prepare a report to Council for adoption of the Conservation (Heritage) Management Plan once complete.*

A report will be brought to a future meeting of Council.

#### **6.4 MASTER PLAN – REDLANDS COAST REGIONAL SPORT AND RECREATION PRECINCT**

At the General Meeting 13 May 2020 (Item 15.1 refers), Council resolved as follows:

*That Council resolves as follows:*

1. *To note that the adoption of this Master Plan provides a framework for future planning and engagement with sports and recreation clubs to support their operational, facility location and infrastructure needs.*
2. *To approve the Master Plan including the high level Implementation Plan for the Redlands Coast Regional Sport and Recreation Precinct at Heinemann Road, Mount Cotton.*
3. *To provide the adopted Master Plan for the Redlands Coast Regional Sport and Recreation Precinct to the Minister for Sport for information.*
4. *To note that a number of city-wide initiatives are being undertaken to address sport and recreation needs including transition and transformation planning, negotiating outcomes through major land developments, and optimisation planning for existing facilities.*

A report will be brought to a future meeting of Council.

#### **6.5 INVESTIGATIONS TO POTENTIALLY ACQUIRE ADDITIONAL LAND FOR SPORT AND RECREATION PURPOSES**

At the General Meeting 18 December 2019 (Item 19.3 refers), Council resolved as follows:

*That Council resolves as follows:*

1. *To delegate authority to the Chief Executive Officer under section 257(1)(b) of the Local Government Act 2009, to identify, investigate and commence negotiations for additional suitable sport and recreation land, to augment the Redlands Coast Regional Sport and Recreation Precinct at Heinemann Road.*
2. *That officers prepare a report back to Council outlining:*
  - a) *the investigation and negotiation outcomes, and*
  - b) *the proposed funding strategy to acquire additional land for sport and recreation purposes.*
3. *That this report remains confidential as required by any legal or statutory obligation, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.*

A report will be brought to a future meeting of Council.

## **6.6 MAYORAL MINUTE REPORT REVIEWING THE FUTURE OPERATIONS OF REDLAND INVESTMENT CORPORATION PTY LTD (RIC)**

At the General Meeting 10 June 2020 (Item 13.6 refers), Council resolved as follows:

*That Council resolves to extend the timeline for receiving a report on the future operations of the Redland Investment Corporation until 31 December 2020 or within two (2) months of the State Government adopting changes to controlled entity provisions, whichever comes first.*

A report will be brought to a future meeting of Council.

## **7 MAYORAL MINUTE**

In accordance with s.6.9 of GOV-017-SD Council Meeting Standing Orders, the Mayor may put to the meeting a written motion called a 'Mayoral Minute', on any matter. Such motion may be put to the meeting without being seconded, may be put at that stage in the meeting considered appropriate by the Mayor and once passed becomes a resolution of Council.

## **8 PUBLIC PARTICIPATION**

In accordance with s.6.10 of GOV-017-SD Council Meeting Standing Orders:

1. In each meeting (other than special meetings), a period of 15 minutes may be made available by resolution to permit members of the public to address the local government on matters of public interest relating to the local government. This period may be extended by resolution.
2. Priority will be given to members of the public who make written application to the CEO no later than 4.30pm two days before the meeting. A request may also be made to the chairperson, when invited to do so, at the commencement of the public participation period of the meeting.
3. The time allocated to each speaker shall be a maximum of five minutes. The chairperson, at his/her discretion, has authority to withdraw the approval to address Council before the time period has elapsed.
4. The chairperson will consider each application on its merits and may consider any relevant matter in his/her decision to allow or disallow a person to address the local government, e.g.
  - a) Whether the matter is of public interest;
  - b) The number of people who wish to address the meeting about the same subject
  - c) The number of times that a person, or anyone else, has addressed the local government previously about the matter;
  - d) The person's behaviour at that or a previous meeting; and
  - e) If the person has made a written application to address the meeting.
5. Any person invited to address the meeting must:
  - a) State their name and suburb, or organisation they represent and the subject they wish to speak about;
  - b) Stand (unless unable to do so);
  - c) Act and speak with decorum;
  - d) Be respectful and courteous; and

- e) Make no comments directed at any individual Council employee, Councillor or member of the public, ensuring that all comments relate to Council as a whole.

## 9 PETITIONS AND PRESENTATIONS

Councillors may present petitions or make presentations under this section.

### 9.1 PETITION CR MARK EDWARDS – DRAINAGE IN KATE STREET, NEAR THE CORNER OF PAPAYA STREET, MACLEAY ISLAND.

In accordance with s.6.11 of GOV-017-SD Council Meeting Standing Orders, Cr Edwards will present the petition and move the motion as follows:

#### MOTION

**That the petition is of an operational nature and be received and referred to the Chief Executive Officer for consideration.**

## 10 MOTION TO ALTER THE ORDER OF BUSINESS

The order of business may be altered for a particular meeting where the Councillors at that meeting pass a motion to that effect. Any motion to alter the order of business may be moved without notice.

## 11 DECLARATION OF MATERIAL PERSONAL INTEREST OR CONFLICT OF INTEREST ON ANY ITEMS OF BUSINESS

Councillors are reminded of their responsibilities in relation to a councillor's material personal interest and conflict of interest at a meeting (for full details see Division 5A of the *Local Government Act 2009*).

In summary:

#### **If a councillor has a material personal interest, in a matter before the meeting:**

Under s.175C *Local Government Act 2009*, the councillor must inform the meeting of the councillor's material personal interest in the matter, including the following particulars:

- *The name of the person or other entity who stands to gain benefit or suffer a loss from the outcome of the consideration of the matter at the meeting;*
- *How the person or other entity stands to gain the benefit or suffer the loss;*
- *If the person or other entity who stands to gain the benefit or suffer the loss is not the councillor, the nature of the councillor's relationship to the person or entity.*

***If the councillor has a material personal interest they must leave the meeting, including any area set aside for the public while the matter is discussed and voted on, unless the councillor has approval from the Minister to be present while the matter is discussed and voted on pursuant to section 175F.***

#### **Record of material personal interest**

*Under s.175J of the Local Government Act 2009, if a councillor has a material personal interest under section 175C of the Local Government Act 2009, the following information must **be recorded in the minutes of the meeting, and published on the local government's website**—*

- (a) the name of the councillor who has the material personal interest in the matter;*

*(b) the material personal interest including the particulars mentioned in section 175C(2)(a) as described by the councillor;*

*(c) whether the councillor participated in the meeting, or was present during the meeting, under an approval given by the Minister under section 175F.*

**If a councillor has a conflict of interest (a real conflict of interest), or could reasonably be taken to have a conflict of interest (a perceived conflict of interest) in a matter before the meeting:**

*The councillor must, under s.175E of the Local Government Act 2009, inform the meeting about the councillor's personal interests in the matter, including the following particulars:*

- *The nature of the interest;*
- *If the personal interest arises because of the councillor's relationship with, receipt of a gift from, another person-*
  - *The name of the other person;*
  - *The nature of the relationship or the value and date of the receipt of gift; and*
  - *The nature of the other person's interest in the matter.*

***If the other councillors in the meeting are informed about a councillor's personal interests in a matter and the councillor has not voluntarily left the meeting while the matter is discussed and voted on, the other councillors must decide:***

- *Whether there is a real or perceived conflict; and*
- *If the councillors decide that there is a real or perceived conflict, whether the councillor-*
  - *Must leave the meeting including any area set aside for the public, while the matter is voted on and discussed; or*
  - *May participate in the meeting in relation to the matter, including voting on the matter.*

**Record of conflict of interest**

Under s.175J of the *Local Government Act 2009*, if a councillor has a conflict of interest under section 175E, **the following information must be recorded in the minutes of the meeting, and published on the local government's website—**

*(a) the name of the councillor who has a real conflict of interest or perceived conflict of interest in the matter;*

*(b) the councillor's personal interests in the matter, including the particulars mentioned in section 175E(2) as described by the councillor;*

*(c) the decisions made by the other councillors in relation to the existence and nature of the conflict and whether the councillor was permitted to participate in the meeting in relation to the matter, and the reasons for the decisions;*

*(d) whether the councillor participated in the meeting, or was present during the meeting, under an approval under section 175F;*

*(e) if the councillor voted on the matter—how the councillor voted on the matter;*

*(f) how the majority of councillors who were entitled to vote at the meeting voted on the matter.*

**Duty to report another councillor's material personal interest or conflict of interest**

Section 175G of the *Local Government Act 2009* imposes an obligation on councillors to report undisclosed material personal interests and conflicts of interest at a meeting relating to other councillors.

**If a councillor at a meeting reasonably believes, or reasonably suspects:**

- *That another councillor at a meeting has a material personal interest or a real or perceived conflict in a matter; and*
- *The other councillor has not informed the meeting about the interest under section 175C(2) or 175E(2);*

*The councillor who has the belief or suspicion, must as soon as practicable, inform the person who is presiding at the meeting about the facts and circumstances that form the basis of the belief or suspicion.*

*Note: Section 175H makes it an offence for a person to prejudice, intimidate or harass a councillor or another person take action that is likely to be detrimental to a councillor because a councillor has complied with their disclosure obligation under s.175G*

**12      REPORTS FROM THE OFFICE OF THE CEO**

Nil

## 13 REPORTS FROM ORGANISATIONAL SERVICES

### 13.1 MAY 2020 AND INTERIM JUNE 2020 MONTHLY FINANCIAL REPORTS

**Objective Reference:****Authorising Officer:** Deborah Corbett-Hall, Chief Financial Officer**Responsible Officer:** Deborah Corbett-Hall, Chief Financial Officer**Report Author:** Udaya Panambala Arachchilage, Corporate Financial Reporting Manager**Attachments:**

1. [May 2020 Monthly Financial Report](#) ↓
2. [Interim June 2020 Monthly Financial Report](#) ↓

#### PURPOSE

To note the year to date financial results as at 31 May 2020 and year to date interim financial results as at 30 June 2020.

#### BACKGROUND

Council adopts an annual budget and then reports on performance against the budget on a monthly basis. This is not only a legislative requirement but enables the organisation to periodically review its financial performance and position and respond to changes in community requirements, market forces or other outside influences.

#### ISSUES

##### *Timing of general meeting in June 2020*

There was only one general meeting early in June where the actual financial performance for the financial year up to the end of May 2020 could be reviewed. However, it was not possible for Council's financial report to be completed by the agenda cut-off, hence a high level report was presented at the June general meeting.

##### *Loan drawdown 2019-2020*

Council received approval on 23 May 2020 from the Department of Local Government, Racing and Multicultural Affairs to borrow an additional \$9.8M for 2019-2020 from Queensland Treasury Corporation (QTC). Accordingly, on 29 June 2020 \$9.8M was drawn down from QTC.

##### *Interim results*

The interim June 2020 Monthly Financial Performance Report is prepared based on interim financial results for the year ended 30 June 2020 (prior to the finalisation of the end of year accounts). Significant movement is expected through the finalisation of accruals, deferrals and other year-end adjustments over the coming weeks. The final results for the year ended 30 June 2020 will be reflected in the audited annual financial statements.

##### *COVID-19 Pandemic*

In March 2020, Council announced a social and economic package to support local residents, businesses and community groups through the impacts of COVID-19 pandemic. This has had a significant impact on Council's budget. The COVID-19 pandemic also led a downward trend in developments, which resulted to lower fees and sales revenue.

#### STRATEGIC IMPLICATIONS

Council has either achieved or favourably exceeded the following key financial stability and sustainability ratios as at the end of May 2020 and interim June 2020.

- Net financial liabilities
- Level of dependence on general rate revenue
- Ability to pay our bills – current ratio
- Ability to repay our debt – debt servicing ratio
- Cash balance
- Cash balances – cash capacity in months
- Longer term financial stability – debt to asset ratio
- Operating performance
- Interest coverage ratio

The asset sustainability ratio did not meet the target at the end of May 2020 and interim June 2020 and continues to be a stretch target for Council with renewal spend of \$18.04M and depreciation expense of \$53.21M year to date May 2020; and renewal spend of \$21.93M and depreciation expense of \$58.19M year to date June 2020 (interim) on infrastructure assets. This ratio is an indication of how Council currently maintains, replaces and renews its existing infrastructure assets as they reach the end of their useful life. Capital spend on non-renewal projects increases the asset base and therefore increases depreciation expense, resulting in a lower asset sustainability ratio.

Council's Capital Works Prioritisation Policy (POL-3131) demonstrates its commitment to maintaining existing infrastructure and the adoption of a renewal strategy for its existing assets ahead of 'upgrade' and/or 'new' works.

The operating surplus ratio was above target for YTD May 2020 although did not meet the target at YTD June 2020 (interim). Council's operating surplus ratio for the interim period ending 30 June 2020 is -1.34% and is outside the target range of 0% - 10%. The ratio indicates the extent to which recurrent revenue covers recurrent expenditure. Council reported a year to date interim operating deficit of \$3.90M compared to year to date \$nil budget deficit.

### **Legislative Requirements**

The May 2020 and interim June 2020 financial reports are presented in accordance with the legislative requirement of section 204(2) of the *Local Government Regulation 2012*, requiring the Chief Executive Officer to present the financial report to a monthly Council meeting.

### **Risk Management**

The May 2020 and interim June 2020 financial reports have been noted by the Executive Leadership Team and relevant officers who can provide further clarification and advice around actual to budget variances.

### **Financial**

There is no direct financial impact to Council as a result of this report; however it provides an indication of financial outcomes at the end of May 2020 and interim June 2020.

### **People**

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

### **Environmental**

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

## Social

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

## Human Rights

There are no human rights implications for this report as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

## Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's 2018-2023 Corporate Plan:

### 8. Inclusive and ethical governance

Deep engagement, quality leadership at all levels, transparent and accountable democratic processes and a spirit of partnership between the community and Council will enrich residents' participation in local decision-making to achieve the community's Redlands 2030 vision and goals.

8.2 Council produces and delivers against sustainable financial forecasts as a result of best practice Capital and Asset Management Plans that guide project planning and service delivery across the city.

## CONSULTATION

Consulted	Date	Comment
Council departmental officers	Year to date June 2020	Consulted on financial results and outcomes
Financial Services Group officers	Year to date June 2020	Consulted on financial results and outcomes
Executive Leadership Team and Senior Leadership Team	Year to date June 2020	Recipients of variance analysis between actual and budget. Consulted as required

## OPTIONS

### Option One

That Council resolves to note the financial position, results and ratios for May 2020 and interim June 2020 as presented in the attached Monthly Financial Reports.

### Option Two

That Council resolves to request additional information.

## OFFICER'S RECOMMENDATION

**That Council resolves to note the financial position, results and ratios for May 2020 and interim June 2020 as presented in the attached Monthly Financial Reports.**





# Monthly Financial Report

May 2020



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**1. EXECUTIVE SUMMARY**

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 May 2020. The year to date and annual revised budget referred to in this report incorporates the changes from the first budget review adopted by Council on 12 February 2020.

**Key Financial Highlights and Overview**

Key Financial Results (\$000)	Annual Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	-	10,941	<b>11,799</b>	858	8%	✓
Recurrent Revenue	297,210	279,290	<b>277,202</b>	(2,088)	-1%	✗
Recurrent Expenditure	297,210	268,349	<b>265,403</b>	(2,946)	-1%	✓
Capital Works Expenditure	82,426	67,885	<b>59,203</b>	(8,682)	-13%	✓
Closing Cash & Cash Equivalents	169,514	184,680	<b>151,605</b>	(33,075)	-18%	✗

Council reported a year to date operating surplus of \$11.80M which is favourable to the revised budget by \$858K mainly due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to a favourable variance in materials and services which is primarily due to underspend in contractor costs. Recurrent revenue is behind budget mainly due to levies and utility charges, fees and is partly offset by a favourable variance in grants and subsidies. Of note, Interest income is lower than budget due to historically lower interest rates on investments.

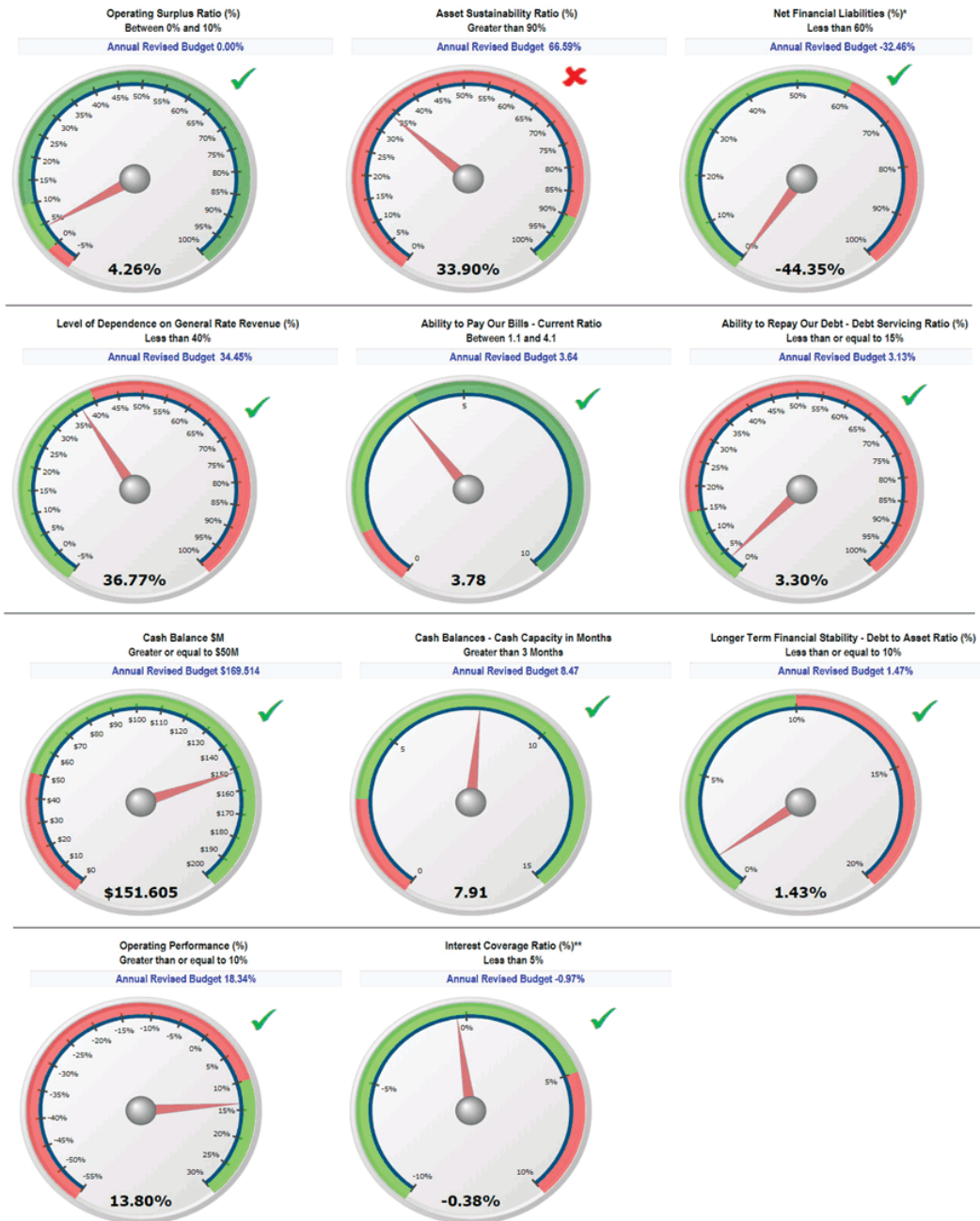
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions, hence a lower cash and cash equivalents balance. Additionally, non-cash contributions are below budget due to timing of developer non-cash contributions. Loss on disposal of non-current assets is mainly due to sale of fleet assets and replacement of road assets.

Council's capital works expenditure is below budget by \$8.68M due to timing of works for a number of infrastructure projects and assets acquisition.

Constrained cash reserves represent 70% of the cash balance.

2. KEY PERFORMANCE INDICATORS

■ Target met 
 ■ Target exceeded 
 ■ Target not met



\* The net financial liabilities ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)  
 \*\* The interest coverage ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative)

## 3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 31 May 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>					
Rates charges	104,953	105,253	104,938	104,761	(177)
Levies and utility charges	152,328	152,728	141,152	140,248	(904)
Less: Pensioner remissions and rebates	(3,333)	(3,328)	(3,290)	(3,291)	(1)
Fees	14,632	14,622	13,050	11,759	(1,291)
Rental income	925	925	860	856	(4)
Interest received	5,231	5,231	4,751	3,197	(1,554)
Dividend received	-	-	-	-	-
Sales revenue	3,856	3,877	3,457	2,363	(1,094)
Other income	525	656	613	1,447	834
Grants, subsidies and contributions	18,456	17,246	13,759	15,862	2,103
<b>Total recurrent revenue</b>	<b>297,572</b>	<b>297,210</b>	<b>279,290</b>	<b>277,202</b>	<b>(2,088)</b>
<b>Recurrent expenses</b>					
Employee benefits	90,372	90,486	82,880	83,564	684
Materials and services	140,138	139,805	124,142	120,395	(3,747)
Finance costs	2,809	2,809	2,574	2,445	(129)
Depreciation and amortisation	65,279	65,279	59,839	60,327	488
Other expenditure	514	514	464	178	(286)
Net internal costs	(1,735)	(1,684)	(1,550)	(1,506)	44
<b>Total recurrent expenses</b>	<b>297,377</b>	<b>297,210</b>	<b>268,349</b>	<b>265,403</b>	<b>(2,946)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>195</b>	<b>-</b>	<b>10,941</b>	<b>11,799</b>	<b>858</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	24,492	26,869	24,637	15,008	(9,629)
Non-cash contributions	3,480	3,480	3,192	1,019	(2,173)
<b>Total capital revenue</b>	<b>27,973</b>	<b>30,350</b>	<b>27,829</b>	<b>16,027</b>	<b>(11,802)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	112	(519)	107	1,814	1,707
<b>Total capital expenses</b>	<b>112</b>	<b>(519)</b>	<b>107</b>	<b>1,814</b>	<b>1,707</b>
<b>TOTAL INCOME</b>	<b>325,545</b>	<b>327,559</b>	<b>307,119</b>	<b>293,229</b>	<b>(13,890)</b>
<b>TOTAL EXPENSES</b>	<b>297,489</b>	<b>296,691</b>	<b>268,456</b>	<b>267,217</b>	<b>(1,239)</b>
<b>NET RESULT</b>	<b>28,056</b>	<b>30,869</b>	<b>38,663</b>	<b>26,012</b>	<b>(12,651)</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>28,056</b>	<b>30,869</b>	<b>38,663</b>	<b>26,012</b>	<b>(12,651)</b>



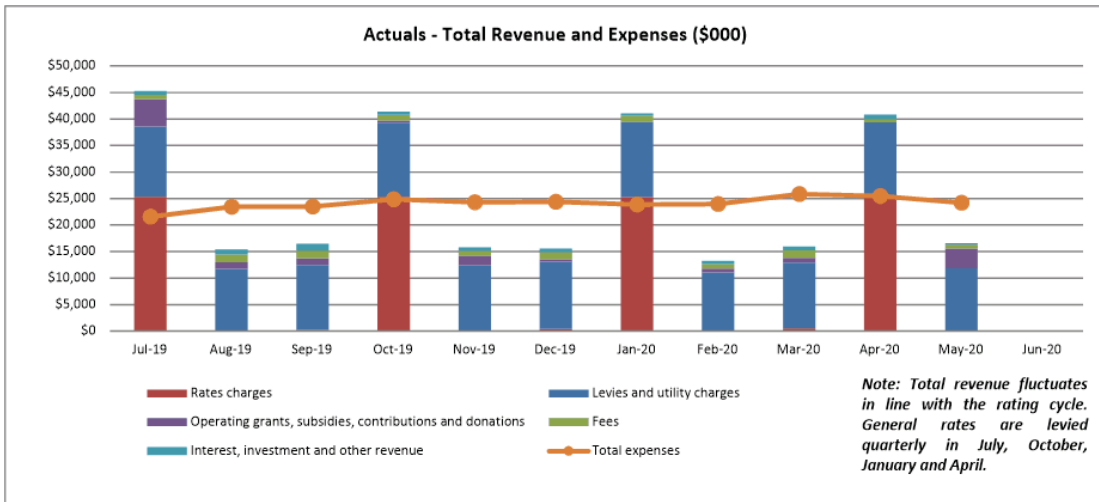
3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS					
For the period ending 31 May 2020					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Levies and utility charges</b>					
Refuse collection rate charge	26,968	26,968	24,689	24,112	(577)
SES separate charge	487	487	487	486	(1)
Environment separate charge	8,721	8,721	8,714	8,699	(15)
Separate charge landfill remediation	2,896	2,896	2,652	2,648	(4)
Wastewater charges	46,347	46,347	42,420	41,756	(664)
Water access charges	19,105	19,105	17,487	17,440	(47)
Water consumption charges	47,804	48,204	44,703	45,107	404
<b>Total levies and utility charges</b>	<b>152,328</b>	<b>152,728</b>	<b>141,152</b>	<b>140,248</b>	<b>(904)</b>

MATERIALS AND SERVICES ANALYSIS					
For the period ending 31 May 2020					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Materials and services</b>					
Contractors	41,225	41,287	35,176	32,633	(2,543)
Consultants	3,291	3,415	2,762	1,423	(1,339)
Other Council outsourcing costs*	17,527	17,611	15,478	16,171	693
Purchase of materials	50,161	50,170	45,979	45,707	(272)
Office administration costs	11,357	11,121	10,039	10,520	481
Electricity charges	6,138	5,688	5,212	5,078	(134)
Plant operations	3,873	3,970	3,564	3,612	48
Information technology resources	3,080	3,039	2,720	2,479	(241)
General insurance	1,195	1,195	1,096	1,093	(3)
Community assistance**	1,649	1,689	1,539	1,141	(398)
Other material and service expenses	642	620	577	538	(39)
<b>Total materials and services</b>	<b>140,138</b>	<b>139,805</b>	<b>124,142</b>	<b>120,395</b>	<b>(3,747)</b>

\* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.

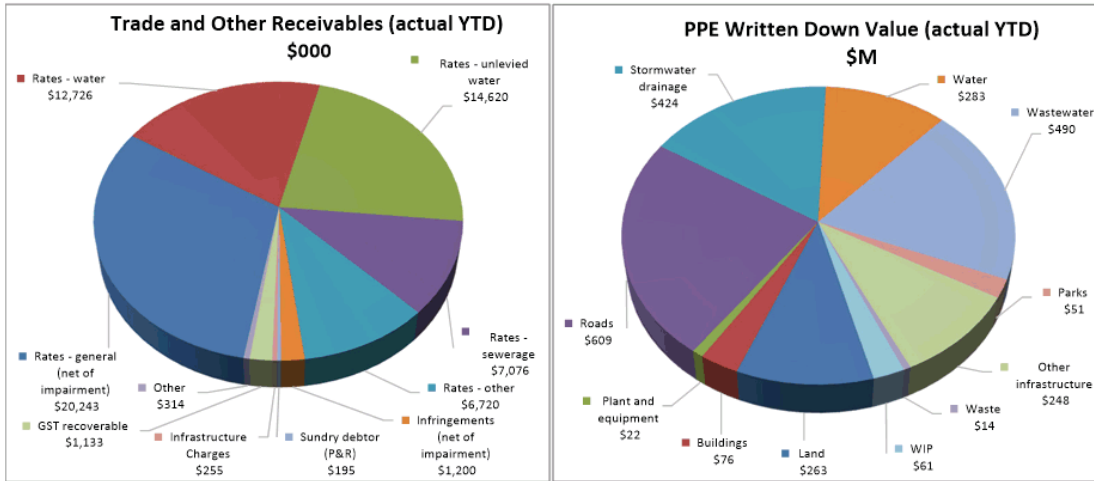


## 4. STATEMENT OF FINANCIAL POSITION

<b>STATEMENT OF FINANCIAL POSITION</b>				
<b>As at 31 May 2020</b>				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	170,027	169,514	184,680	151,605
Trade and other receivables	30,532	34,819	33,584	64,482
Inventories	936	923	933	961
Non-current assets held for sale	-	-	-	11,113
Other current assets	1,765	2,340	2,340	1,713
<b>Total current assets</b>	<b>203,260</b>	<b>207,596</b>	<b>221,537</b>	<b>229,874</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,555,393	2,562,073	2,553,695	2,540,993
Intangible assets	968	712	791	1,156
Right-of-use assets*	8,278	8,278	8,379	8,474
Other financial assets	73	73	73	73
Investment in other entities	25,904	24,214	24,214	13,101
<b>Total non-current assets</b>	<b>2,591,706</b>	<b>2,596,440</b>	<b>2,588,243</b>	<b>2,564,888</b>
<b>TOTAL ASSETS</b>	<b>2,794,966</b>	<b>2,804,036</b>	<b>2,809,780</b>	<b>2,794,762</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	23,817	30,981	29,224	28,951
Borrowings - current	7,728	7,845	7,845	7,845
Lease liability - current*	1,039	1,039	1,039	1,051
Provisions - current	7,816	10,351	10,939	13,693
Other current liabilities	2,940	6,803	15,803	9,321
<b>Total current liabilities</b>	<b>43,340</b>	<b>57,018</b>	<b>64,850</b>	<b>60,861</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	33,400	33,283	23,313	23,365
Lease liability - non-current*	7,412	7,412	7,498	7,585
Provisions - non-current	14,752	13,409	13,409	15,120
<b>Total non-current liabilities</b>	<b>55,563</b>	<b>54,105</b>	<b>44,220</b>	<b>46,070</b>
<b>TOTAL LIABILITIES</b>	<b>98,904</b>	<b>111,123</b>	<b>109,070</b>	<b>106,931</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,696,062</b>	<b>2,692,914</b>	<b>2,700,710</b>	<b>2,687,831</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,003,168	1,008,120	1,008,120	1,008,120
Retained surplus	1,575,901	1,578,295	1,584,324	1,574,318
Constrained cash reserves	116,993	106,499	108,266	105,393
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,696,062</b>	<b>2,692,914</b>	<b>2,700,710</b>	<b>2,687,831</b>

\* From 1 July 2019, Australian Accounting Standard 16 Leases applies.

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT OF USE ASSETS For the period ending 31 May 2020				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
Right of Use Asset				
Buildings	3,491	3,491	3,543	3,627
Land	4,372	4,372	4,418	4,417
Plant and Equipment	415	415	418	430
<b>Closing balance</b>	<b>8,278</b>	<b>8,278</b>	<b>8,379</b>	<b>8,474</b>

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 31 May 2020				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,558,126	2,541,881	2,541,881	2,541,881
Acquisitions and WIP in year movement	61,912	85,907	71,077	59,803
Depreciation in year	(63,114)	(63,115)	(57,855)	(58,277)
Disposals	(1,531)	(2,600)	(1,408)	(2,649)
Other adjustments**	-	-	-	235
<b>Closing balance</b>	<b>2,555,393</b>	<b>2,562,073</b>	<b>2,553,695</b>	<b>2,540,993</b>

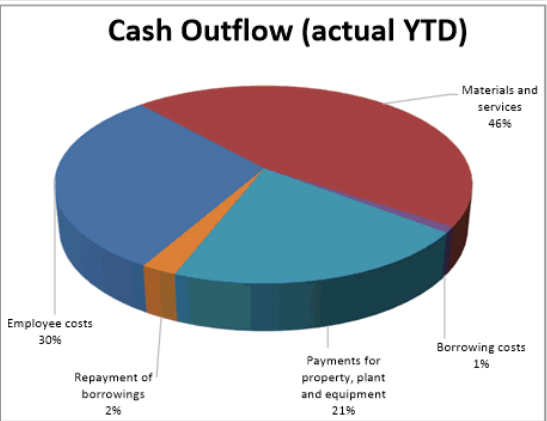
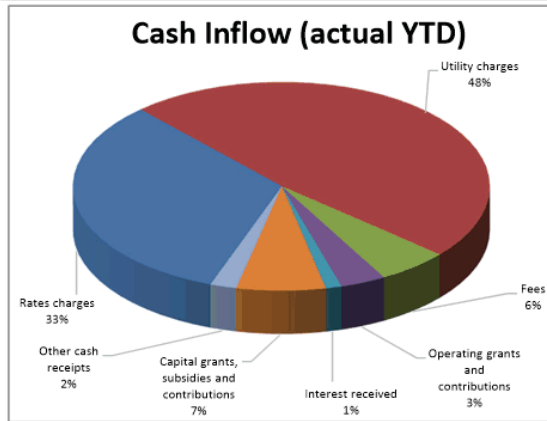
\* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.



5. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 May 2020				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	272,371	273,008	268,426	231,326
Payments to suppliers and employees*	(237,536)	(237,369)	(215,500)	(208,248)
	34,835	35,640	52,926	23,078
Interest received	5,231	5,231	4,751	3,197
Dividend received	-	-	-	-
Rental income	925	925	860	855
Non-capital grants and contributions	16,097	14,888	12,510	9,278
Borrowing costs*	(2,480)	(2,480)	(2,478)	(2,416)
Right-of-use assets interest expense	(266)	(266)	(244)	(241)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>54,342</b>	<b>53,937</b>	<b>68,325</b>	<b>33,751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(58,432)	(79,742)	(65,200)	(56,234)
Payments for intangible assets	-	-	-	(418)
Proceeds from sale of property, plant and equipment	1,419	3,119	1,301	836
Capital grants, subsidies and contributions	24,492	26,869	24,637	18,158
Other cash flows from investing activities	-	-	-	(90)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(32,521)</b>	<b>(49,753)</b>	<b>(39,262)</b>	<b>(37,748)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	9,800	9,800	-	-
Repayment of borrowings*	(5,527)	(5,527)	(5,526)	(5,531)
Right-of-use lease payment	(1,039)	(1,039)	(953)	(963)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>3,234</b>	<b>3,234</b>	<b>(6,479)</b>	<b>(6,494)</b>
<b>Net increase / (decrease) in cash held</b>	<b>25,055</b>	<b>7,418</b>	<b>22,584</b>	<b>(10,491)</b>
Cash and cash equivalents at the beginning of the year	144,972	162,096	162,096	162,096
Cash and cash equivalents at the end of the financial year / period	170,027	169,514	184,680	151,605



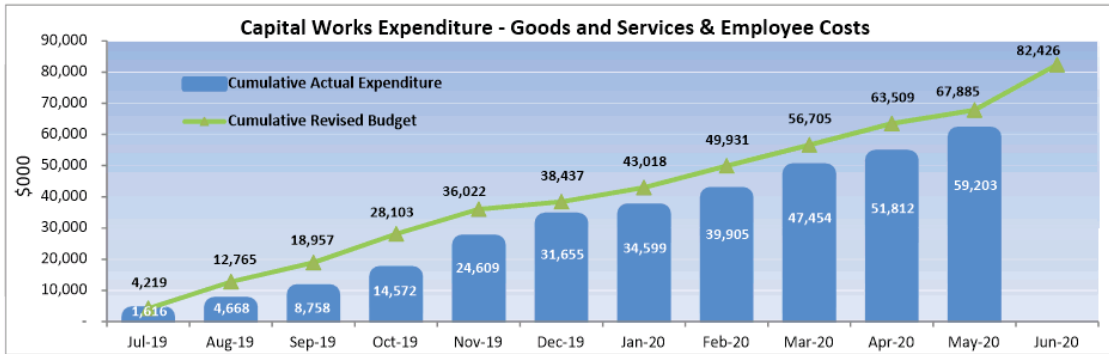
<b>Total Cash Funding (Actual YTD)</b>	<b>263,649</b>	<b>Total Cash Expenditure (Actual YTD)</b>	<b>274,140</b>
Total Cash Funding (Annual Revised Budget)	333,840	Total Cash Expenditure (Annual Revised Budget)	326,422
% of Budget Achieved YTD	79%	% of Budget Achieved YTD	84%

\* Reclassified amounts in original budget to align with Annual Financial Statements and permitted by Australian Accounting Standard AASB 107 Statement of Cash Flows.



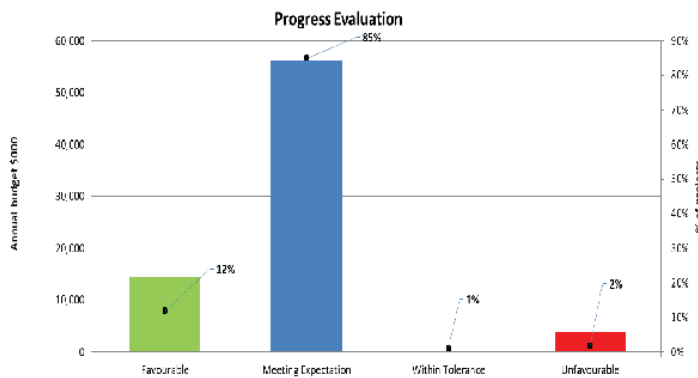


6. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services	76,540	63,555	53,120	(10,435)
Capitalised employee costs	5,886	4,330	6,083	1,753
<b>Total</b>	<b>82,426</b>	<b>67,885</b>	<b>59,203</b>	<b>(8,682)</b>

7. PROGRAM AND PROJECT UPDATE



Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.

Council is currently progressing more than 100 programs and projects.

Notable Projects

The status of two notable projects are as follows:

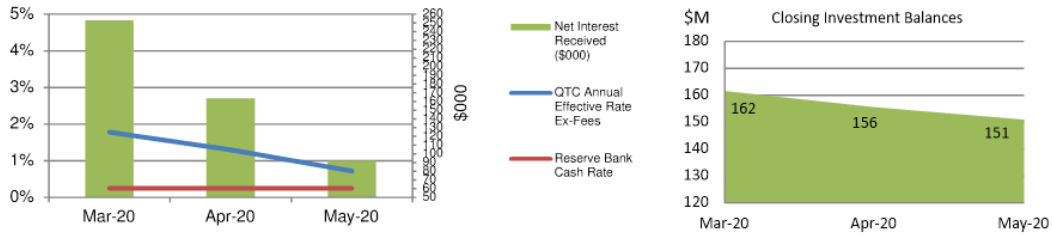
Project description	Progress
Small Culvert Upgrade - This project is to replace degraded components (including guardrails and stormwater components) and repair cracking and structural damage of small culverts.	Favourable
Car Park Renewal - This project is to renew existing car park surfaces.	Meeting Expectations



**8. INVESTMENT & BORROWINGS REPORT**

**For the period ending 31 May 2020**

**INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)**



**Total Investment at End of Month was \$150.89M**

All Council investments are currently held in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

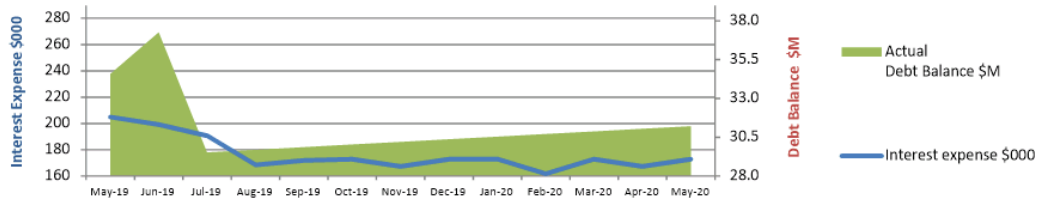
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.25% during March 2020.

On a daily basis, cash surplus to requirements is deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC is 0.72%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its revised Investment Policy (POL-3013) in June 2019 for the 2019/2020 financial year

**BORROWINGS AND BORROWING COSTS (QTC)**



The existing loan accounts were converted to fixed rate loans on 1 April 2016 following a QTC restructure of loans and policies. In line with Council's debt policy, debt repayment of \$7.95M, being \$5.53M principal and \$2.42M interest has been made *annually* for 2019/2020 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment (ADSP) was made during July 2019. Interest will accrue monthly on a daily balance until next ADSP in July 2020 which is reflected in the increasing debt balance.

**Total Borrowings at End of Month were \$31.21M**

General pool allocated to capital works is 99.65% and 0.35% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2019 for the 2019/2020 financial year



9. CONSTRAINED CASH RESERVES

Reserves as at 31 May 2020	Purpose of reserve	Opening Balance \$'000	To Reserve \$'000	From Reserve \$'000	Closing Balance \$'000
<b>Special Projects Reserve:</b>					
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,542	457	(547)	1,452
Waste Levy Reserve	To fund Waste Levy Program	-	4,646	(3,512)	1,134
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,766	2,925	(2,508)	2,183
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	26	(24)	2
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	2,632	(2,429)	4,275
		<b>7,380</b>	<b>10,686</b>	<b>(9,020)</b>	<b>9,046</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	2,180	(2,586)	7,492
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	308	-	2,859
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	343	-	14,616
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	2,056	(2,021)	11,449
Constrained Works Res-Cap Grants & Contribs	Unexpended capital grants and contributions received for specific projects	327	-	(327)	-
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,660	4,820	(4,331)	34,169
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	1,607	(2,181)	11,882
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	776	-	10,772
Constrained Works Res-Opr Grants & Contribs	Unexpended operating grants and contributions received for specific projects	224	-	-	224
Tree Planting Reserve	Acquisition and planting of trees on footpaths	85	49	(24)	110
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		<b>93,046</b>	<b>12,139</b>	<b>(11,470)</b>	<b>93,715</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Acquisition Reserve	Acquisitions of land and facilities to support or enhance environmental outcomes	1,457	-	(1,457)	-
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	8,699	(6,992)	1,707
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	486	(457)	68
		<b>1,496</b>	<b>9,185</b>	<b>(8,906)</b>	<b>1,775</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	754	4	-	758
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	428	3	-	431
1718 Raby Bay Canal Reserve	Service, facility or activity of works of the canals of the Raby Bay canal estate	-	219	-	219
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		<b>850</b>	<b>7</b>	<b>-</b>	<b>857</b>
<b>TOTALS</b>		<b>102,772</b>	<b>32,017</b>	<b>(29,396)</b>	<b>105,393</b>
	Closing cash and cash equivalents				<b>151,605</b>
	Reserves as percentage of cash balance				<b>70%</b>



## 10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 May 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	116,436	116,966	107,608	107,052	(556)
Total expenses	66,474	66,681	60,309	60,643	334
Earnings before interest, tax and depreciation (EBITD)	49,963	50,285	47,299	46,409	(890)
External interest expense	136	136	125	125	-
Internal interest expense	14,867	14,867	13,628	13,628	-
Depreciation	23,823	23,823	21,837	22,133	296
<b>Operating surplus / (deficit)</b>	<b>11,136</b>	<b>11,458</b>	<b>11,709</b>	<b>10,523</b>	<b>(1,186)</b>

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 May 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	2,537	2,537	2,326	2,399	73
Net transfer (to) / from constrained capital reserves	(1,982)	495	146	(373)	(519)
Non-cash contributions	3,399	3,399	3,116	217	(2,899)
Funding from utility revenue	4,172	8,928	4,439	449	(3,990)
<b>Total sources of capital funding</b>	<b>8,126</b>	<b>15,359</b>	<b>10,027</b>	<b>2,692</b>	<b>(7,335)</b>
Contributed assets	3,399	3,399	3,116	217	(2,899)
Capitalised expenditure	4,179	11,412	6,408	1,996	(4,412)
Loan redemption	549	549	503	479	(24)
<b>Total application of capital funds</b>	<b>8,126</b>	<b>15,359</b>	<b>10,027</b>	<b>2,692</b>	<b>(7,335)</b>

## 11. REDWASTE STATEMENTS

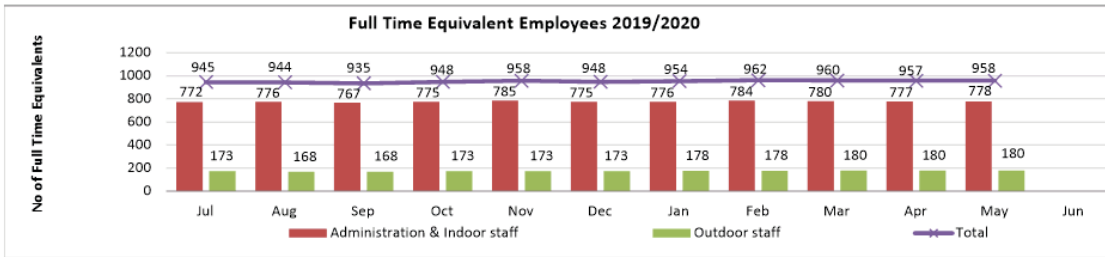
REDWASTE OPERATING STATEMENT For the period ending 31 May 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	33,701	33,701	31,205	30,703	(502)
Total expenses	26,197	25,862	23,780	23,885	105
Earnings before interest, tax and depreciation (EBITD)	7,504	7,839	7,425	6,818	(607)
External interest expense	31	31	28	25	(3)
Depreciation	278	278	255	273	18
<b>Operating surplus / (deficit)</b>	<b>7,195</b>	<b>7,530</b>	<b>7,142</b>	<b>6,520</b>	<b>(622)</b>

REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 May 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	746	3,046	2,542	631	(1,911)
<b>Total sources of capital funding</b>	<b>746</b>	<b>3,046</b>	<b>2,542</b>	<b>631</b>	<b>(1,911)</b>
Capitalised expenditure	608	2,908	2,408	540	(1,868)
Loan redemption	138	138	134	91	(43)
<b>Total application of capital funds</b>	<b>746</b>	<b>3,046</b>	<b>2,542</b>	<b>631</b>	<b>(1,911)</b>

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



May 2020: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO and People and Culture	9	38	5	52	
Organisational Services	7	209	20	236	
Community and Customer Services	32	274	69	375	
Infrastructure and Operations	14	347	19	380	
<b>Total</b>	<b>62</b>	<b>868</b>	<b>113</b>	<b>1,043</b>	

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department. Following Ourspace, the table includes contract of service and temporary personnel. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

Overdue Rates Debtors

Days Overdue	May-20	% Overdue	May-19	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$608	0.0%	\$5,987,826	2.2%	-\$5,987,218	-2.2%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council.
31 - 60	\$376	0.0%	\$2,518	0.0%	-\$2,142	0.0%	
61 - 90	\$15,865	0.0%	\$1,843	0.0%	\$14,022	0.0%	
91 - 180	\$2,367,533	0.8%	\$2,174,602	0.8%	\$192,931	0.0%	
>180	\$4,708,562	1.7%	\$4,237,074	1.6%	\$471,488	0.1%	
<b>Total</b>	<b>\$7,092,944</b>	<b>2.5%</b>	<b>\$12,403,863</b>	<b>4.6%</b>	<b>-\$5,310,919</b>	<b>-2.1%</b>	



## 13. GLOSSARY

Key Terms	
<b>Written Down Value:</b>	
<i>This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.</i>	
<b>Work In Progress:</b>	
<i>This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.</i>	
Definition of Ratios	
<b>Operating Surplus Ratio*:</b>	
<i>This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes</i>	
	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
<b>Asset Sustainability Ratio*:</b>	
<i>This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out</i>	
	$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$
<b>Net Financial Liabilities*:</b>	
<i>This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues</i>	
	$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$
<b>Level of Dependence on General Rate Revenue:</b>	
<i>This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)</i>	
	$\frac{\text{General Rates - Pensioner Remissions}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<b>Current Ratio:</b>	
<i>This measures the extent to which Council has liquid assets available to meet short term financial obligations</i>	
	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
<b>Debt Servicing Ratio:</b>	
<i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	
	$\frac{\text{Interest Expense}^{***} + \text{Loan Redemption}^{\wedge}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<b>Cash Balance - SM:</b>	
<i>Cash balance includes cash on hand, cash at bank and other short term investments.</i>	
	$\text{Cash Held at Period End}$
<b>Cash Capacity in Months:</b>	
<i>This provides an indication as to the number of months cash held at period end would cover operating cash outflows</i>	
	$\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
<b>Longer Term Financial Stability - Debt to Asset Ratio:</b>	
<i>This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets</i>	
	$\frac{\text{Current and Non-current Debt}^{**}}{\text{Total Assets}}$
<b>Operating Performance:</b>	
<i>This ratio provides an indication of Council's cash flow capabilities</i>	
	$\frac{\text{Net Cash from Operations} + \text{Interest Revenue and Expense}}{\text{Cash Operating Revenue} + \text{Interest Revenue}}$
<b>Interest Coverage Ratio:</b>	
<i>This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges</i>	
	$\frac{\text{Net Interest Expense on Debt Service}^{***}}{\text{Total Operating Revenue}}$
* These targets are set to be achieved on average over the longer term and therefore are not necessarily expected to be met on a monthly basis.	
** Debt includes lease liabilities.	
*** Interest expense includes interest on leases.	
^ Loan redemption includes lease redemption.	





# Monthly Financial Report

Interim June 2020

Note: This interim report is prepared at year end pending finalisation of the statutory financial statements.



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### 1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 30 June 2020. The year to date and annual revised budget referred to in this report incorporates the changes from the first budget review adopted by Council on 12 February 2020.

The June 2020 Monthly Financial Report is prepared based on interim financial results for the year ended 30 June 2020 (prior to the finalisation of the end of year accounts) and significant movement is expected through the finalisation of accruals, deferrals and other year-end adjustments. The final results for the year ended 30 June 2020 will be reflected in the audited financial statements.

#### Key Interim Financial Highlights and Overview

Key Interim Financial Results (\$000)	Annual Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	-	-	<b>(3,896)</b>	(3,896)	-100%	✗
Recurrent Revenue	297,210	297,210	<b>290,690</b>	(6,520)	-2%	✗
Recurrent Expenditure	297,210	297,210	<b>294,586</b>	(2,624)	-1%	✓
Capital Works Expenditure	82,426	82,426	<b>65,407</b>	(17,019)	-21%	✓
Closing Cash & Cash Equivalents	169,514	169,514	<b>171,901</b>	2,387	1%	✓

Council reported a year to date interim operating deficit of \$3.90M mainly due to an unfavourable variance in recurrent revenue partially offset by a favourable variance in recurrent expenditure. Recurrent revenue is behind budget mainly due to levies and utility charges, fees, sales revenue and interest revenue lower than expected. The COVID-19 pandemic has contributed to lower fees and sales revenue. Interest income is behind budget due to historically lower interest rates on investments. The favourable variance in recurrent expenditure is mainly due to a favourable variance in materials and services which is primarily due to underspend in contractor costs.

The lower than budget capital revenue is largely the result of developer cash contributions decreasing due to building activity moderating. Loss on disposal of non-current assets is mainly due to sale of fleet assets and replacement of road assets.

In June 2020 additional borrowings of \$9.80M were undertaken as part of Council's Capital Works Plan.

Council's capital works expenditure is below budget by \$17.02M due to timing of works for a number of infrastructure projects and assets acquisition.

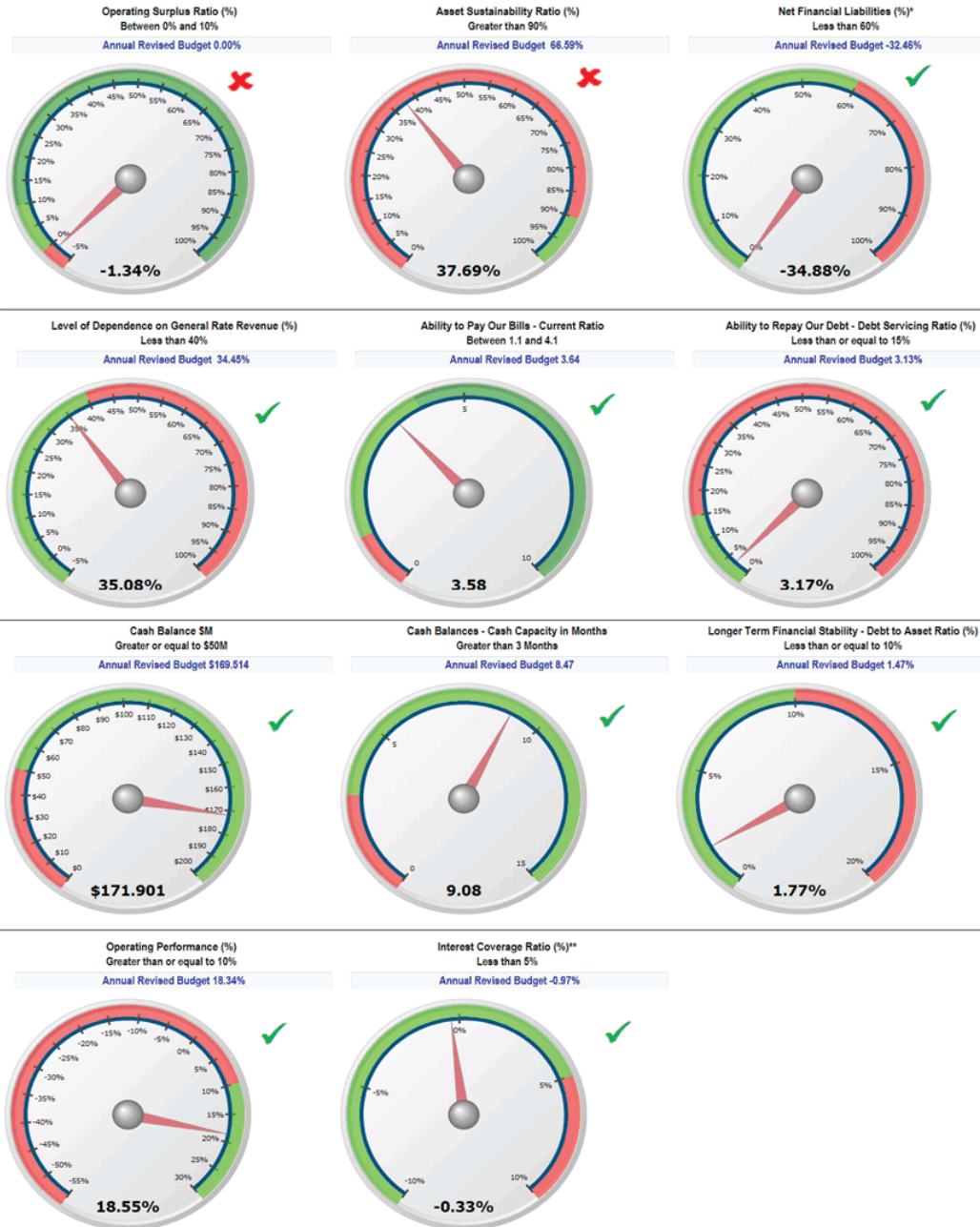
Following Council's resolution on 10 June 2020, Non-Current Assets Held For Sale amounting to \$11.11M was transferred back to Plant, Property and Equipment resulting to an increase in land and buildings with a depreciation expense impact of about \$800K.

Constrained cash reserves represent 60% of the cash balance.



2. INTERIM KEY PERFORMANCE INDICATORS

Target met Target exceeded Target not met



\* The net financial liabilities ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)

\*\* The interest coverage ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative)

The Interim Key Performance Indicators above are based on interim financial results prior to the finalisation of end of year accounts. Significant movement is expected over the coming weeks and the final financial results will be reflected in the audited financial statements for the year ended 30 June 2020. The final Key Performance Indicators will be presented as part of the 2019/2020 Annual Report.

## 3. INTERIM STATEMENT OF COMPREHENSIVE INCOME

INTERIM STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 30 June 2020					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Recurrent revenue</b>					
Rates charges	104,953	105,253	105,253	104,842	(411)
Levies and utility charges	152,328	152,728	152,728	151,583	(1,145)
Less: Pensioner remissions and rebates	(3,333)	(3,328)	(3,328)	(3,334)	(6)
Fees	14,632	14,622	14,622	12,800	(1,822)
Rental income	925	925	925	889	(36)
Interest received	5,231	5,231	5,231	3,278	(1,953)
Dividend received	-	-	-	-	-
Sales revenue	3,856	3,877	3,877	2,550	(1,327)
Other income	525	656	656	1,565	909
Grants, subsidies and contributions	18,456	17,246	17,246	16,517	(729)
<b>Total recurrent revenue</b>	<b>297,572</b>	<b>297,210</b>	<b>297,210</b>	<b>290,690</b>	<b>(6,520)</b>
<b>Recurrent expenses</b>					
Employee benefits	90,372	90,486	90,486	91,211	725
Materials and services	140,138	139,805	139,805	135,266	(4,539)
Finance costs	2,809	2,809	2,809	2,712	(97)
Depreciation and amortisation	65,279	65,279	65,279	66,809	1,530
Other expenditure	514	514	514	234	(280)
Net internal costs	(1,735)	(1,684)	(1,684)	(1,646)	38
<b>Total recurrent expenses</b>	<b>297,377</b>	<b>297,210</b>	<b>297,210</b>	<b>294,586</b>	<b>(2,624)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>195</b>	<b>-</b>	<b>-</b>	<b>(3,896)</b>	<b>(3,896)</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	24,492	26,869	26,869	17,757	(9,112)
Non-cash contributions	3,480	3,480	3,480	6,494	3,014
<b>Total capital revenue</b>	<b>27,973</b>	<b>30,350</b>	<b>30,350</b>	<b>24,251</b>	<b>(6,099)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	112	(519)	(519)	1,200	1,719
<b>Total capital expenses</b>	<b>112</b>	<b>(519)</b>	<b>(519)</b>	<b>1,200</b>	<b>1,719</b>
<b>TOTAL INCOME</b>	<b>325,545</b>	<b>327,559</b>	<b>327,559</b>	<b>314,941</b>	<b>(12,618)</b>
<b>TOTAL EXPENSES</b>	<b>297,489</b>	<b>296,691</b>	<b>296,691</b>	<b>295,786</b>	<b>(905)</b>
<b>NET RESULT</b>	<b>28,056</b>	<b>30,869</b>	<b>30,869</b>	<b>19,155</b>	<b>(11,714)</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	8,977	8,977
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>28,056</b>	<b>30,869</b>	<b>30,869</b>	<b>28,132</b>	<b>(2,737)</b>

The Interim Statement of Comprehensive Income will adjust over coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. Other Comprehensive Income will change as a result of asset revaluations. The audited financial statements for the year ended 30 June 2020 will reflect the final revalued position and impact and will be presented as part of the 2019/2020 Annual Report.

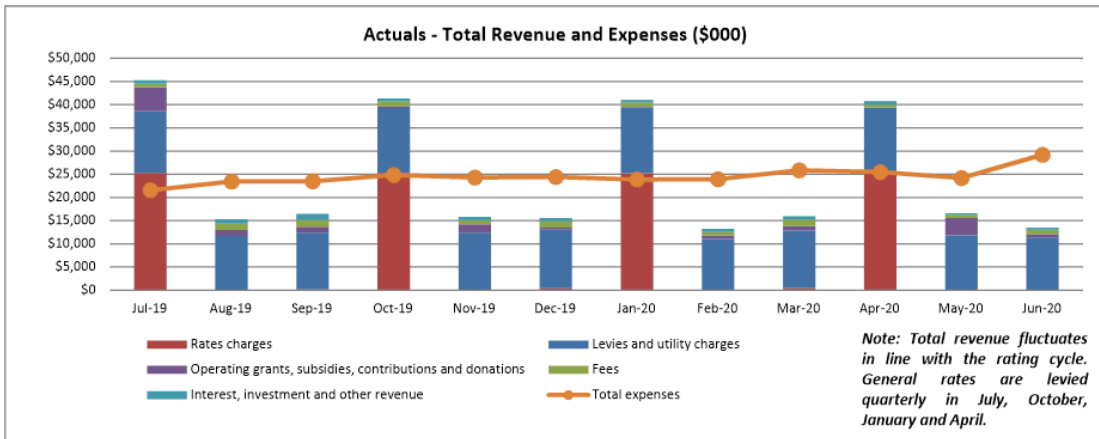
3. INTERIM STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

INTERIM LEVIES AND UTILITY CHARGES ANALYSIS					
For the period ending 30 June 2020					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Levies and utility charges</b>					
Refuse collection rate charge	26,968	26,968	26,968	26,313	(655)
SES separate charge	487	487	487	486	(1)
Environment separate charge	8,721	8,721	8,721	8,698	(23)
Separate charge landfill remediation	2,896	2,896	2,896	2,889	(7)
Wastewater charges	46,347	46,347	46,347	45,531	(816)
Water access charges	19,105	19,105	19,105	19,031	(74)
Water consumption charges	47,804	48,204	48,204	48,635	431
<b>Total levies and utility charges</b>	<b>152,328</b>	<b>152,728</b>	<b>152,728</b>	<b>151,583</b>	<b>(1,145)</b>

INTERIM MATERIALS AND SERVICES ANALYSIS					
For the period ending 30 June 2020					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Materials and services</b>					
Contractors	41,225	41,453	41,453	37,850	(3,603)
Consultants	3,291	3,316	3,316	2,196	(1,120)
Other Council outsourcing costs*	17,527	17,597	17,597	17,732	135
Purchase of materials	50,161	50,116	50,116	50,305	189
Office administration costs	11,357	11,122	11,122	11,599	477
Electricity charges	6,138	5,688	5,688	5,530	(158)
Plant operations	3,873	3,971	3,971	4,005	34
Information technology resources	3,080	3,040	3,040	2,803	(237)
General insurance	1,195	1,195	1,195	1,121	(74)
Community assistance**	1,649	1,689	1,689	1,565	(124)
Other material and service expenses	642	618	618	560	(58)
<b>Total materials and services</b>	<b>140,138</b>	<b>139,805</b>	<b>139,805</b>	<b>135,266</b>	<b>(4,539)</b>

\* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.



The interim income and expenses will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.



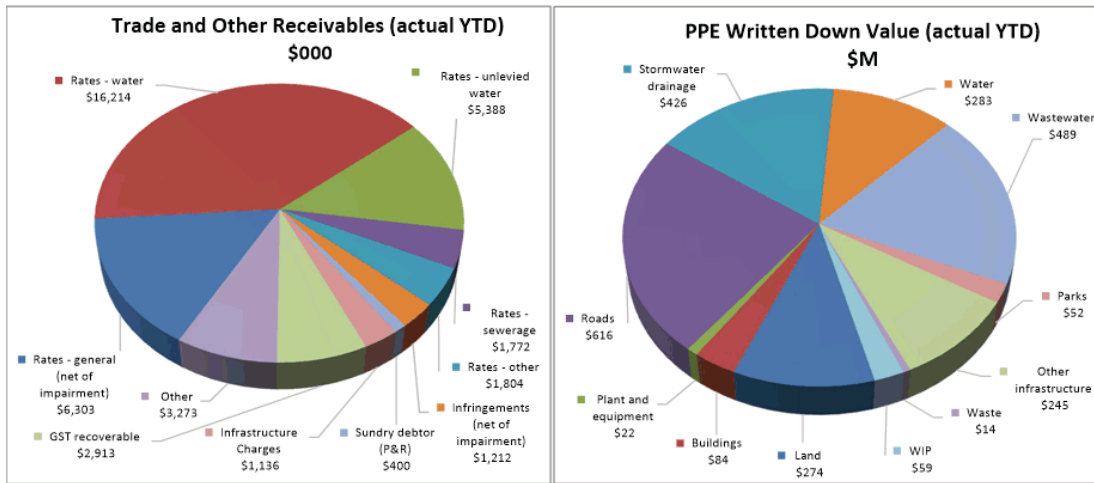
## 4. INTERIM STATEMENT OF FINANCIAL POSITION

INTERIM STATEMENT OF FINANCIAL POSITION				
As at 30 June 2020				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	170,027	169,514	169,514	171,901
Trade and other receivables	30,532	34,819	34,819	40,415
Inventories	936	923	923	927
Non-current assets held for sale	-	-	-	203
Other current assets	1,765	2,340	2,340	5,464
<b>Total current assets</b>	<b>203,260</b>	<b>207,596</b>	<b>207,596</b>	<b>218,910</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,555,393	2,562,073	2,562,073	2,563,802
Intangible assets	968	712	712	2,123
Right-of-use assets*	8,278	8,278	8,278	8,371
Other financial assets	73	73	73	73
Investment in other entities	25,904	24,214	24,214	13,101
<b>Total non-current assets</b>	<b>2,591,706</b>	<b>2,596,440</b>	<b>2,596,440</b>	<b>2,588,561</b>
<b>TOTAL ASSETS</b>	<b>2,794,966</b>	<b>2,804,036</b>	<b>2,804,036</b>	<b>2,807,471</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	23,817	30,981	30,981	35,857
Borrowings - current	7,728	7,845	7,845	7,845
Lease liability - current*	1,039	1,039	1,039	1,051
Provisions - current	7,816	10,351	10,351	13,245
Other current liabilities	2,940	6,803	6,803	3,231
<b>Total current liabilities</b>	<b>43,340</b>	<b>57,018</b>	<b>57,018</b>	<b>61,229</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	33,400	33,283	33,283	33,332
Lease liability - non-current*	7,412	7,412	7,412	7,554
Provisions - non-current	14,752	13,409	13,409	15,404
<b>Total non-current liabilities</b>	<b>55,563</b>	<b>54,105</b>	<b>54,105</b>	<b>56,290</b>
<b>TOTAL LIABILITIES</b>	<b>98,904</b>	<b>111,123</b>	<b>111,123</b>	<b>117,519</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,696,062</b>	<b>2,692,914</b>	<b>2,692,914</b>	<b>2,689,952</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,003,168	1,008,120	1,008,120	1,017,097
Retained surplus	1,575,901	1,578,295	1,578,295	1,570,082
Constrained cash reserves	116,993	106,499	106,499	102,773
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,696,062</b>	<b>2,692,914</b>	<b>2,692,914</b>	<b>2,689,952</b>

\* From 1 July 2019, Australian Accounting Standard 16 Leases applies.

The Interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.

4. INTERIM STATEMENT OF FINANCIAL POSITION - CONTINUED



INTERIM RIGHT OF USE ASSETS For the period ending 30 June 2020				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
Right of Use Asset				
Buildings	3,491	3,491	3,491	3,573
Land	4,372	4,372	4,372	4,372
Plant and Equipment	415	415	415	426
<b>Closing balance</b>	<b>8,278</b>	<b>8,278</b>	<b>8,278</b>	<b>8,371</b>

INTERIM PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 June 2020				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,558,126	2,541,881	2,541,881	2,541,881
Acquisitions and WIP in year movement	61,912	85,907	85,907	70,388
Depreciation in year	(63,114)	(63,115)	(63,115)	(64,524)
Disposals	(1,531)	(2,600)	(2,600)	(4,065)
Other adjustments**	-	-	-	20,122
<b>Closing balance</b>	<b>2,555,393</b>	<b>2,562,073</b>	<b>2,562,073</b>	<b>2,563,802</b>

\* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

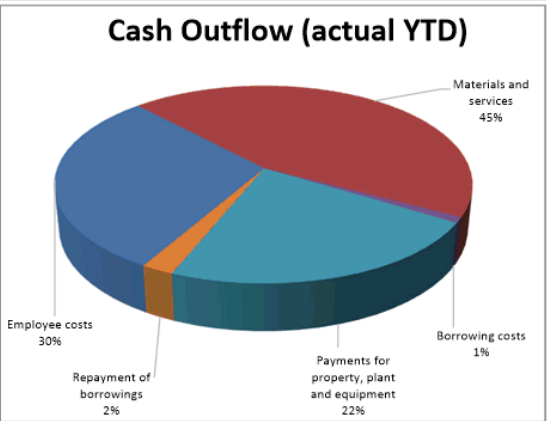
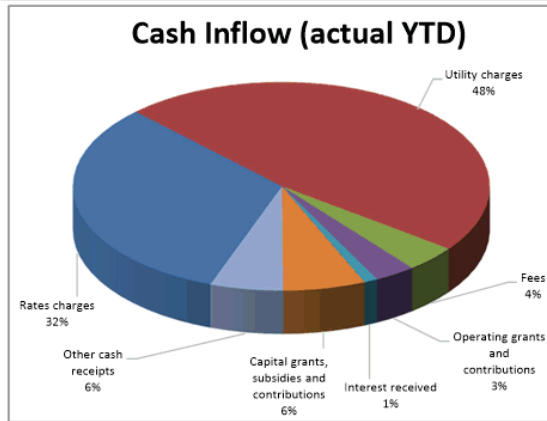
\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

The Interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.



5. INTERIM STATEMENT OF CASH FLOWS

INTERIM STATEMENT OF CASH FLOWS For the period ending 30 June 2020				
	Annual	Annual	YTD	YTD
	Original Budget \$'000	Revised Budget \$'000	Revised Budget \$'000	Actual \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	272,371	273,008	273,008	264,812
Payments to suppliers and employees*	(237,536)	(237,369)	(237,369)	(224,513)
	34,835	35,640	35,640	40,299
Interest received	5,231	5,231	5,231	3,278
Dividend received	-	-	-	-
Rental income	925	925	925	888
Non-capital grants and contributions	16,097	14,888	14,888	9,948
Borrowing costs*	(2,480)	(2,480)	(2,480)	(2,416)
Right-of-use assets interest expense	(266)	(266)	(266)	(263)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>54,342</b>	<b>53,937</b>	<b>53,937</b>	<b>51,734</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(58,432)	(79,742)	(79,742)	(66,330)
Payments for intangible assets	-	-	-	(1,512)
Proceeds from sale of property, plant and equipment	1,419	3,119	3,119	2,866
Capital grants, subsidies and contributions	24,492	26,869	26,869	19,862
Other cash flows from investing activities	-	-	-	(90)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(32,521)</b>	<b>(49,753)</b>	<b>(49,753)</b>	<b>(45,204)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	9,800	9,800	9,800	9,800
Repayment of borrowings*	(5,527)	(5,527)	(5,527)	(5,531)
Right-of-use lease payment	(1,039)	(1,039)	(1,039)	(994)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>3,234</b>	<b>3,234</b>	<b>3,234</b>	<b>3,275</b>
<b>Net increase / (decrease) in cash held</b>	<b>25,055</b>	<b>7,418</b>	<b>7,418</b>	<b>9,805</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>144,972</b>	<b>162,096</b>	<b>162,096</b>	<b>162,096</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>170,027</b>	<b>169,514</b>	<b>169,514</b>	<b>171,901</b>



<b>Total Cash Funding (Actual YTD)</b>	<b>311,454</b>	<b>Total Cash Expenditure (Actual YTD)</b>	<b>301,649</b>
Total Cash Funding (Annual Revised Budget)	333,840	Total Cash Expenditure (Annual Revised Budget)	326,422
% of Budget Achieved YTD	93%	% of Budget Achieved YTD	92%

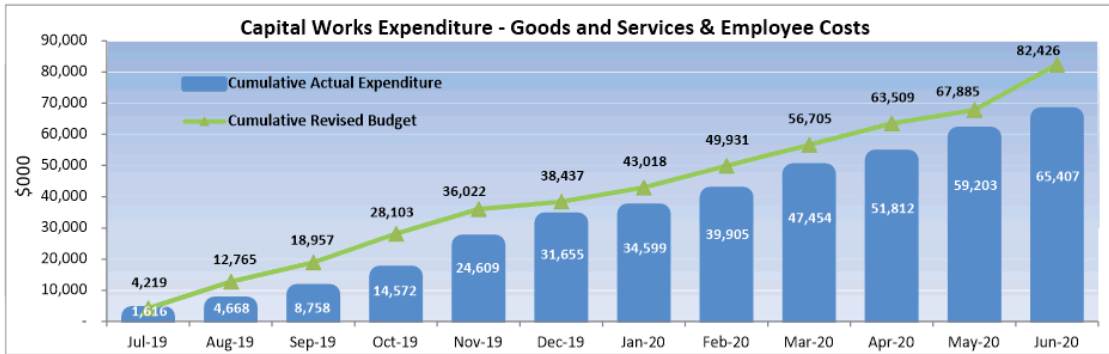
\* Reclassified amounts in original budget to align with Annual Financial Statements and permitted by Australian Accounting Standard AASB 107 Statement of Cash Flows.

The Interim Statement of Cash Flows will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.



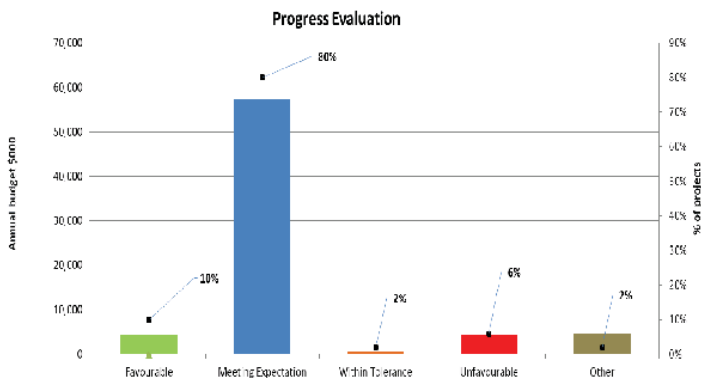
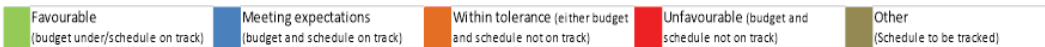


### 6. INTERIM CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services	76,540	76,540	58,913	(17,627)
Capitalised employee costs	5,886	5,886	6,494	608
<b>Total</b>	<b>82,426</b>	<b>82,426</b>	<b>65,407</b>	<b>(17,019)</b>

### 7. INTERIM PROGRAM AND PROJECT UPDATE



Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.

Council is currently progressing more than 100 programs and projects.

#### Notable Projects

The status of two notable projects are as follows:

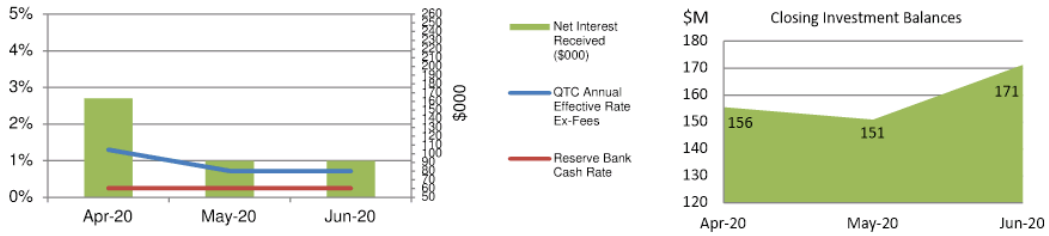
Project description	Progress
Footpath renewal program - This project is to renew existing footpath assets.	Meeting Expectations
Revetment wall upgrade (Mainroyal Court Cleveland) - This project is to renew a revetment wall.	Meeting Expectations

The Interim Capital Funding Statement will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.



**8. INTERIM INVESTMENT & BORROWINGS REPORT**

**For the period ending 30 June 2020**  
**INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)**



**Total Investment at End of Month was \$171.22M**

All Council investments are currently held in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

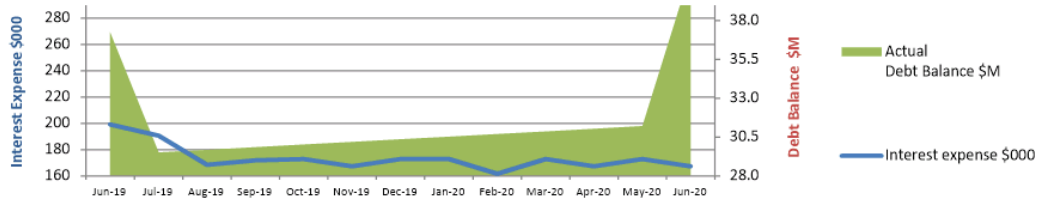
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.25% during March 2020.

On a daily basis, cash surplus to requirements is deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC is 0.71%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its revised Investment Policy (POL-3013) in June 2019 for the 2019/2020 financial year

**BORROWINGS AND BORROWING COSTS (QTC)**



The existing loan accounts were converted to fixed rate loans on 1 April 2016 following a QTC restructure of loans and policies. In line with Council's debt policy, debt repayment of \$7.95M, being \$5.53M principal and \$2.42M interest has been made *annually* for 2019/2020 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment (ADSP) was made during July 2019. Interest will accrue monthly on a daily balance until next ADSP in July 2020 which is reflected in the increasing debt balance.

In June 2020 additional borrowings of \$9.80M were undertaken as part of Council's Capital Works Plan.

**Total Borrowings at End of Month were \$41.18M**

General pool allocated to capital works is 99.73% and 0.27% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2019 for the 2019/2020 financial year





9. INTERIM CONSTRAINED CASH RESERVES

Reserves as at 30 June 2020	Purpose of reserve	Opening Balance \$'000	To Reserve \$'000	From Reserve \$'000	Closing Balance \$'000
<b>Special Projects Reserve:</b>					
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,542	612	(986)	1,168
Waste Levy Reserve	To fund Waste Levy Program	-	4,646	(4,620)	26
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,766	2,925	(2,608)	2,083
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	27	(25)	2
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	3,127	(3,415)	3,784
		<b>7,380</b>	<b>11,337</b>	<b>(11,654)</b>	<b>7,063</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	2,204	(3,156)	6,946
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	535	-	3,086
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	353	-	14,626
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	2,200	(2,465)	11,149
Constrained Works Res-Cap Grants & Contribs	Unexpended capital grants and contributions received for specific projects	327	-	(327)	-
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,660	5,532	(4,317)	34,895
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	1,740	(2,181)	12,015
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	859	-	10,855
Constrained Works Res-Opr Grants & Contribs	Unexpended operating grants and contributions received for specific projects	224	-	-	224
Tree Planting Reserve	Acquisition and planting of trees on footpaths	85	54	(36)	103
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		<b>93,046</b>	<b>13,477</b>	<b>(12,482)</b>	<b>94,041</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Acquisition Reserve	Acquisitions of land and facilities to support or enhance environmental outcomes	1,457	-	(1,457)	-
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	8,698	(7,923)	775
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	486	(487)	38
		<b>1,496</b>	<b>9,184</b>	<b>(9,867)</b>	<b>813</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	754	4	-	758
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	428	2	-	430
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	-	219	-	219
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		<b>850</b>	<b>6</b>	<b>-</b>	<b>856</b>
<b>TOTALS</b>		<b>102,772</b>	<b>34,003</b>	<b>(34,003)</b>	<b>102,772</b>
	Closing cash and cash equivalents				<b>171,901</b>
	Reserves as percentage of cash balance				<b>60%</b>



## 10. INTERIM REDLAND WATER STATEMENTS

<b>INTERIM REDLAND WATER SUMMARY OPERATING STATEMENT</b>					
<b>For the period ending 30 June 2020</b>					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Total revenue	116,436	116,966	116,966	116,111	(855)
Total expenses	66,474	66,681	66,681	66,525	(156)
Earnings before interest, tax and depreciation (EBITD)	49,963	50,285	50,285	49,586	(699)
External interest expense	136	136	136	136	-
Internal interest expense	14,867	14,867	14,867	14,867	-
Depreciation	23,823	23,823	23,823	24,115	292
<b>Operating surplus / (deficit)</b>	<b>11,136</b>	<b>11,458</b>	<b>11,458</b>	<b>10,468</b>	<b>(990)</b>

<b>INTERIM REDLAND WATER CAPITAL FUNDING STATEMENT</b>					
<b>For the period ending 30 June 2020</b>					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Capital contributions, donations, grants and subsidies	2,537	2,537	2,537	2,553	16
Net transfer (to) / from constrained capital reserves	(1,982)	495	495	(83)	(578)
Non-cash contributions	3,399	3,399	3,399	1,957	(1,442)
Funding from utility revenue	4,172	8,928	8,928	928	(8,000)
<b>Total sources of capital funding</b>	<b>8,126</b>	<b>15,359</b>	<b>15,359</b>	<b>5,355</b>	<b>(10,004)</b>
Contributed assets	3,399	3,399	3,399	1,957	(1,442)
Capitalised expenditure	4,179	11,412	11,412	2,919	(8,493)
Loan redemption	549	549	549	479	(70)
<b>Total application of capital funds</b>	<b>8,126</b>	<b>15,359</b>	<b>15,359</b>	<b>5,355</b>	<b>(10,004)</b>

## 11. INTERIM REDWASTE STATEMENTS

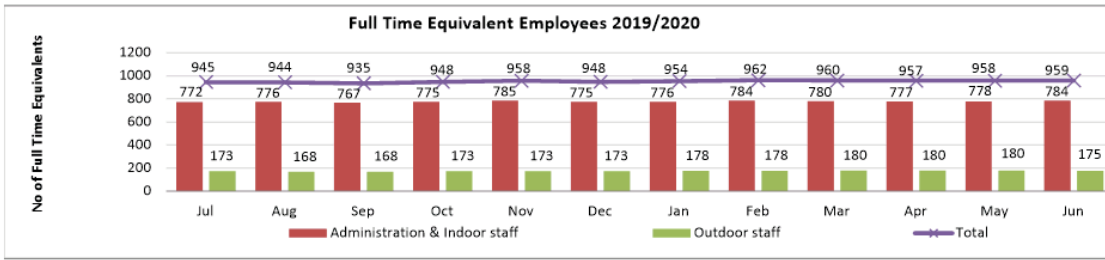
<b>INTERIM REDWASTE OPERATING STATEMENT</b>					
<b>For the period ending 30 June 2020</b>					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Total revenue	33,701	33,701	33,701	33,167	(534)
Total expenses	26,197	25,862	25,862	26,500	638
Earnings before interest, tax and depreciation (EBITD)	7,504	7,839	7,839	6,667	(1,172)
External interest expense	31	31	31	27	(4)
Depreciation	278	278	278	298	20
<b>Operating surplus / (deficit)</b>	<b>7,195</b>	<b>7,530</b>	<b>7,530</b>	<b>6,342</b>	<b>(1,188)</b>

<b>INTERIM REDWASTE CAPITAL FUNDING STATEMENT</b>					
<b>For the period ending 30 June 2020</b>					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	746	3,046	3,046	729	(2,317)
<b>Total sources of capital funding</b>	<b>746</b>	<b>3,046</b>	<b>3,046</b>	<b>729</b>	<b>(2,317)</b>
Capitalised expenditure	608	2,908	2,908	640	(2,268)
Loan redemption	138	138	138	89	(49)
<b>Total application of capital funds</b>	<b>746</b>	<b>3,046</b>	<b>3,046</b>	<b>729</b>	<b>(2,317)</b>

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



Jun 2020: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO and People and Culture	4	42	5	51	
Organisational Services	8	206	20	234	
Community and Customer Services	29	274	73	376	
Infrastructure and Operations	13	349	18	380	
<b>Total</b>	<b>54</b>	<b>871</b>	<b>116</b>	<b>1,041</b>	

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department. Following Ourspace, the table includes contract of service and temporary personnel. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

Overdue Rates Debtors

Days Overdue	Jun-20	% Overdue	Jun-19	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$6,951,091	2.5%	\$3,172	0.0%	\$6,947,919	2.5%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council.
31 - 60	\$279	0.0%	\$4,110,414	1.5%	-\$4,110,135	-1.5%	
61 - 90	\$374	0.0%	\$1,230	0.0%	-\$856	0.0%	
91 - 180	\$1,913,276	0.7%	\$1,748,597	0.7%	\$164,679	0.0%	The increase in 0-30 days overdue debts is due to Council extending the due date for fourth quarter rates by one month as a result of COVID-19 pandemic.
>180	\$4,123,631	1.5%	\$3,589,357	1.3%	\$534,274	0.2%	
<b>Total</b>	<b>\$12,988,651</b>	<b>4.7%</b>	<b>\$9,452,770</b>	<b>3.5%</b>	<b>\$3,535,881</b>	<b>1.2%</b>	



## 13. GLOSSARY

Key Terms	
<b>Written Down Value:</b>	
<i>This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.</i>	
<b>Work In Progress:</b>	
<i>This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.</i>	
Definition of Ratios	
<b>Operating Surplus Ratio*:</b>	
<i>This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes</i>	
	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
<b>Asset Sustainability Ratio*:</b>	
<i>This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out</i>	
	$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$
<b>Net Financial Liabilities*:</b>	
<i>This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues</i>	
	$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$
<b>Level of Dependence on General Rate Revenue:</b>	
<i>This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)</i>	
	$\frac{\text{General Rates - Pensioner Remissions}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<b>Current Ratio:</b>	
<i>This measures the extent to which Council has liquid assets available to meet short term financial obligations</i>	
	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
<b>Debt Servicing Ratio:</b>	
<i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	
	$\frac{\text{Interest Expense}^{***} + \text{Loan Redemption}^{\wedge}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<b>Cash Balance - SM:</b>	
<i>Cash balance includes cash on hand, cash at bank and other short term investments.</i>	
	$\text{Cash Held at Period End}$
<b>Cash Capacity in Months:</b>	
<i>This provides an indication as to the number of months cash held at period end would cover operating cash outflows</i>	
	$\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
<b>Longer Term Financial Stability - Debt to Asset Ratio:</b>	
<i>This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets</i>	
	$\frac{\text{Current and Non-current Debt}^{**}}{\text{Total Assets}}$
<b>Operating Performance:</b>	
<i>This ratio provides an indication of Council's cash flow capabilities</i>	
	$\frac{\text{Net Cash from Operations} + \text{Interest Revenue and Expense}}{\text{Cash Operating Revenue} + \text{Interest Revenue}}$
<b>Interest Coverage Ratio:</b>	
<i>This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges</i>	
	$\frac{\text{Net Interest Expense on Debt Service}^{***}}{\text{Total Operating Revenue}}$
* These targets are set to be achieved on average over the longer term and therefore are not necessarily expected to be met on a monthly basis.	
** Debt includes lease liabilities.	
*** Interest expense includes interest on leases.	
^ Loan redemption includes lease redemption.	

## 13.2 AUDIT COMMITTEE 18 JUNE 2020

### Objective Reference:

**Authorising Officer:** Glynn Henderson, Acting General Manager Organisational Services

**Responsible Officer:** Tony Beynon, Group Manager Corporate Governance

**Report Author:** Kailesh Naidu, Principal Adviser Internal Audit

**Attachments:** 1. [Audit Committee 18 June 2020 Minutes](#) ↓

### PURPOSE

The purpose of this report is to present the minutes of the Audit Committee meeting on 18 June 2020 to Council for adoption in accordance with Section 211 of the *Local Government Regulation 2012*.

### BACKGROUND

The primary objective of the Audit Committee is to assist Council in fulfilling its corporate governance role and oversight of financial measurement and reporting responsibilities imposed under the *Local Government Act 2009* and other relevant legislation. To fulfil this objective and in order to enhance the ability of Councillors to discharge their legal responsibility, it is necessary that a written report is presented to Council as soon as practicable after a meeting of the Audit Committee about the matters reviewed at the meeting and the Audit Committee's recommendations about these matters.

### ISSUES

Refer to the attached Minutes of the Audit Committee held on 18 June 2020.

### STRATEGIC IMPLICATIONS

#### Legislative Requirements

This report has been prepared in accordance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

#### Risk Management

There are no opportunities or risks as a result of this report.

#### Financial

There are no financial implications as a result of this report.

#### People

There are no implications on people as a result of this report.

#### Environmental

There are no environmental implications as a result of this report.

#### Social

There are no social implications as a result of this report.

**Human Rights**

There are no human rights implications as a result of this report.

**Alignment with Council's Policy and Plans**

Internal Audit Policy (GOV-010-P)

Audit Committee Policy (GOV-011-P)

Corporate Plan 2018-2023 *Outcome 8 Inclusive and ethical governance*

**CONSULTATION**

Consulted	Consultation Date	Comments/Actions
Audit Committee members	23 June 2020	Audit Committee members were consulted to review the minutes prior to being finalised.

**OPTIONS****Option One**

That Council resolves to note this report, which summarises the issues discussed at the Audit Committee of 18 June 2020.

**Option Two**

That Council resolves to note this report and requests additional information.

**OFFICER'S RECOMMENDATION**

**That Council resolves to note this report, which summarises the issues discussed at the Audit Committee of 18 June 2020.**



**Redland**  
CITY COUNCIL

# **MINUTES**

## **AUDIT COMMITTEE MEETING**

**Thursday, 18 June 2020**

The Council Chambers  
91 - 93 Bloomfield Street  
CLEVELAND QLD



## AUDIT COMMITTEE MEETING MINUTES

18 JUNE 2020

**Order Of Business**

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<b>2</b>	<b>Record of Attendance and Apologies</b> .....	<b>2</b>
<b>3</b>	<b>Conflict of Interest</b> .....	<b>3</b>
<b>4</b>	<b>Receipt and Confirmation of Minutes</b> .....	<b>3</b>
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**AUDIT COMMITTEE MEETING MINUTES****18 JUNE 2020**

**AUDIT COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBERS, 91 - 93 BLOOMFIELD STREET, CLEVELAND QLD  
ON THURSDAY, 18 JUNE 2020 AT 9.30AM**

**1 DECLARATION OF OPENING**

The Chair declared the meeting open at 9.33am.

**2 RECORD OF ATTENDANCE AND APOLOGIES****MEMBERS PRESENT:**

Cr Karen Williams	Councillor Member and Interim Chair (Mayor)
Cr Tracey Huges	Councillor Member
Mr Virendra Dua	External Member
Mr Peter Dowling	External Member

**SECRETARY:**

Mr Kailesh Naidu	Principal Adviser Internal Audit
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**APOLOGIES:**

Ms Amanda Daly	Head of People and Culture
Mr Peter Kelley	Chief Executive Officer – Redland Investment Corporation
Ms Joy Manalo	Service Manager Corporate Finance
Ms Julie O'Brien	Manager - Queensland Audit Office (QAO)

**ATTENDEES:**

Mr Andrew Chesterman	Chief Executive Officer
Mr John Oberhardt	General Manager Organisational Services
Ms Louise Rusan	General Manager Community and Customer Services
Dr Nicole Davis	General Manager Infrastructure and Operations
Ms Deborah Corbett-Hall	Chief Financial Officer
Mr Andrew Ross	General Counsel
Mr Tony Beynon	Group Manager Corporate Governance
Mr Mark Davis	Service Manager Risk and Liability Services
Ms Rukmie Lutherus	Financial Controller - Redland Investment Corporation
Ms Melissa Read	Director - QAO
Ms Ashley Carle	Partner - Bentleys (QAO Audit Representative)
Ms Niki Bingham	Partner - Deloitte
Ms Michelle Lacey	Manager - Deloitte

**OBSERVERS:**

Cr Wendy Boglary	Division 1 Councillor
Cr Adelia Berridge	Division 9 Councillor
Cr Paul Bishop	Division 10 Councillor
Ms Kim Kerwin	Group Manager Community and Economic Development
Ms Tracy Mitchell	Risk Management Coordinator
Ms Anca Butcher	General Counsel - Redland Investment Corporation
Ms Amanda Gadd	Management Accountant Commercial Business

**MINUTES:**

Ms Danielle Bugeja	Corporate Meetings and Registers Coordinator
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**AUDIT COMMITTEE MEETING MINUTES****18 JUNE 2020****3 CONFLICT OF INTEREST**

Nil

**4 RECEIPT AND CONFIRMATION OF MINUTES****4.1 MINUTES OF AUDIT COMMITTEE 26 SEPTEMBER 2019**

Minutes of the previous Audit Committee were presented for confirmation.

**COMMITTEE DECISION**

The minutes of the Audit Committee of 26 September 2019 were confirmed.

**5 BUSINESS ARISING FROM PREVIOUS MINUTES**

There were no outstanding action items from the previous Audit Committee of 26 September 2019.

**6 UPDATE FROM THE CHIEF EXECUTIVE OFFICER****6.1 UPDATE FROM THE CHIEF EXECUTIVE OFFICER**

A comprehensive verbal update on general organisational and Council matters was provided by the Chief Executive Officer.

The Chief Executive Officer noted the Mayor will be the interim Chair of the Audit Committee until an external independent Chair is appointed.

**COMMITTEE DECISION**

The Audit Committee noted the update provided by the Chief Executive Officer as presented.

**7 REDLAND INVESTMENT CORPORATION REPORTS****7.1 REDLAND INVESTMENT CORPORATION - MOORES RESIDENTIAL PROJECT**

The Moores Residential Project analysis was presented to the Audit Committee by Redland Investment Corporation's Financial Controller.

**COMMITTEE DECISION**

The Audit Committee:

1. Noted the Moores Residential Project analysis as presented.
2. Requested further information on the Material Change of Use cost breakdown between the super lot and the residential lots.
3. Requested the draft Financial Statements for 30 June 2020 be provided to the Audit Committee for review prior to being signed by the Redland Investment Corporation Board.

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**AUDIT COMMITTEE MEETING MINUTES****18 JUNE 2020****8 COUNCIL FINANCIAL REPORTS****8.1 END OF MONTH FINANCIAL REPORT APRIL 2020**

Council's End of Month Financial Report for April 2020 was presented to the Audit Committee and an update was provided by the Chief Financial Officer.

**COMMITTEE DECISION**

**The Audit Committee noted the End of Month Financial Report for April 2020 as presented.**

**8.2 ASSET VALUATION 2019-2020**

An update on the 2019-2020 Asset Valuations was presented to the Audit Committee by the Chief Financial Officer.

**COMMITTEE DECISION**

**The Audit Committee noted the update on the 2019-2020 Asset Valuations as presented.**

**8.3 BUDGET 2020-2021**

An executive overview of Council's Budget 2020-2021 was presented to the Audit Committee by the Chief Financial Officer, noting that it was in development and subject to change prior to adoption.

**COMMITTEE DECISION**

**The Audit Committee noted the executive overview of Council's Budget 2020-2021 as presented.**

**9 UPDATE FROM EXTERNAL AUDITORS****9.1 EXTERNAL AUDITORS' REPORT**

The Interim Report for 30 June 2020, the External Audit Plan 2020 and updates were presented to the Audit Committee by Bentleys Chartered Accountants and Queensland Audit Office.

**COMMITTEE DECISION**

**The Audit Committee noted the Interim Report for 30 June 2020, the External Audit Plan 2020 and updates as presented.**

**10 INTERNAL AUDIT PLAN****10.1 INTERNAL AUDIT PLAN 2019-2020**

The status of Council's Audit Plan for 2019-2020 was presented to the Audit Committee by the Principal Adviser Internal Audit.

**COMMITTEE DECISION**

**The Audit Committee noted the status of the Internal Audit Plan for 2019-2020 and activities undertaken by the Internal Audit Unit.**

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**AUDIT COMMITTEE MEETING MINUTES****18 JUNE 2020****10.2 INTERNAL AUDIT PLAN 2020-2021**

Council's Internal Audit Plan for 2020-2021 was presented to the Audit Committee by the Principal Adviser Internal Audit.

**COMMITTEE DECISION**

**The Audit Committee endorsed the Internal Audit Plan for 2020-2021.**

**11 INTERNAL AUDIT REPORTS****11.1 INTERNAL AUDIT REPORTS ISSUED**

Internal Audit reports issued since the last Audit Committee were presented by Deloitte, Council's co-source internal audit partner, and the Principal Adviser Internal Audit.

**COMMITTEE DECISION**

**The Audit Committee:**

- 1. Noted the Internal Audit reports as presented.**
- 2. Requested the Group Manager Corporate Services present on Redland City Council information management activities.**

**12 AUDIT RECOMMENDATIONS DUE FOR IMPLEMENTATION****12.1 STATUS OF AUDIT RECOMMENDATIONS**

An update on the status of the Internal Audit recommendations was presented to the Audit Committee by the Principal Adviser Internal Audit.

**COMMITTEE DECISION**

**The Audit Committee noted the update provided on the recommendations currently tracked for implementation.**

**13 RISK MANAGEMENT****13.1 RISK MANAGEMENT ACTIVITIES**

An update on Council's risk management activities was provided by the Service Manager Risk and Liability Services.

**COMMITTEE DECISION**

**The Audit Committee noted the update presented on risk management activities.**

**14 OTHER BUSINESS****14.1 STAFF ACKNOWLEDGEMENT**

Tony Beynon thanked Tracy Mitchell who acted in the role of Principal Adviser Internal Audit from January to May 2020.

**15 MEETING CLOSURE**

**The Meeting closed at 12.00pm.**

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### 13.3 RECRUITMENT FOR EXTERNAL MEMBERS OF THE AUDIT COMMITTEE

**Objective Reference:****Authorising Officer:** Glynn Henderson, Acting General Manager Organisational Services**Responsible Officer:** Tony Beynon, Group Manager Corporate Governance**Report Author:** Kailesh Naidu, Principal Adviser Internal Audit**Attachments:** Nil**PURPOSE**

The purpose of this report is to seek approval from Council to recruit the external members of the Audit Committee in accordance with section 210 of the *Local Government Regulation 2012*.

**BACKGROUND**

The Audit Committee plays a key role in assisting Council to fulfil its oversight responsibilities in areas such as financial reporting, internal controls, risk management, and the internal and external audit functions. The Redland City Council *Audit Committee Charter* requires that the Audit Committee comprises of two Councillors and two independent external appointees.

The appointments for the current external members, Mr Peter Dowling and Mr Virendra Dua, are due to expire on 30 November 2020 and approval is sought to recruit two external members to commence from 1 December 2020 for an initial term of four years. One of the external members will be appointed as the Chair of the Audit Committee. Mayor Karen Williams is the interim Chair of the Audit Committee until 30 November 2020.

**ISSUES**

An effective Audit Committee in local government is a critical part of delivering trust and confidence in governance, reporting and risk management. Ensuring the right composition of the Audit Committee is vital and diversity of experience, perspectives and expertise, as well as industry knowledge are also extremely important, particularly given the widening mandates of Council's Audit Committee beyond financial reporting oversight. External members bridge the knowledge gaps which may exist within the Audit Committee.

An independent Chair of the Audit Committee enhances the effectiveness of the Audit Committee and has been recommended by the Institute of Internal Auditors as best practise. Queensland Audit Office's *Report 13: 2019-20 Local government entities: 2018-19 results of financial audits* states that to strengthen the governance framework, all councils should have an Audit Committee with an independent Chair.

**STRATEGIC IMPLICATIONS****Legislative Requirements**

Requirements from the *Local Government Act 2009* and *Local Government Regulation 2012* have been considered during the preparation of this report. According to section 210 of the *Local Government Regulation 2012*, the Audit Committee of a local government must consist of three to six members, which includes one but no more than two councillors and at least one member has significant experience and skillset in financial matters. The local government must appoint one of the Audit Committee members as the Chair.

**Risk Management**

Having experienced external members on the Audit Committee reduces the risk and enhances the ability of Councillors to fulfil their legal responsibility to exercise due care, diligence and skill in relation to compliance with applicable laws, legislation and policies.

**Financial**

The remuneration for the external Audit Committee members has been included in the budget for FY 2020-2021 and will continue to be budgeted in future years.

**People**

Recruitment is open, noting existing audit members are eligible to apply.

**Environmental**

There are no environmental implications from this report.

**Social**

There are no social implications from this report.

**Human Rights**

There are no human rights implications from this report.

**Alignment with Council's Policy and Plans**

Internal Audit Policy (GOV-010-P)

Audit Committee Policy (GOV-011-P)

Corporate Plan 2018-2023 *Outcome 8 Inclusive and ethical governance*

**CONSULTATION**

Consulted	Consultation Date	Comments/Actions
Audit Committee	18 June 2020	Audit Committee was advised of the intention to call for an expression of interest for independent external members of the Audit Committee, including an independent Chair.

**OPTIONS****Option One**

That Council resolves to approve the recruitment of two independent external members of the Audit Committee, including an independent Chair.

**Option Two**

That Council resolves to note this report and requests additional information.

**OFFICER'S RECOMMENDATION**

**That Council resolves to approve the recruitment of two independent external members of the Audit Committee, including an independent Chair.**



## 13.4 STRATEGIC CONTRACTING PROCEDURES

### Objective Reference:

**Authorising Officer:** Andrew Ross, General Counsel

**Responsible Officer:** Andrew Ross, General Counsel

**Report Author:** Trish Thomson, Procurement Transform Manager

**Attachments:**

1. [LSV-001-P Corporate Procurement Policy](#) ↓
2. [Redland City Council Procurement and Contracting Manual](#) ↓
3. [Redland City Council Forward Contracting Plan 2020/2021 For Council Adoption](#) ↓

### PURPOSE

To adopt the attached Corporate Procurement Policy, Contract Manual and Contracting Plan 2020/21 based on the legislated 'Strategic Contracting Procedures' (SCP) to apply from 22 July 2020 to Council contracts, as per the requirements of Chapter 6, Part 2 of the *Local Government Regulation 2012 (LGR 2012)*.

### BACKGROUND

Council spends approximately \$140m through its procurement activity each year on goods, services and work usually by seeking quotes, tenders and market research processes and arrangements to obtain the best price and quality.

Over the past 6 months Council has transitioned this procurement activity in accordance with the legislated model to use the Strategic Contracting Procedures to be ready from 1 July 2020. The strategic model retains the most basic elements of the procurement activities, like quotes, tenders and market research but seeks to apply it across a broader category of similar goods and service contracts over multiple years to negotiate bulk buying rates and research into innovative and continuous improvement initiatives. The Strategic model using a multiyear category management approach provides greater visibility of spending activity across all service levels and increased ability to influence social quadruple bottom outcomes at a corporate and whole of Council level. This strategic model is particularly relevant as Council supports the broader community and economic response and recover from the Covid-19 Pandemic.

On 20 November 2019 Council resolved to publish a notice about adopting the 'Strategic Contracting Procedures' (SCP) under Chapter 6 Part 2 of the *LGR 2012*.

On 29 January 2020 Council resolved to apply the Strategic Contracting Procedures from 1 July 2020 to Council contracts, as per Chapter 6, Part 2 of the *LGR 2012*.

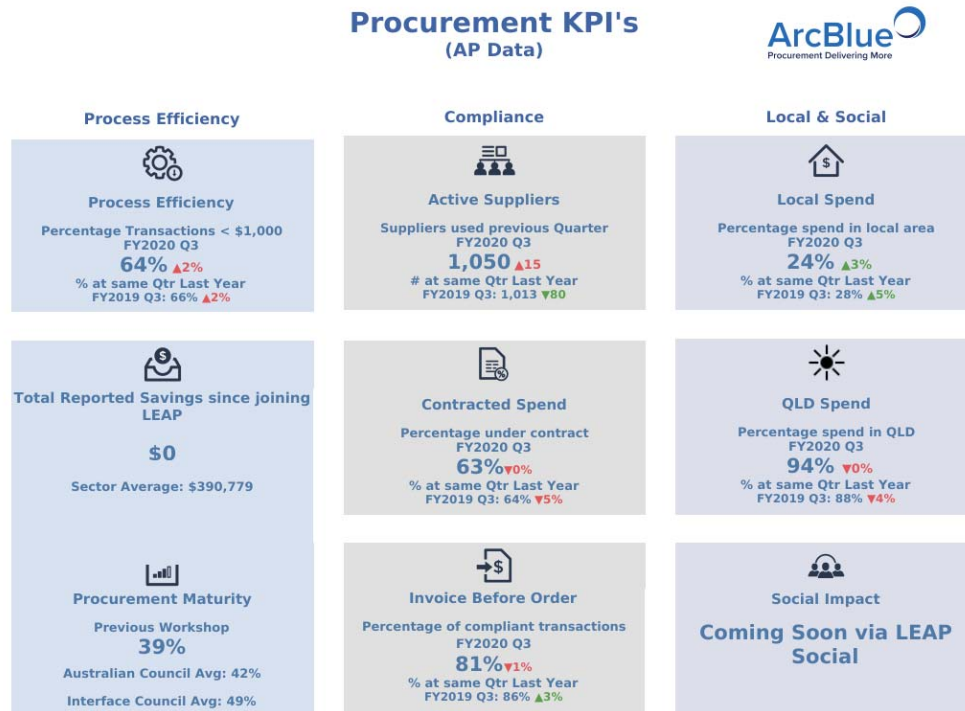
The proposed resolution formally adopts the new 'Corporate Procurement Policy' including the annual Contracting Plan for 2020/2021. The annual Contracting Plan details the goods, services and work and disposal of assets to be procured or disposed by Council consistent with its budget.

### ISSUES

The key elements of the Corporate Procurement Policy include the following elements:

**Procurement Strategic Measures & Procurement Key Performance Indicators:**

Procurement Key Performance Indicators (KPIs) can be developed to measure a number of initiatives along the quadruple bottom line outcomes. During 2020/2021 we will continue to measure 5 elements as they relate to internal process efficiencies, compliance related transactions and local and regional spend as they will establish future KPIs anticipated for 2021/2022 for social and sustainable measures. The list below is the current 2019/2020 Q3 KPIs measures which shows a Local spend increase between 3% to 5% from last quarter and last year and improved efficiencies over the last 12 months in managing suppliers and invoices before orders.



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**Procurement Delegation for Contracting Activity:**

The Corporate Procurement Policy includes a contracting delegation model where the majority of contracting activities is carried out at officer level consistent with the Corporate Procurement Policy, Contract Manual, Contracting Plan and related documents including the Corporate Plan, Budget and Asset Service Management plans. Council officers will continue to present report to authorise significant contracting activities with a total value over \$2m and quarterly status report of the contract activity as part of the operational plan.

**Procurement Evaluation Criteria (including Principles, Strategies and Objectives)**

All proposed contracts consider the sound the Sound Contracting Principles under s104 of the LGA 2009 aligned to quadruple bottom line measures and objectives.

Measure	Principle	Objectives
<b>Economic</b>	<ul style="list-style-type: none"> <li>- Value for money</li> <li>- Whole of life costs</li> <li>- Open and effective competition</li> </ul>	<ul style="list-style-type: none"> <li>- Consider the internal and external efficiencies in sourcing options</li> <li>- Challenge arrangements and service levels to strengthen social, sustainable, innovative and financial solutions.</li> <li>- Balance efficiencies with opportunities to obtain a quantifiable return on investment</li> </ul>
<b>Social &amp; Community</b>	<ul style="list-style-type: none"> <li>- Social procurement</li> <li>- Indigenous Procurement</li> <li>- Local business and industry</li> </ul>	<ul style="list-style-type: none"> <li>- Identify opportunities for specific social, indigenous and local procurements</li> <li>- Involve the community in the planning and evaluation of contracting activities</li> <li>- Support and develop local competitive businesses and industries with up to 15% weighted non-financial criteria adjustable to sustain and develop local industry.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>- Sustainable Procurement</li> <li>- Environmental Protection</li> <li>- Social Wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>- Review demand and consider behavioural change as part of sourcing</li> <li>- Target sustainable outcomes in the short, medium and long term</li> <li>- Reduce disposal products and supply chain to optimise reuse and recycling</li> </ul>
<b>Ethical &amp; Governance</b>	<ul style="list-style-type: none"> <li>- Inclusive and Ethical Behaviour</li> <li>- Openness and Transparency</li> <li>- Continuous Improvement</li> </ul>	<ul style="list-style-type: none"> <li>- Publish contracting and sourcing details</li> <li>- Manage contract performance</li> <li>- Audit and report contracting metrics</li> </ul>

#### Procurement Risk Assessment:

All proposed contracts consider the Queensland Government Value Risk Matrix (VRM) identified in the quadrant table below by the key features of the level of value and risk influenced by the level of demand, necessity, availability of suppliers and quality of resources and supply timeframes. The VRM is part of the annual contracting plan to carry out a market assessment of each type of contract to assess the relative cost and difficulty in securing supply under each type of contract as per the requirements of s220 of the LGR 2012. The VRM is part of State Government Procurement Resources at <https://www.forgov.qld.gov.au/use-valuerisk-matrix>.

Value Risk Matrix		
<b>High Value</b>	Leveraged: High Value & Low Risk	Strategic: High Value & High Risk
<b>Low Value</b>	Routine: Low Value & Low Risk	Focused: Low Value & High Risk
	<b>Low Risk</b>	<b>High Risk</b>

#### Legend: Value Risk Matrix

	Description
<b>Strategic</b>	These contracts are <b>high value</b> and <b>high risk</b> to the organisation, usually contracts over \$2m. These contracts require the most amount of rigour and attention to manage the contract and experienced contract managers.
<b>Focused</b>	These contracts are <b>higher risk</b> than routine contracts, but not high value usually <b>up to \$200,000</b> . The priority for managing these contracts will be to focus on contract management activities that help minimise risk (e.g. closely monitoring performance against KPIs, regular reporting and meetings with the supplier to proactively address any issues about performance).
<b>Leveraged</b>	These contracts are <b>high value</b> , over \$200,000 <b>but low risk</b> . The priority for

	Description
	managing these contracts will be on how to leverage the value as much as possible (e.g. monitoring spend, containing leakage, ensuring rebates & volume discounts are applied, maximising value added services that suppliers can offer).
<b>Routine</b>	These contracts are <b>low value</b> usually less than \$15,000 and <b>low risk</b> with multiple suppliers, usually transactional in nature. A 'light touch' approach is recommended (i.e. quite 'hands off' and doing the minimum) with standard reporting.

#### **Procurement Systems and Governance:**

The Procurement model operates under a centre-led governance framework consisting of a Procurement Policy, Contract Manual and Contracting Plan, for delegated officers to use centralised purchasing systems and forms to leverage better values, performance whilst managing risks and retaining auditable records.

#### **Procurement Reporting Dashboard:**

The Procurement Dashboard identifies Council spend reported quarterly from 1 July 2015 across 22 recognised procurement activities established by the National Procurement Network, that can be further broken down into multiple subcategories and supplier details to better identify overall costs and quadruple bottom outcomes. A sample of 6 key dashboards follows:

Dashboard #1: Overview: This dashboard is indicative of a 5 year spend and forecasted spend over the next 12 months, across financial quarters and major categories for roads, construction, waste management, parks and gardens and plant and vehicles.

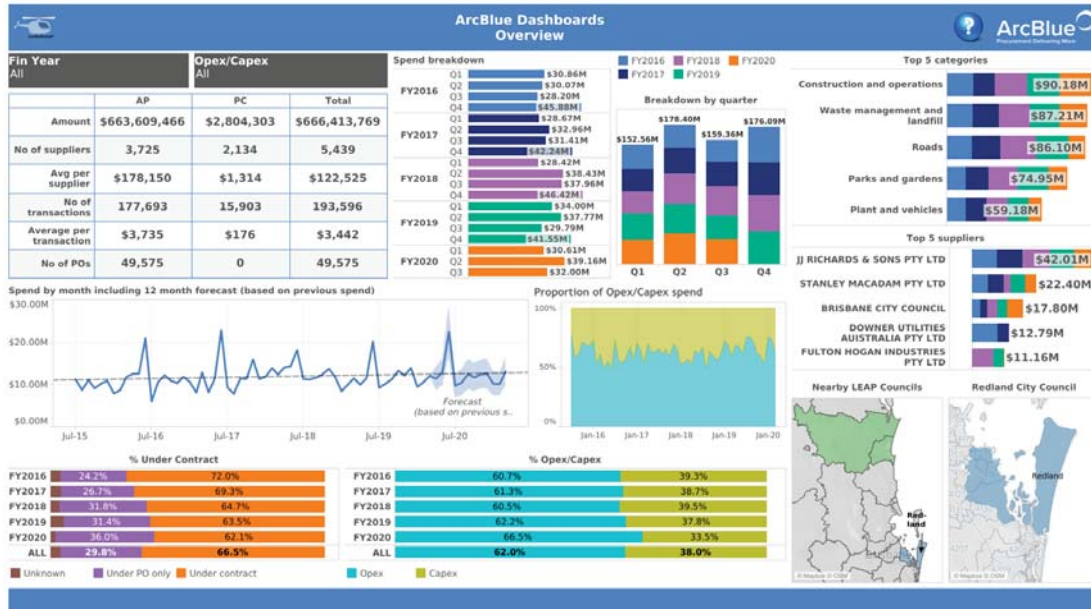
Dashboard #2: Local Geo-Spend: This dashboard is indicative of the local spend and location of suppliers contracted across all categories to supply goods, services and work.

Dashboard #3: Local Geo-spend Constructions and Operations: This dashboard is indicative of the local spend and location of suppliers contracted in the category of Constructions and Operations as a key industry sector in the Economic Development Framework 2014-2041 and the largest number (2,915/24.1%) of total registered local businesses indicated by Australian Bureau of Statistics (ABS) at <http://economy.id.com.au/redland/number-of-businesses-by-industry>.

Dashboard #4: Spend Trend Category Parks & Gardens: This dashboard is indicative of spend to maintain and upgrade the city's parks and reserves representing the second largest operational spend after waste management.

Dashboard #5: SGA Buyers Category of Energy and Utilities: This dashboard is indicative of spend on electricity and utilities across the three regional contract arrangements for large facilities like sewerage treatment plants and libraries, to street lights and small electricity park appliances.

Dashboard #1 Overview

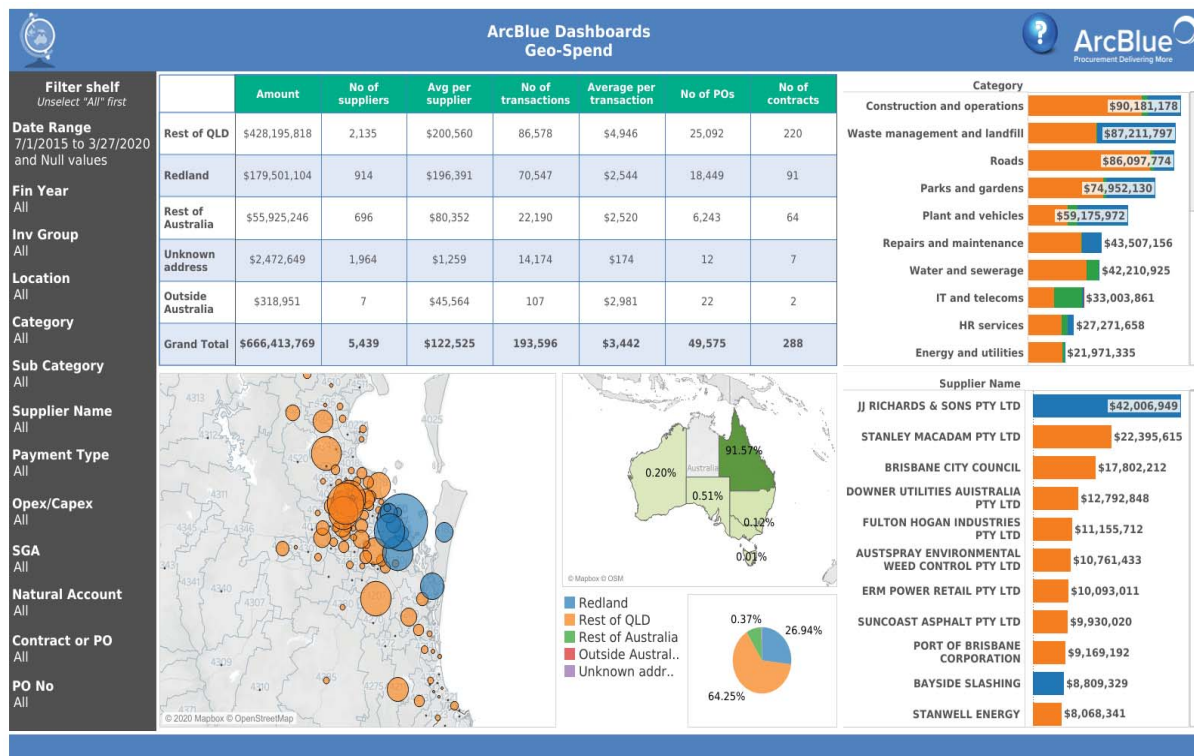


Note #1: Procurement Activity: 2016 = \$135m; 2017 = \$135m; 2018 = \$151m; 2019 = \$143m; 2020 Q1toQ3= \$101m

Note #2: Spend Breakdown across quarters slight increases in Q2 and Q4 becoming smoother with programming

Note #3: Indicative spend across top 5 categories and top 5 suppliers split approx. 60% / 40% for opex and capex

Dashboard #2: Local Geo-Spend:

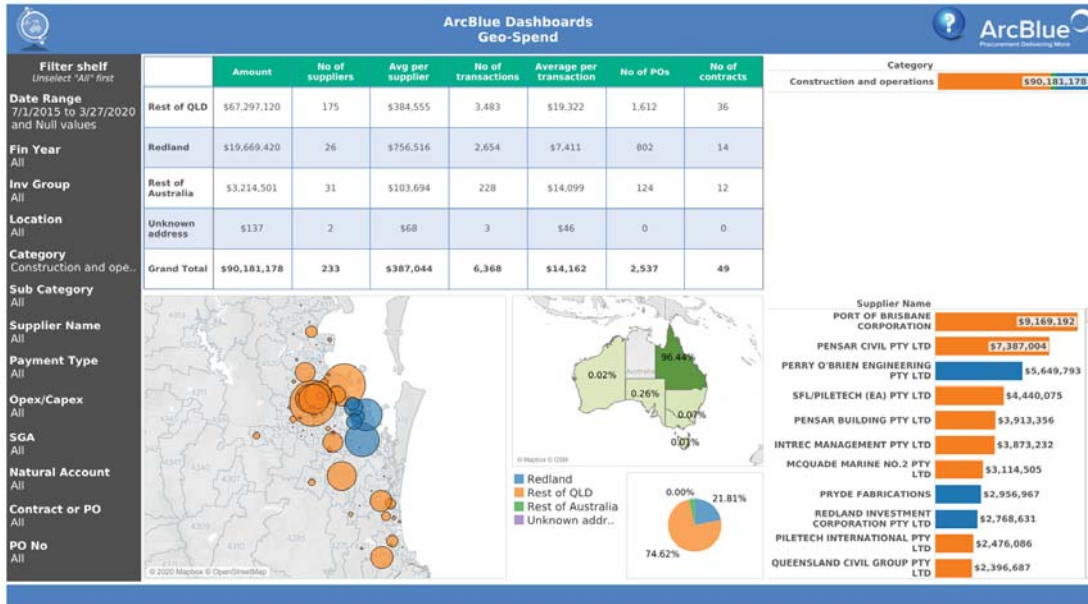


Note #1: The Local Spend is 26.94% increasing by almost 4% from the last quarter or spending over \$24m this year on approximately 424 local suppliers; mainly in the categories of waste, parks, vehicles, construction, repairs and roads

Note #2: The Qld Spend is 91% last quarter and this year averaging 94% increasing from this quarter last year at 88%.



Dashboard #3: Local Geo-spend Constructions and Operations



Note #1: This dashboard shows slightly lower 21% local spend in the construction and operations category with approximately \$19m in past 5 years across 26 identified local suppliers; noting the construction category is a diversified portfolio across major and minor civil works within the capital works program.

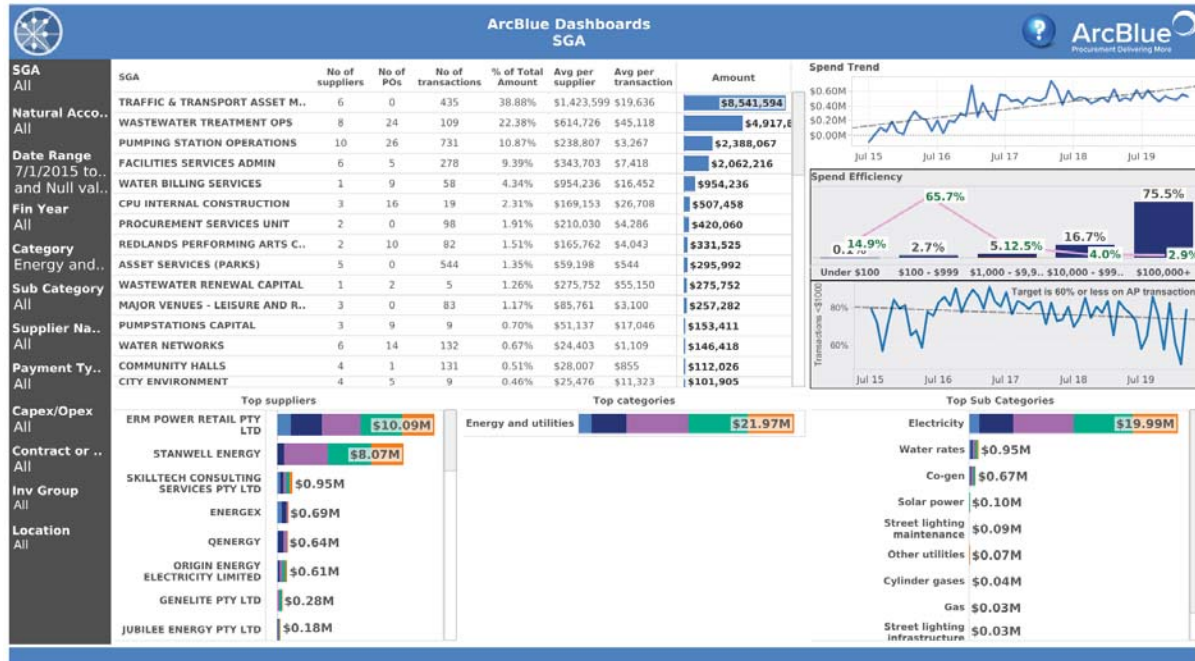
Dashboard #4: Spend Trend Category Parks & Gardens



Note #1: This dashboard in green shows the increasing costs with managing parks and gardens including biosecurity and fire management, relative to the whole of budget costs in red; whilst reducing internal administrative costs.



Dashboard #5: SGA Buyers Category of Energy and Utilities



Note #1: This dashboard shows the increasing costs of electricity over the 5 years which is stabilising by increasing the efficiencies of sourcing electricity through a regional LGAQ panel and centralising internal payment process.

**STRATEGIC IMPLICATIONS**

**Legislative Requirements**

The LGA 2009 and the LGR 2012 outline frameworks through which Councils may conduct procurement of goods and services, and disposal of noncurrent assets as per the current Default Contracting Procedures (DCP) and proposed Strategic Contracting Procedures (SCP). Council can choose to adopt the DCP or SCP in accordance with the legislative requirements.

**Risk Management**

The Strategic Contracting Procedures is an approach that identifies potential opportunities and public benefits while managing adverse risks as per section 217(2) of the LGR 2012. The VRM is part of the annual contracting plan to carry out a market assessment of each type of contract to assess the relative cost and difficulty in securing supply under each type of contract as per the requirements of s220 of the LGR 2012.

**Financial**

The delivery of the SCP is consistent with the existing budget. The costs and benefits of applying the Strategic Contracting Procedures was reported to Council on 20 November 2019. The strategic approach would cost no more, and likely less than the costs associated with maintaining the existing framework under the Default Contracting Procedures.

**People**

The internal resourcing of the SCP is part of the Procurement Transformation Program reported through Council’s Portfolio Management Office and related steering committee and part of the Operational Plan 2019/2020 and 2020/2021 quarterly reports.

## Environmental

The SCP aims to align to the Healthy Natural Environment outcomes of the Corporate Plan 2018-2023, including the commercial business unit measures of Redwaste and Redland Water.

## Social

The SCP aims to align to:

- the outcomes from the Community Satisfaction Surveys noting the last Survey of March 2019 indicated relatively positive results where only 8.8% of respondents identified that Council could do better in spending money wisely.
- the objectives of the Economic Development Framework 2014 to 2041 to enable local business growth and employment generation including 8 key industry sectors for tourism, construction, education, professional value add services, health care and social assistance, manufacturing, retail and rural enterprises.

## Human Rights

There are no human right implications from this report but to aim to enable human rights align to social, indigenous, sustainable and financial beneficial outcomes.

## Alignment with Council's Policy and Plans

*Local Government Act 2009*

*Local Government Regulation 2012*

Corporate Plan 2018/23 and Operational Plan 2019/2020 (#8 Inclusive & Ethical Governance)

Integrated Planning Framework 2018

LSV-001-P Corporate Procurement Policy

GOV-005-P Delegation of Powers and Appointment of Authorised Persons Policy

GOV-005-001-G Delegation of Powers and Appointment of Authorised Persons

## CONSULTATION

Consulted	Consultation Date	Comments/Actions
Procurement Transformation Steering Committee	May 2020	The Committee consists of key internal stakeholders and subject matter experts to assist the implementation of the Procurement Transformation Project initiatives

**OPTIONS****Option One**

That Council resolves to adopt the Corporate Procurement Policy, Contract Manual and Strategic Contracting Plan and Procedures to apply from 22 July 2020 as per the requirements of Chapter 6, Part 2 of the *Local Government Regulation 2012*.

**Option Two**

That Council resolves to not apply the Corporate Procurement Policy, Contract Manual and Strategic Contracting Plan and Procedures to apply from 22 July 2020 as per the requirements of Chapter 6, Part 2 of the *Local Government Regulation 2012*.

**OFFICER'S RECOMMENDATION**

**That Council resolves to adopt the Corporate Procurement Policy, Contract Manual and Strategic Contracting Plan and Procedures to apply from 22 July 2020 as per the requirements of Chapter 6, Part 2 of the *Local Government Regulation 2012*.**



# Corporate Procurement Policy

Policy Identifier: LSV-001-P  
 Approved by: General Meeting  
 Date of Approval:  
 Effective Date:  
 Review Date:  
 Version: 11

## Head of Power

*Local Government Regulation 2012 (Qld)* Section 198 requires Council to prepare and adopt a procurement Policy and review the Policy annually.

The Policy sets out Council's framework for its procurement and contracting activities in a manner that complies with applicable laws, including s.104 of the *Local Government Act 2009 (Qld)* and the *Local Government Regulation 2012 (Qld)*.

*Corporate Plan 2018-2023 –Outcomes 6 Supportive and vibrant economy and 8 Inclusive and ethical governance*

## Policy Objective

To set out Council's framework for its procurement and contracting activities in a manner that complies with applicable laws.

Council has adopted the Strategic Contracting Procedures under Part 2 of Chapter 6 of the *Local Government Regulation 2012* for its contracting arrangements and disposal of valuable non-current assets, excluding land.

This Policy has been established to be consistent with legislation which applies to Procurement. Relevant legislation will prevail to the extent of any inconsistency between this Policy and legislation. Council's goal to reduce red tape and save public funds will also be a consideration in Council's annual review of this Policy and its procurement practices.

## Policy Statement

Redland City Council, through its Corporate Plan, is committed to enriching community lifestyles and making a positive difference in our customers' lives through the services we provide. We are forward thinking, engaged and strive to maintain the highest standards of service to ensure we are delivering real value.

Council is committed to:

- Developing systems that allow Council to carry out Procurement in a manner that is consistent with the Sound Contracting Principles outlined in detail in the Procurement Manual which are:
  - i. *Value for money; and*
  - ii. *Open and effective competition; and*
  - iii. *The development of competitive local business and industry; and*
  - iv. *Environmental protection; and*
  - v. *Ethical behaviour and fair dealing.*



## Corporate Procurement Policy

- Ensuring integrity, accountability and transparency in the way in which Redland City Council undertakes procurement.
- Ensuring all procurement processes are conducted in accordance with the requirements of this Policy and any associated policies, manuals, guidelines, procedures and standards.
- Ensuring compliance with *Local Government Regulation 2012* Strategic Contracting Procedures (Chapter 6, Part 2, ss. 217-222) and apply a principles based approach to all procurement activities founded on Sound Contracting Principles of s104 of the *Local Government Act 2009* to its Procurement.
- Conduct procurement and contracting activities within a sound governance and probity environment consistent with the Delegation of Powers and Appointment of Authorised Persons Policy.
- Encourage sustainable and innovative procurement practices.
- The efficient and timely delivery of Council's capital works, operational and service delivery programs.
- Achieving value for money for Council.
- Promoting an open, efficient and competitive market place for suppliers, including the ability for market led proposals.
- Implementing procurement processes that are ethical and fair.
- Developing local and indigenous business and industry.
- Promoting, developing and utilising the services of social enterprises.

### Definitions

Term	Definition
Procurement	The acquisition through purchase or lease of real property, goods or other products (including intellectual property), works or services.
Corporate Plan	See Section 104 (5) of the <i>Local Government Act 2009</i> (Qld).
Governance	The framework of rules, relationships, systems and processes by which the Council is directed
Probity	Evidence of ethical behaviour, and can be defined as complete and confirmed integrity, uprightness and honesty in procurement activity.
Sustainable Procurement	The meeting of business needs for materials, goods, utilities and services in an environmentally-friendly, responsible and ethical way.
Contract	A contract (including purchase orders and purchase card transactions) for: (d) the supply of goods or services; or (e) the carrying out of work; or (f) the disposal of non-current assets. In this instance, the term does not include a contract of employment between Council and a Local Government Employee (as defined in the LGA 2009)
Social Procurement	A strategic approach to meeting social objectives through procurement and in particular providing employment opportunities via procurement to disadvantaged communities.

### Associated Documents

Governance Policy ([A196640](#))  
 Employee Code of Conduct ([A196608](#))  
 Delegation of Powers and Appointment of Authorised Persons Policy ([A3154860](#))  
 Fraud and Corruption Prevention ([A3155236](#))  
 Information Privacy ([A176868](#))

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Group: General Counsel

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# Corporate Procurement Policy

Procurement and Contract Manual ([A214677](#))

Council's current Operational Plan ([A3913090](#))

*Local Government Act 2009* (Qld)

*Local Government Regulation 2012* (Qld)

## Document Control

Only Council can approve amendments to this document by resolution of a General Meeting, with the exception of administrative amendments which can be approved by the relevant ELT member. Refer to *Policy Instrument Development Manual* for an explanation on administrative amendments ([A4063988](#)).

Any requests to change the content of this document must be forwarded to relevant Service Manager(s).

Approved documents must be submitted to the Corporate Meetings and Registers Team for registration.

## Version Information

Version number	Date	Key Changes
4	December 2012	<ul style="list-style-type: none"> <li>Change to incorporate local Preference Policy</li> </ul>
5	June 2013	<ul style="list-style-type: none"> <li>Change in line with the Local Government Regulations 2012 (Qld).</li> </ul>
6	May 2014	<ul style="list-style-type: none"> <li>Annual Review incorporating more detail and legislative requirements</li> </ul>
7	November 2015	<ul style="list-style-type: none"> <li>Annual Review – No change</li> </ul>
8	November 2016	<ul style="list-style-type: none"> <li>Annual Review – No change</li> </ul>
9	November 2017	<ul style="list-style-type: none"> <li>Annual Review - Updated 'Head of Power' include Council Corporate Plan 2018-2023.</li> <li>Updated Council Corporate Plan 2018-2023 Section with reference to Policy alignment to the corporate plan under legislative requirements specific reference to the integration of council's strategic priorities.</li> <li>Updated definitions</li> <li>Updated document control as per POL-001 Policy Guidelines and Procedure Development Manual</li> <li>Updated associated documents</li> </ul>
10	November 2019	<ul style="list-style-type: none"> <li>Administrative changes in line with Policy framework review</li> </ul>
11	July 2020	<ul style="list-style-type: none"> <li>Added information to objective around strategic contracting procedures</li> <li>Updated referenced Section number under LGR2012 strategic contracting procedures under Policy statement</li> <li>Updated dot points 6, 9 and 11 under Policy statement</li> <li>Deleted default contracting procedure from definitions table</li> </ul>





# Redland City Council Procurement & Contract Manual

**Document Identifier:** LSV-001-SD  
**Approved by:** General Meeting  
**Date of Approval:** \*\* July 2020  
**Effective Date:** \*\* July 2020  
**Review Date:** \*\* July 2023  
**Version:** 4

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## 1. Authorisation & Introduction

This Procurement and Contract Manual ('Manual') is authorised by s222 of the *Local Government Regulation 2012* (LGR) to guide Council staff on all procurement and contract management activities in accordance with *Local Government Act 2009* (LGA) and related procedures.

### 1.1. Scope & Purpose

This manual is administered by the General Counsel group and applies to all contracts, and the purchase of all goods, services and works, and the disposal of Council assets. Its objective is to:

- a) Apply the strategic contracting procedures and sound contracting principles.
- b) Achieve the strategic direction stated in the 5-year corporate plan.
- c) Be consistent with applicable forward contracting plans and annual sourcing plans.
- d) Deal with any non-current assets, excluding disposing interests in land.
- e) Set procedures for carrying out all contracts, including revenue generating contracts, grants, subsidies, and licensing arrangements.

### 1.2. Actions & Responsibilities

- a) The General Counsel group is accountable and responsible for maintaining the Manual and associated advice, documents, systems and training to support procurement and contract management activities across Council.
- b) The Operational Leadership group is accountable and responsible for planning, managing and undertaking their procurement and contract obligations and requirements relevant to their work area as part of the budget and financial reporting controls.
- c) All staff exercising contractual delegations are accountable and responsible for ensuring their decisions are consistent with this manual and the sound contracting principles, in particular informing senior line managers of potential conflicts of interests.
- d) A decentralised and collaborative approach is provided by key working groups including:
  - i. Portfolio Management Office (PMO): Portfolio Management Office (PMO): to engage relevant areas to ensure project/program justifications are aligned with financial plans, strategic plans and asset management plans; and that they are planned and delivered in accordance with the program/project management framework.
  - ii. Project Delivery Group (PDG): to deliver and act as contract managers for key operational and capital work projects on a day to day basis.
  - iii. Procurement and Contract Team (PCT): to support and administer whole of Council procurement activities and related compliance auditing and reporting.
- e) Council may establish from time to time a Purchasing and Contract Board to oversee and develop specialist procurement category committees and tender selection panels.

### 1.3. Strategic Procurement, Improvement & Innovation

- a) Procurement is the purchase of goods, services and works to deliver government functions and services through operational and capital work programs. It is fundamentally a process driven by an annual budget and operational and capital work programs.

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- b) Procurement process efficiencies are achieved by standardising documents, centralising managerial responsibility and automating and streamlining procurement systems and processes to reduce timeframes and duplicity; and increase predictability, probity and confidence. Efficiency is maintained by integrated planning cycles.
- c) Council is committed to strengthening a Strategic Procurement model that builds on procurement efficiencies to align to and deliver longer term goals established by the 5 year Corporate Plan and 10 year capital work programs and asset management plans.
- d) Council is committed to strengthening innovation by reducing overly prescriptive tender or development standards and seeking alternative outcome based solutions, whilst allocating contractual risk fairly rather than transferring it to parties less able to manage it.
- e) Council acknowledges that public procurement and social procurement practices are collaborative processes where innovative strategies and solutions can be used to improve the engagement of suppliers, develop markets and deliver community outcomes.

## 1.4. Quick Purchasing Tips – 8 Stages: Procurement on a Page

- a) Purchasing goods, services or work is easy if officers follow these quick guiding stages:
  - i. **Stage 1: Specification & Deliverables:** Identify the specific goods, services or work that is required to be delivered and when and to what standard, frequency and duration, including any continuing maintenance, warranty, service or training requirements and opportunities (or risks) for integrating with other projects, program or systems.
  - ii. **Stage 2: Delegation & Budget:** Identify the relevant budget (capex / opex) and the officer who has the financial delegation to approve the purchase or disposal and has the ongoing responsibility to manage the contract and its performance.
  - iii. **Stage 3: Preparation:** Prepare your purchase as early as possible usually 12 months prior to any existing contract expiring or as part of a future years budget so that you know the availability of potential suppliers, market trends and options, resources and technology so that key dates and contract milestones can be established and met.
  - iv. **Stage 4: Procurement Process:** The quickest and most efficient process is to buy from suppliers registered on pre-approved government panels (Local, State, Federal) or contract arrangements generally referred to as, 'whole of government arrangements' or 'standing offer arrangements' eg: Local Buy Pty Ltd and Q-Tender.
  - v. **Stage 5: Principles, Quotes & Tenders:** All purchases must have regard to the sound contracting principles to deliver value for money. If there is no 'panel' arrangement or exception then purchases over \$15,000 must first invite 3 written quotes and purchases over \$200,000 must first invite expressions of interests or public tenders unless the sourcing plan is otherwise approved in the adopted Contracting Plan.
  - vi. **Stage 6: Negotiation & Performance:** Every purchase involves multiple opportunities to negotiate costs when evaluating offers, selecting suppliers, reviewing standards and renewing or re-quoting the contract by relying on performance records and measures like Quality, Delivery, Service and Cost or bundling the purchase with other contract proposals or unbundling to identify cost saving measures. Remember to ask the supplier/s what options are available to deliver the outcome at a reduced cost.
  - vii. **Stage 7: Documents & Standards:** Council has established standard processes and documents for purchasing, contracting, paying and reviewing the performance of suppliers as currently identified in this manual and available from the PCT intranet site.

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viii. Stage 8: Public Records and Contract Systems: Complete records of purchases must be recorded in the relevant records and contract systems (eg Objective, Finance 1 Contracts Module), to identify the relevant procurement and contract information.

## 2. Sound Contracting Principles & Rules

- a) Regard must be had to the sound contracting 'principles' when entering into any contract (of any value) for the supply of goods or services, the carrying out of work, and the disposal of assets. The sound contracting principles identified in s104 of the LGA 2009 are:
  - i. value for money;
  - ii. open and effective competition;
  - iii. the development of competitive local business and industry;
  - iv. environmental protection;
  - v. ethical behaviour and fair dealing.
- b) The law does not require equal consideration to each sound contracting 'principle' however they must be applied to every purchase, irrespective of the value and complexity. In addition to these five principles Council has identifies five rules underpinning the principles:
  - i. Rule 1: Separation of Duties:  
Council prohibits officers from raising and approving their own requisitions and requires an independent officer to review and release requisitions.
  - ii. Rule 2: Conflicts of Interests:  
Council requires the mere perception of a conflict between officer's public duties and their private interests (including interests of family members, friendships, work colleagues) to be identified and referred to the relevant senior manager (at any stage of the procurement or contract).
  - iii. Rule 3: Order Splitting:  
Council prohibits officers from splitting purchase orders to avoid financial procurement thresholds of quotes at \$15,000 and tenders at \$200,000, or in any way attempting to split the full purchasing cost across different or multiple requisitions or budget items.
  - iv. Rule 4: Record Management:  
Council requires officers to complete full and accurate records (work diaries, emails, standard forms) of all procurement and contract activities (quotes, evaluations, site inspections) to ensure an open, independent and merits based decision process is used and recorded in the records and contract management system.
  - v. Rule 5: Honesty and Probity:  
Council requires all officers to act honestly in the public interests when conducting procurement and contracting activities in accordance with the Employee Code of Conduct and the Fraud and Corruption Policy and relevant procedures.

### 2.1 Value for money

Obtaining value for money does not mean that Council is obliged to accept the lowest price. The concept of value for money involves taking into account both costs and non-cost factors including:

- i. advancing Council's priorities;
- ii. fitness for purpose;
- iii. quality;

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- iv. service and support;
- v. whole-of-life costs and transaction costs associated with acquiring, using, and holding, maintaining and disposing of goods, services, works or assets.

## 2.2 Open and effective competition

- a) All prospective suppliers/vendors must be treated (and be seen to be treated) fairly in an open and transparent manner with the same access to information about the procurement to enable them to submit prices/quotations/tenders on the same basis.
- b) Council must adequately test the market in a consistent manner without any bias, or perception of bias, so that potential suppliers have an equal opportunity to make submissions so that they and the public have confidence in the outcome.

## 2.3 The Development of competitive local business and industry

- a) Council encourages the development of competitive local business, and endeavours to promote and support competitive local industry in its procurement and contracting activities. When conducting procurement and contracting activities, Council may consider:
  - i. The creation of local employment opportunities, in particular indigenous.
  - ii. Economic growth within the local area.
  - iii. Readily available servicing support.
  - iv. The benefit to Council of contracting with local suppliers and the associated local commercial transactions that flow from that contracting.
- b) Council can directly and indirectly benefit local business by procuring from a local, Queensland or interstate supplier by using whole-of-government arrangements to access local and other domestic suppliers of works, goods or services. This strategy will encourage local business to compete within a wider market through whole-of-government contracts.
- c) Council promotes a competitive local industry in its procurement activities by providing weighted selection criteria of up to 15% in evaluations to suppliers that can demonstrate their location in the Redlands are and use of local employees, contractors and products.
- d) Council's support of the local Indigenous community in business initiatives in accordance with the sound contracting principles. In particular Council supports working with the Quandamooka People and the Quandamooka Yoolooburrabee Aboriginal Corporation's aspiration to grow their business capacity, employment opportunity and skill sets.
- e) Where price, performance, quality, suitability and other evaluation criteria are equal, purchasing officers are to also consider the following factors in the context of any bid or quote provided by the Quandamooka People:
  - i. The opportunity to create local Indigenous employment opportunities.
  - ii. The convenience of the established formal and informal communications between Council and the Quandamooka People.
  - iii. The benefits of supporting economic growth within the local area.
  - iv. The benefit to Council of being associated with local Quandamooka commercial transactions.

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## 2.4 Environmental protection

Council may take into account the following environmental factors:

- a) The environmental benefits and impacts for the whole life cycle of products and services including manufacture, supply, use, maintenance and disposal.
- b) The procurement of environmentally responsible goods, services, works and assets that satisfy whole-of-life value for money criteria.
- c) Products that use fewer resources and have reduced environmental impacts throughout their life cycle, such as lower toxicity, less packaging, less waste to landfill, energy efficient and reduce carbon pollution, water efficient and reduce water use.
- d) Use of products made from recycled materials, recycled green organics and/or recycled materials.
- e) Providing an example to business, industry and the community in promoting the use of environmentally responsible goods, services, works and assets.

## 2.5 Ethical behaviour and fair dealing

Council's procurement and contract practices must be fair, impartial and merit based. Ensuring the proper conduct of procurement serves to:

- a) Facilitate the achievement of value for money.
- b) Reduce the risk of Council being exposed to legal and/or financial loss.
- c) Provide potential contractors with confidence about fair treatment, with consequential improvements in competition and performance.
- d) Guard against collusion and fraud.

## 2.6 Conflicts of Interest

Council seeks to avoid, where possible, any conflict of interest in dealing with a supplier or service provider. Any existing, emerging or potential conflict of interest must be disclosed immediately. Talk to your Manager and the Procurement Transformation Manager to agree next steps.

- a) A conflict of interest is a situation where the impartiality of an officer in discharging their duties could be called into question because of the potential, perceived or actual conflict between official duties and obligations and private interests.
- b) The perception of a conflict of interest can be as damaging as the reality if not immediately corrected. Officers must not only behave ethically, but they must also be seen to behave ethically.
- c) If it is likely that the individual with the interest could be influenced by that interest, or that a reasonable individual would believe that he or she could be so influenced, a conflict of interest could arise. To ensure the procurement process is not prejudiced, conflicts of interest must be identified early and dealt with effectively.

Where a member of the evaluation panel has declared a conflict of interest, refer to the Redland City Council [Employee Code of Conduct Policy](#), Section 3.1.3. Managing Conflict between Public Duty and Private Interest.

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## 3. Purchasing Procedures

### 3.1 Delegations

- a) Council has delegated procurement and contracting powers to the CEO who has sub- delegated these powers to appropriately qualified Council employees (s257/s259 LGA).
- b) The delegations must be recorded in a register of delegations that the public may inspect and are also available on the intranet corporate directory (listed under each employee).
- c) Only delegated officers can exercise statutory powers for procurement and to make contracts up to the amount of their financial delegation generally as follows:
  - i. Chief Executive Officer: May approve contracts up to \$2,000,000
  - ii. General Managers: May approve contracts up to \$500,000
  - iii. Group Managers: May approve contracts up to \$100,000
  - iv. Service Managers: May approve contracts up to \$20,000
- d) Council maintains internal controls over procurement processes. This includes:

CONTROL	REQUIREMENT
Segregation of duties in key risk areas	It is inappropriate for officers to raise and approve their own requisitions. All requisitions must be approved by an officer in a higher position and with the appropriate delegation than the initial creator of the requisition.
A clearly documented audit trail for procurement activities promoting transparency of process	Council requires officers to complete full and accurate records of all procurement and contract activities to ensure an open, independent and merit based decision process is followed and recorded in Council's agreed records and contract management system.
Identification, management and/or elimination of conflicts of interest	Actual or perceived conflicts between an officer's public duties and their private interests (including interests of family members, friendships, work colleagues) should be either avoided or declared, identified and referred to the relevant senior manager (at any stage of the procurement or contract) to determine appropriate next steps.
No order splitting and appropriate authorisations obtained	It is inappropriate for officers to split purchase orders to avoid financial procurement thresholds and higher approval delegations or in any way attempting to split the full purchasing cost across different or multiple requisitions or budget items.

This is supported by regular exception reporting and periodic internal audit of the procurement function across council.

### 3.2 Aggregation of contractual arrangements in a financial year

In relation to the below thresholds, the expected value of a contractual relationship with a supplier for a financial year, or over the proposed term (including options) of the contractual arrangement, is the total expected value of all of Council's contracts with the supplier for goods and services of a similar type under the arrangement.

Example: A contract for the supply of a service over a 5 year period that is expected to be worth, \$80,000 each year has a total expected value of \$400,000 [see s224 LGR].

### 3.3 Financial Thresholds

Section 224 LGR identifies three contract value thresholds that will determine the procurement

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procedure that must be adopted. Those thresholds are:

- a) Less than \$15,000 (Principles): A low-sized *contractual arrangement* - is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, less than \$15,000 in a financial year, or over the proposed term of the contractual arrangement;
  - i. Procedure: Must follow and document the sound contracting 'principles' to select a preferred supplier. It is recommended to request written quotes, rates and cost estimates. Note: It may be a breach of this manual and involve disciplinary action if an officer splits contract orders (into multiple orders) from a single supplier of similar goods, services or work, to avoid a financial threshold limit.
  
- b) Between \$15,000 and \$200,000 (Quotes): A medium-sized *contractual arrangement* - is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$15,000 or more but less than \$200,000 in a financial year, or over the proposed term of the contractual arrangement;
  - i. Procedure: Must follow and document the sound contracting principles PLUS request a quote from at least three suppliers qualified to perform the work. Note: It is not mandatory for Council to receive at least three quotations; only that Council invite at least three qualified suppliers to provide quotations, which is then recorded in the contract management and records systems.
  
- c) Over \$200,000 (Tenders): A large-sized *contractual arrangement* - is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year, or over the proposed term of the contractual arrangement.
  - i. Procedure: Must invite Expression of Interest (EOI based on Council resolution) or Tender published electronically or advertised in a newspaper that circulates generally in the local government area for at least 21 days after the advertisement is published. Advertising Tenders is not mandatory under Strategic Contracting Procedures and at can be done so at discretion in consultation with the Procurement Transformation Manager.

### Requirement for Quotations and Associated Information

Contract Threshold	Procurement Routes
<b>\$5,000,000 (excl. GST) and greater OR High Risk/Complex Contracts</b>	<ul style="list-style-type: none"> <li>A Significant Contracting Plan is required for any Contract that is:                             <ul style="list-style-type: none"> <li>expected to reach the Contract Threshold; or</li> <li>of a high risk; or</li> <li>of a complex nature.</li> </ul> </li> <li>A Significant Contracting Plan must be made before the Contract starts</li> <li>Each Significant Contracting Plan will identify the chosen procurement strategy</li> <li>All Significant Contracting Plans must be adopted by Council and may only be modified by resolution of Council.</li> </ul>

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\$200,000 up to \$5,000,000 (excl. GST)	<ul style="list-style-type: none"> <li>• Expression of Interest (EOI) if applicable</li> <li>• Invite Tenders</li> <li>• Request for Quote issued to at least five (5) suitably capable suppliers</li> <li>• Available Exception</li> </ul>
\$15,000 up to \$199,999 (excl. GST)	<ul style="list-style-type: none"> <li>• Expression of Interest (EOI) if applicable</li> <li>• Request for Quote issued to at least three (3) suitably capable suppliers</li> <li>• Available Exception</li> </ul>
\$5,000 up to \$14,999 (excl. GST)	<ul style="list-style-type: none"> <li>• Request for Quote issued to at least one (1) suitably capable supplier</li> </ul>

Note: If Council invites an EOI as a first stage to scope out particular work then it can thereafter prepare a short list of select suppliers to then tender for the work. Council may decide not to accept any EOI or tenders it receives, but when accepting tenders or EOIs it must have regard to the sound contracting principles.

- d) Corporate Credit Card Purchases: For low value purchases for usual standard low risk transactions in accordance with procedures generally based on the following thresholds:

Asset Category	Spend Threshold
Office Equipment	\$200
Office Furniture	\$500
Fixtures and Fittings	\$500
Plant and Equipment	\$500
Computer Hardware	\$1,000
Computer Software	\$1,000

- e) If you would like more information on obtaining and using a corporate purchasing card, please refer to policy document PR-3043-001-034 referenced in Appendix 1.

### 3.4 Quoting, Sourcing, Tendering Platform

All quoting, sourcing, tendering and contracting activity should be conducted through the Vendor Panel Platform. This is a very user-friendly tool to connect buyers with suppliers and is a great way to record the process followed and the resultant decision.

A purchase order still needs to be entered in Council's Finance System to allow for Vendor payment. Please contact Procurement and Contract Services if you have any questions or training requirements in relation to Vendor Panel or the Finance System.

Suppliers are invited to self-register to [Vendor Panel Marketplace](#) via the Redland City Council website. Under 'Doing Business with Council' resources pages on the council website, suppliers can review existing 'Tenders' and 'Contractor Information' for information.

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## 3.5 Exceptions from Quotes or Tenders

The LGR 2012 provides exceptions from obtaining quotations or tenders for medium-sized and large-sized contractual arrangements provided the sound contracting principles are followed. The main exceptions are purchasing from pre-approved supplier arrangements established as 'whole of government arrangement', 'standing offer arrangement', 'panel arrangements' and can be accessed generally from the following websites:

- i. Redland City Council: Contract Register
- ii. Local Buy Pty Ltd: Contract Register
- iii. Qld. State Government Contract Directory.

Council's PCU team can assist with enquiries to source or buy from suitable suppliers.

[SCHEDULE A](#) lists exceptions from the general tender, proposal, quote and expression of interest requirements. Use of any exception must be recorded, must state how value for money is demonstrated and is subject to Internal Audit. Consultation with the Procurement Transformation Manager is required before exercising an exception.

## 4. Evaluation Committee – Quotes or Tenders

- a) The majority of procurement activities will be conducted by a single purchasing officer (delegate) buying from pre-approved panels, in consultation with their line managers and end service or product users.
- b) For contracts above \$15,000 (excl.GST) or that involve complex or sensitive information or proposals may involve an evaluation committee of at least two people, consisting of a senior manager familiar with the subject matter of the proposal and a procurement officer.
- c) The evaluation committee should be established during the formulation of the specification, and prior to quotations or tenders being called. This allows members of the evaluation committee to have input into the specification, evaluating method, criteria and weightings.
- d) The evaluation committee is normally chaired by the person managing the procurement process. Other members of the committee or support officers will depend on the nature of the purchase.

### 4.1 Responsibilities of the evaluation committee

The evaluation committee is responsible for:

- a) Maintaining and promoting probity in the procurement process.
- b) Evaluating the offers in accordance with the agreed conditions for participation.
- c) Criteria and methodology (generally set out in the evaluation plan).
- d) Documenting the evaluation process.
- e) Preparing an evaluation report.
- f) Seeking approval to proceed with a contract with the preferred supplier.
- g) Debriefing unsuccessful supplier(s).

### 4.2 Role of the Chairperson

The Chairperson of the evaluation committee is responsible for managing the evaluation and decision-making process and:

- a) Ensures that committee members are aware of their responsibilities.
- b) Ensures the document control, confidentiality and conflicts of interest checks.
- c) Ensures timely decision making.
- d) Manages communications between committee members and interested parties.

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- e) Provides the evaluation committee members with the relevant documentation.
- f) Assesses the tender responses (eg the initial request documents, scoresheets, etc).
- g) Ensures appropriate approval by delegate and transfer to contract manager.

## 5. Specification & Scope of Work

A specification is the basis of all offers and the foundation of every contract as it specifies the essential requirements for goods, services or works and typically identifies why and what is required to be delivered and when and to what standard, frequency and duration.

### 5.1 The specification should:

- a) Support standardisation and rationalisation of the end product, service or work, so as to integrate with existing or future Council works, services, systems and processes.
- b) Not restrict competition or act as a barrier to the introduction of alternative products or new technology, so as to increase market choice and competitive pricing.
- c) Encourage suppliers to offer innovative options or solutions to produce financial and non- financial savings so as to deliver contracts in a more cost-effective manner.

### 5.2 A good specification is:

- a) Clear and easy to understand.
- b) Specific. It is detailed and describes precisely what is required so there can be no confusion. If it includes too much information and are too demanding, it may become too difficult to get what we need. If the specifications do not carry enough information, and are not specific enough, then it becomes too easy to get something that we do not want.
- c) Accurate. A specification must specify exactly the requirements. Specifications should be written in terms of what the goods, service, work is meant to achieve (the outputs or functions to be fulfilled) rather than listing specific technical requirements.
- d) Complete. All aspects are fully covered. This saves time as it reduces the number of questions and phone calls from bidders later on.
- e) Essential requirements: It includes those things that are essential to what is required, and critical to the performance. When evaluating the bids, bidders should NOT be considered if they have failed to meet a requirement identified in the specification as essential.
- f) Desirable requirements: It includes those things that are desirable; the things we would like, but which are NOT critical or essential to performance.
- g) Includes evaluation criteria. These evaluations provide a score, indicating how important each of the items is to us. A higher score is given to items that are essential. A lower score is given to items that are desirable, but not essential.
- h) Function. The specifications should emphasise what the product is meant to do rather than emphasis the technical requirements. This maintains the focus on purchasing a product to meet our needs and purpose
- i) Consistency. Specifications for similar requirements should be much the same e.g. computer specs should be similar unless we want to use them for different functions.
- j) For complex procurement a staged approach to developing and refining the specification should be considered. This may involve an Expression of Interest (EOI), specifying general requirements.

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As the process moves toward the shortlisting and selective tendering phase, the specification must become more detailed and specific to the point of contract formation.

## 6. Evaluation Method & Assessment Model - Quote / Tender

The evaluation committee may select the appropriate evaluation method to assess the quote or tender including any of the below methodologies:

### 6.1 Qualitative Narrative Assessment

This methodology is a written assessment, which discusses the relative merits of tenderers to assist in making a judgement about the best value for money using a qualitative comparison. This process is more subjective and generally not considered appropriate for complex evaluation and other situations where this will not distinguish between the values offered by the tenders.

### 6.2 Comparative Assessment & Ranking Method

- a) Comparative assessment involves ranking the tenders in relative order of merit against the requirements of the Request for Tender (RFT) documents, evaluating each criterion and the overall merit of each tender against all requirements.
- b) The Tender Evaluation Plan (TEP) must define the ranking method to be used during the evaluation to assist in comparing tenders. In particular, specific guidance should be provided on the scoring or other system to apply in the ranking of tenders and on any other matters to be considered in the determination of relative value for money.
- c) The TEP should identify the required justification for all ranking judgements. For example, Tender X provides a higher quality of (brief details) and level of (% for X and % for Y) and provides better value for money than tender Y, and is therefore preferred on this criterion. Any qualitative arguments would be supported by quantitative analysis.

### 6.3 Least Cost Method

The Least Cost or 'first past the post' involves selection of the lowest reasonable priced tender or cost item that meets all mandatory requirements and is otherwise acceptable. If an item or tender does not meet all mandatory criteria it is passed over and no longer considered.

### 6.4 Matrix Selection Method (most often used by Council)

- a) This method is used where it is necessary to evaluate using a number of variables or criteria. The method combines a numerical scoring system and criteria weighting to identify the level of importance of each of the evaluation criteria. The score is a measure of the level of compliance or merit whilst the weighting identifies the relative level of importance of each evaluation criteria.
- b) The first step is to identify and assign a weighting to each of the measured evaluation criteria. As the desirability of the criteria increases the weighting of the criteria increases. The weighting could be determined by considering the relative importance of each criterion using a paired comparison matrix.
- c) The individual weightings should be decided prior to the release of any RFT documents and the percentage weighting for the price component and the percentage weighting for the non-price component included in the RFT documents. The breakdown of the weighting for each non-price criterion would not normally be provided in the RFT documents. Mandatory "pass or fail" criteria such as financial capacity would not be weighted or scored against.
- d) There should be a balance between more and less desirable evaluation criteria and their

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weightings so that innovations such as new product types, alternatives and other innovative offers, are given due consideration. Note that too many mandatory evaluation criteria might exclude reasonable potential tenderers from responding.

- e) The comparison of tenders is achieved by using a scoring or merit scale to rate each tenderer's level of compliance and relative value (as with the numerical scoring methods described below). These scores are then multiplied by the weighting of each criterion to provide a weighted score. For example a 0-5 scoring scale is used below. All tenders are assumed to have met any mandatory (pass or fail) criteria in this example.

## 7. Approaching the market

### 7.1 Contracting Plan

Based on the category plans, Procurement and Contract Services develops a contracting plan in conjunction with stakeholders to manage its sourcing activity for the financial year.

Key sourcing activities for the financial year are included in the Contracting Plan and Disposal Schedule. With access to an enterprise view of expenditure, Procurement and Contract Services will engage with stakeholders to facilitate cross functional working groups to deliver better outcomes where it makes good business sense.

The Contracting Plan must include in compliance with s220 of the *LGR 2012 (QLD)*:

- the types of contracts that Council proposes to make for the financial year (estimated value, duration, proposed sourcing strategy and time to market)
- the principles and strategies for performing the contracts
- a market assessment of each type of contract based on an assessment of relative cost and difficulty of securing supply
- the contracts Council considers significant having regard to the market assessment

Council, by resolution, may amend the Contracting Plan at any time before the end of the financial year to which the plan relates.

Council officers will, subject to the exceptions for valuable non-current assets or unless an alternative disposal approach is approved in the Annual Sourcing Plan, dispose of non-current assets through the invitation to tender or sale by public auction above the following values.

- Plant or equipment - worth \$5,000 (excluding GST).
- Any other non-current asset - worth \$10,000 or more (excluding GST).

Items of lesser value may be disposed of by other means provided probity is maintained and value for money is achieved.

### 7.2 Integrated Planning Cycle

Annual Procurement Planning forms part of Council's Integrated Planning Cycle including Annual Business Planning and Budget Development Process.

Council is committed to establishing key arrangements needed for us to conduct the regular business of Council. Our focus is on providing the necessary services to our community in the most efficient and effective way possible. These arrangements and the forward contracting plan are informed by the collaborative process of forecasting requirements, and agreeing the annual budget including

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operational and capital works programs.

While our budgets are agreed on an annual basis, we know that a large proportion of our requirements are recurring or similar in nature. It is possible to deliver better outcomes through negotiating longer term arrangements with suppliers, as this allows our suppliers to plan better. Council permits and encourages the entering into of longer term contracts beyond a one year horizon subject to appropriate governance.

In some circumstances, we understand that the ability to plan is not possible e.g. a genuine emergency. In these circumstances, when making procurement decisions it is still important to:

- give due consideration to value and risk
- choose the most appropriate method to contain our costs, and deliver the best value for money outcome
- maintain transparency

### 7.3 Purchasing Plan (Procurement Plan)

Before approaching the market; the purchasing officer should consider the PMO Framework and related business case and create a purchasing plan taking into account the following (essentially answering the questions of what, when and why):

- a) What is needed from the purchase and why (focus on specific outcome not process).
- b) What are the key deliverables, standards, specifications (mandatory or discretionary).
- c) When is the purchase required to start, finish and other key timeframes.
- d) The expertise or resources required to identify or evaluate the purchasing outcomes.
- e) The budget for the purchase (opex / capex).
- f) The budget spend over the past 3 to 5 years to identify any variance in the spend, the reason for the variance (up or down eg cost drivers) and opportunities to reduce costs.
- g) The delegated officer to conduct the purchase and manage the contract.
- h) The potential suppliers (there may be multiple suppliers in complex cases).
- i) The purchasing options and the pros and cons of each including related resources, time and cost (eg internal operations, pre-approved panels, quotes, EOI, tenders).
- j) The risks and control measures in the planning, procuring and delivery process according to a 'Value Risk Matrix Assessment' to assist with contract management, guide decision-making throughout the sourcing process, including sourcing strategy, contract development, contract management approach, resource allocation and approval processes.
- k) A Cost Enhancement strategy, considering whole of life costs, levels of service and standards, innovation and options to provide continuous improvement and value for money.

The standard purchasing plan for procurement activities over \$200,000 with medium complexity should take approximately 16 weeks including analysis of Council spend, partnering with stakeholders to understand requirements, conducting market research, developing a strategy and engaging the market through a structured method, which is designed to enhance value for money outcomes.

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- A simple procurement activity will take up to 8 weeks
- A complex procurement activity will take longer than 16 weeks – approximately 24 weeks or more



In all scenarios, timeframes should be agreed up front with stakeholders and their commitment levels agreed.

## 7.4 Governance arrangements for procurement

Procurement and Contract Services administers a number of advisory groups which play a key role in Council’s governance arrangements for procurement.

These are attended by appropriately qualified officers to ensure that sourcing processes and decisions are robust, meet probity requirements, deliver on intended objectives, and trade-offs are discussed and agreed. Advisory Groups, which may be internal or external, are also to ensure the council is accountable, effective, efficient and sustainable in their performance.

The purpose of these governance bodies is to review submissions which are proceeding to higher delegates or Council and to provide advice to delegates on the exercising of delegations. They provide a forum for delegates to consider and approve the strategy for a contracting activity (pre-market approval) and also approve entering into contracts for a procurement or disposal (post-market approval). Value and risk play an important part in determining which governance body will provide the appropriate oversight

The process for gaining approval for the following strategic artefacts is a collaborative iterative process led by the **Procurement Transformation Manager** (with key stakeholders) to ensure that direction is received prior to approval.

STRATEGIC		
Artefact	Endorsement	Approval
Policy Forward Contracting Plan	Procurement Advisory Panel	Council
Significant Contracting Plans	Procurement Advisory Panel	Council
Category Plans	Procurement Transformation Manager	Procurement Advisory Panel

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If activities are not included in Category Plans or Forward Contracting Plans FULL governance according to value and risk is required as set out below. The aim of this, apart from achieving Value for Money outcomes, is to drive better forward planning:

OPERATIONAL		
Value	Endorsement	Approval
Up to \$14,999	Group Unit	In accordance with schedule of delegations
\$15K to \$199K	Group Unit	In accordance with schedule of delegations
\$200K to \$5M or above	Procurement and Contract Unit	In accordance with schedule of delegations

## 7.5 Quote / Tender evaluation plan and probity plan

The evaluation committee must agree on the substance of the Quote and tender request documentation and if applicable the Tender evaluation and probity plan. Council's template Tender evaluation and probity plan sets out the matters which must be considered.

## 8. Request for tender, expression of interest and select tender

- a) An expression of interest (EOI) is often the first step in a two-stage tender process and is usually followed by a prequalified tender. Prequalified tenders are approaches to the market to a select group of suppliers who have been shortlisted from an EOI or are suppliers in a multi-use list.
- b) A request for tender (RFT) or EOI is used for an open approach to the market and must be published electronically or advertised in a newspaper that circulates generally in the local government area.
- c) Council has generated Template documents for drafting of RFTs and EOIs which may be used in conjunction with this manual. Those template documents are in Appendix 2.

### 8.1 Minimum form and content requirements

Proposals that do not meet minimum form and content requirements may be eliminated from further consideration. Accordingly, potential suppliers must be advised of these requirements and that their proposal may be excluded from further consideration if the requirements are not met. Examples of minimum form requirements could include that all tenders be presented in English refer to Australian units of measurement.

### 8.2 Conditions for participation

- a) Conditions for participation are mandatory requirements, usually requiring a "yes" or "no" response or are measured by the content of the response in terms of pass or fail or compliant or non-compliant. A supplier that does not comply with a condition for participation is generally deemed non-compliant and must be excluded.
- b) However, if Council wishes to contemplate the possibility of awarding a contract to a non-conforming tender then the tender documentation must make provision for non-conforming tenders to be received and considered.
- c) Conditions for participation describe minimum standards or essential characteristics that suppliers must meet to be considered. Mandatory requirements generally cover:
  - i. confirmation of insurance policies and level of cover held

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- ii. compliance with work health and safety standards
- iii. provision of financial information
- d) They may also cover:
  - i. quality assurance: systems/accreditation to deliver quality
  - ii. management systems to deliver the contract
  - iii. environmental sustainability: the impact of the proposed contract on the environment and/or in relation to the tenderer's environmental management practices.

For example, if a requirement is for services in which the industry has certification standards such as accounting services which require the personnel to have a Certified Practising Accountant (CPA) qualification, you may require the suppliers to state if they have this qualification in the form of a "yes" or "no" answer. You might also ask suppliers to provide evidence of the CPA qualification as part of the minimum form and content requirements.

### 8.3 Contact officer

You must nominate a contact officer for all EOI's and RFT's and contact information.

### 8.4 Lodgement details

The address and process for lodgement of responses must be stated in the RFT/EOI. If responses are required to be lodged in hard copy, this must be stated, as well as the location, date and time for lodgement. If responses are required to be lodged through the LG Tender Box, or other e-lodgement system, or in hard copy and electronically, this must be stated, together with the date and time for lodgement. Tenders must be kept secure and not opened until after the closing date.

### 8.5 Tender opening

- a) The tender opening process will vary depending on whether an electronic lodgement system as well as a physical tender box will operate. The process adopted must be specified within the request and evaluation documentation.
- b) The opening and recording of tenders, including downloading electronic tenders, should be conducted by staff that have no actual or perceived conflict of interest.
- c) An electronic tendering system will automatically record the time and date of the lodgement of each tender. The following steps are important to the audit and the probity process:
  - i. Physical tenders must be received into a locked tender box.
  - ii. The tender box must be closed or removed at closing time.
  - iii. All tenders should be opened at the one time.
  - iv. Receiving officers names should be identified on the tender register.
  - v. Receiving officer should register each tender with the tenderer's details, time received, number of packages, and date stamp each tender.
  - vi. Any late tenders must be identified.
  - vii. Tenders, together with a copy of the tender register, are to be delivered to the Evaluation Committee Chair.
  - viii. Template documents in Appendix 2 may be used for keeping a register of tenders.

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## 8.6 Late tenders

- a) Council should be cautious before accepting late tenders as the integrity of the process may be compromised if one or more tenderers are provided with extra time to submit tenders thus providing an advantage in comparison to compliant tenders.
- b) The condition that late tenders will or will not be accepted must be included in the request for tender. Once tenders have closed late tenders should be kept unopened in a secure location and returned to the tenderer unopened with appropriate accompanying advice.
- c) Late tenders should be returned within seven days of tender. This ensures that the documents are not accidentally opened and demonstrates the fairness and impartiality of the process.

## 8.7 Opening and registering tenders

Tenders must not be opened until the Tender evaluation and probity plan (if applicable) has been finalised. All tenders and tender documents should be kept confidential and not removed from Council without a senior manager approval. Template document 10 in Appendix 2 may be used for keeping a record of the number of compliant and non-compliant tenders received.

## 8.8 Conducting industry briefings or site visits

- a) It is not mandatory to conduct industry briefings or site visits as part of the procurement process. However, if you are considering conducting such an event, you must ensure that all potential tenderers have equal opportunity to attend and equal access to information about the tender. You must also consult the probity adviser (if engaged) who will attend and observe the briefing or site visit.
- b) Industry briefings are usually only conducted if the procurement is complex. The briefing is used to explain the procurement and may be useful to explain certain aspects of the RFT to avoid uncertainty clarify PCT and project team capabilities, and to provide a forum to promote mutual understanding.
- c) Site visits are usually conducted where suppliers are not able to accurately respond to the EO/RFT unless they have visited the site.

## 8.9 Industry briefing and site visit documentation

Where attendance is a mandatory condition for participation, all tenderers that do not attend the briefing or site visit must be eliminated from further consideration. In all instances, relevant details of industry briefings or site visits, including venue, date and time, must be specified in the EO/RFT and, if using LG Tender Box or other e-lodgement system, brought to the attention of suppliers.

## 8.10 Probity when conducting industry briefing or site visit

- a) When conducting an industry briefing or site visit:
  - i. require attendees to register by providing their details (i.e. company name, name, position, contact details)
  - ii. if appropriate consider limiting the number of people attending on behalf of each tenderer
  - iii. explain the procurement and evaluation process
  - iv. reiterate the published tender documentation including scope of work, desired outcomes and timing
  - v. record all material questions and the answers, if provided at the briefing, and for later distribution in writing to all respondents (de-identified)

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- vi. explain that if there is a discrepancy between answers provided at the briefing and the released addendum, the addendum takes precedence
- vii. following the briefing, respond to questions in writing by issuing a published addenda
- viii. maintain an audit trail of the briefing on the tender file

## 8.11 Evaluation criteria (Weighted)

- a) Council's tendering processes aim to ensure that the most suitable contractor is selected, to aid in this all evaluation criteria and they must be clear, measureable and transparent.
- b) Evaluation criteria are the core of the evaluation process and are used to establish the capability and capacity of suppliers to meet Council's requirements. They also inform suppliers of what Council is looking for in a supplier.
- c) The weighted criteria method of tender evaluation requires that selection criteria in addition to price are included in tender documents and form part of the tender assessment process. A system of weighting the selection criteria is used to compare tenders and identify the tenderer with the best performance record in terms of time, cost and value for money. There are also other evaluation methods that may be used.

## 8.12 Principles

- a) The weighted criteria tender assessment process is based on the following principles:
  - i. selection criteria that reflect the critical elements of the project
  - ii. selection criteria that can be assigned a weighting
  - iii. weightings that reflect the relative importance of selection criteria
  - iv. scores that are based on information submitted with the tender bid
  - v. normalising the non-price criteria and the tender price before applying the weightings to allow for the true effect and advantage of the weighting system
- b) The system recognises contractors who have better performance records in terms of quality, time and cost.
- c) Weighting on the tender price normally exceeds 60%. A lower weighting on tender price would represent special circumstances. Evaluation Committees adopting a weighting of less than 60% will be required to justify their decision to their Senior Line Manager.

## 8.13 Selection criteria

- a) The tender evaluation process generally applies weighting for skills, quality, experience and previous performance in a manner to ensure value for money. Note that different evaluation methods may be used.
- b) To assess tenders, a system of criteria intended to encapsulate the competence of the tendering organisation to undertake a particular project is used to rate the tenderers' bids.
- c) All relevant information requested in the tender documents and provided with the tender is used in the tender evaluation.
- d) Care must be taken to ensure that information requested from tenderers can be used in the evaluation. For example, requesting tenderers to complete tender schedules, or to provide a document such as a Quality Management Plan or Certification, that do not relate to the evaluation

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criteria cannot be evaluated or weighted in the evaluation process.

- e) Alternatively, the provision of a document, such as a certified Quality Management System, or the requirement to be certified, may be a condition for participation. In that way, if the document is not provided, or the supplier is not certified, they will be excluded.
- f) Selection criteria are intended to assess the competence of the tendering organisations to achieve the required project outcome and are used to rate each of the tenders. Generally no more than five criteria should be used.
- g) The selection criteria should reflect the critical elements of the project and align with the statement of requirements, however they are usually selected from the following:
  - i. relevant experience
  - ii. appreciation of the task
  - iii. past performance
  - iv. management and technical skills
  - v. resources
  - vi. management systems
  - vii. methodology
  - viii. price
- h) When weighting non-price evaluation criteria, Council must ensure that any difference in score between a good submission and a satisfactory submission does not overshadow a substantial price difference. When assessing submissions with a substantial price difference, Council must justify their selection in terms of value for money if the higher priced tender submission gets the higher score.

## 8.14 Relevant experience

Previous experience of the tenderer needs to be assessed in relation to the fields of expertise required to achieve the intended outcomes of the project. Recent experience is more valuable than historic experience. The company's previous experience in technical areas comparable to the tendered project, the scale of past projects and the role undertaken within those projects should be considered.

## 8.15 Past performance

- a) The tendering organisation's performance in completing past projects to the quality standards required, time performance, within budget, claims history, project management, and product value need to be assessed.
- b) Extension to the contract completion date and claims for variations also give an indication of performance capability. Similarly, the satisfaction of previous clients regarding the management of the project and outcome provide useful information on performance.
- c) The information required should include the following information on each project:
  - i. project name
  - ii. client's project manager (name, phone number and email)
  - iii. quality standards, target performance levels
  - iv. tender price, variations and final cost
  - v. completion date and extensions of time granted
  - vi. details of work health and safety records

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## 8.16 Technical skills

The competence of key management, professional and technical personnel that the tenderer proposes to employ on the project needs to be assessed, with particular emphasis on the skills and experience in technical areas comparable to the project. Comprehensive details of the proposed project team should be submitted. Such detail may include relevant persons' names, functions, and any technical expertise.

## 8.17 Management skills and systems

- a) The availability within the tenderer's organisation of personnel with appropriate management skills together with effective management systems and methods appropriate to the successful management of the project needs to be assessed.
- b) The information required should include the following:
  - i. quality system
  - ii. project management tools
  - iii. program software
  - iv. environmental management system
  - v. work health and safety management system

## 8.18 Resources and Methodology

- a) The equipment, including facilities and intellectual property, which the tenderer proposes to use on the project needs to be assessed. Where applicable, tenderers should be required to provide details of relevant specialist equipment, skilled labour and facilities.
- b) The tenderer should be able to demonstrate its capability to bring the contract to a satisfactory conclusion by describing the methodology of approach to accomplish the project's required outcomes. The information required shall include the following:
  - i. program of works
  - ii. key performance indicators
  - iii. division of works into subcontracts
  - iv. innovative procedures to be used
  - v. recording and reporting systems
  - vi. Quality Plan.

## 8.19 Price

The price is the sum that Council would be required to pay to the tenderer for the work or service provided. This must include all costs over the duration of the contract.

## 8.20 Local business and industry

- a) In accordance with Council's policy on local business and industry, Council encourages the development of competitive local business (in particular aboriginal initiatives), and will endeavour to promote and support competitive local industry in its procurement and contracting activities.
- b) Subject to Council's policy on local business and industry, or in consultation with the Procurement Transformation Officer, procurements will include a system of weighted criteria that encapsulates local supplier content, and a weight of 15% will be attributed to the local supplier content criterion. Local supplier content will be given a point score from 0 to 10 in increments of 1 as follows:

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0	Respondent located internationally and providing services from an international location.
1.5	Respondent located internationally but will be using Australian staff and suppliers.
3	Respondent located internationally but will be using Redlands staff and suppliers.
4.5	Respondent located interstate and providing services from an interstate location.
6	Respondent located interstate but will be using Australian staff and suppliers.
7.5	Respondent located interstate but will be using Redlands staff and suppliers. This may include the use of local accommodation, car hire business, fuel services and food locations.
9	Respondent located within Queensland and providing goods, services or works from outside Redlands Region.
10.5	Respondent located within Queensland, but will be using some Redlands staff and suppliers. This may include using some (less than 50%) local Redlands staff, suppliers and subcontractors.
12	Respondent located within neighbouring Councils of Logan, Brisbane and Gold Coast City Council areas using some (less than 50%) local Redlands staff, suppliers and subcontractors.
13.5	Respondent located in Redlands or developing a local office of facility, using mostly (more than 50%) local Redlands staff, suppliers and subcontractors.
15	Respondent located in Redlands using only (100%) local staff, suppliers and subcontractors.

### 8.21 Selection criteria and weighting

- a) The criteria and weightings (if applicable) to be used must be selected so that the most appropriate criteria are used to review the tenders. The best value for money outcome is the one that reflects the requirements of the particular project.

If the project is highly technical or difficult, emphasis should be placed on the weightings of the total of the non-price criteria and the sub-attributes of technical skills and methodology. Additionally, if the project is made up of multiple separable parts and requires a number of trade skills as subcontracts, then a higher weighting should be given to management skills.

- b) Selection criteria must be comprehensive and cover all the information required to allow the tender evaluation to take place. Only information provided by the tenderer in response to the selection criteria, and other information requested in the tender documents, is permitted to be used in the tender evaluation.

### 8.22 Quality certification and plans

- a) The level of risk, and therefore the contract quality management requirements for suppliers, will vary depending on the value and type of work being procured.

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- b) Council officers will assess the likelihood of nonconforming work arising, the extent of the associated adverse impacts, and thus the level of risk, for each contract. The outcome of this risk assessment and the value and type of contract involved will help (with any other specific criteria) Council determine the contract quality management requirement for a Quality Management System, and/or a Quality Management Plan (including any design plan) and Inspection and Test Plans.
- c) The contract quality management requirements for suppliers may be determined using the following guide or comparable guide developed from time to time.

		Type of Work and Risk under the Contract		
			COMPLEX, with a definite possibility of nonconformity with the specification and significant impacts	SIMPLE, or simple and repetitive with some or little possibility of nonconformity with the specification
VALUE AND TYPE OF CONTRACT	Construction Contracts	Valued at \$1m or more	HIGH – Service provider must have a certified Quality Management System, and implement a Quality Management Plan and Inspection and Test Plans	MEDIUM - Service provider must implement a Quality Management Plan and Inspection and Test Plans
		Valued at under \$1m	MEDIUM – Service provider must implement a Quality Management Plan and Inspection and Test Plans	LOW - Service provider must have and implement Inspection and Test Plans
	Consultancies or Service Provision	Valued at \$100,000 or more	HIGH – Service provider must have a certified Quality Management System and implement a Quality Management Plan	MEDIUM - Service provider must implement a Quality Management Plan and certify service conformity
		Valued at under \$100,000	MEDIUM – Service provider must implement a Quality Management Plan and certify service conformity	LOW - Service provider must implement a basic Quality Management Plan and certify service conformity
	Product Supply	Valued at \$50,000 or more	HIGH – Product supplier must have a certified Quality Management System and provide test certificates and product certification of product conformity with requirements	LOW - Council will rely on delivery inspections and/or the provision of certification of product conformity with requirements
		Valued under \$50,000	MEDIUM – Product supplier must provide test certificates and certification of product conformity with requirements	LOW - Council will rely on delivery inspections and/or the provision of certification of product conformity with requirements

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## 8.23 Criteria notification

Selection criteria, which will be used in the tender evaluation process, must be included in the request for tender document, together with the weighting to be assigned to the criteria. The tender documents may also require that additional information is to be provided for use in the tender evaluation.

## 8.24 Weighting

- a) As noted above, the *Tender evaluation and probity plan* should be settled before inviting tenders to ensure the assignment of weighting to selection criteria occurs prior to the issue of the tender. This is an important probity issue and avoids the possibility of weightings being adjusted (consciously or unconsciously) to favour any tenderer after tenders close.
- b) When assigning weights (if used), the Evaluation Committee chairperson must ensure that:
  - i. all selection criteria to be used are assigned a weight;
  - ii. criteria weightings are to be within the range outlined below; and
  - iii. the sum of all weights total 100.

The weighting range for Selection Criteria may be within the following:

Required (Mandatory):

Range	Criteria	Minimum/Maximum
Non-Price	Local Business	0 -15%
Price	Whole of Life Costs	0 – 25%

Suggested (to total score up to 100%):

Range (Suggested)	Criteria (Suggested )	Minimum/Maximum (Suggested)
Non-Price	Innovation & Value Adds	0 – 5%
	General Operational Capability and Experience	0 – 10%
	Ability to meet Specification	0 – 45%
Other Non-Price	Technical Skills	10 – 60%
	Resources	10 – 60%
	Management Skills	10 – 60%
	Methodology	10 – 60%
	Social Value	10 – 60%
	Indigenous Business	10 – 60%
	Sustainability / Environment	10 – 60%

An example of an Evaluation Criteria and Weightings table for a works project  
 Template No. 06 Invitation to Tender:

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TENDER EVALUATION CRITERIA		
Mandatory Criteria	Reference to Tender Deliverable Attachments	Weighting %
• Form of Tender	Tender Deliverable Attachment - A.	-
• Statement of Non Compliance	Tender Deliverable Attachment - B.	-
• Nominated Trades & Locations	Tender Deliverable Attachment - C	-
• Insurance Details	Tender Deliverable Attachment - E	-
• Conflict of Interest Declaration and Declaration of Previous Employment	Tender Deliverable Attachment - F	-
• BNG Contractor Accreditation	Tender Deliverable Attachment - G	-
• Licensing Details	Tender Deliverable Attachment - H	-
• Environmental Management Plan	Tender Deliverable Attachment - I	-
• Workplace Health and Safety System	Tender Deliverable Attachment - K	-
• Traffic Management Plan and Traffic Guidance Scheme	Tender Deliverable Attachment - L	-
Other Criteria	Reference to Tender Deliverable Attachments	Weighting %
• Tendered Rates	Tender Deliverable Attachment - D.	30%
• General Operational Capability and Experience	Tender Deliverable Attachment - J	55%
• Local Business and Industry	Tender Deliverable Attachment - L	15%
• Domestic Family Violence	Tender Deliverable Attachment – M	-
• Fire Ant Management	Tender Deliverable Attachment – N	-

Template documents in Appendix 2 include evaluation matrices to be used by the tender evaluation committee for evaluation of tenders in accordance with the above criteria.

### 8.25 Scoring

The following is an example 10 point evaluation scoring guide:

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Rating	Characteristics	Score
Exceptional	<ul style="list-style-type: none"> <li>Exceeds requirements in all areas and offers value-added services.</li> <li>All claims are fully substantiated.</li> <li>No identifiable weaknesses or deficiencies.</li> <li>The solution offered represents nil or negligible risk to Council.</li> <li>Where referee comments have been sought, they are entirely positive.</li> <li>Exceptional probability of success.</li> </ul>	10
Outstanding	<ul style="list-style-type: none"> <li>Exceeds requirements in some areas, and meets all other requirements to a very high standard.</li> <li>All claims are fully substantiated.</li> <li>No identifiable weaknesses or deficiencies.</li> <li>The solution offered represents negligible risk to Council.</li> <li>Where referee comments have been sought, they are entirely positive.</li> <li>Outstanding probability of success.</li> </ul>	9
Very Good	<ul style="list-style-type: none"> <li>Meets all requirements to a very good standard.</li> <li>Most claims are fully substantiated.</li> <li>Any deficiencies are minor, and do not affect essential aspects of service delivery.</li> <li>The solution offered is sound and represents a very low, manageable risk to Council.</li> <li>Where referee comments have been sought, they generally provide strong support for the tenderer.</li> <li>Very good probability of success.</li> </ul>	8
Good	<ul style="list-style-type: none"> <li>Meets all requirements to a good standard.</li> <li>Most claims are substantiated.</li> <li>Some minor weaknesses, but the solution is sound in all key areas and represents a low, but manageable risk to Council.</li> <li>Where referee comments have been sought, they provide support for the tenderer with few reservations.</li> <li>Good probability of success.</li> </ul>	7
Fair	<ul style="list-style-type: none"> <li>Generally meets requirements, but some requirements are not addressed in sufficient detail, or suggest that the tenderer has not put sufficient thought into the solution offered.</li> <li>Some claims are not substantiated.</li> <li>Some weaknesses which could indicate a low or moderate risk to Council in the tenderer meeting contract requirements in all areas.</li> <li>Where referee comments have been sought, they provide some support for the tenderer but with some reservations.</li> <li>Fair probability of success.</li> </ul>	6

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Rating	Characteristics	Score
Acceptable	<ul style="list-style-type: none"> <li>Meets minimum requirements but generally to a low standard. Requirements are not addressed in sufficient detail, or suggest that the tenderer has not put sufficient thought into the solution offered.</li> <li>Only some claims are substantiated.</li> <li>The solution is workable, but has weaknesses in some significant areas, resulting in a moderate risk to Council.</li> <li>Where referee comments have been sought, they are mixed, or provide only limited support for the tenderer.</li> <li>Acceptable probability of success.</li> </ul>	5
Marginal	<ul style="list-style-type: none"> <li>Meets minimum requirements to a low standard.</li> <li>Claims are generally not substantiated.</li> <li>The solution offered is generally unworkable, with weaknesses in key areas, or is unable to be properly understood.</li> <li>The solution represents a moderate to high risk to Council.</li> <li>Where referee comments have been sought, they provide only limited support for the tenderer and note some reservations about the tenderer's performance or abilities.</li> <li>Marginal probability of success.</li> </ul>	4
Poor	<ul style="list-style-type: none"> <li>Requirements are marginally addressed, or in some areas not addressed at all.</li> <li>Claims are largely unsubstantiated.</li> <li>The solution offered is unworkable, with major deficiencies in key areas, resulting in a high risk to Council.</li> <li>Where referee comments have been sought, they provide only limited support for the tenderer and note some reservations about the tenderer's performance or abilities.</li> <li>Low probability of success.</li> </ul>	3

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Rating	Characteristics	Score
Very Poor	<ul style="list-style-type: none"> <li>Requirements are poorly addressed, and in some areas not addressed at all.</li> <li>Claims are unsubstantiated.</li> <li>The information provided is insufficient to allow any proper judgment of the tenderer's proposed solution, or the solution shows a very poor understanding of Council requirements.</li> <li>The solution represents a very high risk to Council.</li> <li>Where referee comments have been sought, they disclose significant reservations about the tenderer's performance or abilities.</li> <li>Very low probability of success.</li> </ul>	2
Unacceptable	<ul style="list-style-type: none"> <li>Requirements are very poorly addressed, and in some areas not addressed at all.</li> <li>Claims are almost totally unsubstantiated and the proposed represents an extreme risk to Council.</li> <li>Little or no information has been supplied in relation to the proposed solution, or the proposed solution fundamentally misunderstands Council requirements.</li> <li>Where referee comments have been sought, they disclose significant shortcomings.</li> <li>No probability of success.</li> </ul>	1
Non-Compliant	<ul style="list-style-type: none"> <li>The tenderer has completely failed or refused to provide a response, or the response is entirely non-compliant with the requirements.</li> </ul>	

## 8.26 Tender evaluation procedure

The tender evaluation committee should communicate as soon as possible after tenders close (with the probity adviser, if engaged) and the chairperson should:

- a) Provide a brief introduction and outline of the evaluation process that the committee will follow in accordance with the Tender evaluation and probity plan (if applicable).
- b) Provide a probity briefing (provided by probity adviser, if engaged).
- c) Advise members of the names of the respondents to the tender.
- d) Ask members to advise if there are any issues or circumstances to disclose that related to the probity of the process or which could be perceived as a conflict of interest.
- e) Ask each member to complete and sign a Conflict of interest declaration (if applicable).
- f) Ask each member that is not an employee of Council to complete and sign a Confidentiality Deed (if applicable).
- g) Advise the committee of the result of the conformance check and the names of any tenderers that failed to meet the min requirements and seek committee's agreement to exclude any non-compliant tenders from further consideration.

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- h) Distribute the tenders to the committee members to complete their individual evaluations of the tenders and record their individual comments and scores.
- i) Agree on a time for the committee to communicate again, after they have had sufficient time to complete their individual evaluation.

## 8.27 Individual assessments of the tenders

The committee will meet again to complete the assessment of the tenders (with the probity adviser, if engaged) and the chairperson should:

- a) Ask members to advise if there are any issues or circumstances to disclose that related to the probity of the process or which could be perceived as a conflict of interest that had not already been disclosed to the chairperson.
- b) Ask members to confirm they have had sufficient time to complete their evaluation of the tenders and record their individual comments and scores.
- c) Each member's initial scoring against the evaluation criteria is then recorded.

## 8.28 Detailed assessment of the tenders

- a) Each tender is assessed in detail and each committee member may record their individual comments in relation to each criteria or schedule, one criteria or schedule at a time and one tender at a time, with each member addressing the strengths and weaknesses of each.
- b) Following the detailed assessment of each tender, a committee consensus score is agreed for each criteria or schedule of each tender. The committee's discussion in arriving at agreed scores should be open, collaborative and detailed, with references to the evaluation criteria and scoring guide as required.
- c) Where there is divergence on individual scores, the committee's discussion should include references to the evaluation criteria and scoring guide before reaching consensus and coming to committee agreed scores for each tender. Once this stage is finalised, the committee then moves to the comparative assessment stage of the evaluation.

## 8.29 Comparative assessment

- a) The committee then examines the committee agreed score for each tender to determine a committee agreed ranking. The committee compares and contrasts the tenders, or the shortlisted tenders, and in doing so the committee examines the committee agreed scores for each of those tenders, by evaluation criteria or schedule, in comparison to the other tenders to determine a committee agreed ranking.
- b) The object of the comparative assessment is to determine if the scores of each of the tenders reflect the merits of their submission, and whether any adjustment to a tender's evaluation criteria score is required to ensure the scores reflect the merits of a submission when compared to other tenders.

## 8.30 Clarifications

The tender evaluation committee may require clarification of details contained within a tender and may need to request clarification from the tenderer. This should only be done where the tender is unclear or ambiguous as to particular details and should not be used to allow the tenderer to provide further support for its tender. Template document 26 in Appendix 2 may be used to seek clarification of details contained within a tender. Council should make clear the details of which it is seeking clarification to ensure a brief and concise response is received by the tenderer.

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## 8.31 Extending the Tender Validity Period

The tender evaluation procedure can take some time, and tenders will only be valid for a set period set out in the tender; Council may be required to request an extension to the period for which a tender remains valid (template document 8 in Appendix 2 may be used for extending the validity period).

## 8.32 Short listing

- a) Short listing is the process of eliminating unsatisfactory tenders, usually with the intention of subjecting the remaining short-listed tenderers to further reevaluation. Where it is intended to adopt this approach, it should be noted in the tender documentation and Tender evaluation and probity plan.
- b) It is a requirement that before compiling a short list you must conduct an initial evaluation process taking into account all of the evaluation criteria. You must be satisfied that the short listed tenders are the tenders that represent better value for money, and those to be excluded from detailed evaluation are clearly non-competitive and have no prospect of exhibiting the best value for money compared to the short listed tenders.

## 8.33 Tender evaluation report (Delegate Report)

Following the tender evaluation procedure, the chairperson will prepare, or oversee the preparation of the tender evaluation report, which should contain a brief description of the:

- a) Proposed contract, price (annual and total), key dates and deliverables, successful party and contract manager and department.
- b) Procurement process, evaluation committee members and evaluation results.
- c) Successful tenderer/s and the key distinction and or reasons between them and the unsuccessful tenderer/s.
- d) Local and Indigenous suppliers in comparison to others.
- e) Date the tender was issued and the tender closing date.
- f) Risk associated with the preferred tenderer/s.
- g) Any transitional or integration matters to or from incumbent suppliers.
- h) The report of the evaluation committee is made to the staff member holding the delegation to make a decision on awarding the contract.

## 8.34 Notifying tenderers, debriefing and record generation

When the delegate has approved the selection of the preferred tenderer, the preferred tenderer should be immediately notified in writing. Unsuccessful tenders should be notified of the outcome at the same time, with the offer of a debriefing.

## 8.35 Debriefing

- a) The object of the debriefing will be to elaborate on the reasons behind the evaluation, in general terms, regarding the good and not so good points on the tenderer's submission.
- b) Debriefings are offered for the purpose of ensuring local industry standards continuously rise by employing feedback as a learning opportunity. This process does not permit an exploration of the merits of the submissions of others.
- c) The chairperson should represent Council and when accepting an invitation for a debriefing the tenderer must nominate a single representative for the tenderer.

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## 8.36 Requisition and Orders

Once the successful tenderer has been notified, Council must raise a requisition for the tender in accordance with Council's usual finance policy and procedures, for more information refer to procedure documents PR-3043-001-001, PR-3043-001-002, PR-3043-001-003, PR-3043-001- 004, PR-3043-001-007, PR-3043-001-009, PR-3043-001-012, PR-3043-001-013 and PR-3043-001-014.

## 9. Complaints

Council officers undertaking procurement are to have regard to, and comply with, Council's *Complaints Management Process* (POL-3037) when considering complaints made in relation to a Council procurement.

## 10. Contract management

The aim of contract management is to ensure the parties meet their obligations under the contract so that the project objectives are achieved on time, on budget to agreed standards.

### 10.1 Establish contract management team

A contract team should be established as early as possible, preferably during the procurement phase. The size and composition of the project team will depend on the nature and scale of the project, and will need to be determined by the contract manager. If the contract requires Council to appoint a superintendent to administer the contract, the superintendent should be part of the contract management team.

### 10.2 Review the contract

- a) The contract management team should consider the PMO Framework and related business case and review the contract carefully so they have a thorough understanding of the contract terms. This is crucial to effective contract management and will enable the team to take a proactive approach to dealing with risks and ensuring the project meets its objectives.
- b) It is important to ensure the contractor is held to its negotiated contract obligations. Failure to do so reduces the value of the negotiated terms, and may also result in Council implicitly assuming risks intended to be allocated to the contractor or waiving their contractual rights.
- c) At a broad level, the matters the contract management team should identify include:

**checklist**

- the work or services the contractor is required to deliver (and any exclusions)
- which party is responsible for the design of the works or services
- which party is responsible for obtaining the necessary approvals or licences for the works or services
- the time frames in which the contractor is required to deliver the work or services, including any significant milestones
- the contract price and how it is to be calculated and paid (e.g. monthly, at completion of certain milestones, or with reference to the volume of work carried out or services performed)
- what plant, equipment or services the Council is required to provide

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- whether the Council is required to appoint an independent superintendent or contract supervisor
- d) On a more detailed level, the matters the contract management team should identify include:
  - checklist**
  - the insurance policies the contractor and Council are required to maintain, including currency of those policies (template document 19 in Appendix 2 is to be used to notify the contractor when a contractor managed insurance policy is due to expire)
  - the security the contractor is required to provide
  - what testing, quality control and performance reporting requirements are imposed on the contractor
  - what preconditions apply to the contractor claiming and receiving payment
  - the procedures for making changes to the contract, including for variations to the works or services
  - the circumstances in which the contractor is entitled to an extension of time to the delivery dates for the works or services
  - in what circumstances the contractor is entitled to additional payment
  - the requirements for giving of notices, including any time bars that apply to making claims
  - the defined dispute resolution procedures
  - the damages payable by the contractor for failing to deliver the work or services within the required timeframes
  - the damages payable by the Council for any interference to the contractor's ability to deliver the work or services within the required timeframes
  - the default provisions and the procedures for terminating the contract
  - the procedures for extending the term of the contract
  - how the contractor allocates responsibility for the following risks:
    - unexpected site conditions
    - inclement weather
    - changes in legal requirements or approval conditions
    - unavailability of labour or materials
    - force majeure events
    - increases in the cost of labour or materials
    - the key contractor personnel and contact details

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## 10.3 Identify unresolved matters

- a) At an early stage, the project team should identify and attend to any matters which have not been resolved at the commencement of the contract, such as:
- checklist**
- approvals or licences
  - final designs for the works or services
  - outcomes of reviews in the procurement phase
  - formal execution of the contract by the parties
  - giving the contractor access to premises or systems
  - ensuring necessary financial arrangements are in place
- b) The contract management team should ensure any outstanding matters are dealt with as soon as possible.
- c) Template documents 34, 35 and 36 in Appendix 2 are to be used by Council to request missing documents, such as insurance certificates of currency and unreturned executed contract documents to be returned to Council prior to commencement.

## 10.4 Matters not addressed in contract

Occasionally there may be matters or risks which are not directly addressed in the contract. The contract management team should identify any such issues as early as possible and determine how they should be resolved, which may include discussions with the contractor to determine how the risk should be dealt with, or taking appropriate action to prevent the risk from arising.

## 10.5 Risk management

- a) The contract / project management team should carry out risk management procedures throughout the contract as outlined in the Risk Management chapter of this manual. The term contract management and project management is generally interchangeable with project usually referring to multiple contracts interrelated and dependant.
- b) Risk management should be carried out in accordance with any risk management plan which has been prepared for the project, or as determined appropriate by the contract management team. The contract management team may also elect to prepare a risk management plan for the contract management phase of the project if one has not already been prepared.

## 10.6 Identify and assign tasks and responsibilities

The contract management team should prepare a list of tasks and responsibilities that need to be attended to for the efficient management of the contract, which is likely to include:

**checklist**

- overall responsibility for the contract management
- document management and record keeping

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- scheduling and attending meetings with the contractor
  - ensuring financial arrangements are in place for payment of the contract price
  - performance monitoring and reporting
  - ensuring relevant insurance policies are obtained and maintained (both Council's and the contractor's)
  - assessing and responding to payment claims, extension of time claims, and variation requests
  - managing intellectual property
  - managing privacy requirements
  - managing workplace health and safety requirements (including site inductions)
  - organising contractor access to premises or systems, and relevant security measures
  - arranging contractor induction, including security and health and safety issues
  - processing payments to the contractor
  - reporting to Council and other stakeholders on progress of the project
  - addressing any unresolved issues (referred to above)
  - managing any matters not addressed in the contract (referred to above)
  - any other project-specific tasks or responsibilities
- a) The contract management team needs to assign these specific tasks and responsibilities to the appropriate individual or individuals. If a superintendent is appointed under the contract, the majority of these tasks will be performed by the superintendent. Once the tasks have been allocated, the contract management team should establish an internal reporting and monitoring system to ensure that all Council responsibilities are met.

### 10.7 Contract data

The contract management team should ensure that the contract data is recorded in Council's contract management system for future reference. A copy of the signed contract should also be kept in hard copy and on Council's record management system and legal document register

### 10.8 Contract program

- a) A contract program should be developed in cooperation with the contractor which sets out the order in which the contractor's activities are to be carried out and the dates by which milestones or other performance measures are to be achieved.

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- b) The contract program will need to be regularly updated to take account of the actual progress of work or services and any matters which have affected or which may affect the progress of the work and services.

## 10.9 Progress reports

- a) The contract management team, with the contractor, should prepare regular progress reports which will enable the contractor to monitor the progress of the contract and ensure targets are being met and the contract is on track to meet the project objectives.

- b) Progress reports should identify:

### checklist

- the progress of the project compared with activities, milestones and performance measures set out in the contract or the contract program
- milestones or performance measures which have been achieved
- milestones or performance measures which have not been achieved
- any matters which have prevented milestones or performance measures from being achieved (such as changes to the contract, inclement weather or other matters affecting the work or services)
- upcoming milestones or performance measures
- any matters which may prevent upcoming milestones or performance measures from being achieved, and any action which needs to be take accordingly, such as:
  - obtaining approvals
  - obtaining designs or reports
  - providing instructions to the contractor
- any work health and safety matters affecting the work or services
- the costs incurred to date and how that compares with the forecasted budget

## 10.10 Site meetings

- a) Formal site meetings should be held weekly, fortnightly or monthly depending on the nature of the services or work the contractor is providing, and the scope of the project. Formal minutes of each meeting should be recorded, with copies sent to all parties.
- b) The site meetings should be attended by:
  - i. the person nominated by the contract management team to attend site meetings;
  - ii. an appropriately senior representative of the contractor;
  - iii. the superintendent (if there is one);
  - iv. representatives of any significant subcontractors; and
  - v. anyone else considered appropriate by the contract management team who can discuss the progress of the works or services and discuss any issues with the contractor.
- c) The following matters should be addressed at site meetings:

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- i. any matters which have or which could affect the progress of the work or services;
- i. any matters which could improve the delivery of the works or services;
- ii. any work health and safety issues affecting the site;
- iii. any other matters affecting the work or services.

## 10.11 Document management and record keeping

Effective record keeping is vital for effective contract management in terms of ensuring project objectives are met, performance monitoring, avoiding disputes and protecting the Council's position if a dispute arises, insurance purposes, and establishing tender criteria and improving contractor performance in future projects. The contract management team should ensure they comply with Council's Record Management Guideline at all times.

## 10.12 Verbal communications

Any significant verbal communications between personnel of the Council and the contractor should be documented as soon as practicable after they occur. Failure to document verbal communications is one of the main causes of contractual disputes.

## 10.13 Site diaries

An accurate diary shall be kept for all construction projects, which record relevant events that may affect the project, including:

- a) details of weather conditions (particularly in respect of working time lost)
- b) a summary of work carried out, particularly of completed sections or stages
- c) the personnel on site
- d) inspections, tests, checks carried out
- e) a summary of site agreements and verbal instructions
- f) any other matters of significance to the contract

For significant projects the site diaries should be carried out on a daily basis.

## 10.14 Changes to the contract

- a) Changes to the scope of works or services during the course of the contract are almost inevitable, and can arise for various reasons, including:
  - i. requests from the contractor (e.g. due to unavailability of materials, increases in costs of materials, cheaper or preferred construction methods);
  - ii. requests from Council;
  - iii. inadequate or inefficient design;
  - iv. unexpected site conditions;
  - v. changes in legal requirements or approval conditions;
  - vi. other unforeseen circumstances affecting the project.
- b) The contract will normally define the procedure for approval of changes to the contract. In construction contracts, changes to the scope of works to be carried out by the contractor are called variations.
- c) The following tasks may be carried out when a change to the contract is being considered:

**checklist**

- identify whether the change being proposed is in fact a change to the contract (i.e. whether the proposed change already falls within the contract scope of works or services);

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- identify the relevant contract requirements for requesting and approving changes (in terms of what needs to be included in relevant notices, and when the notices need to be given) and ensure they are followed;
  - identify the reason for the proposed change, and who is responsible for the cost of the change under the contract;
  - identify the alternatives to proceeding with the change and the risks of not proceeding, and carry out a cost benefit analysis of proceeding with the change;
  - price the change in accordance with the contract;
  - approve the change (if appropriate) in accordance with the contract, and by the person authorised to approve changes;
  - ensure the change is fully documented (including the reason for the change, the extent of the change, the date the change was requested, the date the change was approved, the effect the change has on the contract price); and
  - consider whether reasons for variation indicate an emerging or actual performance problem, and if so take appropriate steps to resolve the problem to prevent or minimise further changes.
- d) If a superintendent is appointed, the superintendent will be responsible for directing changes to the works or services, and approving resulting changes to the contract price. It is vital that complete and proper records of all changes to the contract are kept, as they are the most common sources of dispute, particularly in relation to construction contracts.

Templates 21, 18 and 23 in Appendix 2 may be used when a variation to the contract is required.

## 10.15 Extension of time claims

- a) The progress of the works or services can be delayed for various reasons, many of which will entitle the contractor to an extension of time to the date for completion.
- b) The contract will define the causes of delays which entitle the contractor to an extension of time, and the following tasks need to be carried out when an extension of time claim is being considered:

### checklist

- identify the relevant contract requirements for requesting and approving extension of time claims (in terms of what needs to be included in relevant notices, and when the notices need to be given);
- ensure the contractor has claimed for the extension of time in accordance with the contract, including within the required time limits;
- identify the cause and likely extent of the delay;
- identify if the delay entitles the contractor to an extension of time under the contract - which will usually be the case for:
- inclement weather
- the contractor being directed to carry out additional work or services
- industrial action for which the contractor is not responsible
- other unforeseen circumstances, such as latent ground conditions, which could not have reasonably been anticipated by an experienced contractor

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- identify if the alleged cause of the delay has actually affected the progress of the works (for example, inclement weather will not necessarily cause a delay if work can be carried out indoors)
- identify any options for avoiding the delay (for example, requesting the contractor to carry out work which is not affected by the cause of the delay)
- ensure a response to the extension of time claim is given within the time limits in the contract
- consider the potential impact of the cause of the delay on the outcome of the project and Council's ability to provide services or fulfil its obligations, and identify steps to mitigate the impact of the delay

Where a superintendent is appointed, the superintendent will be responsible for assessing extension of time claims and approving extension of times.

## 10.16 Assessing and responding to payment claims

a) The contract will define when and how the contractor is to claim payment.

b) The following tasks need to be carried out when a payment claim is received:

### checklist

- ensure the payment claim is made in accordance with the contract requirements, including:
  - that the payment claim has been submitted at the appropriate time;
  - that the payment claim adequately identifies the work or services to which it relates;
  - if it is accompanied by necessary supporting documentation such as statutory declarations or releases, and reporting or quality control documentation;
  - any other contractual preconditions for claiming payment have been met;
- assess the value of the work or services carried out with reference to the amount claimed, and identify any work or services for which payment has been claimed but which has not been carried out or provided;
- ensure any variations claimed have been approved in accordance with the contract;
- identify any outstanding matters which are required from the contractor before payment can be approved, such as:
  - additional substantiation of claims;
  - documents which are preconditions to the contractor claiming payment but which were not included with the payment claim (such as statutory declarations or releases, and reporting or quality control documentation);
  - additional work to be carried out;
- if there are outstanding matters which justify the withholding of payment, for example:
  - incomplete or defective work which would justify the withholding of the cost of completing or rectifying the incomplete or defective work;
  - property damage caused by the contractor which would justify the withholding of the cost of repairing the damage;
  - any other real or potential claims caused by the contractor's defective work or other breach of the contract;

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- consider whether a payment should be withheld in full or in part, bearing in mind:
  - the significance of the outstanding matters, the risk of them not being provided, and the potential cost to the Council if they are not provided;
  - the potential effect withholding payment will have on Council's relationship with the contractor;
- respond to the payment claim in accordance with the contractual requirements, including by ensuring that:
  - the payment claim has been assessed in accordance with the contract;
  - the response to the payment claim contains the information required by the contract;
- process payment in accordance with the contract

If a superintendent is appointed under the contract, the superintendent will be responsible for assessing payment claims and issuing payment certificates.

## 11. Subcontractors

### 11.1 Approving subcontractors

- a) For many projects, the contractor will have been required to nominate its significant subcontracts as part of its tender. In other situations, the Council will have a right to (or be required to) approve subcontractors during the course of the subcontract. The same principles which apply to approving subcontractors at tender phase apply when approving subcontractors while the subcontract is on foot.

Template document 30 in Appendix 2 is to be used by Council for notifying the contractor of approval of a subcontractor.

### 11.2 Communications with subcontractors

- b) All subcontractors are engaged by and responsible to the main contractor. Therefore all formal communications from Council should be with the main contractor and not with the subcontractor.
- c) It is appropriate for Council personnel to communicate with subcontractors directly where the subcontractor has more expertise than the contractor in relation to the subcontracted work or services, and in particular is able to better inform Council of any issues potentially affecting the delivery of the work or services.

### 11.3 Completion of the contract

- a) The works or services will either be completed at the end of a fixed term, or once the contractor has completed the fixed scope of works or services set out in the contract.
- b) For contracts for the provision of goods, the contractor's obligations will generally be completed following the delivery and acceptance of the last item(s) required under the contract.
- c) For contracts with a fixed term, the contract management team will need to consider whether or not to extend the term. This will require the contract management team to:

#### checklist

- Identify when the fixed term comes to an end.
- Assess the contractor's performance during the term and determine if the term should be extended

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- Identify the process for extending the term in the contract.
  - If appropriate, extending the term in accordance with the contract.
  - Use template documents in Appendix 2 for extending the period of the contract
- d) For contracts with a fixed scope of works or services (which will include most construction contracts), it is the contractor's responsibility to notify Council (or the superintendent) when it considers that the works or services have been or will be completed.
- e) Upon being notified that the works or services have been or will be completed, the contract management team will need to carry out the following tasks:

**checklist**

- identify the contractual requirements for completion or "practical completion" (in most construction contracts the works will be considered to have reached "practical completion" when they are essentially completed and able to be used, apart from minor defects, but there are often additional criteria which need to be satisfied before practical completion can be reached);
- carry out an inspection of the works and services and identify if the contract criteria for completion has been met;
- if not, provide a list of defects or omissions which remain outstanding to the contractor;
- if so, given formal written notice that the works or services have been completed (in construction contracts this is called "a certificate of practical completion"), along with a list of minor defects or omissions which must be attended to by the contractor;
- organise the return of any equipment or other goods provided to the contractor by the Council;
- ensure all documents, records and other information the contractor is required to provide under the contract has been provided;
- authorise the release of any security or retention monies held by the Council which are due to be returned to the contractor under the contract (under construction contracts usually 50% of the security or retention monies held by Council are due for release to the contractor at practical completion – template document in Appendix 2 may be used for notification of the contractor of release of security or retention monies);
- ensure that the appropriate insurance policies are in place after practical completion for construction contracts, the Council will usually take over responsibility for insuring the works once practical completion has been achieved;
- ensure all access rights and security authorisations are terminated as appropriate, and ensure all security passes are returned or deactivated;
- ensure any intellectual property rights arising from the contract are properly documented (including in relation to any designs, technical data or reports which were generated in the course of the contract).

If a superintendent has been appointed, the majority of the above tasks will be performed by the superintendent.

**11.4 Defects liability period**

- a) For construction contracts, there is usually a 6 or 12 month defects liability period after practical

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completion is reached during which the contractor is required to address any minor defects or omissions in the works which were present at practical completion.

- b) During the defects liability period, the following tasks need to be carried out:
  - checklist**
  - Identify any defects or omissions in the works which need to be attended to by the contractor.
  - Collect any documents the contractor is required to deliver after practical completion, such as "as built" drawings, operations manuals and warranty documents.
  - Notify the contractor of the defects and omissions in accordance with the contract.
  - In co-ordination with the contractor, prepare a maintenance schedule in accordance with which the contractor is required to attend to the defects and omissions.
  - Ensure that the defects and omissions have been attended to by the contractor.
  - If not, engage alternative contractors to carry out the work (after first ensuring that the contractor has been given all notices which are required to be given under the contract).
- c) If a superintendent has been appointed, the above tasks will be performed by the superintendent.
- d) The defects liability period will often be extended every time the contractor carries out rectification work.

## 11.5 Final Completion

- a) For construction contracts, "final completion" occurs at the end of the final defects liability period. The following tasks will need to be carried out at final completion:
  - checklist**
  - Carry out an inspection to determine if all defects and omissions have been attended to.
  - Determine if the Council is entitled to withhold payment of any amounts from the contractor as a result of the contractor's failure to attend to defects and omissions, or for any other claim Council may have against the contractor.
  - Assess the contractor's final payment claim (see heading above "Assessing and responding to payment claims").
  - Authorise the release of the balance of security or retention monies held by Council under the contract, if appropriate (template document in Appendix 2 may be used for notification of the contractor of release of security or retention monies).

If a superintendent has been appointed, the above tasks will be performed by the superintendent.

## 11.6 Evaluating contract performance

- a) Following the completion of the contract and at regular intervals, the contract management team should also carry out a review of the contract to identify and document:
  - checklist**
  - the contractor's performance;

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- the extent to which the project objectives were achieved;
- the extent to which the contract delivered the works or services to the standard required under the contract (see "Performance management and reporting");
- any shortcomings in the project management of the contract;
- any "lessons learned" from the contract and how similar contracts could be more effectively managed in the future, including by recommending any appropriate policy or procedure changes.

### 11.7 Dispute resolution

Any dispute that arises should be dealt with as early as possible, and at the appropriate level, so that they can be resolved quickly and effectively. Any dispute resolution procedure set out in the contract should be adhered to. Where possible the contractor should be encouraged to continue with its obligations under the contract while the dispute is being resolved.

a) Effective dispute resolution involves:  
**checklist**

- identifying the actual issues in dispute between the parties
  - identifying and understanding each party's position in relation to the issue in dispute
  - seeking appropriate legal or technical advice in relation to the issue in dispute
  - reserving the Council's rights in relation to the dispute where necessary
  - taking steps to mitigate or prevent any losses which could occur until the dispute is resolved
  - identifying the potential consequences and the cost to the Council if the contractor's position is accepted by the Council
  - identifying the potential outcomes if the Council's position is not accepted by the contractor (including the Council's rights under the contract and the cost of exercising those rights)
  - identifying any "middle ground" which would be acceptable to both the contractor and the Council
  - carrying out a cost-benefit analysis of the various possible outcomes
  - based on that analysis, identifying the scope within which Council is prepared to negotiate a compromised resolution to the dispute
  - attempt to negotiate a resolution to the dispute with the contractor (ensuring all communications are made on a "without prejudice" basis)
- a) If a resolution to the dispute cannot be negotiated in a timely fashion, the contract management should seek legal advice in regards to terminating the contract or potential legal action against the contractor.

### 11.8 Termination

- a) There are a number of reasons why Council may be required to terminate a contract with a contractor. These include breaches of contract by the contractor, excessive delay to the progress of the work, damage to the work, force majeure (ie fire, earthquake) and convenience.

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- b) If the contract management team is considering termination of a contract, the contract management team should seek legal advice, as the consequences for wrongful termination of a contract can be severe. Reference to the contract terms regarding termination of the contract and issuing a notice of termination is essential.
- c) Most contracts will permit termination for breach provided that Council provides the contractor a notice advising the contractor of its breach and allowing the contractor a specified period of time within which to remedy that breach, or allowing the contractor a specified period within which to show cause why the contract should not be terminated for that breach.
- d) Template documents in Appendix 2 are to be used for notification to the contractor of a breach of contract. **Ensure that you consult with the General Counsel Group prior to issuing any of these template documents.**
- e) **A formal notice of termination should only be issued in consultation with the General Counsel Group.**

### 12. Performance management and reporting

An effective performance management system is crucial to ensure the project objectives are achieved. Performance management involves:

- i. **performance monitoring** – collecting data on the contractor's performance;
- ii. **performance assessment** – deciding whether the contractor's performance meets Council's requirements;
- iii. **taking appropriate action** – taking steps to address any underperformance as required in the circumstances.

#### 12.1 Performance monitoring

- a) Performance monitoring may be done by examining information from a number of sources such as data provided by the contractor, Council inspections and reports from third parties.
- b) The contract management team should identify the most appropriate performance monitoring systems taking account of:

##### checklist

- the nature of the work or services being carried out;
- the performance monitoring requirements of the contract - the appropriate performance monitoring obligations of the contract should generally have been considered by the PCT and incorporated into the contract;
- other performance measures which are difficult to record, but may be useful for assessing the contractor's performance, such as:
  - The contractor's standards of communication with the Council.
  - The contractor's compliance with notification requirements in the contract (e.g. submitting payment claims, extension of time claims or variation claims in the correct form and within the required time limits).
  - The contractor's ability to co-operate with the Council, adapt to and deal with changes to the contract and matters which affect the contractor's ability to deliver the work or services.

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- The contractor's record standard of keeping.
  - The contractor's approach to dealing with disputes.
  - The competency of the contractor's personnel.
  - The cost to the Council of changes to the contract or matters affecting the contractor's ability to provide the work or services.
  - The key project objectives and the contractor's key deliverables.
  - The complexity of the project and the degree of risk involved.
  - The cost, time, resources and expertise of each performance monitoring option.
  - The cost and resources required to collect, store and analyse performance monitoring data, including what information systems or databases may be required to store and analyse the data.
- c) The contract management team should then prepare a performance monitoring strategy which should encompass the following elements:

### checklist

- Identifies the performance data to be provided by the contractor, including the nature of the data and the frequency with which it is to be provided.
- Identifies the performance data to be provided by Council, including the nature of the data and the frequency with which it is to be provided.
- Identifies the performance data to be provided by any third parties, including the nature of the data and the frequency with which it is to be provided.
- Allocates responsibility for the collection of the performance monitoring data to appropriate individuals.
- Identifies the form in which the performance data is to be recorded.
- Establishes an appropriate document management system for the performance monitoring data (with appropriate levels of security).

### 12.2 Performance assessment

- a) Performance assessment is made on the basis of the information collected from performance monitoring. The contract will usually set out very specific targets which can be measured quantitatively, but there are also a number of broader performance measures that need to be assessed on a more qualitative basis but which are also highly relevant to the contractor's performance
- b) The contract management team should prepare a performance assessment strategy which:

### checklist

- Identifies the performance data which is to be collected (as discussed above).
- Identifies the targets, standards and indicators by which the contractor's performance is to be assessed (with reference to the performance data which is to be collected).
- Identifies the methods for assessing the contractor's performance against the targets, standards and indicators by which the contractor's performance is to be assessed.

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- Allocates responsibility for the assessment of the contractor's performance to appropriate individuals.
- Identifies the frequency with which performance assessments are to be carried out, and reports on the contractor's performance are to be provided (and to whom).
- Identifies the form in which reports on the contractor's performance are to be provided.
- Identifies the action to be taken by the Council in the event of underperformance by the contractor in respect of any particular performance measure (discussed below).

Template document 17 in Appendix 2 is to be used for keeping records of contractor performance.

### 12.3 Taking action in the event of underperformance

- a) The action to be taken by Council, if any, in the event of underperformance by the contractor will depend on a number of factors, including:
  - i. the nature and extent of the underperformance
  - ii. the potential effect the underperformance may have on the project meeting its objectives
  - iii. Council's rights under the contract in relation to the underperformance
  - iv. the extent to which the action will affect Council's relationship with the contractor.
- b) The options available to Council in the event of underperformance by the contractor include:
  - i. recording the underperformance so it can be taken into account for future projects
  - ii. discussing the underperformance with contractor on an informal level
  - iii. discussing the underperformance with contractor at a senior management level
  - iv. increased performance monitoring and reporting of the contractor's performance
  - v. increased supervision of the contractor
  - vi. amending the requirements of the contract to meet changing needs
  - vii. withholding or reducing payment to take account of the underperformance (to the extent allowed by the contract)
  - viii. implementing the formal dispute resolution procedures set out in the contract
  - ix. issuing a formal breach notice in accordance with the contract
  - x. taking work out of the contractor's hands
  - xi. terminating the contract (although this should only be done with formal legal advice).
- c) The contract management team will need to identify the appropriate course of action to take in each circumstance as it arises, although some guidance should be taken from the performance assessment strategy discussed above.

### 13. Work health and safety in procurement

Consideration of Work Health and Safety (WHS) is an important part of procurement risk management practice. Refer to the Procure Safely documentation PR-3040-055-012, PR-3040-055-017 and the [Council Contractor Management Framework](#).

#### 13.1 WHS Act and procurement

- a) The WHS Framework, as espoused in the WHS Act, sets out the health and safety duties of officers undertaking procurement. All persons must comply with relevant WHS duties as part of

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the procurement process, including identifying risk and considering what is 'reasonably practicable' to ensure the health and safety of workers and others.

- b) The extent to which WHS considerations will require specific treatment in the procurement will depend on what is being procured, what type of contractor will be involved and how the procurement is conducted.

## 13.2 Reasonably practicable

Deciding on what is 'reasonably practicable' to ensure the health and safety of workers and others requires taking into account and weighing up all relevant matters including:

- i. The likelihood of a hazard or risk occurring.
- ii. The degree of harm that might result from the hazard or risk.
- iii. What the relevant person knows or ought to know about the hazard or risk, and ways of eliminating or minimising the risk.
- iv. The availability and suitability of ways to eliminate or minimise the risk.
- v. The cost associated with the ways of eliminating or minimising the risk, including whether the cost is grossly disproportionate to the risk.

## 13.3 WHS issues to consider when procuring goods and services

From the Planning Stage for the Procurement

- vi. Is this type of activity or equipment new for Council? What are the new WHS risks?
- vii. Is this the type of activity or equipment where there are known WHS risks?
- viii. What WHS risks are inherent in the goods or services? How will the risk be best managed?
- ix. Who is best placed to manage these risks?
- x. How will you ensure all potential workers adhere to the same health and safety vision as the persons conducting a business or undertaking (PCBU)?
- xi. Have you considered legal advice?
- xii. Does the specification clearly address WHS standards, training requirements, and performance metrics?
- xiii. Are there any specific WHS reports, certificates or information to include in the specification?
- xiv. What will Council do with the goods or services after delivery? Clearly state the purpose of the goods or services.
- xv. Are there any specific WHS codes of practice, safety standards or Council policies relevant to the goods or services, or the purpose to which they will be put?

## 13.4 WHS Considerations

When conducting a procurement is it important that the following actions are undertaken:

- xvi. be clear in who is responsible in relation to WHS duties;
- xvii. use an evaluation methodology that takes account of WHS;
- xviii. ensure that you have the necessary resources and expertise to select a suitable contractor/product;
- xix. ensure that all parties understand WHS responsibilities; and
- xx. consider the impact of WHS laws on workers travelling or based overseas.

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## 14. Sales Contracts: Land, Plant, Equipment: Non-Current Assets

- a) The LGR regulates the sale or disposal of non-current assets which is defined under s224 of the LGR as (a) land; or (b) another non-current asset that has an apparent value that is equal to or more than a limit set by the Council.
- b) There is no limit set for the sale or disposal of land, including a lease meaning any land sale or lease of any value is regulated by the LGR.
- c) The limit set by the Council under the above clause cannot be more than (a) \$5,000 for plant or equipment; and (b) \$10,000 for another type of non-current asset.
- d) The sale or disposal (including lease) of land (any value), plant with an apparent value of \$5,000, equipment with an apparent value of \$10,000 must be by tender or auction unless the sales contract is an exception.

### 14.1 Exceptions for valuable non-current asset contracts

Council may dispose of a valuable non-current asset other than by tender or auction if:

<p>Previously offered for sale by tender or auction</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Council resolution required.</i></li> <li>▪ <i>Council may only dispose of land or an interest in land if the consideration would be equal to, or more than, the market value of the land or the interest in land, including the market value of any improvements on the land.</i></li> <li>▪ <i>A written report about the market value from a registered valuer who is not an employee of Council is evidence of the market value.</i></li> </ul>	<p>The valuable non-current asset was previously offered for sale by tender or auction but was not sold, and is sold for more than the highest tender or auction bid that was received.</p>
<p>Sale to government agency or community organisation</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Council resolution required.</i></li> </ul>	<p>The valuable non-current asset is disposed of to a government agency or community organisation. A Government agency is defined above. A community organisation means (a) an entity that carries on activities for a public purpose; or (b) another entity whose primary object is not directed at making a profit.</p>

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<p>Disposal of land or interest in land</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>▪ Council resolution required.</li> <li>▪ Council may only dispose of land or an interest in land if the</li> </ul>	<p>For the disposal of land or an interest in land:</p> <ul style="list-style-type: none"> <li>▪ the land will not be rateable land after the disposal;</li> <li>▪ the land is disposed of to a person whose restored enjoyment of the land is consistent with Aboriginal tradition or Island custom;</li> <li>▪ the disposal is for the purpose of renewing the lease of land to the existing tenant of the land; or</li> <li>▪ the land is disposed of to a person who owns adjoining</li> </ul>
<p><i>consideration would be equal to, or more than, the market value of the land or the interest in land, including the market value of any improvements on the land, except where:</i></p> <ul style="list-style-type: none"> <li>&gt; the land is disposed of to a person whose restored enjoyment of the land is consistent with Aboriginal tradition or Island custom.</li> </ul> <ul style="list-style-type: none"> <li>▪ A written report about the market value from a registered valuer, who is not an employee of Council, is evidence of the market value.</li> </ul>	<p>land if:</p> <ul style="list-style-type: none"> <li>&gt; the land is not suitable to be offered for disposal by tender or auction for a particular reason, including, for example, the size of the land or the existence of particular infrastructure on the land;</li> <li>&gt; there is not another person who owns other adjoining land who wishes to acquire the land;</li> <li>&gt; it is in the public interest to dispose of the land without a tender or auction; and</li> <li>&gt; the disposal is otherwise in accordance with the sound contracting principles; or</li> </ul> <ul style="list-style-type: none"> <li>▪ all or some of the consideration for the disposal is consideration other than money, for example, other land given in exchange for the disposal, if:                         <ul style="list-style-type: none"> <li>&gt; it is in the public interest to dispose of the land without a tender or auction; and</li> <li>&gt; the disposal is otherwise in accordance with the sound contracting principles; or</li> </ul> </li> <li>▪ the disposal is for the purpose of a lease for a telecommunications tower; or</li> </ul>
	<ul style="list-style-type: none"> <li>▪ the disposal is of an interest in land that is used as an airport or for related purposes if:                         <ul style="list-style-type: none"> <li>&gt; it is in the public interest to dispose of the land without a tender or auction; and</li> <li>&gt; the disposal is otherwise in accordance with the sound contracting principles.</li> </ul> </li> </ul>
<p>Forms of disposal - other than land</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>▪ Council resolution required.</li> </ul>	<p>For the disposal of a valuable non-current asset, other than land, by way of a trade-in for the supply of goods or services to Council, provided the supply is, or is to be, made under this part and the disposal is, or is to be, part of the contract for the supply.</p>

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Ministerial exemption <i>Notes:</i> <ul style="list-style-type: none"> <li>An exemption may be given subject to conditions.</li> </ul>	The Minister exempts Council from complying with the requirement to invite written tenders or offer the non-current asset for sale by auction.
Other strategic exception	Consistent with Asset Service Management Plans, Disposal Schedule and sound contracting principles

## 14.2 Revenue Contracts, Grants and Subsidies

- a) Council has a number of contracts involving business transactions generating revenue (income), usually in the form of selling or leasing public space, goods or equipment.
- b) Council also receives grants, subsidies and funding which may be tied to a contractual arrangement to deliver a particular item, service or work which may have immediate or ongoing maintenance obligations and asset responsibilities.
- c) In each case the relevant officer and delegates should consider the sound contracting principles and rules identified in this manual.

## 15. Other legislative requirements

### 15.1 Unauthorised spending

- a) Council may spend money in a financial year before adopting its budget for the financial year only if Council provides for the spending in the budget for the financial year. If Council's budget for a financial year is amended after the money is spent, the amendment must take the spending into account.
- b) However, Council may spend money, not authorised in its budget, for genuine emergency or hardship if Council makes a resolution about spending the money before, or as soon as is practicable after, the money is spent. The resolution must state how the spending is to be funded.

### 15.2 Publishing details of contracts worth \$200,000 or more

Council must, as soon as practicable after entering into a contractual arrangement worth \$200,000 or more (excl GST) calculated based on the contract's total value over its term, publish the relevant details of the contractual arrangement on Council's website, and display the relevant details in a conspicuous place in Council's public office, for at least 12 months. Relevant details include the person with whom Council has entered into the contractual arrangement, and the value and purpose of the contractual arrangement.

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## 15.3 Other contents - annual report

Council's annual report for a financial year must contain the number of invitations to change tenders under section 228(7) of the LGR 2012.

## 15.4 Councillor requests for information

- a) A Councillor may ask a Council employee to provide advice to assist the Councillor to carry out his or her responsibilities under the LGA 2009 or, subject to any limits prescribed under a regulation, ask the CEO to provide information relating to Council.
- b) The request must comply with the acceptable requests guidelines adopted by resolution of Council. Councillors and Council employees must also comply with the legislation, policies, procedures and codes of conduct when dealing with procurement and contracting activities.
- c) Councillors must not attempt to influence any procurement or contracting activity. Such conduct may result in a breach of legislation or policy, cause the procurement process to be compromised or expose Council to complaint or liability.
- d) Councillors should direct any request for advice or information in relation to procurement and contracting activities to the CEO, general manager or manager of PCT.

## 16. Risk management

All procurements involve a degree of risk that can never be completely eliminated, however they can be identified and managed or mitigated. Managing risks is an integral part of good project management. Risk management generally involves five broad phases:

- i. **identifying context** - determining the appropriate level of time and resources to dedicate to risk management based on the size and nature of the project;
- ii. **identifying the risks** - determining what, where, when, why and how a risk could happen;
- iii. **evaluating the risks** - prioritising risks based on the likelihood of occurrence and potential impact;
- iv. **treating the risks** - implementing strategies to mitigate risks;
- v. **ongoing monitoring and assessment** - continuing management of risks throughout the life of the project.

### 16.1 Identifying context

Council will need to manage risk for contracts of any size. However, the time and resources dedicated to risk management will depend on the size and nature of the project. Appropriate risk management procedures should be identified at an early stage. For medium and large projects Council may need to prepare a formal risk management plan tailored for the project, however low risk projects may be managed in an informal manner.

### 16.2 Identifying the risks

Risk identification is the process of determining what, where, when, why and how a risk could happen. For medium and large projects a project risk register should be created to record all identified risks. Potential risks will include:

#### checklist

- risk of the contractor being unable to comply with its obligations under the contract, including:

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- the contractor having insufficient resources or expertise to comply with its obligations;
- the contractor not having the financial capacity to comply with its obligations;
- risks which do not involve a breach of contract by the contractor but which nevertheless have the potential to interrupt the delivery of the work or services, or otherwise affect the project objectives, such as:
  - unexpected site conditions
  - inadequate design
  - changes in design or project requirements
  - inclement weather
  - changes in legal requirements or approval conditions
  - changes in project requirements
  - unavailability of labour or materials
  - force majeure events (such as natural disasters, terrorist events or war)
  - increases in the cost of labour or materials
  - industrial action
- risks associated with the inefficient procurement and contract management by the Council, including:
  - Council setting unrealistic project objectives (including in terms of cost, standards, and time frames)
  - Council not complying with the required procedures during the procurement phase
  - insufficient finance
  - poor performance monitoring
  - inaccurate assessment of payment claims
  - inadequate control over changes to work and cost increases
  - inadvertent waiver of rights due to failure to respond to claims or give required notices
  - inadvertent assumption of the contractor's risk or waiver of the contractor's obligations (e.g. approval of designs for which the contractor is responsible)
- risk of damage to property;
- health and safety risks;
- Native Title and Aboriginal Cultural Heritage
- breaches of security.

### 16.3 Evaluating the risks

The contract management team should identify:

#### checklist

- the likelihood of each risk occurring, including the likelihood of the contractor failing to comply with each of its obligations

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- the potential consequences of the risk occurring, which may include:
  - Council not achieving value for money
  - the project not meeting its objectives
  - cost overruns
  - the work or services being delivered to a lower standard than required by the contract;
  - the work or services not being delivered within the required timeframes;
  - Council's inability to provide services which are dependent on the contractor fulfilling its contractual obligations;
  - the additional cost of engaging an alternative contractor to complete the project;
  - the cost and delays involved with rectifying deficient work or services;
  - liability to third parties;
  - injury or death.
- Council should then prioritise the risks based on their likelihood of occurring and the consequences of them occurring.
- The time and resources spent prioritising the risks will depend on the nature and complexity of the project, and the level of detail required should be set out in any risk management plan which has been prepared.

### 16.4 Treating the risk

- a) There are generally four categories of methods of dealing with a risk:
  - i. avoidance – avoiding the risk by discontinuing the activity that generates it, or seeking an alternative means of reaching the same outcome
  - ii. transfer – shifting ownership of risk to the contractor or a third party (e.g. an insurer)
  - iii. acceptance – retaining the risk when it cannot be avoided or transferred, or the cost of doing so is not worthwhile
  - iv. mitigation – reducing the likelihood and impact of a risk
- b) Council will need to consider the appropriate method for dealing with each identified risk, depending on:
  - i. the priority given to the risk from the evaluation phase
  - ii. availability and cost of mitigation measures or alternative options
  - iii. market conditions and standard industry practice
  - iv. the contractor's willingness or ability to take on ownership of the risk
  - v. availability of appropriate insurances

### 16.5 Ongoing monitoring and assessment

The risk profile of a project will very rarely remain static therefore ongoing risk management is necessary. The extent of the risk management procedures required will depend on the size and nature of the project, and should be outlined in any risk management plan prepared for the contract.

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## 17. Probity

- a) In the context of procurement, probity is a defensible process which is able to withstand internal and external scrutiny. The process achieves both accountability and transparency, providing tenderers and suppliers with fair and equitable treatment.
- b) Probity principles are central to achieving value for money, as well as non-discrimination and confidence in the outcome. The following probity principles have been identified as providing the foundation for integrating probity considerations in local government procurement:
  - i. compliance with the legal and policy framework applying to procurement (section 3 above);
  - ii. use of an appropriately competitive process;
  - iii. fairness and impartiality;
  - iv. consistency and transparency of process;
  - v. identification and management of conflicts of interest;
  - vi. appropriate security and confidentiality arrangements.
- c) These probity principles must be considered in any Council purchase, irrespective of the value of the procurement.

### 17.1 Use of an appropriately competitive process

Competition between potential suppliers is an important foundation in achieving value for money. Open and impartial processes help to ensure that all potential suppliers have equal opportunity to bid. The lack of a competitive field or process can lead to undesirable consequences, including higher costs to Council through suppliers being able to charge premiums. The scale of an appropriately competitive process should be commensurate with the size and risk profile of the particular procurement.

### 17.2 Fairness and impartiality

Procurements must be conducted without favour or prejudice. All potential suppliers must be provided with the same information, and procedures must be in place to ensure each bid is given fair and equal consideration. Council should establish procedures for controlling and monitoring the flow of information to and from bidders before the tendering process starts.

### 17.3 Consistency and transparency of process

Consistency and transparency not only promotes the efficient, effective and ethical use of Council resources, but ensures the confidence of potential suppliers to Council. The following elements are acceptable in achieving transparency and accountability:

- i. public notification of procurement opportunities;
- ii. following the advertised process;
- iii. consistent application of the evaluation criteria;
- iv. public reporting of contractual arrangements;
- v. keeping appropriate records throughout the procurement.

### 17.4 Public notification of procurement opportunities

Procurement activities must be visible and transparent to provide confidence in the process. Section 3 above sets out the requirements of the LGR 2012 in relation to the requirement to notify procurement opportunities.

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## 17.5 Following the advertised process

Failing to conduct procurement with due regard to the probity principles and adherence to the advertised process may expose Council to legal and other challenges. Council must ensure that it conducts its procurement processes in a way that is consistent with the advertised process and the tender documents.

## 17.6 Consistent application of the evaluation criteria

- a) Tenders and quotations must include selection criteria and the evaluation criteria in accordance with section 8 of this manual.
- b) The advertised evaluation criteria must be used to evaluate tenders and should not be altered unless circumstances change so markedly as to make a revision absolutely necessary.
- c) If a change to the published evaluation criteria is required, Council must comply with section 228(7) of the LGR 2012 and invite all tenderers who submitted a tender to change their tender to take account of the change, before making a decision on the tenders.

## 17.7 Keeping appropriate records throughout the procurement

Maintaining appropriate records is an important way of demonstrating accountability and transparency as it provides evidence of Council's procurement processes. Documentation should be sufficient to provide an understanding of why the procurement was necessary, the process that was followed, and all relevant decisions and the basis for those decisions.

## 18. Identification and management of conflicts of interest

### 18.1 Identifying conflicts of interest

- a) A conflict of interest is a situation where the impartiality of an officer in discharging their duties could be called into question because of the potential, perceived or actual conflict between official duties and obligations and private interests.
- b) The perception of a conflict of interest can be as damaging as the reality if not immediately corrected. Officers must not only behave ethically, but they must also be seen to behave ethically.
- c) If it is likely that the individual with the interest could be influenced by that interest, or that a reasonable individual would believe that he or she could be so influenced, a conflict of interest could arise. To ensure the procurement process is not prejudiced, conflicts of interest must be identified early and dealt with effectively.

### 18.2 Managing conflicts of interest

- a) There should be a process in place to identify conflicts of interest before the procurement process commences. Officers involved in a procurement must be aware of how a conflict of interest arises and their associated responsibilities.
- b) All those involved in the assessment process are required to make a full declaration of their financial or other interests in any respondent organisation. If an officer or any other person involved in a procurement has any business or personal relationship with a respondent, the person must document the nature of the relationship using Council's template *Conflict of interest declaration* and forward it to the evaluation chair (or in the case involving the evaluation chair, to the probity adviser (if engaged) or Council's General Counsel.

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- c) Even if officers do not believe they have a conflict of interest, they must still complete the *Conflict of interest declaration* to specifically and positively negate any conflict of interest, and forward this to the evaluation chair. Should there be any doubt about a potential conflict the matter should be raised with the evaluation chair.

### 18.3 Gifts, hospitality and other benefits

- a) Officers must not use their position to obtain a private benefit for someone else. Decisions must not be improperly influenced by family or other personal relationships.
- b) Generally officers should not seek or accept favours or gifts from anyone who could benefit from influencing the officer. However, gifts of nominal value (such as disposable pens or note pads) and light refreshments (such as tea or coffee) are usually not considered problematic.
- c) Officers should immediately inform the evaluation chair if any respondent offers the officer any other gifts, hospitality or other benefits.

### 18.4 Offers of employment

If officers are approached or approach a respondent regarding the possibility of employment during the procurement process, or even within a reasonable period after the process is concluded (for example 3 months), officers have an obligation to notify the evaluation chair immediately.

### 18.5 Appropriate security and confidentiality arrangements

- a) Procedures adopted for receiving and managing tender and supplier information must ensure the security and confidentiality of all information of relating to tenderers as well as the integrity of the procurement process. Tender documentation should not be disseminated beyond members of the evaluation panel.
- b) Security and confidentiality measures commence with preparation of the tender documentation and must remain confidential until released to the public in order to maintain fair competition.
- c) The evaluation chair has primary responsibility for the security of responses. Once responses are distributed to members of the evaluation panel, it is the responsibility of each member of the evaluation panel to ensure any responses in their possession are kept secure and confidential throughout the process.
- d) During the evaluation period, the following procedures must be adhered to:
  - i. the number of personnel permitted to see the responses will be strictly on a "need to know" basis
  - ii. the responses will be controlled by the evaluation chair
  - iii. the responses (or any parts of these documents) will not be copied without the written permission of the evaluation chair
  - iv. a register of all copies taken will be maintained
  - v. the evaluation panel may not highlight, mark or place any comment on the original response
  - vi. all computer and word processing performed during the process will be undertaken using secure access systems
- e) If officers, in carrying out their duties, acquire any information that relates to, or which is in any way connected with the process (or the contractual arrangement the subject of the process), officers should treat that information as confidential and not distribute it to any other party except as expressly

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permitted for the purpose of the proper conduct of the officer's duties.

- f) Officers should at all times observe strict compliance with their broader employment and/or professional or contractual confidentiality obligations. Contractors, advisers and consultants are required to execute Council's template Confidentiality Deed and forward this to the evaluation chair.
- g) Where Council is providing tenderers with confidential information as part of the expression of interest and/or request for tender, the tenderer must equally be bound to confidentiality. Tender and contract documentation should provide that information used in the development of the tender by the tenderer, in whatever form provided by Council or converted by the tenderer, must (at Council's request) be returned to Council following advice of the outcome of the tender/quotation process.

## 18.6 Probity plans

- a) A probity plan sets out the steps to be taken in the process to be implemented to ensure a tender is conducted in accordance with the probity principles. A formal probity plan, using Council's template *Tender evaluation and probity plan*, should be developed and implemented for each procurement where:
  - i. the value of the contractual arrangement is worth \$200,000 or more (exclusive of GST)
  - ii. the procurement requires Council to approach the market, including requests for expressions of interest, requests for tender, and requests for application for inclusion on a multi-use list, such an approved contractor list, a register of pre-qualified suppliers and a preferred supplier arrangement
  - iii. the procurement is particularly complex, of a high risk or controversial nature, and requiring a high level of public confidence.
- b) A probity plan should cover the following:
  - i. identification of the contractual arrangement
  - ii. objectives of the probity processes
  - iii. statement of the application of the probity principles
  - iv. roles and responsibilities of each member of the evaluation panel and the probity adviser (if engaged)
  - v. probity tasks, documents and timelines
  - vi. measures for ensuring confidentiality and security
  - vii. communication protocol with tenderers
  - viii. record keeping requirements

## 18.7 Probity adviser

- a) Probity advisers do not take part in the decision-making process of the evaluation panel, they are involved in ensuring the integrity of the process by monitoring compliance with probity principles, assisting the panel on probity matters and reporting on compliance.
- b) The probity adviser will monitor the tender, evaluation and selection processes to ensure they are defensible and conducted in accordance with probity principles.

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- c) Council will assess the need to engage an external probity adviser by considering procurement process risks and the skills of the evaluation panel. For example, Council should consider engaging an external probity adviser when:
  - i. the nature of the market place makes grievances more likely (for example, where trade secrets are common place, or where competition is particularly strong)
  - ii. an in-house or public sector bid is expected, so as to avoid actual or perceived bias
  - iii. there is an incumbent supplier with a history of contracts with Council, as competitors will expect an increased level of confidence in the integrity of the process
  - iv. tenderers have had previous dealings with members of the evaluation panel
  - v. there has been controversy in the past in relation to the project, Council or one of the potential suppliers
- d) The probity adviser should be engaged before the process commences and before the tender specifications and documentation are completed. The probity adviser must be given full access to necessary documentation, personnel, meetings (including evaluation meetings, industry briefings and site visits) and premises to assess the adherence to the probity principles.
- e) At the conclusion of the process the probity adviser will review the tender evaluation panel's draft evaluation report and provide a probity report. The probity adviser's report will provide an opinion on whether:
  - i. the evaluation report accurately reflects the evaluation panel's evaluation, including the process, methodology, findings and recommendations
  - ii. the evaluation has been conducted in accordance with the terms of the tender, the tender evaluation and probity plan and meets applicable standards of probity
  - iii. the recommendations of the evaluation panel are consistent with the evaluation and defensible from a probity perspective
  - iv. there are any outstanding probity issues in relation to the conduct of the evaluation panel
  - v. there is any probity impediment to Council acting on the recommendation of the evaluation panel

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## Appendix 1: Procurement Policies and Guidelines

The following guidelines and procedures are at all times subject to the Procurement Policy and Manual which will prevail if there is any inconsistency.

Code	Policy	Dates Effective	Manual Reference
POL-3043	Corporate Procurement Policy	26/11/2015-30/11/2018	
PR-3043-001- 001	Raise a Requisition for Non-Inventory Goods, Assets and Services	28/11/2014-30/11/2017	
PR-3043-001- 003	Requisition Enquiry	28/11/2014-30/11/2017	
PR-3043-001- 004	Requisition Approval	28/11/2014-30/11/2017	
PR-3043-001- 009	Receipt of Goods and Services	28/11/2014-30/11/2017	
PR-3043-001- 012	Validation of Outstanding Purchase Orders and Commitments	28/11/2014-30/11/2017	
PR-3043-001- 013	Cancel Receipting - Non-Inventory	03/10/2012-31/10/2016	
POL-3060	Fraud and Corruption Prevention	23/10/2013-31/10/2016	
PR-3043-001- 034	Corporate Purchasing Card	13/06/2014-30/06/2017	

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## Appendix 2: Template Documents

Document #	Description
1.	Delegated Authority Report - Authority to establish an approved contractor list
2.	Invitation to Quote
4.	Formal Quotation – Design and Construct
4.(a)	Formal Quotation – Professional Services w/ Deliverables
4.(b)	Formal Quotation – Minor Works and Services w/ Deliverables
5.	Expression of interest for the establishment of a panel of providers
6.	Invitation to Tender
7.	Record of negotiations or clarification
8.	Request to extend validity period of offer
9.	Extension of services (exceptional circumstances)
10.	Schedule of offers received
11.	Unsuccessful Tenderer letter
13.	Letter of Acceptance of expression of interest
14.	Insurance expiry letter
15.	Letter – Feedback on tender
16.	Bank guarantee release – letter to the bank
16.(a)	Bank guarantee release – letter to contractor
17.	Performance of supplier report
18.	Request for price variation
19.	Extension letter – preferred supplier
20.	Extension letter – panel of providers and prequalified suppliers
21.	Request for variation to services
22.	Letter of acceptance – offer
23.	Variation approval
24.	Request to subcontract – approval
25.	Letter confirming withdrawal of tender from evaluation process
26.	Tender submission clarification
27.	Tender advertisement
28.	Notice of withdrawal of quotation from marketplace
29.	Evaluation matrix – normalised scoring
30.	Evaluation matrix – raw scoring
31.	Verbal quotation form
32.	Site visit schedule
33.	Invitation to tender – approved contractor list
34.	Letter requesting missing documents
35.	Letter - Suspended pending receipt of missing document
36.	Letter of non-compliance
37.	Notice to show cause
38.	Notice to show cause – previous breaches
39.	Conditions of Contract – Goods and Services One Off
40.	Conditions of Contract – Services Only One Off
41.	Conditions of Contract – Minor Quote D & C

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Document #	Description
42.	Conditions of Contract – Minor Works and Services
43.	Conditions of Contract – Revenue Contracts
44.	Conditions of Contract – Panel Conditions of Contract
45.	Conditions of Contract – Purchasing Arrangement Conditions
46.	Conditions of Contract – Professional Services - Converted
47.	Conditions of Contract – Low risk prof or Consult Agreement
48.	Probity Plan Template
49.	Probity Protocols Template
50.	Acknowledgement of Receipt of Probity Protocols and Probity Plan Template
51.	Conflict of Interest Declaration – Internal RCC Members
52.	Annexure Part A to General Conditions AS2124-1992
53.	Annexure Part B Supplementary Conditions AS2124-1992
54.	CM001 Creditor Supplier Application
55.	CMSU ACC 005 A Principal Contractor Authority
56.	CMSU EVL 001 Evaluation Sheet Simple
57.	CMSU EVL 002 Evaluation Sheet Competitive Quotation
58.	CMSU EVL 003 Evaluation Sheet Complex
59.	CMSU EVL 006 Sample Reference Check Questions
60.	CMSU INV 003 EOI Panel of Providers
61.	CMSU INV 006 Addendum Notice
62.	CMSU INVO 007 EOI Short List Tenders
63.	CMSU INV 016 Formal Quote Separable Portion Template
64.	Copy of CMSU INV 017 Documents Issue List
65.	CMSU VAR 001 A Variation Price Request Consolidated Form
66.	CMSU-PRE-001 Exemption to Competitive Quotations
67.	Contractor Safety Management Framework
68.	Corrective Action Report
69.	Request for Price from Existing Arrangement

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## Document Control

Only the Service Manager (of the relevant Department) can approve amendments to this document. Any requests to change the content of this document must be forwarded to relevant Service Manager(s). Approved documents must be submitted to the Corporate Meetings and Registers Team for registration.

## Version Information

Version No.	Date	Key Changes
3	November 2015	Key changes: <ul style="list-style-type: none"> <li>• Aligning the financial thresholds to the statutory requirements; and</li> <li>• Incorporating 5 new standard rules to add to the 5 statutory contracting principles to strengthen probity and accountability requirements.</li> <li>• Updating policies and procedures list</li> </ul>
4	May 2020	Key changes: <ul style="list-style-type: none"> <li>• Adjusted document to reflect Strategic Contracting Procedures in the following areas;                             <ul style="list-style-type: none"> <li>○ Scope &amp; Purpose</li> <li>○ Strategic Procurement, Improvement &amp; Innovation</li> <li>○ The Development of competitive local business and industry</li> <li>○ Delegations – reference of process for value / risk of contracts for strategic vs. operational</li> </ul> </li> <li>• Added 2.6 Conflicts of Interest</li> <li>• Added to 3.4 Schedule A, summary of exceptions for Quotes and Tenders including Aboriginal and Torres Strait Islander peoples information</li> <li>• Added to 7.3(j) Value Risk Matrix Assessment</li> <li>• Added to 7.3 Procurement Activity Timelines</li> <li>• Added 7.1 Annual Sourcing Plan</li> <li>• Added 7.2 Integrated Planning Cycle</li> <li>• Added 7.4 Governance arrangements for procurement</li> <li>• Added 13. Reference to Procure Safely documentation</li> </ul>

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## Schedule A – Exceptions

It is acknowledged that there may be situations where the nature of the procurement is such that it is not practicable to follow the preferred method or obtain other quotations. The following exceptions to the general requirements to seek quotes and tenders from the broader market are recognised by Council and are in accordance with Council delegations. It is expected that appropriate consultation and collaboration has been conducted with relevant business units (and is evidenced) prior to seeking approvals.

Exemption name	Explanation, limitations, responsibilities and approvals
1. Redland City Council (Council) Procurement Arrangements (CPAs) or Preferred Supplier Arrangement	<p>Where:</p> <ul style="list-style-type: none"> <li>Council has established a CPA or Preferred Supplier Arrangement and Council is using that arrangement</li> <li>CPA suppliers or Preferred Suppliers are unable to supply and an alternative strategy has been agreed</li> </ul> <p>Approvals:</p> <ul style="list-style-type: none"> <li>No additional approval is required in the first instance</li> <li>Simple approval (e.g. email) by relevant Category Manager or Procurement Transformation Manager</li> </ul>
2. A contract made because of genuine emergency or hardship	<p>Where there is a genuine emergency or hardship, and the necessity to act fast outweighs the additional benefit that may be driven through competitive processes. e.g. Urgent works to comply with Environmental Licence requirements</p> <p>Approvals: Simple approval (e.g. email) by relevant Category Manager or Procurement Transformation Manager in accordance with Council delegations</p>
3. Marketplace is restricted by third-party ownership of public utility plant ownership	<p>Where the goods, services or works can only be supplied by a single supplier or a restricted group due to third-party ownership of a public utility plant asset. For example, Energex, or Telstra or a similar type entity.</p> <p>Approvals: Approval by Procurement Transformation Manager in accordance with Council delegations</p>
4. A contract made with, or a purchase from a contract made by, another government entity, and government owned entity or Local Buy.	<p>Where Council uses a contract established by another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government.</p> <p>Approvals: No additional approval is required</p>
5. Procurement from social enterprises (including microenterprises, community enterprises and Aboriginal and Torres Strait	<p>Where entering a contract will generate positive social benefits or outcomes determined using the following conditions:</p> <p>Conditions: Submissions are to include:</p>

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Exemption name	Explanation, limitations, responsibilities and approvals
Islander organisations)	<p>a) the basis upon which the organisation is considered to be a social enterprise<sup>1</sup></p> <p>b) how the contract will develop capacity or capability of the social enterprise or otherwise contribute to Council's Corporate Plan or procurement objectives</p> <p>c) consideration given to commercial enterprises operating in the sector and whether they would be unduly prejudiced by the award of such a contract</p> <p>d) consideration of other known social enterprises and whether it would be appropriate for those organisations to compete with each other for the contract</p> <p>e) how quality of goods or services is to be ensured</p> <p>f) how reasonable value for money will be achieved by Council</p> <p>g) past performance of the supplier where a contract renewal or award of a similar contract is being considered.</p> <p><u>Approvals:</u> Approval by the Procurement Transformation Manager in consultation with the Group Manager, Community and Economic Development and in accordance with Council delegations.</p>
6. Quote or tender consideration plan	<p>Council contracts with a supplier based on a quote or tender consideration plan.</p> <p>The plan must include:</p> <ul style="list-style-type: none"> <li>• the objectives of the plan;</li> <li>• how the objectives are to be achieved;</li> <li>• how the achievement of the objectives will be measured;</li> <li>• any alternative ways of achieving the objectives, and why the alternative ways were not adopted;</li> <li>• the proposed terms of the contract for the goods or services; and</li> <li>• a risk analysis of the market from which the goods or services are to be obtained.</li> </ul> <p><u>Approvals:</u> Approval by Procurement Transformation Manager and in accordance with Council delegations</p>
7. Sole or select sourcing	<p>Where a contract for supply of goods, services or works is established with one supplier (sole sourcing) or a restricted group of suppliers (select sourcing) based on any of the following conditions:</p> <p>Conditions:</p> <ul style="list-style-type: none"> <li>a) it is in the public interest or for the public good</li> <li>b) there is a lack of available tenderers</li> <li>c) marketplace is restricted by statement of licence or third-party ownership of an asset (excluding public utility plant)</li> <li>d) a multi-staged process has been followed, including without limitation, one commencing with an expression of interest.</li> </ul>

<sup>1</sup> Social Enterprises are businesses that trade to intentionally tackle social problems, improve communities, provide people access to employment and training, or help the environment. They are commercially viable businesses existing to benefit the public and the community, rather than shareholders and owners. Source: Social Traders

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Exemption name	Explanation, limitations, responsibilities and approvals
	<p>Note: If there is a current procurement or disposal process in place, that process must be terminated prior to sole sourcing being implemented.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
8. Sensitive or Confidential nature	<p>Where the contract is of a specialised or confidential nature</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and directed to appropriate delegate based on nature of purchase in accordance with Council delegations</li> </ul>
9. Low Value Procurements – Extension of Contracts	<p>Where a contract is extended (with or without a provision for an extension).</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>Council’s Contract Management Framework to be followed</li> <li>Negotiations are to be undertaken as part of the contract extension process</li> <li>Category/market analysis and benchmarking must be used to establish that value for money is still being obtained</li> <li>Under this exemption, extension can only be approved up to a maximum total contract duration of five years</li> <li>Supplier performance must be to Council’s customer satisfaction</li> <li>Consideration is given to value improvement initiatives</li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
10.A contract for purchase at public auction	<p>Where the purchase takes place via public auction.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Relevant Category Manager or Procurement Transformation Manager, and in accordance with Council delegations</li> </ul>
11.Information Technology: Use of technology funds within a contract	<p>Where a contract allows for or provides funding for additional technology.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>CIO or delegate and Procurement Transformation Manager</li> </ul>
12. Information Technology: Solutions Tendered – Re-sellers and software developers	<p>Where Council contracts with a copyright holder where the solution is tendered by an authorised re-seller.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and Chief Information Officer or delegate in accordance with Council delegations</li> </ul>
13.Proof of Concept	<p>Allows Council to embark on a proof of concept process without going through a quotation or tender if it makes good business sense.</p> <p><u>Conditions:</u></p>

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Exemption name	Explanation, limitations, responsibilities and approvals
	<ul style="list-style-type: none"> <li>Up to \$100,000</li> <li>It makes good business sense not to go through quotation or tender process</li> <li>Supports the concept of “fail fast” i.e. testing something without putting Council to a large cost when uncertain of outcome</li> <li>Any safety issues and risks associated with proof of concept are addressed</li> <li>Objectives of Proof of Concept and measures of success are clearly articulated</li> <li>Once Proof of Concept is completed, subject to the regular procurement requirements unless an exemption is applicable</li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
<p>14. Direct engagement with industry to identify innovation</p>	<p>Where Council enters supply arrangements (or extends arrangements in terms of scope or duration) with strategic partners on a direct engagement basis.</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>A supplier may only be designated as a strategic partner via a Significant Contracting Plan (See CI 6.2.9).</li> <li>Arrangements may be extended for defined periods until such time as those arrangements, in Council’s view, no longer deliver Value for Money to Council.</li> <li>All decisions to enter into or extend an arrangement with a strategic partner are to be reported monthly to Council.</li> <li>Ongoing assessment and monitoring of the performance of each strategic partner is to be undertaken to ensure that Council continues to obtain Value for Money.</li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
<p>15. Direct engagement with businesses that provide proposals that solve key problems (solicited or unsolicited bids)</p>	<p>Where Council enters a contract after receiving proposals from businesses that: solve smart, local or regional problems or contribute to Council’s Vision, Corporate Plan or value for money outcomes.</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>the proposal contains intellectual property rights or elements, such that tendering for the requirement would be unfair or deprive the proponent of its innovation</li> <li>the outcome is considered to be fair to the supply market</li> <li>the proposal is considered to be advantageous for Redlands</li> <li>Value for Money can be demonstrated or substantiated.</li> </ul> <p><u>Approvals:</u></p>

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Exemption name	Explanation, limitations, responsibilities and approvals
	<ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
16. Extension of contracts while Council is at market	<p>Where a tender process to replace an existing contract is underway and the tender process has taken longer than expected, Council may extend an existing contract by up to six months or in extenuating circumstances (e.g. cancellation and re-tender), for a longer term, to ensure greater benefit to Council.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations.</li> </ul>
17. Procurement needed or external bids	<p>Where Council needs to arrange subcontracts in order to bid for work being procured by parties external to Council and the work is not for Council or on any asset which Council owns.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations.</li> </ul>
18. Extension of Information and Communications Technology (ICT), support and maintenance arrangements	<p>Where Council's requires maintenance and support (which may include external hosting or subscription to existing solutions) for existing Council ICT products that continue to meet business requirements beyond the original term.</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>Category/market analysis and benchmarking must be used to establish that value for money is still being obtained</li> <li><u>Adequate justification provided in relation to benefits of not changing versus renewing technology</u></li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and Chief Information Officer and in accordance with Council delegations</li> </ul>
19. Professional services unsuitable for tendering	<p>Where Council engages Professional Services under the following categories:</p> <p><u>Barristers and expert witnesses</u> – These services are needed for legal proceedings. Generally, barristers do not respond to tenders. General Counsel reviews the Law Society website and makes a decision on which barrister to approach for the matter depending on their area of expertise. Expert witnesses are recommended by the barrister.</p> <p><u>Integrity Workplace Solutions Agencies (IWSA)</u> – External integrity workplace solution agencies are needed to deliver sensitive, high-level and complex investigations in respect to the conduct of Council employees in the areas of alleged corrupt conduct, reportable misconduct, reportable loss and ICT forensics. The engagement of external agencies, on occasion, is also required to ensure investigations can be undertaken which protect the integrity of Council and can be delivered in a timely and professional manner to the</p>

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## Redland City Council Procurement & Contract Manual

Exemption name	Explanation, limitations, responsibilities and approvals
	standards outlined in the <a href="#">Crime and Corruption Commissions Corruption in Focus guide</a> . These engagements are also unsuitable for tendering. <u>Approvals for barristers and expert witnesses:</u> <ul style="list-style-type: none"> <li>General Counsel and in accordance with Council delegations</li> </ul>
20. Second-hand goods	Where Council contracts for the purchase of second-hand goods <u>Conditions:</u> <ul style="list-style-type: none"> <li>Adequate consideration is given to safety, risk and warranties</li> </ul> <u>Approvals:</u> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
21. Disposals	The preferred method for disposal of non-current assets is by public auction. Alternative methods of disposal, excluding disposal of land, may be considered provided the disposal method clearly demonstrates value for money. Alternative methods of disposal include, but are not limited to, trade-ins, online auctions and direct sales. <u>Approvals:</u> Procurement Transformation Manager in conjunction with the Group Manager and in accordance with Council delegations

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# ATTACHMENT 3

## CONTRACTING PLAN - 20/21 Financial Year

Detailed below are contracts in relation to major construction (works), goods and services, against which procurement activity is scheduled to occur during the 2020-21 financial year. Council may amend the Contracting Plan at any time before the end of the financial year to which the schedule relates. Council, or its delegate, may elect to negotiate a contract extension period, or exercise an existing option to extend a contract rather than engaging the market to enter into a new contract; subject to contract performance, sound contracting principles, procurement and delegated authority procedures. Exception under s250, s231, s232, s234, s235 of the Local Government Regulation 2012 (LGR 2012) continue to apply to all new contract sourcing arrangements in accordance with the Council Budget, Procurement Policy, Contract Manual and related delegation instruments and procedures. Administrative, Business transactions and disposal not specifically identified in the Contracting Plan will continue in accordance with the Council Budget, Procurement Policy, Contract Manual and related delegation instruments and procedures.

The Contracting Plan is to be read as a single document in conjunction with the Corporate Procurement Policy, Contract Manual, Policy on Delegations, Asset and Service Management Plans, Budget and Corporate Plan to inform Council planning, contracting and purchasing activity.

Q1 = July, Aug, Sept; Q2 = Oct, Nov, Dec; Q3 = Jan, Feb, March; Q4 = April, May, June.

### EXPLANATORY NOTES

Portfolio ID / Job ID - is an internal Council reference  
 Benefit - is a reference to expected Quadruple Bottom Line benefits arising from the Procurement activity. (Economic/Social/Environmental/Cultural)

### MAJOR CONSTRUCTION (Value from \$8k - \$5m)

Detailed below are major Council programs (programs are defined as programs of like work) and projects against which major procurement activity is scheduled to occur during the 2020-21 financial year and later. The Estimated Value of contracts... column shows an estimate of the sum of the procurement for which Council is scheduled to engage the market in 2020-21 and later. Where the Estimated Value of contracts... for a project or program detailed below reaches or exceeds \$5 million or is designated as a significant contract, that contract will be a significant contract for the purposes of section 221 (3) (2011) Local Government Regulation (2011) Chapter 6 Contracting, Part 2 Strategic Contracting Procedures.

Category	Portfolio ID / Job ID	Portfolio Summary	Value (Estimated Sum of the Contract Period as at 31/12/20)	Benefit	Market Approach	Expected Quarter to Market	Contract Manager
Construction and Operations	PRO270	Bus Shelter Upgrades and Renewals	\$128,498	Economic, Social, Cultural	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Project Delivery Group
	PRO270		\$64,251				
	PRO271		\$404,230				
	PRO215		\$5,474,238				
	PRO218		\$359,200				
	P138		\$100,000				
	P115		\$14,000				
	P215		\$60,000				
	P118		\$50,000				
	PRO245		\$3,593,766				
	PRO242		\$13,658				
	P241		\$4,479				
	PRO242		\$673,200				
Energy and Utilities	PRO242	Street Lighting Maintenance and Infrastructure	\$238,200	Economic, Environmental	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Project Delivery Group
	PRO242		\$1,800,000				
	PRO242		\$40,000				
	PRO242		\$70,000				
	PRO242		\$145,978				
	PRO242		\$2,800,000				
	PRO242		\$75,000				
	PRO242		\$67,000				
	PRO242		\$118,000				
	PRO242		\$120,000				
	PRO242		\$20,000				
	PRO242		\$19,000				
	Facilities Maintenance		PRO215				
PRO215		\$10,000					
PRO215		\$17,000					
PRO215		\$60,000					
PRO215		\$80,000					
PRO215		\$70,000					
PRO215		\$8,588					
PRO215		\$40,000					
PRO215		\$25,000					
PRO215		\$15,000					
PRO215		\$10,000					
PRO215		\$120,000					
PRO215		\$27,100					
Parks and Gardens	PRO209	Carrang Upgrades, Expansions and Developments	\$2,992,000	Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Project Delivery Group
	PRO209		\$400,000				
	PRO209		\$188,000				
	PRO209		\$28,000				
	PRO209		\$100,000				
	PRO209		\$100,000				
	PRO209		\$2,000				
	PRO209		\$88,856				
	PRO209		\$8,464				
	PRO209		\$262,000				
	PRO209		\$8,000				
	PRO209		\$214,000				
	PRO209		\$18,500				
PRO209	\$3,500						
PRO209	\$7,800						
PRO209	\$268,200						
PRO209	\$795,000						
PRO209	\$30,000						
PRO209	\$90,000						
PRO209	\$1,400,000						
PRO209	\$71,000						
PRO209	\$42,500						
PRO209	\$10,000						
PRO209	\$16,000						
PRO209	\$40,000						
PRO209	\$8,000						
PRO209	\$22,000						
PRO209	\$70,000						
PRO209	\$27,000						
PRO209	\$180,000						
PRO209	\$140,000						
PRO209	\$15,500						
PRO209	\$10,000						
PRO209	\$9,000						
PRO209	\$378,444						
PRO209	\$490,000						
PRO209	\$99,500						
PRO209	\$21,000						
PRO209	\$1,000						
PRO209	\$1,900						
PRO209	\$2,000						
PRO209	\$13,000						
PRO209	\$30,000						
PRO209	\$10,000						
PRO209	\$14,000						
PRO209	\$23,000						
PRO209	\$13,000						
PRO209	\$17,000						
PRO209	\$13,000						
Parks and Gardens	PRO210	Cycle Way Developments	\$79,350	Economic, Environmental, Social, Cultural	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Project Delivery Group
	PRO210		\$1,283,300				
	PRO210		\$68,000				
	PRO210		\$62,000				
	PRO210		\$13,000				
	PRO210		\$10,000				
	PRO210		\$10,000				
	PRO210		\$10,000				
	PRO210		\$10,000				
	PRO210		\$10,000				
	PRO210		\$10,000				
	PRO210		\$10,000				
	PRO210		\$10,000				
Roads	PRO207	Bridge Upgrades and Renewals	\$191,878	Economic, Environmental	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Project Delivery Group
	PRO207		\$9,282,447				
	PRO207		\$9,282,912				
	PRO207		\$2,282,418				
	PRO207		\$928,026				
	PRO207		\$200,000				
	PRO207		\$2,187,779				
	PRO207		\$100,000				
	PRO207		\$258,489				
	PRO207		\$14,649				
	PRO207		\$14,677				
	PRO207		\$1,211,919				
	PRO207		\$995,940				
PRO207	\$1,471,219						
PRO207	\$1,629,302						
PRO207	\$1,848,368						
PRO207	\$1,078,277						
PRO207	\$821,226						
PRO207	\$480,000						
PRO207	\$1,800,000						
PRO207	\$75,000						
PRO207	\$1,697,120						
PRO207	\$9,407,000						
PRO207	\$50,000						
PRO207	\$100,000						
PRO207	\$130,000						
PRO207	\$1,700,000						
PRO207	\$2,800,000						
PRO207	\$100,000						
PRO207	\$100,000						
Waste Management and Landfill	PRO208	Bin Signs	\$100,000	Economic, Environmental, Social	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Project Delivery Group
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	PRO208		\$100,000				
	Water and Sewerage		PRO211				
PRO211		\$1,800,000					
PRO211		\$45,000					
PRO211		\$249,000					
PRO211		\$478,621					
PRO211		\$10,000					
PRO211		\$19,000					
PRO211		\$80,000					
PRO211		\$100,000					
PRO211		\$100,000					
PRO211		\$100,000					
PRO211		\$41,000					
PRO211		\$38,200					
PRO211	\$14,800						
PRO211	\$12,500						
PRO211	\$400,000						
PRO211	\$300,000						
PRO211	\$136,400						
PRO211	\$62,700						
PRO211	\$207,800						
PRO211	\$10,000						
PRO211	\$1,800						
PRO211	\$1,400,000						
PRO211	\$400,000						
PRO211	\$350,000						
PRO211	\$100,000						
PRO211	\$1,887,718						
PRO211	\$200,000						
PRO211	\$200,000						
PRO211	\$1,800,000						
PRO211	\$1,800,000						
PRO211	\$500,000						
PRO211	\$100,000						
PRO211	\$400,000						
PRO211	\$8,000						

**GOODS AND SERVICES (SIGNIFICANT) (Value >\$5m)**

Details below are anticipated significant contracts in relation to goods and services against which major procurement activity is scheduled to occur during the 2020/21 financial year and later. These contracts are considered to be significant contracts. In some cases Council may elect to exercise an existing option to extend a contract rather than engaging the market with a new

Category	Tender/Contract Number	Description of Goods or Services	Value (Estimated Spend over the Contract Period in \$M)	Benefit	Market Approach	Expected Quarter to Market	Contract Manager
Repairs and Maintenance	T-1458-20/21-BWW	Register of Pre-qualified Suppliers for Mechanical & Electrical	\$14,425,000	Economic, Environmental	Tender / Contract Review	Q1	Infrastructure and Operations
Water and Landfill	TBA	Recycling and Waste Centre Operations	\$8,000,000	Environmental, Social	Tender / Contract Review	Q3	Infrastructure and Operations
	TBA	Purchase and Removal of Scrap Metal	\$8,000,000	Environmental, Social	Tender / Contract Review	Q2	Infrastructure and Operations

**GOODS AND SERVICES (NON-SIGNIFICANT) (Values from \$13k-\$5m)**

Details below are further anticipated contracts in relation to goods and services against which procurement activity is scheduled to occur during the 2020/21 financial year and later. These contracts are not considered to be significant contracts.

Category	Tender/Contract Number & Description of Goods or Services	Value (Estimated Spend over the Contract Period in \$M)	Benefit	Market Approach	Expected Quarter to Market	Contract Manager	
Business Services	T-1445-20/21-BA3	Perishable Supplies for Security Services	\$1,500,000	Economic, Social	Tender/contract(s) to be awarded under delegation.	Q1	Operational Services
	T-1662-20/21-BM2	Perishable Supplies for Security Services	\$250,000	Economic, Social	Tender / Contract Review	Q3	Operational Services
	TBA	Preferred Supplier for Mainland Green Logging, Maintenance and Ancillaries	\$450,000	Economic, Social	Tender / Contract Review	Q3	Infrastructure and Operations
	40475	Human Resources Services	\$7,000	Social, Cultural	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Operational Services
	40248	Approved Contractor List - Provision of Building Cert. Services	\$20,000	Economic	Tender / Contract Review	Q3	Community and Customer Services
	20006	Preferred Supplier for Telecommunication Services	\$550,000	Economic	Tender/Contract Review	Q1	Operational Services
	P982	Information Management Replacement and Application Activities	\$100,000	Social, Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Operational Services
	20250	Information Management Replacement and Application Activities	\$60,000	Social, Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Operational Services
	20274	Information Management Replacement and Application Activities	\$60,000	Social, Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Operational Services
	20226	Library Expenses	\$170,000	Economic, Social	Tender/Contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Community and Customer Services
Plant and Vehicles	20546	Equipment Renewals	\$262,000	Economic, Environmental	Tender/contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Project Delivery Group
	41001	Equipment Renewals	\$313,373	Economic, Environmental	Tender/contract(s) to be awarded under delegation.	Q1 - Q4 Refer Council's Tender Website	Project Delivery Group
Repairs and Maintenance	TBA	Register of Pre-qualified Suppliers for Trades and Services	\$1,165,000	Economic, Environmental, Social, Cultural	Tender / Contract Review	Q2	Infrastructure and Operations
	Q-1847-20/21-C5C	Provision of Traffic Data Collection Services	\$150,000	Economic, Social, Cultural	Quote	Q2	Infrastructure and Operations
Waste and Sewerage	T-1862-20/21-C1C	Preferred Supplier for the Cleaning & Maintenance of SPOHSS	\$2,153,000	Economic, Environmental, Social, Cultural	Tender / Contract Review	Q2	Infrastructure and Operations
	TBA	Collection and Disposal of Home Assist bulky Household Items	\$150,000	Economic, Environmental, Social, Cultural	Quote	Q1	Infrastructure and Operations
TBA	Collection, Transport and Recycling of Expanded Polystyrene	\$300,000	Economic, Environmental, Social, Cultural	Tender / Contract Review	Q1	Infrastructure and Operations	

## 14 REPORTS FROM COMMUNITY & CUSTOMER SERVICES

### 14.1 DECISIONS MADE UNDER DELEGATED AUTHORITY FOR CATEGORY 1, 2 AND 3 DEVELOPMENT APPLICATIONS

#### Objective Reference:

**Authorising Officer:** Louise Rusan, General Manager Community & Customer Services

**Responsible Officer:** David Jeanes, Group Manager City Planning & Assessment

**Report Author:** Jill Driscoll, Group Support Coordinator

**Attachments:** 1. Decisions Made Under Delegated Authority 10.05.2020 to 13.06.2020 [↓](#)

#### PURPOSE

To note decisions made under delegated authority for development applications (Attachment 1).

This information is provided for public interest.

#### BACKGROUND

At the General Meeting of 21 June 2017, Council resolved that development assessments be classified into the following four categories:

- Category 1 – minor code and referral agency assessments;
- Category 2 – moderately complex code and impact assessments;
- Category 3 – complex code and impact assessments; and
- Category 4 – major assessments (not included in this report).

The applications detailed in this report have been assessed under:

**Category 1** - Minor code assessable applications, concurrence agency referral, minor operational works and minor compliance works; and minor change requests and extension to currency period where the original application was Category 1.

Delegation Level: Chief Executive Officer, General Manager, Group Managers, Service Managers, Team Leaders and Principal Planners as identified in the officer's instrument of delegation.

**Category 2** - In addition to Category 1, moderately complex code assessable applications, including operational works and compliance works and impact assessable applications without objecting submissions; other change requests and variation requests where the original application was Category 1, 2, 3 or 4\*.

*\*Provided the requests do not affect the reason(s) for the call in by the Councillor (or that there is agreement from the Councillor that it can be dealt with under delegation).*

Delegation Level: Chief Executive Officer, General Manager, Group Managers and Service Managers as identified in the officer's instrument of delegation.

**Category 3** - In addition to Category 1 and 2, applications for code or impact assessment with a higher level of complexity. They may have minor level aspects outside a stated policy position that are subject to discretionary provisions of the planning scheme. Impact applications may involve submissions objecting to the proposal readily addressable by reasonable and relevant conditions. Assessing superseded planning scheme requests and approving a plan of subdivision.

Delegation Level: Chief Executive Officer, General Manager and Group Managers as identified in the officer's instrument of delegation.

**Human Rights**

There are no known human rights implications associated with this report.

**OFFICER'S RECOMMENDATION**

**That Council resolves to note this report.**

Attachment 1 Decisions Made Under Delegated Authority 10.05.2020 to 13.06.2020

**Decisions Made Under Delegated Authority 10.05.2020 to 16.05.2020****CATEGORY1**

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
CAR20/0086	Design and Siting & BOS - Dwelling house & retaining wall	Professional Certification Group Pty Ltd	20 O'Connell Parade Wellington Point QLD 4160	Referral Agency Response - Planning	15/05/2020	N/A	Approved	1
CAR20/0125	Design and Siting - Dwelling House	Bartley Burns Certifiers & Planners	37-39 Bayview Street Wellington Point QLD 4160	Referral Agency Response - Planning	11/05/2020	N/A	Approved	1
OPW002298	Landscape Works - Commercial	Sumvista Pty Ltd	625-635 Main Road Wellington Point QLD 4160	SPA - 15 Day Compliance Assessment	12/05/2020	N/A	Approved	1
CAR20/0126	Design and Siting - Dwelling House	Bayside Building Approvals	19 Flinders Avenue Dunwich QLD 4183	Referral Agency Response - Planning	11/05/2020	N/A	Approved	2
CAR20/0149	Design and Siting - Carport	Building Certification Consultants Pty Ltd	14 Erubin Street Cleveland QLD 4163	Referral Agency Response - Planning	14/05/2020	N/A	Approved	2
MCU20/0016	Dwelling house, gate house, fence, retaining walls, pool & pool house	Steve Bartley & Associates Pty Ltd	25 Seahaven Court Cleveland QLD 4163	Code Assessment	13/05/2020	N/A	Development Permit	2
CAR20/0132	Design and Siting - Shed	Fluid Building Approvals	15-17 Sugarglider Court Mount Cotton QLD 4165	Referral Agency Response - Planning	14/05/2020	N/A	Approved	6



### Decisions Made Under Delegated Authority 10.05.2020 to 16.05.2020

#### CATEGORY1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
CAR20/0127	Design and Siting - Carport	Bartley Burns Certifiers & Planners	37 Cumberland Drive Alexandra Hills QLD 4161	Referral Agency Response - Planning	13/05/2020	N/A	Approved	7
CAR20/0090	Build Over or Near Relevant Infrastructure	DBR Building Certification	57 Tulloch Drive Wellington Point QLD 4160	Referral Agency Response - Engineering	15/05/2020	N/A	Approved	8
CAR20/0074.01	Change to Development Approval - Dwelling House	Professional Certification Group Pty Ltd	5 Shoreside Close Birkdale QLD 4159	Minor Change to Approval	11/05/2020	N/A	Approved	10
CAR20/0128	Design and Siting - Dwelling	Kp Building Approvals Pty Ltd	15 Currawong Drive Birkdale QLD 4159	Referral Agency Response - Planning	13/05/2020	N/A	Approved	10

## Decisions Made Under Delegated Authority 10.05.2020 to 16.05.2020

### CATEGORY2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
OPW20/0025	Operational Works - Driveway Widening	Laura Jane CARLTON	13 Lucy Court Ormiston QLD 4160	Code Assessment	13/05/2020	N/A	Development Permit	1
CWA20/0007	Conditioned Works Assessment - Civil Works - extension to existing car park	Bornhorst & Ward	108 Queen Street Cleveland QLD 4163	Conditioned Works	12/05/2020	N/A	Approved	2
OPW002294	Combined Civil and Landscaping Works - Apartment Building x 30	Carbone Developments Pty Ltd	143-147 Esplanade Redland Bay QLD 4165	SPA - 15 Day Compliance Permit	11/05/2020	N/A	Approved	5
OPW18/0080.02	Extension to Currency Period - Operational Works - ROL - 1 into 40 & Drainage Reserve & Park.	Harridan Pty Ltd Urban Engineering Solutions Pty Ltd	847-897 German Church Road Redland Bay QLD 4165	Minor Change to Approval	14/05/2020	N/A	Approved	6
OPW20/0015	Operational Works for RAL 3 into 40 Lots - Bulk Earthworks	CMT Engineers Pty Ltd	157-195 Woodlands Drive Thornlands QLD 4164	Code Assessment	13/05/2020	N/A	Development Permit	9
OPW20/0023	Operational Works for RAL - Driveway, services, storm water drainage, sewerage and water reticulation	Paul BRANAGAN	19 Plumer Street Wellington Point QLD 4160	Code Assessment	15/05/2020	N/A	Development Permit	8

## Decisions Made Under Delegated Authority 17.05.2020 to 23.05.2020

## CATEGORY1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
MCU19/0178	Dwelling house (Proposed Lot 11)	The Certifier Pty Ltd	165 Shore Street North Cleveland QLD 4163	Code Assessment	21/05/2020	N/A	Development Permit	2
CAR20/0105	Design and Siting - Patio	The Certifier Pty Ltd	50 Brookvale Drive Victoria Point QLD 4165	Referral Agency Response - Planning	21/05/2020	N/A	Approved	4
CAR20/0138	Design and Siting - Additions to existing house	Peter Ronald FULLER	6 Wilson Lane Victoria Point QLD 4165	Referral Agency Response - Planning	20/05/2020	N/A	Approved	4
CAR20/0157	Design and Siting - Shed	Adept Building Approvals	90 Benfer Road Victoria Point QLD 4165	Referral Agency Response - Planning	22/05/2020	N/A	Approved	4
DBW20/0001	Domestic Additions - Dwelling House	Geoffrey Robert TIMMS Joanne TIMMS	1 Tipplers Street Victoria Point QLD 4165	Code Assessment	19/05/2020	N/A	Development Permit	4
MCU19/0123 02	Change to Development Approval - cabins	The Certifier Pty Ltd	38-42 Russell Terrace Macleay Island QLD 4184	Minor Change to Approval	19/05/2020	N/A	Approved	5
MCU19/0183	Dwelling house	Michael Leslie PRINCE	36 Timothy Street Macleay Island QLD 4184	Code Assessment	19/05/2020	N/A	Development Permit	5
CAR20/0103	Design and Siting - Carport	Scott Anthony KILLIN	26 Papaya Street Mount Cotton QLD 4165	Referral Agency Response - Planning	20/05/2020	N/A	Approved	6
CAR20/0137	Design and Siting - Shed	The Certifier Pty Ltd	291 Redland Bay Road Capalaba QLD 4157	Referral Agency Response - Planning	19/05/2020	N/A	Approved	7

### Decisions Made Under Delegated Authority 17.05.2020 to 23.05.2020

#### CATEGORY1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
OPW20/0030	Driveway Crossover	Ausbuild Pty Ltd	13 Eastview Crescent Thorntlands QLD 4164	Code Assessment	22/05/2020	N/A	Development Permit	7
CAR20/0139	Design and Siting - Carport	Apex Certification & Consulting	13 Sandpiper Street Wellington Point QLD 4160	Referral Agency Response - Planning	21/05/2020	N/A	Approved	8
CAR20/0147	Design and Siting - Shed	Strickland Certifications Pty Ltd	23 Fullerton Street Birkdale QLD 4159	Referral Agency Response - Planning	19/05/2020	N/A	Approved	8
CAR20/0136	Design and Siting - Carport & Deck	Steve Bartley & Associates Pty Ltd	2 Murray Street Birkdale QLD 4159	Referral Agency Response - Planning	19/05/2020	N/A	Approved	10
MCU20/0032	Dwelling house	Leon James MAHER Sandra Faye MAHER	8 Bath Street Birkdale QLD 4159	Code Assessment	19/05/2020	N/A	Development Permit	10
RAL20/0016	Rearranging Boundaries - 2 into 2 lots	The Certifier Pty Ltd	69-71 Thorneside Road Thorneside QLD 4158	Code Assessment	19/05/2020	N/A	Development Permit	10

## Decisions Made Under Delegated Authority 17.05.2020 to 23.05.2020

## CATEGORY2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
CWA19/0027	Conditioned Works - Landscape Works - Warehouse	Marley Investment Group Pty Ltd As Trustee	14-16 Fernbrook Avenue Russell Island QLD 4184	Conditioned Works	19/05/2020	N/A	Permit Issued	5
OPW17/0055.01	Extension to Currency Period - Operational Works - Intersection Upgrade - Heinemann Rd and Double Jump Rd	Lendlease Communities (Shoreline) Pty Limited	156-168 Serpentine Creek Road Redland Bay QLD 4165	Minor Change to Approval	22/05/2020	N/A	Approved	6
OPW18/0041.01	Extension to Currency Period - Operational Works - Water Main Relocation - Cleveland-Redland Bay Rd, Double Jump Rd & Boundary St Intersection Upgrade (Shoreline Associated)	Lendlease Communities (Shoreline) Pty Limited	156-168 Serpentine Creek Road Redland Bay QLD 4165	Minor Change to Approval	22/05/2020	N/A	Approved	6
OPW19/0131	Excavation & Fill Earth Works	Suncoast Developments Pty Ltd As Trustee	1051-1095 Mount Cotton Road Mount Cotton QLD 4165	Code Assessment	21/05/2020	N/A	Development Permit	6

## Decisions Made Under Delegated Authority 24.05.2020 to 30.05.2020

## CATEGORY 1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
CAR20/0134	Design and Siting/BOS - Dwelling House	A1 Certifier Pty Ltd	23 Sleath Street Ormiston QLD 4160	Referral Agency Response - Planning	28/05/2020	N/A	Approved	1
MCU19/0026	Dwelling House	Mr Ly E EA	231 Main Road Wellington Point QLD 4160	Code Assessment	29/05/2020	N/A	Development Permit	1
CAR20/0151	Design and Siting - Dwelling	Adept Building Approvals	13 South Street Cleveland QLD 4163	Referral Agency Response - Planning	29/05/2020	N/A	Approved	3
RAL20/0019	Reconfiguring a Lot - Standard Format- 1 into 2 lots	Building Code Approval Group Pty Ltd	32-34 Ocean Street Cleveland QLD 4163	Code Assessment	27/05/2020	N/A	Development Permit	3
CAR20/0144	Build Over or Near Relevant Infrastructure	Stroud Homes Brisbane East	15 Coastview Place Victoria Point QLD 4165	Referral Agency Response - Engineering	27/05/2020	N/A	Approved	4
CAR20/0157	Design and Siting - Shed	Adept Building Approvals	90 Benfer Road Victoria Point QLD 4165	Referral Agency Response - Planning	25/05/2020	N/A	Approved	4
CAR20/0158	Design and Siting - Additions	The Certifier Pty Ltd	30 Macadamia Street Victoria Point QLD 4165	Referral Agency Response - Planning	26/05/2020	N/A	Approved	4
CAR20/0141	Amenity and Aesthetics - Removable Dwelling	Titan Garages	7 Laurel Street Russell Island QLD 4184	Referral Agency Response - Planning	25/05/2020	N/A	Approved	5



## Decisions Made Under Delegated Authority 24.05.2020 to 30.05.2020

## CATEGORY 1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
CAR20/0143	Design and Siting - Detached Dwelling and Carport	Nerang Creative Design Pty Ltd	6 GreVILLEa Street Russell Island QLD 4184	Referral Agency Response - Planning	25/05/2020	N/A	Approved	5
CAR20/0150	Amenity and Aesthetics - Dwelling	Thomas Ian BRISTOW	68 Hume Street Russell Island QLD 4184	Referral Agency Response - Planning	25/05/2020	N/A	Approved	5
CAR20/0152	Amenity and Aesthetics - Removable Dwelling	Dianna JULIA	41 Woodlands Circuit Russell Island QLD 4184	Referral Agency Response - Planning	29/05/2020	N/A	Approved	5
MCU19/0167	Home based business	Mrs Cheryl A GREER Mr Kim L GREER	732-770 West Mount Cotton Road Sheldon QLD 4157	Code Assessment	29/05/2020	N/A	Development Permit	6
CAR20/0146	Design and Siting - Additions	Bartley Burns Certifiers & Planners	22 Riverton Drive Wellington Point QLD 4160	Referral Agency Response - Planning	27/05/2020	N/A	Approved	8
CAR20/0145	Design and Siting - Patio	Homesfield Patisos & Decks	8 McTaggart Street Capalaba QLD 4157	Referral Agency Response - Planning	26/05/2020	N/A	Approved	9
CAR20/0161	Design and Siting - Carport	Strickland Certifications Pty Ltd	27 Saturn Street Capalaba QLD 4157	Referral Agency Response - Planning	29/05/2020	N/A	Approved	9
CAR20/0115	Combined Design and Siting and BOS - retaining wall and house extension	Building Certification Consultants Pty Ltd	12 Pigeon Court Birkdale QLD 4159	Referral Agency Response - Planning	27/05/2020	N/A	Approved	10

## Decisions Made Under Delegated Authority 24.05.2020 to 30.05.2020

## CATEGORY2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
OPW002297	Compliance Assessment - Bay Islands Men's Shed	Bay Islands Men's Shed	24 Scotts Road Macleay Island QLD 4184	SFA - 15 Day Compliance Assessment	28/05/2020	N/A	Approved	5
MCU19/0130	Indoor sport and recreation	Renee Julie TRUSWELL Steven Keith TRUSWELL	894-906 German Church Road Redland Bay QLD 4165	Code Assessment	25/05/2020	N/A	Development Permit	6
RAL19/0061	Reconfiguring a Lot - 1 into 130 and MCU for Park	Lendlease Communities (Shoreline) Pty Limited	275-495 Serpentine Creek Road Redland Bay QLD 4165	Code Assessment	04/12/219	29/05/220	Development Permit	6
MCU19/0109	Change to Development Approval (MC008996 Truck Depot)	Barry Neville BRUCE John Marsson and Associates Pty Ltd Statewide Survey Group Pty Ltd Consulting Surveyors	523 Redland Bay Road Capalaba QLD 4157	Other Change to Approval Impact	25/05/2020	N/A	Approved	7
RAL19/0042	Reconfiguring a Lot - Standard Format 2 into 27 lots and 2 Habitat Corridor Lots and New Road	Mawson on Elder Pty Ltd	108 Sturgeon Street Ormiston QLD 4160	Code Assessment	29/05/2020	N/A	Development Permit	8
MCU19/0162	Showroom, Hardware and trade supplies	Ammarose Pty Ltd	76-78 Redland Bay Road Capalaba QLD 4157	Code Assessment	27/05/2020	N/A	Development Permit	9

## Decisions Made Under Delegated Authority 31.05.2020 to 06.06.2020

## CATEGORY1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
CAR20/0156	Design and Siting - Dwelling	Bayside Building Approvals	20 Rose Street Ormiston QLD 4160	Referral Agency Response - Planning	01/06/2020	N/A	Approved	1
OPW20/0031	Driveway Crossover Dwelling House	D J Built Homes Pty Ltd	26 Cleveland Terrace Ormiston QLD 4160	Code Assessment	04/06/2020	N/A	Development Permit	1
CAR20/0159	Design and Siting - Dwelling Additions	The Certifier Pty Ltd	10 Seahaven Court Cleveland QLD 4163	Referral Agency Response - Planning	02/06/2020	N/A	Approved	2
MCU20/0026	Dwelling House within 9m of revetment wall	Joshua ALTHAUS	11 Seacrest Court Cleveland QLD 4163	Code Assessment	03/06/2020	N/A	Development Permit	2
CAR20/0155	Design and Siting - Shed	K P Building Approvals Pty Ltd	1 Freshwater Street Thornlands QLD 4164	Referral Agency Response - Planning	01/06/2020	N/A	Approved	3
CAR20/0163	Design and Siting - Patio Roof	All Approvals Pty Ltd	12 Beddoe Street Thornlands QLD 4164	Referral Agency Response - Planning	05/06/2020	N/A	Approved	3
CAR20/0165	Design and Siting - retaining wall/balustrade	Fastrack Building Certification	9 Westburn Court Redland Bay QLD 4165	Referral Agency Response - Planning	05/06/2020	N/A	Approved	5
OPW20/0033	Driveway Crossover	Ronald Robert JOHNSON	65 Goddard Road Thornlands QLD 4164	Code Assessment	03/06/2020	N/A	Development Permit	7

### Decisions Made Under Delegated Authority 31.05.2020 to 06.06.2020

#### CATEGORY1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
CAR20/0174	Design and Siting/BOS - Patio	Fluid Building Approvals Brisbane	11 Platypus Court Capalaba QLD 4157	Referral Agency Response - Planning	04/06/2020	N/A	Assessment	9
CAR20/0154	Design and Siting - Dwelling	Coral Homes (Qld) Pty Ltd	29A Haig Road Birkdale QLD 4159	Referral Agency Response - Planning	01/06/2020	N/A	Approved	10
RAL20/0018	Rearranging Boundaries 2 into 2 lots	JDC Designs & Planning	111-113 Thorneside Road Thorneside QLD 4158	Code Assessment	01/06/2020	N/A	Development Permit	10

### Decisions Made Under Delegated Authority 31.05.2020 to 06.06.2020

#### CATEGORY2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
RAL17/0052.02	Change to Development approval RAL17/0052 - Reconfiguring a Lot - Standard Format - 1 into 33 lots (Stage 2) Relates to RAL17/0051 (Stage 1) & RAL17/0050	Andiworth Pty Ltd	88-90 Kinross Road Thornlands QLD 4164	Minor Change to Approval	05/06/2020	N/A	Approved	7

**Decisions Made Under Delegated Authority 31.05.2020 to 06.06.2020****CATEGORY3**

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
MCU19/0115	Multiple dwelling x 19	Palacio Property Group Pty Ltd	445-447 Boundary Road Thornlands QLD 4164	Impact Assessment	04/06/2020	N/A	Development Permit	3



## Decisions Made Under Delegated Authority 07.06.2020 to 13.06.2020

## CATEGORY1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
CAR20/0170	Design and Siting - Shed	Adept Building Approvals	8 Plumer Street Wellington Point QLD 4160	Referral Agency Response - Planning	09/06/2020	N/A	Approved	1
CAR20/0173	Design and Siting - Carports	Fluid Building Approvals Logan	9 James Street Coochiemudlo Island QLD 4184	Referral Agency Response - Planning	12/06/2020	N/A	Approved	4
CAR20/0167	Design and Siting - Dwelling House	Nathan Warwick GRIMA	127 Esplanade Redland Bay QLD 4165	Referral Agency Response - Planning	08/06/2020	N/A	Approved	5
CAR20/0175	Amenity and Aesthetics - Dwelling house	Fluid Building Approvals Sunshine Coast	32 Bay Drive Russell Island QLD 4184	Referral Agency Response - Planning	11/06/2020	N/A	Approved	5
RAL19/0094	Standard Format - 1 into 4 (Over two stages)	Clarke G ROBSON Susan N ROBSON	45 Willard Road Capalaba QLD 4157	Code Assessment	09/06/2020	N/A	Development Permit	8
CAR20/0063	Design and Siting - Domestic Additions	Bartley Burns Certifiers & Planners	28 Jon Street Capalaba QLD 4157	Referral Agency Response - Planning	11/06/2020	N/A	Approved	9
CAR20/0169	Design and Siting - Dual Occupancy	O'Brien Building Consultants Pty Ltd	141 Mount Cotton Road Capalaba QLD 4157	Referral Agency Response - Planning	12/06/2020	N/A	Approved	9

### Decisions Made Under Delegated Authority 07.06.2020 to 13.06.2020

#### CATEGORY2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
RAL19/0087	Standard Format - 1 into 5 lots and new road	Silkwear Developments Pty Ltd	1-13 Beckwith Street Ormiston QLD 4160	Code Assessment	12/06/2020	N/A	Approved	1
MCU19/0175	Multiple dwelling x 10	Redland Information Systems Australia Property Investments Pty Ltd As Trustee	40-46 Passage Street Cleveland QLD 4163	Code Assessment	10/06/2020	N/A	Development Permit	2
MCU20/0038	Shop- Alteration and additions to Aldi	Aldi Foods Pty Limited	157-169 Finucane Road Alexandra Hills QLD 4161	Code Assessment	12/06/2020	N/A	Development Permit	7

**14.2 LIST OF DEVELOPMENT AND PLANNING RELATED COURT MATTERS AS AT 1 JULY 2020****Objective Reference:****Authorising Officer:** Louise Rusan, General Manager Community & Customer Services**Responsible Officer:** David Jeanes, Group Manager City Planning & Assessment**Report Author:** Michael Anderson, Acting Principal Planner**Attachments:** Nil**PURPOSE**

To note the current development and planning related appeals and other related matters/proceedings.

**BACKGROUND**

Information on appeals and other related matters may be found as follows:

**1. Planning and Environment Court**

a) Information on current appeals and applications with the Planning and Environment Court involving Redland City Council can be found at the District Court website using the "Search civil files (eCourts) Party Search" service:

<http://www.courts.qld.gov.au/services/search-for-a-court-file/search-civil-files-ecourts>

b) Judgments of the Planning and Environment Court can be viewed via the Supreme Court of Queensland Library website under the Planning and Environment Court link:

<http://www.sclqld.org.au/qjudgment/>

**2. Court of Appeal**

Information on the process and how to search for a copy of Court of Appeal documents can be found at the Supreme Court (Court of Appeal) website:

<https://www.courts.qld.gov.au/courts/court-of-appeal/the-appeal-process>

**3. Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP)**

The DSDMIP provides a Database of Appeals that may be searched for past appeals and applications heard by the Planning and Environment Court:

<https://planning.dsdmip.qld.gov.au/planning/spa-system/dispute-resolution-under-spa/planning-and-environment-court/planning-and-environment-court-appeals-database>

The database contains:

a) A consolidated list of all appeals and applications lodged in the Planning and Environment Courts across Queensland of which the Chief Executive has been notified.

b) Information about the appeal or application, including the file number, name and year, the site address and local government.

**4. Department of Housing and Public Works (DHPW)**

Information on the process and remit of development tribunals can be found at the DHPW website:

<http://www.hpw.qld.gov.au/construction/BuildingPlumbing/DisputeResolution/Pages/default.aspx>

## PLANNING &amp; ENVIRONMENT COURT APPEALS &amp; APPLICATIONS

<b>1.</b>	<b>File Number:</b>	2171 of 2018 (ROL006209)
<b>Appellant:</b>		<b>Lorette Margaret Wigan</b>
<b>Respondent:</b>		<b>Redland City Council</b>
<b>Proposed Development:</b>		Reconfiguring a Lot for 1 into 29 lots and road 84-122 Taylor Road, Thornlands (Lot 1 on RP123222)
<b>Appeal Details:</b>		Appeal against Council decision to issue a Preliminary Approval.
<b>Current Status:</b>		Appeal filed on 13 June 2018. Mediation was held on 29 June 2018. A second mediation was held on 2 October 2018. A third mediation was held on 22 October 2018. A fourth mediation was held on 8 April 2019. A fifth mediation was held on 12 December 2019. Reviews were held on 12 April 2019, 19 July 2019, 23 August 2019, 9 October 2019, 14 November 2019, 12 December 2019 and 3 February 2020. The Appellant prepared affidavit material to support a minor change application and the Court made its final order on the 10 June 2020 that the preliminary approval be set aside and replaced with a decision to give a development permit, subject to conditions, in accordance with the development approval package.
<b>2.</b>	<b>File Number:</b>	2959 of 2019 (MCU013688)
<b>Applicant:</b>		<b>Quin Enterprises Pty Ltd</b>
<b>Respondent:</b>		<b>Redland City Council</b>
<b>Proposed Development:</b>		Material Change of Use for the extension of the existing Extractive Industry and Heavy Industry (office, truck weighbridge, car parking, storage area for materials with associated landscape buffers) 684-712 Mount Cotton Road, Sheldon (Lot 1 on RP109322 and 3 on SP238067)
<b>Appeal Details:</b>		Appeal against Council refusal.
<b>Current Status:</b>		Appeal filed 19 August 2019. The Appellant filed an application in pending proceeding on 4 September 2019, for orders to progress the appeal. A review was held on 11 September 2019. A site inspection was carried out on 18 September 2019. Reviews were held on 8 November 2019 and 24 January 2020. A mediation was held on 13 December 2019. A without prejudice meeting was held on 16 April 2020, in accordance with the Court Order. Further to the Appellants without prejudice correspondence dated 18 June 2020 it was ordered that Council is required to provide its response to the correspondence by 3 July 2020. A further review is listed for 17 July 2020.
<b>3.</b>	<b>File Number:</b>	3742 of 2019
<b>Appellant:</b>		<b>Angela Brinkworth</b>
<b>Respondent:</b>		<b>Redland City Council</b>
<b>Proposed Development:</b>		Material Change of Use for a Cemetery (Pet Crematorium) 592-602 Redland Bay Road, Alexandra Hills (Lot 2 on SP194117)
<b>Appeal Details:</b>		Appeal against Council refusal.
<b>Current Status:</b>		Appeal filed 16 October 2019. A mediation was held on 13 December 2019. A review was held on 31 January 2020. Orders were made that the Appellant is to provide further information in respect to the matters raised in without prejudice correspondence dated 16 April 2020. A further review was set down for 22 May 2020, however was adjourned to enable consideration of the further information submitted by the Appellant. The matter was considered at the General Meeting of Council on 10 June 2020 where it was resolved to provide a response to the parties that Council no longer contends that the development application ought be refused. A response is required to be provided to other parties by 3 July 2020.

<b>4.</b>	<b>File Number:</b>	3797 of 2019
	<b>Appellant:</b>	<b>Matzin Capital Pty Ltd</b>
	<b>Respondent:</b>	<b>Redland City Council</b>
	<b>Proposed Development:</b>	Application made under <i>Subordinate Local Law No 1.4 (Installation of Advertising Devices) 2017</i> and <i>Local Law No 1 (Administration) 2015</i> for a Permanent Sign – Electronic display component – high impact sign on an existing pylon sign 80 – 82 Finucane Road, Alexandra Hills (Lot 3 on RP81387)
	<b>Appeal Details:</b>	Appeal against Council refusal.
	<b>Current Status:</b>	Appeal filed 22 October 2019. The period for experts to complete the Joint Expert Report process was extended until 1 May 2020. Following discussion between the parties a settlement is being negotiated, involving the reduction in size of the sign, reduction and limitation on the hours of use (day light only) and dwell time increased. The matter is listed for review on 1 July 2020 and is likely to be adjourned until 15 July 2020 to negotiate final approval package.

<b>5.</b>	<b>File Number:</b>	3829 of 2019
	<b>Appellant:</b>	<b>Sutgold Pty Ltd v Redland City Council</b>
	<b>Respondent:</b>	<b>Redland City Council</b>
	<b>Proposed Development:</b>	Reconfiguring a Lot (8 lots into 176 lots and new roads) 72, 74, 78, 80, 82 Double Jump Road, 158-166, 168-172 and 174-178 Bunker Road, Victoria Point (Lots 12, 13, 15, 22 and 21 on RP86773, Lots 16 and 20 on SP293877 and Lot 12 on RP898198)
	<b>Appeal Details:</b>	Appeal against deemed refusal by Council.
	<b>Current Status:</b>	Appeal filed 23 October 2019. An early without prejudice meeting was held on 26 November 2019. A directions hearing was held on 6 February 2020. A list of matters supporting an approval was provided by the Appellant on 14 April 2020. The list of experts has been nominated and without prejudice conferences were held with the Appellant on 6, 14 and 21 May 2020 to discuss Council's position and proposed changes. A review was held on 17 June 2020 and it was ordered that the Appellant was to file and serve any application for a minor change by 26 June 2020. By 15 July 2020, the Respondent and Co-Respondent are to file and serve a written response to the Appellant's minor change application stating whether it will or will not oppose the declaration being made. Council is required to notify of its position on the appeal by 24 July 2020, should the Court determine the changes are minor. The matter is listed for further review on 31 July 2020.

<b>6.</b>	<b>File Number:</b>	4300 of 2019
	<b>Appellant:</b>	<b>PPV Victoria Point Land Pty Ltd</b>
	<b>Respondent:</b>	<b>Redland City Council</b>
	<b>Proposed Development:</b>	Preliminary Approval (including a variation request) for a Material Change of Use (Retirement Facility and Relocatable Home Park) 673-685, 687-707 and 711-719 Redland Bay Road and 10 Double Jump Road, Victoria Point. (Lot 29 on SP237942, Lots 9 and 10 on RP57455 and Lot 2 on RP149315)
	<b>Appeal Details:</b>	Appeal against deemed refusal by Council.
	<b>Current Status:</b>	Appeal filed 28 November 2019. A review was held on 31 January 2020. A without prejudice meeting occurred on 6 March 2020. By 1 May 2020 a Joint Expert Report process was to take place.  On 28 May 2020 the Appellant filed an application in pending proceeding seeking orders that the development application subject to the appeal be changed to incorporate the proposed changes to the variation scheme document and precinct plan, prepared by the Appellant. On 16 June 2020

<b>6.</b>	<b>File Number:</b>	4300 of 2019
	<b>Appellant:</b>	<b>PPV Victoria Point Land Pty Ltd</b>
	<b>Respondent:</b>	<b>Redland City Council</b>
		<p>Council as Respondent provided alternative variations and precinct plan based on ecological, bush fire and town planning expert advice.</p> <p>On 17 June 2020 it was ordered that the Appellant provide comments on the alternative variation scheme document provided by Council. A response was provided by Council on 18 June 2020. A further response was provided by Council to this correspondence on 22 June 2020.</p> <p>On or before 6 July 2020 the nominated experts are to participate in a Meeting of the Experts and produce a joint report addressing the issues. The matter is listed for further review on 13 July 2020.</p> <p>On or before 17 July 2020, the parties are to participate in a without prejudice conference to be conducted by the Alternative Dispute Resolution (ADR) Registrar with a view to further narrowing the issues.</p> <p>On or before 22 July 2020, the parties are to exchange any further Statements of Evidence. The matter is to be listed for hearing for five (5) days commencing on 27 July 2020.</p>

<b>7.</b>	<b>File Number:</b>	4312 of 2019
	<b>Appellant:</b>	<b>New Land Tourism Pty Ltd</b>
	<b>Respondent:</b>	<b>Redland City Council</b>
	<b>First Co-respondents (By election):</b>	<b>Benjamin Alistair Mackay and Renee Michelle Mackay</b>
	<b>Second Co-respondents (By election):</b>	<b>Debbie Tye-Anderson, Kerri Vidler, Lee Nicholson, Peter Anderson, Vanessa Anderson, Thelma Anderson.</b>
	<b>Proposed Development:</b>	Material change of use (tourist accommodation) 147-205 Rocky Passage Road, Redland Bay (Lot 3 on RP153333)
	<b>Appeal Details:</b>	Appeal against Council's decision to give a preliminary approval for a development application.
	<b>Current Status:</b>	Appeal filed 29 November 2019. A review was held on 11 June 2020 and it was ordered that the Appellant shall provide without prejudice material to all other parties by 24 June 2020. On or before 17 July 2020, the parties shall attend a without prejudice conference to be chaired by the P & E ADR Registrar. The Appeal be listed for review before 22 July 2020.

<b>8.</b>	<b>File Number:</b>	4703 of 2019
	<b>Applicant:</b>	<b>Redland City Council</b>
	<b>Respondents:</b>	<b>Canaipa Developments Pty Ltd</b>
		<b>Ian Robert Larkman</b>
		<b>TLC Jones Pty Ltd</b>
		<b>TLC Supermarkets Unit Trust No 2</b>
	<b>Site details:</b>	29-39 High Street, Russell Island (Lot 100 on SP204183)
	<b>Application Details:</b>	Application for interim and final relief with respect to alleged development offences under the <i>Planning Act 2016</i> and offences under the <i>Environmental Protection Act 1994</i> .
	<b>Current Status:</b>	Application filed 20 December 2019. A directions hearing was held on 5 February 2020 and a review took place on 8 April 2020. A further review was held on 24 April 2020 and Orders were that Council is to notify the Respondents as to whether the proposed replacement on-site sewerage treatment facility complies with the requirements sought in the originating application. The matter has been listed for review on 21 July 2020 and pre-callover on 17 August 2020 for possible trial in September 2020 (date to be confirmed).



<b>9.</b>	<b>File Number:</b>	566 of 2020
<b>Appellant:</b>		<b>Clay Gully Pty Ltd</b>
<b>Respondent:</b>		<b>Redland City Council</b>
<b>Proposed Development:</b>		Reconfiguration of a lot by standard format plan (3 lots into 289 lots over 7 stages, new road and park. 39 Brendan Way, 21-29 and 31 Clay Gully Road, Victoria Point. (Lot 1 on RP72635, Lot 4 on RP57455 and Lot 1 on RP95513)
<b>Appeal Details:</b>		Appeal against deemed refusal by Council.
<b>Current Status:</b>		Appeal filed 25 February 2020. Council notified of its position in the appeal on 1 May 2020 and provided reasons for refusal on 5 May 2020. A review was held on 8 May 2020 and it was ordered that the Appellant is to file and serve any request for further and better particulars by 15 May 2020. Council is to respond to any such request by 29 May 2020. The Appellant is to file and serve its consolidated reasons for approval by 12 June 2020.  A request for further and better particulars was made by the Appellant on 15 May 2020. Council provided its response to the request for further and better particulars on 1 June 2020. The Appellant submitted its matters supporting approval of the proposed development on 15 June 2020. A without prejudice discussion with the Appellant and Co-respondent, chaired by the Registrar, was held on 18 June 2020. A further without prejudice meeting was held on 25 June 2020. The matter is listed for further review on 3 July 2020.

<b>10.</b>	<b>File Number:</b>	1612 of 2020
<b>Appellant:</b>		<b>Sutgold Pty Ltd</b>
<b>Respondent:</b>		<b>Redland City Council</b>
<b>Proposed Development:</b>		Development permit for a reconfiguration of 9 Lots into 275 Residential Lots, 3 Balance Lots, 1 Load Centre Lot, 2 Park Lots, 2 Open Space Lots, 1 Pedestrian Connection Lot and 1 Multi-function Spine Lot in 12 stages. 36-56 Double Jump Road, 26 Prospect Crescent and 27 Brendan Way, Victoria Point more properly described as Lot 4 on RP57455, Lot 1 on RP95513, Lot 2 on RP86773, Lot 1 on RP86773, Lot 3 on RP148004, Lot 7 on RP57455, Lot 2 on RP169475, Lot 2 on RP165178, Lot 6 on SP145377, Lot 801 on SP261302 and Lot 5 on SP293881.
<b>Appeal Details:</b>		Appeal against deemed refusal by Council.
<b>Current Status:</b>		Appeal filed 5 June 2020.

<b>11.</b>	<b>File Number:</b>	1724 of 2020
<b>Appellant:</b>		<b>Fort Street Real Estate Capital Pty Ltd</b>
<b>Respondent:</b>		<b>Redland City Council</b>
<b>Proposed Development:</b>		Combined development permit for a material change of use (fast food outlet) and reconfiguring a lot (access easement and subdivision by lease). Birkdale Fair Shopping Centre at 2-12 Mary Pleasant Drive, Birkdale and more properly described as Lot 1 on RP816847.
<b>Appeal Details:</b>		Appeal against refusal by Council.
<b>Current Status:</b>		Appeal filed on 17 June 2020.

## APPEALS TO THE QUEENSLAND COURT OF APPEAL

<b>12.</b>	<b>File Number:</b>	8114 of 2018 (MCU012812)/ (QPEC Appeal 3641 of 2015)
<b>Appellant:</b>		<b>Redland City Council</b>
<b>Respondent (applicant):</b>		<b>King of Gifts Pty Ltd and HTC Consulting Pty Ltd</b>
<b>Proposed Development:</b>		Material Change of Use for Service Station (including car wash) and Drive Through Restaurant 604-612 Redland Bay Road, Alexandra Hills (Lot 21 on SP194117)
<b>Appeal Details:</b>		Appeal against the decision of the Planning and Environment Court to allow the appeal and approve the development.
<b>Current Status:</b>		Appeal filed by Council on 30 July 2018. Council's outline of argument was filed on 28 August 2018. The appellant's outline of argument was filed on 20 September 2018. The matter was heard before the Court on 12 March 2019. The Judgment of the Supreme Court on 13 March 2020 was that the appeal is allowed and the orders made on 18 June 2019 be set aside. The appeal is to be remitted back to the Planning and Environment Court and the respondent is to pay the appellant's costs of the appeal.  At a review in the P & E Court on 15 June 2020 the Court ordered that written submissions are to be filed by 10 July 2020 with a hearing listed for 17 July 2020. At the review Council made an interlocutory application (interim application) to adduce new evidence in relation to the 'need' aspect of the matter. This application was rejected.

<b>13.</b>	<b>File Number:</b>	CA12762 of 2019 (MCU013296) / (QPEC Appeal 4940 of 2015, 2 of 2016 and 44 of 2016)
<b>Appellant:</b>		<b>Lipoma Pty Ltd</b>
		<b>Lanrex Pty Ltd</b>
		<b>ATF IDL Investment Trust &amp; IVL Group Pty Ltd</b>
<b>Respondent:</b>		<b>Redland City Council</b>
<b>Co-respondent (applicant):</b>		<b>Nerinda Pty Ltd</b>
<b>Proposed Development:</b>		Preliminary Approval for Material Change of Use for Mixed Use Development and Development Permit for Reconfiguring a Lot (1 into 2 lots) 128-144 Boundary Road, Thornlands (Lot 3 on SP117065)
<b>Appeal Details:</b>		Appeal against the decision of the Planning and Environment Court to approve the development.
<b>Current Status:</b>		An appeal was lodged to the Queensland Court of Appeal on 15 November 2019. A review was held on 4 December 2019. A hearing took place on 30 April 2020. The decision is awaited.

## DEVELOPMENT TRIBUNAL APPEALS AND OTHER MATTERS

Nil

### Human Rights

There are no known human rights implications associated with this report.

## OFFICER'S RECOMMENDATION

**That Council resolves to note this report.**

## 15 REPORTS FROM INFRASTRUCTURE & OPERATIONS

### 15.1 DISPOSAL OF SURPLUS LAND - 14 WILLOWIE CRESCENT, CAPALABA

#### Objective Reference:

**Authorising Officer:** Dr Nicole Davis, General Manager Infrastructure & Operations

**Responsible Officer:** Bradley Salton, Group Manager City Infrastructure

**Report Author:** Toby Ehram, Coastal Infrastructure Adviser

**Attachments:**

1. Survey plan [↓](#)
2. Locality map, zone, overlay [↓](#)

#### PURPOSE

To recommend that Redland City Council (Council) approves the disposal of surplus land situated at 14 Willowie Crescent, Capalaba (the land).

#### BACKGROUND

Council currently owns the land, Lot 5 on RP122428 situated at 14 Willowie Crescent, Capalaba. The land is 481m<sup>2</sup> and zoned Community Facilities – Precinct 6 and not constrained by overlays under the City Plan.

The land was created in 1969 as part of a subdivision approval (refer attachment 1) and transferred to Council for future road purposes to potentially connect Allambee Crescent to Larbonya Crescent, Capalaba.

The land is adjacent to an undeveloped property to the north, developed properties to the east and south and a 0.6m wide access restriction strip and road reserve also to the south (refer attachment 2). The adjacent properties are zoned Low Density Residential.

#### ISSUES

##### Surplus to Requirements

The adjoining property owner at 12 Willowie Crescent, Capalaba made an approach to Council for consideration to be given to selling the property. Upon investigation, it was determined that the requirement for Allambee Crescent to connect to Larbonya Crescent is now redundant due to subsequent and known future development requirements of surrounding properties. In the unlikely circumstance that a road is required, the existing road reserve is sufficient to be utilised for this purpose, hence the land is considered to be surplus to Council requirements.

##### Zoning and development

The purpose of the Community Facilities (CF) zone is to provide for community related activities and facilities that meet the needs of the existing and future users. CF - Precinct 6 is primarily for accommodating infrastructure, such as wastewater treatment plants, waste disposal facilities, pumping stations, electricity sub-stations, local government depots and roads.

Generally residential uses in a CF zone are impact assessable and unlikely to be supported. The size of the land may also preclude the land being suitable for other (non-residential) accepted or code assessable development.

Consideration was given to registering a covenant on the land to restrict development by a future owner/s. However, under the *Land Title Act 1994* a covenant must be aimed directly at preserving a native animal or plant. An assessment of the land was undertaken by the Environment and Education Unit who advised that land is unlikely to meet the criteria for environmental values requiring protection from development.

### **Disposal**

Land is defined as a valuable non-current asset under the Regulation and the legislative requirement for disposal of land is by either a tender or auction process, unless an exception applies, at fair market value.

Council may determine that an exception under *Local Government Regulation 2012* (LGR 2012) to dispose of land to an adjoining owner may apply, provided:

1. The land is not suitable to be offered for disposal by tender or auction for a particular reason.
  - Considered to be met in this circumstance due to the potential restrictions to developing the land due to City Plan.
2. There is not another person who owns other adjoining land who wishes to acquire the land.
  - This is to be determined through a negotiation process with the adjoining owners once a resolution is finalised. If more than one adjoining landowner does want to purchase the property, a select tender process will be undertaken.
3. It is in the public interest to dispose of the land without a tender or auction.
  - It is considered that there is no detriment to the public by disposing of the land to an adjoining owner due to the limited development potential.
  - There is a benefit to the public as Council will not incur that costs of disposals such as advertising and Auctioneer fees, by disposing of the land in this manner.
4. The disposal is otherwise in accordance with sound contracting principles.
  - The disposal will be undertaken in accordance with LSV-001-P Corporate Procurement Policy and LSV-001-001-G Procurement and Contract Manual.

Fair market value of the land will be assessed by a suitably qualified independent valuer.

### **STRATEGIC IMPLICATIONS**

#### **Legislative Requirements**

Disposal will be in accordance with the *Local Government Regulation 2012*.

#### **Risk Management**

Risk management issues have been addressed through Council's Risk Management Policy.

#### **Financial**

Costs associated with the disposal of the land will be borne by the prospective purchaser. Associated costs include, but are not limited to, legal fees and the preparation and lodgement of relevant documents. Consideration for the land, at fair market value will also be obtained.

**People**

There are no implications on human resource policies, with work associated with the assessment and disposal utilising existing resources in the Property Services Unit.

**Environmental**

No environmental implications identified. The City Plan layers for the property have been reviewed and Environment Officer has been consulted.

**Social**

There are no social implications identified.

**Human Rights**

There are no known human rights implications associated with this report.

**Alignment with Council's Policy and Plans**

No non-alignment with Council Policy and Plans has been identified.

**CONSULTATION**

Consulted	Consultation Date	Comments/Actions
Councillor Division 9	19/07/2019	In principle support given for the disposal of the land pending investigation of mechanism to control development.
Service Manager Planning & Assessment	19/07/2019	In principle support given for the disposal of the land.
Environment Officer	19/07/2019	Provided advice on investigation of mechanism to control development.
Senior Property Officer	24/06/2020	Reviewed and supported proposed options for the disposal of the land.
Group Manager City Infrastructure	01/07/2020	Reviewed and supported proposed options for the disposal of the land.

**OPTIONS****Option One**

That Council resolves as follows:

1. To apply the exception to dispose of 14 Willowie Crescent, Capalaba, other than by tender or auction, under sub paragraph 236(1)(c)(iv) of the *Local Government Regulation 2012*.
2. If 14 Willowie Crescent Capalaba cannot be disposed of in accordance with sub paragraph 236(1)(c)(iv) of the *Local Government Regulation 2012* the land is offered for disposal by auction.
3. To delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary and discharge any resultant contracts and related documentation to dispose of 14 Willowie Crescent, Capalaba.

**Option Two**

That Council resolves as follows:

1. To dispose of 14 Willowie Crescent, Capalaba by offering the land for sale by auction.

2. To delegate the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009* to make, vary, negotiate and discharge any resultant contracts and related documentation dispose of 14 Willowie Crescent, Capalaba.

### **Option Three**

That Council resolves as follows to not dispose of 14 Willowie Crescent, Capalaba.

### **OFFICER'S RECOMMENDATION**

That Council resolves as follows:

1. To apply the exception to dispose of 14 Willowie Crescent, Capalaba, other than by tender or auction, under sub paragraph 236(1)(c)(iv) of the *Local Government Regulation 2012*.
2. If 14 Willowie Crescent, Capalaba cannot be disposed of in accordance with sub paragraph 236(1)(c)(iv) of the *Local Government Regulation 2012* the land is offered for disposal by auction.
3. To delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary and discharge any resultant contracts and related documentation with adjoining property owners including the purchase price of 14 Willowie, Crescent Capalaba.



Attachment 1 - Survey plan

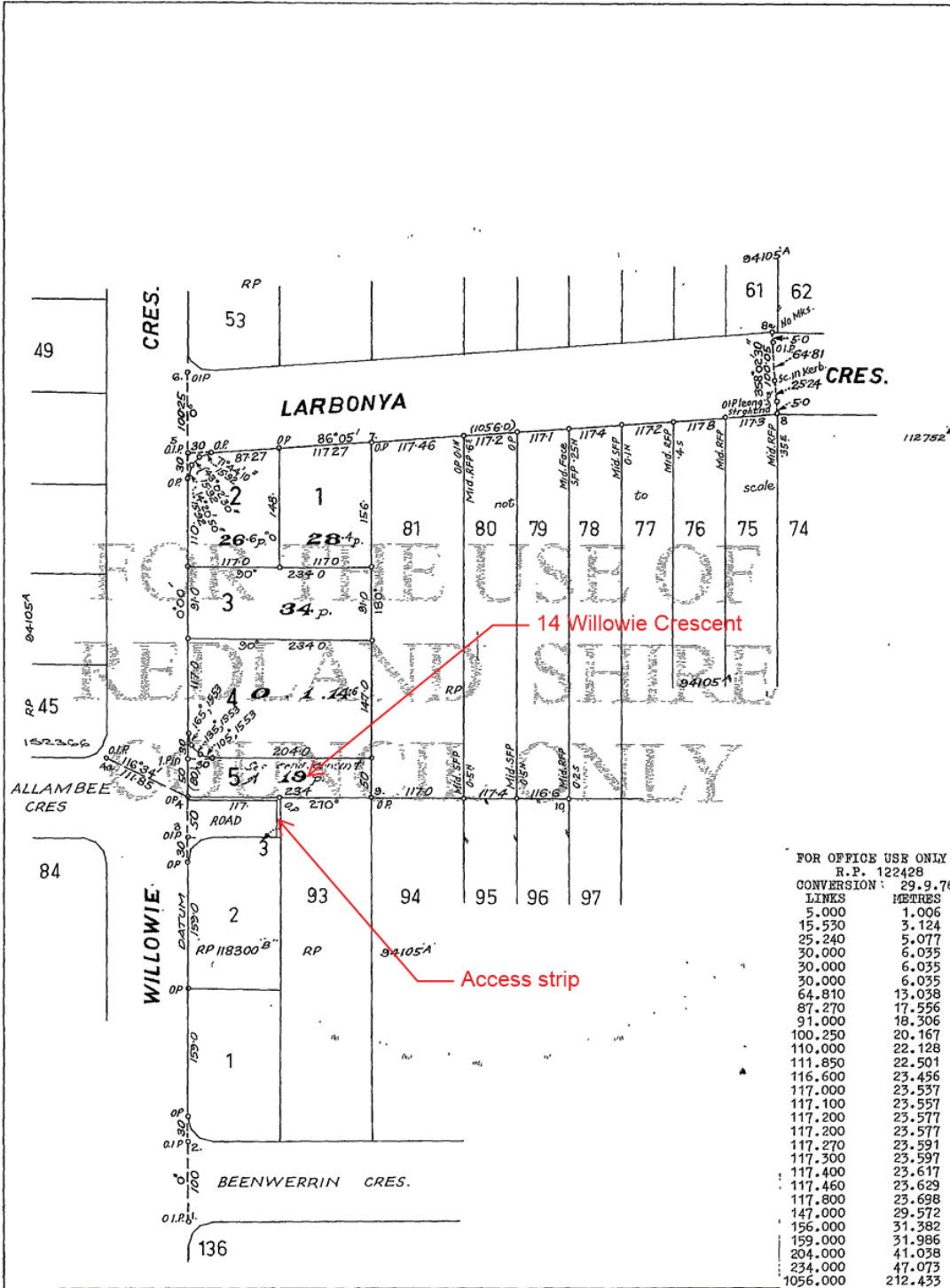
This plan MUST NOT BE FOLDED out may be rolled.

122428

Nº 6428

Drawing of Plan must be restricted to the space inside the blue lines

122428



122428

Drawing of Plan must be restricted to the space inside the blue lines

122428

Lots... 1 to 5  
 Orig. Portion... 100  
 Orig. Grant... 49883  
 Cancelling... Resubs. 82 & 83  
 Town of... STANLEY  
 Parish of... CAPALABA  
 Surveyed by... K.G. Norris 10/5/1963  
 SCALE... 1 chain to an inch  
 CROWN COPYRIGHT RESERVED REGISTRAR OF TITLES, QUEENSLAND  
 CISP REGISTERED PLAN 122428 CISP

Copyright protects this plan. Unauthorised reproduction or amendment is not permitted. Contact the surveyor or Consulting Surveyors Queensland for information.

Attachment 2 Locality map

Red-e-map Print

8/28/2019



<http://pspaaps01/redemap/printGeneric.aspx?Title=Red-e-map%20Plot&Scale=1400&PaperSize=A3&Orientation=Landscape>

1/1



8/28/2019

Red-e-map Print



http://pspaaps01/redemap/printGeneric.aspx?Title=Red-e-map%20Plot&Scale=1400&PaperSize=A3&Orientation=Landscape

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8/28/2019

Red-e-map Print



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1/1

## 16 NOTICES OF INTENTION TO REPEAL OR AMEND A RESOLUTION

In accordance with s.262 Local Government Regulation 2012.

## 17 NOTICES OF MOTION

In accordance with s.6.16 of GOV-017-SD Council Meeting Standing Orders notice of the following motions were given:

### 17.1 NOTICE OF MOTION CR ROWANNE MCKENZIE - FUTURE ROAD EXIT OPTIONS IN THE KINROSS ROAD STRUCTURE PLAN

On 9 July 2020, Cr McKenzie gave notice that she intends to move a motion as follows:

#### MOTION

**That Council resolves that a report be prepared and tabled at a General Meeting of Council within 3 months outlining the history and future options for an additional road exit to what is currently provided in the Kinross Road Structure Plan for traffic seeking to exit north.**

#### Background

The Kinross Road Development is facing a number of traffic management issues. A report on the history and future options for an additional road exit to that which is currently provided in the Kinross Road Structure Plan for traffic seeking to exit north, including but not limited to Goddard Road and South Street, would assist in understanding the current situation and assist in planning to meet the community's expectations.

### 17.2 NOTICE OF MOTION CR PETER MITCHELL – SHORT TERM PARKING TRIAL

On 10 July 2020, Cr Mitchell gave notice that he intends to move a motion as follows:

#### MOTION

**That Council resolves as follows:**

- 1. To initiate a trial of short term parking at strategic locations on Middle and Bloomfield Streets in Cleveland CBD, by changing a selected amount of car parks from 3 hour to 1 hour or 30 minute time limits.**
- 2. That the Cleveland parking trial will be for a minimum of six months.**
- 3. That Council officers will monitor the value of shorter timed car parking spaces in the CBD, during the trial, and engage with businesses to determine the effectiveness of such car spaces.**

## 18 URGENT BUSINESS WITHOUT NOTICE

In accordance with s.6.17 of GOV-017-SD Council Meeting Standing Orders, a Councillor may bring forward an item of urgent business if the meeting resolves that the matter is urgent.

Urgent Business Checklist	YES	NO
To achieve an outcome, does this matter have to be dealt with at a general meeting of Council?		
Does this matter require a decision that only Council make?		
Can the matter wait to be placed on the agenda for the next Council Meeting?		
Is it in the public interest to raise this matter at this meeting?		
Can the matter be dealt with administratively?		
If the matter relates to a request for information, has the request been made to the CEO or a General Manager Previously?		



## 19 CONFIDENTIAL ITEMS

### COUNCIL MOTION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 275(1) of the *Local Government Regulation 2012*:

#### 19.1 Redland Investment Corporation 2019-2020 YTD March Financial Report

This matter is considered to be confidential under Section 275(1)(h) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

#### 19.2 Sutgold V Redland City Council (Planning and Environment Court Appeal 3829/2019)

This matter is considered to be confidential under Section 275(1)(f) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with starting or defending legal proceedings involving the local government.

#### 19.3 Acquire land for Recreation and Open Space (park) purposes

This matter is considered to be confidential under Section 275(1)(h) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

#### 19.4 Renewal of leases - Capalaba and Cleveland

This matter is considered to be confidential under Section 275(1)(e) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contracts proposed to be made by it.

## 20 MEETING CLOSURE