



## **AGENDA**

**SPECIAL COUNCIL MEETING**

**THURSDAY 28 MAY 2009**

**TIME – 8.00AM**

**VENUE – TOWN OF CAMBRIDGE**

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*Managing waste and recovering resources responsibly*

*Constituent Members: Cities of Perth, Joondalup, Stirling, and Wanneroo. Towns of Cambridge, Victoria Park and Vincent*



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**MINDARIE REGIONAL COUNCIL**

**NOTICE OF MEETING**

22 May 2009

Councillors of the Mindarie Regional Local Government are respectfully advised that a Special Meeting of the Council will be held in the Council Chambers of the Town of Cambridge, 1 Bold Park Drive, Floreat, at 8.00am on Thursday 28 May 2009.

The business papers pertaining to the meeting follow.

Your attendance is requested.



**KEVIN POYNTON**  
Chief Executive Officer

**MINDARIE REGIONAL COUNCIL - MEMBERSHIP**

Cr R M Willox AM JP (Rod)	City of Stirling
Cr J Bissett (John)	Town of Victoria Park
Cr R Butler (Rob)	City of Perth
Cr S Farrell (Steed)	Town of Vincent
Cr R Fishwick (Russ)	City of Joondalup
Cr L Gray (Laura)	City of Wanneroo
Cr K Hollywood (Kerry)	City of Joondalup
Cr C MacRae (Corinne)	Town of Cambridge
Cr D Newton (Dot)	City of Wanneroo
Cr P Rose JP (Peter)	City of Stirling
Cr R Sebrechts (Ron)	City of Stirling
Cr K Thomas (Kathryn)	City of Stirling

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**AGENDA**  
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<b>1</b>	<b>OATHS/AFFIRMATIONS OF ALLEGIANCE AND DECLARATIONS OF OFFICE</b>
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<b>2</b>	<b>QUESTION TIME</b>
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<b>3</b>	<b>ATTENDANCE AND APOLOGIES</b>
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<b>4</b>	<b>ANNOUNCEMENTS</b>
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<b>5</b>	<b>DEPUTATIONS</b>
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<b>6</b>	<b>BUSINESS FROM A PREVIOUS MEETING TREATED AS AN ORDER OF THE DAY</b>
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<b>7</b>	<b>REPORTS</b>
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Declaration of Financial/Conflict of Interest to be recorded prior to dealing with each item.

*Disclosure of Financial and Proximity Interests*

- (a) *Members must disclose the nature of their interest in matters to be discussed at the meeting. (Section 5.60(A) (B) and 5.65 of the Local Government Act 1995).*
- (b) *Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the Local Government Act 1995).*

*Disclosure of Interest Affecting Impartiality*

- (a) *Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee has given or will give advice.*

<b>7.1</b>	<b>REPORTS</b>
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7.1

File No: COR/8

**SUBJECT: BUSINESS PLANNING 2009/2010**

**RECOMMENDATION**

**That Council:**

- (i) **note the methodology used to derive the Business Plan 2009/2010 and associated plans**
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- (ii) approve Business Plan 2009/2010
  - (iii) approve 2009/2010 Members' Processable Gate Fee of \$133.50 (ex GST) and Non Processable Fees of \$69.60 (ex GST)
  - (iv) approve the option for members to pay by instalments over 3 years (as per schedule) the \$10/tonne relating to the \$2.1m payment payable to BioVision2020 during the commissioning period. The instalment option includes an interest payment
  - (v) approve the Schedule of Fees and Charges relating to commercial and casual users, at Attachment Two

7.2

File No: WST/168

**SUBJECT: PROPOSED EXTENSIONS TO THE EXISTING WORKSHOP BUILDING**

**RECOMMENDATION**

That Council not accept any tender in response to Request for Tender No 13/98 Proposed Extensions to Existing Workshop Building on the basis that neither tender was a conforming bid.

<b>8</b>	<b>NOTICES OF MOTION FOR CONSIDERATION AT THE FOLLOWING MEETING</b>
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<b>9</b>	<b>NEXT MEETING</b>
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9.1 Ordinary Council Meeting

- 9 July 2009
- 5.30pm
- City of Stirling

<b>10</b>	<b>CLOSURE</b>
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**ITEM 7.1 BUSINESS PLANNING 2009/2010**

**File No: COR/8**

**Attachment(s):** 1. **Draft Annual Business Plan 2009/2010**  
2. **Schedule of Proposed Fees and Charges 2009/2010**  
3. **2009/2010 Members Fees – Additional Information**

**Author: Kalwant Dhillon**

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**SUMMARY**

The purpose of this item is to outline the business planning process for Financial Year 2009/2010, and finalise the Members and Non-Members Fees for 2009/10.

**BACKGROUND**

A twenty year Strategic Financial Plan commencing 2008/2009 to 2027/28 was approved by Council on 3 July 2008 at the Ordinary Council Meeting.

Estimated Gate Fees for Processable and Non-Processable waste of \$127/tonne and \$61/tonne respectively were provided at the 5 March 2009 Ordinary Council Meeting for Member Councils' planning purposes based on the twenty year Strategic Financial Plan.

The Global Financial Crisis, emanating from the rising collateralised debts in the US and the collapse of Lehman Bros, has resulted in a slow down in the pace of the economy worldwide including Australia. Most of the major economies are in recession and Australia is heading that way too.

The Federal Government's 'stimulant' package has to a certain extent, as the experts' perceive, been stabilising the economy but whether Australia can avoid the recession, only time will tell.

The impact on Mindarie Regional Council so far has been minimal with the Members tonnages steady and the Casuals/Commercials slowing down since January 2009. The administration is monitoring it with interest and the end of the year review would reflect the full impact of the slowdown so far.

The twenty year Strategic Plan commencing 2009/2010 was approved by the Council at the October 2008 Ordinary Council Meeting and the administration has conducted work to develop a draft Business Plan for 2009/2010 including the projected member fees for 2009/2010. Council consideration of this work was planned for 21 May 2009.

However, the State Government Budget, released 14 May 2009, contained an unexpected plan to increase the landfill levy for putrescible waste – the waste disposed to Tamala Park – from \$7 per tonne to \$28 per tonne, effective 1 July 2009.

This plan – a massive amendment from the previously advised "\$7 to \$8" arrangement, has forced a major rework of the Mindarie Regional Council Budget 2009/2010 exercise.

The approach taken has been to minimise the 'pass through' of this charge to Member Councils, without compromising the Mindarie Regional Council business.

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## **DETAIL**

### **Methodology**

The methodology and assumptions used to develop Business Plan 2009/2010 has been as follows:

- The twenty year Strategic Plan commencing 2009/2010 remains the Council's primary source of reference with regards to business activities
- Assessment of the progress against Business Plan 2008/2009 activities, and noting any particular trends and changes in activities
- Preparation of a summary of the Council's strengths and weaknesses (internal characteristics), together with external threats and opportunities for the business, with due respect to this business planning approach
- Construction of draft Business Plan 2009/2010

### **Business Plan 2008/2009 – An Assessment of Progress**

Key points to note, in this respect, are as follows:

- That landfill operations are currently more streamlined given the need to operate in only the Stage 2 East and West area compared to Stages 1 and Stage 2 in previous years
- Stage 2 Phase 3 excavation is well advanced and is expected to be completed by June 2010
- The Resource Recovery Facility was officially commissioned on 27 March 2009 and commissioning period commenced in April 2009 with the first load of waste on 21 April 2009. Full operation is on target to commence on 1 July 2009

### **Strengths and Weaknesses**

Strengths and weaknesses are defined as those internal characteristics of the organisation.

The assessment of strengths and weaknesses for the business is as follows:

- Strengths
  - Leadership at all levels
  - Customer and market focus
  - Strategy and planning
  - Strategic Financial Planning and Financial Management
  - Operational staff
  - IT systems, including information management
  - Facilities
  - Relationship with member Councils
  - Achievement and reporting of outcomes
  - System for continuous improvement



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- Weaknesses
    - Limitations with existing Constitution

### **Threats and Opportunities**

Threats and Opportunities are defined as those external factors which are likely to impact upon the business in the forthcoming year. Some key conclusions as follows:

- The opportunity exists to further develop Mindarie Regional Council's processing operations with the region via 'Son of Tamala' landfill and RRF Stage 2, in a way that is consistent with the emerging State Government blueprint for waste management
- The threat to the business posed by the cost penalties from any Federal Government Carbon Trading Scheme requires management
- The opportunity to further engage with Mindarie Regional Council's community in order to ensure appropriate waste practices, particularly with household hazardous waste, needs to be exploited
- The opportunity to further improve waste management systems within the region, via the Strategic Waste Minimisation Plan process, also needs to be exploited

### **Business Plan 2009/2010**

The preparation of draft Business Plan 2009/2010 has occurred with due respect to the following:

- The new twenty year Strategic Plan commencing 2009/2010
- Progress against Business Plan 2008/2009
- Summary of strengths and weaknesses, together with threats and opportunities

The draft Business Plan 2009/2010 aims to maintain existing operations and expand future capabilities, in line with the Council's revised Strategic Plan.

### **Strategic Budget 2009/2010**

Mindarie Regional Council finalised its Strategic Financial Plan from 2008/2009 to 2027/2028, and this was approved by Council's at the 3 July 2008 Ordinary Council Meeting.

The projections for 2009/2010 in the Strategic Financial Plan has been used in the context of the Strategic Budget for 2009/2010 and updated in light of the current global economic conditions, environmental factors, commissioning of Resource Recovery Facility, new initiatives and other relevant factors which forms the basis for the calculation of the Gate Fees for 2009/2010 going forward. This was the basis of fees structure circulated for the 21 May 2009 Special Council Meeting.

The fee structure has been revised with the introduction of the \$21/tonne (\$6.1m) increase in levy by the Government in the 2010/11 budget. The administration has reviewed existing revenue and expenditure for Mindarie Regional Council and the impact of the levy increase and worked out a strategy to soften the impact of the increase of the DEP Levy by utilising the previous years accumulated Member Surpluses and reduction in expenditure.

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The impact of utilisation of these surplus in this way is as follows:

- Lower level of cash balances
- Delay in the 'early' repayment of existing loans

The Members' surpluses from 2005/2006 to 2007/2008, which has now been finalised, amount to appt. \$2.3million. This arose due to good financial management of the business and the following other factors:

- Substantial increase in Casual/Commercial tonnages of waste which attracted a greater share of the 'fixed costs' allocated on a tonnage basis
- Saving in interest expense, transfer of Loan 10 interest expense to RRF Project cost for amortisation over life of RRF Facility and deduction of Loan 11 expense in the earlier years (2005/2006 to 2007/2008).
- Savings in depreciation due to delay in capital projects
- Savings in operational costs

The detail information will be presented at the forthcoming Financial Management Workshop in June/July 2009 (date to be ascertained following the postponement from 28 May 2009).

These surpluses have been used to 'buffer' the impact of the \$21/tonne increase to the Member Council over two years.

#### **Member Fees – 2009/2010**

The Resource Recovery Facility at Neerabup was commissioned on 27 March 2009 and is expected to be fully operational on 1 July 2009.

The Fee Model agreed and approved by the Council previously (1 July 2004 Ordinary Council Meeting) in anticipation of the development and implementation of Resource Recovery Model differentiates the Waste into Processable Waste and Non-Processable Waste.

This Fee Model concept has been incorporated into the comprehensive Financial Model developed by Deloitte in conjunction with MRC management and in consultation with Member Councils' Officers through the Financial Management Workshops.

The methodology for the calculation of the Processable and Non-Processable Fees for 2009/10 thus far has been to apply the Strategic Budget for 2009/10 to the Model and derive the Members' Processable and Non-Processable Fees for 2009/10.

This methodology has been varied slightly due to the exorbitant increase in DEP Levy, as mentioned above. The administration has put a strategy in place after reviewing its revenue and expenditure for 2009/2010 to utilise the previous years' 'Members' surpluses to 'soften' the impact of the increase.

Also an option has been made available to Member Councils to allow them to pay their share of the commissioning cost of \$2.1million either in 2009/2010 at \$10/tonne or over three years which will include an interest cost which represents the average cost of capital for Mindarie Regional Council.

The arrangement in relation to the payment of \$2.1m payment was negotiated to have a lower gate fee going forward and is part of the contract. Any attempt to vary the terms of this payment will attract financial and legal costs.

The outcomes from this work are as follows:

The comparative analysis of Member Gate Fees (estimated) for 2009/2010 to the previous year is described in the table below:

	Budget Estimate 2008/2009 \$/tonne Ex GST		Projected Actual \$/tonne Ex GST		Budget 2009/10 \$/tonne Ex GST	
	General Waste	Bales	General Waste	Bales	Process-able	Non Process-able
<b>Annual Cost of Landfill Gate Fees - general waste</b>	54	21.66	54	21.66		
<b>1. Fee (prior to DEP Levy Increase)</b>					59	127
<b>Additional DEP Levy increase</b>					20	
<b>Fee with full impact of DEP Levy increase</b>					79.50	139.20
<b>2. Fee (based on recommended 2 year recovery)</b>					69.50	133.50

Fee recommend recovers the DEP Levy over two years with a \$10 increase in 2009/2010 and another \$10 in 2010/2011.

The detailed schedule is attached under Attachment 3 for further reference.

The increase in Processable cost is due to the following factors:

- Increase in projected contractor's fees from \$142 to \$145.60
- 'Flow-on' on impact of the increase in DEP Levy
- Drop in processable waste from 184,336 tonnes to \$170,448 which is mainly attributable to Stirling, Wanneroo, Cambridge and Perth

The increase in non-processable fees is due to the following:

- Increase in DEP Levy
- Cost relating to measurement and reporting of Carbon Emission
- Additional funding on initiatives relating to Marketing and Education, Waste Minimisation and support cost

### Casual Fees and Charges

The methodology previously agreed at the Financial Management workshops in conjunction with Member Councils' Officers in respect of Casual Fees once the Resource Recovery Facility is operational is that the fees for Casuals be increased gradually to make it comparable to the Processable Fees for Members by 2010/11.

For 2009/10 the increase in Casual Fees and Charges are summarised as follows:

- Casual are proposed at \$130 including GST (\$118.18 - ex GST) per tonne which is 170% of Non-Processable Members' Gate Fees

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- Minimum charge for entry to site have been increased by 25% from \$8 to \$10 inclusive of GST (\$9.09 – ex GST) to minimise the impact on “mums and dads’ in our region
  - Other Fees and Charges have been either increased marginally or retained at 2008/09 levels to encourage waste to be sent to the landfill rather than ‘dumped’ elsewhere in the environment

### **Management of Any Budget Deficit**

The management of any deficit i.e. ACTUAL cost/tonne greater than APPROVED cost/tonne, for financial year 2009/2010, is prepared via a strategy of fee adjustment, within the context of budgetary planning.

### **CONSULTATION**

Consultation concerning this work has been conducted with the Council’s Financial Advisor, Deloitte, and officers from Member Councils.

### **STATUTORY ENVIRONMENT**

The development of an Annual Business Plan, derived from the new twenty year Strategic Plan, and the process of establishment of Member Gate Fees for Processable and Non-Processable Waste in respect of 2009/2010 is consistent with all statutory requirements.

### **POLICY IMPLICATIONS**

Not applicable.

### **FINANCIAL IMPLICATIONS**

The finalisation of the Member Gate Fee for 2009/2010 now allows Member Councils to progress with the finalisation of their individual budgets.

### **STRATEGIC IMPLICATIONS**

The development of a Business Plan and Strategic Budget is consistent with the principles of Strategic Business Planning.

### **COMMENT**

The administration has conducted the following exercises for consideration by the Council:

- Preparation of draft 2009/2010 Business Plan
- Calculation of 2009/2010 Member Gate Fees in relation to Processable and Non-Processable Waste
- Calculation of Schedule of Fees and Charges for 2009/2010

These exercises have been conducted twice – once prior to 14 May 2009, and once following the unexpected State Government increase to the landfill levy.

Some headway has been made in terms of ‘sharing the levy increase pain’ between Mindarie Regional Council and members for financial year 2009/2010. It is proposed that all levy tax be passed through to Member Councils in financial year 2010/2011.

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More opportunities to explore further potential reductions to Mindarie Regional Council expenditure for financial year 2009/2010 will be available with the final phase of work associated with preparation of Budget 2009/2010.

However, the fees, as presented, require Council consideration, and timely approval, to enable advice to Member Councils and commercial customers, in an appropriate timeframe.

Council consideration of these matters is now appropriate.

### **RECOMMENDATION**

#### **That Council:**

- (i) note the methodology used to derive the Business Plan 2009/2010 and associated plans**
- (ii) approve Business Plan 2009/2010**
- (iii) approve 2009/2010 Members' Processable Gate Fee of \$133.50 (ex GST) and Non Processable Fees of \$69.60 (ex GST)**
- (iv) approve the option for members to pay by instalments over 3 years (as per schedule) the \$10/tonne relating to the \$2.1m payment payable to BioVision2020 during the commissioning period. The instalment option includes an interest payment**
- (v) approve the Schedule of Fees and Charges relating to commercial and casual users, at Attachment Two**

**ATTACHMENT ONE**  
**TO ITEM 7.1**  
**SPECIAL COUNCIL MEETING**  
**28 MAY 2009**  
**DRAFT BUSINESS PLANNING 2009 - 2010**

**MINDARIE REGIONAL COUNCIL  
 ANNUAL BUSINESS PLAN 2009/2010**

<b>Proposed Action</b>	<b>Comments</b>
<p><b>Objective One: Waste Management</b></p> <ul style="list-style-type: none"> <li>• Operate existing waste processing projects at, at least, Tamala Park (landfill, recycling and reuse) and Neerabup (resource recovery)</li> <li>• Generate income via waste processing projects at Tamala Park i.e. landfill gas, recycling</li> </ul>	<p>KPI is satisfactory report card on economic, environmental and social grounds</p>

**MINDARIE REGIONAL COUNCIL  
 ANNUAL BUSINESS PLAN 2009/2010**

Proposed Action	Comments
<p><b>Objective Two: Waste/Resource Processing</b></p> <ul style="list-style-type: none"> <li>• Develop integrated regional plan for processing of at least municipal solid waste (MSW)</li> <li>• Develop plans for additional waste processing facilities within the region i.e. 'Son of Tamala' RRF Stage Two</li> <li>• Investigate additional opportunities for expanded waste processing capability e.g. Balcatta Transfer Station</li> </ul>	



**MINDARIE REGIONAL COUNCIL  
 ANNUAL BUSINESS PLAN 2009/2010**

<b>Proposed Action</b>	<b>Comments</b>
<p><b>Objective Three: Industry Leadership and Advocacy</b></p> <ul style="list-style-type: none"> <li>• Participate in defined external industry-related forums eg. MWAC, WMAA, WALGA, FORC</li> <li>• Strengthen partnerships with Government, industry and academic institutions in order to promote improvement in waste management sector particularly via the SWMP project</li> <li>• Identify and adopt contemporary approaches to waste/resource management, at least within the region</li> </ul>	<p>KPI is introduction of improved industry-wide program</p>

**MINDARIE REGIONAL COUNCIL  
 ANNUAL BUSINESS PLAN 2009/2010**

Proposed Action	Comments
<p><b>Objective Four: Community Engagement</b></p> <ul style="list-style-type: none"> <li>• Improve Mindarie Regional Council understanding of community characteristics</li> <li>• Operate an effective integrated communication strategy for Mindarie Regional Council stakeholders</li> <li>• Operate an effective waste education strategy in order to promote community behaviour consistent with operational plans</li> <li>• Maintain the CEAG forum as a community engagement tactic for RRF issues</li> </ul>	

**MINDARIE REGIONAL COUNCIL  
 ANNUAL BUSINESS PLAN 2009/2010**

<b>Proposed Action</b>	<b>Comments</b>
<p><b>Objective Five: Organisational Management</b></p> <ul style="list-style-type: none"> <li>• Maintain and improve existing contemporary business systems, e.g. finance, procurement, project management, customer service and marketing, structure, staffing, governance</li> <li>• Strengthen Member Council partnerships and relationships</li> <li>• Review and where appropriate, revise funding strategies for the business with the context of the approved Strategic Financial Plan</li> <li>• Develop and implement comprehensive Marketing Plan for the region</li> </ul>	

**ATTACHMENT TWO**  
**TO ITEM 7.1**  
**SPECIAL COUNCIL MEETING**  
**28 MAY 2008**  
**SCHEDULE OF PROPOSED FEES AND CHARGES 2009/2010**

**MINDARIE REGIONAL COUNCIL  
"TAMALA PARK" REFUSE AND RECYCLING CENTRE  
SCHEDULE OF PROPOSED FEES AND CHARGES 2009/2010  
Effective 1 July 2009**

		PROPOSED Fee (GST inclusive) from 1 July 2008	GST Payable to ATO	PROPOSED Fee (GST inclusive) from 1 July 2009	GST Payable to ATO
<b>1</b>	<b>(a) GENERAL ENTRY</b> General waste and household rubbish (domestic) excepting liquid waste, swill or semi liquid waste. <b>Charge per tonne</b> <b>Minimum charge for entry to site</b>	\$100.00 \$8.00	\$9.09 \$0.73	\$130.00 \$10.00	\$11.82 \$0.91
	<b>(b) Swill or Semi Liquid Waste</b>	Not Accepted		Not Accepted	
	<b>(c) In the event of weighbridge breakdown</b> due to power failure, maintenance or repairs the following fees shall apply to (a) above (I) All vehicles carrying uncompacted waste - per wheel of truck or trailer (larger than 1.8mx1.2m) Trailer (1.8mx1.2m or less) (II) All vehicles carrying compacted waste - per wheel of truck or trailer	\$30.00 \$30.00 \$60.00	\$2.73 \$2.73 \$5.45	\$35.00 \$35.00 \$70.00	\$3.18 \$3.18 \$6.36
	<b>(d) Asbestos</b> - whole loads per tonne (incl burial fee)	\$150.00	\$13.64	\$200.00	\$18.18
	<b>(e) Unweighed Load (Drive-Aways)</b>	50	4.50	\$50.00	4.55
<b>2</b>	<b>SPECIAL BURIALS (SUPERVISED)</b> At the discretion of the Site Controller in addition to the tonnage rates <b>Charge per 5 cubic metres</b>	\$160.00	\$14.55	\$180.00	\$16.36
<b>3</b>	<b>CONTROLLED WASTE PER TONNE</b>	\$180.00	\$16.36	\$200.00	\$18.18
<b>4</b>	<b>SPECIAL COMMERCIAL TERMS</b> <b>In Lieu of the charges in 1, 2 &amp; 3 above the following apply:</b>				
	<b>(a)</b> Motor bodies and old machinery each item	\$25.00	\$2.27	\$25.00	\$2.27
	<b>(b)</b> Animal Carcasses Small domestic animals Large animals (Sheep and cattle etc)	\$8.00 \$20.00	\$0.73 \$1.82	\$8.00 \$20.00	\$0.73 \$1.82
	<b>(c)</b> Car Tyres only (Max disposal 4) - per 4 tyre, pro rata for < 4 Per tonne	\$15.00 \$300.00	\$1.36 \$27.27	\$15.00 \$300.00	\$1.36 \$27.27
	<b>(d)</b> Safe sharp containers 7 litre or less each Over 7 litres per litre	\$13.00 \$1.30	\$1.18 \$0.12	\$13.00 \$1.30	\$1.18 \$0.12
	<b>(e)</b> Light weight bulk material less 300 kg Per cubic metre - each cubic metre	\$30.00	\$2.73	\$50.00	\$4.55
<b>5</b>	<b>Infringement Agency Costs</b>  Debt Collection Fee	Debt Collection Agency's Costs plus 20% Admin Fee		Debt Collection Agency's Costs plus 20% Admin Fee	
	<b>(a)</b>				
	<b>(b)</b> Dishonoured Cheque Fee	\$15.00	\$1.36	\$15.00	\$1.36

**ATTACHMENT THREE**  
**TO ITEM 7.1**  
**SPECIAL COUNCIL MEETING**  
**28 MAY 2008**  
**2009/2010 MEMBERS FEES – ADDITIONAL INFORMATION**

**2009/2010 MEMBERS' FEES – ADDITIONAL INFORMATION**

	NOTE	NON-PROCESSABLE		PROCESSABLE	
		Tonnages	\$/Tonne	Tonnages	\$/Tonne
Actual cost to MRC (prior to subsidies)	1	142,377	62.20	170,448	132.60
Fees prior to DEP Levy increase	3/4		59.48		127.48
A. Fees based on full DEP Levy recovery			79.50		139.20
B. Fees based on 2 year recovery	5		69.50		133.50

1. Non – Processable tonnages includes the bales.
2. BioVision2020 fees would include the above revised Gate Fee for Non-Processable Waste in terms of the residue to be sent to Tamala Park.
3. This fees is arrived at after offset of other revenue relating to Recycling Income, Sale of Gas and Interest Income as a one-off for 2009/2010 to soften the impact of increase in Processable Fees.
4. Fees recommend was \$59 and \$127 in the 21 May 2009 Special Council Meeting papers. This was rounded down as Mindarie Regional Council has a good financial management 'track record' and can achieve these savings.
5. The recommended option for recovery of the increase in DEP Levy is over two years as follows:
 

2009/2010	-	\$10
2010/2011	-	\$10

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**ITEM 7.2                    PROPOSED EXTENSIONS TO THE EXISTING WORKSHOP BUILDING**

**Tender No:**            **13/98**  
**File No:**                **WST/168**  
**Attachment(s):**    **Nil**  
**Author:**                **Mike Tolson**

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**BACKGROUND**

Council has previously approved funds for the extensions to the workshop at Tamala Park, within the context of Budget 08/09.

**DETAIL**

**Tender Organisation**

A public tender advertised an invitation, via The Western Australian on 18 March 2009 for suppliers to tender. Two suppliers responded to the request for tender 13/98Western:

1. Western Australian Shed Pty Ltd - \$426,560.00 including GST,
2. BCL Constructions Pty Ltd - \$430,330.00 including GST.

**Tender Assessment**

Independent third party organisations are used by the Council's administration to prepare the tender documents, open and assess the tenders submitted and provide a report to the Council evaluation panel. This process is used to ensure openness and transparency of the Council's purchasing procedures.

The assessment for this tender was prepared by Mr Kevin Palassis of Palassis Architects.

The tenders received were assessed as being non-compliant for the following reasons:

Western Australian Shed Commercial Pty Ltd

- Requested deposit and pre payments were not compliant with the tender documents
- Tender has a validity period of 12 weeks for consideration in contrast to the 90 days specified in the tender documents

BCL Constructions Pty Ltd

- Tender has a six week validity period for consideration in contrast to the 90 days specified in the tender documents



**Comment**

As both tenders have been assessed as being non-compliant the workshop extension project will need to be re-tendered in FY 9/10. It is recommended that all funds allocated for this project not expended so far are carried forward to FY 9/10.

**STATUTORY ENVIRONMENT**

Not applicable

**POLICY IMPLICATIONS**

Not applicable

**FINANCIAL IMPLICATIONS**

A provision of \$250,000 exists within the context of the Proposed Budget 2009/2010.

**STRATEGIC IMPLICATIONS**

Nil

**RECOMMENDATION**

**That Council not accept any tender in response to Request for Tender No 13/98 Proposed Extensions to Existing Workshop Building on the basis that neither tender was a conforming bid.**