

Minutes for this meeting will be confirmed at the Planning, Environment & Development Committee Meeting to be held in the Council Chambers, Council Administration Building, on 17 April, 2002 commencing 5pm.



**COFFS HARBOUR CITY COUNCIL**  
**ORDINARY MEETING**  
**(ECONOMIC AND COMMUNITY ENTERPRISES COMMITTEE)**  
**COUNCIL CHAMBERS**  
**COUNCIL ADMINISTRATION BUILDING**  
**COFF AND CASTLE STREETS, COFFS HARBOUR**  
**3 APRIL 2003**  
**Commencing At 5.00pm**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
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**COFFS HARBOUR CITY COUNCIL**  
**ORDINARY MEETING**  
**(ECONOMIC AND COMMUNITY ENTERPRISES COMMITTEE)**  
**3 APRIL 2003**

Mayor and Councillors

**NOTICE OF RESCISION MOTION**

COFFS HARBOUR CITY COUNCIL

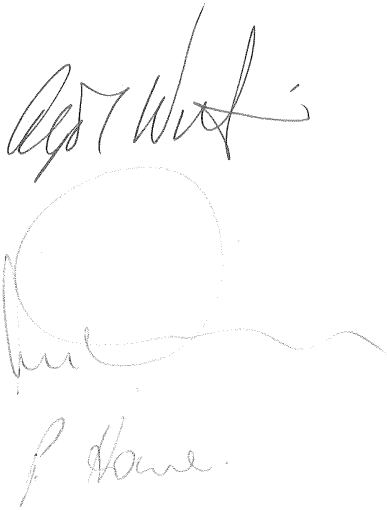
Notice of Rescission Motion

Date: 21 March 2003

We, the undersigned give notice of our intention to move:

That Resolution No. 51 (Recommendation No. T10) of the Planning Environment and Development Committee meeting held on 20 March 2003 and reading as follows, be rescinded:

- "1. That Council approve the application to modify Development Application No. 915/00 for an attached dual occupancy on Lot 5, DP 843891, 3 Melrose Place, Korora subject to the original conditions of approval, together with an additional condition in relation to certification of levels during construction.*
- 2. That Council, under Section 125(1) of the Environmental Planning and Assessment Act 1979, serve an on the spot fine of \$600 on the applicant for construction not in accordance with the approved plans.*
- 3. That the General Manager review Council's procedure regarding notification of neighbours of Development Applications.*
- 4. That builders and developers be advised, by Council's newsletter, that variations to approved plans, without Council approval, will not be tolerated."*



The image shows three handwritten signatures in black ink. The top signature is the most legible, appearing to read 'A. J. White'. Below it is a signature that is mostly illegible but seems to start with 'P. ...'. The bottom signature is also illegible but appears to start with 'P. ...'. The signatures are written in a cursive style.

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**DEVELOPMENT APPLICATION NO. 915/00 - AMENDED APPLICATION FOR A DUAL OCCUPANCY - LOT 5, DP 843891, 3 MELROSE PLACE, KORORA**

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**Purpose:**

Councillors A D Williams, I J Ovens and P J Howe have given notice of their intention to move:

That Resolution No. 51 (Recommendation No. T10) of the Planning Environment and Development Committee meeting held on 20 March 2003 and reading as follows, **be rescinded**:

- "1. That Council approve the application to modify Development Application No. 915/00 for an attached dual occupancy on Lot 5, DP 843891, 3 Melrose Place, Korora subject to the original conditions of approval, together with an additional condition in relation to certification of levels during construction.*
- 2. That Council, under Section 125(1) of the Environmental Planning and Assessment Act 1979, serve an on the spot fine of \$600 on the applicant for construction not in accordance with the approved plans.*
- 3. That the General Manager review Council's procedure regarding notification of neighbours of Development Applications.*
- 4. That builders and developers be advised, by Council's newsletter, that variations to approved plans, without Council approval, will not be tolerated."*

## ECONOMIC AND COMMUNITY ENTERPRISES DEPARTMENT REPORTS

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### E20 PARK BEACH AND SAWTELL BEACH CARAVAN PARKS - TRADING FIGURES AND LOAN OFFERS

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#### Purpose:

Reporting on Caravan park trading to 31st January 2003 and on loan offers received.

#### Description of Item:

Trading during the period exceeded budgetary expectations as follows

#### Park Beach

	YTD Budget	YTD Actual
Trading Income	\$1,090,151	\$1,195,973
Trading Expenses	\$ 645,556	\$ 661,794
Trading Profit	\$ 444,595	\$ 534,179

#### Sawtell

	YTD Budget	YTD Actual
Trading Income	\$763,371	\$832,108
Trading Expenses	\$422,539	\$401,659
Trading Profit	\$340,832	\$430,449

The combined Year to Date profit of \$964,627 is 22.8% up on budget estimates with the significant growth areas being in cabin accommodation at Sawtell and caravanning/ camping in both parks. It is cautioned however that growth at this rate is unlikely to continue in the longer term.

Works continue to program with the only difficulty being the construction of the pool which is the subject of a separate report.

In January of last year application was made to DLWC for loans totaling \$1.6m to fund development programs in the parks. A subsequent review of cashflow found that only \$1.335m would be required and on the basis of verbal advice that portion would not be approved only \$1.2m was included in the Management Plan.

DLWC subsequently offered the following loans

\$198,000 @ 3.25%  
\$760,000 @ 3.7%  
\$28,000 @ 4.75%  
\$374,000 @ 5.2%

These total \$1.36m but given that we are receiving 4.49% on balances and that significant additional works are required in the State Park the loan offers have been accepted.

cont'd

**E20 Park Beach And Sawtell Beach Caravan Parks - Trading Figures And Loan Offers  
(cont'd)**

**Consultation:**

The Finance Branch endorsed this position.

**Recommendation:**

**That Council**

- 1. Note the financial performance of Park Beach and Sawtell caravan Parks for the period to 31/1/03**
- 2. Endorse acceptance of the loans offered by DLWC**

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**E21 CONSTRUCTION OF LEISURE POOL AT PARK BEACH HOLIDAY PARK**

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**Purpose:**

To report on tenders received for the construction of a leisure swimming pool at Park Beach Caravan Park and to recommend that Council decline to accept any tender and to commence direct negotiations with the view to entering into a contract

**Description of Item:**

Following the invitation to submit expressions of interest for the construction of a swimming pool in June of last year Council resolved to call tenders from two companies for the construction of a resort style pool at the park. Only two non local companies submitted expressions of interest and it was assumed at the time that this reflected the complexity of the project.

Tenders were subsequently invited from the two proponents but neither submitted a tender. Explanations offered included "I misunderstood the scope of the project - it was a much smaller project than what I had contemplated" and "During the past few weeks I have had confirmation of projects that require our total commitment until August /September next year". Enquiries confirm that the commercial pool building industry is very buoyant.

The two stage selective tendering process had failed to produce a satisfactory result.

While this was of concern, the likely public reaction to Council constructing and filling a large pool in drought conditions was also noted.

Discussions were held with several local companies and the local Quantity Surveyor, Page Kirkland, to understand why expressions were not submitted initially. A common reaction was that the required 7.5% security deposit was excessive and that proponents were not prepared to lodge the returnable deposit which was a mandatory requirement of any expression of interest.

The project was then delayed for approximately one month, in the hope that the drought would break, and Council went back to the market with an open tender process using amendment tender documentation (Security reduced to 5% and no tender deposit) hoping to attract a wider field of tenderers. Three local companies indicated they would likely participate in a new tender process under these terms.

Open tenders were called and closed on Tuesday 4 March 2003. Only one tender was received from the following company:-

Craig Whitley trading as Senator Pools located in Hinchinbrook.

One other company indicated that they had since accepted other major works and another saying they were having difficulty getting subcontractors prices.

**Related Policy and / or Precedents:**

The procedures used were carried out in accordance with Council policy

cont'd

## **E21 Construction Of Leisure Pool At Park Beach Holiday Park (cont'd)**

### **Statutory Requirements:**

The calling, receiving and reviewing of tenders was carried out in accordance with the Local Government (Tendering) Regulations.

In accordance with Clause 19(3)A of the Local Government (Tendering) Regulations Council must either:

- (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or
- (b) decline to accept any of the tenders.

A Council that decides not to accept any of the tenders or receives no tenders must, by resolution, do one of the following:-

- Postpone or cancel the project
- Go back to an open market and call fresh tenders based on the same or different details
- Go back to either or both of the companies selected through the previous process and seek fresh tenders based on the same or different details
- Enter into direct negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract
- Carry out the work itself

If Council is to enter into direct negotiations then the resolution must state the reason for declining to invite fresh tenders.

Negotiation is permissible but only after Council has resolved in terms of the above.

### **Issues:**

The tendered amount of Senator Pools is 60% over the quantity surveyors estimate. Such estimates are usually conservative having inbuilt contingency items. The budget estimate prepared by an independent pool constructor was also less than the Quantity Surveyors estimate and on this basis, without other comparable tenders, the tender of Senator Pools does not appear to represent value for money.

The pool design was prepared by a recognised pool designer /builder and while the project has complexities it is conventional in commercial pool building terms. The only logical conclusion for the poor tendering response is that the commercial pool building industry focused on the Gold Coast continues to be very buoyant and doing "out of town " jobs such as this is a low priority.

It is recommended that Council decline to accept the tender of Senator Pools and the General Manager be delegated authority to negotiate suitable pool constructors with the view to entering into a contract with acceptable terms. This option is likely to achieve a suitable outcome and given that a price has been independently established by a Quantity Surveyor, the design is complete and required timeframe is known the negotiating parameters are established.

The reason for not re-tendering is that re-tendering has been tried and failed to produce a satisfactory result. It is highly unlikely that a different outcome would be achieved the third time around. The project cannot be postponed due to customer expectations and park tariffs have been established on the basis the pool will be installed by Christmas. To further delay will have adverse impacts. Council does not have the resources or specialist expertise to carry out the works itself.

**cont'd**



## **E21 Construction Of Leisure Pool At Park Beach Holiday Park (cont'd)**

### **Implementation Date / Priority:**

It is essential that the pool be completed for trading next Christmas due to customer expectation

### **Recommendation:**

- 1. Pursuant to Clause 19(1)(b) of the Local Government (Tendering) Regulations 1999 Council decline to accept any tenders**
- 2. The General Manager be delegated authority to negotiate with suitable pool construction companies with the view to entering into a contract for the construction of the leisure swimming pool at Park Beach Holiday Park in accordance with Clause 19(3)(e) of the LG (Tendering) Regulations 1999. The terms and conditions of the contract to be the subject of negotiation.**
- 3. In accordance with Clause 19(4) of the LG (Tendering) Regulations 1999, the following reasons for Council declining to invite fresh tenders be noted;**
  - a) Council has used both the selective tendering and open tendering processes in the procurement of the swimming pool by contract. Both processes have failed to produce an acceptable tender. It is considered that Council has exhausted the market and that a further invitation to tender is unlikely to result in any further tenders being submitted.**
  - b) Only one tender was received in the above tendering processes. The Tenderer, Senator Pools, is considered capable of undertaking the project however their tender is considered to not represent value for money. It is in Council's interest to decline to accept the tender of Senator Pools, not invite fresh tenders and negotiate with that company to ascertain whether it is prepared to enter into a contract at a lower price. This result would obviate the need to call fresh tenders.**

**Pat Littler  
Director Economic and Community Enterprises**