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(1 July 2003)

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Minutes of the Special Meeting of the Council of the Town of Vincent held at the Administration and Civic Centre, 244 Vincent Street, Leederville, on Tuesday 1 July 2003, commencing at 7.37pm.

1. DECLARATION OF OPENING

The Presiding Member, Mayor Nick Catania, JP declared the Meeting open at 7.37pm.

2. APOLOGIES/MEMBERS ON APPROVED LEAVE OF ABSENCE

(a) Apologies:

Councillor Maddalena Torre - who advised that she was unable to attend due to an urgent personal matter that had arisen just prior to the meeting.

(b) Present:

Mayor Nick Catania, JP	Presiding Member
Cr Simon Chester	North Ward
Cr Caroline Cohen	South Ward
Cr Helen Doran-Wu	North Ward
Cr Steed Farrell	North Ward
Cr Ian Ker	South Ward
Cr Sally Lake	South Ward

John Giorgi, JP	Chief Executive Officer
Rob Boardman	Executive Manager, Environmental & Development Services
Rick Lotznicher	Executive Manager, Technical Services
Mike Rootsey	Executive Manager, Corporate Services

Con Lampropoulos	Managing Partner, Peter Hunt Architect
Ron Alexander	Director General, Department of Sport and Recreation
Steve Humfrey	Department of Sport and Recreation

Jodie Thompson	Journalist - The West Australian Newspaper (until 8.35pm)
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2 Members of the Public

(c) Absent

Cr Basil Franchina	North Ward
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(d) Members on Leave of Absence:

Nil

3. (a) PUBLIC QUESTION TIME & RECEIVING OF PUBLIC SUBMISSIONS

1. Ms Shirley Benton of 34/46 Smith Street, Highgate, on behalf of Forrest Precinct Group. Stated that this is an important decision for the Council and asked the Council to consider the importance of the Management Plan of the proposed stadium, which should address litter in streets, sound levels, lights being left on and behaviour of patrons as these particularly impact on adjoining residents. She requested that a bond be put in place to ensure that the managing agents comply with Management Plans.
2. Mr Dudley Maier of 51 Chatsworth Road, Highgate. Stated that he supports the proposal and emphasised the importance for the Council to get the best financial deal possible for the Town. He also stated that the Council should be looking into the future when considering the financial deal and not just base their decision on the current situation.

There being no further questions from the public, the Presiding Member closed Public Question Time at 7.45pm.

(b) RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. APPLICATIONS FOR LEAVE OF ABSENCE

Councillor Caroline Cohen requested Leave of Absence for the period 2 August 2003 to 17 August 2003 as she will be overseas.

Moved Cr Lake, Seconded Cr Ker

That Councillor Cohen's Leave of Absence from 2 August 2003 to 17 August 2003 be approved.

CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

5. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

- 5.1 Mayor Catania stated that he was pleased to be at this stage whereby the Council would be considering the future development of its sporting facilities, and hopefully the redevelopment programme will be one of which all the Council will be proud.

6. DECLARATION OF INTERESTS

Nil.

7.1 Approval of Building and Landscape Plans for the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval, Pier Street, Perth

Ward:	South	Date:	27 June 2003
Precinct:	Beaufort, P13	File Ref:	RES0051
Reporting Officer(s):	John Giorgi		
Checked/Endorsed by:	-		
Amended by:	-		

OFFICER RECOMMENDATION:

That the Council;

- (i) *APPROVES of the final Building Plans (dated February 2003) as shown in Plan Nos. A001, A130, A131, A220, A221, for the Stadium and Public Open Space, (full detailed plans as "Laid on the Table") relating to the proposed Multi Purpose Rectangular Sports Stadium and redevelopment of Perth Oval, Pier Street, Perth;*
- (ii) *APPROVES IN PRINCIPLE the proposed Stadium Landscaping Plan No. 2169-1 (dated 4 April 2003) as shown in Appendix 7.1; and*
- (iii) *AUTHORISES the Chief Executive Officer to;*
 - (a) *advertise the landscape plan for a period of twenty-one (21) days, seeking public comment;*
 - (b) *report back to the Council with any public comments received; and*
 - (c) *make any necessary minor changes to the plans which may arise from the community consultation and during the implementation of the redevelopment project.*

Moved Cr Chester; Seconded Cr Ker

That the recommendation be adopted together with additional new clauses (iv) and (v), as follows;

- "(iv) NOTES the approval by the Heritage Council of Western Australia, dated 9 May 2003 and 10 June 2003, (as "Laid on the Table") concerning the proposed redevelopment of Perth Oval and Public Open Space; and*
- (v) REQUESTS the Chief Executive Officer to prepare by 31 August 2003, a Maintenance Program for the proposed Multi Purpose Rectangular Sports Stadium and such Program to include the type of maintenance and repairs required, life cycle cost analysis of major plant and equipment and timing of such repairs and estimated costs."*

Debate ensued.

Moved Cr Chester, Seconded Cr Ker

That the new clause (v) be amended by adding the words "and a report on the matter be prepared for consideration of the Council at the next Ordinary Meeting of Council", after the word "costs" as follows;

"(v) REQUESTS the Chief Executive Officer to prepare by 31 August 2003, a Maintenance Program for the proposed Multi Purpose Rectangular Sports Stadium and such Program to include the type of maintenance and repairs required, life cycle cost analysis of major plant and equipment and timing of such repairs and estimated costs, and a report on the matter be prepared for consideration of the Council at the next Ordinary Meeting of Council."

AMENDMENT CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

MOTION AS AMENDED CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

COUNCIL DECISION ITEM 7.1

That the Council;

- (i) APPROVES of the final Building Plans (dated February 2003) as shown in Plan Nos. A001, A130, A131, A220, A221, for the Stadium and Public Open Space, (full detailed plans as "Laid on the Table") relating to the proposed Multi Purpose Rectangular Sports Stadium and redevelopment of Perth Oval, Pier Street, Perth;*
 - (ii) APPROVES IN PRINCIPLE the proposed Stadium Landscaping Plan No. 2169-1 (dated 4 April 2003) as shown in Appendix 7.1; and*
 - (iii) AUTHORISES the Chief Executive Officer to;*
 - (a) advertise the landscape plan for a period of twenty-one (21) days, seeking public comment;*
 - (b) report back to the Council with any public comments received; and*
 - (c) make any necessary minor changes to the plans which may arise from the community consultation and during the implementation of the redevelopment project.*
 - (iv) NOTES the approval by the Heritage Council of Western Australia, dated 9 May 2003 and 10 June 2003, (as "Laid on the Table") concerning the proposed redevelopment of Perth Oval and Public Open Space; and*
 - (v) REQUESTS the Chief Executive Officer to prepare by 31 August 2003, a Maintenance Program for the proposed Multi Purpose Rectangular Sports Stadium and such Program to include the type of maintenance and repairs required, life cycle cost analysis of major plant and equipment and timing of such repairs and estimated costs, and a report on the matter be prepared for consideration of the Council at the next Ordinary Meeting of Council.*
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CHIEF EXECUTIVE OFFICER'S ADDITIONAL INFORMATION:

Page 2 of the report to be amended as follows;

- The stadium to have a capacity of 18,450 in Stage 1, and approximately 20,000 in Stage 2.
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BACKGROUND:

At the Special Meeting of Council held on 16 December 2002, the matter of the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval was considered and the Council approved to proceed with this project.

At the Special Meeting of Council held on 16 December 2002, the Council approved of the concept plans and these have now been prepared into working drawings to comply with all the necessary statutory requirements. It is therefore appropriate that the Council approve of the final plans and these are "Laid on the Table".

Progress Reports

Progress reports have been submitted to the Council on 27 March 2002, 23 July 2002 and 10 December 2002.

Building Plans

The redevelopment project consists of the following;

- Provision of new grassed banks to the southern and northern ends of the pitch above the cross aisle that traverses the entire pitch at the same level. Concrete terraces which provide seating and standing areas below the cross aisle;
 - Upgrade of the existing gates (except the main gates - which have already been upgraded) and construction of a new entrance gate on the southern corner of the Oval;
 - The stadium to have a capacity of 18,450 in Stage 1, and approximately 20,000 in Stage 2.
 - Non-structural upgrade of the existing Grandstand, facilities and services, installation of new toilets and facilities for people with disabilities;
 - Establishment of additional new toilet facilities to cater for 18,450 patrons;
 - Installation of a new lift to the main grandstand building;
 - Installation of access ramps to all parts of the Stadium;
 - Upgrade of existing floodlighting to 1000 lux, with the capability to upgrade to 1200 lux if required;
 - Establishment of a fixed irrigation system and an upgrade of the existing ground water bores;
 - Establishment of temporary food, drink and merchandise concessions for the convenience of the spectators;
 - Major upgrades to the existing venue to facilitate pedestrian circulation in terms of new stairs, ramps, retaining walls, emergency lighting, ease of public access to toilets and concessions;
 - Upgrade of the existing internal pedestrian circulation to facilitate both ingress and egress to the venue, ensuring ease of access for disabled persons;
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- The creation of approximately 30,000m² of new public open space surrounding the multi-purpose rectangular sports stadium;
- The creation of a new carpark on the land on the Pier Street frontage for 69 cars. This will be metered and under the control of the Town;
- The creation of approximately 70 angle bays along Brewer Street. These bays will be metered and under the control of the Town;
- All earthworks and services to enable a new eastern grandstand to be built in Stage 2; and
- Installation of a temporary southern grandstand or viewing terraces.

Universal Access

The plans were considered by the Town's Universal Access Advisory Group and also an independent Architect who specialises on disability access designs. The Project Architect will ensure that the comments provided by the Architect and Advisory Group will be addressed.

It should be noted that the former Caretaker's House may be refurbished for use as Soccer Administration of Western Australia's offices. This is the subject of further investigation and funding by the Department of Sport and Recreation.

Approvals

The Town has received approvals from the West Australian Planning Commission (WAPC), Heritage Council of Western Australia, Fire and Emergency Services Association (FESA), Aboriginal Affairs (for Aboriginal Heritage Act) and the relevant statutory authorities.

Timeline

In order to maintain the adopted timeline, it is essential for the building construction to commence no later than June 2003.

<u>Project</u>	<u>Timeframe</u>
Council Decision to Approve Revised Plans	December 2002
Preparation of Working Drawings	December 2002 - February 2003
Advertising of Tender	March 2003
Approval of Final Plans	May 2003
Tender Assessment and Award of Contract	May/June 2003
Construction - Stage 1	July 2003 - December 2003
Construction - Stage 2	To be advised

FINANCIAL/BUDGET IMPLICATIONS:

Funding

<u>Stage 1</u>			
Year	Town	Government	Total
2003/04	\$4,469,000	\$4,500,000	\$8,969,000
2004/05	0	\$1,579,000	\$1,579,000
Total	\$4,469,000	\$6,079,000	\$10,548,000
%	42.37	57.63	100

<u>Stage 2</u>			
Year	To be decided	To be decided	To be decided

LEGAL/POLICY IMPLICATIONS:

Not applicable.

ADVERTISING/COMMUNITY CONSULTATION:

Advertising of the building plan and concept landscape plan has been previously carried out. The final landscape plan should be advertised for a period of twenty-one (21) days seeking public comment, in accordance with the Council's Community Consultation policy.

STRATEGIC IMPLICATIONS:

The upgrade and redevelopment of Perth Oval is in accordance with the Town's Strategic Plan 2002-2002 Key Result Area 3.6 *"Develop and Implement Strategies to improve the Town's Parks and Reserves"*, in particular, Key Result Area 3.6(a) - *"Investigate and Develop the future of Perth Oval"*.

The relocation of PGSC and Rugby League administration to Perth Oval will attract additional visitors to the area throughout the year and will provide additional patronage to the local business community.

This is in keeping with the Town's Draft Strategic Plan (yet to be adopted) – Key Result Area *"Economic Development"*.

The upgrade of Perth Oval is listed in the Town's Principal Activities Plan.

The Multi Purpose Rectangular Sports Stadium has been designed to accommodate five sporting disciplines, including soccer, rugby league and rugby union, gaelic football, men's and women's lacrosse. It is proposed to provide accommodation for soccer, rugby league and lacrosse in the refurbished grandstand.

COMMENT:

The Town's partnership with the State Government of Western Australia to provide upgraded and new sporting facilities within the Town of Vincent, as part of the State Sporting Facilities Plan will be a major benefit to the Town, its residents, ratepayers and also taxpayers. This proposal will relieve the Town of an expensive burden to upgrade and/or maintain the rundown facilities of Perth Oval.

7.2 Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval, Pier Street, Perth - Acquisition of Water Corporation Land

Ward:	South	Date:	27 June 2003
Precinct:	Beaufort, P13	File Ref:	RES0051
Reporting Officer(s):	John Giorgi		
Checked/Endorsed by:	-		
Amended by:	-		

OFFICER RECOMMENDATION:

That the Council;

- (i) *RECEIVES the report relating to Reserve No. 35769 at Perth Oval, Pier Street, Perth;*
- (ii) *APPROVES the acquisition of Reserve No. 35769, comprising of an area of 12m² at Perth Oval by either;*
 - (a) *obtaining the care, control and management of the land, through a Vesting Order; or*
 - (b) *purchasing the land at a cost of up to \$4,000, plus expenses incurred by the Water Corporation at an estimated cost of \$1,500;*
- (iii) *AUTHORISES the Chief Executive Officer to enter into negotiations with the Water Corporation of Western Australia to acquire Reserve No. 35769, Volume 3062, Folio 999, comprising 12m², in accordance with Clause (ii), as shown in Appendix 7.2; and*
- (iv) *FUNDS the acquisition of the land (if required) from the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval Budget.*

Moved Cr Chester, Seconded Cr Ker

That the recommendation be adopted.

Debate ensued.

Moved Cr Ker, Seconded Cr Chester

That clause (ii)(b) be amended by adding the words "subject to confirmation of any statutory requirements regarding the disposal of the land" before the word "purchasing", as follows;

- "(ii) APPROVES the acquisition of Reserve No. 35769, comprising of an area of 12m² at Perth Oval by either;*
 - (b) subject to confirmation of any statutory requirements regarding the disposal of the land, purchasing the land at a cost of up to \$4,000, plus expenses incurred by the Water Corporation at an estimated cost of \$1,500;"*

Cr Farrell departed the Chamber at 7.58pm.

Cr Farrell returned to the Chamber at 8.00pm.

AMENDMENT CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

MOTION AS AMENDED CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

COUNCIL DECISION ITEM 7.2.

That the Council;

- (i) *RECEIVES the report relating to Reserve No. 35769 at Perth Oval, Pier Street, Perth;*
- (ii) *APPROVES the acquisition of Reserve No. 35769, comprising of an area of 12m² at Perth Oval by either;*
 - (a) *obtaining the care, control and management of the land, through a Vesting Order; or*
 - (b) *subject to confirmation of any statutory requirements regarding the disposal of the land, purchasing the land at a cost of up to \$4,000, plus expenses incurred by the Water Corporation at an estimated cost of \$1,500;*
- (iii) *AUTHORISES the Chief Executive Officer to enter into negotiations with the Water Corporation of Western Australia to acquire Reserve No. 35769, Volume 3062, Folio 999, comprising 12m², in accordance with Clause (ii), as shown in Appendix 7.2; and*
- (iv) *FUNDS the acquisition of the land (if required) from the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval Budget.*

BACKGROUND:

At the Special Meeting of Council held on 16 December 2002, the matter of the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval was considered and the Council approved to proceed with this project.

Progress Reports

Progress reports have been submitted to the Council on 27 March 2002, 23 July 2002 and 10 December 2002.

Land Details

During the preparation of the necessary legal documentation for this redevelopment project, a check of all of the landholdings for Perth Oval was carried out. This revealed that an area of 12m² known as Reserve No. 35769 is owned by the Water Corporation. This small piece of land is currently used as a sewer access pit and is surrounded by the Town's freehold land, behind the Perth Oval Heritage Gates. It is approximately 40 metres behind the gates and 50 metres from Bulwer Street - refer to Appendix 7.2.

Enquiries with the Water Corporation of Western Australian revealed that this Reserve is no longer required and they are prepared to dispose of the land at a cost of \$4,000. This cost is a nominal amount and an amount of approximately \$1,500 will be charged for administrative expenses incurred by them.

Whilst this 12m² of land is of limited value to either parties, its acquisition will ensure that the Town has full control of the land at Perth Oval. On 18 June 2003, the Water Corporation of Western Australia wrote to the Town and advised that it had obtained an independent valuation of the land and that it is the Water Corporation of WA's policy that the land not be transferred to the Town.

The Department of Land Administration (DOLA) have indicated that it is preferable that the Town purchase the land. Notwithstanding the Water Corporation's response, the Chief Executive Officer is of the view that the Town should enter into negotiations to acquire the land.

It is therefore recommended that the Town's Administration enter into negotiations with the Water Corporation of Western Australia to acquire the land by either gaining care, control and management of the land by changing the Vesting Order to the Town or by purchasing the land, if required.

FINANCIAL/BUDGET IMPLICATIONS:

No specific funds are included in this Budget for acquisition of land, as it was not previously known that this land existed. However, as this land has now been identified, its acquisition is recommended for strategic purposes and it is therefore appropriate to be funding from the redevelopment budget. (This will be part of the Town's \$4.469 million loan.)

Funding

<u>Stage 1</u>			
Year	Town	Government	Total
2003/04	\$4,469,000	\$4,500,000	\$8,969,000
2004/05	0	\$1,579,000	\$1,579,000
Total	\$4,469,000	\$6,079,000	\$10,548,000
%	42.37	57.63	100

<u>Stage 2</u>			
Year	To be decided	To be decided	To be decided

LEGAL/POLICY IMPLICATIONS:

Not applicable.

ADVERTISING/COMMUNITY CONSULTATION:

Not applicable.

STRATEGIC IMPLICATIONS:

The upgrade and redevelopment of Perth Oval is in accordance with the Town's Strategic Plan 2002-2002 Key Result Area 3.6 *"Develop and Implement Strategies to improve the Town's Parks and Reserves"*, in particular, Key Result Area 3.6(a) - *"Investigate and Develop the future of Perth Oval"*.

This is in keeping with the Town's Draft Strategic Plan (yet to be adopted) – Key Result Area *"Economic Development"*.

The upgrade of Perth Oval is listed in the Town's Principal Activities Plan.

COMMENT:

The Town's partnership with the State Government of Western Australia to provide upgraded and new sporting facilities within the Town of Vincent, as part of the State Sporting Facilities Plan will be a major benefit to the Town, its residents, ratepayers and also taxpayers. This proposal will relieve the Town of an expensive burden to upgrade and/or maintain the rundown facilities of Perth Oval. The control of all land on Perth Oval is considered important and acquiring this 12 m² land will enable the Town to achieve this.

7.3 Approval of the Financial Assistance Agreement with the State Government of Western Australia for the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval, Pier Street, Perth

Ward:	South	Date:	27 June 2003
Precinct:	Beaufort, P13	File Ref:	RES0051/RES0064
Reporting Officer(s):	John Giorgi		
Checked/Endorsed by:	-		
Amended by:	-		

OFFICER RECOMMENDATION:

That the Council;

- (i) *APPROVES of the Financial Assistance Agreement between the State of Western Australia represented by the Minister for Sport and Recreation and the Town of Vincent for the proposed Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval, Pier Street, Perth, as "Laid on the Table";*
- (ii) *AUTHORISES the Chief Executive Officer (in liaison with the Mayor) to make minor variations to the Financial Assistance Agreement, which may arise during the finalisation of the document; and*
- (iii) *AUTHORISES the Mayor and the Chief Executive Officer to sign the Financial Assistance Agreement and affix the Common Seal.*

COUNCIL DECISION ITEM 7.3

Moved Cr Cohen, Seconded Cr Lake

That the recommendation be adopted.

Debate ensued.

CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

BACKGROUND:

At the Special Meeting of Council held on 16 December 2002, the matter of the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval was considered and the Council approved to proceed with this project.

In order to obtain the financial assistance from the State Government of Western Australia, it will be necessary for the Town to enter into a Financial Assistance Agreement. This Agreement formalises the provision of the State Government finance to the Town and prescribes the Terms and Conditions relating to this assistance.

Progress Reports

Progress reports have been submitted to the Council on 27 March 2002, 23 July 2002 and 10 December 2002.

FINANCIAL/BUDGET IMPLICATIONS:

The Financial Assistance Agreement will enable the Town to receive the State Government funding, as shown below;

Funding

Stage 1			
Year	Town	Government	Total
2003/04	\$4,469,000	\$4,500,000	\$8,969,000
2004/05	0	\$1,579,000	\$1,579,000
Total	\$4,469,000	\$6,079,000	\$10,548,000
%	42.37	57.63	100

LEGAL/POLICY IMPLICATIONS:

The Financial Assistance Agreement has been checked by the Chief Executive Officer and the Town's Solicitors. The Terms and Conditions are in keeping with the previous comments which have been previously reported to the Council. The clauses include;

"1. Definitions and Interpretation

These are standard definitions which are referred to in the document.

2. Financial Assistance

The State Government will provide a Grant of up to \$4.5 million in 2003/2004 and \$1.579 million in 2004/2005.

3. General Undertaking

This relates to the construction of the Stadium and the need to comply with the necessary statutory requirements.

4. Construction of Stadium

This requires the Town to maintain accurate records, particularly financial records.

5. Obligations

5.1 Property and Other Insurance

The Town is required to insure the Stadium. (It should be noted that the insurance costs will be recouped from Allia Pty Ltd as an outgoing.)

5.3 Maintain and Repair

The Town is required to maintain the Stadium in good repair condition and cleanliness. (It should be noted that these costs will be paid by Allia Pty Ltd as an outgoing.)

5.4 No Alterations - defines progress payments.

The Town will need to seek State Government approval to carry out substantial repairs. This condition is considered acceptable and is not onerous.

5.8 No Sale, etc.

The Town will not be able to sell the Stadium without the prior consent of the State.

5.9 Management Committee

The Town will be required to establish a Management Committee relating to the operation of the Stadium and permit the State's representative to sit on the Committee as an observer.

5.10 Variety of Sports

The Stadium must be made generally available for as wide a cross section of sports as is possible, having regard to its design characteristics.

5.11 Significant Events

The State requires that for a period following expiry of the term of this Agreement (that is, ten (10) or fifteen (15) years - yet to be finalised), the State may prescribe an event to be significant and the Stadium is to be made available for this event at no cost to the State, other than outgoings. After the ten (10) or fifteen (15) year period, the Stadium is to be available at reasonable cost, plus outgoings.

6. Representation and Warranties

This refers to normal legal warranties.

7. Reports and Information, etc

The Town is to provide the State Government will all incoming expenditure relating to the Grant. This is a standard requirement.

8. Default

The Agreement contains a default provision and this has been checked by the Town's solicitors and is considered to be acceptable.

9. Acknowledgement By Recipient

This Clause prescribes that the Department of Sport and Recreation may administer the Agreement between the State Government and the Town of Vincent.

10. GST

This specifies the normal GST requirements.

11. No Assignment

The Town cannot re-assign this Financial Assistance Agreement.

12. Indemnity

This is a standard indemnification Clause which indemnifies the State Government.

13. Relationship

This Clause clarifies the relationship between the Town and State Government.

14. Notices

This is a standard legal term prescribing the method of serving any notices if required.

15. Further Assurances

This Clause requires both the Town and State Government to do everything reasonably necessary to give full effect to this Agreement.

Clauses 16. Waiver; 17. Parties' Rights; 18. Remedies; 19. Entire Agreement; 20. Supervening Legislation; 21. Variation; 22. Consents and Approvals; 23. Severability; 24. Costs and Stamp Duty; and 25. Governing Law and Jurisdiction"

These are standard legal Clauses which apply to legal documents.

ADVERTISING/COMMUNITY CONSULTATION:

Not applicable.

STRATEGIC IMPLICATIONS:

The upgrade and redevelopment of Perth Oval is in accordance with the Town's Strategic Plan 2002-2002 Key Result Area 3.6 "*Develop and Implement Strategies to improve the Town's Parks and Reserves*", in particular, Key Result Area 3.6(a) - "*Investigate and Develop the future of Perth Oval*".

The relocation of PGSC and Rugby League administration to Perth Oval will attract additional visitors to the area throughout the year and will provide additional patronage to the local business community.

This is in keeping with the Town's Draft Strategic Plan (yet to be adopted) – Key Result Area "*Economic Development*".

The upgrade of Perth Oval is listed in the Town's Principal Activities Plan.

The Multi Purpose Rectangular Sports Stadium has been designed to accommodate five sporting disciplines, including soccer, rugby league and rugby union, gaelic football, men's and women's lacrosse. It is proposed to provide accommodation for soccer, rugby league and lacrosse in the refurbished grandstand.

COMMENT:

The Town's partnership with the State Government of Western Australia to provide upgraded and new sporting facilities within the Town of Vincent, as part of the State Sporting Facilities Plan will be a major benefit to the Town, its residents, ratepayers and also taxpayers. This proposal will relieve the Town of an expensive burden to upgrade and/or maintain the rundown facilities of Perth Oval.

7.4 Loan Funding for the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval, Pier Street, Perth

Ward:	Both	Date:	27 June 2003
Precinct:	All	File Ref:	RES0051/RES0064
Reporting Officer(s):	M Rootsey, John Giorgi		
Checked/Endorsed by:	John Giorgi		
Amended by:	-		

OFFICER RECOMMENDATION:

That the Council;

- (i) *ACCEPTS the loan of \$4,469,000 from the West Australian Treasury Corporation at 5.44% (or lower if available) fixed for a 20 year period;*
- (ii) *AUTHORISES the Chief Executive Officer to accept the most suitable loan rate available and loan portfolio for the repayment of the loan, finalise the loan documentation and affix the Common Seal; and*
- (iii) *OBTAINS the approval for the loan of the State Treasurer in accordance with Section 6.21 of the Local Government Act.*

COUNCIL DECISION ITEM 7.4

Moved Cr Farrell, Seconded Cr Lake

That the recommendation be adopted.

CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

BACKGROUND:

At the Special meeting of Council held on the 16 December 2002 Confidential Report Item 6.1, the Council adopted the following resolution:

- “9) *APPROVES the borrowing of \$4,469,000 and AUTHORISES the Chief Executive Officer to;*
- (i) *give one (1) month’s notice of the Council’s intention in accordance with Section 6.20 of Subdivision 3, Part 6 of the Local Government Act 1995 and subject to prior approval by the State Treasurer (under the Local Government Act, Section 6.21); and*
 - (ii) *call a tender/quotation for the loan funding;”*

The notice to borrow was advertised on the 25 January 2003 for a period of one (1) month.

DETAILS:

Quotations were sought from the following financial institutions:

- WA Treasury Corporation
- Commonwealth Bank of Australia
- National Bank of Australia
- Westpac Banking Corporation
- Bank West
- Bendigo Bank
- St George’s Bank

Submissions were to be received by 11.00am on the 21 May 2003. The specifications for the loan were as follows:

Loan Term – 20 years
Funding date – 3 June 2003
Repayment commencement date – 1 December 2003
Loan review period - every 5 years
- fixed 20 years

The following submissions were received:

Name	Interest Rate	Interest Fixed	Repayment	
Commonwealth Bank	5.28%	5 years	Monthly	
	5.22%	5 years	Semi Annual	
	5.47%	20 years	Monthly	
	5.50%	20 years	Semi Annual	
WA Treasury Corporation	5.06%	5 years	Monthly	
	5.38%	20 years	Monthly	
	5.08%	5 years	Semi Annual	
	5.44%	20 years	Semi Annual	
Bendigo Bank	5.54%	5 years	Semi Annual	
	5.49%	5 years	Monthly	
	5.71%	10 years	Semi Annual	
	5.65%	10 years	Monthly	
Westpac Banking Corporation				
	Principal & Interest	5.50%	5 years	Monthly
	Interest Only	5.54%	5 years	Monthly
	Interest Only	5.59%	5 years	Semi Annual
Principal & Interest	5.56%	5 years	Semi Annual	

A submission was received from the National Australia Bank after the deadline time for the close of submissions. No submissions were received from Bankwest and St George's Bank.

The loan repayments for the most suitable loan will be \$369,973.44 per annum (paid twice per year). The loan repayments will be met by the \$400,000 annual payment from Allia Holdings Pty Ltd.

The annual repayment amounts utilising the semi-annual repayments of \$184,686.72 fixed at 5.44% for the 20 year period are lower than the monthly repayments of \$31,118.82 at 5.38% for the 20 year period.

Funding

Stage 1			
Year	Town	Government	Total
2003/04	\$4,469,000	\$4,500,000	\$8,969,000
2004/05	0	\$1,579,000	\$1,579,000
Total	\$4,469,000	\$6,079,000	\$10,548,000
%	42.37	57.63	100

Stage 2			
Year	To be decided	To be decided	To be decided

State Government of Western Australia Funding

It is necessary for the State Government funding of \$1.579 million listed for 2004/05 to be available in 2003/04. It is recommended that the Town takes out a short term loan for this purpose. This is the subject of a separate report on this agenda.

CONSULTATION/ADVERTISING:

The intention to borrow was advertised in the West Australian newspaper for one (1) month from 25 January 2003. No submissions were received. However, one enquiry was received. This information was reported to the Ordinary Meeting of Council held on 8 April 2003.

LEGAL/POLICY:

The Local Government Act (1995) requires that the Local Government give one (1) month's notice of the Council's intention in accordance with Section 6.20 of Subdivision 3, Part 6 of the Local Government Act 1995 and subject to prior approval by the State Treasurer (under the Local Government Act, Section 6.21).

STRATEGIC IMPLICATIONS:

N/A

FINANCIAL/BUDGET IMPLICATIONS:

The annual repayments for the loan will be funded by the annual income from the naming and catering rights for the Multi-Purpose Rectangular Sports Stadium.

Financial institutions generally hold their quoted rates for a maximum of twenty-four hours due to the dynamics of the money markets. The rate for the loan will be confirmed prior to the Council meeting. However, as the rate fluctuates on a daily basis, it is recommended that the CEO be authorised to accept the most suitable loan rate available (after the Council decision has been made) and also to negotiate the most suitable loan portfolio for the repayment of the loan. The WA Treasury Corporation will always likely be the most competitive in this market for the reasons stated above.

COMMENTS:

The rates offered by WA Treasury Corporation are very competitive, they are able to provide these rates as they are a central borrowing authority for a number of State Government agencies and are therefore able to pool a significant amount of funds which enables them to gain wholesale rates.

Furthermore the WA Treasury Corporation are State Government guaranteed and as a result attract a high credit rating, second only to Federal Government funds.

It is recommended that the Council accept the loan quote from WA Treasury Corporation and authorises the CEO to finalise the loan rate and portfolio.

7.5 Short Term Loan Funding for the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval, Pier Street, Perth

Ward:	Both	Date:	27 June 2003
Precinct:	All	File Ref:	RES0051/RES0064
Reporting Officer(s):	M Rootsey, John Giorgi		
Checked/Endorsed by:	John Giorgi		
Amended by:	-		

OFFICER RECOMMENDATION:

That the Council;

- (i) *in accordance with Regulation 10 of the Local Government (Administration) Regulations 1996 as referred to in Section 5.25(e) of the Local Government Act 1995 having received the support of one third of the number of offices of Members of the Council, namely Mayor Catania, Cr Chester and Cr Ker, RESOLVES TO CHANGE the following resolution adopted by the Council at its Special Meeting held on 16 December 2002 (Item 6.1, Clause 3(iii)(a)), namely;*
 - "(a) the State Government of Western Australia bringing forward its funding of \$1,579,000 listed for 2004/05, and this to be paid at October 2003;"*
- (ii) *APPROVES BY AN ABSOLUTE MAJORITY the borrowing of \$1,579,000, as a short term loan (from December 2003 until July 2004) for the funding of part of the Multi Purpose Rectangular Sports Stadium and AUTHORIZES the Chief Executive Officer to;*
 - (a) *give one (1) month's notice of the Council's intention in accordance with Section 6.20 of Subdivision 3, Part 6 of the Local Government Act 1995 and subject to prior approval by the State Treasurer (under the Local Government Act, Section 6.21) and seeking comments from the public; and*
 - (b) *call a tender/quotation for the loan funding;*
- (iii) *NOTES that the State Government of Western Australia will reimburse the Town the \$1,579,000 in July 2004, as detailed in the Financial Assistance Agreement; and*
- (iv) *NOTES that a further report will be submitted to the Council advising of any submissions, to approve of the loan and specific details.*

COUNCIL DECISION ITEM 7.5

Moved Cr Chester, Seconded Cr Ker

That the recommendation be adopted.

Debate ensued.

CARRIED BY AN ABSOLUTE MAJORITY (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

BACKGROUND:

At the Special meeting of Council held on the 16 December 2002 Confidential Report Item 6.1, the Council adopted the following resolution:

- “9) *APPROVES the borrowing of \$4,469,000 and AUTHORIZES the Chief Executive Officer to;*
- (i) give one (1) month’s notice of the Council’s intention in accordance with Section 6.20 of Subdivision 3, Part 6 of the Local Government Act 1995 and subject to prior approval by the State Treasurer (under the Local Government Act, Section 6.21); and*
 - (ii) call a tender/quotation for the loan funding;”*

DETAILS:

The funding arrangement for the project is listed below;

<u>Stage 1</u>			
Year	Town	Government	Total
2003/04	\$4,469,000	\$4,500,000	\$8,969,000
2004/05	0	\$1,579,000	\$1,579,000
Total	\$4,469,000	\$6,079,000	\$10,548,000
%	42.37	57.63	100

<u>Stage 2</u>			
Year	To be decided	To be decided	To be decided

Discussions with the Department of Sport and Recreation (DSR) reveal that they are unable to bring forward their funding of \$1.579 million, which is listed for 2004/05, due to the strict State Government Forward Estimate Funding Program.

Therefore, it will be necessary to obtain a short term loan for the period December 2003 to July 2004. The Town is able to more easily facilitate this process than the State Government.

Indicative interest rates have been obtained from several lending institutions. These reveal an approximate interest rate of 4.82%-5.00%, with interest for the period being approximately \$45,000-\$46,500 (depending upon the actual rate at the time).

This loan is to be funded from the State Government funds as there is a saving of approximately \$70,000 in the project building tender.

At the Special Council Meeting held on 16 December 2002 the Council approved of the funding arrangement. Therefore, it will be necessary to change this decision in order to facilitate the process for obtaining the short term loan.

CONSULTATION/ADVERTISING:

The intention to borrow will be advertised in "The West Australian" newspaper for one (1) month.

LEGAL/POLICY:

The Local Government Act (1995) requires that the Local Government give one (1) month's notice of the Council's intention in accordance with Section 6.20 of Subdivision 3, Part 6 of the Local Government Act 1995.

STRATEGIC IMPLICATIONS:

N/A.

FINANCIAL/BUDGET IMPLICATIONS:

The short term loan will be funded from the monies provided by the State Government of Western Australia and will not involve any of the Town's funds.

COMMENTS:

The Chief Executive Officer will follow the strict process of obtaining the necessary loan funds and a further report will be submitted to the Council for approval.

7.6 Tender No 252/03 - Construction of the Multi Purpose Rectangular Sports Stadium and the Redevelopment of Perth Oval

Ward:	South	Date:	27 June 2003
Precinct:	-	File Ref:	TEN0261
Reporting Officer(s):	John Giorgi		
Checked/Endorsed by:	-		
Amended by:	-		

OFFICER RECOMMENDATION:

That the Council;

- (i) *ACCEPTS the tender as submitted by John Holland Pty Ltd as being the most acceptable to the Town of Vincent for the construction of the Multi-Purpose Rectangular Sports Stadium (Stage 1) and the redevelopment of Perth Oval, for a price of \$9,281,954 (inclusive of Goods and Services Tax); and*
- (ii) *AUTHORISES the signing and affixing of the Council Common Seal to the contract between the Town and John Holland Pty Ltd.*

COUNCIL DECISION ITEM 7.6

Moved Cr Ker, Seconded Cr Lake

That the recommendation be adopted.

Debate ensued.

CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

BACKGROUND:

At the Special Council Meeting held on 30 October 2001, the Council approved of entering into a partnership with the State Government of Western Australia to redevelop and construct a number of sporting facilities, including a Multi-Purpose Rectangular Sports Stadium on Perth Oval, State Indoor Multi-Use Sports Centre on the Loftus Centre land and the redevelopment of Leederville Oval into a "Football Centre of Excellence" for joint use by EPFC and SFC. The Town has also approved of the construction of an office building on Leederville Oval to house the Department of Sport and Recreation.

At a Special Meeting of Council held on 10 December 2002, the Council resolved to redevelop Perth Oval, construct a Multi-Purpose Rectangular Sports Stadium (Stage 1) and create approximately 35,000m² of public open space, including plants, lawn, paths, lighting, fencing, street furniture, public art and bore upgrade and reticulation, at an estimated cost of \$10,548,000.

At the Ordinary Meeting of Council held on 8 April 2003, the Council resolved:

"That the Council INVITES Broad Construction Services Pty Ltd, Entact Clough, BGC Construction and John Holland Pty Ltd to submit a tender for the Construction of the Multi-Purpose Rectangular Sports Stadium and the Redevelopment of Perth Oval."

On 16 April 2003 tenders were invited from the above approved registered builders. At 2pm on 17 May 2003, four tenders were received. Present at the opening were Purchasing/Contracts Officer - David Paull, Chief Executive Officer - John Giorgi and Executive Manager Corporate Services - Mike Rootsey. Representatives of all four building companies were also present.

Tenders were received from the following companies:

	Name	Address
1.	Broad Construction Services Pty Ltd	Level 1 Broad Construction Centre 82 Royal Street East Perth
2.	Entact Clough	1st Floor 9 Havelock Street West Perth
3.	BGC Construction	6th Floor 18 Mount Street Perth
4.	John Holland Pty Ltd	Level 11 263 Adelaide Terrace Perth

TENDER EVALUATION

Selection Criteria

The following evaluation criteria was applied in the assessment of this tender:

Criteria	
1.1	Financial Offer/Fee Proposal This contract is offered on a lump sum fee basis. Include in the lump sum fee, all fees, any other costs and disbursements to provide the required service and the appropriate level of the Goods and Services Tax (GST)
1.2	Include any financial incentives/discounts/sponsorship to the Town
1.3	Contract free of any restrictive conditions, and/or encumbrances.

Tender Evaluation Panel

The Tender Evaluation Panel consisted of the Chief Executive Officer - John Giorgi, Executive Manager Environmental and Development Services - Rob Boardman, Executive Manager Corporate Services - Mike Rootsey, Executive Manager Technical Services - Rick Lotznicher, Project Architect - Con Lampropoulos of Peter Hunt Architect, Peter Blunt of Rawlinsons Quantity Surveyor and Construction Cost Consultants and a representative of the Department of Sport and Recreation.

Each Tender was assessed in accordance with an Evaluation Assessment Matrix as used by the State Government Department of Housing and Works. This provided for the following scoring;

Department of Housing and Works Scoring System

0-1	Inadequate or non-appropriate offer, critical or disqualifying deficiencies, does not meet criterion, unacceptably high risk to Principal.
2-3	Marginal offer, some deficiencies, partly meets criterion, high risk to Principal.
4-5	Fair offer, few deficiencies, almost meets criterion, medium risk to Principal.
6-7	Good offer, no deficiencies, meets criterion, medium to low risk to Principal.
8-9	Very good offer, exceeds criterion, low risk to Principal.
10	Outstanding offer, greatly exceeds criterion, very low risk to Principal.

(Scoring was calculated using the criterion weighting)

TENDER SUMMARY

The following is a summary of the Tenders received:

Tender Sum

	Company	John Holland Pty Ltd \$	BGC Construction \$	Broad Construction \$	Entact Clough \$
	Tender Sum (exc GST)	8,438,140	8,950,000	8,989,886	9,233,000
	Options (exc. GST):				
1	Specified seats	92,775	included	included	included
2	Armrests to grandstand seats	13,860	12,540	13,860	13,000
3	Removal of redundant sewer	17,000	included	16,000	included
4	Light refitting of existing fittings	24,000	22,500	24,700	23,300
	GRAND TOTAL (exc GST)	8,585,775	8,985,040	9,046,446	9,269,300

Tender Assessment

Criteria	John Holland Pty Ltd	BGC Construction	Broad Construction	Entact Clough
1.1 Financial Offer/Fee Proposal This contract is offered on a lump sum fee basis. Include in the lump sum fee, all fees, any other costs and disbursements to provide the required service and the appropriate level of the Goods and Services Tax (GAST)	Lowest	2nd lowest	3rd lowest	4th lowest
1.2 Include any financial incentives/discounts/sponsorship to the Town	Prepared to enter into Sponsorship	Prepared to enter into Sponsorship	Not Specified	Nil
1.3 Contract free of any restrictive conditions, and/or encumbrances.	24 weeks for lift installation	18-20 weeks for lift installation	18-20 weeks for lift installation	18-20 weeks for lift installation
Ranking	1st	2nd	3rd	4th

Tender Evaluation Panel Comments

All building companies have the proven capacity to carry out a project of this size within the specified tight time frame.

John Holland has previous experience with sports complexes and have nominated the following projects as an indication of their capabilities:

1990-1992	Melbourne Cricket Ground (South Stand)	\$118.55 million
1993-1994	Joondalup Sports Complex	\$9.4 million
1998-2000	Subiaco Oval Redevelopment	\$33.4 million

They have also successfully completed many other major projects including:

1998-1999	Joondalup Health Campus	\$57 million
1997-1998	Council House Refurbishment	\$24.9 million

FINANCIAL/BUDGET IMPLICATIONS:

After the closing of tenders for this project on 16 May 2003, the Architect, Con Lampropoulos of Peter Hunt Architects met with the lowest tenderer. Mr Peter Blunt, Project Quantity Surveyor, has analysed the tenders and has provided the following tender information:

"A. TENDER RESULTS

	Tender* (Excl. GST)	Variance From Lowest	
	\$	\$	%
1 John Holland Pty Ltd	8,585,775		
2 BGC Construction	8,985,040	399,265	4.65%
3 Broad Construction Services	9,046,446	460,671	5.37%
4 Entact Clough	9,269,300	683,525	7.96%
Rawlinsons Tender Estimate	9,182,000	596,225	6.94%
Anticipated Tender Range	8,750,000	to	9,650,000 10%
Actual Tender Range	8,585,775	to	9,269,200 8%

Remarks

- (a) All Tenderers submitted conforming bids.
- (b) Good close spread of tenders at only 8% from highest to lowest.
- (c) Lowest tender is only 4.65% lower than second.

Conclusion

Given the closeness of the tenders, and the fact that there is only 4.65% between the two lowest, there is nothing in the result to indicate that the lowest tender is not a manageable price.

B. TRADE COMPARISON

The differences between the two lowest tenders are as follows:

<i>Trade</i>	<i>John Holland</i> \$	<i>BGC</i> \$	<i>Difference</i>	
			\$	%
Preliminaries	463,110	1,090,000	(626,890)	(135.37%)
Demolition	517,037	521,000	(3,963)	(0.77%)
Earthworks	957,523	1,045,000	(87,477)	(9.14%)
External Works	140,690	165,000	(24,310)	(17.28%)
Concrete	1,236,203	1,368,000	(131,797)	(10.66%)
Structural Steel	207,714	54,000	153,714	74.00%
Masonry	459,184	328,000	131,184	28.57%
(Metalwork	1,298,667	1,283,190	15,477	1.19%
(Carpentry, Joinery and Cabinetwork	incl	incl		
(Windows, Doors and Glazing	incl	incl		
(Seating	incl	incl		
Roofing	92,889	110,000	(17,111)	(18.42%)
Hydraulic Services	1,104,257	860,000	244,257	22.12%
Electrical Services	887,057	892,500	(5,443)	(0.61%)
Mechanical & Lift Services	389,819	410,000	(20,181)	(5.18%)
Plaster	7,305	9,350	(2,045)	(27.99%)
Ceilings	266,820	223,000	43,820	16.42%
Non-Resilient Finishes	73,743	74,000	(257)	(0.35%)
Resilient Finishes	137,536	142,000	(4,464)	(3.25%)
Painting	162,728	165,000	(2,272)	(1.40%)
Landscaping	153,493	215,000	(61,507)	(40.07%)
Provisional Sums	30,000	30,000	0	0.00%
TOTAL	8,585,775	8,985,040	(399,265)	(4.65%)

Remarks

- (a) The significant difference between the two lowest tenders are:

	<i>John Holland</i> \$	<i>BGC</i> \$	<i>Difference</i>	
			\$	%
Preliminaries	463,110	1,090,000	(626,890)	(135.37%)
Structural Steel	207,714	54,000	153,714	74.00%
Hydraulic Services	1,104,257	860,000	244,257	22.12%
All Other trades	6,810,694	6,981,040	(170,346)	(2.50%)
	8,585,775	8,985,040	(399,265)	(4.65%)

- (b) The major difference between the two tenders is obviously in Preliminaries. John Holland's preliminaries are lower than expected, on the other hand BGC's are higher than expected (we allowed \$750,000 in our tender estimate).

The difference could be explained by the way the Tenderers have distributed their margin and contingency. We know that John Holland have distributed their margin across all trades. We don't know how BGC have distributed their margin but suspect it is all included in their preliminaries.

- (c) We note that BGC's Structural Steel price is very low. Based on the scope of work in that trade, we believe that John Holland's price is the more realistic of the two.
- (d) We also note that BGC's Hydraulic Services price is significantly lower than John Holland's. The difference is very close to the \$250,000 Water Authority Headworks fee for this Project, so it's possible BGC have included allowance for Headworks in their Preliminaries rather than in the Hydraulic Services trade.
- (e) The difference between all remaining trades is only \$170,000 or 2.5% in \$7.0m

Conclusion

Apart from Preliminaries, there is nothing in the trade breakdown to indicate John Holland have made any significant errors in their tender that could have a detrimental effect the project.

C. RECONCILIATION WITH BUDGET

To achieve the Total Project Budget of \$10.548m, the target construction cost tender was \$8.656m. Based on our tender estimate, we anticipated that the lowest tender could well be very close to the \$8.656m target figure and recommended that tenders should be called based on the full Stage 1 Schematic Proposal.

As the lowest tender has in fact come in at \$8.586m, or \$70,000 below the target figure, we can report that if John Holland's tender is accepted, the project will be on budget and can proceed without alteration to the scope of work.

Project Budget

Based on the tender result, the Project Budget is as follows:

	\$
1.00	<u>Construction Contract</u>
	John Holland Pty Ltd Tender 8,585,775
2.00	<u>Other Project Costs</u>
2.01	<u>Town Of Vincent Works Outside Lease Area</u>
	Zone C (Loton Park) Town of Vincent Works 460,000
2.02	<u>Fees And Contingencies</u>
	Consultants Fees 670,000
	<i>Construction Contingency</i> 250,000

2.03	<u>Fit Out</u>	
	Scoreboards	30,000
	Loose Furniture & Equipment	nil
	Window treatments	nil
	Allowance for User Group Office Fitout	10,000
	Workstations (Remainder of fitout now included in construction)	
	Allowance for User Group Common Area Office Fitout in Existing Grandstand	incl
2.04	<u>Sewer Diversion</u>	
	Divert existing sewer running across site	by others
2.05	<u>Statutory Costs</u>	
	Sewerage Headworks Charges for Temporary Toilets	30,000
2.06	<u>Aboriginal Heritage Issues</u>	
	Allow	20,000
2.07	<u>Hired Facilities (to be reviewed)</u>	
	<u>Season 2003-2004</u>	
	Temporary Toilets	70,000
	Temporary Grandstand to Southern Bank	80,000
	<u>Season 2004-2005</u>	
	Temporary Toilets	75,000
	Temporary Grandstand	105,000
2.08	<u>Artwork</u>	
	Provision for Public Art	92,000
2.09	<i>Budget In Hand To Date</i>	70,225
	TOTAL PROJECT BUDGET	<u>10,548,000</u>
3.00	<u>BUDGET EXCLUSIONS</u>	
	The following items are excluded from the budget:	
3.01	Sewer diversion	By Others
3.02	Caterer's kitchen & pantry fit outs	By Others
3.03	Function room & sponsors' box loose furniture etc	By Others
3.04	Sponsors' suites - stoves & white goods	By Others
3.05	Concession fit outs, equipment service connections	By Others
3.06	Temporary concessions	By Others
3.07	Glory office fit out	By Others
3.08	Rugby league office furniture & Equipment	By Others
3.09	Removing existing temporary hired grandstand	By Others
3.10	Playing surface refurbishment	excluded
3.11	Pier and Brewer Street parking & enhancements	excluded
3.12	Audio visual equipment for function rooms	excluded
3.13	Other loose furniture and equipment	excluded
3.14	Window treatments	excluded

D. RECOMMENDATION

Apart from the relatively low Preliminaries allowance, we are satisfied that there is no evidence of any major discrepancies in John Holland's tender that could have a detrimental impact on the project.

Given also that:

- (a) John Holland have checked and confirmed their tender.
- (b) Based on their tender, the Project is within budget and can proceed without any amendments to the scope of work.

We recommend that the Contract is awarded to John Holland Pty Ltd."

The submitted sum represents a most cost competitive tender and within the approved budget.

The Town's CEO and Executive Managers concur with the Architect's and Quantity Surveyor's recommendation.

LEGAL/POLICY IMPLICATIONS:

The tenders were called in accordance with the Local Government (Functions and General) Regulations 1996, Part 4.

In accordance with the tender, the price is valid until 16 July 2003. Thereafter, the builder is entitled to submit claims for any increases in costs.

PRINCIPAL ACTIVITIES PLAN:

The upgrade of Perth Oval is listed in the Town's Principal Activities Plan.

STRATEGIC IMPLICATIONS:

The upgrade and redevelopment of Perth Oval is in accordance with the Town's Strategic Plan 2002-2002 Key Result Area 3.6 *"Develop and Implement Strategies to improve the Town's Parks and Reserves"*, in particular, Key Result Area 3.6(a) - *"Investigate and Develop the future of Perth Oval"*.

This is in keeping with the Town's Draft Strategic Plan (yet to be adopted) – Key Result Area *"Economic Development"*.

COMMENT:

The Town's partnership with the State Government of Western Australia to provide upgraded and new sporting facilities within the Town of Vincent, as part of the State Sporting Facilities Plan will be a major benefit to the Town, its residents and taxpayers. The Council's approval of this recommendation is therefore requested.

7.7 Confidential Report - Approval of the Heads of Agreement between the Town of Vincent and Allia Holdings Pty Ltd for the Provision of Catering Services, Operational Management Services and selling of Naming Rights for the proposed Multi Purpose Rectangular Sports Stadium, Pier Street, Perth

Ward:	South	Date:	27 June 2003
Precinct:	Beaufort, P13	File Ref:	RES0051/RES0064
Reporting Officer(s):	John Giorgi		
Checked/Endorsed by:	-		
Amended by:	-		

OFFICER RECOMMENDATION:

That the Council;

- (i) *pursuant to section 5.95 of the Local Government Act 1995 and clause 2.15 of the Town of Vincent Local Law Relating to Standing Orders, proceeds "behind closed doors" at the conclusion of the items, to consider the confidential report, circulated separately to Elected Members, relating to the approval of the Heads of Agreement between the Town of Vincent and Allia Holdings Pty Ltd for the provision of Catering Services, Operational Management Services and selling of Naming Rights for the proposed Multi Purpose Rectangular Sports Stadium, Pier Street, Perth; and*
- (ii) *AUTHORISES the Chief Executive Officer to make public the Confidential Report, or any part of it, at the appropriate time.*

COUNCIL DECISION ITEM 7.7

Moved Cr Ker, Seconded Cr Chester

That the recommendation be adopted.

CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

Moved Cr Ker, Seconded Cr Chester

That architect, Con Lampropoulos, Director General Department of Sport and Recreation, Ron Alexander and Department of Sport and Recreation, Steve Humfrey be permitted to remain in the Chamber.

CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

At 8.35pm, Mayor Catania advised that the Council will be considering the Confidential Report behind closed doors, and thanked the two members of the public gallery and journalist Jodie Thompson for their attendance and requested they depart.

DETAILS:

The Chief Executive Officer is of the opinion that this report is of a confidential nature as it contains commercial - in confidence and financial information.

LEGAL:

The Town of Vincent Local Law Relating to Standing Orders states the following:

"2.15 Confidential business

(1) *All business conducted by the Council at meetings (or any part of it) which are closed to members of the public is –*

(i) to be treated as strictly confidential; and

(ii) not, without the authority of Council, to be disclosed to any person other than–

(a) the Members; and

(b) Officers of the Council but only to the extent necessary for the purpose of carrying out their duties;

prior to the discussion of that matter at a meeting of the council held with open doors.

(2) *Any report, document or correspondence which is to be placed before the Council or any committee and which is in the opinion of the Chief Executive Officer of a confidential nature, may at his or her discretion be marked as such and–*

(i) then to be treated as strictly confidential; and

(ii) is not without the authority of the Council to be disclosed to any person other than the Mayor, Councillors or the Officers of the Council referred to in sub-clause (1)."

The confidential report is provided separately to Elected Members, the Chief Executive Officer and Executive Managers.

At the conclusion of these matters, the Council may wish to make some details available to the public.

7.7 Confidential Report - Approval of the Heads of Agreement between the Town of Vincent and Allia Holdings Pty Ltd for the Provision of Catering Services, Operational Management Services and selling of Naming Rights for the proposed Multi Purpose Rectangular Sports Stadium, Pier Street, Perth

Ward:	South	Date:	27 June 2003
Precinct:	Beaufort, P13	File Ref:	RES0051/RES0064
Reporting Officer(s):	John Giorgi		
Checked/Endorsed by:	-		
Amended by:	-		

OFFICER RECOMMENDATION:

That the Council;

- (i) *APPROVES of the Heads of Agreement (as "Laid on the Table") between the Town and Allia Holdings Pty Ltd for the Provision of Catering Services, Operational Management Services and selling of Naming Rights for the proposed Multi Purpose Rectangular Sports Stadium, Pier Street, Perth;*
- (ii) *AUTHORISES the Chief Executive Officer (in liaison with the Mayor) to make minor variations to the Heads of Agreement, which may arise during the finalisation of the document;*
- (iii) *AUTHORISES the Mayor and the Chief Executive Officer to sign the Heads of Agreement and affix the Common Seal; and*
- (iv) *AUTHORISES the Chief Executive Officer to prepare legal contracts to include the details of the Principles contained in the Heads of Agreement.*

Moved Cr Chester; Seconded Cr Ker

That the recommendation be adopted subject to clause (i) being amended as follows;

- "(i) *APPROVES of the Heads of Agreement (as "Laid on the Table") between the Town and Allia Holdings Pty Ltd for the Provision of Catering Services, Operational Management Services and selling of Naming Rights for the proposed Multi Purpose Rectangular Sports Stadium, Pier Street, Perth, subject to including the following;*
 - (a) *Allia must pay a bond of \$5,000 to the Town, to pay for any possible damage in the streets or to private property caused by patrons; litter clean-ups in the streets or Land surrounding the stadium; noise callouts or other necessary callouts, by the Town's staff; and for the Town's Chief Executive Officer and Allia's Chief Executive Officer to jointly have authority to pay out of this fund in justified cases;*"

Chief Executive Officer, John Giorgi advised the meeting that a letter had been received from Perth Glory Soccer Club advising that they agreed with the fundamental outline of the Heads of Agreement.

Debate ensued.

Moved Cr Cohen, Seconded Cr Farrell

That the new clause (i)(a) be amended by adding "and to be maintained at this level if drawn upon" after the word "cases" as follows;

"(i) APPROVES of the Heads of Agreement (as "Laid on the Table") between the Town and Allia Holdings Pty Ltd for the Provision of Catering Services, Operational Management Services and selling of Naming Rights for the proposed Multi Purpose Rectangular Sports Stadium, Pier Street, Perth, subject to including the following;

- (a) Allia must pay a bond of \$5,000 to the Town, to pay for any possible damage in the streets or to private property caused by patrons; litter clean-ups in the streets or Land surrounding the stadium; noise callouts or other necessary callouts, by the Town's staff; and for the Town's Chief Executive Officer and Allia's Chief Executive Officer to jointly have authority to pay out of this fund in justified cases, and to be maintained at this level if drawn upon;"*

AMENDMENT CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

Debate ensued.

Moved Cr Chester, Seconded Cr Lake

That a new clause (v) be added as follows;

"(v) AUTHORISES the Chief Executive Officer to add to the Heads of Agreement under the heading of "Background" a new clause (I) as follows;

"(I) Perth Oval was listed on the State Register for Heritage Places on 2 September 1998. Entry on the Register is official recognition by the State Government of a place's cultural significance to the heritage of Western Australia. Perth Oval is also listed on the Register of Aboriginal Sites (Interim). Any Works or Repairs and Maintenance to be carried out under this agreement must be carried out in compliance with the relevant legislation.""

AMENDMENT CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

Debate ensued.

MOTION AS AMENDED CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

COUNCIL DECISION ITEM 7.7

That the Council;

- (i) *APPROVES of the Heads of Agreement (as "Laid on the Table") between the Town and Allia Holdings Pty Ltd for the Provision of Catering Services, Operational Management Services and selling of Naming Rights for the proposed Multi Purpose Rectangular Sports Stadium, Pier Street, Perth, subject to including the following;*
 - (a) *Allia must pay a bond of \$5,000 to the Town, to pay for any possible damage in the streets or to private property caused by patrons; litter clean-ups in the streets or Land surrounding the stadium; noise callouts or other necessary callouts, by the Town's staff; and for the Town's Chief Executive Officer and Allia's Chief Executive Officer to jointly have authority to pay out of this fund in justified cases, and to be maintained at this level if drawn upon;*
- (ii) *AUTHORISES the Chief Executive Officer (in liaison with the Mayor) to make minor variations to the Heads of Agreement, which may arise during the finalisation of the document;*
- (iii) *AUTHORISES the Mayor and the Chief Executive Officer to sign the Heads of Agreement and affix the Common Seal;*
- (iv) *AUTHORISES the Chief Executive Officer to prepare legal contracts to include the details of the Principles contained in the Heads of Agreement; and*
- (v) *AUTHORISES the Chief Executive Officer to add to the Heads of Agreement under the heading of "Background" a new clause (I) as follows;*

"(I) Perth Oval was listed on the State Register for Heritage Places on 2 September 1998. Entry on the Register is official recognition by the State Government of a place's cultural significance to the heritage of Western Australia. Perth Oval is also listed on the Register of Aboriginal Sites (Interim). Any Works or Repairs and Maintenance to be carried out under this agreement must be carried out in compliance with the relevant legislation."

BACKGROUND:

At the Special Meeting of Council held on 16 December 2002, the matter of the Multi Purpose Rectangular Sports Stadium and Redevelopment of Perth Oval was considered and the Council approved to proceed with this project.

At the Ordinary Meeting of Council held on 13 May 2003, the Council considered the matter of the tenders relating to provision of Catering Services, Operational Management Services, and selling of Naming Rights for the proposed Multi Purpose Rectangular Sports Stadium, Pier Street, Perth. The Council resolved to reject the tenders and authorise the Chief Executive Officer to enter into negotiations with Allia Holdings Pty Ltd (Allia).

Meetings have been held with the Town's solicitors in order to prepare the draft Heads of Agreement. In addition, meetings have been held with Allia and their solicitor.

The Department of Sport and Recreation have been involved with these meetings and the preparation of the documents. The Heads of Agreement are commercial-in-confidence legal documents, as they contain information relating to individuals.

The Heads of Agreement will prescribe the principles which will form the basis of Legal Contracts to be entered into between the Town and Allia. The Heads of Agreement do not specify in detail each of the requirements. The specific details (which are required to be finalised by 31 August 2003) will be included in the contracts which will follow, once the Heads of Agreement have been signed. The specific contract details (which include Key Performance Indicators (KPIs)), will not be different to the principles contained in the Heads of Agreement.

The signing of the Heads of Agreement will enable the project to proceed, whilst at the same time protecting the Town's financial position. Other documents such as the Financial Assistance Agreement and Building Tender will also need to be signed.

Progress Reports

Progress reports have been submitted to the Council on 27 March 2002, 23 July 2002 and 10 December 2002.

Heads of Agreement - Salient Clauses

"1. Defined Terms and Interpretation

1.1 Definitions

The numerous terms and definitions are defined and used throughout the document.

2. Commencement

This Agreement commences when the State Government agrees in writing, when the Town has obtained the necessary finances and when the necessary guarantees have been provided to the Town.

3. Legal Status of this Agreement

3.1 Agreement Binding

The Heads of Agreement will be a legally binding document.

3.2 New Agreement

In view of the short time in which to negotiate the terms and conditions of this Agreement, it has not been possible to include comprehensive details into the Heads of Agreement. It is proposed that a detailed contract will be prepared before 31 August 2003. This contract will also include detailed Key Performance Indicators (KPIs) - these will specify the level of service required or to be provided.

4. Appointment of Allia

4.1 Appointment

This document will appoint Allia Holdings Pty Ltd.

4.2 Consideration

Allia Holdings Pty Ltd will pay the Town \$400,000 per annum.

The Town will use the \$400,000 to pay for the principal and interest loan and any balance must be paid into the Reserve Fund.

This Clause requires the Town to only use the loan towards the Stadium and Public Open Space Redevelopment.

4.3 Term

The term specified is twenty (20) years commencing on the date of new Agreement or by 31 August 2003, whichever is the sooner.

4.4 Accelerated Repayment

Allia, at any time, may pay the Town the whole of the balance of the loan.

4.5 Priority rights

These specify the usage of the Stadium and pitch by Perth Glory Soccer Club (PGSC) - priority rights are subject to direction by the Committee and/or the Minister.

4.6 Significant events

This Clause reflects the requirement in the Financial Assistance Agreement between the Town and State Government. It will enable the State Government to prescribe a significant event (e.g. national or international game) and the terms in which the Stadium will be available to the State Government.

4.7 Community groups

This specifies that the Stadium is to be available to as many Community Groups as the Stadium design permits - usage by Community Groups will be controlled by the KPIs and the fees will be significantly less than a commercial fee.

4.8 Use of Stadium

This prescribes that the Stadium is to be used for sports, cultural and artistic events - this is a State Government requirement.

4.9 Reserve Fund

The Town already has a Reserve Fund and Allia and the Town must both contribute \$50,000 per annum each, indexed to CPI. (The Town's contribution may come out of the \$400,000 paid by Allia, after the annual loan payment has been made.)

4.10 KPIs

The use of KPIs will be extensive to ensure that all parties are aware of the services required or to be provided and how they will be evaluated.

4.11 Parity clause

This Clause will ensure that the Stadium must be made generally available on a fair and consistent basis for as wide a cross-section of sports as is possible.

5. Committee

5.1 Establishment of Committee

This Clause prescribes the composition of the Committee - the Town's Mayor, Chief Executive Officer, a representative of PGSC, a representative of other Stadium user, other persons as deemed appropriate and a representative of the Department of Sport and Recreation (DSR) as an observer.

Mayor to have casting vote.

5.2 Functions of Committee

The functions of the Committee will be to supervise the services of Allia in accordance with the Heads of Agreement.

5.3 Allia to comply with Committee's directions

Allia must comply with the Committee's directions and of course, the Committee is under the control of the Council. The relevant State Government Minister may also direct the Committee and/or Allia in the event of a dispute.

This Clause also prescribes that in the event of a dispute the parties must negotiate in good faith and if agreement cannot be reached, within fourteen (14) days, the matter may be referred to the Minister for a decision, which is binding on all parties.

5.4 Performance Reports

Performance reports are to be provided on a quarterly (or monthly if required) basis to the Town's Chief Executive Officer - these are in addition to the reports which will be submitted to the Stadium Committee.

6. Allia's General Rights and Obligations

6.1 Provision of services

Allia must provide services and cannot pass on fees to the Town.

6.2 Stadium account

Allia must establish an account and provide the necessary bank statements each month.

6.3 Licensing

The use of the Stadium will be by users obtaining a licence. As Stadium Manager, Allia will carry out the day to day matters relating to licences, however the actual licence will always be issued by the Town. The Town cannot unreasonably withhold the licence.

6.4 Leasing

Leases for the Stadium will be controlled and issued by the Town. Income from any leases will be paid to Allia to offset management of the Stadium - at this stage, PGSC and Western Australian Rugby League (WARL) will be leasing office space. The WARL lease is nominal at \$5,200 per year, plus outgoings - as they are a not-for-profit organisation. PGSC's lease is expected to be commercial and will be negotiated. In addition, PGSC will be required to fit out their own office.

6.8 Improvements to be supplied by Allia

Improvement provided by Allia will become the property of the Town. These include;

<i>Lights</i>	<i>\$450,000</i>
<i>Eastern Grandstand</i>	<i>\$500,000</i>
<i>Perimeter signs - 100 metres</i>	<i>\$100,000</i>
<i>Security System - office and function rooms, equipment, furniture, 12 lolly-pop signs</i>	<i>\$80,000</i>
<i>Score board and clock</i>	<i>\$30,000</i>
<i>Office fit-out for proposed stadium manager</i>	<i>\$20,000</i>
<i>Benches/white boards/miscellaneous equipment</i>	<i>\$5,000</i>
<i>200 Grandstand seats</i>	<i>\$5,000</i>
<i>Boardroom furniture</i>	<i>\$5,000</i>
<i>80 x 240 litre bins</i>	<i>\$5,000</i>
<i>TOTAL</i>	<i>\$1,200,000</i>

6.9 Town's obligations

This Clause prescribes the items which the Town will provide as part of the Building Tender and include;

- (a) fixtures, fittings, and boards for signage surrounding the Stadium's perimeter bowl;*
- (b) directional Stadium signage as required in consultation with Allia;*
- (c) fixed concrete sleeves in the playing surface for the insertion of goals for rugby league (100 metres apart), rugby union (100 metres apart) and soccer (both 100 metres and 110 metres apart);*
- (d) cabling and poles for security cameras. The Town and Allia will each contribute not more than \$25,000 for security cameras.*
- (e) turnstyles as required for Gate 4 (south-east corner) of the Stadium;*
- (f) benches and chairs as required for each entry gate ticket box (excluding Gate 1) at the Stadium, including a phone/fax line for each ticket box;*
- (g) ducted air conditioning in the PGSC offices, together with new carpet, painted walls, and cat 5 cabling to PGSC's reasonable requirements;*
- (h) the repositioning of two of the existing training light towers with affixed lights onto the public open space to cover the Practice Pitch;*
- (i) the Storage Building which will be made secure;*
- (j) the Equipment Room which will be made secure;*
- (k) a bore and pump and in-ground reticulation to water all areas as required. (The Town will ensure the bore and pump is in good working order at the time Allia commences to provide the Services); and*
- (l) new carpet laid in the Function Room.*

6.10 Indemnity

This is a standard legal Clause, which indemnifies the parties.

6.11 Public liability insurance

Allia must pay for Public liability insurance of \$20 million for any one claim. (The Town will hold the policy.)

6.12 Building insurance

Allia must pay for Building insurance as prescribed by the Town. (The Town will hold the policy.)

6.17 Cleaning

Allia must clean the Stadium in accordance with the KPIs.

6.19 Promotion of Stadium

Allia must promote the Stadium for sports and also seminars, conventions, displays and educational meetings and provide the necessary catering for these events.

6.20 Risk Management Plan

Allia must provide a Risk Management Plan (similar to that already existing).

6.21 Allia not to alter Stadium

This is a standard Clause that does not permit Allia to alter the Stadium without the Town's permission.

6.22 Building repairs and maintenance

Allia is responsible for all repair and maintenance of the Stadium building.

6.23 Capital improvements

Capital improvements to the Stadium are to be paid out of the Reserve Fund.

6.24 Ground maintenance

Allia must maintain new playing surface in accordance with the KPIs - Town is to maintain playing pitch during construction.

6.25 Practice pitch

A practice pitch is to be available for use as warm-up.

7. Operational Management Services

7.1 Allia's obligation

Allia is responsible for the day-to-day management of the Stadium in accordance with the KPIs and include the following;

- *Risk management*
- *Security services within the Stadium and in surrounding streets if required*
- *Turf requirements*
- *Stadium maintenance*
- *Sound management*
- *Lighting management*
- *Traffic management*
- *Liaising with Public Transport Authorities*
- *On site parking management*
- *Safety management*
- *Ticketing*
- *Event promotion*
- *Cleaning and pest control management*
- *Waste management and litter control in the Stadium and in the streets surrounding the Stadium, if required by the Town*
- *Provision of Management Plans for the above items*

7.2 Events Costs

Events costs are those essential to the conduct of a game/event, without any profit margin - these will be prescribed in the KPIs and generally will apply to Community Groups.

7.3 Outgoings

All outgoings must be paid by Allia as prescribed in the Outgoing Definition. These include;

- (a) maintenance of the new Playing Surface;*
- (b) all rates and taxes (if any) including land tax;*
- (c) telephone costs;*
- (d) insurance costs;*
- (e) electricity costs;*
- (f) water corporation costs;*
- (g) gas costs;*
- (h) water disposal costs;*
- (i) the costs of cleaning those parts of the Stadium that are not leased to any person and keeping them free of waste, vermin and pests;*
- (j) gardening and maintenance costs of landscaped areas within the Stadium; and*
- (k) all other fees and charges imposed in respect of the day-to-day operation of the Stadium.*

Note:

All repairs and maintenance will be the responsibility of Allia (refer Clause 6.22).

7.4 Furniture, Fittings and Equipment

This Clause prescribes that Allia must provide all new furniture, fittings and equipment as set out in their original tender.

All fixed items will become the property of the Town. The Town will be required to replace these items when they become worn out through reasonable wear and tear. This does not apply to catering equipment.

8. Naming Rights Services

8.1 Allia's rights

This entitles Allia to sell the naming rights of the Stadium and any permanent sites within the Stadium, e.g. grandstand, scoreboard. The Heritage Gates are excluded from Naming Rights provisions.

8.2 Allia's obligations

Allia must obtain the maximum value from the Naming Rights and any proposed name is subject to the approval of the State Government and the Town.

8.3 Interim name of Stadium

The interim name shall be the "Multi Purpose Rectangular Sports Stadium".

8.4 Clean Stadium

This is a State Government condition which requires the Stadium to be free of all advertising and naming rights for the various users and for significant events.

8.5 Significant Events

This is a State Government condition requiring a Stadium free of advertising for a significant event and is prescribed in the Financial Assistance Agreement.

9. Catering Services

9.1 Catering service requirements

Allia must provide catering services to the levels specified in the KPIs.

9.2 Pricing and commission

The prices of foods and beverages at the Stadium and payment of commission to event users will be prescribed in the KPIs.

9.5 Equipment and fit-out

Allia must provide equipment and fitout to the Stadium in accordance with Allia's original tender. (Estimated value of \$220,000.) At the end of the term, the fixed catering equipment (sinks, exhaust canopies, dish washers, stoves, glass washers, deep fryers, benches, etc) will become the property of the Town.

Moveable equipment, such as microwave ovens, moveable fridges, coffee machines, will remain the property of Allia.

Allia must repair and maintain all catering equipment.

The majority of the equipment will be fixed/installed and therefore become the property of the Town.

10. Default and Termination

10.1 Default

This Clause prescribes the conditions under which the parties may be considered "in default" which will enable the Agreement to be terminated.

10.8 Intellectual property and business know how after Termination

In the event of termination, Allia must provide all manuals and written procedures to the Town.

CHIEF EXECUTIVE OFFICER'S COMMENT:

The parties include Allia Holdings Pty Ltd, the Town and the guarantors. This Clause in the Heads of Agreement has been amended to include the parties. The original Clause enabled the Town to terminate Allia and not vice versa. This change will allow any party to implement the termination Clause in the event that a serious default occurs. (The parties are to be given opportunity to remedy any default provisions prior to the Heads of Agreement being actually terminated.)

11. Redevelopment of the Stadium

This Clause enables the Town to renegotiate terms and conditions in the event that a second Licensing Agreement for a major national or international operator occurs (e.g. second NSL team or rugby union super 14s) or significant redevelopment, is carried out (the permanent eastern grandstand is built).

The result of any proposed renegotiations must not materially and adversely affect Allia, the Town or the State Government.

12. Guarantee

12.1 Consideration

This Clause will specify the guarantor's requirements to protect the Town's loan for the term.

12.2 Guarantee

This Clause requires the guarantor to comply with all of Allia's covenants and the payment of any monies which may become due.

13. Indemnity

This is a standard legal term of indemnification.

14. Security for Guarantee and Indemnity

This Clause prescribes the type of guarantee for the amount of loan money outstanding.

15. GST

These prescribe the Goods and Services Tax requirements.

16. Notices

This prescribes the standard legal clauses for the service of notices.

17. Miscellaneous

This prescribes the normal legal clauses that apply to legal documents.

FINANCIAL/BUDGET IMPLICATIONS:

The Heads of Agreement will prescribe the funding to be provided by Allia Holdings Pty Ltd to the Town.

In order for the Council to ensure that funding is committed to this project, it is essential that the Heads of Agreement between the Town and Allia Holdings Pty Ltd be signed. (It is also essential for the Town to sign the Financial Assistance Agreement with the State Government of Western Australia.) These have been included on a separate report on this Agenda.

Mr Nick Tana, owner of Allia Holdings Pty Ltd, has agreed to the financial terms and conditions in the draft Heads of Agreement, subject to the Town also agreeing.

Allia Holdings Pty Ltd

The Town's negotiations with Allia Holdings Pty Ltd have been very comprehensive, detailed and professional. As a result of the negotiations, Allia Holdings Pty Ltd offer the following;

Item	Original Tender	Proposed Heads of Agreement Offer
Financial Offer per annum	\$400,000 <i>(\$250,000 from Catering \$150,000 from Naming Rights)</i>	\$400,000

Item	Term	Proposed Heads of Agreement Offer
Lease Term	5 years initial term with Options 3 x 5 years	20 years

Item	Original Tender	Proposed Heads of Agreement Offer
Contribution to Capital Works to the Town	\$1,200,000	\$1,200,000

Allia Holdings Pty Ltd will still offer the same capital equipment to the Town valued at \$1,200,000 as follows;

Capital Equipment	Original Tender \$	Proposed Heads of Agreement Offer \$
Lights	450,000	450,000
Eastern Grandstand	500,000	500,000
Perimeter signs - 100 metres	100,000	100,000
Security System - office and function rooms, equipment, furniture	80,000	80,000
Score board and clock	30,000	30,000
Office fit-out for proposed stadium manager	20,000	20,000
Benches/white boards/miscellaneous equipment	5,000	5,000
200 Grandstand seats	5,000	5,000
Boardroom furniture	5,000	5,000
80 x 240 litre bins	5,000	5,000
TOTAL	\$1,200,000	\$1,200,000

All the Capital Equipment will become the property of the Town.

Item	Premises \$	Equipment \$	Proposed Heads of Agreement Offer
Maintenance and Repairs of Premises and Equipment	30,000pa	5,000 year 1 10,000 year 2 20,000 year 3	Allia to be responsible for <u>all</u> repairs and maintenance over the <u>whole</u> Term

Item	Original Tender	Proposed Heads of Agreement Offer
Provision and maintenance/repairs of Catering Equipment. Includes: <ul style="list-style-type: none"> • Food vans, microwave ovens, moveable refrigerators, moveable bars, moveable equipment and coffee machines. (To remain property of Caterer at end of Term) 	\$220,000	\$220,000 <ul style="list-style-type: none"> • Fixed equipment to remain property of Town (includes; sinks, hand basins, hot water systems, built-in bars, coolrooms and shelving, built in stainless steel benches, exhaust canopies, stoves, dishwashers, glass washers, deep fryers.)

Item	Original Tender	Proposed Heads of Agreement Offer
Contribution to Reserve Fund (for capital improvements)	Nil	**\$50,000 per annum increasing by CPI each year providing Town contributes the same

** The Town's annual contribution will be funded from the difference between the Town's annual loan repayments and Allia's annual payment of \$400,000. This difference is estimated to be \$30,000 (based on a fixed interest rate of 5.44%, fixed for the term of the loan). Therefore, the net amount to the Town is \$20,000.

Item	Original Tender	Proposed Heads of Agreement Offer
Profit from Sale of Naming Rights	#150,000 excluding GST	Nil - Refer to Redevelopment Clause
	<ul style="list-style-type: none"> • \$50,000 to be used to offset operating costs, thereafter, any profit above \$200,000 to be placed in Reserve Fund 	

originally included as part of the \$400,000 annual payment.

Item	Original Tender	Proposed Heads of Agreement Offer
Payment of Building and Public Liability Insurance	Nil	Payment of all policy costs estimated to be \$16,000 per annum

Item	Original Tender	Proposed Heads of Agreement Offer
Payment of Operational Management Costs	Allia to Pay	Allia to Pay
<ul style="list-style-type: none"> The Town will not be contributing any funds towards the provision of operational management services 		

<u>Allia Holdings P/L Estimate</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Operating Expenditure</u>	<u>907,500</u>	<u>841,500</u>	<u>841,000</u>
<u>Operating Income</u>	<u>555,000</u>	<u>620,000</u>	<u>650,000</u>
<u>Net Profit/Loss</u>	<u>(\$352,000)</u>	<u>(\$221,500)</u>	<u>(\$191,500)</u>

Item	Original Tender	Proposed Heads of Agreement Offer
Payment towards Security Cameras	Nil	#\$25,000

The Town's contribution of \$25,000 is included in the original building tender.

Naming Rights Profit Sharing

Allia Holdings Pty Ltd's tender did not specify any amount for profit sharing. At the Ordinary Meeting of Council held on 13 May 2003, the Council indicated that negotiations should consider any monies from the sale of Naming Rights over \$150,000 will be shared between the tenderer and the Town at a percentage to be negotiated.

At present, the Naming Rights are valued at \$150,000 (tender value). However, it is appreciated that the Naming Rights' value is very subjective and depends on a number of factors, for example: exposure to the community, e.g. crowd attendance, number of events; whether events are televised; uniqueness of the facility; popularity of the sports; etc.

During the advertising of the Naming Rights tender, the Chief Executive Officer held discussions with a number of potential interested parties, who indicated that the Naming Rights, subject to the above, would be valued in the vicinity of \$150,000-\$250,000.

In the event that redevelopment of the Stadium occurs, or a second National Soccer League (NSL) team or Rugby Union Super 14s uses the Stadium, the value of Naming Rights will increase. Obviously these are two unknown factors, however a second NSL team is most unlikely to eventuate for at least 5-10 years and Super 14s may possibly occur in 2-3 years.

As a result of discussions with Allia and the DSR, the negotiations resulted in a new "*Redevelopment Clause*" being included, which entitles the Town to renegotiate the Heads of Agreement terms and financial payments in the event that Stage 2 grandstand, or a second NSL team or Rugby Union Super 14s eventuate.

This "*Redevelopment Clause*" specifies that neither the Town nor Allia be disadvantaged or receive any lesser benefits than is currently prescribed in the Heads of Agreement. It potentially allows both parties to share greater income or benefits if this occurs.

Guarantee

At the Special Meeting of Council held on 16 December 2002, the Council resolved inter alia as follows;

"(10) REQUIRES the Directors/Owners, Mr Nick Tana and Mr David Rodwell of Perth Glory Soccer Club Pty Ltd (PGSC), to enter into a legal agreement to personally guarantee the Council's loan borrowings for this project; ..."

This requirement has been the subject of much negotiation between the Town and PGSC and on 25 June 2003, Mr Nick Tana, a Director of PGSC (75% owner), provided through his personal company "North East Equity Pty Ltd", a first mortgage over farming property at West Hills (near Gingin). He has indicated this has a sworn valuation exceeding \$4,469,000. Mr Tana will provide a current sworn valuation and has indicated the property is valued at \$5.4 million. This will be confirmed.

Mr Tana has provided this first mortgage security for a period of five (5) years only. After five (5) years, Mr Tana and Mr David Rodwell (if required) will provide "*a personal guarantee of substance*" as required by the Town. Mr Tana has stated that he will provide to the Town's satisfaction, a list of assets to meet this personal guarantee.

It is important to note that the Heads of Agreement will require that the first mortgage security will not be surrendered unless the Town is satisfied with the terms, conditions and assets offered by Mr Tana's (and Mr Rodwell's) "*personal guarantee of substance*".

Whilst the "*personal guarantee of substance*" does not provide the same level of security as a first mortgage, the Heads of Agreement will ensure that the Town controls and is satisfied with the terms, conditions and assets offered in Year 6 and thereafterwards.

Mr Tana advises that he may continue the first mortgage after five (5) years, however has requested the flexibility of providing a "*personal guarantee of substance*" to meet the Town's requirements, to be included in the Heads of Agreement.

It is considered that the guarantee offered by Mr Tana (and Mr Rodwell, if required) - PGSC Directors - meets the requirements of the Town and will ensure that the Town's loan of \$4.469 million (on a reducing basis) is guaranteed and protected.

Reserve Fund

The Heads of Agreement require that the Town and Allia Holdings Pty Ltd each contribute \$50,000 per annum (to be increased by the Consumer Price Index (CPI)) into the Reserve Fund. Based on an annual average of 3% CPI increase and the Reserve Fund monies being invested by the Town at 4% per annum, the Reserve Fund would contain the following monies;

- \$552,150 at Year 5
- \$1,192,243 at Year 10
- \$1,934,287 at Year 15
- \$2,794,519 at Year 20

	Opening Balance	Annual Amount Increased by CPI (Estimated @ 3%)	Opening Balance and Annual Payment (Invested @ 4%)	Closing Balance
Year 1		100,000	104,000	104,000
Year 2	104,000	103,000	211,120	211,120
Year 3	211,120	106,090	321,454	321,454
Year 4	321,454	109,273	435,097	435,097
Year 5	435,097	112,551	552,150	552,150
Year 6	552,150	115,927	672,715	672,715
Year 7	672,715	119,405	796,896	796,896
Year 8	796,896	122,987	924,803	924,803
Year 9	924,803	126,677	1,056,547	1,056,547
Year 10	1,056,547	130,477	1,192,243	1,192,243
Year 11	1,192,243	134,392	1,332,011	1,332,011
Year 12	1,332,011	138,423	1,475,971	1,475,971
Year 13	1,475,971	142,576	1,624,250	1,624,250
Year 14	1,624,250	146,853	1,776,978	1,776,978
Year 15	1,776,978	151,259	1,934,287	1,934,287
Year 16	1,934,287	155,797	2,096,316	2,096,316
Year 17	2,096,316	160,471	2,263,205	2,263,205
Year 18	2,263,205	165,285	2,435,101	2,435,101
Year 19	2,435,101	170,243	2,612,154	2,612,154
Year 20	2,612,154	175,351	2,794,519	2,794,519

Allia will pay \$2,235,615 towards the Reserve Fund over a 20 year period. The remaining Reserve Fund money will be paid by the Town or interest monies.

The Chief Executive Officer will be preparing a Repairs and Maintenance Schedule with the assistance of the Project Architect. This Schedule will include information relating to the type of maintenance required, timing of maintenance, life cycle cost analysis of major plant and equipment (e.g. air conditioning units) and estimated costs.

This information will be included into a Key Performance Indicator and will form a part of the Heads of Agreement.

LEGAL/POLICY IMPLICATIONS:

The Heads of Agreement has been prepared by one of the Town's Senior Solicitors and is a substantial document of over 55 pages. The Terms and Conditions are in general keeping with the previous comments which have been reported to the Council. The Heads of Agreement are legal documents which will bind the Town, State Government and Allia Holdings Pty Ltd.

It should be noted that specific details relating to these tenders will be included in the Legal Contracts which will be prepared once the Heads of Agreement have been signed.

The Heads of Agreement will enable the necessary legal documents and building contracts to be signed and the project to proceed.

It may be necessary for the Chief Executive Officer to make minor variations to the documentation, which may arise out of the finalisation of the documentation. Council authorisation is requested by the Chief Executive Officer.

ADVERTISING/COMMUNITY CONSULTATION:

Not applicable.

STRATEGIC IMPLICATIONS:

The upgrade and redevelopment of Perth Oval is in accordance with the Town's Strategic Plan 2002-2002 Key Result Area 3.6 *"Develop and Implement Strategies to improve the Town's Parks and Reserves"*, in particular, Key Result Area 3.6(a) - *"Investigate and Develop the future of Perth Oval"*.

This is in keeping with the Town's Draft Strategic Plan (yet to be adopted) – Key Result Area *"Economic Development"*.

The upgrade of Perth Oval is listed in the Town's Principal Activities Plan.

COMMENT:

The Town's partnership with the State Government of Western Australia to provide upgraded and new sporting facilities within the Town of Vincent, as part of the State Sporting Facilities Plan will be a major benefit to the Town, its residents, ratepayers and also taxpayers. This proposal will relieve the Town of an expensive burden to upgrade and/or maintain the rundown facilities of Perth Oval. The Heads of Agreement will ensure that the proposed Multi Purpose Rectangular Sports Stadium will be used and prescribes the terms and conditions to each party. Accordingly, it is recommended that the Council approve of this matter.

Director General, Department of Sport and Recreation, Ron Alexander congratulated the Council on its decisions and stated that this is a most positive project with numerous benefits. He also stated that the State is most supportive of the project and it will revitalise the area. He thanked the Town's Chief Executive Officer and staff for their hard work and contribution over the past two years.

Moved Cr Lake, Seconded Cr Chester

That the Council resume an open meeting at 9.10pm.

CARRIED (7-0)

(Cr Torre apologies for the meeting and Cr Franchina absent from the meeting.)

8. CLOSURE

Presiding Member, Mayor Nick Catania JP, declared the Meeting closed at 9.10pm.

Present:

Mayor Nick Catania, JP	Presiding Member
Cr Simon Chester	North Ward
Cr Caroline Cohen	South Ward
Cr Helen Doran-Wu	North Ward
Cr Steed Farrell	North Ward
Cr Ian Ker	South Ward
Cr Sally Lake	South Ward
John Giorgi, JP	Chief Executive Officer
Rob Boardman	Executive Manager, Environmental & Development Services
Rick Lotznicher	Executive Manager, Technical Services
Mike Rootsey	Executive Manager, Corporate Services
Con Lampropoulos	Managing Partner, Peter Hunt Architect
Ron Alexander	Director General, Department of Sport and Recreation
Steve Humfrey	Department of Sport and Recreation

These Minutes were confirmed by the Council as a true and accurate record of the Special Meeting of the Council held on 1 July 2003.

Signed:Presiding Member
Mayor Nick Catania, JP

Dated this day of 2003
