

**ATTACHMENT TO MINUTES
ORDINARY MEETING OF COUNCIL, MONDAY, 28 JULY 2008**

Public Question Time – answers to questions taken on notice*

Questions regarding the Audit Committee (from Paul Morgan)

The major part of the scope of the internal audit report on Tendering Processes, discussed by Audit Committee in March 2008, was to look at the adequacy of Council's tendering policies and procedures and the auditor found these to be adequate. The audit also assessed the practical application of Council's policies and procedures through the analysis of 2 recent tenders. The review specifically looked at the Banking Tender and the Street Furniture Tender both of which were found to be adequate. The audit did not, and was not required to go beyond these 2 tenders.

The 'significant risk' raised by the Auditor was that "management should ensure that contract officers do not engage in allowing selected tenderers to resubmit prices". Council management agreed that there should be consistency in the treatment of all tenderers, however, it is not the case that a selected tenderer had been allowed to resubmit prices. In this instance, the Executive Team had approved the appointment of the successful tenderer and had also approved an officer to further negotiate with the successful tenderer on price.

Notwithstanding, management requested that the guidelines reiterate that all tenderers are treated on a consistent basis.

Questions regarding the proposed development at 121 Liardet Street, Port Melbourne (from Shane Dowling)

Council previously undertook a tender process seeking a private development for the site, however a proposed sale was abandoned in 2007. Since that time, Council is specifically seeking to facilitate a community housing development.

Council decided to deal with PPHA on a private treaty basis as it provided not only an improved financial return, but also achieves Council policy objectives and supports PPHA.

Council sought legal advice during the process to test the appropriateness of the proposal, however for legal reasons Council does not intend to release that advice.

Mr Gary Spivak is an employee of the City of Port Phillip, holding the position of Housing Development Officer. This role provides policy advice, research and project facilitation on affordable housing related matters.

Mr Spivak is also a Director of PPHA. He holds no other external positions.

**Note: answers to any questions in Public Question Time which were answered at the meeting are included in the minutes of that meeting.*