

minutes

Policy Committee

MEETING HELD ON **MONDAY 30 JUNE 2014**

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CITY OF JOONDALUP

MINUTES OF THE POLICY COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON MONDAY 30 JUNE 2014.

ATTENDANCE

Committee Members

Cr Liam Gobbert	<i>Presiding Member</i>	
Mayor Troy Pickard		<i>from 6.03pm</i>
		<i>Absent from 6.19pm to 6.34pm</i>
Cr John Chester	<i>Deputy Presiding Member</i>	
Cr Mike Norman		
Cr Teresa Ritchie, JP		<i>from 6.08pm</i>
Cr Philippa Taylor		

Observer

Cr Brian Corr		<i>from 6.02pm</i>
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Officers

Mr Mike Tidy	Director Corporate Services
Mr Jamie Parry	Director Governance and Strategy
Mr Brad Sillence	Manager Governance
Ms Christine Robinson	Manager Executive and Risk Services
Mrs Lesley Taylor	Governance Officer

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.00pm.

DECLARATIONS OF INTEREST

Disclosures of Financial / Proximity Interest

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees are able to continue to provide advice to the Council in the decision making process if they have disclosed their interest.

Name/Position	Mayor Troy Pickard.
Item No./Subject	Item 4 – Electronic Quotation Methods.
Nature of interest	Financial Interest.
Extent of Interest	As President of the Western Australian Local Government Association, Mayor Pickard is considered an employee.

Disclosures of interest affecting impartiality

Elected Members (in accordance with Regulation 11 of the *Local Government [Rules of Conduct] Regulations 2007*) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

Name/Position	Cr Brian Corr.
Item No./Subject	Item 1 – Draft Purchasing Policy.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Corr is secretary of the Joondalup Business Association.

Name/Position	Cr Brian Corr.
Item No./Subject	Item 2 – Revocation of the Economic Development Policy.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Corr is secretary of the Joondalup Business Association.

Name/Position	Cr Brian Corr.
Item No./Subject	Item 4 – Electronic Quotation Methods.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Corr is secretary of the Joondalup Business Association.

APOLOGIES/LEAVE OF ABSENCE

Apology:

Cr Kerry Hollywood.

Leave of Absence Previously Approved:

Cr Russ Fishwick, JP	4 August to 23 September 2014 inclusive;
Cr Geoff Amphlett,JP	6 August to 22 August 2014 inclusive;
Cr Philippa Taylor	20 August to 12 September 2014 inclusive.

Cr Corr entered the room at 6.02pm.

Mayor Pickard entered the room at 6.03pm.

CONFIRMATION OF MINUTES

MINUTES OF THE POLICY COMMITTEE HELD ON 17 MARCH 2014

MOVED Cr Norman, SECONDED Cr Taylor that the minutes of the meeting of the Policy Committee held on 17 March 2014 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr Gobbert, Mayor Pickard, Crs Chester, Norman and Taylor.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

In accordance with Clause 5.2 of the *City's Meeting Procedures Local Law 2013*, this meeting was not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS**Disclosure of interest affecting impartiality**

Name/Position	Cr Brian Corr.
Item No./Subject	Item 1 – Draft Purchasing Policy.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Corr is secretary of the Joondalup Business Association.

ITEM 1 DRAFT PURCHASING POLICY

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	36574, 101515
ATTACHMENT	Attachment 1 Draft Purchasing Policy
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to adopt the City's draft *Purchasing Policy*.

EXECUTIVE SUMMARY

Since 2012 the City has been undertaking a review of its risk profile in order to identify areas where awareness of risk can be enhanced and a positive risk culture promoted that helps embed risk management throughout the City's operations. As part of this review the City has developed a draft *Purchasing Policy*.

It is recommended that Council ADOPTS the Purchasing Policy forming Attachment 1 to this Report.

BACKGROUND

Section 11A of the *Local Government (Functions and General) Regulations 1996* outlines the requirements for purchasing policies for local governments for the supply of goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less or worth \$100,000 or less.

Section 11A (3) of the Regulations states:

A purchasing policy must make provision in respect of —

- (a) the form of quotations acceptable; and*
- (b) the recording and retention of written information, or documents, in respect of:*
 - (i) all quotations received; and*
 - (ii) all purchases made.*

Currently the City has detailed protocols in place for the supply of goods and services in which the abovementioned requirements are described. These protocols include the following:

- Purchasing of Goods and Services.
- Tenders for Providing Goods and Services.
- Quotations for Providing Goods and Services.
- Purchasing Goods and Services Under Panel Contracts.
- Management of Variations to Contracts.

DETAILS

The policy includes:

1 Application

The *Purchasing Policy* and the associated *Purchasing Protocols* will apply to all employees within the City involved in the purchase of goods and services for the City.

2 Statement

The City is committed to developing and maintaining purchasing systems and practices that ensure goods and services are obtained in an equitable and transparent manner that complies with applicable legislation and delivers value for money.

3 Details

3.1 Procurement Principles

A number of principles, standards and behaviours have been identified.

3.2 Value for Money

This principle underlies all procurement activities, which measures the benefits realisable by the City from the whole-of-life costs. Value for money does not mean obtaining the lowest quote but includes taking into account the financial viability of suppliers, past contractor performance, safety and quality

standards, timely supply, risk exposure and other relevant service considerations.

3.3 Buying Local

Where possible suppliers operating within the City are to be given the opportunity to quote for goods and services required by the City.

3.4 Purchasing Protocols

The City's purchasing protocols which must be complied with have been identified.

3.5 Quotation Thresholds

The quotation thresholds as detailed in the City's Purchasing Protocols.

3.6 Sustainable Procurement

Where appropriate the City will consider environmental and social impacts along with value for money outcomes when making purchasing decisions.

3.7 Western Australian Disability Enterprises

Where appropriate the City will invite quotations from relevant Western Australian Disability Enterprises for the supply of goods and services.

3.8 Record Keeping of Information

Requirements for retaining and storing of information in accordance with the City's *Recordkeeping Plan*.

Legislation / Strategic Community Plan / policy implications

Legislation

Local Government (Function and General) Regulations 1996.

Section 11A (3)

A purchasing policy must make provision in respect of —

(a) the form of quotations acceptable; and

(b) the recording and retention of written information, or documents, in respect of —

(i) all quotations received; and

(ii) all purchases made.

Strategic Community Plan

Key theme	Governance and Leadership.
Objective	Corporate capacity.
Strategic initiative	Continuously strive to improve performance and service delivery across all corporate functions.
Policy	This report seeks to create a <i>Purchasing Policy</i> .

Risk management considerations

The introduction of a *Purchasing Policy* will provide evidence of the appropriateness and effectiveness of systems and procedures in regard to risk management, internal control and legislative compliance, as required by the *Local Government (Audit) Regulations 1996*.

Financial/budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The introduction of a *Purchasing Policy* will make a statement on the City's commitment and approach to risk management principles, systems and processes which can be made visible to the community.

WALGA updated the Model Local Government Purchasing Policy which was reviewed by the Department of Local Government and Communities prior to its release to the sector in February 2014. The new Model Policy was used as the basis for the development of the City's *Purchasing Policy*.

At the Policy Committee meeting on 2 September 2013 a request for a report was made in relation to the use of the WALGA e-quotes system and whether that, or something similar, would assist with a buy local strategy and enable local suppliers to gain access to the City's buying. This matter will be reported on separately.

VOTING REQUIREMENTS

Simple Majority.

Cr Ritchie entered the room at 6.08pm.

MOVED Cr Chester, SECONDED Cr Taylor that Council ADOPTS the *Purchasing Policy* forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Gobbert, Mayor Pickard, Crs Chester, Norman, Ritchie and Taylor.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnPolicy300614.pdf](#)

Disclosure of interest affecting impartiality

Name/Position	Cr Brian Corr.
Item No./Subject	Item 2 – Revocation of the Economic Development Policy.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Corr is secretary of the Joondalup Business Association.

ITEM 2 REVOCATION OF THE ECONOMIC DEVELOPMENT POLICY

WARD	All
RESPONSIBLE DIRECTOR	Mr Jamie Parry Governance and Strategy
FILE NUMBER	101268, 101515
ATTACHMENT	Attachment 1 Economic Development Policy
AUTHORITY / DISCRETION	Executive – The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to revoke the *Economic Development Policy* as part of the ongoing Policy Manual Review.

EXECUTIVE SUMMARY

The *Economic Development Policy* was first established in 2006 to provide context and clarity to economic development activities delivered by the City, based on previous direction from the Commissioners in 2005 and the newly elected Council in 2006. Prior to the introduction of the policy there was limited strategic direction provided in this area, which has since become enshrined within economic development plans, strategic position statements and ongoing programs implemented by the City.

Due to the out-dated context of the policy and the incorporation of economic development practices into *Joondalup 2022* and the new *Economic Development Strategy*, the current *Economic Development Policy* is recommended for revocation in order to consolidate the City's Policy Manual and reduce duplication across policy and planning frameworks at the City.

It is recommended that Council:

- 1 *NOTES that the objectives and the strategic intent of the Economic Development Policy have been superseded by other documents within the City's policy and planning framework;*
- 2 *REVOKES the Economic Development Policy as shown in Attachment 1 to this Report.*

BACKGROUND

As part of the ongoing review of the City's Policy Manual, the current *Economic Development Policy* (Attachment 1 refers) has been reviewed against the following criteria:

- 1 Consistency – with regard to language, style and format.
- 2 Relevance – in terms of new plans and strategies that now supersede previously endorsed positions with existing policies.
- 3 Duplication – identified sections of policies that duplicate other policies, City plans and strategies, local laws, and/or state legislation.
- 4 Operational content – identified sections of policies deemed as being 'too operational' and therefore more appropriate to be incorporated into a City protocol or operational plan.

Due to the recent adoption of the City's new *Economic Development Strategy*, the policy is considered out-of-date and superseded by more relevant strategic documents. As such, it is being recommended for revocation to consolidate the Policy Manual and remove duplication across the City's policy and planning frameworks.

DETAILS

The *Economic Development Policy* was first adopted by Council at its meeting held on 19 September 2006 (CJ156-09/06 refers). Its development was initiated by the Commissioners in 2005 to align with the key focus areas of the City's new Strategic Plan and intended to outline the Council's strategic intent with regard to:

- regional development and cooperation
- local employment
- support for the business sector, infrastructure and major events.

Following the establishment of a new Policy Committee by the Commissioners in April 2005, the newly elected Council continued with any outstanding policy items in 2006, including the development and adoption of a new *Economic Development Policy*. This was finalised in September 2006 (CJ156-09/06 refers).

After its adoption, the *Economic Development Policy* guided the development and implementation of the City's first *Economic Development Plan 2007-2011*. Following the expiration of this plan a significant review process was undertaken, which took into consideration relevant aspirations and objectives contained within the City's *Strategic Community Plan 2012-2022: "Joondalup 2022"* and the state government's planning strategy, *Directions 2031 and Beyond*.

The review process led to the development of the City's recently adopted *Economic Development Strategy* (CJ069-05/14 refers). The new strategy outlines the overall role of the City in relation to economic development and provides specific actions and strategies to respond to local and regional economic challenges, with the aim of attracting new investment, encouraging innovation and to support job creation activities within the City of Joondalup. The City also has an adopted Strategic Position Statement regarding a *Regional Governance Framework* (for the Metropolitan North West Corridor) and has developed a draft *Regional Economic Development Framework* in partnership with the City of Wanneroo.

Due to the development of more detailed and relevant strategic documents and statements pertaining to economic development activities for the City, the current *Economic Development Policy* is recommended for revocation.

Issues and options considered

Council may choose to:

- support the revocation of the *Economic Development Policy* or
- not support the revocation of the *Economic Development Policy*.

As there are no significant risks identified in revoking the policy, option one is the preferred option in order to reduce duplication across the City's policy and planning frameworks.

Legislation / Strategic Community Plan / policy implications

Legislation Not applicable.

Strategic Community Plan

Key theme Economic Prosperity, Vibrancy and Growth.

Objective The *Economic Development Strategy* is predominantly aligned to all objectives contained under Economic Prosperity, Vibrancy and Growth.

Strategic initiative The *Economic Development Strategy* is predominantly aligned to all strategic initiatives contained under Economic Prosperity, Vibrancy and Growth.

Policy *Economic Development Policy*.

Risk management considerations

There are no significant risks associated with revoking the *Economic Development Policy*, given the adoption of the *Economic Development Strategy* to outline the City's position in relation to economic development activities. The strategy identifies short, medium and long term actions and objectives that align more effectively with the City's overarching strategic document, *Joondalup 2022*.

Financial / budget implications

There are no financial implications associated with revoking this policy.

Regional significance

The *Economic Development Policy* promotes regional approaches through partnership development and engagement activities, while the *Economic Development Strategy* and Strategic Position Statement on the *Regional Governance Framework* (for the Metropolitan North West Corridor) continue to promote regional approaches.

Sustainability implications

There are no sustainability implications with revoking this policy.

Consultation

The *Economic Development Strategy* was developed in consultation with regional partners and considerable feedback was sought from the community on the final draft strategy prior to Council approval. Responses to the strategy indicated significant support for the themes and strategies contained within the document and as such, it is recommended that consultation is not required to revoke the *Economic Development Policy*.

COMMENT

The ongoing review of the Policy Manual has been comprehensive in addressing the issues of consistency, relevance, duplication and the operational nature of some policies. When the *Economic Development Policy* was introduced, it sought to fill a policy and/or strategic gap across the City's policy and planning framework. Since 2006, the City has further developed its position on economic development and embedded many of these activities, aims and values into the City's *Economic Development Strategy*, *Joondalup 2022* and Strategic Position Statement on *Regional Governance Framework* (for the Metropolitan North West Corridor).

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Pickard, SECONDED Cr Ritchie that Council:

- 1 NOTES that the objectives and strategic intent of the *Economic Development Policy* have been superseded by other documents within the City's policy and planning framework;**
- 2 REVOKES the *Economic Development Policy* as detailed in Attachment 1 to this Report.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Gobbert, Mayor Pickard, Crs Chester, Norman, Ritchie and Taylor.

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2agnPolicy300614.pdf](#)

ITEM 3 LEGAL REPRESENTATION FOR ELECTED MEMBERS AND EMPLOYEES POLICY – MAJOR REVIEW

WARD	All	
RESPONSIBLE DIRECTOR	Mr Jamie Parry Governance and Strategy	
FILE NUMBER	13562, 101515	
ATTACHMEN	Attachment 1	DLGC Local Government Operational Guidelines No.14
	Attachment 2	Revised Legal Representation for Elected Members and Employees Policy
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.	

PURPOSE

For Council to consider the revised *Legal Representation for Elected Members and Employees Policy* as part of the ongoing Policy Manual review process.

EXECUTIVE SUMMARY

Since the City's establishment in 1999, a policy has been in place to provide guidance on the provision of legal representation for Elected Members and employees, within the context of executing their duties and responsibilities at the City.

The policy has been the subject of several reviews over this period and was last amended in 2008 to increase the limit for legal representation costs per application from \$5,000 to \$6,000, (having remained unchanged since 2001). In 2010 the Policy Committee recommended against proposed amendments to exempt employees (other than the CEO) to seek Council approval for legal representation costs, following an incident whereby an employee was the subject of a vexatious legal claim.

This most recent review is within the context of the ongoing Policy Manual review process and seeks to align the policy more closely to the Department of Local Government and Communities' current model policy (Attachment 1) and the City's standardised policy template.

To ensure the policy remains relevant and current, it is proposed that Council adopts the amended *Legal Representation for Elected Members and Employees Policy*, as outlined in Attachment 2 of this report.

BACKGROUND

As part of the ongoing review of the City's Policy Manual, the current *Legal Representation for Elected Members and Employees Policy* has been reviewed against the following criteria:

- 1 Consistency — with regard to language, style and format.
- 2 Relevance — in terms of new plans and strategies that now supersede previously endorsed positions within existing policies.
- 3 Duplication — identified sections of policies that duplicate other policies, City plans and strategies, local laws, and/or State legislation.
- 4 Operational content — identified sections of policies deemed as being too operational and therefore more appropriate to be incorporated into a City protocol or operational plan.

In order to adjust the policy to the City's current standardised policy template and the Department of Local Government and Communities' model policy, Attachment 2 outlines recommended amendments to the current *Legal Representation for Elected Members and Employees Policy*.

DETAILS

Policy History

Prior to the establishment of the City of Joondalup, a policy was endorsed by the former City of Wanneroo to provide guidance on the provision of legal representation for Elected Members and employees within the context of executing their duties and responsibilities at the City. The City of Joondalup inherited the policy in 1999, when its new Corporate Policy Manual was adopted by the Commissioners at the time (CJ2013-06/99 refers).

In 2001, the *Legal Representation for Present and Former Elected Members and Staff of the City Policy* was subject to its first review by the City of Joondalup Council, in which the ceiling on financial assistance was increased from \$3,000 to \$5,000 within the policy (CJ001-02/01 refers).

In June 2004, the policy underwent further review by the Joint Commissioners following the initiation of the McIntyre Inquiry, in which several applications for legal representation were anticipated to be presented to Council for consideration (CJ136-06/04 refers). In light of the inquiry, the Commissioners sought to closely align the policy to the Department of Local Government and Regional Development's draft model policy. The policy was subsequently adopted with further amendments, most notably, precluding requests for financial assistance where legal proceedings are commenced by an Elected Member or employee, except for extenuating circumstances where they are the subject of threatening behaviour by another person (CJ136-06/04 refers).

In June 2008, a report was presented to Council on a matter raised at a Western Australian Local Government Association North Metropolitan Zone Committee Meeting by the City of Stirling (CJ100-06/08 refers). Council chose not to support the City of Stirling's proposal to lobby the state government for an amendment to the *Local Government Act 1995*, due to existing guidelines and policies being effective instruments for dealing with such issues.

In the lead up to the decision made in June, it was also noted that the financial limit for legal representation would not cover advice being sought, particularly if the matter was of a complex nature. As such in September 2008, Council amended the policy to increase the maximum payment for legal representation costs for Elected Members from \$5,000 to \$6,000 and to increase the maximum payment that could be approved by the Chief Executive Officer from \$2,000 to \$6,000 (CJ199–09/08 refers).

At its meeting held on 27 April 2010, the Policy Committee considered a request to amend the policy to distinguish the manner in which Elected Members, the Chief Executive Officer and employees were able to seek payment for legal representation costs. The request followed an incident in 2008, whereby a City employee was the subject of a vexatious legal claim and required approval from Council to obtain financial assistance for legal costs. The Policy Committee did not endorse the request to amend the approval process for employees under the policy and as such, it has remained unchanged since 2008.

Proposed Amendments

As a result of the ongoing Policy Manual review, and in accordance with the Department of Local Government and Communities' model policy, the following amendments to the *Legal Representation for Elected Members and Employees Policy* are recommended:

- Align the policy to the new standardised policy template by including new “Application” and “Statement” clauses.
- Align the policy to the Department of Local Government and Communities' model policy by the following:
 - Expanding the definition of “Approved Lawyer” to include lawyers that are from a firm on the City’s panel of legal service providers or approved in writing by the CEO under delegated authority.
 - Expanding the definition of “Elected Member” or “Employee” to include non-elected members of a Council Committee, (note: this would only apply to Committees with external members that are established by an absolute majority decision of Council, namely, the Audit Committee and Joondalup Performing Arts and Cultural Facility Steering Committee).
 - Inclusion of clause 4.1(d), to ensure that legal representation costs do not relate to a matter that is of a personal or private nature.
 - Inclusion of clause 4.2.1(c) and (d) to replace the existing clause 2.2, relating to exceptional circumstances for approval (for instance where threatening behaviour is apparent and adverse comments against the person or organisation is being made publicly).
 - Inclusion of clause 4.3.2(b)(vi) to require the application to Council to cover why it is in the interests of the City for the payment to be made.
 - Inclusion of clause 4.3.4 to require an applicant to sign a document acknowledging that any necessary repayments back to the City is in accordance with the policy and the City’s stated terms.
- Amend minor grammatical and formatting improvements to improve the readability of the policy.

All suggested amendments are outlined in Attachment 2 of this report, with commentary highlighted throughout the document as to relationship of the amendments to the Department’s model policy.

Issues and options considered

Council can either:

- adopt the proposed amendments to the *Legal Representation for Elected Members and Employees Policy*, as outlined in Attachment 2
- further modify the *Legal Representation for Elected Members and Employees Policy* or
- retain the *Legal Representation for Elected Members and Employees Policy* in its current format.

It is recommended that Option 1 is adopted due to its close alignment with the Department of Local Government and Communities' model policy and the City's standardised policy template.

Legislation / Strategic Community Plan / policy implications

Legislation	<i>Local Government Act 1995.</i>
Strategic Community Plan	
Key theme	Governance and Leadership.
Objective	Corporate capacity.
Strategic initiative	Demonstrate accountability through robust reporting that is relevant and easily accessible by the community.
Policy	This report outlines the outcome of a review of the <i>Legal Representation for Elected Members and Employees Policy</i> .

Risk management considerations

There are no major risks identified in amending the *Legal Representation for Elected Members and Employees Policy*, (as shown in Attachment 2), due to its close alignment with the Department of Local Government and Communities' model policy.

Furthermore, the suggested amendments do not overtly change the manner in which the policy is applied, rather, they seek to provide clarification on procedural matters that would likely be applied in practice. (For example, utilising panel contractors for legal services and not having costs relate to matters of a personal or private nature, amongst others).

Financial / budget implications

The policy relates to City payments for legal services to Elected Members and employees during the course of their employment and execution of duties and responsibilities relating to their positions.

Since the completion of the McIntyre Inquiry in 2005, few applications have been brought before the Council for approval with an estimated expenditure of \$31,500 between the years of 2008-2013. With an average annual expenditure of \$4,500, the expense to the City is considered to be only minor.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Given the relatively minor amendments suggested to the policy to align with the Department of Local Government and Communities' model policy, consultation with the community is not recommended.

COMMENT

Not applicable.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Chester, **SECONDED** Cr Norman that Council **ADOPTS** the amended *Legal Representation for Elected Members and Employees Policy* as outlined in Attachment 2 of this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Gobbert, Mayor Pickard, Crs Chester, Norman, Ritchie and Taylor.

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3agnPolicy300614.pdf](#)
[Attach3aagnPolicy300614.pdf](#)

Disclosure of Financial Interest

Name/Position	Mayor Troy Pickard.
Item No./Subject	Item 4 – Electronic Quotation Methods.
Nature of interest	Financial Interest.
Extent of Interest	As President of the Western Australian Local Government Association, Mayor Pickard is considered an employee.

Mayor Pickard left the room at 6.19pm.

Disclosure of interest affecting impartiality

Name/Position	Cr Brian Corr.
Item No./Subject	Item 4 – Electronic Quotation Methods.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Corr is secretary of the Joondalup Business Association.

ITEM 4 ELECTRONIC QUOTATION METHODS

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	09763, 101515
ATTACHMENT	Attachment 1 Summary of Quotation System Options Attachment 2 Confidential Price Assessment
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For the Policy Committee to note the Chief Executive Officer's (CEO) decision to approve the upgrade of the City's current *Western Australian Local Government Association* (WALGA) eQuotes service for WALGA preferred suppliers to a service for local suppliers for purchases valued above \$10,000.

EXECUTIVE SUMMARY

At its meeting held on 2 September 2013, the Policy Committee called for a report on the use of the WALGA eQuotes system and whether that, or something similar, would assist with a buy local strategy and enable local suppliers to gain access to the City's buying.

One of the strategies within the City's new *Economic Development Strategy* strategies for growing business is to encourage and promote buy local activity as one way of promoting business activity and productivity programs.

There are a number of digital tender and quotation systems available and the City has undertaken a review and assessment of these.

The WALGA eQuotes system has been assessed as best meeting the requirements of the City. It is a proven system already used by the City free of charge to access WALGA established preferred supply panels. The system has evaluation assessment and reporting capabilities and is simple to use with minimal training required for staff. Implementing the system for local suppliers can be achieved through an upgrade to the existing service.

The CEO has approved the implementation of the upgrade of the WALGA eQuotes system.

It is therefore recommended that the Policy Committee NOTES:

- 1 *the City has undertaken an evaluation of digital tender and quotation systems compared to its current systems and the Chief Executive Officer has approved the upgrade of the City's current WALGA eQuotes preferred supplier service to the Silver Member Plan;*
- 2 *implementing a digital tender and quotation system contributes to actively grow the City's internal digital capacity and build community capacity and innovative government services as per City's Digital Strategy and encourage and promote buy local activity as per the City's Economic Development Strategy.*

BACKGROUND

The City currently obtains quotations for purchases between \$10,000 and \$100,000 by email, post and fax from suppliers. The complexity of the quotation varies depending on the goods or services being sourced and their value, and can range from a simple specification of the goods or services to a formal quotation document with selection criteria.

Officers are required to call quotations in accordance with the City's *Quotations for Goods and Services Protocol*. Templates for goods, services and consultancy quotations and the associated recommendation forms are provided for staff to use on the City's intranet.

In 2013, 362 quotations were processed with a value greater than \$10,000 each and staff raised 191 requisitions in the purchasing system.

The City currently utilises eQuotes to access WALGA preferred supply panels. These panels of suppliers have been established by WALGA through a tender process for the whole of the local government industry for use by all its members to purchase various types of goods and services. By using these panels there is no need for local government to go through their own individual tender process whether or not the value of the purchase is over the tender threshold. The full functionality of the system for quotation issue, assessment, communication, reporting and audit is available for use to all WALGA members free of charge. The extension of this system to panels of local and other suppliers is considered an upgrade to the existing service.

DETAILS

The City's *Quotations for Goods and Services Protocol* sets out the quotation requirements according to the value of the purchase. This is summarised in the table below.

Expenditure Level	Quotation Requirements
Up to \$5,000	No quotations required. Direct purchase by authorised officers.
\$5,001 to \$10,000	A minimum of two verbal quotations required.
\$10,001 to \$50,000	A minimum of two written quotations required with specifications of requirements.
\$50,001 to \$100,000	A minimum of three written quotations are required with full specifications.

For all quotations whether verbal or written the City's *Quotations for Goods and Services Protocol* provides standard forms and templates to assist Business Units with the recording of quotations and for setting out specifications where required. Within the requirements of the protocol Business Units are expected to manage their own quotation requirements including sourcing suppliers from whom to seek quotes, with assistance available from the Contract Administration and Purchasing Services team when required.

The establishment of a digital quotation system offers the City improvement opportunities in its processes including, but not limited to:

- better control over the consistency in the form and method of quotation
- an improvement in the visibility of suppliers to staff, by providing access to multiple suitable suppliers in the category of procurement they require in an online centralised location
- particularly providing an opportunity for local businesses to promote and put themselves in a position to be part of the City's procurement considerations.
- provision of a full audit trail of the procurement process
- ensuring greater compliance management for qualifications such as licences and insurance policies
- savings in paper-based processing
- reduction in staff time required for preparation and issue of quotation requests.

The opportunities that a digital quotation system presents for local businesses will assist to achieve one of the strategies of the new *Economic Development Strategy* which is aimed at growing business by encouraging and promoting buy local activity. In addition it also contributes to actively growing the City's internal digital capacity and building community capacity and innovative government services which are two of the strategies in the City's *Digital Strategy*. Specifically the latter involves the action of enhancing the City's e-services.

It should be noted that none of the digital quotation systems examined have facilities for handling verbal quotations. The digital quotation systems would be an alternative to existing written quotation systems. In the case of the City, written quotations are required for purchases of \$10,000 and above. This doesn't prevent suppliers from registering on a digital quotation system if purchases from them would generally be less than \$10,000 and for staff to seek verbal quotations from suppliers registered on that system.

Issues and options considered

Four options have been considered in the evaluation of digital quotation systems. These are:

- WALGA eQuotes
- Tenderlink
- Technology One Quote Module
- No digital quotation system - retention of current processes.

A summary of the features of each option is provided in Attachment 1.

1 – WALGA eQuotes

eQuotes is a web-based system with the local and other suppliers component currently used by the local governments of Mandurah, Kalamunda, Stirling and Kalgoorlie-Boulder. Four other local governments are implementing or at various stages of commitment to the system. The use of the system for local and other suppliers would require the City to sign a three year agreement.

The upgrade provides all the same functionality as currently provided for WALGA preferred supplier panels. This includes the electronic issue of quotations, electronic communication with suppliers during the quotation period and to inform of the selection decision, an electronic evaluation matrix, statistics and the ability to download the full quotation process for storing in a records management system. Suppliers are listed in the categories of services they provide with each supplier maintaining a profile of their services including contact information and insurance certificates. This provides suppliers with the opportunity to make themselves known to City staff. Suppliers manage all their quotations with the City in a simple web interface.

An initial training session for City staff and suppliers is provided by WALGA staff when the system is installed. Any additional training after this would be at an additional cost to the City and would be provided on a quotation basis from WALGA once the quantity of sessions and number of attendees is known. WALGA have video tutorials available for both buyers and suppliers. City staff would be able to provide additional training to suppliers, once they themselves had completed suitable training.

WALGA eQuotes requires that the City sign up to one of several plans on offer. The plans require a fixed annual fee for a three year agreement with the number of users and volume of quotations capped depending on which plan is chosen. There are no installation costs. Because of the fixed fee the cost-effectiveness of the system improves as the volume of users and transactions increases.

Advantages

- The system offers a fully developed process from issue of quotation request to assessment, electronic notifications and contractor performance management.
- It has simple reporting capabilities on statistics of individual requests with the ability to download the complete quotation process from issue of document, assessment and decision in a .zip file.
- Provides a full audit trail of all aspects of the procurement process.
- An administrator nominated by the City has full access to all requests issued by City staff.
- The system is simple to use and requires little training for staff.
- The City currently uses the system to access WALGA panel suppliers.
- In the future, a facility for recording verbal quotations may be developed.

- Suppliers are listed in the categories of services they provide with each supplier maintaining a profile of their services including contact information and insurance certificates. This provides suppliers with the opportunity to make themselves known to City staff.
- Suppliers manage all their quotations with the City in a simple web interface.

Disadvantages

- Suppliers must be registered in order to receive a request for a quotation.
- Dependent on the plan taken up there is a limitation on the number of suppliers that can be registered.
- Suppliers may not be interested or have the facilities to participate in a digital system which may result in the supplier not being aware of quotation requests.
- Lack of awareness will be an issue unless there are information and training sessions to suppliers and promotion to local businesses in the City of Joondalup.

2 – Tenderlink

Tenderlink is a web-based system predominantly intended for tenders. It is currently being used for tenders by nine WA metropolitan local governments.

The cost model is pay-per-use which when compared to a fixed fee model such as WALGA is cheaper when volume take up is low but becomes more expensive as volume increases. By way of example compared to WALGA's Silver level plan Tenderlink would be cheaper for less than 120 quotations a year but more expensive thereafter. In 2013 the City had 362 quotations with a value greater than \$10,000. There is also a once-off installation cost.

Advantages

- The system offers a full process from issue of quotation request, an evaluation tool, the ability to electronically communicate with suppliers, is fully auditable and has reporting capabilities.
- The City can use the system to issue and assess quotations or issue the quotation only.
- It is a pay-per-use system.
- The City's current suppliers can be migrated to the system and grouped in categories if required.
- The City would also be able to issue public quotation requests. Companies registered with Tenderlink for notifications, would be informed of the quotation and not just those registered with the City of Joondalup.
- Suppliers are listed in the categories of services they provide with each supplier maintaining a profile of their services including contact information and insurance certificates. This provides suppliers with the opportunity to make themselves known to City staff.
- Suppliers manage all their quotations with the City in a simple web interface.

Disadvantages

- Suppliers must be registered in order to receive a request for a quotation.
- Suppliers may not be interested or have the facilities to participate in a digital system which may result in the supplier not being aware of quotation requests.
- Does not offer any contractor performance management capabilities.
- Lack of awareness will be an issue unless there are information and training sessions to suppliers and promotion to local businesses in the City of Joondalup.

3 – Technology One Quote Module

The City's current financial system has a module developed for quotations. The module is a simple system that allows users to issue quotations via email. The form of quotation is specified through the use of templates.

There are no usage based fees for the Technology One module however there is a once-off licence fee for the module itself and an ongoing annual maintenance fee.

Advantages

- The system is simple to use and is familiar in its structure and interface compared to other Technology One modules in operation at the City.
- Quotations are issued and returned via email and then manually inputted into the system.
- Communications with respondents can be recorded in the system.
- Quotations can be issued to existing suppliers in the Accounts Payable module or to wholly new respondents.
- The system allows an approved quote to generate a requisition and store a link to the requisition for reporting purposes.

Disadvantages

- The system has no assessment functionality, with only the reason for recommendation capable of being recorded.
- It does not provide a download function for the complete procurement process. Officers can link the quotations received as attachments only.

4 – No Digital Quotation System - Retain the Current Processes

The City currently obtains quotations for purchases between \$10,000 and \$100,000 by email, post and fax from suppliers.

Advantages

- There is familiarity with the current systems.
- There are no requirements for any additional software and no additional costs.

Disadvantages

- The system can only be used internally and does not offer any on-line access for suppliers, local or otherwise, to the City's procurement requirements.
- While templates are used for quotations there can still be inconsistencies in the issue, content and assessment of quotations.
- Quotation documentation is captured in the purchasing system but not in a single database making reporting difficult and for the most part a manual process.

Price Assessment

Following the assessment of the functionality of the considered options, a comparison was carried out on the costs of implementation and operation of a digital quotation system for three years. To provide an estimate of expenditure, an annual volume of 360 quotations have been used in the calculation. The retention of current systems has no additional cost to the City.

The price assessment is included as Confidential Attachment 2.

Based on the assessment of functionality and price, the WALGA eQuotes system (Silver Plan) is assessed as best meeting the requirements of the City and represents best value for money. If the use of the system increases over the limits of users and quotations issued, the City would be able to upgrade further to the Gold Plan.

General Issues

One of the key issues for considering a digital quotation system is whether it should be compulsory. For the benefits outlined above to be derived the system doesn't just have to be made available it would need to be actually used and it may be necessary make it compulsory to achieve this. Operating the current manual system in parallel with a digital system would defeat the benefits of a digital system.

Nevertheless there are real potential benefits for the City to move to a digital quotation system and it is suggested that a phased in approach be taken with both the new and existing manual system operating in parallel for a nominated period. The City would need to work with suppliers during the phase-in to help them with the transition.

Legislation / Strategic Community Plan / policy implications

Legislation	<i>Local Government (Functions and General) Regulations 1996.</i>
Strategic Community Plan	
Key theme	Governance and Leadership.
Objective	Corporate capacity.
Strategic initiative	Adopt citizen-centric digital services as opportunities arise that support improved service delivery and accessibility by residents.
Policy	Not applicable.

Risk management considerations

A digital quotation system would assist the City in compliance with its *Quotations for Goods and Services Protocol*, provide a full audit trail and transparent procurement process. Governance and probity would be simpler to demonstrate with fully developed reporting capabilities.

Financial / budget implications

Current financial year impact

There are no current year budget impacts as it is not intended to be implemented until 2014-15.

Account no.	Not applicable.
Budget Item	Not applicable.
Budget amount	Not applicable.
Amount spent to date	Not applicable.
Proposed cost	Not applicable.
Balance	Not applicable.

Future financial year impact

Annual operating cost	\$ 12,000
Estimated annual income	\$ 0
Capital replacement	Not Applicable.
20 Year Strategic Financial Plan impact	\$ 240,000
Impact year	Annually from 2014-15

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

The installation of a digital quotation system has the potential to reduce the City's use of paper.

Consultation

Not applicable.

COMMENT

The proposed eQuotes system provides the City with improvement opportunities in its processes including, consistency in the form and method of quotation, an improvement in the visibility of suppliers to staff, provision of a full audit trail of the procurement process, ensuring greater compliance management for qualifications such as licences and insurance policies, savings in paper-based processing and reduction in staff time required for preparation and issue of quotation requests.

In addition there will be greater opportunities for local businesses to promote and put themselves in a position to be part of the City's procurement considerations. The eQuotes system will assist achieve one of the new draft Economic Development Strategy's strategies for growing business by encouraging and promoting buy local activity as one way of promoting business activity and productivity programs.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Norman, SECONDED Cr Chester that the Policy Committee NOTES:

- 1** the City has undertaken an evaluation of digital tender and quotation systems compared to its current systems and the Chief Executive Officer has approved the upgrade of the City's current WALGA eQuotes preferred supplier service to the Silver Member Plan;
- 2** implementing a digital tender and quotation system contributes to actively grow the City's internal digital capacity and build community capacity and innovative government services as per City's *Digital Strategy* and encourage and promote buy local activity as per the City's *Economic Development Strategy*.

The Motion was Put and**CARRIED (5/0)****In favour of the Motion:** Crs Gobbert, Chester, Norman, Ritchie and Taylor.*Mayor Pickard entered the room at 6.34pm.**Appendix 4 refers**To access this attachment on electronic document, click here: [Attach4agnPolicy300614.pdf](#)*

URGENT BUSINESS

Nil.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 6.35pm; the following Committee Members being present at that time:

Cr Liam Gobbert
Mayor Troy Pickard
Cr John Chester
Cr Mike Norman
Cr Teresa Ritchie, JP
Cr Philippa Taylor