

Increasing Transparency

ITEM 17.17 13/04/2021
Council

Council Member
Councillor Hyde

2021/00600
Public

Contact Officer:
Justin Lynch, Chief Operating
Officer, Corporate Services

MOTION ON NOTICE

Councillor Hyde will move a motion and seek a seconder for the matter shown below to facilitate consideration by the Council:

'That Council:

1. Requests the CEO amend current delegations that exist within the Administration for the engagement of consultants and that those delegations are as follows:
 - a. The approval to engage a consultant where the contracted work is to the value of between \$10,000 and \$49,999 will rest with an Associate Director level staff member, or higher; and,
 - b. The approval to engage a consultant where the contracted work is to the value of \$50,000 or greater will rest with a Director level staff member, or higher.
2. Resolves that all engagements of consultants that are of a value greater than \$2000 are recorded and provided to Councillors on the public agenda quarterly, and that the report will include for each record:
 - a. The name of the consultant
 - b. The dollar value of the contracted works
 - c. The purpose for their engagement
 - d. The team or department the engaged consultant was assisting
 - e. The contracts approving officer
 - f. Whether the work was openly tendered and/or whether competing quotes for the work were sought, and if so, how many.'

ADMINISTRATION COMMENT

1. The delegations have recently been reviewed by Executive and the associated operating guidelines are now being updated for finalisation. Key considerations in setting the levels for delegations were balancing transparent use of public monies, meeting community expectations, and administrative efficiencies. Executive agree that the levels they set achieve this this balance. These are outlined below:

Finance and Contract Execution Delegations – CoA March 2021

| COA Financial Delegation Ex GST | Council | Chief Executive Officer | Director/Chief Operating Officer | Associate Directors | Manager | Team Leaders /Project Managers/Project Leads/Senior Consultants |
|--|--------------|-------------------------|----------------------------------|---------------------|------------|---|
| Contract Award*: Goods and Service Suppliers | >\$1,000,000 | ≤\$1,000,000 | ≤\$750,000 | ≤\$250,000 | ≤\$100,000 | ≤\$50,000 |
| Contract Award*: Consultants (Advisory) | >\$1,000,000 | ≤\$1,000,000 | ≤\$750,000 | ≤\$100,000 | | |
| Contract Variances** | >\$1,000,000 | ≤\$1,000,000 | ≤\$750,000 | ≤\$250,000 | ≤\$100,000 | ≤\$50,000 |
| Purchase Orders | | Unlimited**** | ≤\$750,000 | ≤\$250,000 | ≤\$100,000 | ≤\$50,000 |

- The current delegations already satisfy part 1a of the motion, with all consultants contracted under a value of \$100,000 requiring Associate Director approval. Should the motion be carried, the delegations would only be altered to reduce this value from \$100,000 to \$50,000 to factor in part 1b of the motion.
- The current delegation does not provide authority to any role below Associate Director to contract consultants. Part 1a of the motion implies that anything below \$10,000 would need to be delegated to those roles below Associate Director. This would increase our risk and is not recommended from an internal controls perspective.
- Should Part 1 of the motion be carried, the delegations will be reviewed and updated. Amending the levels will introduce inefficiencies to the procurement process as Directors will be required to process more transactions. This will slow down the process of procurement and increases the risk of vendors finding it more difficult to do business with Council, which could have a negative impact on Council's reputation and relationship with vendors. More time is required to undertake an analysis of the quantum of the transactions that this would impact and a report can be provided should the motion be carried.
- There is an existing commitment to reduce our expenditure for consultancy in 2021-22. The draft 2021-2022 Business Plan and Budget has \$4.97M allocated compared to \$6.48M this financial year.
- Should Part 2 of the motion be carried, the administrative cost of producing a report each quarter is estimated at 2-3 days of aggregated FTE time across the organisation to ensure the appropriate detail and review is undertaken. This may also require a financial investment in system enhancements or configuration to ensure this information is captured and able to be reported on in an efficient manner.
- In addition, more time is required to seek advice about our confidentiality obligations to our vendors and our employees, and to what extent the information requested in this motion can legally be provided in a public agenda.

| Should the motion be carried, the following implications of this motion should be considered. Note any costs provided are estimates only – no quotes or prices have been obtained: | |
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| Public consultation | Not Applicable |
| External consultant advice | Not Applicable |
| Legal advice / litigation (eg contract breach) | <i>If applicable, include brief comment and estimated costs if known. If not applicable add words 'Not applicable'</i> Legal advice regarding confidentiality on providing the information requested will need to be sought. |
| Impacts on existing projects | Not Applicable |
| Budget reallocation | Cannot be certain with regards to the system configuration required as to whether this would incur an additional cost and to what value. |
| Capital investment | Not Applicable |
| Staff time in preparing the workshop / report requested in the motion | A report to be produced each quarter would require approximately 2-3 days of FTE time across the organisation to ensure the appropriate detail and review is undertaken. Staff time and resources for any system |

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| | configuration cannot yet be estimated as it will depend on an assessment of whether external resources are required or whether these services can be performed in house. |
| Other | Not Applicable |
| Staff time in receiving and preparing this administration comment | To prepare this administration comment in response to the motion on notice took approximately 0.5 hours. |

- END OF REPORT -