



THE COMMITTEE AGENDA & REPORTS

for the meeting

Tuesday 16 June 2020
at 5:30 pm



Members - The Right Honourable the Lord Mayor [Sandy Verschoor];
Councillor Hyde (Deputy Lord Mayor) (Chair)
Councillors Abrahamzadeh, Couros, Donovan, Hou, Khera, Knoll,
Mackie, Martin, Moran and Simms (Deputy Chair).

1. Acknowledgement of Country

At the opening of the Committee Meeting, the Chair will state:

'Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.'

2. Apologies and Leave of Absence

Nil

3. Confirmation of Minutes – 19/5/2020, 28/5/2020 & 2/6/2020 [TC]

That the Minutes of the meeting of The Committee held on 19 May 2020 & 2 June 2020 and the Minutes of the Special meeting of The Committee held on 28 May 2020, be taken as read and be confirmed as an accurate record of proceedings.

4. Discussion Forum Items

Workshops

Strategic Alignment - Corporate Activities

4.1. Workshop – Procurement Policy Review [2020/00313] [Page 3]

Strategic Alignment – Liveable

4.2. Workshop - Adelaide Aquatic Centre – Strategic Options

To be distributed separately

5. Exclusion of the Public

5.1. Exclusion of the Public to Consider in Confidence [2018/04291] [Page 20]:

6.1. CEO Update - Litigation Update [s 90(3) (h) & (i)]

6.2. Workshop - Ongoing Commercial Service Provision [s 90(3) (b) & (d)]

6. Discussion Forum Items in Confidence

CEO Update

6.1. CEO Update - Litigation Update

Workshop

Strategic Alignment – Liveable

6.2. Workshop - Ongoing Commercial Service Provision

To be distributed separately

7. Closure

PROCUREMENT POLICY REVIEW

Workshop Purpose:

Consideration of proposed changes to the
City of Adelaide Procurement Policy

PROGRAM: STRATEGIC FINANCE AND PERFORMANCE

AUTHOR: Rod Case | APPROVING OFFICER: Clare Mockler

The Committee Meeting - Agenda - 16 June 2020

Workshop Overview

- Strategic context
- Policy intent and proposed changes
- Opportunities/benefits and risks/constraints
- Principles and potential of the Policy
- Case studies of success
- Discussion - scenarios, motions on notice, suggestions and feedback
- Next steps



So the City of Adelaide's Procurement Policy can provide both value for money AND better social value:

What does the future of our Aboriginal procurement look like?

- Engage businesses registered with appropriate bodies, e.g. Supply Nation certified?
- Linked to CoA Stretch Reconciliation Action Plan

What does the future of our Environmental procurement look like?

- Maximise environmental benefits within available spend?
- Continue our focus on utilities and physical environmental benefits?
- Support green businesses?

What does the future of our Social procurement look like?

- Engage businesses registered with appropriate bodies, e.g. Social Traders certified?
- Outcomes to be measured independently?
- CoA to take a leadership role in developing the social enterprise supply market in the City/SA?

What does the future of our Cultural procurement look like?

- Cultural procurement to actively deliver Council's creative strategies and plans?
- Maximise opportunities to support local creative practitioners within available spend?

What does the future of our Local procurement look like?

- Increase expenditure threshold where local is being procured?
- Flexible weighting?
- Expand to state-wide as needed?

Have the Motions on Notice been addressed?

- To what extent does the draft policy address the intent of the motions on notice?

STRATEGIC CONTEXT

2020-2024 Strategic Plan

The 2020-2024 Strategic Plan is supported by **Enabling Priorities** which guide the way we continually improve our governance to maximise community benefit.

Action 5.07 within these priorities is clear and is **our commitment to our community** to *'Implement a Sustainable (financial, environmental, social, cultural) Procurement Policy'*

A good foundation

Council is already doing some great things in regards to supporting the principles of Sustainable (financial, local, aboriginal, environmental, social and cultural) Procurement.

A new strategic plan and the challenges our organisation, community and business will face post COVID-19 gives us a once in a generation opportunity to think and act differently.

To do more to invest in our future and rebuild the City

We have the opportunity through our procurement to support rebuilding the City's economy post-COVID-19. How can we build on this good foundation to increase public value, public trust and boost City recovery and growth?

- Ten Gigabit Adelaide
- Top 7-ranked Intelligent Community - The Intelligent Community Forum
- Top 10-ranked World's Most Liveable Cities – The Economist Global Liveability Index 2019
- Top 10-ranked Condé Nast Traveler 'Most Friendly Cities in the World'
- Leading-edge R&D – Lot 14, Australian Space Agency, Bio-medical health precinct, world-class universities
- UNESCO City of Music

The Committee Meeting - Agenda - 16 June 2020



STRATEGIC CONTEXT

Developing a New Policy

The current Procurement Policy was developed in 2016

The CoA Procurement team has consulted with the following individuals and organisations to develop the draft Policy update:

- CoA Associate Directors
- Office of the Industry Advocate
- Social Traders
- Supply Nation
- Other local governments

Council input is now sought to refine and finalise the City of Adelaide Procurement Policy

Proposed Policy Changes (Link 1 view [here](#))

- An increased focus on the use of local goods and services, aboriginal, social procurement, environmental and cultural outcomes
- An expanded glossary to improve the public's understanding of how they can participate in Council's procurement
- Less prescriptive in the application of the principles of the State Government's *Industry Participation Policy*
- Change in open market approach threshold from \$100,000 to \$150,000
- More detail on breach of policy and procedures for Administration



STRATEGIC CONTEXT

Opportunities/Benefits

Our Procurement Policy enables our 2020-2024 Strategic Plan by:

- Stimulating the local economy post-COVID-19
- Improving the economic and lifestyle outcomes for City residents and businesses
- Providing both value for money AND better social value
- Improving our partnerships with key businesses and organisations
- Increasing the public value of what we do, through sustainable practices (social, cultural and environmental)
- Providing clear paths for organisations to participate in Council's procurement
- Ensuring Adelaide remains at the forefront of best practice – showcasing leadership in the Local Government Sector
- Supporting Council's ability to respond to internal and external challenges

Risks/Constraints

- Potential impact on Council's financial position
- Potential impact on timely delivery of projects and procurement outcomes

"In just a few weeks we've seen changes that normally would have taken years or decades to achieve... Suddenly the impossible has become possible. In our current and post COVID-19 world, we have a brand story to tell that others can only dream about."

- Jodie van Deventer, CEO, Committee for Adelaide



PROCUREMENT PRINCIPLES

Primary Procurement Principles

The purpose of the Procurement Policy is to achieve the principles set out in section 49(a1) of the *Local Government Act 1999* (SA), being to develop and maintain procurement policies, practices and procedures that are directed towards:

- obtaining value for money in the expenditure of public money
- providing for ethical and fair treatment of participants
- ensuring probity, accountability and transparency in procurement operations

The policy enables the CoA to:

- meet legislative requirements and compliance with the *Local Government Act 1999* (SA)
- deliver best value outcomes
- ensure ethical conduct, accountability and transparency
- manage risk management factors and ensure continuity of supply



PROCUREMENT PRINCIPLES

General Procurement Principles

The following General Procurement Principles will be considered in tandem with the Primary Procurement Principles to maximise value for money AND better social value, enabling the community outcomes of our 2020-24 Strategic Plan

- **Aboriginal**
 using the power of the marketplace to support Aboriginal and Torres Strait Islander businesses and employment

- **Environmental**
 maintaining a commitment to long-term ecological sustainability

- **Social**
 using the power of the marketplace to support those in need, the disadvantaged and those with disabilities

- **Cultural**
 supporting the City's Cultural goals by providing opportunities for artists, makers and creatives in the arts and creative industries

- **Use of local goods and services**
 undertaking procurements to support local businesses, especially those based within the 5000 and 5006 postcodes



CASE STUDY ABORIGINAL

using the power of the marketplace to support
Aboriginal and Torres Strait Islander businesses
and employment

Ochre Dawn

South Australian-based promotional products company

"What we do... We love collaborating with local community groups and artists, to produce custom-designed, authentic Aboriginal artwork for commercial purposes". Supply Nation Certified

Supply Nation

Council is a member of Supply Nation, an organisation that supports and promotes aboriginal businesses.

A vision for a prosperous, vibrant and sustainable Indigenous business sector

Their reporting tells us that for every \$1 of revenue, Certified Suppliers generate \$4.41 of social return

What does the future of aboriginal procurement look like?

- Engage businesses registered with appropriate bodies, e.g. Supply Nation certified?
- Linked to CoA Stretch Reconciliation Action Plan



CASE STUDY ENVIRONMENTAL

maintaining a commitment to long-term ecological sustainability

Enabling our commitment to Adelaide becoming:
*One of the world's first carbon neutral cities by 2025,
where sustainability is core*

Flow Power - Energy procurement

From 1 July 2020, the City of Adelaide's operations will be powered by 100% renewable electricity – a first for South Australian councils

The power purchase agreement with Flow Power ensures City of Adelaide's operations, spanning the Adelaide Aquatic Centre, UParks, depots and buildings, including the historic Adelaide Town Hall, are powered by 100% renewable energy

Our innovative long-term Renewable Electricity Power Purchase Agreement has been recognised as a finalist in the LGA Leadership Excellence Awards for Excellence in Environmental Leadership and Sustainability

What does the future of environmental procurement look like?

- Maximise environmental benefits within available spend?
- Continue our focus on utilities and physical environmental benefits?
- Support green businesses?



This partnership will not only save our rate payers money, it helps cement Adelaide's international clean and green reputation



flow
power

CASE STUDY SOCIAL

using the power of the marketplace to support those in need, the disadvantaged and those with disabilities

GoGo events

Council has utilised the services of GoGo events for Civic Functions at the Adelaide Town Hall

Social Traders Certified and a vision for “an equitable and inclusive society”

“Our **solution**: we will provide people facing homelessness with the knowledge, insight and skills to take them from risk to stability. We will teach and train and guarantee a job. **Inclusive work.**”

Blend Creative

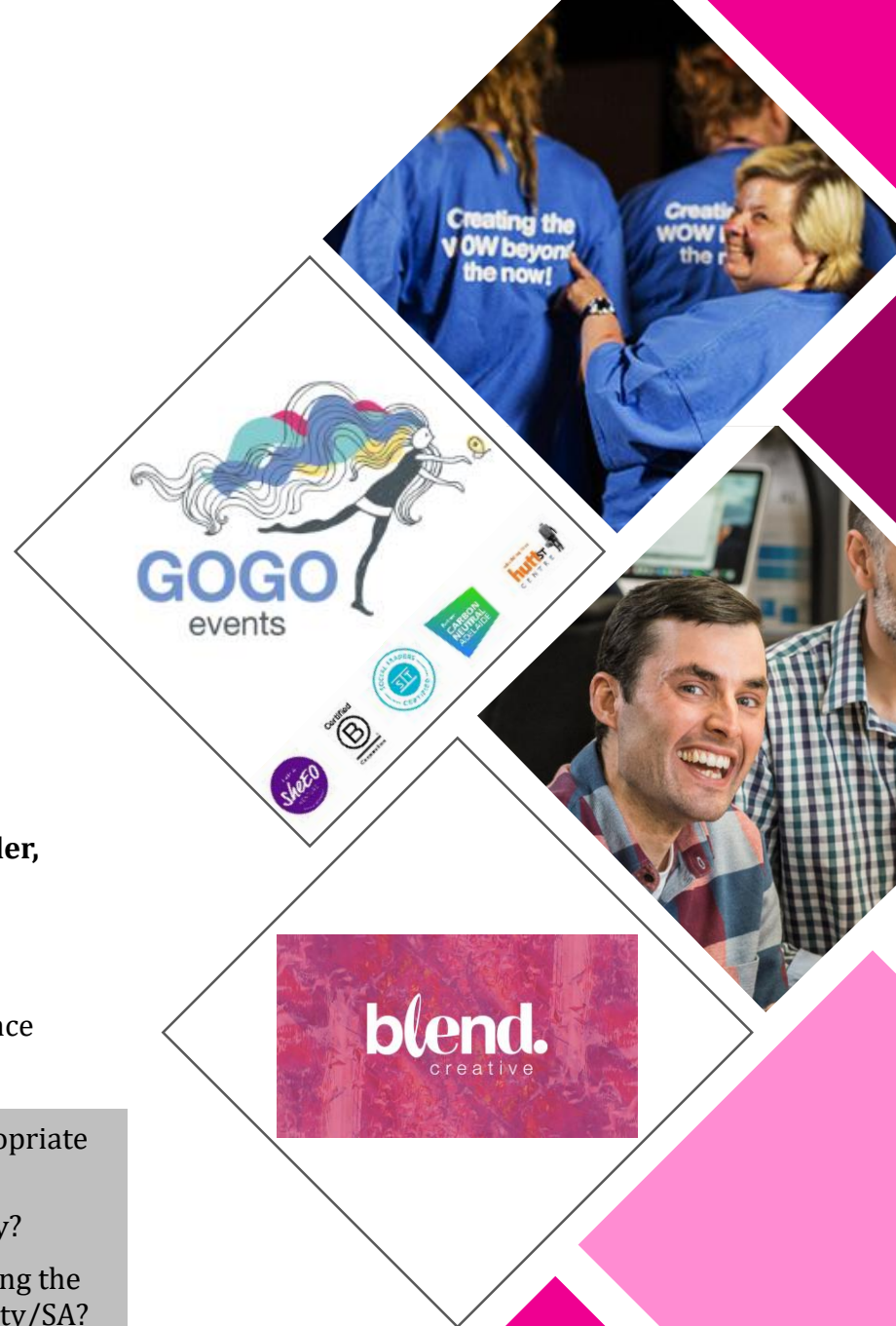
A South Australian-based graphic design agency and certified Social Trader, where 27 of the 32 staff identify with disability

“Our Mission: Strong, passionate individuals, united in a socially inclusive workplace to deliver unique design solutions”

During the workshop, there will be an opportunity to see and hear the difference they are making to their employees through a short presentation.

What does the future of social procurement look like?

- Engage businesses registered with appropriate bodies, e.g. Social Traders certified?
- Outcomes to be measured independently?
- CoA to take a leadership role in developing the social enterprise supply market in the City/SA?



CASE STUDY CULTURAL

supporting our Cultural goals by providing opportunities for practitioners across the arts, cultural and creative industries

Guildhouse

The City of Adelaide has partnered with Guildhouse for:

- **ART WORKS** activation of Council spaces including the Minor Works Building, Art Pod, Adelaide Town Hall, City Library (artists-in-residence, workshops for the community, exhibitions)
- **The Business Of Being Creative** – funding mentorships and professional development workshops for emerging visual artists and makers

Guildhouse is a not for profit organisation that supports visual artists, craftspeople and designers to build and maintain sustainable careers. It advocates for and identifies professional opportunities for its 956 members.

Its partners include: • Adelaide Airport • Citify • City of Adelaide • City of Unley • Journey Beyond – the Ghan • Oxigen • Renewal SA – Lot Fourteen • SkyCity • Uniting Communities • University of South Australia Business School



What does the future of cultural procurement look like?

- Cultural procurement to actively deliver Council's creative strategies and plans?
- Maximise opportunities to support local creative practitioners within available spend?

CASE STUDY LOCAL

undertaking procurements with a view to supporting local businesses, especially those based within the 5000 and 5006 postcodes

The draft policy update is less prescriptive in the application of the principles of the State Government's *Industry Participation Policy*

This allows for weighting of local supply to be increased where the procurement presents a significant opportunity to develop the local supply market.

The aim is to support local businesses, enabling more to succeed, to be sustainable, to create more employment opportunities, and to boost the City economy and experience.

These partnerships might range from using the services of local civil contractors and engineers, local legal firms and catering companies using and showcasing local produce for Civic and other external events hosted by the City of Adelaide.

More suppliers across the City will have the opportunity to participate in City of Adelaide tenders, creating new employment and work in the local area



What does the future of local procurement look like?

- Increase expenditure threshold where local is being procured?
- Flexible weighting?
- Expand to state-wide where needed?

The Policy as a response to **MOTIONS ON NOTICE**

undertaking procurements with a view to supporting local businesses, especially those based within the 5000 and 5006 postcodes

Micro Tender Opportunities

Council Decision 30 April 2019:

Item 15.3

“That Council reviews its procurement policy and identified outcomes that can create micro tender opportunities for small businesses that are located in the City of Adelaide”

e.g. using a local catering company to cater for a CoA event such as ‘The Business Of Being Creative’ launch held at the Minor Works Building

Key aims:

- Raising awareness among Administration of eligible small businesses that can provide this service and
- providing suppliers with equitable access to these opportunities



To what extent does the draft policy address the intent of the motion on notice?

The Policy as a response to **MOTIONS ON NOTICE**

using the power of the marketplace to support those in need, the disadvantaged and those with disabilities

Social Benefit Criteria for Procurement

Council Decision 30 April 2019:

Item 15.1

“That Council supports the inclusion of social benefit (including providing employment and other opportunities for people living with disability and/or social disadvantage) as criteria within its procurement policies and guidelines”



To what extent does the draft policy address the intent of the motion on notice?



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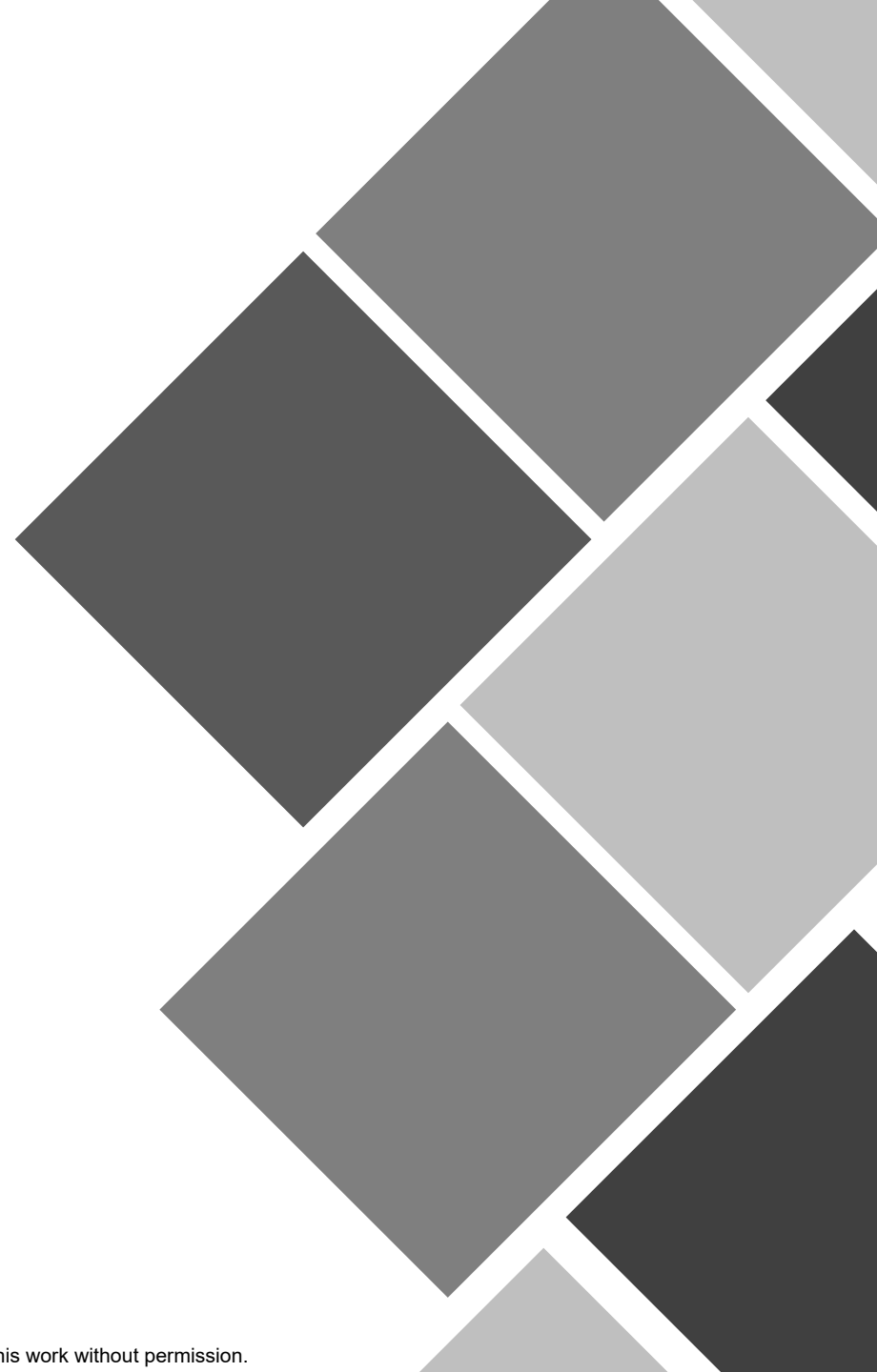
Have the Motions on Notice been addressed?

- To what extent does the draft policy address the intent of the motions on notice?

NEXT STEPS

Following this workshop:

- Finalise policy document
- Amend guidelines based on final policy
- Determine communications plans for internal and external stakeholders
- Seek approval of policy at August 2020 Council meeting
- Rollout approved policy, beginning with pilot projects by Q4 2020



Exclusion of the Public

ITEM 5.1 16/06/2020
The Committee

Program Contact:
Mark Goldstone, Chief
Executive Officer 8203 7234

2018/04291
Public

Approving Officer:
Mark Goldstone, Chief
Executive Officer

EXECUTIVE SUMMARY

It is the recommendation of the Chief Executive Officer that the public be excluded from this Committee meeting for the consideration of the following information and matters contained in the Agenda.

- 6.1. CEO Update - Litigation Update [s 90(3) (h) & (i)]
- 6.2. Workshop - Ongoing Commercial Service Provision [s 90(3) (b) & (d)]

The Order to Exclude for Item 6.1 & 6.2:

1. Identifies the information and matters (grounds) from s 90(3) of the *Local Government Act 1999 (SA)* utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition identifies for the following grounds – s 90(3) (b), (d) or (j) - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 6.1

THAT THE COMMITTEE

1. Having taken into account the relevant consideration contained in s 90(3) (h) & (i) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 16/6/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 6.1 [CEO Update - Litigation Update] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

This Item is confidential nature because the report includes information on Council litigation.

The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 16/6/2020 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 6.1 [CEO Update - Litigation Update] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in s 90(3) (h) & (i) of the Act.

ORDER TO EXCLUDE FOR ITEM 6.2

THAT THE COMMITTEE

1. Having taken into account the relevant consideration contained in s 90(3) (b) & (d) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 16/6/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 6.2 [Workshop - Ongoing Commercial Service Provision] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

This item is commercial information of a confidential nature where confidence consideration is sought to protect the commercial position of the Council and the operating position of Council's business entities operating in a competitive market place. Disclosure of this information to competitors may be to Council's commercial detriment.

Public Interest

Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because disclosure of this information to competitors in advance may be to Council's commercial detriment.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of The Committee dated 16/6/2020 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 6.2 [Workshop - Ongoing Commercial Service Provision] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in s 90(3) (b) & (d) of the Act.

DISCUSSION

1. s 90(1) of the *Local Government Act 1999 (SA)*, directs that a meeting of a Council Committee must be conducted in a place open to the public.
2. s 90(2) of the *Local Government Act 1999 (SA)*, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in s 90(3).
3. s 90(3) prescribes the information and matters that a Council may order that the public be excluded from.
4. s 90(4) of the *Local Government Act 1999 (SA)*, advises that in considering whether an order should be made under s 90(2), it is irrelevant that discussion of a matter in public may:
 - 4.1 cause embarrassment to the council or council committee concerned, or to members or employees of the council or
 - 4.2 cause a loss of confidence in the council or council committee, or
 - 4.3 involve discussion of a matter that is controversial within the council area, or
 - 4.4 make the council susceptible to adverse criticism.
5. s 90(7) of the *Local Government Act 1999 (SA)* requires that an order to exclude the public:
 - 5.1 Identify the information and matters (grounds) from s 90(3) of the *Local Government Act 1999 (SA)* utilised to request consideration in confidence.
 - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
 - 5.3 In addition identify for the following grounds – s 90(3) (b), (d) or (j) - how information open to the public would be contrary to the public interest.
6. s 87(10) of the *Local Government Act 1999 (SA)* has been utilised to identify in the Agenda and on the Report for the meeting, that the following matters are submitted seeking consideration in confidence.
 - 6.1 Information contained in Item 6.1 – CEO Update - Litigation Update
 - 6.1.1 Is subject to Existing Confidentiality Orders.
 - 6.1.2 The grounds utilised to request consideration in confidence is s 90(3) (h) & (i)
 - (h) legal advice
 - (i) information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council
 - 6.2 Information contained in Item 6.2 – Workshop - Ongoing Commercial Service Provision
 - 6.2.1 Is not subject to an Existing Confidentiality Order.
 - 6.2.2 The grounds utilised to request consideration in confidence is s 90(3) (b) & (d)
 - (b) information the disclosure of which—
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest
 - (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest

ATTACHMENTS

Nil