

CITY OF PALMERSTON

**Notice of Council Meeting
To be held in Council Chambers
Civic Plaza, Palmerston
on Tuesday 6 March 2018 at 6.30pm.**



Luccio Cercarelli
Chief Executive Officer

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

Audio Disclaimer

An audio recording of this meeting is being made for minute taking purposes as authorised by City of Palmerston Policy MEE3 Recording of Meetings, available on Council's Website.

Acknowledgement of Traditional Ownership

I respectfully acknowledge the past and present Traditional Custodians of this land on which we are meeting, the Larrakia people. It is a privilege to be standing on Larrakia country.

1 PRESENT

2 APOLOGIES

3 CONFIRMATION OF MINUTES

RECOMMENDATION

1. THAT the minutes of the Council Meeting held Tuesday, 20 February 2018 pages 9497 to 9509, be confirmed.
2. THAT the Confidential minutes of the Council Meeting held Tuesday, 20 February 2018 pages 366 to 369, be confirmed.

4 OFFICIAL MANAGER'S REPORT

5 REPORT OF DELEGATES

6 QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS BEEN GIVEN

7 QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS NOT BEEN GIVEN

8 PETITIONS

9 DEPUTATIONS / PRESENTATIONS

10 CONSIDERATION OF MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

11 COMMITTEE RECOMMENDATIONS

11.1 Governance and Organisation

Nil

11.2 Economic Development and Infrastructure

Nil

11.3 Community Culture and Environment

Nil

12 INFORMATION AGENDA

12.1 Items for Exclusion

12.2 Receipt of Information Reports

RECOMMENDATION

THAT the Information Items contained within the Information Agenda, be received.

12.3 Officer Reports

Nil

13 DEBATE AGENDA

13.1 Officer Reports

13.1.1	Review Procurement Policy	8/1423
13.1.2	Change of Date for the second Ordinary Council Meeting in March	8/1424
13.1.3	Reporting of Creditor Payments and Accounts	8/1425

14 CORRESPONDENCE

15 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

16 PUBLIC QUESTION TIME

At the invitation of the Chair.

17 OTHER BUSINESS – ALDERMAN REPORTS

By-law 14(8) provides that the Chairman must not accept a motion without notice if the effect of the motion would, if carried, be to incur expenditure in excess of \$1,000 unless:

- a) the motion relates to the subject matter of a committee's or sub committee's recommendations (as the case may be, or an officer's report that is listed for consideration on the business paper; or*
- b) the matter is urgent.*

18 CONFIDENTIAL REPORTS

Nil

19 CLOSURE



ITEM NUMBER: 13.1.1 Review of Procurement Policy
FROM: Chief Executive Officer
REPORT NUMBER: 8/1423
MEETING DATE: 6 March 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The purpose of this report is for Council to consider amendments to the Procurement Policy.

RECOMMENDATION

1. THAT Report Number 8/1423 entitled Review of Procurement Policy be received and noted.
2. THAT Council where appropriate and it provides value for money, including a local content weighting, can utilise the Local Buy Procurement arrangement administered by the Local Government Association Queensland and available to Councils in the Northern Territory.
3. THAT Council rescind Council Policy FIN04 – Procurement Policy.
4. THAT Council adopt Policy FIN04 – Procurement Policy being **Attachment A** to Report Number 8/1423 entitled Review of Procurement Policy.

Background:

The Procurement Policy FIN04 was last reviewed by Council on the 18th July 2017.

Amendments were made including the creation of at least 20% weighting towards local suppliers.

The City of Palmerston Council Investigator's Report (November 2017) identifies that standardisation of procurement documentation and management needs to be put in place to ensure open, consistent and transparent practices.

To address this and various other matters Council has approved a Full Time Equivalent (FTE) which the Chief Executive Officer has used to create a position of Strategic Procurement Advisor which is currently being recruited

A review of the City of Palmerston Policy FIN04 – Procurement Policy is considered appropriate to ensure ongoing continuous improvement.

General:

The current policy is very procedural in nature and duplicates existing procurement legislation and controls.

Council policy should be a presentation of the values that Council will take into consideration during its decision-making process. Policies should add value to existing requirements such as legislation and should generally not be procedural in nature. Procedural policies are generally developed and administered internally by the Chief Executive Officer to implement the Council policy and values.

A review of Policy FIN04 has been conducted to:-

- Ensure Council implements a fair and transparent process in the purchase of goods and services that achieves value for money and benefits the Palmerston Community.
- Considers local suppliers including the requirement of at least a 20% weighting for assessment being retained.
- Consider environmental and social procurement factors.

The Policy further identifies the following principles:-

- Open and effective competition;
- Value for money;
- Encouraging the development of a competitive local business and industry;
- Environmental benefits: and
- Ethical behaviour and fair dealing.

Where appropriate and provides value for money, Council can utilise the Local Buy Procurement arrangement administered by the Local Government Association Queensland which provides an electronic portal to facilitate compliant purchasing for Councils in Queensland and the Northern Territory. While Council is not legally bound to use Local Buy's services, using Local Buy arrangements save significant time and money and are fully compliant with the Local Government Act and the Local Government Accounting Regulations. The local supplier criteria will still be applied when this process is used. This includes a Local Content Test and an assessment of the value-for-Palmerston.

Council staff have considered the Northern Territory's Buy Local Plan in reviewing the policy. Primary objective of the Buy Local Plan is to ensure that the largest possible proportion of every dollar spent by the Northern Territory Government is retained within and delivers benefits for the Territory economy and community.

The Plan does this with an effective value-for-Territory framework. Council policy reflects this at a local level by use of value-for-Palmerston and reflection of various appropriate elements.

The Buy Local Plan is identified in the Policy as a reference document.

Financial Implications:

Procurement will be undertaken in accordance with approved budgets and financial delegations.

The policy is intended to deliver value-for-Palmerston and notes that the lowest price may not be the best overall outcome for the community.



Legislation/Policy:

The procurement of all goods and services must comply with Council's obligations under relevant Legislation, Ministerial Guidelines and Local Government General Instructions.

In accordance with Section 32(2) of the Local Government Act, Council has delegated authority to the Chief Executive Officer within financial delegation.

The Chief Executive Officer will develop and implement appropriate administrative policies and procedures to comply with Council's Policy and Legislation.

The Local Government Association of the Northern Territory is a party to the Local Buy Procurement arrangement and Resolution 3 ensures Council can participate in accordance with s 30(3) of the Local Government (Accounting) Regulations.

Recommending Officer: Luccio Cercarelli, Chief Executive Officer

Any queries on this report may be directed to Luccio Cercarelli, Chief Executive Officer on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Luccio Cercarelli, Chief Executive Officer

Schedule of Attachments:

Attachment A: Draft FIN04 – Procurement Policy



Name:	Procurement Policy		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Corporate Services		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]
Records Number:		Council Decision:	
HISTORY			
Records Number:	350490	Approval Date:	18/07/2017
		Council Decision:	8/2802

1 PURPOSE

The purpose of this policy is to ensure Council implements a fair, transparent and accountable process in the purchase of goods and services that achieves value for money and benefits the Palmerston Community.

2 PRINCIPLES

The primary goal of any Council procurement activity is to achieve the best value-for-Palmerston outcome. Value-for-Palmerston does not just entail the price, but broader considerations such as whole of life costs, past performance, commercial and other risks, compatibilities and local factors. The lowest price may not be the best overall option.

Council considers the following principles:

- Open and effective competition;
- Value for money;
- Encouraging the development of a competitive local business and industry;
- Quality of Service Provision;
- Environmental benefits: and
- Ethical behaviour and fair dealing.

3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Procurement	Procurement shall mean, purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods. Services to Council, or third parties acting as representatives for Council.
Cost	Cost is defined as the full cost of the procurement of the goods and services and is inclusive of Goods and Services Tax (GST).
Local Buy	A contractual arrangement established by the Local Government Association Queensland with the Local Government Association of the Northern Territory as a signatory that enables Council to purchase a variety of goods and

	services from accredited suppliers without tendering.
Local Supplier	A supplier operating in the Northern Territory and more particularly Palmerston or the Top End Region and satisfies elements such as operating in the Northern Territory, significant permanent resources and employs Northern Territory residents.
Purchasing Officer	An officer of Council with financial purchasing delegation as defined in the Delegations Manual.
Top End	The geographical area comprising the northern part of the Northern Territory including Darwin, Palmerston, Litchfield and surrounding rural area south to the township of Adelaide River.

3 POLICY OBJECTIVES

The objective of this policy is to establish a framework for the implementation of Council's purchasing arrangements to ensure:

- Compliance with relevant legislation in relation to purchasing;
- That all purchasing procedures, regardless of the size of the transaction, be open and transparent and able to withstand public scrutiny;
- Purchasing processes remain efficient and effective;
- That an appropriate system of internal control is in operation in relation to purchasing;
- All suppliers are given fair and equitable consideration at all times;
- That officers responsible for purchasing have a clear understanding of their responsibilities and authority; and
- Opportunities are provided to local businesses.

4 POLICY STATEMENT

The City of Palmerston has a centralised procurement model. Council officers responsible for purchasing goods and services must comply with this policy and it is the officer's duty to understand the meaning and intent of this policy.

Council officers are required to:-

- Follow the standards of the Local Government Act and the corresponding regulations;
- Preserve Council's integrity to ensure that Council may be seen to have acted appropriately in all procurement dealings; and
- Abide by Council's Code of Conduct Policy and all applicable policies and instructions.

Any canvassing of Elected Members or Council Staff in relation to Procurement will result in the proposals being automatically disqualified.

Local Suppliers

Every effort should be made to utilise local suppliers and to ensure locally based businesses and industries are given an opportunity to participate in quotation or tender processes. Local businesses will still need to be competitive and present value for Palmerston including how they deliver local benefits.

A local supplier criteria weighting of at least 20% will be applied to the assessment process for the purpose of value-for-Palmerston, local development and value adding.

The assessment will consider a local content test. While the local content assessment criteria will vary depending on the procurement, typically it will consider principles such as:-

- Employment
- Up-skilling
- Local industry participation
- Local and regional development initiatives

Local considers benefits to Palmerston, the Top End Region and the Northern Territory.

Whilst Council is committed to local suppliers, the reality is that certain types of goods and services can not be purchased from within the Territory.

Local Buy

Where appropriate and provides value for money, Council can utilise the Local Buy Procurement arrangement administered by the Local Government Association Queensland which provides an electronic portal to facilitate compliant purchasing for Councils in Queensland and the Northern Territory. While Council is not legally bound to use Local Buy's services, using Local Buy arrangements save significant time and money and are fully compliant with the Local Government Act and the Local Government Accounting Regulations. The local supplier criteria will still be applied when this process is used. Purchasing capacity is unlimited for goods and services through Local Buy.

Environmental and Social Procurement

Officers must consider the environmental and social implications of procurement including impact on costs.

5 LEGISLATION, TERMINOLOGY AND REFERENCES

The procurement of all goods and services must comply with Council's obligation under the:-

- Local Government Act
- Local Government (Accounting) Regulations
- Ministerial Guidelines
- Local Government General Instructions

Reference should also be given to the Northern Territory Government Buy Local Plan where appropriate.

6 IMPLEMENTATION AND DELEGATION

In accordance with Section 32(2) of the Local Government Act, Council has delegated the authority for implementation to the Chief Executive Officer.

Authorised purchasing limits based on delegated levels of authority are in place.

ITEM NUMBER:	13.1.2	Change of Date for the second Ordinary Council Meeting in March 2018
FROM:		Chief Executive Officer
REPORT NUMBER:		8/1424
MEETING DATE:		6 March 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The purpose of this report is to seek Council approval to move the date of the second Ordinary Meeting in March from 20 March to 13 March in response to the Council election date on 17 March 2018.

RECOMMENDATION

1. THAT Report Number 8/1424 entitled Change of Date for the second Ordinary Council Meeting in March be received and noted.
2. THAT Council approve the change in date of the second Ordinary Council Meeting in March from 20 March to 13 March 2018 commencing at 6:30pm.

Background:

The Council election for the City of Palmerston will be held on Saturday 17 March and the second Ordinary Council meeting in March is scheduled for Tuesday 20 March.

General:

Caretaker period for the 2018 City of Palmerston Council elections commenced on 22 February 2018. During this time Council will continue to meet up until the election, subject to the limitations on decision making imposed by Council Policy EM04 Caretaker.

It is recommended that the meeting scheduled for 20 March be cancelled due to the timing of the Council election. However it is recommended a meeting be held on 13 March to consider the monthly financial statements, and any other matters in accordance with the Caretaker Policy matters in accordance with the Caretaker Policy.

Council will advertise the change in date in the local newspaper as well as its website and social media platforms.

If Council was not supportive of a change in date and the second ordinary meeting was not held, the next meeting of Council to consider business following the 6 March, would be 3 April 2018.

Financial Implications:

Costs associated with advertising will be accommodated within existing program budgets and are not considered to be significant.

Legislation/Policy:

EM04 Caretaker

Informal advice provided by the Northern Territory Department of Housing and Community Development supports this decision.

Recommending Officer: Luccio Cercarelli, Chief Executive Officer

Any queries on this report may be directed to Chris Kelly, Director of Corporate Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Chris Kelly, Director of Corporate Services



ITEM NUMBER: 13.1.3 Reporting of Creditor Payments and Accounts
FROM: Director of Corporate Services
REPORT NUMBER: 8/1425
MEETING DATE: 6 March 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The purpose of this report is to advise Council of a change in presentation of the creditor payments and accounts in the monthly financial report to Council.

RECOMMENDATION

1. THAT Report Number 8/1425 entitled Reporting of Creditor Payments and Accounts be received and noted.
2. THAT Council note that in addition to Council's legislative reporting requirements, the following information will be provided with the monthly financial statements:
 - a. List of creditor payments for the month by vendor
 - b. Value of outstanding accounts to creditors at the end of each month by vendor
 - c. Total value of credit card transactions each month

Background:

Section 18 of the Local Government (Accounting) Regulations outlines the legislative requirements for presenting monthly financial reports to Council. Council provides creditor payments, outstanding creditors and credit card transactions as part of its monthly financial reporting to Council. The provision of this information is over and above the requirements set down in the Local Government (Accounting) Regulations.

General:

In response to the recommendations of the Independent Investigation, Council officers have been reviewing Council's financial reporting. It has been identified that the current provision of information makes public all transactions of Council down to individual invoices. This has the potential to make

commercially sensitive information public. This can give competitors unfair advantage over existing suppliers to the City of Palmerston in future procurement and result in uncompetitive tender outcomes for Council.

Council is committed to transparency and will provide a list of payment totals each month, however these will be listed by vendor, not each individual transaction to help protect the confidential information of Council's suppliers. This report will also continue to outline the total of credit card payments by Council. It is important to note that Elected Members are entitled to request further information of the Monthly Financial Report at any time and this information will be supplied, including in Confidential Meeting where necessary.

Financial Implications:

Nil.

Legislation/Policy:

Local Government Act
Local Government (Accounting) Regulations

Council will continue to provide monthly financial information in excess of legislative requirements.

Recommending Officer: Chris Kelly, Director of Corporate Services

Any queries on this report may be directed to Chris Kelly, Director of Corporate Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Chris Kelly, Director of Corporate Services

