

GOV13	Shared Services and Collective Procurement Policy
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Policy Type:	Governance
Policy Custodian:	Chief Financial Officer
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### Purpose

The purpose of this policy is to provide a framework for making decisions about and applying sound practise to the use of shared services or collective procurement.

### Scope

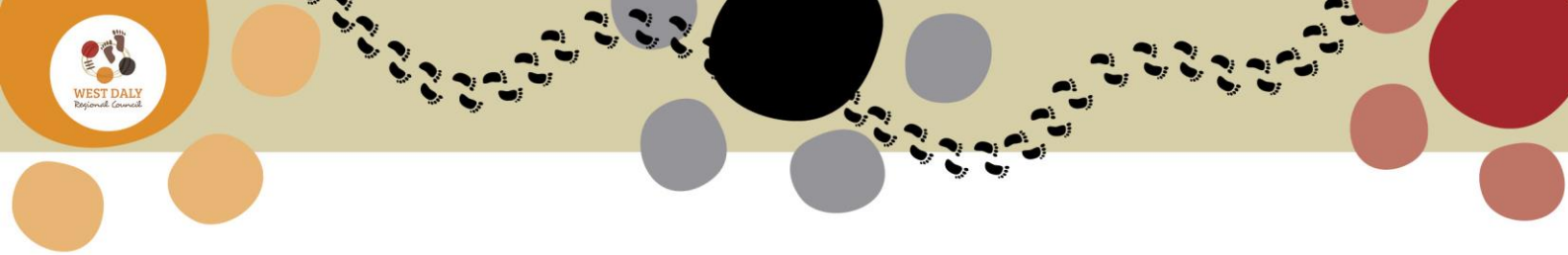
This policy applies to all Council staff who are involved in Council’s procurement activities and processes, including staff with delegated authorities relating to agreements, and responsibilities for records/information management.

This policy should be applied in conjunction with Council’s *Procurement Policy*.

### Policy Statement

#### 1. Principles

- 1.1. Council will apply good practice considerations for shared services and collective procurement to ensure effective stewardship, mitigate risks, support our communities, and enable Council response to community needs whilst pursuing strategic directions.
- 1.2. Decisions regarding shared services and procurement activity will take into account:
  - a) The individual business and practical requirements of participating councils.
  - b) Relevant legislative provisions relating to shared services and to procurement.
- 1.3. Council’s procurement activities are guided by the legislative principles set out in Local Government Regulations and according to currently accepted good practice procurement. These include:
  - Principle 1: The enhancement of the capabilities of local enterprises and industries
  - Principle 2: The promotion of diversity
  - Principle 3: The employment of Aboriginal people
  - Principle 4: The employment of people with a disability
  - Principle 5: Ethical behaviour and fair dealings
  - Principle 6: Environmental protection and sustainability
  - Principle 7: Open and effective competition



Principle 8: Value for money

Principle 9: Best practice procurement practices, ensuring compliance with the regulatory and legislative requirements.

## **2. Purpose of Shared Services and Collective Procurement Agreements**

2.1. Council may consider utilising a shared services agreement for the following purposes:

- a) A position in another council can undertake a West Daly Regional Council (WDRC) role through a shared resourcing agreement.
- b) A WDRC service that cannot be supplied from within Council is able to be delivered by another council;
- c) A WDRC service can be supplied or delivered in another council's area, by agreement with that council; or
- d) Undertaking procurement of an asset (such as motor vehicles), which can be collectively procured under a single procurement tender process; or
- e) The use of an asset can be shared between councils; or
- f) It is efficient for WDRC to enter into an agreement with other councils to undertake a project, in accordance with legislative requirements, where one council is approved by every other participating council to take the lead on the project and make decisions on behalf of all the participating councils.

## **3. Assessment of Opportunities for Using Shared Services or Collective Procurement**

3.1. A decision to enter into a shared services or collective procurement agreement will take into account the strategic directions of Council, its future needs and the future needs of its constituency.

3.2. Council will apply due diligence to consideration of a shared services agreement or collective procurement on a case-by-case basis. Due diligence will include:

- a) the timeframe for the agreement, and whether the activity is ongoing or one-off;
- b) cost benefit analysis;
- c) service level standards and key performance indicators to be met;
- d) management of information in accordance with policies and applicable legislation;
- e) change management requirements and impacts; and
- f) any other economic, social and cultural consideration.

3.3. Associated risks and risk mitigation/management strategies will be documented and subject to delegations associated with Council's risk management framework. Risk considerations will include the capacity of involved councils to deliver expected outcomes at the time of the agreement and into the future.

3.4. Consideration of opportunities that would result from shared services or collective procurement will form part of the due diligence (e.g. shared risk; economies of scale; opportunities for leadership and collaboration; long-term sustainability; staff employment and/or development; strengthening relationships).



**4. Documenting Shared Services and Collective Procurement**

4.1. Shared services and collective procurement agreements will be documented in compliance with *Local Government (General) Regulations 2021 (NT)*.

**5. Inclusion of Shared Services and Collective Procurement in Annual Report**

5.1. In compliance with the requirements of the current *Local Government Act*, a list of all shared services and collective procurement agreements that operated during the financial year, are to be listed in Council’s annual report.

5.2. Where performance indicator measurements and expectations for shared services have been included in Council’s annual plan, actual performance must be reported in the subsequent annual report for the financial year(s).

**6. Responsibilities**

6.1. The Chief Financial Officer is responsible for monitoring shared services and collective procurement agreements and activity to determine that they meet legislative compliances and the provision of Council’s Procurement Policy.

6.2. The Chief Financial Officer is responsible for ensuring obligations relating to annual reporting on shared services and collective procurement are met.

**References**

*Local Government Act 2021 (NT) s.216*

*Local Government (General) Regulations 2021 (NT) r.33*

**Definitions**

In the context of this policy the following definitions apply:

**Collective procurement** is an agreement between two or more councils to enter into a procurement agreement where a lead council is nominated, as prescribed under the *Local Government (General) Regulations*.

**Shared Services** refers to sharing the delivery of Council services with another council, or the Council jointly procuring from a third party, the delivery of a service with another council.

**Related Documents**

Procurement Policy

Risk Management Policy and Framework

For more information, contact the Policy Custodian.

<b>Signature of Endorsement:</b>	
<b>Name:</b>	Matthew Eastham ASM
<b>Position:</b>	Chief Executive Officer