



LATROBE CITY COUNCIL

MINUTES FOR THE SPECIAL COUNCIL MEETING

HELD IN NAMBUR WARIGA MEETING ROOM
CORPORATE HEADQUARTERS, MORWELL
AT 5:30PM ON
28 JANUARY 2014

SM428

PRESENT:

Councillors:	Cr Sharon Gibson, Mayor	West Ward	
	Cr Dale Harriman, Deputy Mayor	East Ward	
	Cr Peter Gibbons	West Ward	
	Cr Sandy Kam, Mayor	East Ward	
	Cr Graeme Middlemiss	Central Ward	
	Cr Kellie O'Callaghan	East Ward	
	Cr Michael Rossiter	East Ward	
	Cr Christine Sindt	Central Ward	
	Cr Darrell White	South Ward	
	Officers:	John Mitchell	Acting Chief Executive Officer
		David Elder	Acting General Manager Community Liveability
Carol Jeffs		General Manager Planning and Governance	
Chris Wightman		Acting Manager Planning and Governance	
Allison Jones		General Manager Economic Sustainability	
Jamey Mullen		Acting General Manager Organisational Excellence	
Grantley Switzer		General Manager Recreation, Culture & Community Infrastructure	
Jodie Pitkin	Acting Manager Council Operations & Legal Counsel		

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1. OPENING PRAYER

Our Father in Heaven, hallowed be your Name, your kingdom come, your will be done on earth as in Heaven. Give us today our daily bread. Forgive us our sins as we forgive those who sin against us. Save us from the time of trial and deliver us from evil. For the kingdom, the power, and the glory are yours now and forever.

2. ACKNOWLEDGEMENT OF THE TRADITIONAL OWNERS OF THE LAND

We respectfully acknowledge that we are meeting here today on the traditional land of the Braiakaulung people of the Gunnai/Kurnai Clan and pay our respect to their past and present elders

3. APOLOGIES AND LEAVE OF ABSENCE

Cr Sindt - Apology

Cr O'Callaghan – Apology

4. DECLARATION OF CONFLICT OF INTEREST

NOTICES OF MOTION

5. NOTICES OF MOTION

**5.1 2014/04 – NOTICE OF MOTION – LATROBE CITY COUNCIL
PROCUREMENT DELEGATIONS**

Cr Sharon Gibson

Attachments

1. Red Tape Commissioner

That Latrobe City Council Procurement Policy 13 POL-06 and delegations be amended as follows:

- **Goods and Services [procured of \$150,000 and above and construction works procured of \$200,000 and above must be subject to public tender process**
- **Chief Executive Officer authorised to approve purchases of goods and services up to \$150,000 and construction works up to \$200,000**
- **Chief Executive Officer authorised to approve total variations for a contract up to an amount of \$200,000 and that any such variations be reported to Council**
- **Chief Executive Officer is not to further delegate or sub-delegate any approvals or purchases between the values of \$25,000 and \$150,000 for goods and services, \$200,000 for construction.**

Moved: Cr Gibson

Seconded: Cr Harriman

That the Motion be adopted.

CARRIED UNANIMOUSLY

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Red Tape Commissioner

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17 December 2013

Councillor Sharon Gibson
Mayor
LaTrobe City Council
PO Box 264
MORWELL Vic 3840

Dear Councillor

In my role as Red Tape Commissioner I consult with the business community about red tape and submit proposals to the Victorian Government to remove excessive red tape. I am also charged with highlighting excessive red tape that is administered by the Commonwealth and local governments. Excessive red tape stifles investment, innovation and jobs growth.

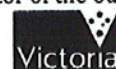
The civil contracting industry has drawn to my attention a recent policy decision of the LaTrobe City Council that entails excessive red tape.

I refer to your Council's Procurement Policy adopted by Council on 6 November 2013. Clause 4.6.6 of the Procurement Policy states:

"When total variations reach \$15,000, they must be approved by a meeting of council or an appropriately delegated section 86 Committee. Below \$15,000, approval must be given by the Chief Executive Officer."

The policy represents a significant departure from normal practice and introduces a questionable layer of regulation. The accepted practice of most councils is for an officer, such as a project superintendent, to approve minor contract variations. The officer will have a sound knowledge of the project and the capabilities of the contractor. Both will appreciate the importance of avoiding unnecessary delays to the program of work.

The policy adopted by your Council will inevitably cause delays. The preparation of documentation for the consideration of the Council or its committee will be required. Council or the committee will then meet, deliberate and decide upon the proposal. The project officer will then inform the contractor of the outcome.



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Small variations to civil works contracts are common. This is especially so when old pavements and systems are involved. Most contracts for road, kerbing, channelling, footpath and drainage maintenance/upgrades cost over \$100,000. The average price of such contracts is between \$350,000 - \$500,000. The policy in casting the approval value at \$15,000 establishes a very low threshold for Council involvement in variations to contracts of this size.

I am advised that a recent \$17,000 variation to a contract at with your Council took over a month to be approved. The cost of the delay to the contractor was about \$50,000. This cost will eventually be met by the Council. In the event that such impacts become a feature of dealing with your Council, the result will be higher prices for your projects compared to other Councils and industry benchmarks. It is possible reputable contractors may choose to withdraw from working for your Council.

It seems there are few winners from this policy. The delays and costs for contractors are increased, Council officers have diminished work responsibilities and the Council and its ratepayers will incur a premium on maintenance/upgrade projects. The only winners would appear to be those who embrace additional regulation of the activities of small and medium sized businesses.

I urge your Council to reconsider the policy position conveyed by Clause 4.6.6 and markedly increase the threshold for Council consideration of contract variations. In doing so I suggest you consult the Civil Contractors Federation who have Australia wide expertise in the efficient management of civil works projects.

Yours sincerely,


John Lloyd
Commissioner



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There being no further business the meeting was declared closed at 5:50 PM.

I certify that these minutes have been confirmed.

Mayor: _____

Date: _____