

MINUTES OF SPECIAL COUNCIL MEETING

Held on

WEDNESDAY 16 NOVEMBER 2022 at 6.00PM

Held at Council Chamber, 83 Mandurah Terrace Mandurah

PRESENT:

| | | |
|------------|-------------------------|--------------|
| MAYOR | R WILLIAMS | |
| COUNCILLOR | B POND | COASTAL WARD |
| COUNCILLOR | J GREEN | COASTAL WARD |
| COUNCILLOR | D PEMBER | EAST WARD |
| COUNCILLOR | D WILKINS | EAST WARD |
| COUNCILLOR | A KEARNS | EAST WARD |
| COUNCILLOR | C KNIGHT [Deputy Mayor] | NORTH WARD |
| COUNCILLOR | P JACKSON | NORTH WARD |
| COUNCILLOR | A ZILANI | NORTH WARD |
| COUNCILLOR | R BURNS | TOWN WARD |
| COUNCILLOR | P ROGERS | TOWN WARD |

| | | |
|-----|------------------|--|
| MR | M NEWMAN | CHIEF EXECUTIVE OFFICER |
| MS | C MIHOVILOVICH | DIRECTOR BUSINESS SERVICES |
| MS | J THOMAS | DIRECTOR PLACE AND COMMUNITY |
| MR | J CAMPBELL-SLOAN | DIRECTOR STRATEGY AND ECONOMIC DEVELOPMENT |
| MR | M HALL | DIRECTOR BUILT AND NATURAL ENVIRONMENT |
| MRS | T JONES | EXECUTIVE MANAGER GOVERNANCE SERVICES |
| MRS | A DENBOER | ACTING MINUTE OFFICER |

1 OPENING OF MEETING

The Mayor declared the meeting open at 6.00pm.

2 ACKNOWLEDGEMENT OF COUNTRY

Mayor Williams acknowledged that the meeting was being held on the traditional land of the Bindjareb people, and paid his respect to their Elders past and present.

3 APOLOGIES

Apologies

Councillor C Di Prinzio

Councillor D Schumacher

4 DISCLAIMER

The Mayor advised that the purpose of this Special Council Meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the *Local Government Act 1995* (Section 5.25(e)) and the *City of Mandurah Standing Orders 2016* (Section 13.1(1)) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person.

The City of Mandurah expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

5 PUBLIC QUESTION TIME

Nil.

6 DEPUTATIONS

Nil.

7 DECLARATION OF INTERESTS

Nil.

8 QUESTIONS FROM ELECTED MEMBERS

Questions of which due notice has been given

Nil.

Questions of which notice has not been given

Nil.

9 REPORTS

SP.1/11/22 RFQ 22 – 2022 MARC ROOF REPLACEMENT DESIGN AND CONSTRUCT

Summary

The City of Mandurah (City) recently invited Request for Quotes for the Mandurah Aquatic and Recreation Centre (MARC) Roof Replacement Design and Construct (RFQ 22–2022). As a result of the evaluation of the submissions, Council is now requested to accept, or decline to accept the quote.

Officer Recommendation

That Council:

1. Accepts PCB Contractors Pty Ltd as the preferred respondent for Request for Quote 22-2022 for the Mandurah Aquatic and Recreation Centre Roof Replacement – Separable Portion One Pool Hall One for the lump sum of \$5,822,700 (excluding GST) and the Schedule of Rates (excluding GST) offered as the most advantageous.
2. Accepts PCB Contractors Pty Ltd as the preferred respondent for Request for Quote 22-2022 for the Mandurah Aquatic and Recreation Centre Roof Replacement – Separable Portion Two Acoustic Panelling for the lump sum of \$292,400 (excluding GST) offered as the most advantageous.
3. Approves the CEO to commence minor variations before contract entry and execute the contract.
4. *Approves unbudgeted expenditure of \$5,172,633 for the Roof Replacement Separable Portion One Pool Hall One, consisting of:
 - a. \$802,270 for overall project contingency;
 - b. \$880,000 based on the Schedule of Rates and estimate of quantity, noting that the actual quantity may be more or less, dependant on the final design; and
 - c. \$3,490,363 being the additional expenditure required.To be funded from the insurance settlement amount and the balance to be transferred from the Asset Management Reserve.
5. *Approves unbudgeted expenditure of \$107,400 for the Separable Portion Two Acoustic Panelling to be funded from the Asset Management Reserve.
6. Notes that Local Government Insurance Scheme (LGIS) have informed that indemnity has been granted pursuant to the LGIS Property Protection Policy and that the CEO will continue to engage with the insurer to progress the claim.

Council Resolution

MOTION

Moved: Mayor R Williams
Seconded: Councillor C Knight

That Council:

1. **Accepts PCB Contractors Pty Ltd as the preferred respondent for Request for Quote 22-2022 for the Mandurah Aquatic and Recreation Centre Roof Replacement – Separable Portion One Pool Hall One for the lump sum of \$5,822,700 (excluding GST) and the Schedule of Rates (excluding GST) offered as the most advantageous.**
2. **Accepts PCB Contractors Pty Ltd as the preferred respondent for Request for Quote 22-2022 for the Mandurah Aquatic and Recreation Centre Roof Replacement – Separable Portion Two Acoustic Panelling for the lump sum of \$292,400 (excluding GST) offered as the most advantageous.**
3. **Approves the CEO to commence minor variations before contract entry and execute the contract.**
4. ***Approves unbudgeted expenditure of \$5,172,633 for the Roof Replacement Separable Portion One Pool Hall One, consisting of:**
 - a. **\$802,270 for overall project contingency;**
 - b. **\$880,000 based on the Schedule of Rates and estimate of quantity, noting that the actual quantity may be more or less, dependant on the final design; and**
 - c. **\$3,490,363 being the additional expenditure required.****To be funded from the insurance settlement amount and the balance to be transferred from the Asset Management Reserve.**
5. ***Approves unbudgeted expenditure of \$107,400 for the Separable Portion Two Acoustic Panelling to be funded from the Asset Management Reserve.**
6. **Notes that Local Government Insurance Scheme (LGIS) have informed that indemnity has been granted pursuant to the LGIS Property Protection Policy and that the CEO will continue to engage with the insurer to progress the claim.**

CARRIED WITH ABSOLUTE MAJORITY: 10/0

Councillor P Rogers joined the meeting at 6.11pm

**SP.2/11/22 APPOINTMENT OF HR CONSULTANT AND INDEPENDENT SELECTION
PANEL MEMBER**

Summary

Council is requested to approve:

1. The appointment of the Human Resources Consultant to facilitate the recruitment process for the position of the Chief Executive Officer.

2. The appointment of the Independent Person to the Selection Panel for the Chief Executive Officer position.

Officer Recommendation

That Council:

1. Approve the appointment of _____ as the Human Resources Consultant to facilitate the recruitment process for the position of the Chief Executive Officer.
2. Approve the appointment of _____ as the Independent Person to the Selection Panel for the Chief Executive Officer position.

Council Resolution

MOTION

Moved: Councillor C Knight

Seconded: Councillor B Pond

That Council:

1. **Approve the appointment of Lester Blades Pty Ltd as the Human Resources Consultant to facilitate the recruitment process for the position of the Chief Executive Officer.**
2. **Approve the appointment of Nick Sloan as the Independent Person to the Selection Panel for the Chief Executive Officer position.**

CARRIED: 11/0

10 CONFIDENTIAL BUSINESS

Nil.

11 CLOSE OF MEETING

There being no further business the Mayor declared the meeting closed at 6.14pm.

CONFIRMED (MAYOR)

Attachments to Minutes: Special Council Meeting 16 November 2022 Agenda

NOTICE OF MEETING

**SPECIAL MEETING OF COUNCIL
CONSIDERING**

- 1. RFQ22-2022 – MARC Roof Replacement Design and Construct**
- 2. Appointment of HR Consultant Independent Person and Selection Panel**

Members of Council are advised that a meeting will be held in the Council Chambers 83 Mandurah Terrace, Mandurah on:

Wednesday 16 November 2022 at 6.00pm

MARK R NEWMAN
Chief Executive Officer
14/11/2022

AGENDA

1 OPENING OF MEETING AND ANNOUNCEMENT OF VISITORS

2 ACKNOWLEDGEMENT OF COUNTRY

3 APOLOGIES

4 IMPORTANT NOTE

Members of the public are advised that any decisions made at the meeting tonight, can be revoked, pursuant to the *Local Government Act 1995*. Therefore, members of the public should not rely on any decisions until formal notification in writing by Council has been received.

5 PUBLIC QUESTION TIME

Public Question time provides an opportunity for members of the public to ask a question of Council. For more information regarding Public Question Time please visit the City's website www.mandurah.wa.gov.au or telephone 9550 3787.

6 DEPUTATIONS

Any person or group wishing to make a Deputation to Council regarding a matter listed on this agenda for consideration must complete an application form. For more information regarding making a deputation please visit the City's website www.mandurah.wa.gov.au or telephone 9550 3787.

7 DECLARATIONS OF FINANCIAL, PROXIMITY AND IMPARTIALITY INTERESTS

8 QUESTIONS FROM ELECTED MEMBERS (WITHOUT DISCUSSION)

8.1 Questions of which due notice has been given

8.2 Questions of which notice has not been given

9 REPORTS:

| No. | Item | Page No | Note |
|------------|---|--------------------|--|
| 1 | RFQ22-2022 – MARC Roof Replacement Design and Construct | 4-9 | Absolute Majority Required Confidential Attachment |
| 2 | Appointment of HR Consultant Independent Person and Selection Panel | 10-14 | Confidential Attachments |

10 CONFIDENTIAL ITEMS**11 CLOSE OF MEETING**

| | | |
|----------|----------------------|---|
| 1 | SUBJECT: | RFQ 22 – 2022 MARC Roof Replacement Design and Construct |
| | DIRECTOR: | Business Services |
| | MEETING: | Special Council |
| | MEETING DATE: | 16 November 2022 |

Summary

The City of Mandurah (City) recently invited Request for Quotes for the Mandurah Aquatic and Recreation Centre (MARC) Roof Replacement Design and Construct (RFQ 22–2022). As a result of the evaluation of the submissions, Council is now requested to accept, or decline to accept the quote.

Disclosure of Interest

Nil.

Previous Relevant Documentation

- SP.10/12/21 21 December 2021 Financial Statements 2020/21
- G.23/11/21 23 November 2021 Mandurah Aquatic Recreation Centre Roof Repairs

Background

In May 2021, City officers became aware of damage to the roof structure above the 25m program pool at the MARC. A structural engineer completed an investigation of the roof damage, and the findings were that the damage was due to a break in a section of the roof structure.

At the Council meeting of 23 November 2021, Council authorised City officers to progress to design and construction of the removal and replacement of the MARC Pool Hall 1 roof structure and associated works and approved the unbudgeted expenditure to be funded from the 2020/2021 closing surplus and the balance from the Asset Management Reserve.

The City advertised the Tender 10-2022 MARC Roof Replacement Design and Construct on 14 May 2022 and closed on 8 June 2022 with no tenders received. Following the closure of the tender, the City subsequently proceeded under regulation 11(2)(c)(i) of the *Local Government (Functions and General) Regulations 1996* on the basis that the City had within the last 6 months publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications or satisfied the value for money assessment and issued RFQ 22-2022.

Comment

Utilising regulation 11(2)(c)(i) of the *Local Government (Functions and General) Regulations 1996*, the City invited three companies to quote on RFQ 22-2022 on 12 July 2022.

The RFQ closed at 2:00pm on 5 September 2022. Responses were received from the following organisations and the third company declined to quote due being awarded a substantial contract during the quotation period.

| | Business Name | Suburb |
|----|-----------------------------|----------------|
| 1. | PCB Contractors Pty Ltd | Mount Pleasant |
| 2. | Geared Construction Pty Ltd | Gnangara |

The weighted qualitative criteria which is contained in the **Confidential Attachment** was provided to all respondents in the request package issued and was used by the Evaluation Panel to evaluate and rank each submission.

To ensure that pricing did not influence the assessment of the qualitative criteria, pricing was not provided to the evaluation panel until the evaluation against the qualitative criteria was completed.

The Price submitted were entered into the Evaluation Matrix as shown in the **Confidential Attachment** where a final analysis considering competitiveness and combined qualitative and price ranking. As the offered price significantly exceeded the City's budget, the City engaged an independent Quantity Surveyor to undertake a review on the reasonableness of the price schedule. Furthermore, the City engaged with the recommended respondent during the pricing analysis stage, requiring the respondent to substantiate a significant proportion of their prices.

Recommended Respondent

PCB Contractors Pty Ltd is recommended by the Evaluation Panel as the successful Respondent (refer Attachment 1.1 *Confidential Evaluation Report*).

Overall PCB Contractors provided a response that complies. The response demonstrates adequate capability, capacity and experience relevant to the request and overall is considered low risk.

Statutory Environment

Part 4 of the *Local Government (Functions & General) Regulations 1996*.
Regulation 11(2)(c)(i) of the *Local Government (Functions and General)*

Policy Implications

Policy POL-CPM 02 – *Procurement*.

Policy POL-CPM 01 – *Regional Price Preference*.

Policy POL-CPM 06 – *Authority to Execute Documents*.

Council is required to consider this RFQ due to the value being over \$3million.

Financial Implications

Project Budget

Separable Portion One – Pool Hall: At the Council Meeting on 23 November 2021, Council approved the MARC roof replacement budget of \$2.5 million (to be funded using \$2 million from the 2020/2021 closing surplus with the remaining \$0.5 million being transferred from the Asset Management Reserve). In May 2022, the City received confirmation that it was successful in receiving \$1,755,048 through the Local Roads and Community Infrastructure Program Phase 3. As a result of the funding, at the Council meeting on 24 May 2022, Council approved the project to be funded by the grant received of \$1,755,048 and the remaining amount of \$744,952 to be funded from the 2020/2021 closing surplus.

Separable Portion Two – Acoustic Panelling: The 2022/2023 Budget for the acoustic Panelling is \$218,435. There has been \$18,735 spent to date, with a remaining budget of \$200,000.

Project Estimates

The budget for the MARC roof replacement project was based on an estimate of \$2.6 million provided by an independent Quantity Surveyor in November 2021. However, upon evaluation of the recommended respondent's price, the City engaged a further independent assessment of the overall project cost in October 2022. The independent Quantity Surveyor estimated the project for replacement of the roof to

cost \$5,712,000 (exclusive GST). The independent Quantity Surveyor estimates that the project for repair of the roof to cost \$5,460,000 (exclusive of GST).

The City noted that at the time of seeking the initial price evaluation, the complexities and the risks of the project were not fully realised. In addition, the market conditions in the non-residential construction market were subject to considerable change during this period. Between November 2021 (the first estimate) and October 2022 (the second estimate) the non-residential construction market in Western Australia rose by 9.9%¹.

Contract Price

The estimated total Contract Price is \$6,995,100. The Contract Price consists of Lump Sum and Schedule of rates as set out below:

- Separable Portion One – Pool Hall: Lump Sum \$5,822,700 (excluding GST)
- Separable Portion One – Schedule of Rates: \$880,000 (excluding GST) based on 80 Tonnes (T) based on the estimate of quantity, noting that the actual quantity may be more or less, dependant on the final design
- Separable Portion Two – Acoustic Panelling: \$292,400 (excluding GST)

Separable Portion One – Pool Hall: There is a further overall budget contingency of \$802,700, consisting of 10% contingency on the Lump Sum price and 20% increase in the quantity of steel, which will be finalised at the design stage through an open book approach with the proposed contractor.

Separable Portion Two – Acoustic Panelling: There is a further overall budget of \$33,435 required for design and installation of temporary Panelling.

Insurance Claim

The Local Government Insurance Scheme (LGIS) has informed the City that indemnity has been granted pursuant to the LGIS Property Protection Policy, however the claim value has not been substantiated at this time. The CEO will continue to engage with the insurer to progress the claim.

Budget Shortfall

The following is a summary of the recommended budget for Council approval:

Separable Portion One – Pool Hall

Lump Sum Price - \$5,822,700
Schedule of Rates Estimate - \$880,000
Project Contingency for the Project: \$802,270
Expenditure Incurred at 31 October 2022 - 30,684
Total Budget Required - \$7,535,654
Total Approved Budget for 2022/2023 - \$2,363,021
Additional Amount Required in 2022/2023 Budget - \$5,172,633

Separable Portion Two – Acoustic Panelling

Lump Sum Price - \$292,400
Expenditure Incurred at 31 October 2022 - \$18,435
Estimated Expenditure for temporary panelling - \$15,000
Total Budget Required - \$325,835
Total Approved Budget for 2022/2023 - \$218,435

¹ [Australian Bureau of Statistics](#) Non-residential Construction prices in Western Australia

Additional Amount Required in 2022/2023 Budget - \$107,400

Risk Analysis

Should Council **decline to accept the offer**, the following risks should be considered:

- Pool Hall 1 has now been closed for 18 months impacting on the communities use of the facility. A decision not to accept the offer at this time, may result in a six to ten month delay (dependant on the procurement approach) before work can commence on the facility.
- The closure of the Pool Hall 1 continues to impact on revenue.
- There is an expectation from facility users (aquatics industry and swim clubs etc) and the community that the works will commence by late 2022 and further delays to the project will represent a reputational risk to the City.
- The ability to utilise regulation 11(2)(c)(i) of the *Local Government (Functions and General) Regulations* 1996 (to approach the market directly) will lapse in December 2022. Should Council decline to accept the offer, the City will be required to approach the market via a new design and construct tender process. This process will take up to six months before a contract is awarded. Further, if Council determine that a new procurement approach is required (a separate design tender, followed by a construction tender) this process in its entirety will take up to ten months (as two tenders are required) before a construction tender is awarded.
- There is also a risk of the City's ability to attract a tenderer, given that the City has delivered two procurement processes for this project in the last 12 months, one of which attracted no tenderers and the second process attracting two offers from the three businesses invited.
- It is unlikely that a delay in the project timeframes or a change to the procurement approach (separate design and construct tender) will result in immediate cost savings for the City. According to the [Australian Bureau of Statistics](#) Non-residential Construction prices in Western Australia rose by 9.9% in the last 12 months and increased by 0.2% for the September Quarter. The ABS report it states that *'Material price rises are being driven by elevated steel, reinforcement and concrete prices and continuing higher freight costs. Increased activity in the non-residential market, and ongoing competition for skilled trades from across the construction and mining industries has placed additional pressure on labour cost'*.
- The City obtained a comment from the independent QS in regard to expected market conditions in the next 12 months. The QS advised that *costs are not expected to go down but will stabilise so that escalation returns to normal levels. This is supported by the construction indices published by the Australian Institute of Quantity Surveyors, they are predicting annual escalation to be 5.6% for 2023, 4.4% for 2024 and 3.6% for 2025. That is costs will still increase but back to a normal level that reflects increases in wages and material price rises that are not volatile as they have been.*

Should Council **accept the offer**, the risks are set out below:

- The Separable Portion One: Roof Replacement Contract Price of \$6,702,700 significantly exceeds the current budget of \$2.5 million. The proposed budget for the roof replacement is \$7,535,654 (includes contingency of \$802,270). The Asset Management Reserve estimated balance at 30 June 2023 is \$12,582,106. It is recommended that Council approve that the two separable portions for the Mandurah Aquatic and Recreation Centre Roof Replacement RFQ to be funded from the proceeds of the insurance settlement and the remaining balance to be transferred from the Asset Management Reserve (the budget variation amount for the roof replacement and the acoustic panel is \$5,280,033).
- The City has been informed by LGIS that the claim for indemnity has been granted however the final claim value has not been substantiated at this time, representing a financial risk. It is proposed that the settlement amount be transferred into the asset management reserve once received by the City.
- The City has entered into extensive pricing clarifications with the preferred respondent which required the respondent to substantiate a number of line items in the lump sum pricing schedule.

This has resulted in a 13% reduction to the lump sum component for Separable Portion One. This demonstrates the respondent's willingness to work with the City to identify cost savings to the project overall.

- The City has further reduced the potential risk of overpaying for the structural steel component which was based in the contract as a lump sum, rather than the amount quantified upon completion of the design stage. This will result in a minor variation to the pricing mechanism from lump sum to Schedule of Rates for the steel component.
 - Following the closing of the previous Tender, the City contemplated separating the procurement into two stages, a separate design tender, followed by a separate construct tender. Following an assessment of the risks, the City made the decision to proceed back out to the market with a design and construct contract. The design and construct approach provides a number of benefits including:
 - a reduction to the procurement timeframes, as only one quotation process is required;
 - the engagement of one head contractor to manage the project from end to end results in improved synergies between the design and construction phases; and
 - reduces the risk of delay between design and construction phases resulting in the project timing being significantly reduced compared to a separate design and construct program.
- However, the risk for cost escalation in a design and construct project will remain throughout the life of the contract and will require close management with the contractor. The contract will attempt to reduce this risk through the following mechanisms:
- hold points included following the design stage;
 - contractor to claim and substantiate actual quantities for steel on an open book basis in accordance with the Schedule of Rates;
 - provisional sum provided for a component of the works which requires further investigation; and
 - contingency in the overall proposed budget.
- City officers consider that the recommended respondent is well established with proven capacity to complete the design and construction program for the City and represents a low level of risk to the City. Reference checks were positive, and the business is considered as low financial risk.

Strategic Implications

The following strategies from the City of Mandurah Strategic Community Plan 2020 – 2040 are relevant to this report:

Organisational Excellence:

- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices.
- Ensure that our actions maintain a sustainable balance between economic growth, the environment and social values.

Conclusion

The City recently invited quotes for RFQ22 -2022. Council is now requested to accept, or decline to accept the quote.

NOTE:

- Refer ***Confidential Attachment*** ***Evaluation Report***

RECOMMENDATION

That Council:

- 1. Accepts PCB Contractors Pty Ltd as the preferred respondent for Request for Quote 22-2022 for the Mandurah Aquatic and Recreation Centre Roof Replacement – Separable Portion One Pool Hall One for the lump sum of \$5,822,700 (excluding GST) and the Schedule of Rates (excluding GST) offered as the most advantageous.**
- 2. Accepts PCB Contractors Pty Ltd as the preferred respondent for Request for Quote 22-2022 for the Mandurah Aquatic and Recreation Centre Roof Replacement – Separable Portion Two Acoustic Panelling for the lump sum of \$292,400 (excluding GST) offered as the most advantageous.**
- 3. Approves the CEO to commence minor variations before contract entry and execute the contract.**
- 4. *Approves unbudgeted expenditure of \$5,172,633 for the Roof Replacement Separable Portion One Pool Hall One, consisting of:**
 - a. \$802,270 for overall project contingency;**
 - b. \$880,000 based on the Schedule of Rates and estimate of quantity, noting that the actual quantity may be more or less, dependant on the final design; and**
 - c. \$3,490,363 being the additional expenditure required.****To be funded from the insurance settlement amount and the balance to be transferred from the Asset Management Reserve.**
- 5. *Approves unbudgeted expenditure of \$107,400 for the Separable Portion Two Acoustic Panelling to be funded from the Asset Management Reserve.**
- 6. Notes that Local Government Insurance Scheme (LGIS) have informed that indemnity has been granted pursuant to the LGIS Property Protection Policy and that the CEO will continue to engage with the insurer to progress the claim.**

****ABSOLUTE MAJORITY REQUIRED***

| | | |
|----------|----------------------|--|
| 2 | SUBJECT: | Appointments of HR Consultant and Independent Selection Panel Member |
| | DIRECTOR: | Chief Executive Officer |
| | MEETING: | Special Council |
| | MEETING DATE: | 16 November 2022 |

Summary

Council is requested to approve:

1. The appointment of the Human Resources Consultant to facilitate the recruitment process for the position of the Chief Executive Officer.
2. The appointment of the Independent Person to the Selection Panel for the Chief Executive Officer position.

Disclosure of Interest

Nil

Previous Relevant Documentation

- G.9/10/22 25 October 2022 Council approved: the Terms of Reference of the Selection Panel for the position of Chief Executive Officer; Chief Executive Officer to obtain quotes from Human Resources Consultants; and the Mayor to request from the shortlisted independent people availability, resume and statement.

Background

The proposed Chief Executive Officer recruitment process will include:

October 2022 Ordinary Council Meeting: It is resolved that Council:

1. Acknowledge the resignation of Mark Newman, Chief Executive Officer effective 21 October 2023.
2. Authorise the Chief Executive Officer to request quotes from a Human Resources Consultant to facilitate the recruitment process.
3. Approve the Terms of Reference for the Selection Panel for the Chief Executive Officer.
4. Authorise the Mayor to request availability, resume and a statement outlining their experience and knowledge of executive recruitment of the shortlisted independent people.

November 2022 Special Council Meeting: It is recommended that Council:

1. Appoint HR Consultant to facilitate the recruitment process for the position of the Chief Executive Officer in accordance with the agreed scope.
2. Appoint the independent person to the Selection Panel for the Chief Executive Officer.

November 2022 Ordinary Council Meeting: It is recommended that Council:

1. Appoint Elected Members to the Selection Panel for the position of the Chief Executive Officer.

January 2023 Ordinary Council Meeting: It is recommended that Council:

1. Approve the Job Description* which includes the Selection Criteria for the Chief Executive Officer position.
2. Approve the Chief Executive Officer Total Reward Package to be advertised.
3. Approve the Advertisement of the Chief Executive Officer, including State-wide public notice.

* Absolute Majority Required

March 2023 Ordinary Council Meeting: It is recommended that Council:

1. Approve the Selection Panel's Shortlist of Applicants to interview.

April 2023 Ordinary Council Meeting: It is recommended that Council:

1. Approve the Selection Panel's Applicants to proceed to second interview.

May 2023 Ordinary Council Meeting: It is recommended that Council:

1. Accept the Selection Panel of the Chief Executive Officer Recommendation Report.
 2. Approve/Not Approve* the Selection Panel's recommendation and the making of the offer to Preferred Applicant to be employed in the position of Chief Executive Officer.
 3. Approve* the terms of the Chief Executive Officer contract of employment.
 4. Authorise the Mayor to execute the Chief Executive Officer employment contract in accordance the terms of the Chief Executive Officer contract of employment, with minor amendments required that do not alter the key terms agreed to by Council.
 5. Notes that subject to Preferred Applicant accepting the terms of the Chief Executive Officer employment contract, the applicant is appointed to the position of Chief Executive Officer.
- * Absolute Majority Required

June 2023: At the earliest Ordinary Council Meeting after the Chief Executive Officer contract has been executed, it is recommended that Council certifies that the Chief Executive Officer recruitment process has been completed on the execution of the Chief Executive Officer employment contract and was conducted in accordance with the City of Mandurah's adopted standards for the Chief Executive Officer recruitment.

Note, the above dates are indicative only and subject to change.

Comment

The Terms of Reference for the Selection Panel for the Chief Executive Officer position is detailed in Attachment 2.1. This was approved by Council at the October 2022 Ordinary Council Meeting.

Council is requested to consider the HR Consultants that responded to the request for quote for the Engagement of Human Resources Consultant for the Recruitment of the Chief Executive Officer Position. The Summary Report is detailed in Confidential Attachment 2.2.

The Mayor has received a response from the Shortlisted Independent Person. A statement and resume are included in Confidential Attachment 2.3.

Consultation

Not applicable

Statutory Environment

Section 5.39A and 5.39B of the Local Government Act 1995
Part 4 of *Local Government (Administration) Regulations 1996*

Policy Implications

City of Mandurah Standards for CEO Recruitment, Performance and Termination¹

Financial Implications

¹City of Mandurah Standards for CEO Recruitment, Performance and Termination <https://www.mandurah.wa.gov.au/-/media/files/com/downloads/council/governance/code-of-conduct/standards-for-ceo-recruitment-performance-and-termination.pdf>

The engagement of the recruitment consultant will cost \$37,500 (exclusive GST) and a further \$7,000 has been budgeted for the City to undertake advertising of the position as required under the *Local Government Act 1995*.

Risk Analysis

It is important that the recruitment process is in accordance with legislation and the City of Mandurah Standards for CEO Recruitment, Performance and Termination.

Council deciding on the job description and selection criteria will ensure that the preferred candidate will deliver Mandurah's vision.

Strategic Implications

The Chief Executive Officer will be required to deliver all strategies included in the City of Mandurah Strategic Community Plan 2020 – 2040.

Conclusion

It is recommended that Council approve the appointments of the Human Resources Consultant and the Independent Person to the Selection Panel for the Chief Executive Officer recruitment.

NOTE:

Refer

Attachment 2.1

Confidential Attachment 2.2

Confidential Attachment 2.3

Terms of Reference Selection Panel for the Chief Executive Officer Position

Chief Executive Officer Summary Report for Human Resources Consultant

Selection Panel Independent Person Statement and Resume

RECOMMENDATION

That Council:

- 1. Approve the appointment of _____ as the Human Resources Consultant to facilitate the recruitment process for the position of the Chief Executive Officer.**
- 2. Approve the appointment of _____ as the Independent Person to the Selection Panel for the Chief Executive Officer position.**

ATTACHMENT 2.1

Selection Panel for the Chief Executive Officer Position Terms of Reference

Objective

To carry out the recruitment and selection process of the Chief Executive Officer position in accordance with the *Local Government Act 1995* and the City of Mandurah Standards for CEO Recruitment, Performance and Termination.

Powers of the Selection Panel for the Chief Executive Officer

- The Selection Panel is formally appointed by Council and is responsible to that body. The Selection Panel does not have executive powers or authority to implement actions in areas over which Council has legislative responsibility and does not have any delegated financial responsibility.
- The Selection Panel is to report to Council and provide appropriate advice and recommendations to Council on matters relating to the recruitment of the Chief Executive Officer position.

Membership

- The membership of Selection Panel shall comprise of the Mayor, and a number of Councillors and an independent person as resolved by Council.
- Diversity of membership is encouraged and may be achieved by ensuring gender, ethnicity, age and experiential diversity is represented.
- Independent person means a person other than a council member, employee of the local government or human resources consultant engaged by the local government. Examples of an independent person include:
 - Former elected members or staff members of the local government;
 - Former elected members (such as a Mayor or Shire President) or staff members of another local government;
 - A prominent or highly regarded member of the community; or
 - A person with experience in the recruitment of CEOs and senior executives.

Note: The essence of the role of an independent panel member is to bring an impartial perspective to the process and reduce any perception of bias or nepotism.

Support to the Selection Panel

A Human Resources Consultant will be appointed to facilitate the recruitment process and support the Selection Panel in carry out the Terms of Reference. The Human Resources Consultant is not to be directly involved in determining which applicant should be recommended for the position, their role is not one of decision-maker.

Term

The appointment to the Selection Panel will expire after the execution of the Chief Executive Officer contract between the City and the approved applicant.

Meetings

The Selection Panel will be required to attend the following:

- Workshops with the Human Resources Consultant to draft job description, advertisement, interview questions, shortlisting and discussion relating to preferred applicant)
- Interviews of applicants

Reporting

The Selection Panel will be required to provide a recommendation to Council for the following:

- Job Description (including selection criteria)
- Total Reward Package
- Advertisement
- Preferred Applicant

Note: A report of the process, recommendation and the suitability of the preferred applicant to the position of the Chief Executive Officer will be required to be provided to Council.

Council must have regard to, but is not bound to accept, a recommendation made by the Selection Panel.

Functions, Role and Responsibilities

- Prepare the Chief Executive Officer job description which includes the selection criteria (essential and desirable), based on the local government's consideration of the knowledge, experience, qualifications and skills and duties and responsibilities necessary to effectively perform the duties and responsibilities of the position of CEO of the local government.
- Ensure all applicants are given an equal opportunity for success, selection methods need to be consistent and objective.
- Carry out structured interviews, each applicant given the opportunity to answer the same primary questions with follow-up questions used to illicit further detail or clarification. Behavioural-based interview questions are objective and gauge the applicants' suitability, reducing biases in assessment.
- Responsible for assessing applicants knowledge, experience, qualifications and skills of all applicants against the selection criteria and making a recommendation to Council regarding the most suitable applicant or applicants.
- Determine any requirements for applicants to complete psychometric, ability and aptitude testing.
- Successful applicant assessed as clearly demonstrating how their knowledge, skills and experience meet the selection criteria, with the recommendation made impartially and free from nepotism, bias or unlawful discrimination.
- Verifying the recommended applicant's work history, qualifications, referees and claims made in their job application

Confidentiality

It will be a requirement that Selection Panel members sign a confidentiality agreement and agree to the duties and responsibilities of their role set out in the Terms of Reference. This is to ensure that all information produced or obtained during the recruitment and selection process is kept confidential. This includes applicants' personal details, assessment details, the selection report and outcome of the process. This ensures privacy requirements are met and maintains the integrity of the process.

Desirable criteria for appointment to the panel

- Unconscious bias training