



# Local Government Victoria and Collaborative Councils: An Evaluation 2008-2016

Local Government Victoria



Environment,  
Land, Water  
and Planning

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ISBN 978-1-76047-441-6 (print)

ISBN 978-1-76047-442-3 (pdf)

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# Abbreviations and Acronyms

LGV	–	Local Government Victoria
CRB	–	Councils Reforming Business
LGRF	–	Local Government Reform Fund
LGPro	–	Local Government Professional Association
MAV	–	Municipal Association of Victoria
RPEN	–	Regional Procurement Excellence Network
DPCD	–	Department of Planning and Community Development
DELWP	–	Department of Environment, Land, Water and Planning
VAGO	–	Victorian Auditor General's Office

# Introduction

The purpose of this report is to assess a selection of collaborative activities involving Victorian local governments and Local Government Victoria (now a unit in the Department of Environment, Land, Water and Planning) since 2008.

This will primarily examine the extent to which these collaborative reform activities have had a lasting or sustainable impact upon local government operations and their organisations.

This evaluation further aims to inform future policy and collaborative approaches by the Victorian Government toward local governments and by local governments themselves. By virtue of the activities in the time period examined, procurement and service provision reform projects will constitute the bulk of the activity under consideration. Thus, collaborative procurement may be understood as a proxy for collaboration between local governments and the Victorian Government more broadly. The activities examined consist of the following:

- Victorian Government collaborations with local governments
- Local government collaborations with other local governments

It will examine some successes and failures and will contextualise these to make better use of examples.

This evaluation is not exhaustive, but for reasons of space and resources, a sample selection of activity was subjected to review rather than a long and comprehensive study.

It is important to also note that it is written from the perspective of Local Government Victoria, in its capacity as an office of a Victorian Government department (Department of Environment, Land, Water and Planning). The office administers the *Local Government Act 1989* and advises the Minister for Local Government. It also conducts a range of policy and development activities with local governments. A significant number of collaborative activities have and continue to take place in Victoria that test and trial new ways of operating. In addition, many service areas in Victoria involve the Victorian Government and local governments cooperating together.

This report concludes with findings and recommendations for future collaborative activity between local governments and with the Victorian Government.

## The Policy Context of Local Government Collaboration

### The Local Government Setting and Procurement Focus

Victorian local governments procure approximately \$4 billion of goods and services annually as of 2014-15. With many of their respective services similar, the potential for jointly procuring what they require and collaborating in many common areas becomes compelling. Many local governments have undertaken collaborative work for many years in an informal and inconsistent way, with some longer terms, specific arrangements in place (e.g. regional library corporations). This includes networks of staff, movement of officers and executives between councils and the imitation of business practices.

Given the large quantum of external expenditure on goods and services, and the similar activity profile of councils regardless of size, procurement has been considered a promising arena for local government collaboration. In 2008 the Victorian Government devised a strategy to begin to support improved procurement practices, including collaboration.<sup>1</sup> The 2008 strategy generated a series of programs and activities led by Local Government Victoria (then in the Department of Victorian Communities) that in various forms are now ongoing.

### The Legislative Framework

Section 186 of the *Local Government Act 1989* (the 'Act') sets out the requirements for local government procurement. A sub-clause of s.186 that has had significant attention in the past is the provision for ministerial exemption from tender requirements (s.186(5)(c)). Intended to provide for circumstances where an open market tender is unfeasible or inappropriate, the provision's usage has grown.<sup>2</sup> Some tender exempt procurement has remained straightforward such as the use of a sole provider for election services. In this case, the role of the Victorian Electoral Commission as sole provider was enshrined in the Act in 2015, negating the need for future exemptions to be issued by the Minister for

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<sup>1</sup> Victorian Government, 'Local Government Procurement Strategy', Department of Planning and Community Development, September 2008.

<sup>2</sup> According to Victorian Government records, since 2011, 75 applications for exemption from tender requirements have been submitted by Victorian local governments to the Minister for Local Government.

Local Government. Yet areas of procurement and the use of exemptions have remained challenging for policy, given the many circumstances where exemption is sought.

In Victoria, the establishment by a group of councils of a commercial entity or joint venture (that could jointly procure or offer a service) requires approval by the Minister for Local Government and in some circumstances the Treasurer. This has similarities with other Australian jurisdictions that have various provisions in legislation for councils to form regional entities, often requiring approval from a minister and provision of a risk assessment. Nevertheless, despite this evident hurdle in Victoria, it is a hurdle to the formation of the most expensive and complex collaborative arrangements only. Moreover, the requirement in practice conforms with the due diligence that would be expected of a council entering in to such an arrangement without any external approval requirement.

In Victoria, there are no legislative restrictions to local governments collaborating on the basis of informal cooperation, sharing and aligning plans and documents, joint tendering, councils purchasing services from each other or one council contracting services on behalf of a group of local governments. Councils also have no legislative barriers to sharing resources such as back-end administrative systems such as HR, finance and IT. In this light, the purported external or legislative barriers to local government collaboration in Victoria are limited to the establishment of stand-alone commercial entities.<sup>3</sup> Work by the Australian Centre for Excellence in Local Government drew related conclusions: that cultural and organisational barriers were significant factors in determining the appetite for local government collaborative activity.<sup>4</sup>

## The Broader Setting and Current Imperative

The Sommerville-Gibbs paper of 2012 sets out the local government shared service landscape in

Australia.<sup>5</sup> Their work highlights the concept of a council owned corporate entity that delivers a service on behalf of a group of councils. The Community Chef arrangements in Victoria are an example of this model: a multi-council owned corporate entity with its own staff, budget and legal character.<sup>6</sup> The often cited example of the New South Wales Regional Organisations of Councils (RoCs) exemplifies a similar separate entity model, comprising incorporated associations of member councils.

Arrangements such as the RoCs and Community Chef are at the more complex end of the collaborative model spectrum. As a consequence, they are also risky and can entail additional costs, as each requires staffing and infrastructure. While the two examples above are often cited as exemplars for local governments around the country, there is considerable scope for other collaborative models to be examined that are less formal, cheaper, simpler and lower risk.<sup>7</sup>

The rationale has remained that business practices that make use of joint procurement, shared services and collaboration more generally have the potential to generate benefits for local governments and their communities.<sup>8</sup> In practice, local governments around the Commonwealth have been investigating and implementing a range of collaborative models and business practices for many years, reflecting work in jurisdictions around the world.<sup>9</sup> Whilst there is no great consistency of practices, there has been in Victoria an evident need to support and formalise some of these practices to ensure their benefits are sustained. Scrutiny by the Victorian Auditor General's Office (VAGO) on local government business practices has been influential in this respect. The 2014 'Shared Services in Local Government' audit and the 2015 'Effective Support for Local Government' report both highlighted areas

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<sup>5</sup> See *ibid*

<sup>6</sup> See Local Government Managers Australia, 'Community Chef: A Case Study in Local Government Innovation', 2015

<sup>7</sup> Dollery et al 'Shared Services in Australian Local Government: Rationale, Alternative Models and Empirical Evidence' in *The Australian Journal of Public Administration*, vol. 68, no 2, pp. 208-219. Dollery's work is the most comprehensive academic discussion of shared services in Australian local government.

<sup>8</sup> See for example Office of the New York State Comptroller, 'Shared Services in Local Government', Local Government and School Accountability Division, 2009.

<sup>9</sup> See for example The Scottish Government, 'Shared Services – A Guidance Framework', December 2007.

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<sup>3</sup> It is important to note that municipal library services are delivered mostly via council owned entities in the form of Regional Library Corporations. These are enabled via legislation. See S.196 of the *Local Government Act 1989*.

<sup>4</sup> See Somerville, D. and Gibbs, M. (2012) *Legal and Governance Models for Shared Services in Local Government*, Australian Centre of Excellence for Local Government, University of Technology, Sydney.

of good practice and potential for improvement, including a need to better evaluate activities.<sup>10</sup>

The 2014 'Shared Services in Local Government' audit made several observations on existing practices. It concluded in one recommendation that the Victorian Government should focus on identifying barriers for local government to further the uptake of shared services and encourage collaboration and knowledge sharing.<sup>11</sup> More recently, the new rate capping environment and the freeze on the indexation of the Financial Assistance Grants Scheme by the Commonwealth Government has highlighted cost pressures emphasising the need for Victorian councils to consider different methods of cost saving and service delivery.



## Evaluation Method

The focus of this evaluation is to examine how some of the collaborative activities of local governments and especially those with LGV support since 2008 have influenced local government business practices, i.e. their ways of operating. This method will analyse previous project and program evaluations and uses surveys and interviews

<sup>10</sup> See Victorian Auditor General, Performance Audit: 'Shared Services in Local Government', 2014 and Performance Audit: 'Effective Support for Local Government' 2015. LGV, in response to reports by VAGO in 2010 and the Victorian Ombudsman revised the LGV 'Best Practice Procurement Guidelines'. See Ombudsman Victoria, 2009, 'A Report of Investigations into the City of Port Phillip' and Victorian Auditor General's Report, 'Tendering and Contracting in Local Government' 2010.

<sup>11</sup> Victorian Auditor-General, 'Shared Services in Local Government', p.12.

undertaken in 2016. A range of relevant secondary sources have also been used.

The framework for considering the influence of collaborative activities is based upon a continuum of business practices and their application in the organisation. First, business practices that are limited or nascent may typically be found in the behaviours of individuals in organisations. Second, activities or projects may provide examples of more solidified business practices of an organisation: activities indicating priorities or areas of interest. Third, business practices that have reached a greater degree of maturity may be formally evidenced in workplace policies, plans, budgets and reports. This level of institutionalisation may be characterised as 'business as usual'. The degree to which such documented statements align with actions is a strong indication that certain business practices have become institutionalised.

The three categories are presented as a **business practice level**.

**Individual level** – may be exhibited through the actions and behaviours of staff. Such behaviours may include communications between different council procurement officers, sharing of workplace resources and information. Individual project feedback has provided information as to the degree to which support has influenced and changed the business practices of council officers.

**Activity or project level** – can demonstrate the extent to which sustainable business practices are conducted in groups within an organisation. Demonstrable projects and activities in shared services and joint procurement by a local government provide evidence. This section will discuss instances of joint procurement and shared service activity undertaken both in conjunction with and independently of direct LGV funding and support. Consistent evidence of types of business practices within a business unit or group within an organisation will also fall into this category.

**Organisational level** may be demonstrated by the extent to which certain business practices have become normal in an organisation. Examples of normalisation may be found in documented procedures and policies of an organisation and plans and budgets. High levels of institutionalisation may also see such business practices acted upon by most staff, i.e. 'business as usual'.



The impact level of the various activities was determined through the use of surveys and interviews with council staff. Additional interviews were held with staff from LGV, other Victorian Government departments and agencies and local government peak bodies. Past project reports and evaluations, along with secondary sources made up the balance of the evidence base.

Other elements of the evaluation examined the extent to which joint procurement or shared service activities have been documented or become common practice. Such evidence will provide some indication as to the extent of the *institutionalisation* of business practices.

## Exclusions

The EasyBiz Phase III, Social Procurement and Sustainable Procurement projects of the Councils Reforming Business (CRB) Program have not been considered in this evaluation. These projects were implemented only partly by LGV, and were led (or the bulk of the work done) by other Victorian Government agencies.

## Activities

### Procurement Roadmaps

The Roadmaps project of 2011 involved LGV working with local governments (with the services of a third party contractor) to prepare and implement a detailed procurement roadmap comprising a process and document audit as well as an examination of practices. 78 out of 79 councils took part. It allowed each council to benchmark their operations against each other, and set out a 'roadmap' to fuller process maturity in procurement. It formed the commencement of the Regional Procurement Excellence Networks (RPEN) program (see below), allowing councils to work collaboratively, even if at different levels of process maturity.

The procurement roadmaps were also developed to assist councils to compile the necessary data to track future procurement progress. The RPEN program engaged with the executive team and key officers and were designed to be regularly reviewed and updated by councils to support their continuous improvement. The 2012 CRB Evaluation on the Procurement Excellence Program indicated that procurement as an activity had been elevated in local governments based on limited feedback.

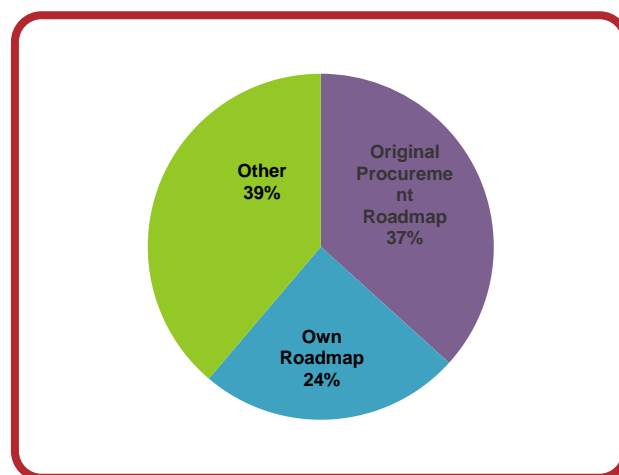
The evaluation found that many of the procurement projects provided some benefit. It highlighted the Procurement Roadmaps project as delivering some useful support to councils, allowing them to evaluate their own practices.<sup>12</sup>

The same evaluation undertook a quantitative assessment of the savings generated by the program. It estimated savings to the local government sector of \$6.1 million per annum to the sector from the procurement initiatives.<sup>13</sup> It noted that this was a conservative minimum estimate, and actual savings were likely to be much higher.

A subsequent LGV assessment in 2012 indicated support for the procurement roadmaps had fallen away. There were some councils that had managed to progress with the formation of steering committees within their councils to change business practices.

A 2016 LGV survey, along with interviews indicate that procurement roadmap progress has been variable. But encouragingly, it indicated:

- 37 per cent of respondents continued to use the original procurement roadmaps that were developed with LGV in 2011.



Source: LGV RPEN Survey 2016

<sup>12</sup> See Regulatory Impact Solutions, 'Evaluation of the Councils Reforming Business Program 2007-11', evaluation for Department of Planning and Community Development 2012.

<sup>13</sup> *ibid*, p.4.



*“The original procurement roadmap allowed us to get the fundamentals right and thereafter allowed us to become more strategic with category management. Now we look for every opportunity to engage in collaborative procurement and our internal customers are becoming more comfortable with this approach to market”<sup>14</sup>.*

A number of councils have subsequently purchased a third party expenditure mapping tool in partnership with the Municipal Association of Victoria (MAV), which allows councils to compare their expenditure with others in a designated region and accordingly plan collaborative activities. This has built upon the work of the procurement roadmaps.

The procurement roadmaps - as a benchmarking tool and a platform for collaboration – were utilised differently by each council. While a few years old now, they remain a source of baseline data to support improvement in business practices and some collaboration. The survey evidence indicates that the roadmaps have become institutionalised at the activity level in a few councils and have contributed toward organisational improvements. In some cases, they have had an organisational level impact.

The 2016 survey (5 years after the activity) found:

- 34 per cent of respondents indicated that the procurement roadmap was somewhat or extremely beneficial to council decision making.

It is important to note, that procurement, as a corporate activity remains largely ‘decentralised’ in most councils. Therefore, the potential for procurement to be ‘strategic’ as in planned as a whole of organisation activity faces some challenges as the procurement decision makers can be dispersed in an organisation. The procurement roadmaps were an attempt to align or improve practices in many councils, even in a decentralised

context. In this context, it is encouraging that the roadmaps have continued to have a positive influence in many local governments.

## **Regional Procurement Excellence Networks**

The primary collaborative mechanism established by the CRB program were the Regional Procurement Excellence Networks (RPENs) in 2011.

Each network was formed by a regional grouping of councils. The networks were designed to foster officer engagement, and serve as a platform for joint procurement and other collaboration. Membership by procurement and purchasing officers facilitated discussions of business practices and in some instances, collaboration.

In addition to the RPENs, LGPro, the local government professional’s association, reconvened their Special Interest Group in procurement, to operate as a central coordinating point for the network. Centralised activities such as sector wide procurement category codes were driven by this group. The activities emerging from the RPENs were to progress practice improvements in accordance with the procurement roadmaps.

*“I believe the RPEN is a valuable tool for the development of regional procurement best practice and collaboration. Unfortunately the networks have had trouble in maintaining momentum once the CRB program finished.”<sup>15</sup>*

After 5 years the RPENs continue to meet regularly with consistent attendance. The original 9 groups are now 8, since Barwon South-West merged with Central Highlands to form the Barwon-South West RPEN in 2015. All of the RPENs have pursued collaborative activities from basic comparisons of procurement plans and contracts to more complex joint tenders with LGV support. Several RPENs have designed and implemented activities without any Victorian Government support, indicating a

<sup>14</sup> Council officer quote, 2016 Local Government Victoria survey of Regional Procurement Excellence Networks

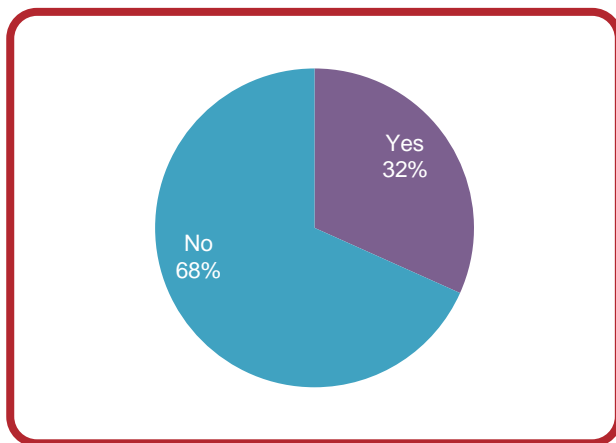
<sup>15</sup> *ibid*

greater degree of institutionalisation, i.e. business as usual for procurement officers. Their progress has meant greater support for their RPEN (and procurement more generally) from their respective council executive, furthering the process of institutionalisation.

This is borne out by a 2016 survey of the network.

The survey discovered:

- 32 per cent of respondents have entered into a collaborative procurement or shared service as a result of RPEN activity



Source: RPEN Survey

The 2016 survey indicated that all but one of the RPENs have become part of business as usual for procurement officers, in the form of regular meetings. It is evident that some of the RPENs have reached an activity level of maturity, in that they meet regularly with good attendance and function as a community of practice for officers. It suggests that future collaborative procurement (involving the Victorian Government or not) should use the RPEN networks wherever possible.

The survey results indicated the following:

- 50 per cent of respondents attend every RPEN meeting in their region
- 90 per cent of the respondents thought that their involvement in the RPEN was either extremely or somewhat beneficial
- 52 per cent of respondents stated the LGV developed standardised procurement templates had been of value whilst undertaking procurement practices

- 62 per cent of respondents stated that the Best Practice Procurement Guidelines 2013 are extremely relevant in their day to day activities

See Appendix B for full results of the RPEN Survey.

The RPENs have become a platform for many local governments to undertake collaborative activities and collaborative business practices more generally.

*"We have attended many collaborative procurement category forums some of which have led to collaborative tenders. We have found that the sharing of information/experience at a regional level is beneficial, even if the process does not result in collaborative procurement."*<sup>16</sup>

To support their continuance, an information portal developed in 2011 – the local government procurement e-hub – was transitioned into a low cost web platform (Microsoft Yammer) in 2014. This site, administered by LGV, now provides a forum for the RPENs membership to interact outside of meetings, fostering a community of practice environment. This network enables the exchange of ideas and resources by officers across the state between meetings.

*"Where the RPEN focuses on specific activities they work well. Given each councils resourcing however, collaboration is sometimes hampered by a lack of resources. Additional support from LGV for resourcing in the collaborative space would see more collaboration occur."*<sup>17</sup>

The 8 RPENs have developed at different rates.

<sup>16</sup> Council officer quote, 2016 Local Government Victoria survey of Regional Procurement Excellence Networks

<sup>17</sup> *ibid*

The remaining RPENs operate mostly at a constant level of activity in that they have continued to meet; building officer to officer relationships.

A map of the RPEN regions can be found at Appendix A.

Procurement in Practice was a more intense form of project support by LGV for joint (collaborative) procurement. Working with an RPEN, LGV coordinated a group of five local governments to plan and execute a joint tender for road resealing (see expanded case study).

It constituted the most intensive LGV support project toward collaboration to that point, and an attempt to practice what had been discussed in the preceding 3 years during the CRB program. The contracts that emerged from this project are set to conclude in June 2017. At the time of writing, several of the participant councils are preparing to retender in a similar fashion. They are doing so with a view that a joint tender is the starting point for procuring such services in the future. A level of organisational level maturity is evidenced here as the engineering officers in the councils are coordinating effectively with procurement colleagues to pursue a joint tender.

Both activities were complex, and in working with a group of councils, the resultant complexity made progress difficult. The internal audit project required clear data, something that was in short supply. As the project manager explained 'we couldn't obtain basic utilisation rates of the 36 road graders owned between the 5 councils'. Without such information to establish baseline costs, an informed path to improvement via resource sharing and coordination remained difficult. The best value activity also required considerable information from all councils to progress, and the incurred time and cost in doing so negated the potential financial benefits. Neither activity was able to strongly influence the business practices of participants post completion.



In 2014, LGV led a second road resealing joint tender with a group of 5 councils. This activity was part of a total of 6 activities under the 'Local Government Reform Strategy' (LGRS). Working with the RPENs again, LGV supported joint procurements of a range of council services such as Work Cover agent services, conversion to biodiesel for council fleets and collaboration with a group of metropolitan councils for line marking and tree pruning services. In total, LGV worked with 28

councils across the 6 funded activities. The line marking project led by the Eastern Metro RPEN was the standout activity, resulting in combined savings for the 9 councils of \$800,000 over the new contract life of 5 years.

The experience of these activities was mostly positive with some sustained benefits. They were highly focussed projects (compared to the Internal Audit and Best Value projects), usually addressing a defined area of council operations. This made it easier to ensure the right people could be brought together from participating councils. Conversely, this meant less time was spent in exploratory engagement, an activity that often diminishes committed engagement by parties. Working with the RPENs also made use of an existing collaborative network, that, even if were still developing, had a foundation of good will and commitment to build upon. A 2014 LGV survey indicated 91 per cent of respondents wished to see procurement activities pursued through the RPENs.<sup>18</sup> The LGRS activities may have also served to support the RPENs' continuance.

The second road resealing joint procurement however experienced fewer of the cost benefits of the first project. It progressed a proof of concept trialled by the first road resealing joint procurement, so many of the arrangements had been proven. Because of this, LGV took a less hands on approach, relying upon many of the resources developed previously. The activity did not however experience the same outcomes as its predecessor project. This was partly due to a difficulty by all participants to adjust some of their own standards and expectations in order to realise the benefits of a collaborative approach.

## Procurement Aggregators

The past decade has seen the growth of 'aggregators' or entities that purchase or arrange panel contracts on behalf of local government. Two in Victoria - MAV Procurement and Procurement Australia (formally known as the MAPS Group) – have become part of the local government procurement landscape. By using aggregators, councils are able to access contracts utilising

greater economies of scale. Anecdotal evidence from councils indicates that procurement aggregators have become popular. They have achieved organisation maturity in their impact upon local government, in that both entities have become part of the local government procurement landscape.

## Victorian Purchasing Contracts

In 2009 local governments were granted the ability to access purchase contracts held by the Victorian Government.

State Purchase Contracts (SPC) and Whole of Victorian Government Contracts are standing offer agreements or panel contracts for a wide range of common goods and services such as utilities, HR services, IT, mail services, printing and marketing. Local governments are able to access these contracts without going to tender, allowing them to take advantage of the economies of scales typically available through such larger panel style agreements.

As of 2016, 36 local governments are making use of SPC in motor vehicle purchases. Mail services and fuel purchases are also in heavy use, with the majority of Victorian councils accessing these contracts. Consideration of Victorian Government purchasing contracts is now a common practice by most councils, indicating a high degree of organisational impact of the 2009 reforms.

From financial year 2016-17, the Victorian Department of Treasury and Finance (which administers the SPC system) will be collecting detailed data on local government usage of Victorian Government purchasing contracts. This will allow greater analysis of their usage in the future.

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<sup>18</sup> The 2014 survey also indicated a desire from respondents for a centralised information hub for the RPENs. Such a hub is now growing (through a 'Yammer' site) under the administration of LGV.

## Case Study - Infrastructure Design Manual for Rural and Regional Councils

A good example of a long term local government collaboration is the *Infrastructure Design Manual for Rural and Regional Councils* (IDM). Common infrastructure standards were created by the collaboration of the Greater Shepparton, Campaspe Shire and Greater Bendigo councils in 2006. The manual contained specifications for all kinds of local infrastructure such as roads, drains, paths, kerb and channel and buildings among many others. In 2009, as part of the CRB Program, LGV provided some support to the group to expand. The project was opportunistic on the part of LGV, as the work by the existing council group had been underway for three years.

The councils had come together to address the problem of many regional and rural councils operating with different design standards. Higher costs resulted for contractors operating in several municipalities, and additional training was required for staff that moved councils. The councils also had no consistent standards to benchmark themselves against. A single design standards manual opened the door to reducing some costs, and provided a platform for councils to pursue better practice in their infrastructure design and construction.

At the time of writing (2016), the IDM is governed by an incorporated association with 43 Victorian council members paying membership fees. An executive officer is employed to maintain the manual and the association collaborates with industry representatives. As of March 2016, the IDM has been taken up by several South Australian local governments under a creative commons license.

The 2016 survey assessment of the IDM Association's members indicated mostly positive benefits. A total of 43 per cent indicated that they used the manual daily. 60 per cent agreed that the IDM allowed for collaboration between councils. The extent to which this collaboration has yielded financial benefit is unclear but the development of a strong network of engineers working in consistent ways is clearly evident. Staff moving between councils understand the same standards, along with contractors and consultants. Best practice can be supported by regular updates. Collaboration has improved the engineering standards in Victorian rural and regional municipalities, with a concomitant improvement in services as a result.

A survey requested comment on how the manual dealt with the issues impacting on the land development industry, in particular sustainability, integrated water cycle management, timeliness and affordability. One of the comments received included:

*"A great deal of effort has been made to address all these issues, and the manual is evolving to take account of new knowledge and techniques."*

See Appendix C for full IDM Survey results.



## Case Study - City of Greater Bendigo pilot collaboration

The City of Greater Bendigo (CoGB) and Central Goldfields Shire Council (CGSC) have recently (2016) commenced a trial shared procurement services arrangement. The trial is being undertaken via the co-location of the CGSC Procurement Manager and the CoGB Contract & Project Coordination Unit (CPCU) in the CoGB office in Bendigo. The two councils have decided to undertake the co-location trial to provide a platform for further development before potentially proceeding to a permanent arrangement. To support the trial both councils have entered into a MOU to highlight the shared understanding of the principles for undertaking a co-location trial and outline the method as to how the trial will take place.

It was determined that the co-location would be the simplest, most cost effective method to verify whether a shared unit could deliver the required level of service to regional partners while measuring any associated benefits achieved. The following procurement services will form the initial, basic service offering to be delivered from a shared services unit.

- Advice on procurement, project management and contract management
- End to end major procurement processes
- Contract management
- Supplier management
- Document management

It is also expected that there will be benefits to suppliers through greater consistency of approach and reduced duplication through a single OH&S prequalification process for example. On completion of the six-month trial, CoGB and Central Goldfields Shire intend to review the co-location arrangement and it will be determined whether to develop a business case for a further stage that will further integrate procurement work in the partner councils. This is an example of a collaboration that integrates an important corporate function and trialling it appropriately to ensure it meets the needs of the participant councils. If successful and maintained, it will have an ongoing organisational impact on the councils.

## **Case Study - Building Site Management Project and lessons of a lack of collaboration**

Local governments impose much of the regulation on building sites and their management via local laws, resulting in different practices across the State. This intersects with several Victorian Government agencies that either regulate aspects of building sites, or delegate their powers to local governments. Local Government Victoria (then in Department of Planning and Community Development) received funding in 2010 from the Victorian Government's Reducing Regulatory Burden fund, a program managed by the Victorian Department of Treasury and Finance. The project was initiated under the Council's Reforming Business Program.

The project's extraordinary complexity was soon apparent, with a need for investment in research and project governance arrangements between Victorian Government agencies, local governments and building industry representatives. The project pursued the option of primary legislative change to apply state wide, as this appeared the best solution, but proved disproportionate for the problems at hand. After some 18 months the project was scaled down in 2011. A single significant issue was subsequently isolated that could be effectively and proportionately addressed.

Problem identification and initiation of the project was driven by the discrete findings of a Victorian Government report and less by the parties that were directly affected: local governments and the building industry. The underlying assumptions of the project's drivers were not fully explored with these stakeholders and so the project rationale rested greatly upon stakeholder anecdotes and perception.

The complexity of the project made prioritisation challenging, and with multiple stakeholders holding different and often opposing views, progress slowed. Reliance upon consultancies also diminished the ability of project decision makers to make informed judgements.

The project's final output in 2012 – a guidance document for local government's asset protection permits – is arguably a small return on the significant investment. In conclusion, such a complex, multi-stakeholder project necessitating a collaborative approach, suffered from the absence of a shared collective understanding of the problem. In such circumstances, a pilot, involving a group of local governments may have been a more effective. Finally, greater up-front consultation may have assisted to build a shared understanding and ownership by stakeholders before firmer project directions were established.



## Case Study - Bituminous Road Resealing One

Commencing in December 2011, LGV worked with five regional councils of the Central Highlands RPEN to combine their bituminous road resealing expenditure – which was in excess of \$4.6 million per year.

By their regional collective purchasing power the five neighbouring councils of Ararat, Ballarat, Golden Plains, Hepburn and Pyrenees were able to reduce costs and deliver a fresh approach to their procurement processes. Through a public tender process, the five councils called for interested tenderers to provide a schedule of rates contract for bituminous resealing works with provision of rates for line-marking.

This procurement required a move from a lump sum contract to a schedule of rates for many councils – highlighting a need for clearer definitions to be developed and adopted by all the participating councils. This translated to greater savings due to more precise job costings and the removal of ambiguity that had appeared in some of the previous tender specifications provided by councils.



The new contracts for bituminous road resealing works for these councils delivered annual savings of over \$630,000 when compared to previous contract prices and if all five councils elect to take up the contract option for extensions, the combined savings to the community will be in the order of \$3.1 million over the life of the contract.

There were a number of challenges in the collaborative procurement process that needed to be successfully overcome in a very short timeframe. Inconsistent data across the sector makes it difficult to evaluate potential collaborative projects. The use of a standard set of procurement terms and procurement categories were developed by the group, improving future capacity. LGV provided significant investment into the project, including the appointment of a probity officer to oversee the process.

The longer term outcomes of this project have included the development of the Barwon-South RPEN that is now driving its own activities. In a direct acknowledgement of the value extracted from the road resealing contract, the participant councils are, at the time of writing, planning to retender jointly in 2017 when the current contract expires.

## Findings, Considerations and Conclusions

The small sample of activities and projects discussed above is, as stated in the introduction, indicative only. It has sought to highlight the complexities of collaboration by local governments and the challenge it presents. Nevertheless, it is possible to draw some conclusions from the discussion that may be instructive for future work. Some broad observations are presented here covering the thematic areas of governance, resourcing and commitment, management and authorisation. Some specific recommendations are then presented as considerations for future Victorian Government-local government collaboration activities and programs.

### Governance

Supporting future collaboration may require more formal governance arrangements, such as memorandums of understanding and inter-council agreements. This would entail a step toward collaboration becoming a more 'business as usual' activity and more embedded in the local government organisation as a common business practice.

Several of the local government reform projects discussed required varying levels of project management support from LGV. Ideally project management responsibilities should be negotiated at the commencement of each project and agreed upon by all parties. The overarching project management should be governed by an agreement that outlines roles and responsibilities clearly. Agreements need to include detailed project objectives, provision of standardised communication of deliverables, agreed organisational commitment and timelines, executive endorsement and formalised reporting and evaluation.

The practice of developing a desirable 'model' or governance arrangements for a collaborative activity has proven challenging. The 2008 *Local Government Procurement Strategy* discussed a range of possible procurement models.<sup>19</sup> The experience suggests that adopting a particular governance model over another is best done in

conjunction with the needs of the activity itself: a horses for courses approach. While this seems obvious, preferences for certain arrangements prior to a shared understanding being developed by participants can make process difficult.<sup>20</sup>

Procurement in Practice, recognising the coordination difficulties inherent in joint procurement by councils, adopted a 'lead council' arrangement. This model overcame the administrative and contractual challenges of procurement where a group of councils, without forming a new corporate vehicle to contract with a vendor, require one of their members to act as the lead party to market. Councils, following the tender, then contracted the preferred provider individually. This approach overcame some of the hurdles to collaboration, but still required efforts to build trust and cooperation between parties.

The typical approach to many collaborative activities has been the formation of a committee or group charged with direction, management and sometimes technical advice. Such an approach is common for most multi agency or entity activities, no less those involving local governments. The CRB program made heavy use of such a model, and subsequent activities have also tended to attempt to form a working group or committee structure for governance.

A key issue, discussed in 2012, was that of sustainability in the context of collaborative reform activities that made use of such committees.<sup>21</sup> Participants of such committees were not necessarily decision makers, so the beneficial outcomes of activities were not easily fed into influencing council planning and corporate behaviour post project completion. Thus, institutionalising the benefits from many activities has remained a challenge. The absence of sector wide, formal and institutionalised collaboration by local governments may be a reason for this.<sup>22</sup>

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<sup>19</sup> See also Somerville, D. and Gibbs, M. (2012) Legal and Governance Models for Shared Services in Local Government

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<sup>20</sup> VAGO, *Shared Services in Local Government*, has a succinct discussion of different governance models for collaboration, p. 19-20

<sup>21</sup> Vivian, Leighton & D'Costa, Angelo, 'Collaborative Reform Between the State and Local Governments: the Councils Reforming Business Program' Australian Centre for Excellence Conference Paper, 2012, p.9

<sup>22</sup> Vivian, D'Costa, *op cit*

## Resourcing and Commitment

An output of the LGRF was the development of a set of templates to assist councils in managing a joint procurement project. Whilst the templates and forms were useful in some circumstances, there were occasions in subsequent projects where participants were reluctant to use them as it was expressed that it was not pertaining to their specific situation. In the absence of explicit incentive to alter practices, the status quo was more likely to prevail. There is therefore demand to provide 'fit for purpose' resources to local governments that support greater collaboration in places. Given the issues of activity sustainability noted previously, it is desirable that such resources should be in the form of in-kind or co-support rather than static guidance or generic documentation.

As discussed earlier, there are no significant legislative barriers to greater collaboration by Victorian local governments. The barriers that exist are primarily organisational and cultural. This is not to suggest the collaboration challenge is in any way diminished, indeed it is in many respect greater. Such barriers are often greater as they require organisations and the people that work within them to change their long established practices and challenge the operational norms of their organisation. As a survey respondent stated:

*"The perception of shared services remains as a "I've lost control/responsibility/my job" scenario. People remain protective of their patch, and it is difficult to...share(ing) services. As each council operates in just a little different way, selecting the services to 'share' is not so easy."*<sup>23</sup>

The different activities discussed in this report show that collaboration takes many forms and is in widespread practice, even if it is not recognised explicitly across or within local governments. The focus upon procurement has come about due to its frequent recognition as an area of great potential cost saving for local government. In doing so, such a focus touches upon many other parts of local

government operations, highlighting the potential for collaboration to support other areas. Thus, local governments and the Victorian Government by working with them, can move beyond shared services and joint procurement to developing and supporting collaboration across a broad spectrum of practices. Such an advance will often highlight the need for organisational adjustments:

*"We are mostly fairly capable of undertaking collaborative procurement, it's the shared services we struggle with. This is because they often require common systems, very senior leadership commitment and more resources to manage (particularly project management). We know there are numerous opportunities for serious savings through things like shared legal services but nobody seems to have the resources to lead it and make it a reality."*<sup>24</sup>

A focus on improving specific technical or functional operations may be a more compelling path to changed business practices than a simple desire to 'collaborate' which can lead to a lack of focus, as experienced in two LGV led projects discussed earlier. Commitment must be derived from a compelling opportunity, urgency or problem to generate the focus required. The absence of such a condition should be a red flag to any collaborative pilot. Wanting to collaborate for its own sake is an insufficient motivation.

## Management and Authorisation

A key learning from many activities was the importance of having appropriate representation of council staff on project steering committees. 'Buy in' from the executive level to local key staff is imperative for these projects to succeed. Experience from the LGRF and LGRS projects demonstrated that projects that don't have buy in from the executive level may not produce many longer term benefits. They are also unlikely to be sustainable or replicated in other areas of the organisation.

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<sup>23</sup> Council officer quote, 2016 Local Government Victoria survey of Regional Procurement Excellence Networks

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<sup>24</sup> *ibid.*

This corresponds with the findings of an earlier assessment of the CRB program.<sup>25</sup> A lack of institutionalisation of reforms limited the sustainability of better practices, especially if the initial activity was implemented 'outside' the decision making structures of the organisation in the form of a stand-alone project. In recognition of this, future collaborative activities currently funded by LGV seek CEO support and endorsement from participating councils. This is considered necessary in order to build an environment for the activity to succeed sustainably.

## Future Collaboration

The following are suggested considerations for future collaborative activities between local governments and those involving the Victorian Government. They have been proposed to inform future work that seeks to develop collaborative work between local governments and the Victorian Government. Informed by the discussion in this paper, their use may support collaborative activities to move from one-off project impacts to part of a broader business as usual for local governments where appropriate.

- **For different and new ways of working to be sustainable, they should aim to improve service provision, not just reduce costs.**<sup>26</sup> Reducing costs can be a strong incentive for a period, however is unsustainable over a longer term. Moreover, in a local government context, many staff are motivated to provide better public services, which improves morale and job satisfaction, leading to sustained benefits.
- **Undertaking a collaborative activity with the express aim to prove a pre-ordained model is difficult.** Collaborative models need to have flexibility, with the goal to be achieving a good result in terms of service delivery or cost savings, rather than prioritising a particular model of collaboration.
- **A willingness to trial new methods and risk failure is important. Such an approach is beneficial when it is supported by a willingness to learn by participants in the collaborative**

activity and this willingness is supported by a strong evaluative framework. As per the past recommendations of VAGO, improved monitoring, evaluation and reporting processes for local government shared services and procurement projects is vital for learning.

- **Effective collaboration needs ownership by parties, reflected by the documented commitment of decision makers.** Even better is commitment of in-kind resources or monetary support by participants, demonstrating buy-in and embedding the activity into the core budget of the organisations involved.
- **State-wide collaborative approaches involving all 79 councils (and possibly other parties) are very difficult to administer** and direct. Pilot or smaller scale projects are more manageable and can retain momentum. In addition, if benefits are realised, historical practice suggests other local governments will take an interest and seek to obtain the benefits by imitating.
- **Use of existing networks is important if post-activity completion benefits are to be realised.** For example, the role of the RPENs as a partner of the Victorian Government in areas of joint procurement is recommended in the future where possible.
- **Continuous development of resources and templates to assist councils to plan, implement and manage shared services is important to reflect learnings and good practice.** The research for this review collated resources and guidance for local government collaboration and shared services from around the world. This suggests there may be limited value for the Victorian Government developing a specific 'how to collaborate' guide for Victorian councils.<sup>27</sup> More desirable would be ongoing support, advice, examples and mechanisms to share approaches and experiences between local governments and the Victorian Government.

<sup>25</sup> Vivian, D'Costa, *op cit*

<sup>26</sup> This conclusion is supported also by the findings of VAGO, see *Shared Services in Local Government*, p.18

<sup>27</sup> Local Government Victoria in 1991, then known as the Victorian Office of Local Government published 'A Manual for Municipal Resource Sharing'. The guide was co-sponsored by the Commonwealth Office of Local Government and the Local Government Minister Office.





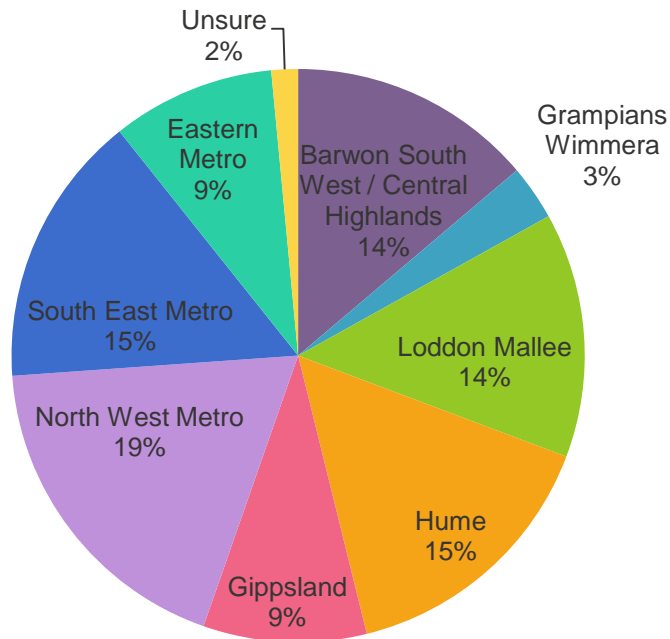
## Appendix A

## Regional Procurement Excellence Network Map

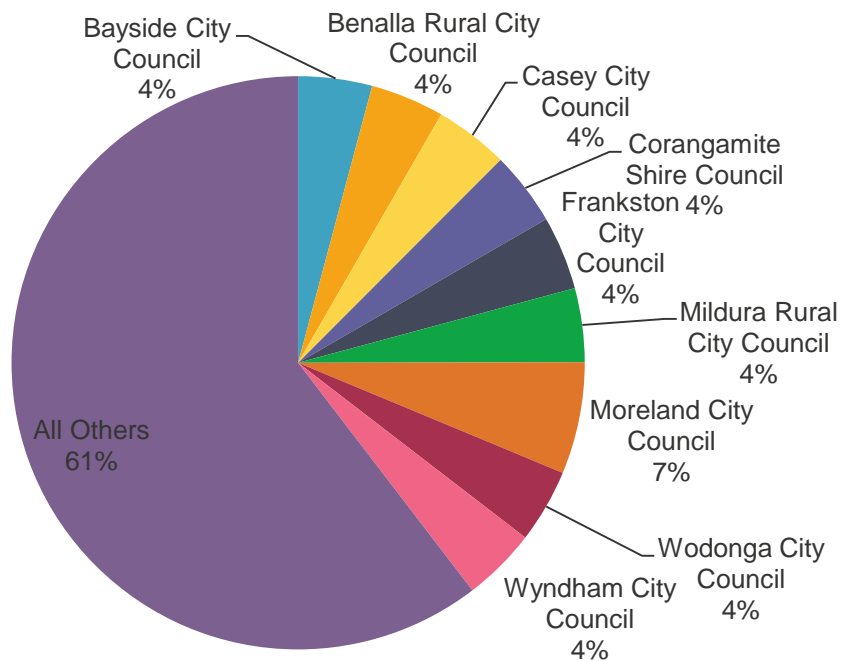


# Appendix B Regional Procurement Excellence Survey Results

Please select your Regional Procurement Excellence Network (RPEN) area.

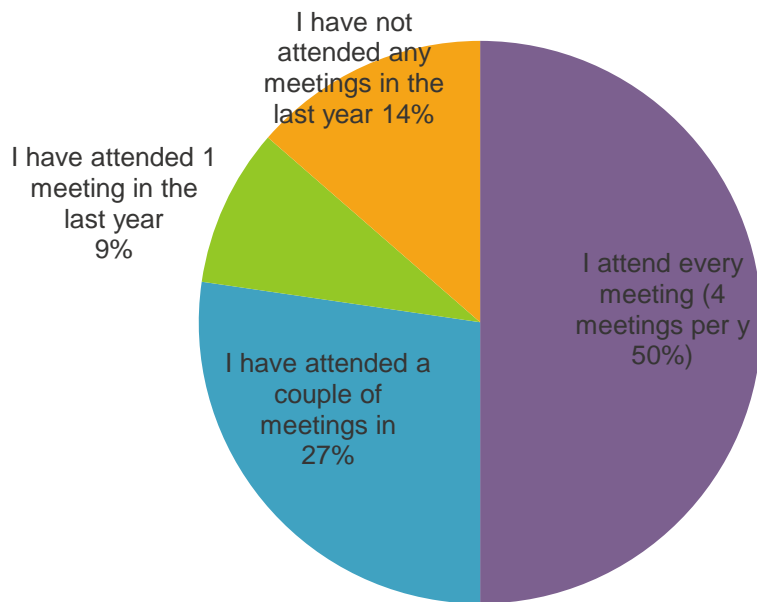


Please select your Council

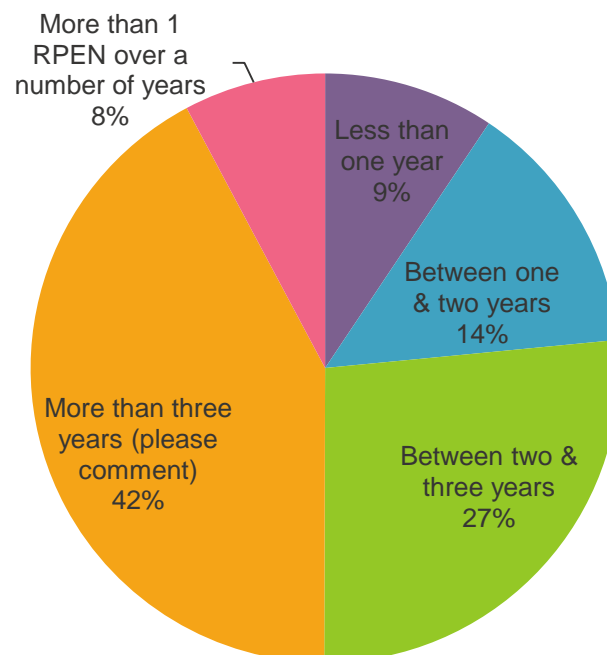




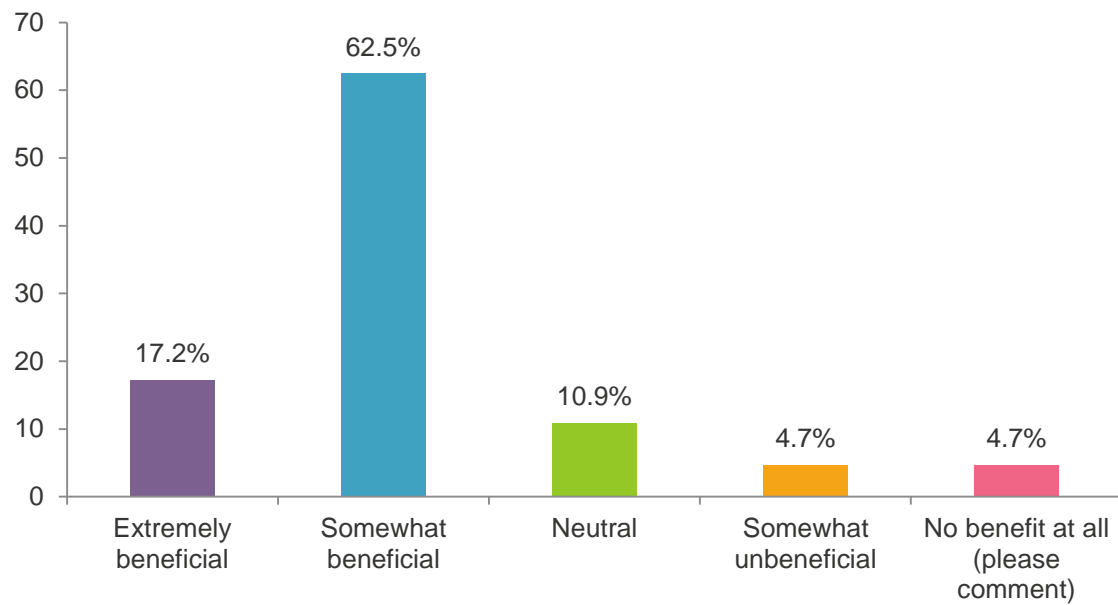
### How often do you attend the RPEN meetings?



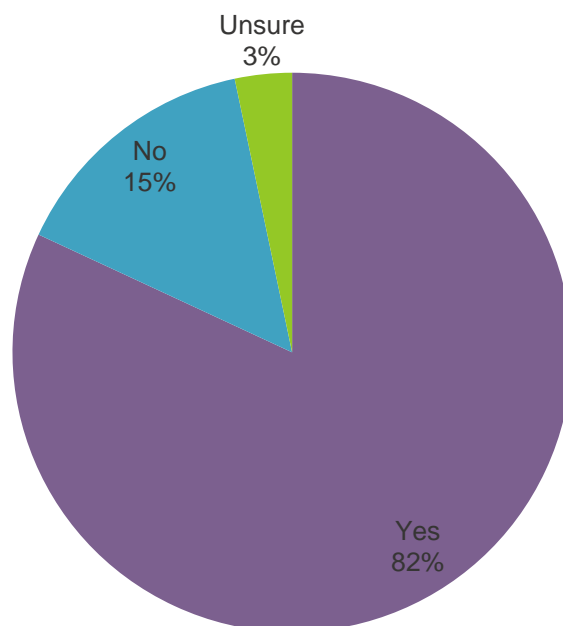
### How long have you been part of RPEN collective ?



**How has being a member of the RPEN benefit your day to day activity within council?**



**Has your Council been involved in a collaborative procurement and/or shared service arrangement with other councils in the past five years?**



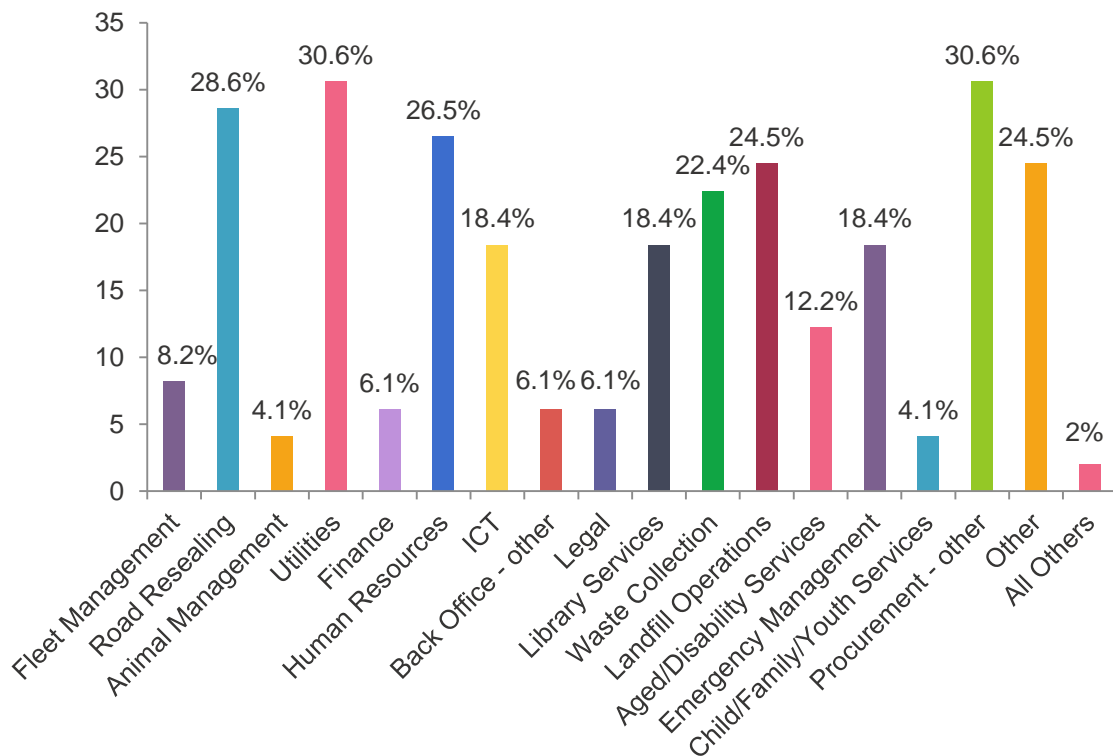
**Please provide details on any collaborative procurement and/or shared service arrangements undertaken in the past five years?**

Count	Response
4	Waste
1	Agency tender
1	Bitumen Reseal, Biodiesel, Waste Education
2	Combined Bituminous Resealing Program
1	Combined tenders, shared services
1	Contract Management System Tender and Temp Staff Management System Tender
1	Discretionary services
1	Financial Services With Moyne Shire Council and Baw Baw Council
1	Food & Water Testing, Road & Pavement Marking, Tree Pruning & Associated Services, Traffic Management & Observers, Crack Sealing
1	Goulburn Regional Collaborative Alliance with Shepparton and now Moira councils, "Graders without borders", legal services
1	IT Services
1	Internal services
1	Joint tenders with Mount Alexander Shire for - Annual Supply f Asphalt - Annual Supply Plumbing Services - Annual Supply of Electrical Services - Annual Supply of Fencing Services - Annual Supply of Spray Sealing (Loddon Shire participated also) Annual Supply of Signs (Gannawarra Shire participated also - Provision of Workcover with the Shires of Campaspe, Loddon Gannawarra, Buloke and Central Goldfields
1	Legal services Panel of suppliers with Strathbogie shire

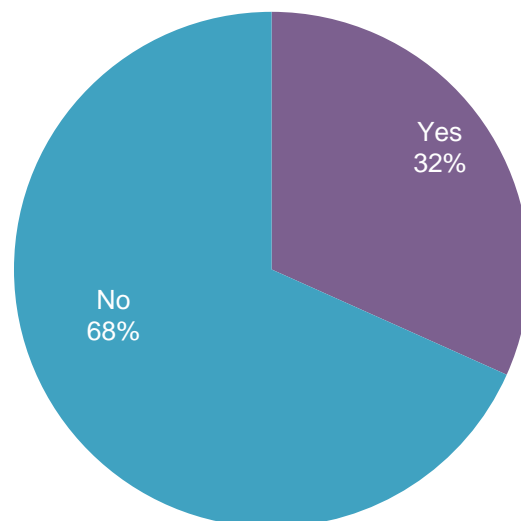
2	Lighting the regions project through Bendigo . Also utilised MAV and PA contracts
2	Line Marking, Tree Pruning, Traffic Management, Tree Stock and Crack Sealing to name a few of the collaborative tenders issued
1	Line Marking, Utilities Management
1	Linecracking
1	Linemarking, Crack Sealing
1	Pavement Line Marking Services, pavement crack sealing, graffiti management, recruitment, street furniture, legal services, traffic management, tree pruning, tree nursery services, utilities management, road resealing services and food testing services
1	Primarily via MAV Procurement or Procurement Australia
1	Procurement of Temp Staff Neutral Management system
1	Recruitment system
1	Regional mulching, Collection of kerbside waste, regional tyre collection, regional steel collection, Mattress collection
1	Risk Management Shared Internal Resource
4	Road Sealing
1	Secretarial and Discretionary Consultancy Services
1	Shared rates service, shared building control service, shared EHO service, shared library service, collaborative procurement for street lighting upgrade.
1	Standardisation of Tender Documents, E-Tender Box
1	Tender for Electronic Tender Box and also Temporary Staff Recruitment
1	The ones I am aware of are our sealing tender. I believe we have some shared services arrangements with IT services

1	Various joint tenders with adjoining Councils. The largest being the Road Reseal Contract with Central Goldfields Shire Council and Loddon Shire.
2	Waste Management, Emergency Management
1	Approach to collaborative arrangements on parks and foreshore maintenance
1	Climate resilience project
1	E-tendering services
1	Electronic Tendering; temporary labour hire; utilities management; land contamination;
1	le. kerbside collections
1	Landfill
1	Secretariat services, some sustainability projects, some tourism projects

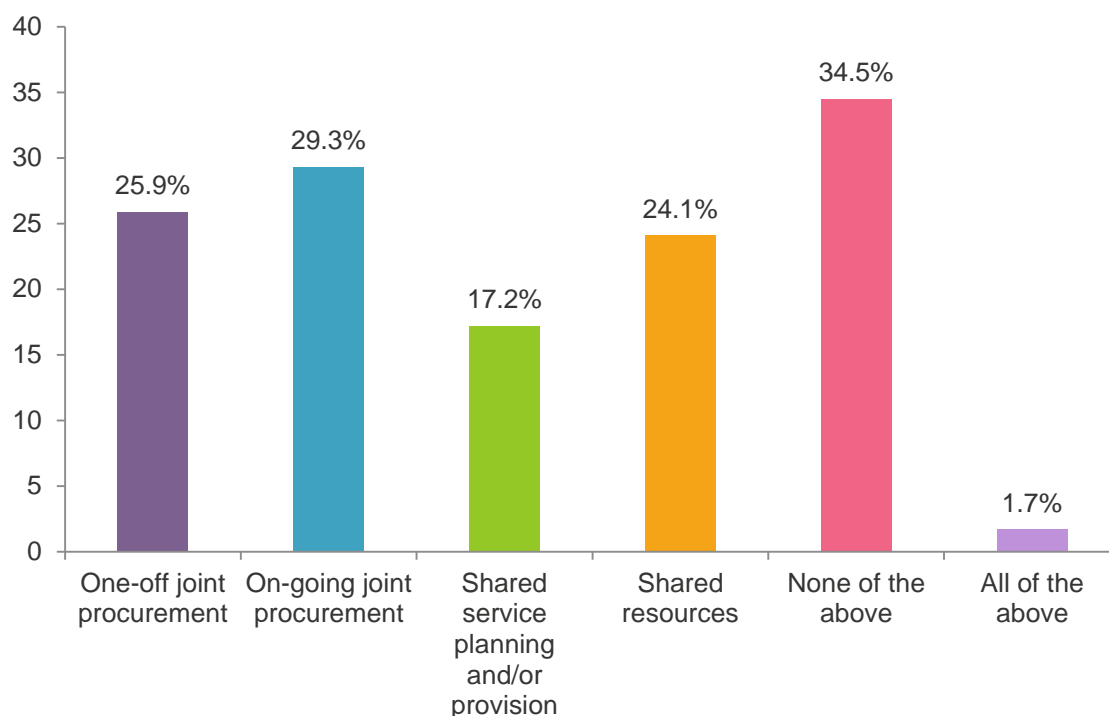
**Please select the collaborative procurement/shared service arrangements that your council HAS BEEN involved in the past.**



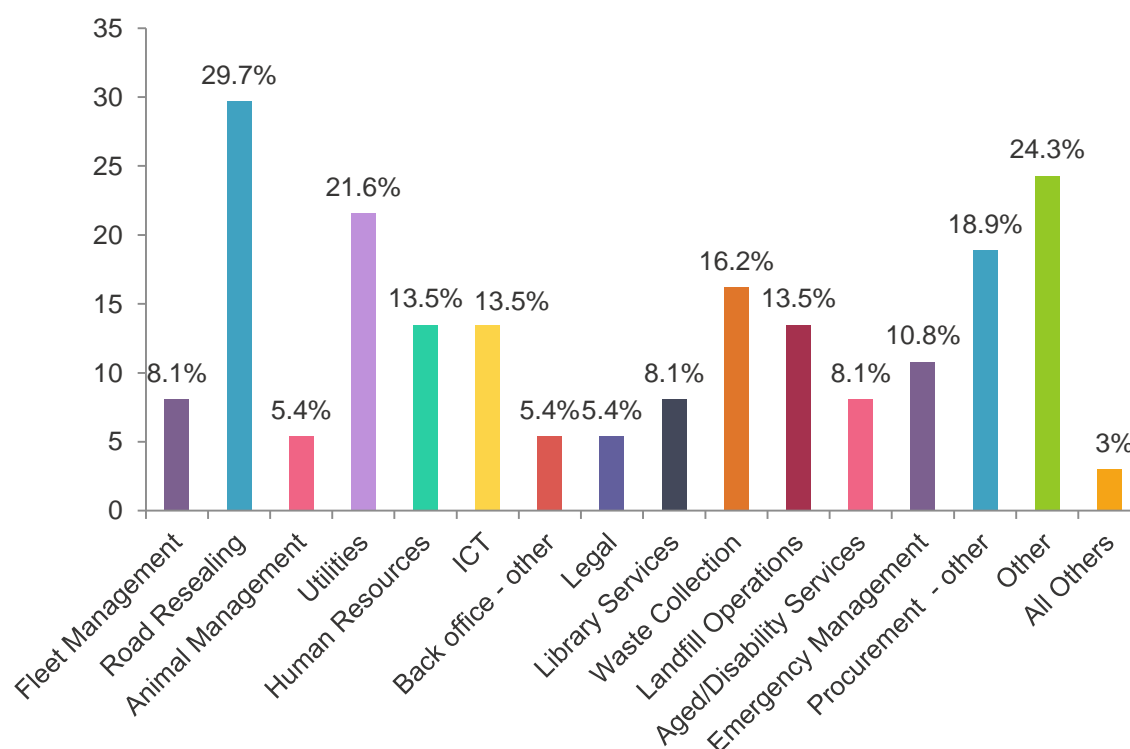
**Has your Council entered into a collaborative procurement or shared service as a result of RPEN activity?**



**Are you CURRENTLY involved in one of the following collaborative procurement and/or shared service practices with another council?**



**Please select the type of collaborative procurement and/or shared service are you currently involved with.**

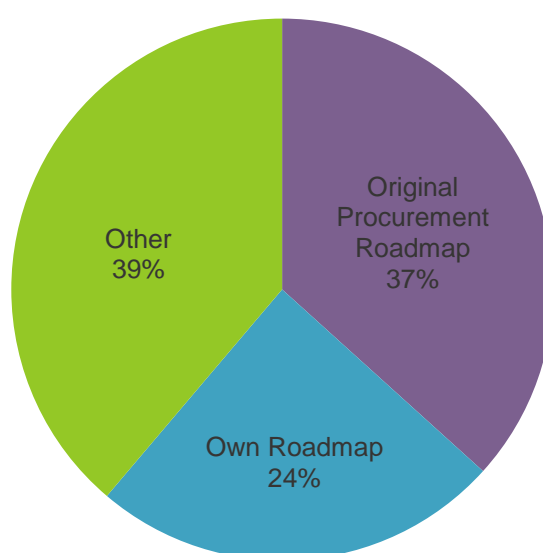




**Are there any specific reasons that your Council IS NOT currently involved in a collaborative procurement and/or shared service arrangement with other councils?**

Count	Response
5	No
1	Being a growth Council it is extremely busy and others don't believe we would derive a benefit from collaborating with a smaller council. My view is that Councils need to think about the sector more broadly and not just about 'their patch'.
1	Buy in of other units within Council - can be reluctant - having more interest now though
1	Communication issue and conveying message to the contract managers
1	Council, is I'm not, Finance director participates
1	Does not involve Senior Management
1	Lack of planning.
1	Location
1	Mainly location. We are 200+ kms from the nearest council so therefore don't share a large amount of suppliers.
1	No. We are interested in participating. Resource constraints in MSC and across the RPEN present a challenge. MSC does not, as yet, have a strategic procurement plan to support proactive collaborative procurement etc.
1	Resource issues
1	Size of Casey is a deterrent and no opportunities have been able to investigate in detail - have done initial scoping but not proceeded
1	The North/West Group needs to establish a work plan to identify collaborative procurement opportunities
1	Focus of resource to gain joint agreement on service. timing and divergent views on specification.
1	Geographic isolation of shire

**Do you currently use the Procurement Roadmap or have you developed your own Roadmap for use in your day to day activities? Please comment.**



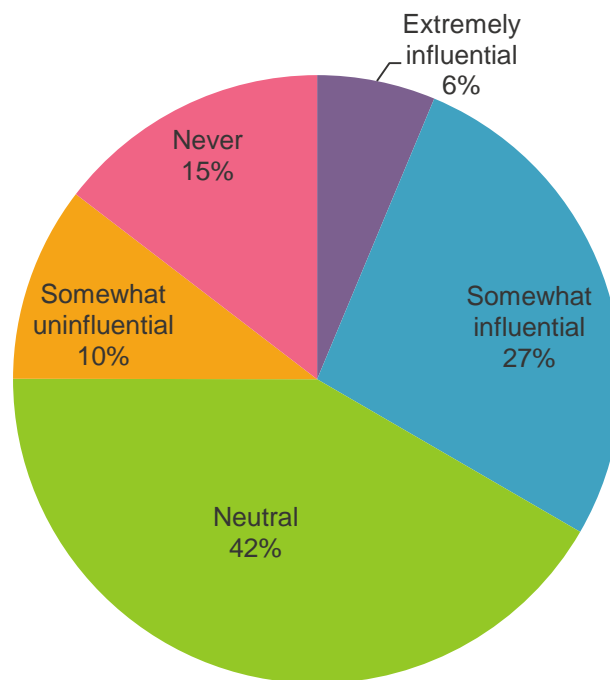
**How has the Procurement Roadmap process added value to your organisation procurement practices? Please provide comments.**

Count	Response
1	Enabled us to identify spend across, Council and identify gaps for improvement. Assisted in the formulation of policy and developing thresholds.
1	Given an overview of current processes and shortfalls
1	Good benchmarking tool. Some recommendations have been implemented.
1	Highlighted the strengths and weaknesses of Councils Procurement Processes and assisted in prioritising actions.
1	I am not sure – it's before my time.
1	I cannot comment
1	Initial rollout provided direction and framework. Consider revisiting with assistance from DELWP

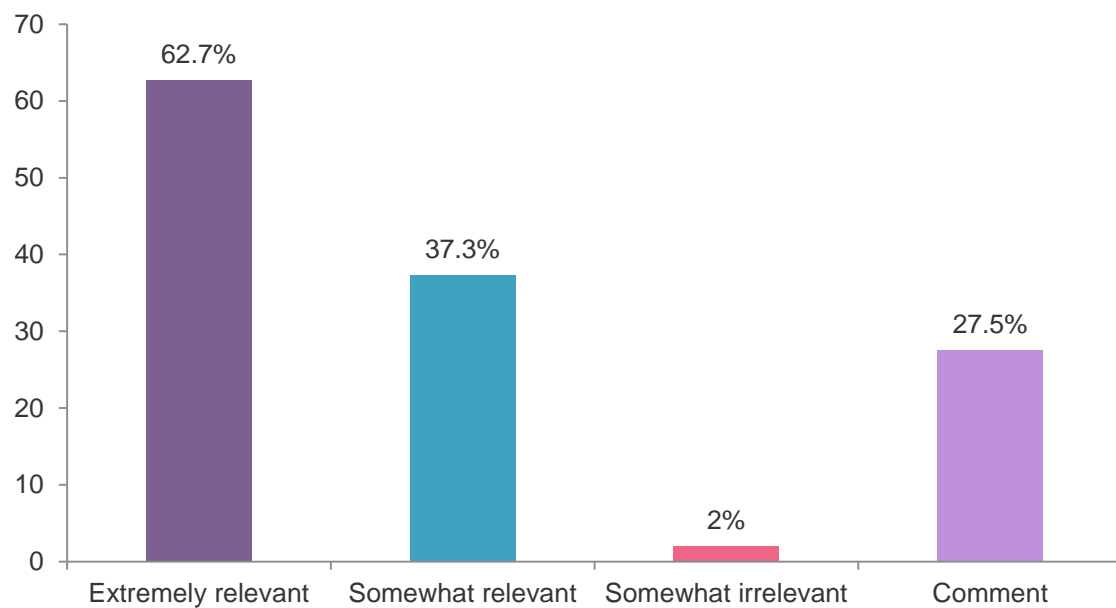
1	Initially it provided buy in from key stakeholders, however has not been progressed
1	It was too ambitious - change in staff resulted in lost momentum
1	Neutral benefit
1	Not applicable but the roadmap concept has real merit
1	Not using
1	Not yet
1	Originally it allowed procurement to be given more prominence in the organisation. It kick started a lot of well needed improvements in our organisation
1	Process
1	Provides some details for future planning
1	Sets goals, KPIs for the organisation on their procurement journey. Gives focus and direction to team and management. Facilitates prioritisation and documents progress which can be lost in the day to day business.
1	Shows visibility of like projects for forward planning of collaborative projects
1	Some value add, even if it only raised the profile
1	Somewhat, with greater organisation it would definitely be more beneficial.
1	Standardising processes
1	Strategic view
1	The roadmap identified areas that needed improvement and was able to provide process steps in how to achieve improvement in the areas identified
1	To some extent it gives focus to what need to be achieved. However there are no measures or effective target dates

1	Understanding of the procurement profession was very low prior to the roadmap and the roadmap helped build the case for a more professional approach. Resources added since the creation of the roadmap have delivered roadmap tasks and great value for the organisation
1	Very little if any value added to date
1	We are better focused on the services we deliver.
1	Went from no procurement unit, to a unit that supports the organisation, support has slowly declined in some ways, looking at new promoting over coming months
1	Yes, provided focus to set up the procurement function and improve the procurement systems and process
1	Improved focus on model and requirements to improve practices. supported strategic focus
1	Indicates market trends
1	It started the procurement working group and helped establish the position for the Coordinator Procurement
1	Provide items to look at for collaboration
1	Somewhat
1	The original procurement roadmap allowed us to get the fundamentals right and thereafter allowed us to become more strategic with category management. Now we look for every opportunity to engage in collaborative procurement and our internal customers are becoming more comfortable with this approach to market
4	No
3	N/A

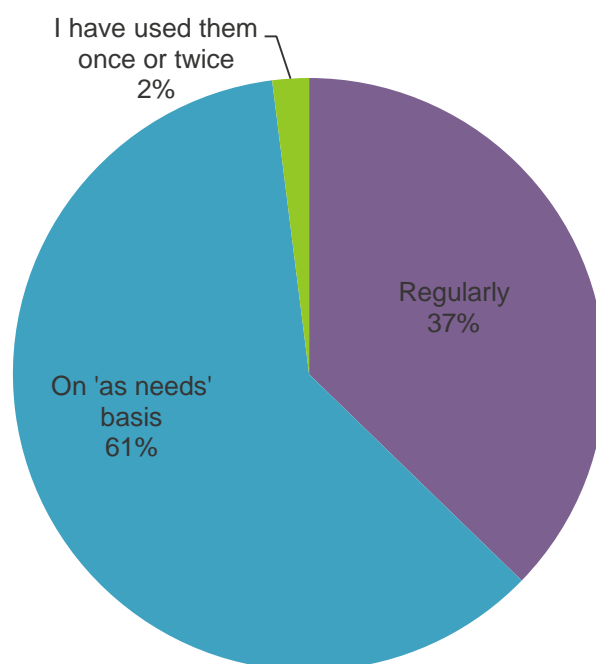
**How influential has the Procurement Roadmap process been in Council's decision making?**



**How relevant in your day to day business are the Best Practice Procurement Guidelines (updated 2013) developed by Local Government Victoria (LGV)? Please comment.**



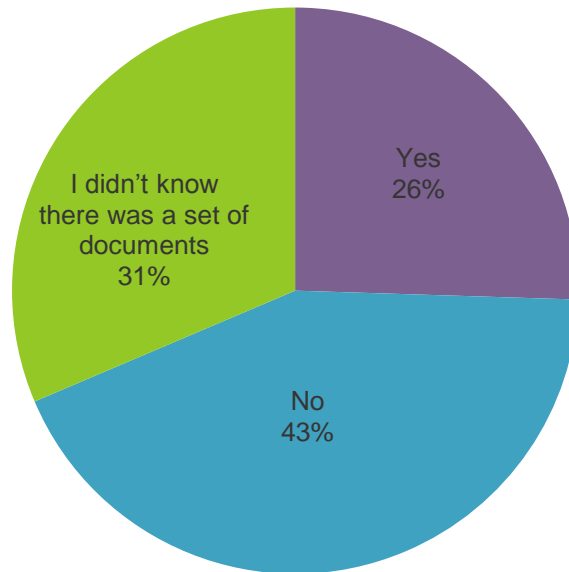
### How often would you refer to the Best Practice Procurement Guidelines?



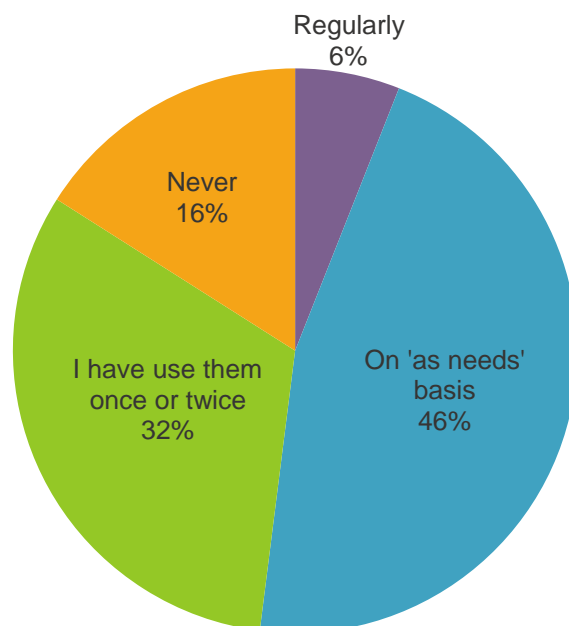
### Has the Best Practice Procurement Guidelines changed the way your council has planned for and implemented procures services?

Count	Response
34	YES
15	NO
Comments (sample)	Definitely, it has been a reference which has ensured we make informed and supported decisions. Gives the Procurement team the confidence and guidance to ensure compliance and wider understanding of our role in the process of resourcing council.
	No, Councils practices were very good, but the guidelines are useful for highlighting any shortcomings that may present on occasion
	Yes. I feel they are an extremely useful resource for guidance in decision making. There really isn't anything else. When I first came into the procurement area, I found it an invaluable resource.
	Not really, however it has offered good guidance on many occasions where best practice advice is required

**Has the set of standardised procurement templates (developed as an outcome of Local Government Reform Fund projects) been of value to you whilst undertaking your procurement practices?**

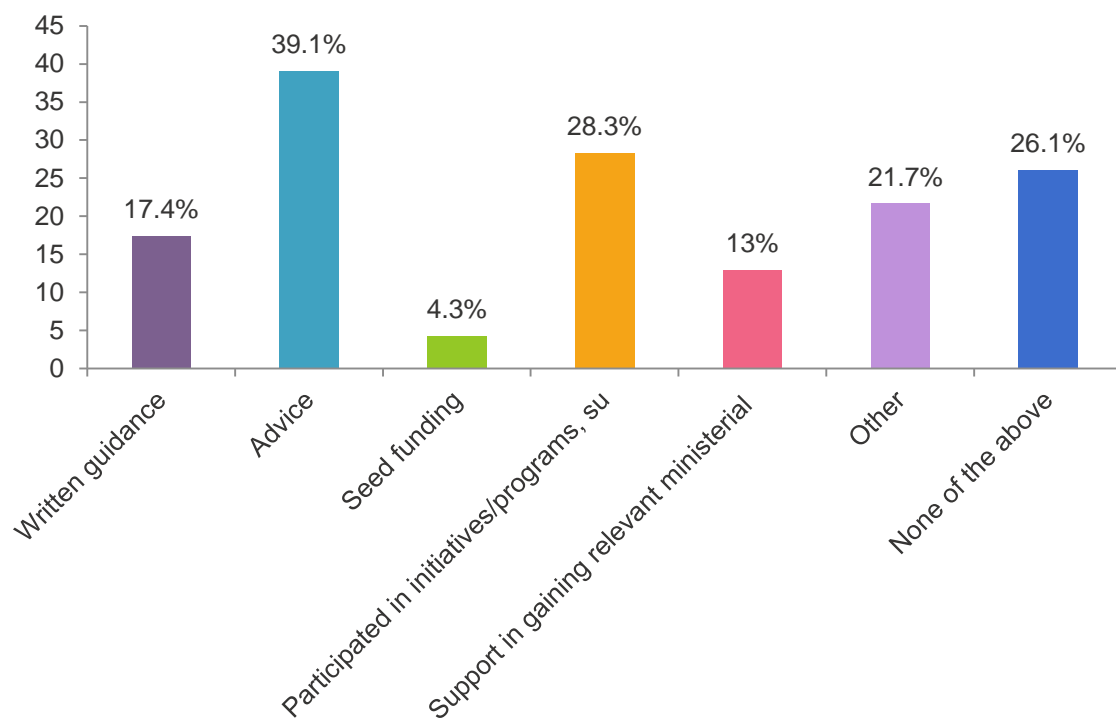


**How often have you utilised another council's procurement templates or documents?**

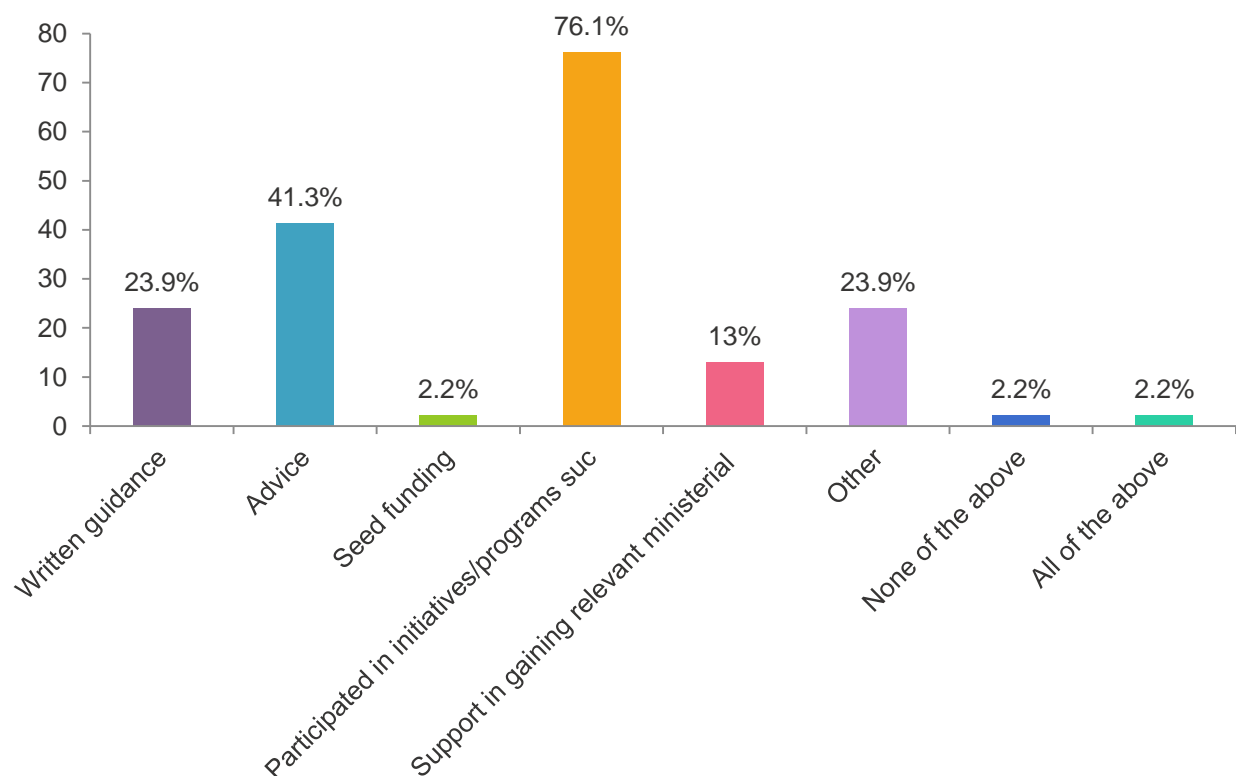




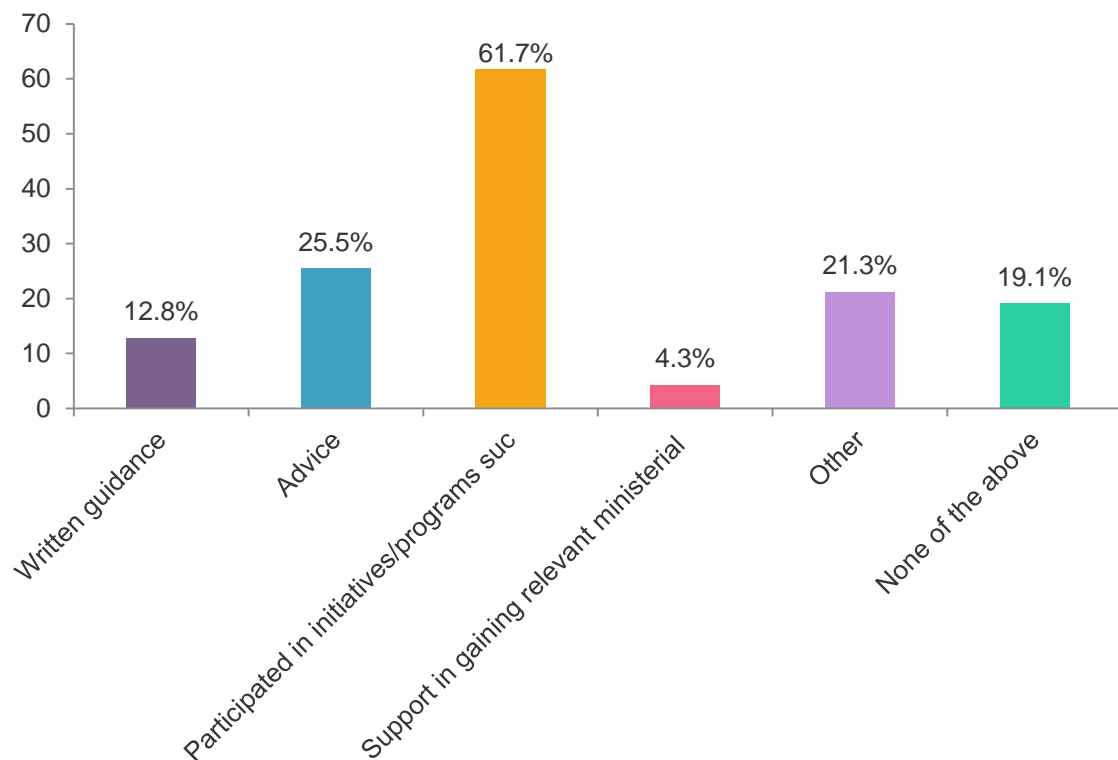
**In which of the following ways has your council received support and guidance from Local Government Victoria (LGV) to assist your council in developing, implementing and managing procurement practices?**



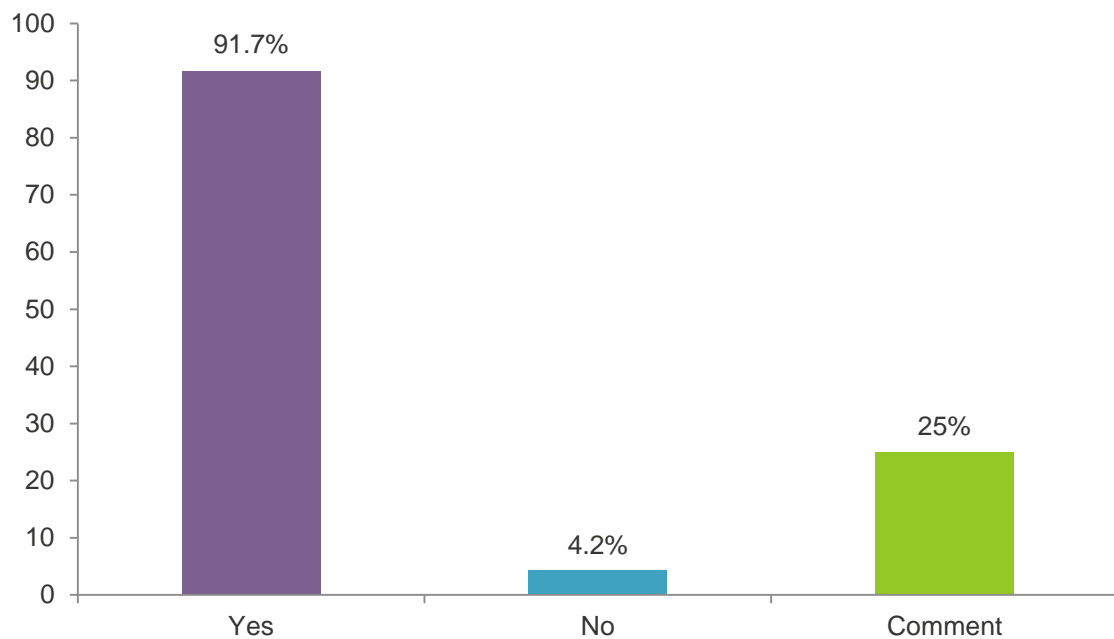
**In which of the following ways has your council received support and guidance from the Municipal Association of Victoria (or another statewide entity) to assist your council in developing, implementing and managing procurement practices?**



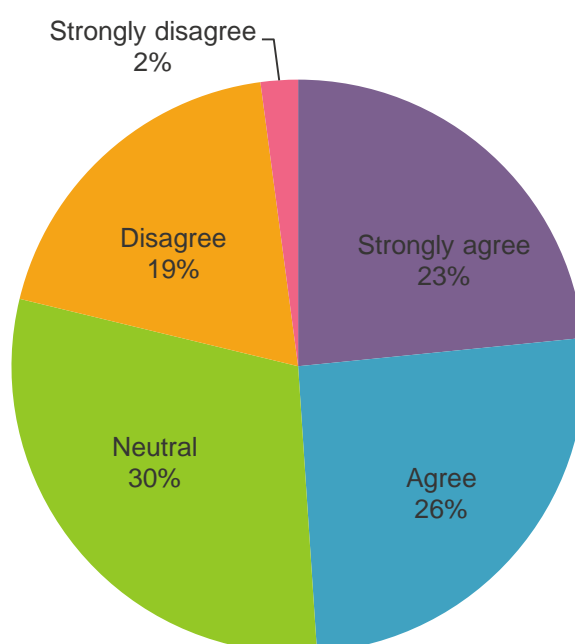
**In which of the following ways has your council received support and guidance from Procurement Australia to assist your council in developing, implementing and managing procurement practices?**



**Do you believe collaborative procurement/shared services is an effective way to do business within local government? Please provide comments.**



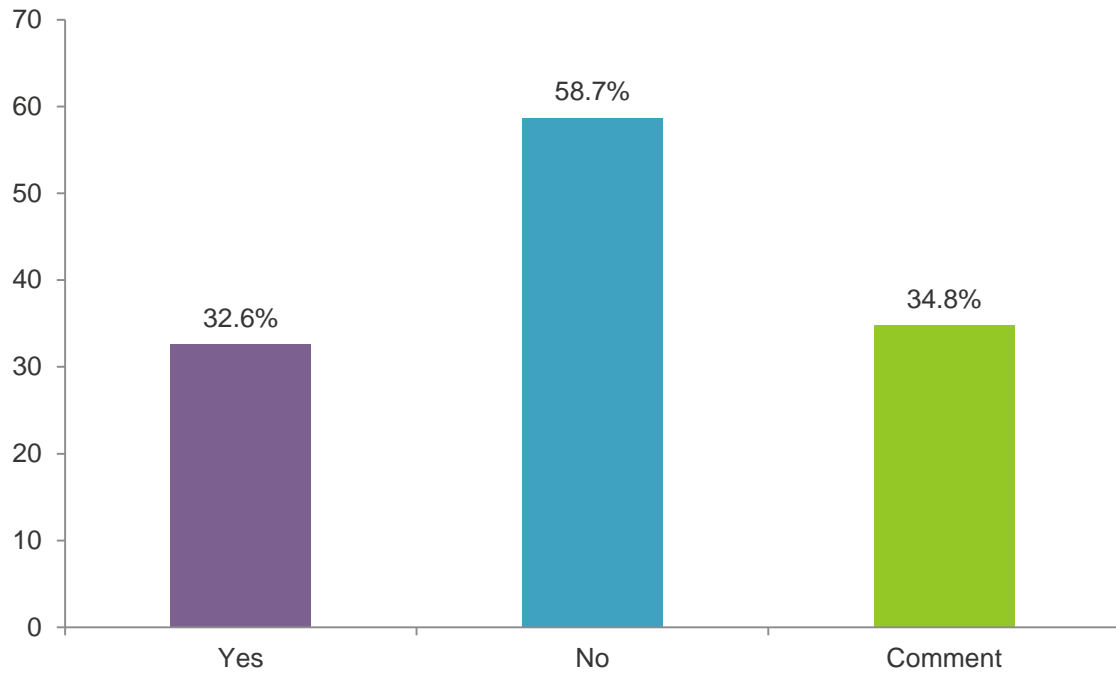
**Would you say procurement is a strategic activity within your council?**



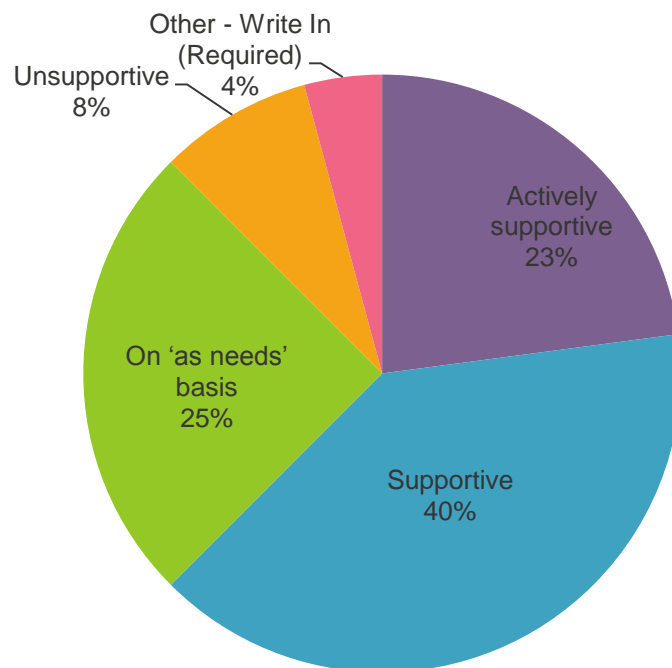
**Does your council report on procurement? Please comment.**

Response	Count
Yes	22
No	10
Limited reporting	8
Unsure	6

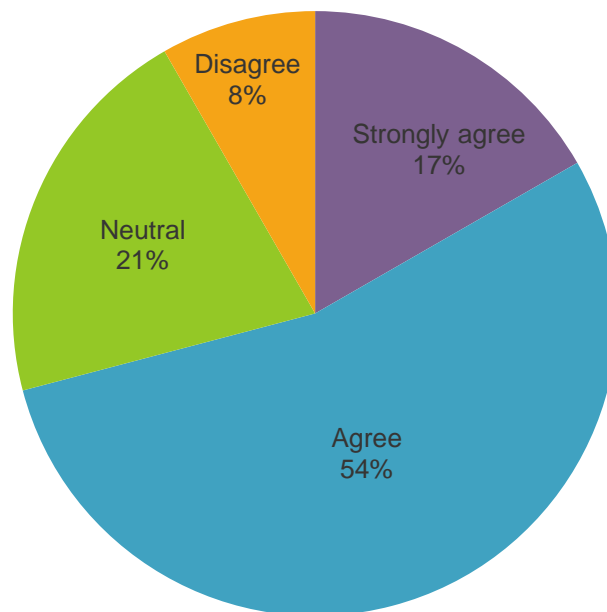
**Have shared services/procurement/collaboration been part of a council plan or strategy? If yes, please provide comments.**



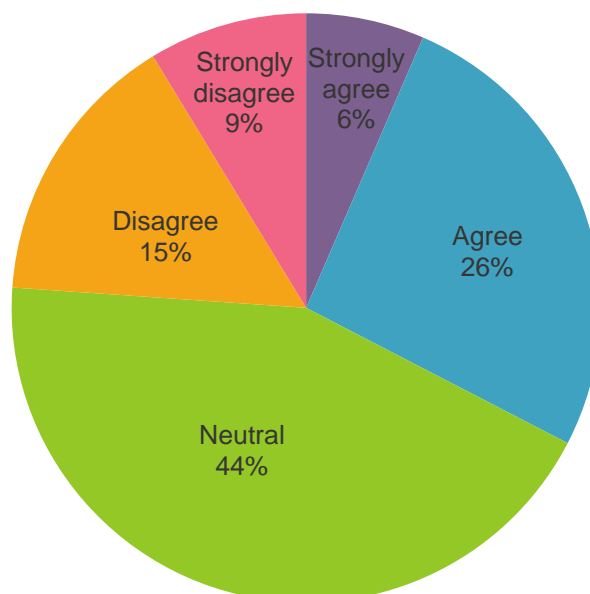
**How would you say that your council supports better procurement practices/initiatives?**



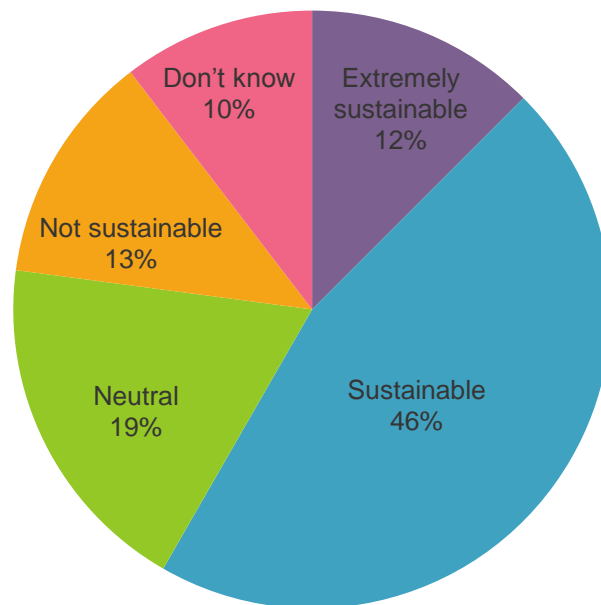
**Your council and executive places great importance on improving procurement practices and understands the value for the whole organisation.**



**Does your council places great importance on the RPEN and its activities to provide better procurement practices?**



**How sustainable do you think the Regional Excellence Procurement Network is into the future?**



**Please use this section to provide any further comments in regards to collaborative procurement and/or shared services.**

Count	Response
1	Being new to the role I have limited knowledge of past practice. In future management and myself expect to focus in the short term on streamlining processes and developing a coordinated approach to procurement
1	CP will only deliver results if senior stake holders are engaged and it is driven / mandated from a State Government perspective. At present there is no real ownership and therefore no real traction.
1	Can be very difficult to agree on collaborative opportunities without difference - every council tends to do things differently which can make it very difficult. Spotlight off has reduced importance or need to regularly report
1	Council is also doing a join tender at the moment with Baw Baw for Internal Audit Services and is participating the MAV LEAP Program with other Gippsland Councils which has an objective of investigating other potential collaborative procurement activities.
1	Great idea but limited thinking councils see everything as a threat and small Rural councils will argue against the cost for procurement and wrongly assume finance area has all the answers. Strategic procurement needs

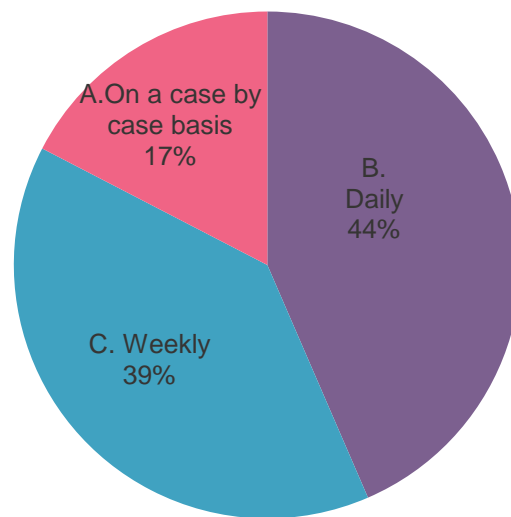
	programs to assist decisions based on clear data and this is poorly done or acknowledged by councils as a rule
1	I am very keen to investigate further opportunities for shared services and hopefully the MAV LEAP program will help identify these opportunities and open discussion around them.
1	I believe that Shared Services and Collaborative Arrangements are separate and should be treated as such. Shared Services focuses on shared delivery of a internally facing Council Services such as payroll/HR etc. Local Government doesn't need 79 payroll departments. It is a service that could be shared. Collaborative Arrangements should focus on external facing services such as Waste, Road Maintenance etc.
1	I believe the RPEN is a valuable tool for the development of regional procurement best practice and collaboration. Unfortunately the networks have had trouble in maintaining momentum once the CRB program finished.
1	I feel the procurement area of local government lacks sharing of information and collaboration. We all do the same thing and come across the same issues, but in my experience there doesn't seem to be a lot of sharing of information (eg lack of responses on yammer). Our RPEN doesn't meet that regularly, and doesn't seem to get great attendance.
1	I have a strong view that collaborative or agency tenders must be wholly supportive and engaging by all council who participate as over time the relevance and strength in having these contracts are not affective in both value and supplier engagement
1	I think collaborative procurement could unlock savings and efficiencies. However, there are significant resourcing challenges and each Council appears to have different capabilities and other challenges to face. Leadership on these issues from Senior and Executive management appears to be key to gaining any traction.
1	It needs more push by the State Government also more seed funding. Councils could do so much more by aggregating Procurement effort across the region. I believe Procurement is a good candidate as a shared service across the Eastern Region
1	It should be written into Council Plan and Strategy
1	Need to be better resourced and coordinated
1	RPEN seems to be slightly more inactive than it should be however I have not been a member for long so may be improving.
1	The RPEN is a network for procurement officers to share concerns, issues and integrate into the SIG group. All members gain a lot of assurance from sharing common challenges and gaining different approaches from these

	meetings. Time spent travelling to meetings is a big investment for regional councils. Also resources to progress initiatives and ideas that flow from these meetings are scarce, so it is important to keep them relevant and targeted.
1	The perception of shared services remains as a "I've lost control/responsibility/my job" scenario. People remain protective of their patch, and it is difficult to work with those who are open to ideas of sharing services. As each council operates in just a little different way, selecting the services to 'share' is not so easy. Additionally as Casey continues to grow, the initial CBA actually drives pricing up (per item), as we effectively subsidise others.
1	We are mostly fairly capable of undertaking collaborative procurement, it's the shared services we struggle with. This is because they often require common systems, very senior leadership commitment and more resources to manage (particularly project management). We know there are numerous opportunities for serious savings through things like shared legal services but nobody seems to have the resources to lead it and make it a reality.
1	We have a very high interest in this area but, it will require a framework and a lot more planning
1	Where the RPEN focuses on specific activities they work well. Given each councils resourcing however, collaboration is sometimes hampered by a lack of resources. Additional support from LGV for resourcing in the collaborative space would see more collaboration occur
1	the RPENS are sustainable however resourcing more value generating activities is a challenge and is a significant issue for some councils with very small procurement teams

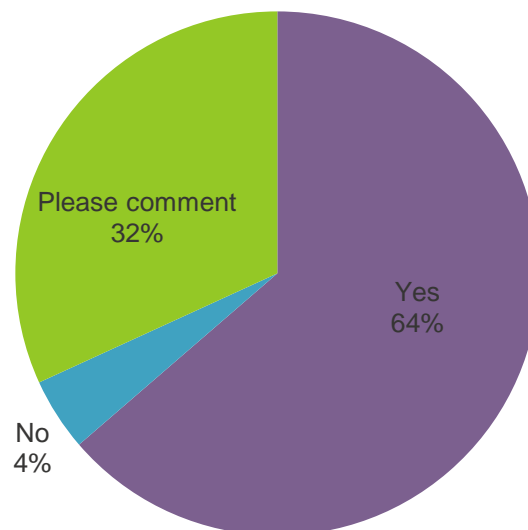


## Appendix C Report for Local Government Infrastructure Design Manual Survey results

How often would you refer to the Infrastructure Design Manual?



In your opinion, does the IDM address issues currently impacting on the land development industry, in particular sustainability, integrated water cycle management, timeliness and affordability?



**Please comment - samples**

A great deal of effort has been made to address all these issues, and the manual is evolving to take account of new knowledge and techniques.

It sets out the requirements, although it is not clear as to the sustainability of these requirements

New version includes Sustainability Infrastructure Guidelines

No, it is more a technical manual than a policy manual.

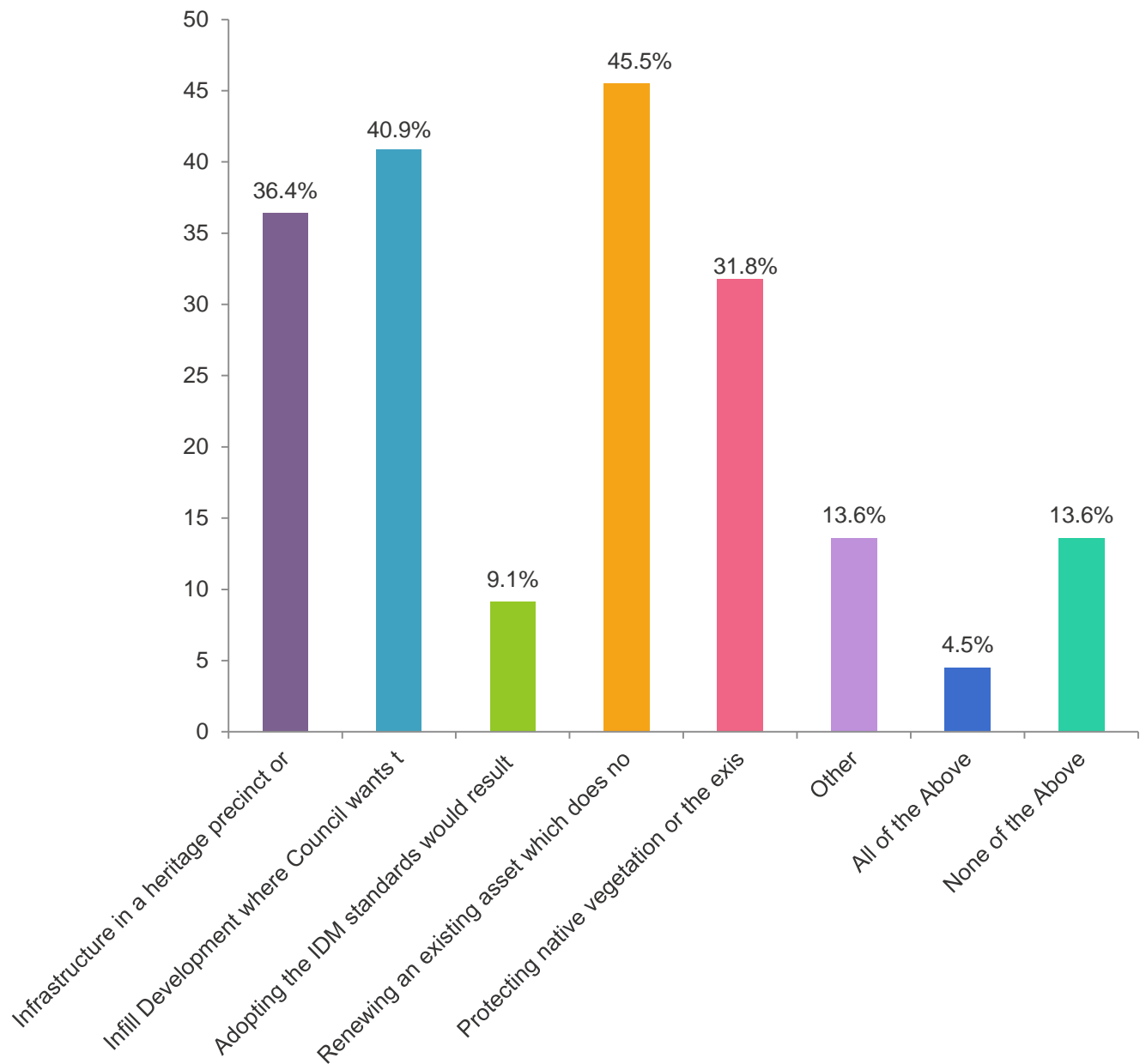
The issues listed are policy matters dealt with in the VPPs. The role of the IDM is to inform an applicant of the standards required by Council to achieve these policy outcomes.

**What particular sections do you utilise more often? Please comment.**

Count	Response
1	All, mainly Roads and Drainage Clauses.
1	Drainage
1	Drainage sections - Clause 16 and 19
1	Drawings
1	In my role as Senior Development Engineer, I reference all sections of the manual on a regular basis. However storm water management is the most common reference.
2	Infrastructure roads, footpaths and drainage
1	Pretty much most of the sections
1	Section 19 & 12
1	Section 2-18

1	Sections 8,12,16,19,20
1	Standard Drawings and Roads and Drainage information
1	Standard Drawings and Road Classifications
1	Standard Drawings and drainage related
3	Standard drawings
1	Table 2 (Urban Street Characteristics and various sections of stormwater drainage)
1	Technical references, scope of requirements
1	Urban subdivision - drainage
1	Road design
1	Roads, drainage, WSUD

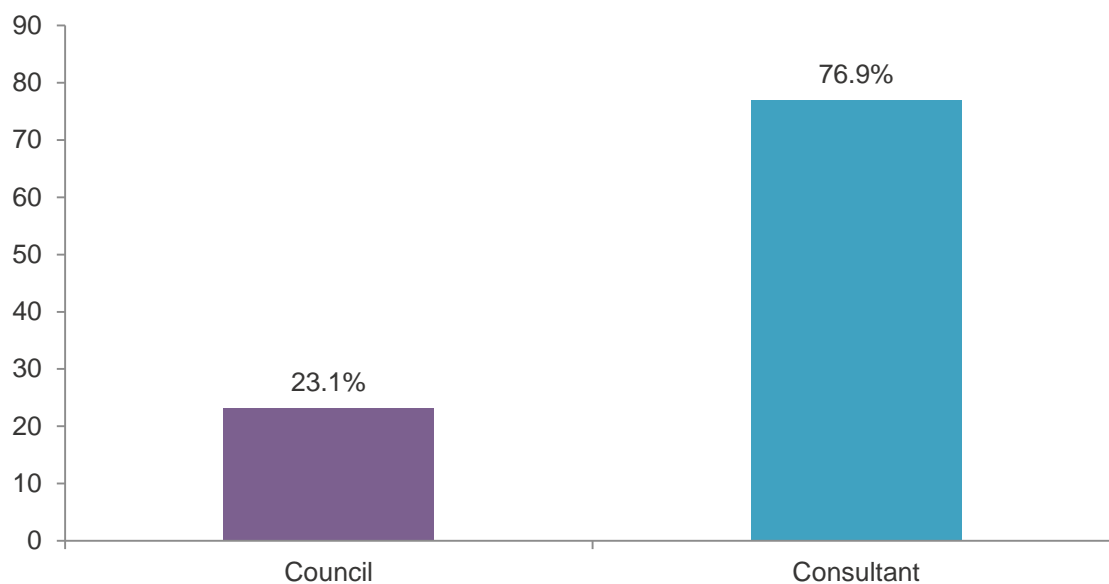
Has there been a circumstance where you have had to deviate from the IDM ? Please check the boxes that are appropriate.



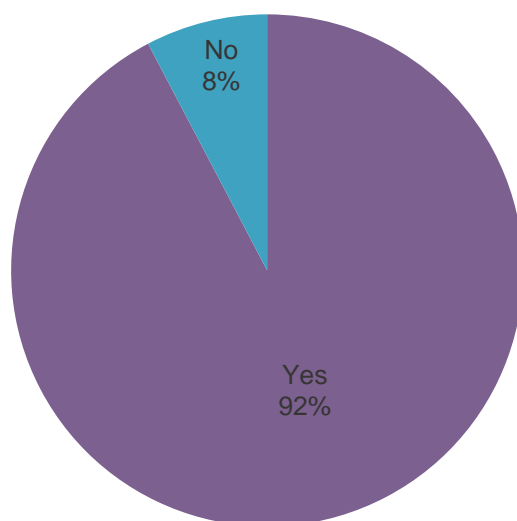
## Appendix D

## Engineering Design and Construction Manual Survey results

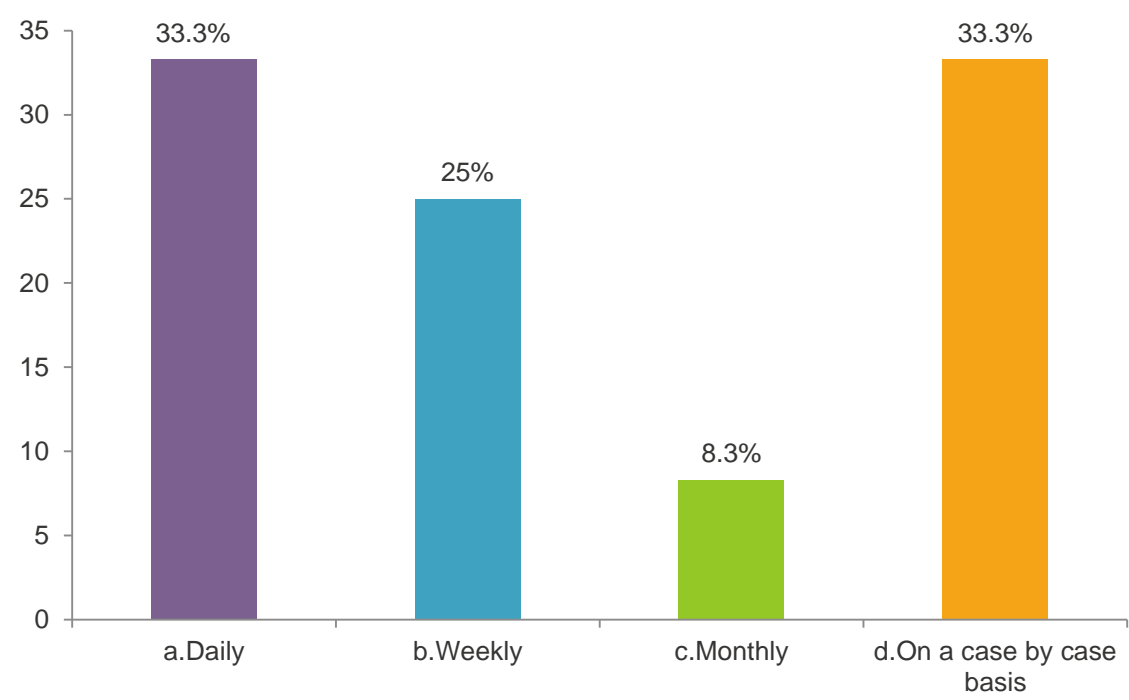
Are you a council employee or a consultant?



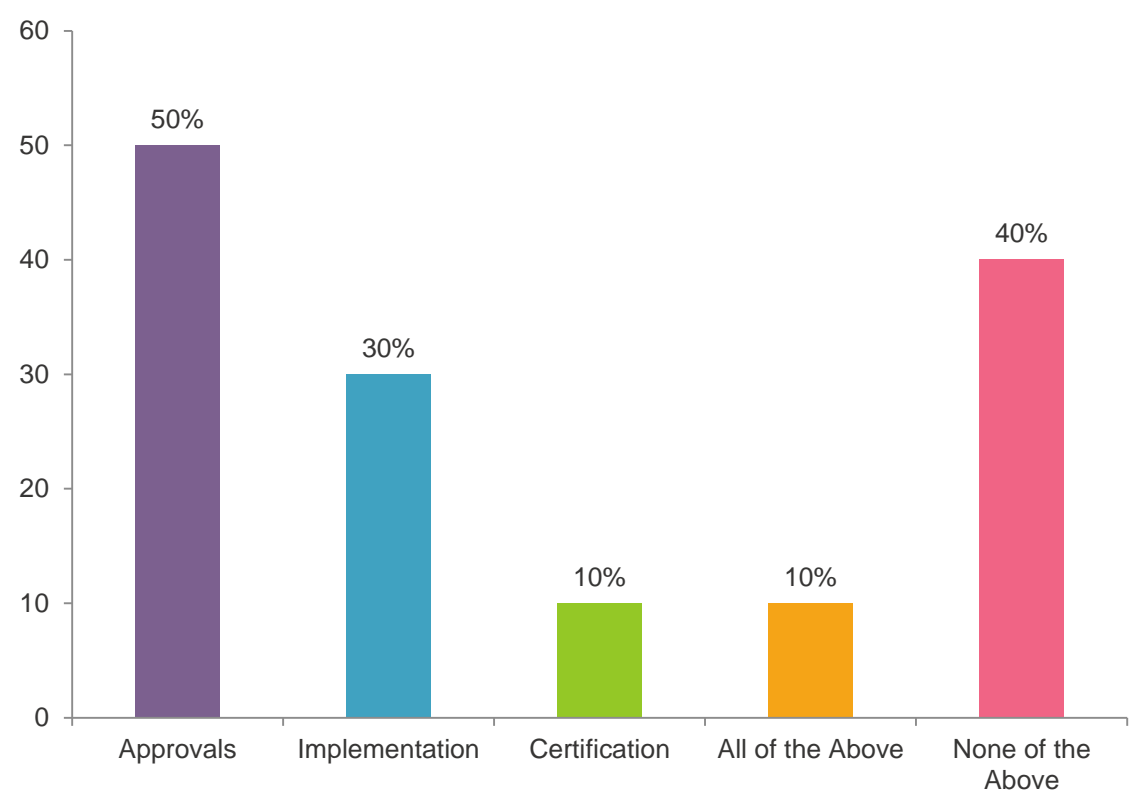
Are you aware of the Engineering Design and Construction Manual for Subdivision in Growth Areas?



**How regularly do you refer to the Engineering Design and Construction Manual for Subdivision in Growth Areas?**



**Has the EDCM delivered more efficient processes for:**



# Appendix E      Bibliography

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