

# Collaborating Councils

## Procurement Unit Co-location Trial 2016

Improving the way local councils buy goods and services to support their communities increases capacity and performance and provides better value for residents and ratepayers.



## Participating councils

- Central Goldfields Shire Council
- Greater Bendigo City Council

## Process

These councils are trialling a six-month co-location project to provide a platform for a shared procurement service before potentially proceeding to a permanent arrangement.

To ensure the success of the trial both councils have entered into a Memorandum of Understanding to highlight the shared understanding of the principles for undertaking this trial and to outline the process to be followed.

As part of the trial project, Central Goldfield Shire's procurement manager will spend several days a week in the Greater Bendigo City Council's offices to work alongside that council's contract and project coordination unit.

The project is being completed in two stages.

### Stage 1: Co-located services

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 both partners while measuring benefits achieved. The following procurement services will 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.

On completion of the six-month trial, both participating councils will review the success of the co-location and will determine whether to develop a business case for stage two.

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## Stage 2: “True” shared services

The second stage advances the shared services concept to a single council or council owned entity providing the required services to multiple councils under an agreed funding model. Progress to this stage would require committed collaborative engagement from the councils involved and would depend on evidence of success of the co-location trial.

## Benefits

The participating councils expect long-term benefits will include, but not be limited to:

- improving procurement processes
- saving costs
- increasing efficiencies
- improving service delivery
- raising quality standards
- improving responsiveness to the community

- achieving better outcomes for the community
- improving access to skills and expertise
- delivering services not otherwise available
- building organisational capability/capacity.

Suppliers are also expected to benefit from:

- a consistent approach
- less duplication of effort, for example, a single occupational health and safety prequalification process
- more opportunities for business in the local region.

The trial, if successful, would be open to other councils in the region to link in with the two original councils to jointly share procurement services. This would bring greater consistency in procurement service delivery and documentation within the region. Other councils across the state would also be able to replicate this shared service model.



Read about the success and benefits of collaborative procurement at Local Government Victoria’s website [www.delwp.vic.gov.au/local-government/strengthening-councils/collaborating-councils](http://www.delwp.vic.gov.au/local-government/strengthening-councils/collaborating-councils).

For more information regarding this project contact Local Government Victoria on (03) 9948 8537.

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