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| Rural Councils Transformation Program |
| Memorandum of Understanding (Example Only) |

##### This Memorandum of Understanding (MOU) template is provided for assisting councils to compete the requirements of an Expression of Interest (EOI) for the Victorian Government’s Rural Councils Transformation Program (RCTP). It is an example template and indicative only. It is not intended that an MOU – for the purposes of an EOI for the RCTP - be a legally binding document and applicant councils may wish to seek their own legal advice if they wish to develop legally binding requirements. It is not a requirement of the EOI application criteria to use this MOU template. Applicant councils may wish to consider their own needs and requirements in developing an MOU for the purposes of submitting an EOI for the RCTP.

## PARTICIPATING MEMBERS:

‘**Participating Members**’ commit to collaboratively develop a shared service application under the Victorian Government’s Rural Councils Transformation Program (RCTP), henceforth called the Proposal Name, with the objective of working towards cost savings, efficiencies and best practice.

South Westland Shire Council A.B.N. XXX XXX XXX;

North Southland Shire Council A.B.N. XXX XXX XXX;

Etc

Commencement: *Day Month* *Year*

## PRELIMINARIES

1. Each Council is a Participating Member of the Proposal Name.
2. *Optional - The Participating Members of the PROPOSAL NAME have been meeting on a regular basis since XXXX to share information and coordinate collaborative activities*.
3. *Now, in conjunction with the regular meetings and activities referred to in clause 2,* each Participating Member of the PROPOSAL NAME wishes to work together to develop a shared service with an application for support from the Victorian Government’s RCTP.
4. This Memorandum of Understanding (MOU) has been drafted to fulfil the requirements for submitting an Expression of Interest (EOI) in the RCTP and to guide each Participating Member of the PROPOSAL NAME for developing a full application in the RCTP that includes a business case.

## OBJECTIVES OF THE MOU

1. The objectives of the MOU are to provide a forum for communication, cooperation and coordination between Participating Members of the PROPOSAL NAME and conduct activities to achieve positive outcomes for the communities that each Participating Member represents.

## ELEMENTS OF THE UNDERSTANDING

#### Intention of this MOU

1. Unless stated, this MOU is not a legally binding agreement.
2. To ensure each Participating Member of the PROPOSAL NAME will use their best efforts to adhere to the spirit and content of this MOU.
3. To provide a governance arrangement for the PROPOSAL NAME.

## Term of MOU

1. This MOU commences on the date stated on the front cover of this MOU and will expire after 9 months unless renewed by agreement of every Participating Member of the PROPOSAL NAME pursuant to the next point.
2. This MOU may be extended by whatever further term is proposed by any Participating Member of the PROPOSAL NAME provided that the proposal is in writing and every other Participating Member of the PROPOSAL NAME accepts that proposal as evidenced in writing.

## Shared Services

1. Participating Members of the PROPOSAL NAME wish to further develop a shared services concept with support from the RCTP as a way of achieving best value common goods, services and works while working towards cost savings, efficiencies and best practice.
2. For the purposes of this MOU the minimum that is required is three (3) Participating Members of the PROPOSAL NAME who have identified goods, services or works that are a common opportunity for collaboration and submitting an Expression of Interest for support by the RCTP to develop the common opportunity.
3. It is hoped that most identified opportunities will be common to all Participating Members of the PROPOSAL NAME however each member is entitled to examine and reach its own conclusion about whether any identified common opportunity is appropriate for it to participate in a shared service proposal to the RCTP.
4. It is not necessarily a barrier to shared services that different Participating Members of the PROPOSAL NAME have slightly different requirements with regard to a particular good, service or works.
5. Where Participating Members do have different requirements, each Participating Member will work together and use its best efforts to remove any barriers that may be seen as preventing the development of the PROPOSAL NAME.
6. Similarly, having a current contract in place does not necessarily prevent any shared service process being developed.

## Key Principles

1. The opportunity to increase value for the majority of Participating Members proposing to participate in any shared service is to be the overriding primary guiding principle and is to be identified and documented prior to embarking on any shared service implementation.
2. It is necessary that any identified opportunities under this MOU are common to all Participating Members of the PROPOSAL NAME.
3. Secondary guiding principles under this MOU are:
	1. Expectations need to be kept realistic;
	2. There needs to be support from Participating Member’s executives who have authority over the utilisation of resources and the cooperation of Participating Member’s staff;
	3. There needs to be commitment and ownership;
	4. Meetings need to be regularly scheduled as required;
	5. Trust needs to be developed and maintained;
	6. Each Participating Member will try to understand the culture and different models that go to make up other Participating Members’ operational environment;
	7. Outputs and outcomes need to be measured, monitored and reviewed; and
	8. Participating Member councils must support the time and effort required for collaboration.

## Information sharing

1. Participating Members agree that it may be necessary to share confidential information to meet the goals, purposes and objectives of this MOU and that in doing so all such information must remain confidential.
2. No Participating Member must allow, make or cause any disclosure of confidential information without the prior written consent of the member or members who are the source of that confidential information.
3. It is at the sole discretion of each individual Participating Member whether to disclose confidential information to any Participating Member or Participating Members of the PROPOSAL NAME, and to what extent and what form any disclosure (if any) may take.
4. Participating Members are responsible for securely storing and restricting access to any confidential information disclosed.
5. Any Participating Member must report any actual or potential breach of these provisions to the other Participating Members of the PROPOSAL NAME and must promptly implement a plan to mitigate any potential damage as soon as they become aware of any actual or potential breach.

## Governance

1. The Participating Members will form a Proposal Development Board to govern the development of a shared service application under this MOU.
2. Each Participating Member will nominate a representative for the Proposal Development Board who will be the Chief Executive Officer of each Participating Member or delegate.
3. The Proposal Development Board may advise or review specifications or requirements, selection criteria, facilitate communication between Participating Members, attend meetings of Participating Members and assist in the development of an application to the RCTP.
4. *Optional - Participating Members may require members of the Proposal Development Board to sign Deeds of Confidentiality.*

## Meetings of the Proposal Development Board

1. Members of the Proposal Development Board will meet as required. A quorum of members will be at least two-thirds of Participating Members represented. Participating Members will nominate a chair for the duration of the MOU and agree on hosting meetings and keeping and distributing records.
2. Participating Members will, by a simple majority, vote on the use of systems and documentation for any shared service.
3. To avoid doubt the use of systems and documentation is not restricted to the ones used by Participating Members, however whatever systems and documentation are proposed, the owner of those systems and documentation needs to agree to make them available to Participating Members.

## Roles and Responsibilities

1. As far as practical roles and responsibilities will be allocated to Participating Members who:
	1. Are best placed to undertake the applicable tasks or actions;
	2. Are resourced and available to undertake the applicable tasks or actions; and
	3. Have the relevant expertise, skill and experience to undertake the applicable tasks or actions.
2. By agreement with the Participating Members it may be acceptable to outsource some roles and responsibilities, particularly where no member possesses all the requirements above.
3. If any role or responsibility is outsourced, any associated cost will be shared equally between Participating Members.
4. A lead Participating Member must be identified prior to progressing any shared service for the purposes of liaison and key contact with the RCTP.
5. The lead Participating Member is responsible for preparing a shared service plan including resource allocation and identifying roles and responsibilities together with how the shared service will add value to the majority of Participating Members of the PROPOSAL NAME.
6. The lead Participating Member is responsible for setting reporting responsibilities back to the other Participating Members.

## Dispute Resolution

1. If a dispute arises between Participating Members under this MOU, any Participating Member may serve on all other Participating Members (regardless about whether the dispute involves all Participating Members or not) a notice, which identifies and provides particulars of the dispute, including identifying the relevant Participating Members involved in the dispute.
2. After service of the notice, the relevant Participating Members must each nominate one person to mediate the dispute.
3. If the relevant Participating Members are unable to resolve the dispute by mediation within fourteen (14) days of notification of the dispute, the dispute must be referred to the Chief Executive Officers of the relevant Participating Members.
4. The Chief Executive Officers of the relevant Participating Members must then attempt to resolve the dispute.

## Varying this MOU

1. This MOU may be varied at any time by agreement between all Participating Members of the PROPOSAL NAME, provided that any variation is evidenced in writing and sent to all Participating Members of the PROPOSAL NAME.

Each Participating Member of the PROPOSAL NAME confirms their commitment to this MOU as follows:

Signed for and on behalf of South Westland Shire Council by:

................................................................

Name:

Title:

Date:

Signed for and on behalf of North Southland Shire Council by:

……………………………………………..

Name:

Title:

Date:

Etc