

Plan for Implementation of Recommendations

Strathfield Council (Operation Centurion)

Recommendation 1

That Strathfield Municipal Council review its Purchasing and Tendering Operational Guidelines to provide clear guidance on expression of interest (EOI) processes that do not form part of a formal tender. In particular, guidance should be provided on the circumstances surrounding the acceptance of late submissions, including appropriate approval requirements.

Summary of response

The recommendation will be implemented as described in the report.

Action proposed

Action taken to implement the recommendation includes;

1. The transfer of all Council's tender and EOI management to the Corporate Services Procurement Section.
2. The development of a *Tender Checklist and Workbook* which guides and records all activities relating to the tendering process. There are 4 identified stages including preparing the tender documentation, advertising and public notification of the tender, tender assessment and tender approval and finalisation. Each section outlines the step-by-step actions required to be completed and identifies responsible officers.
3. The development of an *EOI Checklist and Workbook* for expressions of interest processes that do not form part of a formal tender. The checklist guides and records all activities relating to the EOI process including preparing the EOI documentation, advertising and public notification, EOI assessment and finalization. Similar to the tender checklist, each section outlines the step-by-step actions required and identifies responsible officers.
4. An update of Council's *Business Ethics Policy*.
5. A review of Council's *Purchasing and Tendering Operational Guidelines* completed to reflect changes in tender and EOI management and references to the step-by-step checklists.

Supporting material

Material produced in support of the implementation includes;

- The *Tender Checklist and Workbook* – a step-by-step guide to managing tenders.
- The *EOI Checklist and Workbook* – a step-by-step guide to managing expressions of interest outside the tender process.
- The *Business Ethics Policy*.

Proposed evaluation methods

Methods proposed to evaluate the effectiveness of the implementation include an independent review by an external auditor to be completed by March 2011.

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Recommendation 2

That Strathfield Municipal Council amend its Purchasing and Tendering Operational Guidelines to specify the types of EOI that must be advertised in a Sydney metropolitan daily newspaper as well as the local press and on its website.

Summary of response

The recommendation will be implemented as described in the report.

Action proposed

Action taken to implement the recommendation includes;

1. The update of the EOI Checklist to define that *all* EOI's are to be advertised in the Sydney Morning Herald newspaper, local newspapers and Council's website.

Supporting material

Material produced in support of the implementation includes;

- The *EOI Checklist and Workbook* – The first action required in phase two states the “*Procurement Coordinator sends EOI advertisement to Communications for publication in the Sydney Morning Herald, local newspapers and Council’s website.*”

Proposed evaluation methods

Methods proposed to evaluate the effectiveness of the implementation include an independent review by an external auditor to be completed by March 2011.

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Recommendation 3

That Strathfield Municipal Council undertake the following activities in relation to its record-keeping requirements for EOI processes:

- a complete review of its record-keeping practices to ensure adequate procedures are in place to capture and maintain all relevant documents from every stage of the process. This should include Council-generated correspondence, Council reports and minutes, evaluation panel reports and decisions, and information received from proponents;
- the clear documentation of all record-keeping requirements in Council's Purchasing and Tendering Operational Guidelines;
- the training of all Council staff involved in EOI processes in Council's record-keeping requirements and their obligations;
- the conduct of a compliance audit of its record management systems against the requirements of the State Records Act 1998.

Summary of response

The recommendation will be implemented as described in the report.

Action proposed

Action taken to implement the recommendation includes;

- An all staff memo outlining the importance of Records Keeping
- In relation to the implementation of records management policies and procedures, a comprehensive review of Council's record keeping function was carried out in November 2009. The review examined Council's compliance to the State Records Act 1998, AS ISO 15489:2002 and relevant standards and resulted in the development of a records management action plan to address strategic, policy, procedural and system issues. Each action has been prioritised and a timeframe for completion identified.
- The Records Management Policy has been developed and adopted.
- Council's Purchasing and Tendering Operational Guidelines have been updated to include record keeping responsibilities in relation to tenders and EOIs
- All Council staff are scheduled to attend internal recordkeeping training sessions in August 2010 based on the State Records requirements and Council will commence internal monitoring and auditing of all staff on a regular basis in late August 2010, to ensure conformity.
- Council has also engaged the services of SINC Solutions Consultancy to audit Records Management and complete a full review of the implementation of revised Record Management practices against the requirements of the State Records Act 1998. This audit will be completed by December 2010.

Supporting material

Material produced in support of the implementation include;

- The *Records Management Gap Analysis and Action Plan*
- The *Records Management Policy*
- Council training schedules and *Recordkeeping and your responsibilities* training presentation.

Proposed evaluation methods

Methods proposed to evaluate the effectiveness of the implementation include an independent review by an external consultant to be completed by December 2010.

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Recommendation 4

That Strathfield Municipal Council ensure procedures are in place to determine the market rental value and amount of work required to be undertaken by potential licensees prior to the selection of preferred proponents during EOI or formal tender processes.

Summary of response

The recommendation will be implemented as described in the report.

Action proposed

Action taken to implement the recommendation will include the development of guidelines within those plans of management which permit licensing of community facilities to address the following;

- The requirements for determining the market rental value of a licensed facility
- The amount of work required to be undertaken by potential licensees prior to the selection of preferred proponents during EOI or formal tender processes.

Supporting material

Material to be produced in support of the implementation will include;

- Details of the guidelines to be included in updated plans of management.

Proposed evaluation methods

Methods proposed to evaluate the effectiveness of the implementation include an internal audit to be carried by March 2011.

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Recommendation 6

That Strathfield Municipal Council commence a campaign to educate its community in relevant languages that corrupt acts such as bribery or other inducements are not acceptable and will be reported to the Commission.

Summary of response

The recommendation will be implemented as described in the report.

Action proposed

Action taken to implement the recommendation includes the development of translated Business Ethics Policies in languages relevant to the area.

These include the following translations, which are available to the community on Council's website;

- Strathfield Council Business Ethics Policy (Arabic translation)
- Strathfield Council Business Ethics Policy (Chinese translation)
- Strathfield Council Business Ethics Policy (Korean translation)

Supporting material

Material produced in support of the implementation includes;

- Strathfield Municipal Council, Tenders and Expressions of Interest website
<http://www.strathfield.nsw.gov.au/page/council/tenders-and-expressions-of-interest/>
- The Strathfield Council Business Ethics Policy (Arabic translation)
- The Strathfield Council Business Ethics Policy (Chinese translation)
- The Strathfield Council Business Ethics Policy (Korean translation)
- Council's *Tender Specification Template* provides a standard template for developing a request to tender. It includes Council corporate information, policies, forms and applications.

Section 1.3 of Strathfield Municipal Council's Tender Specification Template states;

"Strathfield Council is committed to conducting business professionally at all times and to the highest ethical standards so that the community has confidence and trust in Council's business dealings, services provided and actions.

Tenderers should note that it is the expectation of Council that its relationship with the Contractor will be based on, among other things, ethical standards which are above reproach and capable of sustaining any form of scrutiny. This is to be achieved for the mutual benefit of the Contractor, Council and the residents of Strathfield Municipality. It is expected that any Contractor wishing to do business with Council would observe and respect Council's ethical standards which are articulated in Council's Code of Conduct and Business Ethics Policy (Appendix A).

In all business dealings Council expects that Council's contractors will observe the highest standards of ethical, probity and professional conduct. This includes:

- *Being prepared to attest to probity, and not engaging in any form of collusive practice, including offering Councillors or staff inducements, gifts, benefits or incentives designed to improperly influence the conduct of duties”*

Proposed evaluation methods

Methods proposed to evaluate the effectiveness of the implementation includes incorporating into the tender and EOI checklist the requirement to obtain feedback from Councillors and staff concerning any contact made by tenderers or expression of interest applicants prior to determination of the tender or EOI.