



Item No: 5.1
 File No: 12.14.1.4
 Date: 22 September 2020
 Attachment: A, B, C

Meeting: CEO Performance Review Committee

Title: CEO Performance Review Appointment of Consultant

Responsible Manager: Mayor, Elizabeth Fricker

Author: Council Secretariat, Vanessa Davidson

Key Focus Area: Strategic Community Plan Focus area 3- Transparent and accountable local tier of Government

Key Focus Area: Financial Guiding Principle 4 – Robust and transparent allocation and prioritisation of resources

Type of Report: **Decision Required**

The matter contained in this report may, if the CEO Performance Review Committee so determines, be considered in confidence pursuant to Section 90(2) of the *Local Government Act 1999* on the basis that the information contained in the attached report is information of the nature specified in subsections 90(3)(d) and 90 (3)(k) of the Act being to prejudice the commercial position of the person who supplied the information and the information supplied relates to a tender process that has not yet been finalised.

Recommendation Public

Pursuant to s90(3)(d)

Pursuant to section 90(2) of the *Local Government Act 1999* the CEO Performance Review Committee orders that all members of the public, except the Council Secretariat, Vanessa Davidson, be excluded from attendance at the meeting for Agenda Item 5.1 CEO Performance Review - Appointment of Consultant.

The CEO Performance Review Committee is satisfied that:

1. Pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information as it contains pricing information relating to a tender process for professional services.
2. Pursuant to section 90(3)(k) of the Act, the information to be received, discussed or considered in relation to this Agenda Item are tenders for the provision of services to the Council and at this time the information relating to the tender process should not be made public.

In addition, the CEO Performance Review Committee has further considered that the information would on balance be contrary to the public interest because the disclosure of this information may result in a competitor receiving the information to the detriment of the proposed provider.

Recommendation (Confidential)

1. That the CEO Performance Review Committee, having considered the submissions received at the conclusion of the Request for Quotes process, requests Administration to facilitate interviews with the Committee and the following applicants:
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2. The Committee requests that the Council Secretariat, Vanessa Davidson, undertake referee checks (using the questions appearing as Attachment C to this report) of the following applicants and provides the information to the Committee prior to the interview process:
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Recommendation (Public)Pursuant to s.91(7)

That having considered Agenda Item 5.1 CEO Performance Review – Appointment of Consultant in confidence under section 90(2), 90(3)(d) and 90(3)(k) of the *Local Government Act 1999*, the CEO Performance Review Committee, pursuant to section 91(7) of that Act recommends to Council that:

1. The Report, Minutes and Attachments A and B relevant to this Agenda Item be retained in confidence.
2. The Report, Minutes and Attachment A be released once the matter has been finalised.
3. That Attachment B be retained in confidence for a period of 5 years as the Attachment relates to tenders for the provision of services to the Council and at this time the information relating to the tender process should not be made public.

That the CEO Performance Review Committee resolves to end its confidential deliberations pursuant to Section 90(2) of the *Local Government Act 1999* and re-admit the public.

Summary

The CEO Employment Agreement sets out that Council must conduct an annual performance review and that it must be completed by 31 August each year. The CEO Performance Review Committee's Terms of Reference require the Committee to undertake the review, and to recommend to Council the appointment of an independent consultant to assist with the performance review process.

The purpose of this report is to provide the CEO Performance Review Committee (Committee) with the responses to the Request for Quote process which was undertaken in order to identify an appropriate independent consultant to assist the Committee.

Background

The CEO's Employment Agreement sets out in Clause 10 the requirement to conduct an annual performance review.

The CEO Performance Review Committee Terms of Reference, adopted by Council on 20 May 2019, prescribes the role of the Committee to:

- Engage with the Chief Executive Officer in the undertaking of the annual performance review within the parameters of the Employment Agreement, and report the findings to Council. Conduct an informal performance review meeting with the Chief Executive Officer after six months of each review year
- On an annual basis, and in conjunction with the Chief Executive Officer, establish the Key Performance Indicators (KPIs) against which the performance review is to be conducted
- Periodically review with the Chief Executive Officer the Key Performance Indicators, and the Key Result Areas included in the position description against which feedback will be sought during the annual performance review
- On an annual basis make recommendations to Council regarding the remuneration and conditions of employment of the Chief Executive Officer, consistent with the requirements of the Employment Agreement
- **The Committee is to make a recommendation to Council for the appointment of an independent consultant to assist with the Chief Executive Officer's performance review process.**
- Make recommendations to Council as to any proposed changes in remuneration or conditions of employment of the Chief Executive Officer.
- In the event of a vacancy for the position of Chief Executive Officer, the Committee will develop and recommend to Council the necessary steps to fill the vacancy within the requirements of the Local Government Act. The Committee will act as the selection panel and make recommendations to Council on an appointment to the position of Chief Executive Officer.

Richard Altman Consulting has been appointed by the Council, since 2014 to support them through the performance review process.

In early 2020 the CEO Performance Review Committee commenced a Request for Quote Process to select a consultant to assist the Committee undertake the Chief Executive Officer's Performance Review for the 2019/2020, 2020/2021 and 2021/2022 financial years.

This process was subsequently abandoned due to the impacts of the COVID-19 pandemic with Council resolving at its Ordinary meeting of 20 April 2020:

CNC373/19-20

The CEO Performance Review Committee recommends to Council that:

1. *The current Request for Quote process to appoint an independent consultant to assist the CEO's Performance Review Committee be abandoned and a new Request for Quote process be undertaken commencing in November 2020.*
2. *Richard Altman Consulting be appointed to assist the Chief Executive Officer's Performance Review Committee to undertake an annual performance review of the Chief Executive Officer for 2019/ 2020.*
3. *Administration write to Richard Altman and Rebecca Hunt and inform them that in accordance with clause 5.4 of the RFQ process the existing process to appoint an independent consultant to assist the CEO's Performance Review Committee will be abandoned.*

Discussion/Issues for Consideration

In accordance with the requirements of Council's Procurement Policy, Administration commenced a request for quote process to seek interest from suitably qualified independent consultants capable of assisting the Committee in undertaking the CEO's Performance Review.

Five (5) companies were selected from the pre-qualified Professional Services Panel and invited to submit quotes these being:

1. AME Recruitment Pty Ltd
2. BRM ADVISORY
3. Maxima Training Group (Aust) Ltd
4. McArthur (SA) Pty Ltd
5. Richard Altman Consulting

The request for quote document (included as Attachment A to this report) specified that the Committee requested assistance with the following:

1. Assist the Chief Executive Officer Performance Review Committee to undertake an annual performance review of the Chief Executive Officer in accordance with the CEO Employment Contract & Terms of Reference of the Committee for the 2020/ 2021 and 2021 /2022 financial years.
2. Using the agreed Chief Executive Officer KPI conduct the performance review by meeting with Elected Members, Senior Staff, and external stakeholders, collate and summarise responses.
3. Update the KPI Scorecard with evidence based results for the other goals.
4. Undertake a benchmarking remuneration review process and provide recommendations to the Committee and Council that are performance based and reflect current market trends.
5. Prepare a report that sets out the findings from the review and discuss the findings with the CEO and the CEO Performance Review Committee. Identify development goals to be included for the CEO for the coming year.
6. Support the CEO Performance Review Committee to establish performance indicators for the subsequent review in consultation with the CEO as required by the Employment Contract.
7. Present the findings to the Committee and Council.
8. Attend meetings of the Committee and Council as required through the process.
9. Assist the Chief Executive Officer Performance Review Committee with the review of the Committee's Terms of Reference.

The companies were not advised of the budget allocated to the process.

The request for quote process commenced on Thursday 20 August 2020 and concluded at 5pm on Thursday 10 September 2020.

At the time of closure of the process two (2) responses had been received these being from:

1. Richard Altman Consulting
2. McArthur (SA) Pty Ltd.

The completed responses were sent by confidential email to Committee members on 11 September 2020 accompanied by an evaluation spreadsheet that each Committee was requested to complete.

The companies were to be given scores out of 10 for the following criteria based on the information provided in their submitted responses:

1. Cost – value for money

2. Timeframes – evidence of being able to deliver in allocated timeframes
3. Capability - understanding of requirements, knowledge & experience in the industry, infrastructure and other support, staff resources, methodology.
4. Performance - factors to consider: current work, previous work, previous local government experience, mechanisms for monitoring contractual performance, industrial relations, OHS&W, equal opportunity.
5. Quality Systems Deliverables – Quality of work

Committee Members independently completed an evaluation spreadsheet and submitted it to Administration for collation.

The collated spreadsheet which presents an overview of all scores is included at Attachment B.

Next Steps

In accordance with clause 2.5 of the CEO Performance Review Committee's Terms of Reference the Committee are required to make a recommendation to Council for the appointment of an independent consultant to assist with the Chief Executive Officer's performance review process.

Attachments

Attachment A	Request for Quote Documentation Supplied
Attachment B	Evaluation Matrix as Completed by Committee Members
Attachment C	Proposed Interview Questions