

## **Flying Minutes – Local Government COVID-19 Operational Support Initiatives (ZD)**

*Zac Donovan, Executive Manager Commercial and Communications*

**That the recommendation from the Finance and Services Committee relating to Local Government COVID-19 Operational Support Initiatives be endorsed.**

### **RESOLUTION 44.FM/2020**

**CARRIED**

### **Executive Summary**

- Two initiatives are proposed to support Local Government operations and their key stakeholders:
  - i. Local Supplier Engagement Initiative
  - ii. Personal Protection Supply Initiative
- The attached paper and recommendations were endorsed on 31 March 2020 by the Finance and Services Committee by Flying Minute

### **Attachments**

1. Finance and Services Committee Flying Minute
2. Financial Dashboard February 2020

### **Background**

The Finance and Services Committee have endorsed the attached Flying Minute, which outlines two proposals to support Local Government operations:

- i. Local Supplier Engagement Initiative
- ii. Personal Protection Supply Initiative

### **Comment**

The recommendation endorsed by the Finance and Services Committee for State Council consideration is as follows:

#### **That WALGA:**

- 1. Allocate \$78,750 of the current operating surplus to underwrite the provision of the Vendorpanel Marketplace functionality to all Member Local Governments at no charge for a 12-months trial period.**
- 2. Underwrite the bulk order of hand sanitiser for the participating Local Governments to the total amount received in formal purchase orders.**

Further details supporting the proposals are contained in the Finance and Services Committee Flying Minute, attached.

State Councillors were requested to respond to the Flying Minute by 1:00pm, Friday 3 April 2020

## FLYING MINUTE OUTCOMES

Total Invited to Survey: 23

Total Finished Survey: 16

That the recommendation from the Finance and Services Committee relating to Local Government COVID-19 Operational Support Initiatives be endorsed.

### Signature Page

<b>First Name</b>	<b>Last Name</b>	<b>Completed Date</b>
Phillip	Blight	01/04/2020 at 11:32
Jenna	Ledgerwood	Not Completed
Paul	Kelly	01/04/2020 at 22:37
Malcolm	Cullen	Not Completed
Cheryl	Cowell	01/04/2020 at 12:33
Stephen	Strange	01/04/2020 at 14:22
Chris	Mitchell JP	02/04/2020 at 8:34
Les	Price	01/04/2020 at 15:21
Russ	Fishwick JP	01/04/2020 at 11:39
Karen	Chappel	01/04/2020 at 11:30
Michelle	Rich	Not Completed
Julie	Brown	Not Completed
Doug	Thompson	01/04/2020 at 12:02
Carol	Adams OAM	01/04/2020 at 11:33
Logan	Howlett JP	01/04/2020 at 13:59
Tony	Dean	01/04/2020 at 14:31
Ken	Seymour	Not Completed
Peter	Long	03/04/2020 at 12:12
Ronnie	Fleay	01/04/2020 at 10:33
Catherine	Ehrhardt	01/04/2020 at 16:45
Cate	McCullough	Not Completed
Mark	Irwin	01/04/2020 at 10:21
Ruth	Butterfield	Not Completed

## RESPONSES

Created: 01/04/2020 at 10:03 Results Exported: 03/04/2020 at 5:04  
(15) Endorse Recommendation

Phillip Blight (on: 01/04/2020 at 11:32), Paul Kelly (on: 01/04/2020 at 22:37), Stephen Strange (on: 01/04/2020 at 14:22), Chris Mitchell JP (on: 02/04/2020 at 8:34), Les Price (on: 01/04/2020 at 15:21), Russ Fishwick JP (on: 01/04/2020 at 11:39), Karen Chappel (on: 01/04/2020 at 11:30), Doug Thompson (on: 01/04/2020 at 12:02), Carol Adams OAM (on: 01/04/2020 at 11:33), Logan Howlett JP (on: 01/04/2020 at 13:59), Tony Dean (on: 01/04/2020 at 14:31), Peter Long (on: 03/04/2020 at 12:12), Ronnie Fleay (on: 01/04/2020 at 10:33), Catherine Ehrhardt (on: 01/04/2020 at 16:45), Mark Irwin (on: 01/04/2020 at 10:21)

(1) Endorse Recommendation subject to comment below

Cheryl Cowell (on: 01/04/2020 at 12:33)

(0) Oppose Recommendation

## COMMENTS

**Ronnie Fleay** on 01/04/2020 at 10:33

Great initiative

**Cheryl Cowell** on 01/04/2020 at 12:33

With the proviso that it is coordinated with local Development Commissions. The Gascoyne Development Commission has already established local supplier engagement programs and it should be investigated whether this is also being carried out in other regions.

## SECRETARIAT COMMENT

In progressing this initiative WALGA supports collaboration with Local Content Officers and the Small Business Development Corporation, alongside Development Commissions throughout the State. A communications strategy for implementation is currently being developed with Vendor Panel that specifically references regional engagement with these agencies.

## Attachment 1

### Flying Minute – Finance & Services Committee – 31 March 2020

#### **Objectives:**

- ***Determine key directions in relation to the development and management of new and current procurement opportunities that result in the delivery of outputs which enhance the financial and operational capacity of Members and the Association.***
- ***To establish and/or manage procurement systems and tools, and deliver procurement improvement services that enhances the capacity of our Members to adopt good procurement practices.***
- ***Oversee the delivery of business development, business management, and information communication and telecommunication services to WALGA.***

#### 1.1 Local Government COVID-19 Operational Support Initiatives

*By Zac Donovan, Executive Manager Commercial and Communications*

#### **BACKGROUND**

In addition to the extensive advocacy and representation currently undertaken by WALGA to support the sector during the COVID-19 pandemic, the Association has also been developing initiatives to support Local Government operations and their key stakeholders.

Two of these initiatives have been developed to the stage of implementation and have financial implications that will require endorsement of State Council to proceed. These are:

##### **Local Supplier Engagement Initiative**

Expanding the current online supplier quoting system at no charge to all Local Governments for 12 months to better enable local suppliers to access contracts and enhance each Local Government's ability to support its local economy and community.

##### **Personal Protection Supply Initiative**

Coordination of a bulk order of hand sanitiser units for Local Governments to redress the shortage of the product available to deploy in the workplace and public places to support recommended hygiene practices to reduce COVID-19 transmission.

As both these initiatives have been developed to assist Local Governments respond to the COVID-19 pandemic, timing of implementation is critical. It is for this reason that approval of the initiatives has been presented in a flying minute rather than delaying until the next scheduled meetings of the Finance and Services Committee and State Council.

#### **PROPOSAL**

The two initiatives as presented have been developed by WALGA Commercial Development Manager, Andrew Blitz with support of Commercial Management Manager Dale Chapman and Contract Officer Amy Green. The distinction within WALGA's commercial unit of separate contract development and management functions is an outcome of the recent organisational restructure which has helped focus the strengths inherent in the business unit and capacity to respond with greater agility.

##### **Local Supplier Engagement Initiative**

COVID-19 has already had a devastating impact on business and in particular small to medium enterprises that underpin many local economies. It is important that in responding to the COVID-19 pandemic that Local Governments help support the future viability of these businesses and in turn their local economies.

To this end, WALGA is proposing to provide all Member Local Governments at no charge access to the Vendorpanel Marketplace local supplier management functionality for a 12-month trial period.

Currently WALGA partners with the Vendorpanel organisation for the provision of the online platform that underpins the WALGA eQuotes system. That platform has been deployed to all Member Local Governments and is the medium through which a majority of Members currently access the WALGA Preferred Supply Program.

Vendorpanel Marketplace is an additional function available under the eQuotes platform which provides Local Governments:

- The ability to more readily engage and source quotations from local supplier market.
- Greater transparency over quotation processes, and
- To show support for local businesses by providing a new opportunity to access contracts.

As such the proposal intends to assist Local Governments to direct spending to the local economy and in turn support their communities during the COVID-19 pandemic, and to enable Councils to offer a genuine operational tool to assist local businesses.

### **Personal Protection Supply Initiative**

The primary objective of the Federal Government's response to managing the COVID-19 pandemic is to slow the rate of infection in the community to help avoid health services from becoming overwhelmed. Key tactics in this regard are social distancing and stringent personal hygiene, in particular constant cleaning of hands.

A convenient means to help ensure greater personal hygiene in the workplace and public places is the provision of hand sanitiser. However, excessive demand as a consequence of the pandemic, exacerbated by a culture of hoarding, has severely limited the availability of hand sanitiser.

Consequently, WALGA has worked to identify a supplier that is able to meet the needs of the sector and is capable of meeting a substantial bulk order from Local Government. The development of this supply line as a group purchase has also enabled WALGA to negotiate a better value for Local Governments.

An Expression of Interest sent to Local Governments to participate in the bulk order generated a positive response from Members and has resulted in 28 Councils placing orders totalling \$330,000. The participating Local Governments comprise both regional and metropolitan Councils.

### **PROPOSAL TIMELINE & COSTS**

It is the intention to implement both initiatives immediately on the approval of State Council. As mentioned previously, the importance of timeliness in responding to COVID-19 is the reason for engaging a flying minute.

#### **Local Supplier Engagement Initiative**

The normal cost of implementing the Vendorpanel Marketplace across the whole of the Local Government sector would be approximately \$350,000 per annum. Under normal arrangements, each Local Government that elects to participate would fund their individual cost on a user pays basis.

However the WALGA Commercial team has negotiated a 12-month trial price of \$78,750 (excluding GST) representing a 75% saving to the sector. In addition, WALGA is proposing to fund this expense (\$78,750) for a 12-month trial to support the sector in mitigating the impacts of COVID-19.

The 12-month period is selected in expectation that it should encompass the period of COVID-19 and as such provide the sector with additional support during this time. Post the trial period each Local Government will then have the option, depending on their experience during the trial period, to continue using the platform on a user pays basis. As such, the proposal provides each Local Government the opportunity to trial at no charge the platform to determine if it suits their operations.

The current year-to-date budget performance accommodates the proposed expenditure and a copy of the most recent year-to-date financial dashboard is provided in support. As demonstrated in the dashboard, WALGA is currently significantly ahead on of budget year-to-date. It should be anticipated that COVID-19 will have some detrimental impact on WALGA revenue. However with only one quarter

remaining for the year and salary savings with recruitment for 10 current vacancies on hold it is the opinion of management that the Association's finances can absorb the required expenditure.

### **Personal Protection Supply Initiative**

The cost of implementing the bulk order of hand sanitiser units is in staff resources only. It is the intention that WALGA will only place an order for the product based on the confirmed commitment from Local Government in the form of formal purchase orders. The Commercial Development Manager is currently collating the purchase orders from Local Governments and on the basis of the initial Expressions of Interest anticipates on approval of State Council placing an order totalling \$330,000.

The proposed process is for WALGA to place the bulk order and recover costs from participating Local Governments as per the formalised purchase orders as received. The only financial exposure to the Association is any payment lag from participating Local Governments.

There is no direct financial cost to the Association that is unable to be recovered.

### **ATTACHMENTS**

WALGA Financial Dashboard Year-to-Date February 2020.

### **RECOMMENDATION**

**That WALGA:**

- 1. Allocate \$78,750 of the current operating surplus to underwrite the provision of the Vendorpanel Marketplace functionality to all Member Local Governments at no charge for a 12-months trial period.**
- 2. Underwrite the bulk order of hand sanitiser for the participating Local Governments to the total amount received in formal purchase orders.**

**CARRIED**