



Mildura Rural City Council

## External Private Works Policy

### Policy – CP100

Prepared	Reviewed	Approved	Date	Council Minute No.
Manager Works & Engineering Services	ELT	Council	November 2020	2020/0229
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#### 1. The purpose of this policy is

To provide guidance and direction for undertaking private works activities including provision of quotations and client engagement.

#### 2. Policy Statement

This policy and associated operational procedures outline a systematic and transparent process for the undertaking of private works.

Part of Council's operational activities may include providing services or undertaking works for external parties. Council will ensure that works are undertaken on a commercial or full cost recovery basis.

#### 3. Principles

- Undertaking of private works will not take precedence over the completion of Council's annual capital and normal operational works programs and cause no disruption to normal core activities.
- Council's processes for quoting and undertaking private works are to be undertaken in a fair and transparent manner.
- All private works will be undertaken on a full cost recovery basis and potentially include a margin as part of overhead recovery. (Refer to Pricing section below).
- External works will generally be undertaken within the following categories:
  1. Private works including provision of labour, plant and equipment
  2. Contract works

## **4. Pricing**

### **4.1 Private Works**

Generally, prices provided will be a fixed lump sum, GST inclusive with some exceptions applied to quotations provided for bitumen sealing works, asphalt/ concrete works, road openings and line marking where the exact area is subject to variation, in this instance a rate per square metre including GST will be provided.

All external private works quotations pricing will include overhead allowances, return on investment, and other allowances as applicable to ensure competitive neutrality.

All external works quotations will be compiled in accordance with Council's financial delegations controls and be provided using the standard Council quotation format including formal quotation number reference. Prior to services being provided Council must receive signed confirmation of acceptance of quote from the client.

### **4.2 External Contract Works**

All external contract works including bitumen services contract pricing is to be formulated using the Council's Contract and Private Works quoting template.

All external tender documentation including the completed quoting report will be reviewed by the relevant manager, and General Manager and approved by the Chief Executive Officer.

Undertaking of any external private works activities is the responsibility of the line management of the respective service units.

### **4.3 Competitive Neutrality and Conflict of Interest**

- **Competitive neutrality**

All external private works activities will be subject to the Victorian Government's Competition Neutrality Policy.

This policy is to ensure that any government organisation (i.e. a Council) entering into a competitive market for the supply of goods and services do so on a level playing field i.e. no advantage to Council for things like payroll tax. Council do not pay payroll tax where private company's do therefore Council's cost to supply would be cheaper. Adjustments are required to ensure Council is 'competitive' in accordance with the policy.

- **Conflict of Interest**

All staff associated with the establishment of tenders and quotations for external works and the management and supervision are required to sign a Private Works Conflict of Interest form.

## 5. Exceptions

The ANZAC Day Parade is the *only* event that Council will provide assistance to including (but not limited to) traffic management services.

## 6. Who is responsible for implementing this policy?

Manager Works & Engineering Services  
Manager Parks & Waste Services  
Manager Asset Services  
Responsible Branch Manager for other relevant external works

## 7. Definitions

External Private Works	Services provided by Council to external organisations including private clients and other local authorities. Services include: <ul style="list-style-type: none"><li>• Road maintenance and construction</li><li>• Car park maintenance and construction</li><li>• Road line marking and sign installation</li><li>• Road surfacing</li><li>• Transport of plant and machinery</li><li>• Hire of plant and operator</li><li>• Traffic control and installation of traffic management signage, barriers and equipment (not available for events and festivals)</li><li>• Waste and recycling bin hire</li><li>• Amenities cleaning</li><li>• Disabled access amenities hire</li><li>• Road sweeping</li></ul>
External Contract Works	Services provided by Council to external authorities i.e. VicRoads via a contract arrangement
Full cost recovery	Cost of labour, plant, materials plus overhead and on cost allowances and any other costs associated with the required scope of work.

## 8. Legislation and other references

### 8.1 Legislation

*Local Government Act 1989*

*Local Government Act 2020*

Council must comply with the Best Value Principles as defined within section 208B of the *Local Government Act 1989*

Competitive Neutrality Policy (Victoria)

### 8.2 Documents

This Policy is implemented in conjunction with the following documents:

- MRCC Financial Delegations
- MRCC Contract and Private Works quoting system template
- OP007 Writing off Sundry Bad Debts Policy
- OP103 Debt Collection Sundry Debtors Policy
- OP151 Accounts Payable Policy
- Employee Code of Conduct
- CP083 Procurement of Goods, Services and Works Policy
- Contract Management Guidelines

### 8.3 Risk Assessment Reference

<b>Risk Category</b>		<b>Risk Category</b>	
Asset Management	✓	Financial Sustainability	✓
Committees		Human Resource Management	✓
Compliance – Legal & Regulatory	✓	Leadership & Organisational Culture	
Contract Management	✓	Occupational Health & Safety	✓
Contract Tendering & Procurement	✓	Organisational Risk Management	✓
Corporate Governance	✓	Project Management	✓
Environmental Sustainability		Public Image and Reputation	✓