



PRIVATE WORKS POLICY

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1. OBJECTIVE

The Shire of Wandering undertakes works for external clients in the area. The revenue from these private works fluctuates.

The objective of this policy is to provide the framework for undertaking works for external individuals, companies or public agencies. The Shire undertakes private works to assist external clients provide infrastructure and services where this is of benefit to the community and can be undertaken without detriment to the Council's own works program.

2. PRINCIPLES

This Policy applies to the undertaking of works and services by the Council for entities external to the Shire of Wandering.

Private works include:

- works undertaken for external individuals, companies and government agencies
- supply of Shire materials
- hire of Shire plant.

The following principles guide the Shire's involvement in private works:

1. The Shire will not knowingly tender against private contractors for external contracts;
2. Private works will generally be of a minor nature and will not adversely affect the Shire's operations or work program;
3. Where private works of a significant nature are proposed they will be subject to rigorous approval, project management and reporting processes;
4. Private works will be priced as per Council's adopted Fees & Charges. To provide a reasonable commercial return to the Shire the Fees & Charges will need to show additional Profit & Overhead rates in relation to Materials & External Contractors (proposed rate for P&O rates is 15%);
5. The Shire will carefully assess any risk associated with the undertaking of private work in accordance with the Shire's Risk Management Policy.

2.1 Private Works Thresholds

1. Private works meeting the definition of Major Trading Undertakings under the Act require the approval of the Council and are subject to the preparation of a publicly notified business plan prepared in accordance with section 3.59 of the Local Government Act 1995.
2. Private works to a value in excess of \$25,000 may not be undertaken without prior Council approval.

Proposals to undertake such private works must be supported by a business plan that sets out:

- The scope of works to be undertaken including key milestones
- The value of the works
- Financing and payment provisions
- Risk assessment

PRIVATE WORKS POLICY

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- Insurance, liability and bond provisions
 - Management of the contract
 - Accountability and reporting requirements
 - Other appropriate Governance arrangements
3. The CEO shall consider and, at his / her discretion, approve applications from community groups and local sporting organisations for in-kind works by Council on a case by case basis up to the value of \$1,000.

2.2 Financial Management and Reporting

All private works jobs up to a value of \$25,000 will be supported by a purchase order or other acceptable contract documentation that provides a clear specification, details of price and requirements for payment.

Private works jobs in excess of \$25,000 must be supported by a Business Plan and Contract in a form appropriate to the nature of the work to be undertaken.

All related procurement decisions are to be made in accordance with the Shire's Purchasing and Tender Policy.

To aid monitoring, transparency and reporting all private works are to be accounted for so that the expenditure, revenue and return to the Shire on individual jobs are separately identifiable.

Details of private works are to be reported to the Council for information at each Council meeting.

Progress reports against the business plan on jobs in excess of \$25,000 are to be submitted to the Council monthly.

2.3 Risk

The Shire will ensure minimal risk for works undertaken for external parties. The Shire will exercise a high level of care and professionalism in the pricing and design of work and ensure contracts are written to make any "costs" risk remain with the external party.

2.4 Contract Documentation

The responsible officer shall prepare the contract documentation which will include the scope of work, quotations provided, all other details, emails and correspondence.

2.5 Records Management

All records associated with the private works process must be recorded and retained, including:

- a. Quotation documentation;
- b. Order forms and requisitions;
- c. Business Plans/Contract documentation;
- d. Relevant emails, notes and correspondence.



PRIVATE WORKS POLICY

Record retention shall be in accordance with the minimum requirements of the State Records Act and the Shire of Wandering's Records Management for Councillors and Employees Policy.

3. REFERENCES TO RELATED DOCUMENTS

- *Local Government Act 1995*
- Shire of Wandering Purchasing and Tender Policy 2015
- Shire of Wandering Records Management for Councillors and Employees Policy 2015

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[Signature]
Signed

[Print Name]
Shire President