

## DISTRICT COUNCIL OF GRANT

### ORDINARY MEETING OF COUNCIL HELD – 15 JANUARY 2018

REFER ITEM NUMBER      18008.1                      FILE              110.62.236

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#### 18008 – CONFIDENTIAL ITEMS

1. CEO Performance Review – HR Consultant Selection - [110.62.236] Item 15.1.1
  1. Moved Cr Collins:
    1. That the item “CEO Performance Review – HR Consultant Selection” considered at the Ordinary Council meeting of 18 December 2017 (minute reference 17165.1), be lifted off the table.
    2. That Pursuant to section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except TJ Smart (Chief Executive Officer), JF Fetherstonhaugh (Deputy Chief Executive Officer), LJ McEvoy (Director of Environmental Services), AA Schutz (Works Manager), SJ McIntosh (Asset Management Coordinator), DM Hutchesson (Executive Support Governance) and JA O’Hehir (Executive Support Officer), be excluded from attendance at the meeting for Agenda Item – CEO Performance Review – HR Consultant Selection.
    3. The Council is satisfied that, 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 to undertake the provision of services relating to the Chief Executive Officer’s Performance Review.
    4. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the tenderers are providing Commercial in Confidence quotations

Seconded Cr Clayfield CARRIED
  2. Moved Cr Collins that Council select McArthur Management to assist Council and the Chief Executive Officer to undertake the annual performance review as required under terms and conditions of the CEO Employment Agreement for a period of one year.

Seconded Cr Hill CARRIED
  3. Moved Cr Collins that:
    1. Having considered Agenda Item – CEO Performance Review – HR Consultant Selection in confidence under section 90(2) and (3)(k) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the documents and minutes relevant to Agenda Item – CEO Performance Review – HR Consultant be retained in confidence until a consultant has been engaged and a contract signed for the provision of the services relating to the Chief Executive Officer’s Performance Review and all tenderers have been notified of the outcome and that this order be reviewed every 12 months.

2. Council delegates to the Chief Executive Officer, pursuant to Section 91(9)(c) of the Local Government Act 1999, the power, at his discretion, to revoke the order made by Council under Section 91(7) and (9) of the Act at part (1) of this resolution at any time prior to the expiration of the period of the order specified therein.

Seconded Cr Little

CARRIED

**15.1.1 CEO Performance Review – HR Consultant Selection**

<b>DATE:</b>	<b>15 January 2018</b>
<b>AUTHOR:</b>	<b>Trevor Smart, Chief Executive Officer</b>
<b>RESPONSIBLE OFFICER:</b>	<b>Trevor Smart, Chief Executive Officer</b>
<b>APPLICANT/PROPONENT:</b>	<b>Nil</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>Nil</b>
<b>PREVIOUS MEETING:</b>	<b>6 November 2017 (CEO Report attached)</b>
<b>REFERENCES:</b>	<b>Nil</b>
<b>FILE NO:</b>	<b>110.62.236</b>
<b>ATTACHMENTS:</b>	<ul style="list-style-type: none"><li>• Request for Quotation document</li><li>• Hender Consulting submission</li><li>• McArthur Management submission</li><li>• AME Recruitment submission</li><li>• Morton Philips submission</li><li>• Stillwell Management submission</li></ul>
<b>IN CONFIDENCE:</b>	<b>Yes</b>

**PURPOSE OF REPORT:**

To consider proposals from Human Resource Consultants to assist Council and the CEO to undertake annual performance review.

**BACKGROUND:**

At the 6 November Council Meeting, the following motion was passed:

1. Chief Executive Officer Performance Review

Council considered the selection of an independent consultant to assist the Performance Management Panel in undertaking the Chief Executive Officer's performance review; and the selection of the Performance Management Panel to conduct the Chief Executive Officer's Performance Review.

Moved Cr Hill that Council:

1. Seek formal proposals from the following organisations to assist Council in conducting the annual Chief Executive Officer's Performance Review, with all proposals to be considered by Council and the Chief Executive Officer:

1. McArthur Management
2. AME Recruitment
3. Morton Philips
4. Stillwell Management Consultants
5. Axia People
6. Hender Consulting

Seconded Cr Bain

**CARRIED**

As per terms and conditions of the CEO Employment Agreement, the following clauses are applicable for the purposes of this Report:

- 17.5 *The Performance Management Panel will consist of the Mayor and three Council Members and an independent consultant. The independent consultant will be agreed by both parties at least six months prior to the performance review in July.*

**COMMENT:**

Subsequent to the above motion, Council Administration prepared and provided a Request for Quotation (RfQ) with RfQ's emailed to all selected HR Consultants on 30 November 2017, with a closing date of 4pm Friday 15 December 2017.

Five proposals were received as at close, with one firm declining (Axia People) the opportunity.

Attached for your information and consideration are:

- Request for Quotation documentation as provided to all HR Constancy firms
- Five proposals from Hender Consulting, McArthur Management, AME Recruitment, Morton Phillips, and Stillwell Management
- Axia People email declining opportunity

I have attempted to provide a summary of proposals for your consideration:

<b>Subject</b>	<b>Hender Consulting</b>	<b>McArthur Management</b>	<b>AME Recruitment</b>	<b>Morton Philips (face to face option only)</b>	<b>Stillwell Management</b>
Technical, managerial, physical & financial resources	Very Good	Very Good	Good	Good	Minimal information
Past Experience & referees	Excellent experience and previous coverage	Excellent experience and previous coverage	Excellent experience and previous coverage	Good experience and previous coverage	Good experience and previous coverage
Methodology	Generally good – but made no allowance for third party/external stakeholder surveys	Good	Good	Good	Generally good – but made no allowance for third party/external stakeholder surveys  Cost is based on largely a teleconference approach rather than face to face (which would come at additional costs)
<b>Cost (ex GST)</b>					
1st year in isolation	\$12,000	\$4,000	\$3,000	\$10,000	\$3,925
2 <sup>nd</sup> year in isolation	\$12,000	\$4,000	\$3,000	\$8,500	\$3,532.50
2 Year proposal	\$24,000	\$6,900	\$6,000	\$16,000	\$7,457
Other Costs	Travel, Accom, Other to be at cost	Travel, Accom, Other to be at cost	All included	Not Stated	Face to face presence would be

Subject	Hender Consulting	McArthur Management	AME Recruitment	Morton Philips (face to face option only)	Stillwell Management
					additional cost, plus travel, accom, etc

CEO Comments

- All firms appear professional and capable of undertaking the process, with Hender Consulting & McArthur Management having more available resources, and all having reasonably extensive experience in undertaking such processes.
- Methodology – Hender Consulting did not include any commentary within methodology, of external stakeholder survey; Stillwell Management’s methodology was minimal
- Local presence – Stillwell Management have indicated that majority of process could be achieved through teleconference, as did one of the proposals from Morton Philips. Does Council prefer a ‘face to face’ approach?
- Cost – McArthur Management & AME Recruitment are significantly more competitive from a price perspective, with AME’s costs including travel & accommodation.

As outlined within background, the HR Consultant should be agreed upon at least 6 months prior to the performance review in July. Additionally, the selected HR Consultant is to be agreed to by both parties (Council and CEO).

From Councils past experience:

- McArthur Management have assisted with past CEO Performance Reviews (previous CEO)
- AME Recruitment have assisted Council with performance reviews within my tenure
- Hender Consulting have assisted Council with performance reviews within my tenure

In having a requirement to mutually agree to the selected consultant, I provide my views for your consideration:

- There are three proposals that are cost competitive (McArthur Management, AME Recruitment, Stillwell Management)
- I would be supportive of both McArthur Management and AME Recruitment given their past experience, methodology, and competitive pricing.
- I would be somewhat supportive of Morton Philips (face to face option only), although methodology was somewhat lacking, as was some level of required detail within proposal. Price was less competitive
- Hender Consulting – I would not be supportive of Hender Consulting, with price being the least competitive of all submissions.
- Stillwell management – I would be supportive from a competitive cost basis, but this is subject to teleconference approach (largely). Methodology was minimal.

All proposals provided 1 or 2 year considerations as requested. Council is only required to consider the process for 2018 Review, but could consider a 2 year arrangement with the preferred consultant.

I welcome your thoughts and consideration.

**POLICY REQUIREMENTS:**

There are no known policy requirements related to this item.

**LEGISLATIVE REQUIREMENTS:**

There are no known legislative requirements related to this item.

**STRATEGIC IMPLICATIONS:**

There are no known strategic requirements related to this item.

**FINANCIAL IMPLICATIONS:**

There are no known financial implications related to this item.

**CONSULTATION:**

Nil

**CEO RECOMMENDATION:**

**That Council select McArthur Management or AME Recruitment to assist Council and the Chief Executive Officer to undertake the annual performance review as required under terms and conditions of the CEO Employment Agreement for a period of .....(1 or 2 years).**