



AGENDA

**FOR PROGRAM REVIEW SUB COMMITTEE MEETING TO BE HELD ON
15 MARCH 2016 AT AT THE CONCLUSION OF SPORT, RECREATION AND
GRANTS COMMITTEE**

IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY

MEMBERS

Cr R Zahra (Chairman)
Mayor G Aldridge
Cr S Bedford
Cr D Bryant
Cr G Caruso
Cr L Caruso
Cr E Gill (Deputy Chairman)
Cr D Proleta
Cr B Vermeer

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Ms T Norman

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Program Review Sub Committee Meeting held on 08 February 2016.

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OTHER BUSINESS

CLOSE



**MINUTES OF PROGRAM REVIEW SUB COMMITTEE MEETING HELD IN
COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY ON**

8 FEBRUARY 2016

MEMBERS PRESENT

Cr R Zahra (Chairman)
Mayor G Aldridge
Cr D Bryant
Cr G Caruso
Cr L Caruso
Cr E Gill (Deputy Chairman)
Cr D Proleta
Cr B Vermeer
Cr J Woodman (as Deputy Member for Cr Bedford)

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
General Manager City Infrastructure, Mr M van der Pennen
Manager Civil and Waste, Mr L Thomas
Manager Governance, Ms T Norman

The meeting commenced at 7:59 pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

APOLOGIES

Apologies were received from Cr Bedford.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr G Caruso
Seconded Cr E Gill

The Minutes of the Program Review Sub Committee Meeting held on 30 November 2015, be taken and read as confirmed.

CARRIED

REPORTS

PRSC1 Appointment of Deputy Chairman - Program Review Sub Committee

Moved Cr L Caruso
Seconded Cr B Vermeer

1. Cr E Gill be appointed as Deputy Chairman of the Program Review Sub Committee for a term of 1 year, commencing 01/03/2016.

CARRIED

Change of order of consideration of items

Moved Cr J Woodman
Seconded Cr B Vermeer

That item PRSC3 – Program Review Brief – Public and Environmental Health Services be brought forward on the agenda for consideration.

CARRIED

PRSC3 Program Review Brief - Public and Environmental Health Services

Moved Cr B Vermeer
Seconded Mayor G Aldridge

1. Information be received.
2. The Public and Environmental Health Services Program Review Project Brief and Background Paper as set out in Attachment 1 and 2 to this report be endorsed.

CARRIED

PRSC2 Program Review Update - Waste Transfer Station

Cr J Woodman declared an interest due to being a member of the NAWMA Board

Cr E Gill declared an interest due to being a deputy member of the NAWMA Board

Moved Cr E Gill

Seconded Cr D Proleta

1. The information be received.

CARRIED

OTHER BUSINESS

Nil

CLOSE

The meeting closed at 9:16 pm.

CHAIRMAN.....

DATE.....

ITEM	PRSC1
	PROGRAM REVIEW SUB COMMITTEE
DATE	15 March 2016
HEADING	Program Review Brief - Property and Buildings
AUTHORS	Karen Pepe, Manager Property and Buildings, City Infrastructure Peter Smith, Program Manager City Infrastructure, City Infrastructure
CITY PLAN LINKS	2.5 To have sustainable and resilient built environments that contribute to quality amenity 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.6 To provide our customers with excellent service that meets their needs
SUMMARY	The report and supporting documentation provides details of the current operations of the Property and Buildings Division and a proposed Project Brief to undertake the review of the Division under the Program review framework. Endorsement of the brief is sought to commence the review and start the process to engage a consultant to progress the review.

RECOMMENDATION

1. The information be received.
2. The Property and Buildings Program Review Background Paper and Project Brief as set out in Attachments 1 and 2 to this report (Item No. PRSC1, Program Review Sub Committee, 15/03/2016) be endorsed.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Property and Building - Project Brief
2. Property and Building - Background Paper

1. BACKGROUND

- 1.1 The review of Property and Buildings will consider the current delivery of services by the Property and Buildings Division, to ensure that the services provided align with the organisation's strategic directions and deliver sound outcomes in the area of property and building management for the benefit of end users and the broader community.
- 1.2 The Projects, Asset and Maintenance Management Review (PAMMR) in 2012 created City Infrastructure, of which Property and Building Services is a Division.

- 1.3 At the core of this restructure was the creation of asset owners with the Property and Buildings Division being responsible for Council owned land and property.
- 1.4 Refer the attached program review Brief and Background Paper for consideration.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 General Manager City Infrastructure;
- 2.1.2 Manager Property and Buildings; and
- 2.1.3 Property and Buildings team members.
- 2.1.4 Senior Management Accountant, Business Excellence

2.2 External

- 2.2.1 Nil

3. REPORT

- 3.1 The Property and Buildings Division is designated as the asset owner for all buildings and land and is responsible for 96 major buildings with a value of \$98,000,000 (excluding land).
- 3.2 In addition to the Building portfolio the Division (Property) is also responsible for the management of all community land (62,000 parcels) and associated issues such as Community Land Management Plans and the leasing of all property to end users.
- 3.3 This Program Review will review the services provided by the Property and Buildings Division which include:
 - 3.3.1 Property management (includes leasing and management of land assets including roads);
 - 3.3.2 Administration and technical support;
 - 3.3.3 Security and facilities management;
 - 3.3.4 Building maintenance; and
 - 3.3.5 Capital renewal/upgrade.
- 3.4 The majority of field based staff have been included in the Program Review for Parks and Civil. The Building Maintenance team are included in this review. To ensure consistency in the operational area this review will be undertaken along similar lines with that used for the Parks and Civil Program Reviews.
- 3.5 The objectives of this review are to assess the current delivery of Property and Buildings services against other comparable service providers both within the government and private sector, undertake a gap analysis of the capacity and capability of the Property and Buildings Division, and identification of an appropriate service level structure and delivery model.
- 3.6 The required deliverables from the review are to ensure services align with strategic directions of Council and include:
 - 3.6.1 Review of current service provision including current status, resource levels and service delivery;
 - 3.6.2 Identification of service gaps and options for resourcing those gaps;

- 3.6.3 Identification of current services or functions that should be discontinued or transferred to other service providers, including other Divisions of the organisation;
 - 3.6.4 Identification of services being delivered by other Divisions of the organisation that may be more appropriately and affectively delivered by the Property and Buildings Division;
 - 3.6.5 Benchmarking against comparable service providers;
 - 3.6.6 Identification of continuous improvement opportunities for service delivery in relation to:
 - Systems and processes;
 - Structure and resources;
 - Capabilities, skills and knowledge; and
 - KPI's/Measurement.
 - 3.6.7 Assess current service delivery models against alternative models to determine potential changes to service delivery;
 - 3.6.8 Analyse proposed directions of the division against Council's Key Directions to identify potential areas of change.
- 3.7 Staff within the Property and Buildings Division have been briefed on the review, and will continue to be updated throughout the process (consistent with the Consultation/Communication Plan). The proposed approach will include engaging all staff across all elements of the review, to enable the opportunity to contribute to the review and provide feedback to key documents as the review progresses.

4. CONCLUSION / PROPOSAL

- 4.1 The review of Property and Buildings is part of the overall Program Review initiative currently being implemented across the organisation to ensure delivery of efficient and effective services.
- 4.2 This Program Review will be undertaken in the main by external consultants with assistance from internal staff and will provide an independent, expert report and advice on the service levels, delivery methods and demand on the services provided by the Property and Buildings Division in the future.
- 4.3 The deliverables of the review will include:
 - 4.3.1 a report assessing the current service delivery against comparable providers;
 - 4.3.2 gap analysis of the capacity and capability of the Property and Buildings Division to deliver the identified services; and
 - 4.3.3 Identification of an appropriate service level structure and delivery model.

CO-ORDINATION

Officer: Executive Group
Date: 08/03/2016



Program Review Brief

Program Review - Property and Building

Project Name:	Program Review – Property and Building
Project Number:	10945
Project Sponsor:	Mark van der Pennen, General Manager City Infrastructure
Project Leader:	Karen Pepe, Manager Property & Buildings
Project Team Members:	Tim Starr, Coordinator Property Les Hubiak, Coordinator Facilities Management Pippa Webb, Manager Community Capacity and Learning Peter Smith, Program Manager

1. Background

The review will consider the current delivery of services provided by the Property and Buildings Division within the City Infrastructure Department to ensure that the services provided are delivered through the best use of resources and provide value for money.

The review will assess the current delivery of services that are associated with maintaining Council's property and building assets culminating in recommendations for future services. Key components of the review will be:

- Strategic relevance of the service
- Customer and community expectations/need/use
- Compliance with legislated requirements under the relevant legislation administered by Property and Building Division, having regard to both non-discretionary (statutory) and discretionary services
- Efficiency and effectiveness of the delivery of services
- Alternative service provision options
- KPI / monitoring / measurement of performance

Throughout the review, the Division will continue to meet its ongoing work requirements within existing resources. Any recommendations arising from the review will incorporate a change management methodology to ensure that the implementation of recommendations is adequately planned and resourced and are accepted by stakeholders.

2. Objectives:

The high level objectives of this review is to assess the current project delivery of the Property and Buildings Division management against comparable providers both within the public and private sector, gap analysis of the services, capacity and capability of the team and identification of service delivery options.

Program Deliverables

Required deliverables to ensure service alignment with strategic directions include:

- Review current service provision including current status, scope, resource levels and service delivery
- Identification of service gaps and options for resourcing those gaps. This includes an assessment of whether Council is meeting its statutory obligations in relation to the level and scope of services provided.
- Identification of current services and functions that should be discontinued or transferred to other services providers including other Divisions of the organisation.
- Identification of services and functions being delivered by other Divisions of the organisation that may be more adequately and effectively delivered by the Property and Building team.
- Benchmarking against comparable service providers



Program Review Brief

Program Review - Property and Building

- Identification of continuous improvement opportunities for service delivery in relation to
 - Systems & processes
 - Structure & resources
 - Capabilities, skills & knowledge
 - KPI's / Measurement
- Assess current service delivery model against alternate models to determine potential changes to service delivery.
- Analyse proposed directions of the Division against Council's Key Directions to identify potential areas of change;

Project Management Deliverables

Stage 1- Undertake Program Review – Measure the current status

- Review the current service delivery.
- Benchmark against comparable service providers.
- Mapping of the current services/processes/thresholds/tools and resources.
- Assessment of the utilisation of current systems and resources.
- Interdependencies with other Divisions.
- Customer satisfaction.

Resourcing: External consultant (5 weeks)
 Manager Property and Buildings and Program Manager
 Stakeholders: Property and Buildings Team and internal clients.

Timing: May 2016 – June 2016

Stage 2 – Analysis/Consultation/Future State/Options Study

- Assess strategic relevance of service.
- Analysis of risk vs process.
- Gap analysis.
- Alternative models of delivery.
- Opportunities for enhanced delivery of services.
- Improvement opportunities.

Resourcing: External consultant
 Manager Property and Buildings and Program Manager

Timing: June 2016 – August 2016

Stage 3 – Recommended Actions/Implementation Plan

- Alternatives
- Enhancements.
- Implementation plan for Program review outcomes.
- KPI's for adoption.
- Measurement/monitoring benefits realisation.

Resourcing: External consultant
 Manager Property and Buildings and Program Manager

Timing: Consultation with staff – September to December 2016

Implement Recommendations - 2017



Program Review Brief

Program Review - Property and Building

3. Project Governance (include if known)	
Project Sponsor:	Mark van der Pennen
Project Board:	Program Review Sub Committee
Project Manager:	Karen Pepe
Project Team:	Mark van der Pennen, Karen Pepe, Tim Starr, Les Hubiak, Pippa Webb and Peter Smith
Project Assurance:	Reporting via Executive Group and Program Review Sub Committee
Specialist Assistance:	External Consultant to be appointed to assist in review.

4. Approach

Define: Develop understanding and agreement with the Executive Group and the Program Review Sub Committee regarding the scope and objectives of the review, the approach and commitment. Define the program plan, change management assessment and the communication plan and refine the timeline indications.

Data Collection: Assessment of the current state comprising a review of the current service delivery of the Property and Building Services functions; relevant process analysis and bench marking, feedback opportunities through customer survey and consultation and consideration of current strategic alignment and delivery effectiveness.

Analyse: Critical analysis of the future requirements including trends and directions in the management of property and building assets, strategic alignment clarification and agreement of customer expectations and alternative service delivery models. This phase will assess viable options for future services and service delivery and identify a preferred option(s). The completion of this phase provides a decision point for recommendation of a preferred option which if approved will form the basis of the implementation and change management plan.

Implementation: Develop a road map for implementation and finalise the future delivery models and transition plans for implementation. Risk assess, finalise and deliver the improvements, then establish assessment of value realised.

Engagement of Consultants

City Infrastructure will seek competitive quotations from relevant providers, in line with procurement thresholds and Council Policy on Contracts and Procurement. The Professional Services Agreement will be distributed with the Request for Proposal to expedite contract agreement on award.

The consultant chosen to undertake the Program Review for Property and Buildings will be selected based on their understanding of Local Government but more importantly their business knowledge of the property and building sector.

The evaluation will be undertaken by the following staff selected as a result of their involvement in the Division or Program Review and to ensure a transparent approach to staff involved in the review. The panel will consist of:

Mark van der Pennen	General Manager and Project Sponsor
Karen Pepe	Manager Property and Buildings
Tim Starr or Les Hubiak	Co-ordinator Property and Facilities Management
Pippa Webb	Manager Community Capacity and Learning
Peter Smith	Program Manager



Program Review Brief

Program Review - Property and Building

The preferred consultant will be chosen based on the company demonstrating the best capability and synergy to deliver the Program Review and address the criteria detailed in the brief. Final assessment will assess the personnel identified to undertake the review and the overall value for money in the submission.

The tender recommendations will then be signed off by the General Manager, City Infrastructure and a contract awarded through Contracts and Procurement to the successful consultant.

5. Communications

A detailed Communications Plan will be developed as part of project documentation some of the key objectives are:

- To provide staff with the opportunity to have ownership of the Program Review and allow input to this process.
- To provide an open and transparent process that provides opportunity for all levels to have input into the Program review thereby influencing its outcomes.
- To keep staff informed of the process and progress of the Program Review.
- To identify roles and responsibilities in regards to communication and consultation.

6. Resources

Budget: Consultancy \$25,000 - \$30,000 (GST exclusive)

Total CoS hours: To be based on consultant's quotation and post tender award. It is anticipated however that the majority of hours allocated by staff will be from either the Manager Property and Building or the Program Manager. In addition to this time it is expected that other commitment will be required from Managers (clients of Division) and staff associated with Property and Buildings to enable information sharing, interviews and information gathering (considered minor commitment).

Assumptions: The Program Manager will be responsible for the coordination of the project and will assist the Manager Property and Buildings to deliver the information and outcomes sought from the consultancy and to ensure that the project delivers on its objectives and within the designated time lines.

7. Program & Milestones (Dates for Key Events/Outputs)

A detailed breakdown of the project is provided in the attached timelines but some of the key milestones are:

- Endorsement of Project Brief and Background Paper by Program Review Sub Committee – 15 March 2016.
- Appointment of a Consultant to undertake program review – 2 May 2016.
- Present findings of Program Review to Program Review Sub Committee – 12 September 2016.
- Consultation September to December 2016
- Implement recommendations – 2017.



Program Review Brief
Program Review - Property and Building

8. Risk Management Approach (Management approach to managing risks that may affect successful project completion)

There have been a number of Program Reviews undertaken recently which have allowed Council to identify a number of constraints to the delivery of these reviews. These constraints will be picked up in the Risk Matrix to be developed. However below are a number of these key constraints for information:

- Availability of suitable and experienced consultancy firm to undertake the project.
- The availability of staff to be involved in the Program Review given the day to day workloads of individual staff and teams.
- The potential negative impact that might be caused to staff as a result of the Program Review and the impact that this may have on productivity.

9. Background

Refer to Property and Buildings - Program Review Background Paper (attached).

Project Brief Sign-Off

This document must be signed off by the Program Review Sub Committee (PRSC) and lodged in Dataworks by the Project Manager.



Program Review

Property and Buildings

Background Paper

March 2016

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INTRODUCTION1

BACKGROUND1

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INTRODUCTION

This background paper is to be considered as part of the Project Brief for the Program Review of the Property and Buildings Division which sits within the City Infrastructure Department.

A critical element towards improving Council's performance is to ensure that programs are delivered through the best use of resources and provide value for money for the City of Salisbury community. Accordingly it is necessary for Council to review service delivery options and levels of service of our programs.

Program Review activity is generally related to ensuring the organisation is best positioned to respond to current and future operating environments and to assist in building a sustainable and responsive organisation.

The following have been identified as critical elements that must be addressed during each review:

- Strategic relevance of the service
- Customer and community expectations/need/use
- Compliance with legislated requirements under the relevant legislation administered by Property and Building Division, having regard to both non-discretionary (statutory) and discretionary services
- Efficiency and effectiveness of the delivery of services
- Alternative service provision options
- KPI / monitoring / measurement of performance

Specific activity in relation to the assessment of community expectations either at a program level, or as a broad based service review across the whole community, needs to be addressed as part of this review.

This Project Brief is seeking a consultant to conduct a Program Review of the Property and Building Division. The focus of the review is to consider services in light of the community's current and future needs, and the efficiency of the operation.

BACKGROUND

The Property and Buildings Division sits within the City Infrastructure Department and is the asset owner for all Council's buildings identified in the Buildings Asset Plan, as well as represents Council as the landowner for all the land assets which includes Community Land managed under Section 196 of the Local Government Act (1999). The Division manages some 96 major buildings (plus numerous non occupied structures) which range from major Civic Buildings (office, libraries) through to sporting and recreation facilities for further breakdown of these facilities see table below. The total value of these properties is \$98,000,000 (based on 2014/15 valuation).

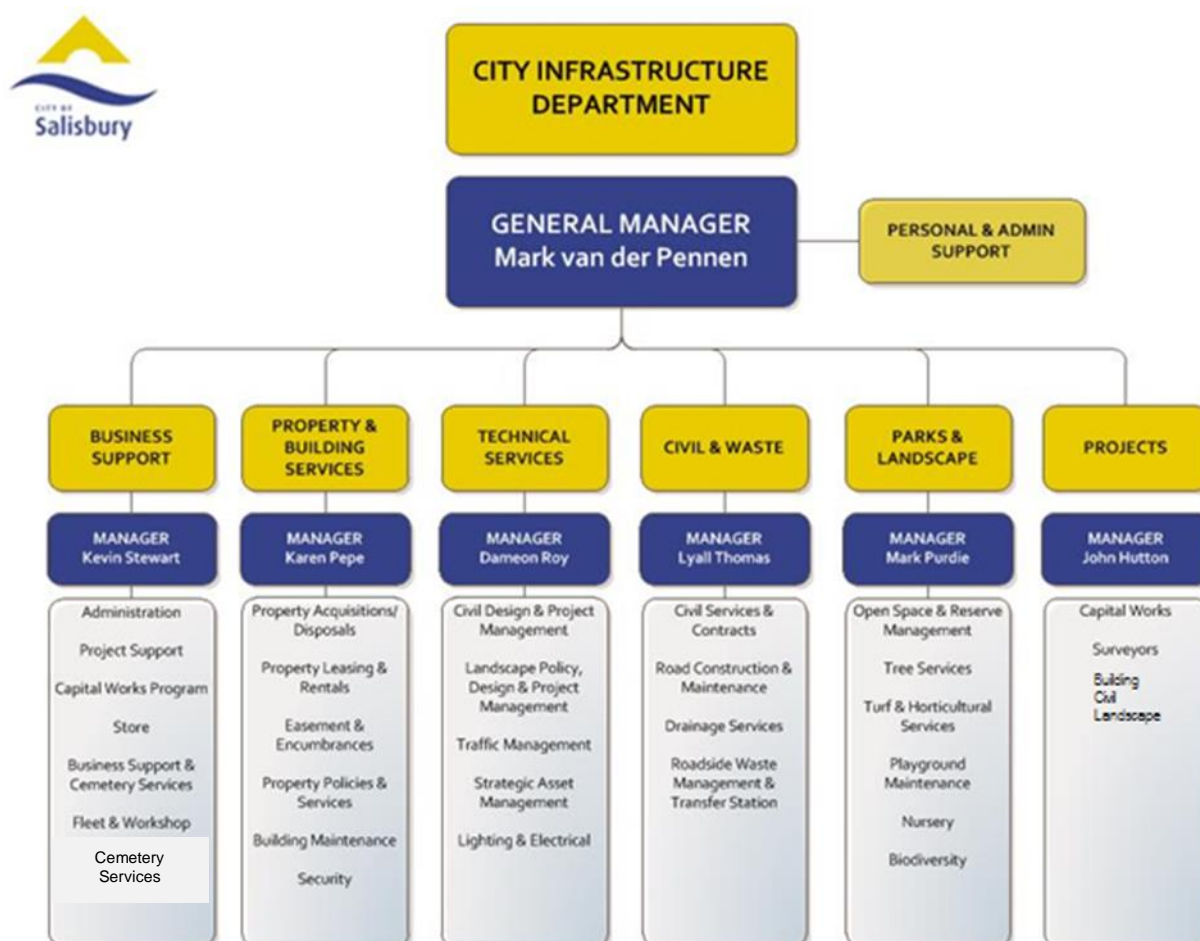
Building Use	Quantity
Civic buildings	5
Community Centres	9
Libraries	4
Public Toilets	14
Recreation Centres	5
Sporting and other clubs	59
Total Building numbers	96

The Division also manages a total 62,000 land parcels on behalf of the community which equates to 14,000 hectares of land which is valued at \$382,231,000. While the Division may not have responsibility for the day to day appearance or upkeep (Parks and Landscapes) it is required under the Local Government Act to maintain registers of all Community Land and to develop and maintain Land Management Plans for each of these areas.

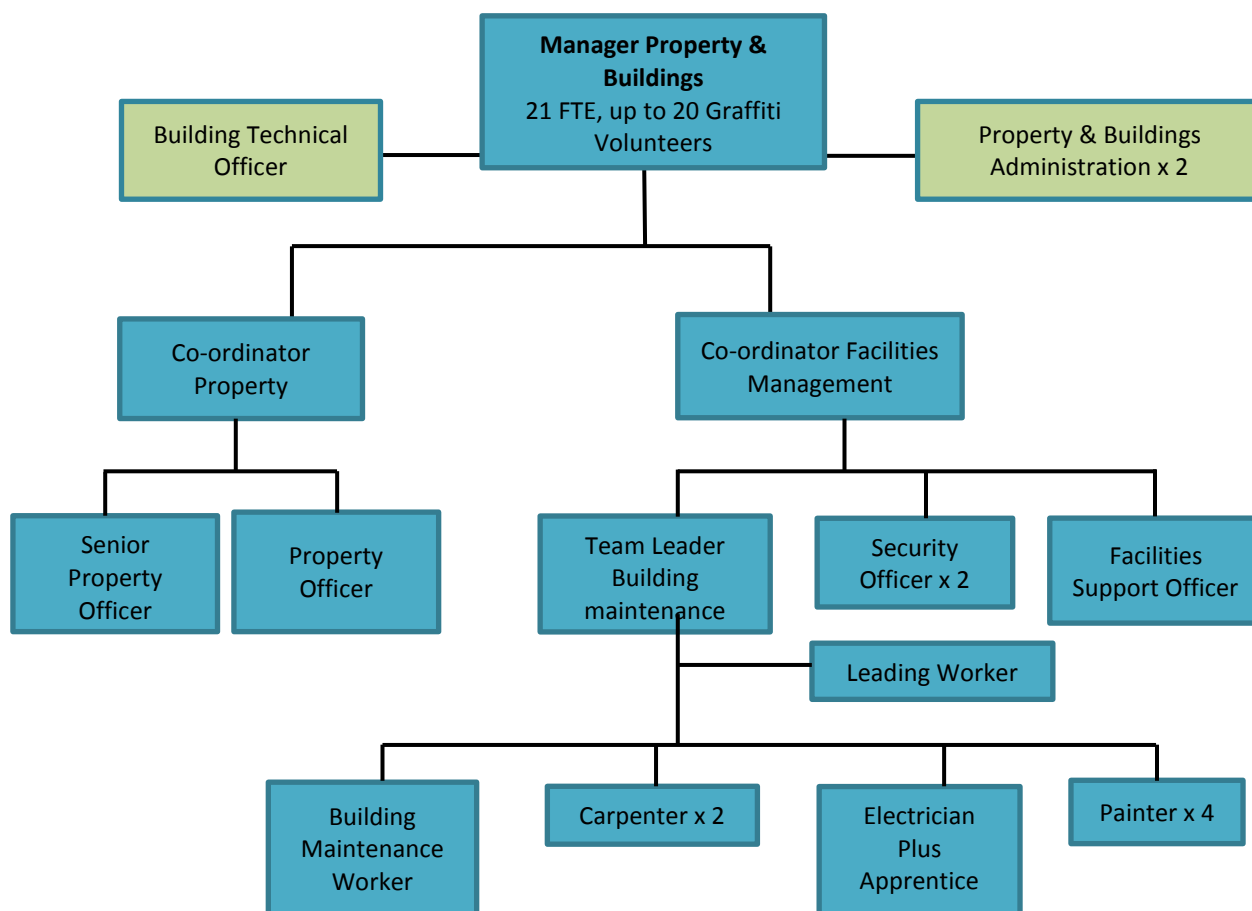
As part of this building and property portfolio Council spends significant funds annually on maintenance and capital renewal and in 2015/16 it is budgeted to expend \$6,144,000 on capital renewal/upgrade and \$4,800,000 on operations and maintenance across the asset portfolio.

City Infrastructure Department Structure

Table 1



Property & Buildings Division Structure



Current Staffing of the Property & Buildings Division:

The current staff levels for Property and Buildings are 21 Full Time Equivalents (FTE) and in addition to this the Division also manages a team of volunteers to assist with graffiti removal.

The Division is split into two key areas being Property Services and Facilities Management which is supported by two administration staff and a Technical Building Officer.

- The Property Section which consists of 3 staff are responsible for management of all land and leases of Council properties and buildings.
- The Facilities Management section (15 staff) is responsible for the day to day management of the property portfolio including maintenance, security and graffiti. This group is mix of field based workers (11), security (2) and support/management (2).

The field based staff were not part of the Parks and Civil Program Reviews and are included in this Division Program.

The table below (table 2) provides a high level breakdown of the operational costs associated with the operation of the Property and Building Division. Further detail on this will be provided in future reports as part of the individual Service Summary sheets.

Property and Buildings Budgets Table 2

Building Services			Property Services		
	2014-15	2015-2016		2014-15	2015-2016
Revenue			Revenue		
Internal Income	-\$ 100,000	-\$ 100,000	User Charges	-\$ 493,900	-\$ 669,225
Other Revenue	\$ -	-\$ 10,500	Other Revenue	-\$ 63,500	-\$ 83,910
Total Revenue	-\$ 100,000	-\$ 110,500	Total Revenue	-\$ 557,400	-\$ 753,135
Expenses			Expenses		
Wages & Salaries	\$ 1,464,380	\$ 1,507,440	Wages & Salaries	\$ 282,700	\$ 296,100
Contractual Services	\$ 1,490,250	\$ 1,515,400	Contractual Services	\$ 30,000	\$ 26,100
Materials	\$ 503,120	\$ 515,440	Materials	\$ 1,900	\$ 6,400
Depreciation	\$ 100,400	\$ 113,400	Depreciation	\$ -	\$ -
Other Expenses	\$ 115,505	\$ 124,070	Other Expenses	\$ 51,170	\$ 55,620
Internal Expenses	\$ 222,600	\$ 193,600	Internal Expenses	\$ 2,900	\$ 2,100
Total Expenses	\$ 3,896,255	\$ 3,969,350	Total Expenses	\$ 368,670	\$ 386,320
Net Position	\$ 3,796,255	\$ 3,858,850	Net Position	-\$ 188,730	-\$ 366,815

CORE FUNCTIONS

The core functions of the Property & Buildings Division include but are not limited to:

- Land acquisitions and disposals
- Leasing of community land and road reserves
- Statutory easements, encroachment and Roads Opening and Closing
- Public consultation on property related matters (leasing, revocation of community Land, road closures/openings etc)
- Property and Building maintenance
- Minor capital projects
- Graffiti removal
- Security Services of all Council assets
- Asset Owner of all property and land on behalf of Council

PROGRAMS AND SERVICES TO BE REVIEWED

These core functions can be summarised into Programs which are to be reviewed as part of the Program Review:

Property Services – The property section is responsible for all functions associated with the management of Council land and includes assets such as roads, Community Land (both building and vacant) and Council's other strategic civic assets (depot and offices). This section also looks after the sale and disposal of land (roads, Community Land except strategic property developments) which is considered surplus to Council's requirements. In addition this section maintains a register of all Council land and property which is leased or licensed and staff negotiate any new leases/licenses/permits over all land and property. Staff in this section are also involved in, the Capital programs such as upgrades

and building renewal as they play an active part in the progression of the projects and communicating with stakeholders.

Property and Buildings Administration – The administration section consists of two staff who have responsibility for a broad range of support services associated with both property services and facilities management and includes all administration tasks (phones, invoicing and debtor system, input of work orders for maintenance requests etc). The staff are also responsible for the casual hire of Council's reserve (oversight by the Manager & Coordinator Property) which includes taking enquiries, bookings and preparing casual hire permits. Their role is to offer administration support for all sections within the Division.

Facilities Management –The Facilities Management Coordinator has responsibility for a number of key functions besides the day to day maintenance of Council's property & buildings, these roles include security services, as well as the responsibility of the management of graffiti removal which includes the management of some 20 plus volunteers.

Building Maintenance (sits within the facilities management section – This area is responsible for the maintenance of all of Council's buildings and other assets which involves the coordination of an internal staff of nine internal trades (2 carpenters, electrician and apprentice, 4 painters and a property maintenance staff member plus all contract work).

Technical Support – This role is provided by a single staff person who's time is split across the property and facilities management sections. This staff member provides expert advice and technical research related to buildings. The Buildings Technical Officer is also involved in the upgrade and renewal of the building assets and project identification, the scoping of projects, initial concept development, design and assists with the handover of the asset and ongoing maintenance requirements. The position will have input to ensure that all upgrades and renewal projects adhere to relevant legislation, including BCA, DDA compliance and environmental legislation. This would ensure that all of this is completed at the final design which in turn would ensure that the building asset is compliant and in a condition that doesn't require additional works after handover.

ITEM	PRSC2
	PROGRAM REVIEW SUB COMMITTEE
DATE	15 March 2016
HEADING	Program Review Brief - Business Support
AUTHORS	Kevin Stewart, Manager Business Support, City Infrastructure Peter Smith, Program Manager City Infrastructure, City Infrastructure
CITY PLAN LINKS	2.5 To have sustainable and resilient built environments that contribute to quality amenity 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.6 To provide our customers with excellent service that meets their needs
SUMMARY	The report and supporting documentation provides details of the current operations of the Business Support Division and a proposed Project Brief to undertake the review of the Division under the Program Review framework. Endorsement of the brief is sought to commence the review and start the recruitment process to engage a consultant to progress the review.

RECOMMENDATION

1. The information be received.
2. The Business Support Program Review Project Brief and Background Paper as set out in Attachments 1 and 2 to this report (Item No. PRSC2, Program Review Sub Committee, 15/03/2016) be endorsed.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Business Support - Background Paper
2. Business Support - Project Brief

1. BACKGROUND

- 1.1 The review of Business Support will consider the current delivery of services by the Division, to ensure that the services provided align with the organisation's strategic directions and deliver sound outcomes in the area of operational support (stores and fleet workshops) and administrative support (project and business support and administration) in the delivery of City infrastructure's objectives for the benefit of end users and the organisation.

- 1.2 Refer the attached program review Brief and Background Paper for consideration.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 General Manager City Infrastructure;
- 2.1.2 Manager Business Support;
- 2.1.3 Senior Management Account, Business Excellence; and
- 2.1.4 Business Support team members.

2.2 External

- 2.2.1 Nil

3. REPORT

- 3.1 The Business Support Division is responsible for a number of key functions and also provides valuable support to other areas of City Infrastructure. These functions include:

- 3.1.1 Management of Council Fleet and Plant (purchase, disposal and maintenance);
- 3.1.2 Project support for delivery of Council's capital program;
- 3.1.3 Organisational stores function;
- 3.1.4 Administration support to Operations Centre; and
- 3.1.5 Salisbury Memorial Park - Cemeteries management.

- 3.2 The objectives of this review are to assess the current delivery of the Business Support Division, services against other comparable service providers both within the government and private sector, gap analysis of the capacity and capability of the Business Support Division, and identification of an appropriate service level structure and delivery model.

- 3.3 The required deliverables from the review are to ensure services align with strategic directions of Council and include:

- 3.3.1 Review of current service provision including current status, resource levels and service delivery;
- 3.3.2 Identification of service gaps and options for resourcing those gaps;
- 3.3.3 Identification of current services or functions that should be discontinued or transferred to other service providers, including other Divisions of the organisation;
- 3.3.4 Identification of services being delivered by other Divisions of the organisation that may be more appropriately and affectively delivered by the Business Support Division;
- 3.3.5 Benchmarking against comparable service providers;
- 3.3.6 Identification of continuous improvement opportunities for service delivery in relation to:
 - Systems and processes;

- Structure and resources;
 - Capabilities, skills and knowledge; and
 - KPI's/Measurement.
- 3.3.7 Assess current service delivery models against alternative models to determine potential changes to service delivery;
- 3.3.8 Analyse proposed directions of the division against Council's Key Directions to identify potential areas of change.
- 3.4 The Business Support Division is a mix of administrative and operational functions (workshops) which deliver a diversity of roles and functions. Given this diversity it is proposed that a separate Program Review will be undertaken of the workshop and fleet function by a specialist fleet management company. The remainder of the Division being reviewed by the consultant undertaking the Projects and Technical Services Program Review, given the synergies that exist between the Projects and Technical Services Divisions and Project Support.
- 3.5 It is proposed to delay the review of the Business Support Administration function including stores within Business Support Division to consider the outcomes of the Asset Management Mobilisation and Strategic Asset Management Support Project. This project will have a significant impact on how Business Support Administration undertakes its work in the future and any review of this team is best undertaken as part of that scope.
- 3.6 It is not proposed to review the management of the cemeteries given that it has been the subject of a former Program Review.
- 3.7 Staff within the Business Support Division have been briefed on the review, and will continue to be updated throughout the process (consistent with the Consultation/Communication Plan). The proposed approach will include engaging all staff across all elements of the review, to enable the opportunity to contribute to the review and provide feedback to key documents as the review progresses.

4. CONCLUSION / PROPOSAL

- 4.1 The review of Business Support is part of the overall Program Review initiative currently being implemented across the organisation to ensure delivery of efficient and effective services.
- 4.2 This Program Review will be undertaken in the main by external consultants with assistance from internal staff and will provide an independent, expert report and advice on the service levels, delivery methods and demand on the services provided by the Business Support Division in the future.
- 4.3 Due to the diversity of roles undertaken by Business Support Division, it is recommended that the best outcome would be achieved by undertaking the reviews as follows (noting that the Cemeteries were completed previously) :
- Administrative functions including stores as part of the Asset Management Mobilisation and Strategic Asset Management Support Project;
 - Workshops and fleet management (External consultancy); and
 - Project Support as part of the Project and Technical Services Program Reviews.

- 4.4 The deliverables of the review will include:
- 4.4.1 a report assessing the current service delivery against comparable providers;
 - 4.4.2 gap analysis of the capacity and capability of the Business Support team to deliver the identified services; and
 - 4.4.3 Identification of an appropriate service level structure and delivery model.

CO-ORDINATION

Officer: Executive Group
Date: 08/03/2016



Program Review

Business Support

Background Paper

March 2016

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INTRODUCTION

This background paper is to be considered as part of the Project Brief for the Program Review of the Business Support Division which sits within City Infrastructure.

A critical element towards improving Council's performance is to ensure that programs are delivered through the best use of resources and provide value for money for the Salisbury community. Accordingly it is necessary for Council to review service delivery options and levels of service of our programs.

Program Review activity is generally related to ensuring the organisation is best positioned to respond to current and future operating environments and to assist in building a sustainable and responsive organisation.

The following have been identified as critical elements that must be addressed during each review:

- Strategic relevance of the service
- Community expectations/need/use
- Efficiency and effectiveness (of the service or program)
- Alternative service providers/models of delivery
- Implications of decisions

Specific activity in relation to the assessment of community expectations either at a program level, or as a broad based service review across the whole community, needs to be addressed as part of this review.

This Project Brief seeks consultant support to conduct a Program Review of the Business Support Division, City Infrastructure. The focus of the review is to consider services in light of the community's current and future needs, and the efficiency of the operation.

BACKGROUND

In 2012 the City Projects and Asset Services departments were reviewed as part of the Project, Asset and Maintenance Management Review (PAMMR).

The PAMMR was jointly undertaken by an external consultant and internal project management team and advisory group. The PAMMR considered:

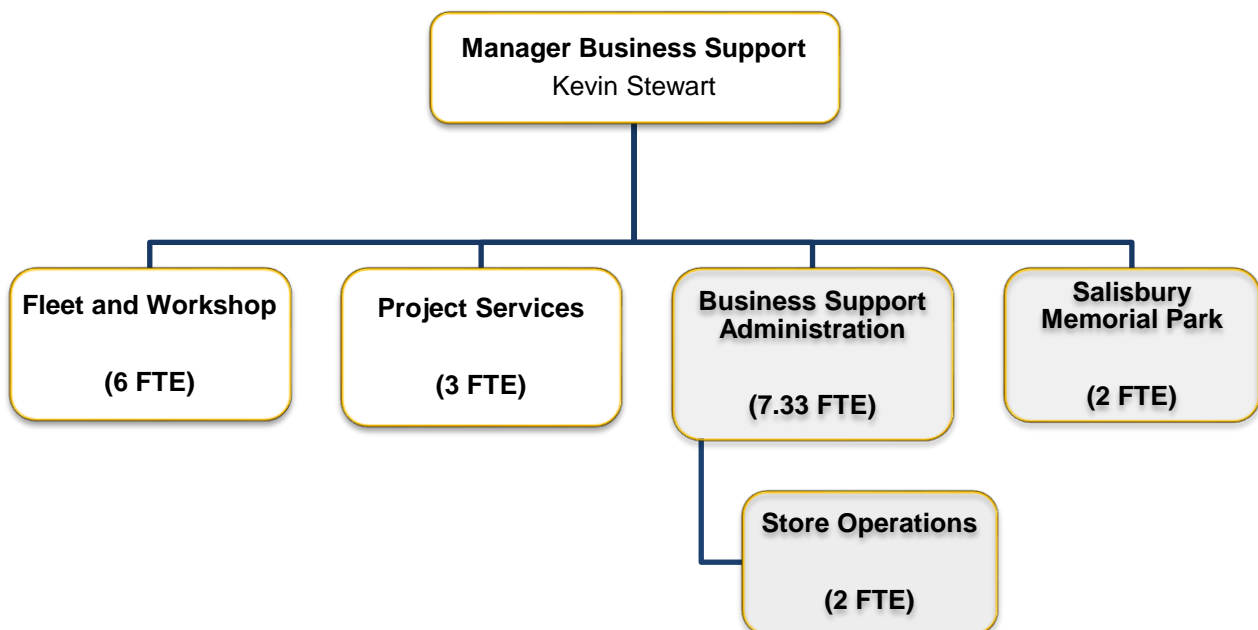
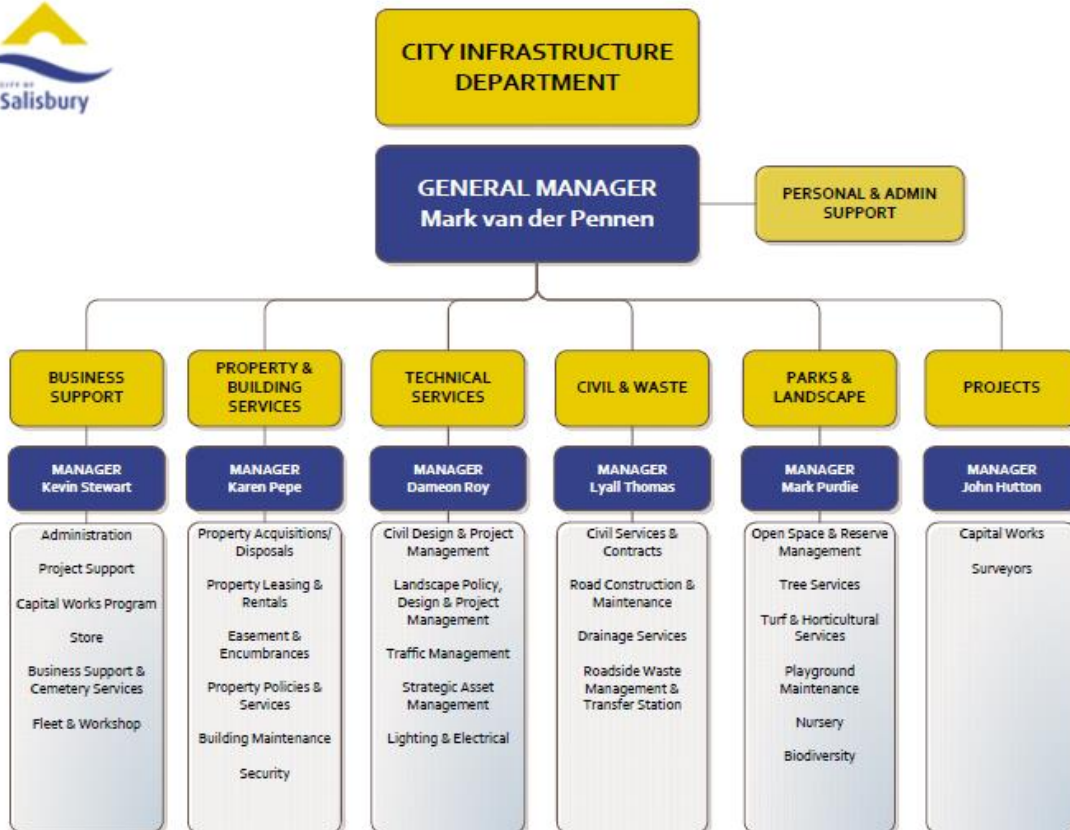
- Project management;
- Strategic infrastructure, asset management and maintenance management;
- Building management; and
- Organisational structure/relationships related to the above.

As a result of the PAMMR, the City Projects and Assets Services departments were amalgamated into one, City Infrastructure, of which Business Support is a division.

At the core of the amalgamation and new structure was the creation of Asset Owners. Fleet and Plant Assets are "owned" by Business Support and the Asset categories of Property & Buildings, Parks & Landscape, Civil & Waste are significant internal customers to the Business Support Division. Recently Business Support has taken responsibility for Salisbury Memorial Park, as a result of a previous Program Review.

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City Infrastructure Department Structure:



Business Support Divisional Structure consists of 23 staff (22.33 FTE) across four teams based at the Operations Centre, Cross Keys Road and Municipal Offices in James Street. The three areas shaded (Business Support Administration, stores and Salisbury Memorial Park) while being part of the Business Support Division will not form part of his review (refer to brief for further comment).

Business Support Budget Comparison

Business Support - Key Service Areas							
Projects Administration Unit		2014-2015	2015-2016	Fleet Services		2014-2015	2015-2016
Wages & Salaries		\$ 278,400	\$ 284,400	Wages & Salaries		\$ 442,580	\$ 457,450
Wages & Salaries Capitalisation		-\$ 278,500	-\$ 285,500	Contractual Services		\$ 736,200	\$ 668,111
Other Expenses		\$ 100	\$ 100	Materials		\$ 999,100	\$ 969,100
Internal Expenses		\$ 1,000	\$ 1,000	Finance Charges		\$ 42,600	\$ 42,600
Total		\$ 1,000	\$ -	Depreciation		\$ 1,059,000	\$ 1,194,000
Note:				Other Expenses		\$ 227,100	\$ 246,600
The Projects Support Team comprises 3.0 FTE's and is fully capitalised across the Capital Program in the relevant financial year				Internal Expenses		\$ 177,600	\$ 157,300
Divisional Administration		2014-2015	2015-2016	Reimbursements		-\$ 83,000	-\$ 55,400
Wages & Salaries		\$ 104,800	\$ 91,500	Other Revenue		\$ -	\$ -
Contractual Services		\$ 7,350	\$ 7,300	Internal Income		-\$ 3,631,180	-\$ 3,589,450
Materials ⁽¹⁾		\$ 83,820	\$ 66,320	Total		-\$ 30,000	\$ 90,311
Other Expenses		\$ 19,450	\$ 19,050	Note:			
Internal Expenses ⁽²⁾		\$ 84,400	\$ 91,900	The above represents the total operating costs associated with the Fleet Function (it does not include capital purchases), however it is important to note that these costs are generally disbursed to other operational areas, with the exception of Pool Vehicles. The highest users of the Fleet for 2015-2016 are Parks and Landscapes \$1,440k, Civil and Waste \$917k, Property and Buildings \$192k, Inspectorate \$124k and the Waste Transfer Station \$89k.			
Other Revenue ⁽³⁾		-\$ 136,000	-\$ 136,000	Stores		2014-2015	2015-2016
Total		\$ 163,820	\$ 140,070	Wages & Salaries		\$ 137,500	\$ 140,600
Note:				Materials		\$ 2,900	\$ 2,900
(1) Materials includes all the Printing and Photocopying for the Operations Centre, totalling \$61k in 2014-2015 and \$60k in 2015-2016				Other Expenses		\$ 1,155	\$ 1,155
(2) Internal expenses includes all IT Leases for the Operations Centre, totalling \$40k in both 2014-2015 and 2015-2016				Internal Expenses		\$ 6,400	\$ 7,800
(3) This amount is the Bonus Received from the WorkCover Scheme that is based on performance				Total		\$ 147,955	\$ 152,455
		2014-2015	2015-2016	Balance Sheet Movements (Actuals)		2014-2015	YTD 2015-2016
				Opening Balance		\$ 261,514	\$ 244,538
				Purchases of Stock		\$ 529,796	\$ 481,840
				Issue of Stock		-\$ 552,453	-\$ 502,944
				Stocktake/Adjustments		\$ 5,681	\$ 1,817
				Closing Balance		\$ 244,538	\$ 225,252
				Note:			
				Whilst the Stores Function has an operating Budget of \$148k for 2015 and \$152k for 2016, its important to note that the purchasing and issuing activities of this function is much higher as demonstrated above. The primary clients for the Stores are Civil and Parks and the Issues of Stock would have been allocated into those budgets as part of their respective Program Reviews.			

CORE FUNCTIONS

The core functions of the Business Support Division include but are not limited to:

Fleet & Workshop

- Fleet / Plant procurement, commissioning and disposal,
- Scheduled servicing, maintenance
- Reactive maintenance and repair
- Contract Management (fuel, consumables, repairs)
- Maintain market knowledge of plant / fleet innovation and development

Project Services

- Project Management Methodology
- Project creation and indexing
- Project / capital cost control, reporting, closure and review

- Grants management / acquittal, progress claims, invoicing and payments

City Infrastructure Administration

- Asset Management System development and administration
- Work management, job costing, operational reporting
- Invoice processing, petty cash handling and data entry
- Customer enquiries and front of house service and annual leave backfill for City Infrastructure Divisions
- Store Operations

Cemetery Services

- Customer service, manage and administer lease/licences for Salisbury Memorial Park
- Administer Salisbury Memorial Park Inurnment / Interments
- Mausoleum lease management
- Contract supervision / administration of Leisure facilities

PROGRAMS AND SERVICES TO BE REVIEWED

These core functions can be summarised in Programs which are to be reviewed as part of the Program Review:

Fleet and Mechanical Workshop

Council currently manages and maintains 282 vehicles in its Fleet (96 Heavy Vehicles, 66 Trailers and 120 Light Vehicle/Utilities). In addition there are 280 minor plant items including whipper snippers, pole saw, chainsaws and blower vacs. This work involves both preventative and breakdown maintenance.

Project Services

Provides support services and coordination (e.g., progress meetings, reporting, cost control) for the Capital Works Program and assistance in the delivery of approximately 500 projects and an expenditure of \$30M. Project Services is responsible for the maintenance of organisational project management processes, with assistance and training provided organisational wide.



Program Review Brief

Program Review – Business Support

Name:	Program Review - Business Support
Number:	10942
Project Sponsor:	Mark van der Pennen, General Manager City Infrastructure
Project Leader:	Kevin Stewart, Manager Business Support
Project Team Members	Christy Martin, Senior Coordinator Project Administration Leanne Brown, Coordinator Business Support Administration Peter Smith, Program Manager

1. Background

The review will consider the current delivery of services by City Infrastructure Department's Business Support Division, to ensure that the services provided are delivered through the best use of resources and provide value for money.

Where practicable to do so the opportunity to undertake benchmarking will support future service direction and options.

The review will assess current service delivery by Business Support, culminating in recommendations for forward services. Key components of the review will be:

- Strategic relevance of the service
- Customer and community expectations/need/use
- Compliance with legislated requirements under the relevant legislation administered by Business Support, having regard to both non-discretionary (statutory) and discretionary services
- Efficiency and effectiveness of the delivery of services
- Alternative service provision options
- KPI / monitoring / measurement of performance

Throughout the review, the division will continue to meet our ongoing work requirements within existing resources. Any recommendations arising from the review must incorporate a change management methodology to ensure that the implementation of recommendations is adequately planned and resourced and are accepted by stakeholders.

Where consultant engagement occurs it is expected that the consultant will review recent/previous relevant review material, e.g., The Projects Division Program Review and the, Asset and Maintenance Management Review

Scope

The Salisbury Memorial Park has been reviewed in recent times and therefore is outside the scope of this review.

The Business Support Division is responsible for coordination of the fleet and workshop functions which provide a specialised service to its end users. Given this specialised area it is recommended that the review of the fleet and workshop functions be undertaken by an organisation that specializes in the evaluation of fleet and workshop management and not be undertaken by the consultant that will deliver the remaining areas of the Business Support Program Review.

Currently Council is in the process of reviewing and potentially implementing an expansion of its asset management capability through existing software used for the asset management register (Confirm). This change to electronic mobility (Asset Management Work Order Mobilisation and Strategic Asset Management Support Project) will have a significant impact on the way business (in particular operations) is undertaken and is likely to impact the business process provided by Business Support Administration.



Program Review Brief

Program Review – Business Support

Given this potential change within the Business Support Administration it is proposed that Business Support Administration and Stores not be part of the Program Review for the Business Support Division but that they be considered at a later date and this review be informed by the directions of the Asset Management Work Order Mobilisation and Strategic Asset Management Support Project.

The remaining function of Project Support will be reviewed within the Business Support Division. Given the synergies between the current Projects and Technical Services Divisions review and the Project Support area it is recommended that this review is included within the Projects and Technical Services consultancy.

2. Objectives

The high level objectives of this review are to assess current service delivery by Business Support to a range of customers with comparable providers both within government and the private sector, gap analysis of the services, capacity, capability and identification of service delivery options.

Project Deliverables:

Required deliverables to ensure service alignment with strategic directions include:

- Review current service provision including current status, scope, resource levels and service delivery.
- Identification of service gaps and options for resourcing those gaps. This includes an assessment of whether Council is meeting its statutory obligations in relation to the level and scope of services provided.
- Identification of current services and functions that should be discontinued or transferred to other services providers including other Divisions of the organisation.
- Identification of services and functions being delivered by other Divisions of the organisation that may be more adequately and effectively delivered by the Business Support team.
- Benchmarking against comparable service providers.
- Identification of continuous improvement opportunities for service delivery in relation to
 - Systems & processes
 - Structure & resources
 - Capabilities, skills & knowledge
 - KPI's / Measurement
- Assess current service delivery model against alternate models to determine potential changes to service delivery.
- Analyse proposed directions of the Division against Council's Key Directions to identify potential areas of change.

Project Management Deliverables:

Stage 1- Undertake Program Review – Measure the current status

- Review the current service delivery.
- Benchmark against comparable service providers.
- Mapping of the current services/processes/thresholds/tools and resources.
- Assessment of the utilisation of current systems and resources.
- Interdependencies with other Divisions.
- Customer satisfaction.



Program Review Brief

Program Review – Business Support

Resourcing: External consultant (5 weeks)
Manager Business Support and Program Manager
Stakeholders: Property and Buildings Team and internal clients.

Timing: May 2016 – June 2016

Stage 2 – Analysis/Consultation/Future State/Options Study

- Assess strategic relevance of service.
- Analysis of risk vs process.
- Gap analysis.
- Alternative models of delivery.
- Opportunities for enhanced delivery of services.
- Improvement opportunities.

Resourcing: External consultant
Manager Business Support and Program Manager

Timing: June 2016 – August 2016

Stage 3 – Recommended Actions/Implementation Plan

- Alternatives
- Enhancements.
- Implementation plan for Program review outcomes.
- KPI's for adoption.
- Measurement/monitoring benefits realisation.

Resourcing: External consultant
Manager Business Support and Program Manager

Timing: Consultation with staff – September to December 2016

Implement Recommendations - 2017

3. Governance (include if known)

Project Sponsor:	General Manager City Infrastructure - Mark van der Pennen
Project Manager:	Manager Business Support - Kevin Stewart
Project Team:	Mark van der Pennen, Kevin Stewart, Christy Martin, Leanne Brown and Peter Smith
Assurance:	Reporting via Executive Group and to Program Review Sub Committee
Specialist Assistance:	External consultant to be appointed to assist in review of fleet and workshop. A variation to an existing external consultancy contract be sought for the Program Review of the Project Support function.



Program Review Brief

Program Review – Business Support

4. Approach

Define:

Develop understanding and agreement with Executive Group and Program Review Sub Committee regarding the scope and objectives of the review, the approach and commitment. Define program plan, change management assessment and communications plan, and refine resource and timelines.

Data Collation:

Assessment of the current state comprising a review of current service delivery by Business Support Division; relevant process analysis and benchmarking, feedback opportunities through customer survey and consultation and consideration of current strategic alignment and delivery effectiveness.

Analyse:

Critical analysis of the future requirements including trends and directions in the management of Support Services Division, strategic alignment clarification and agreement of customer expectations and alternative service delivery models. This phase will assess viable options for future services and service delivery and identify a preferred option(s). The completion of this phase provides a decision point for recommendation of preferred option(s) which if approved will form the basis of the implementation and change management plan.

Implementation:

Develop a roadmap implementation and finalise the future design, delivery models and transition plans for implementation. Risk assess, finalise and deliver the improvements, then establish assessment of value realised.

Interdependencies:

Program Reviews in City Infrastructure Department's Business Support Division is scheduled concurrently with that of Property and Buildings Division.

Business Support Division provides assistance toward City Infrastructure Department's undertaking reviews.

Engagement of a Consultant:

City Infrastructure will seek competitive quotations from relevant providers, in line with procurement thresholds and Council Policy on Contracts and Procurement. The Professional Services Agreement will be distributed with the Request for Proposal to expedite contract agreement on award.

The consultant chosen to undertake the Program Review for the Support Services Division will be selected based on their understanding of Local Government but more importantly their business knowledge of the various functions undertaken by the Business Support Division (refer Scope Area for additional information).

The evaluation will be undertaken by the following staff selected as a result of their involvement in the Division or Program Review and to ensure a transparent approach to staff involved in the review.

The panel will consist of:

Mark van der Pennen	General Manager and Project Sponsor
Kevin Stewart	Manager Business Support
Christy Martin	Senior Co-ordinator Project Administration
Leanne Brown	Co-ordinator City Infrastructure Administration
Peter Smith	Program Manager



Program Review Brief

Program Review – Business Support

The preferred consultant/consultants will be chosen based on the company demonstrating the best capability and synergy to deliver the Program Review and address the criteria detailed in the brief. Final assessment will assess the personnel identified to undertake the review and the overall value for money in the submission.

The tender recommendations will then be signed off by the General Manager, City Infrastructure and a contract awarded through Contracts and Procurement to the successful consultant.

5. Communications

A detailed Communications Plan will be developed as part of project documentation some of the key objectives are:

- To provide staff with the opportunity to have ownership of the Program Review and allow input to this process.
- To provide an open and transparent process that provides opportunity for all levels to input in to the Program Review thereby influencing its outcomes.
- To keep staff informed of the process and progress of the Program Review.
- To identify roles and responsibilities in regards to communication and consultation.

6. Resources:

Budget: Consultancy **\$20,000 – 30,000** (GST exclusive)

Total CoS hours: To be based on consultant's quotation and post tender award. It is anticipated however that the majority of hours allocated by staff will be from either the Manager Business Support or the Program Manager. In addition to this time it is expected that other commitment will be required from Managers (clients of Division) and staff associated with Business Support to enable information sharing, interviews and information gathering (considered minor commitment).

Assumptions: The Program Manager will be responsible for the coordination of the project and will assist the Manager Business Support to deliver the information and outcomes sought from the consultancy and to ensure that the project delivers on its objectives and within the designated time lines.

It is expected that this consultancy may be broken into a number of separate and smaller consultancies given the diversified nature of the business and the specialty nature of some areas of the Division (workshops and fleet functions). While it cannot be confirmed at this stage the splitting of the various functions within Business Support may result in a slight increase in costs however this may also be offset by the potential savings from using an existing consultancy to deliver the review of Project Support. The final cost will be determined once the relevant procurement processes have been followed with any over expenditure reported to the Executive Group for consideration.

7. Program & Milestones (Dates for Key Events/Outputs)

A detailed breakdown of the project timelines will be developed but some of the key milestones are:

- Endorsement of Project Brief and Background Paper by Program Review Sub Committee – 15 March 2016.
- Appointment of a Consultant to undertake Program Review – 2 May 2016.
- Present findings of Program Review to Program Review Sub Committee – 12 September 2016.
- Consultation with staff – September to December 2016
- Implement recommendations – 2017.



Program Review Brief

Program Review – Business Support

8. Constraints and Risks

There have been a number of Program Reviews undertaken recently which have allowed Council to identify a number of constraints to the delivery of these reviews. These constraints along with specific project risks will be picked up in the Risk Matrix to be developed. However below are a number of these key constraints for information:

- Availability of suitable and experienced consultancy firm to undertake the project.
- The availability of staff and Business Support Manager to be involved in the Program Review given the day to day workloads of individual staff and teams.
- Availability of data from within existing reports and data base systems.
- Availability of contemporary practice standards and measurement benchmarking.
- The potential negative impact or stress that might be caused to staff as a result of the Program Review and the impact that this may have on productivity.

9. Background

Refer Business Support Division – Program Review Background Paper (attached)

ITEM	PRSC3		
	PROGRAM REVIEW SUB COMMITTEE		
DATE	15 March 2016		
PREV REFS	PRSC	PRSC2	10/08/2015
HEADING	Projects Division Program Review Update		
AUTHORS	John Hutton, Manager Projects, City Infrastructure Peter Smith, Program Manager City Infrastructure, City Infrastructure		
CITY PLAN LINKS	2.5 To have sustainable and resilient built environments that contribute to quality amenity 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.5 To apply business and resource management that enables excellent service delivery and financial sustainability		
SUMMARY	The report provides the Program Review Sub Committee (PRSC) with an update on progress of the Program Review for the Projects Division within City Infrastructure. The report also provides a concise summary of each of the services provided within the Projects Division for further discussion.		

RECOMMENDATION

1. That the information be received.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Projects Division - Service Levels
2. Projects Division - Organisational Structure

1. BACKGROUND

- 1.1 Council in 2013 endorsed the review of all of Council's services through a Program Review process that aimed to identify potential savings, invest or redirect resources to priority areas, and make processes more streamlined and efficient.
- 1.2 As part of the program a number of divisional areas were identified for review in 2015/16 including Projects Division.
- 1.3 A Project Brief submitted to the PRSC in August 2015 as item PRSC2 City Infrastructure, Projects Division - Project Brief was endorsed.

2. CONSULTATION / COMMUNICATION**2.1 Internal**

- 2.1.1 General Manager, City Infrastructure;
- 2.1.2 Manager Projects, City Infrastructure; and
- 2.1.3 Senior Management Account, Business Excellence.

2.2 External

- 2.2.1 Prequalified consultants which are tendering to undertake the Program Review.

3. REPORT

- 3.1 The Project's Division of City Infrastructure provides the delivery mechanism for all of Council annual capital works program (\$30.1 million in 2014/15), excluding urban development.
- 3.2 The Division comprise of 10.6 Full Time Equivalent (FTE) staff across a number of service areas (refer Attachment 1 - Divisional Structure) and is responsible for the delivery of all projects associated with:
 - Transportation assets
 - Buildings
 - Drainage and Waterways
 - Landscape infrastructure.
- 3.3 The Division also includes a survey team which provides services to the Technical Services Division and also project manages some local flooding works.
- 3.4 The objective of this report is to update PRSC on progress of this Program Review and provide a summary of existing operating service levels by service area for the Projects Division of City Infrastructure.
- 3.5 Following the PRSC meeting of the 10 August 2015 significant work has been undertaken internally to progress the commencement of the Projects Division Program Review which has included:
 - Development of an acquisition plan
 - Timelines for project delivery
 - Risk assessment of the project
 - Development of consultancy brief and calling of tenders
- 3.6 The tender for the appointment of a consultant closed in late January 2016. At this time Council had received four submissions which have been evaluated and subject to a final presentation by the shortlisted company a contract should be award by the time that the PRSC meets to consider this report. This would enable a start to the consultancy by the end March 2016.
- 3.7 The Asset Management Plans (AMP) identifies funds for the renewal of existing assets while the Long Term Financial Plan (LTFP) includes the capital funds needed to upgrade Council's existing assets and provide new infrastructure to deliver services to the community.

- 3.8 These services are delivered through a mix of capital renewal, upgrading of existing assets and creation of new assets. The size, scope and variety of these projects vary from year to year and are informed by the various asset plans (refer Table 1). While there are some core activities that happen every year (road reseals) there are other projects which happen on an irregular basis (building or drainage replacement).
- 3.9 The current AMP identifies the renewal of assets while the LTFP includes both renewal and identified new strategies. These two documents indicate that demand in the main asset categories (roads, stormwater, landscapes and buildings) will vary in scope, scale and cost from year to year (refer Table 1) that will require access to diversified skills to deliver the program.
- 3.10 The Program Review for the Projects Division will consider this diversified skill set when making its final recommendations to the PRSC.
- 3.11 The table below provides a high level summary of Council's proposed expenditure for a four year (capital renewal and new) period.

Summary of 4 Year Long Term Infrastructure Expenditure Table 1

Proposed 4 Year Capital Expenditure Program	2016/17		2017/18		2018/19		2019/20	
	CAPITAL \$000	OPERATING \$000	CAPITAL \$000	OPERATING \$000	CAPITAL \$000	OPERATING \$000	CAPITAL \$000	OPERATING \$000
DRAINAGE & WATERWAYS								
NEW	1,743	103	1,146	106	1,209	109	1,511	111
RENEWAL	1,139	111	1,203	112	1,227	70	1,012	72
TOTAL DRAINAGE & WATERWAYS	2,882	214	2,349	218	2,436	179	2,523	183
PROPERTY & BUILDINGS								
NEW	2,979	26	4,547	88	459	27	470	28
RENEWAL	2,019	380	5,429	390	3,655	400	3,746	410
TOTAL PROPERTY & BUILDINGS	4,998	406	9,976	478	4,114	427	4,216	438
PARKS & STREETSCAPES								
NEW	1,426	28	363	16	372	16	380	16
RENEWAL	2,604	(1)	2,376	1	2,444	1	2,481	1
TOTAL PARKS & STREETSCAPES	4,030	27	2,739	17	2,816	17	2,861	17
STRATEGIC PROJECTS								
NEW	4,094	0	27,056	0	12,137	0	1,059	0
RENEWAL	0	0	0	0	0	0	0	0
TOTAL STRATEGIC PROJECTS	4,094	0	27,056	0	12,137	0	1,059	0
TRANSPORTATION								
NEW	10,190	98	6,037	82	2,412	89	1,756	95
RENEWAL	9,841	25	9,817	26	10,060	27	10,310	28
TOTAL TRANSPORTATION	20,031	123	15,854	108	12,472	116	12,066	123

- 3.12 The scheduled delivery of this Program Review has been delayed by one month (originally planned for July 2016) due to the tender process and the provision of information. It is expected that the PRSC should now consider a final report on recommendations associated with the Projects Division Program Review in August 2016.

- 3.13 The work of the Project's and Technical Services Divisions requires the use of numerous contracts to enable delivery of the works program and there is a need for strong synergies between these Divisions and the Contracts and Procurement area. This interrelationship is to be considered by this Program Review and the Contracts and Procurement review being undertaken concurrently to ensure synergies and opportunities for improvement are maximised.
- 3.14 The Projects Division is responsible for the delivery of the majority of capital works identified in each year's capital program. The full cost of delivering this capital program includes the design, project and contract management and the delivery. To capture these costs and reflect the real value of the asset the costs of labour associated with these tasks is allocated to the capital costs of the project (refer Tables 2).
- 3.15 The table below (Tables 2) provide a summary of the wages operating budget and cost recovery associated with Projects Division and capital delivery of projects
- 3.16 A further breakdown of service levels is provided in the attachments.

Projects Wages Breakdown per Asset Category Table 2

Breakdown of wages							
	2014-2015 Budget				2015-2016 Budget		
	Budget	Budget Allocation to Capital	Staffing FTE	Budget	Budget Allocation to Capital	Resource Mix	Staffing FTE
Administration	\$244,100	\$244,100	2.00	\$234,300	\$234,300	1Permanent 1Contract	2.00
Building	\$187,700	\$168,930	2.00	\$194,800	\$175,320	2Contract	2.00
Transportation	\$91,000	\$91,000	1.00	\$262,100	\$262,100	1Permanent 1.6Contract	2.60
Landscape	\$190,800	\$146,100	2.00	\$198,000	\$152,040	1Permanent 1Contract	2.00
Survey	\$176,400	\$176,400	2.00	\$182,000	\$182,000	2Permanent	2.00
Total Projects	\$890,000	\$826,530	9.00	\$1,071,200	\$1,005,760	10.60	10.60
Remaining operational budget		\$63,470			\$65,440		

- 3.17 The resource mix shown in Table 2 indicates the current breakdown of staff for the Projects Division of 5 permanent staff and 5.6 contract staff.
- 3.18 The table above (Table 2) indicates that ninety four (94) percent of the Project's Division operating wages are capitalized which leaves a residual cost of running the Projects Division of \$65,440 (2015/16).
- 3.19 The following table (Table 3) provides a summary of project work completed (capital and operating) as part of the budget for 2014/15.

Projects Completed 2014/15

Table 3

PROJECT DETAILS 2014/15				
Program	No of Projects	Capital	Operating *	Total
Transportation	667	\$13,510,560	\$1,005,200	\$14,515,760
Property & Buildings	169	\$7,514,780	\$10,500	\$7,525,280
Drainage & Waterways	103	\$4,424,320	\$0	\$0
Parks & Streetscapes	192	\$4,335,700	\$0	\$0
Strategic Projects	28	\$306,340	\$0	\$0
Total	1159	\$30,091,700	\$1,015,700	\$31,107,400

*The operating projects highlighted under operating in Table 3 relate to cost associated with kerb replacement (as part of road reseal program) and painting (buildings) and are not associated with the wages identified in Table 2 as these works are delivered by contract.

4. CONCLUSION / PROPOSAL

4.1 The information contained in this report provides the opportunity for discussion on the principles that underpin the delivery of the capital works program in the Projects Division and the expectations of Council.

CO-ORDINATION

Officer: Executive Group
Date: 08/03/2016

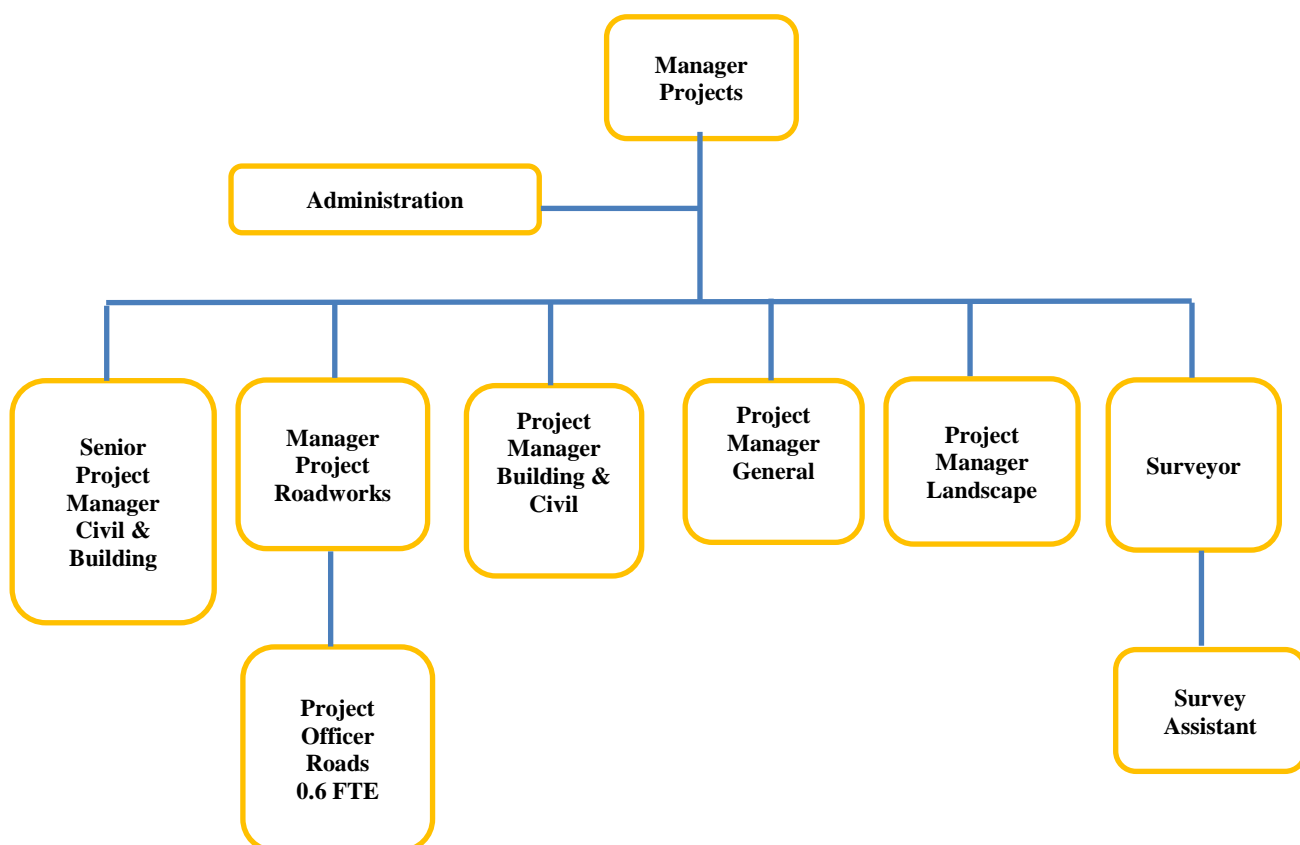
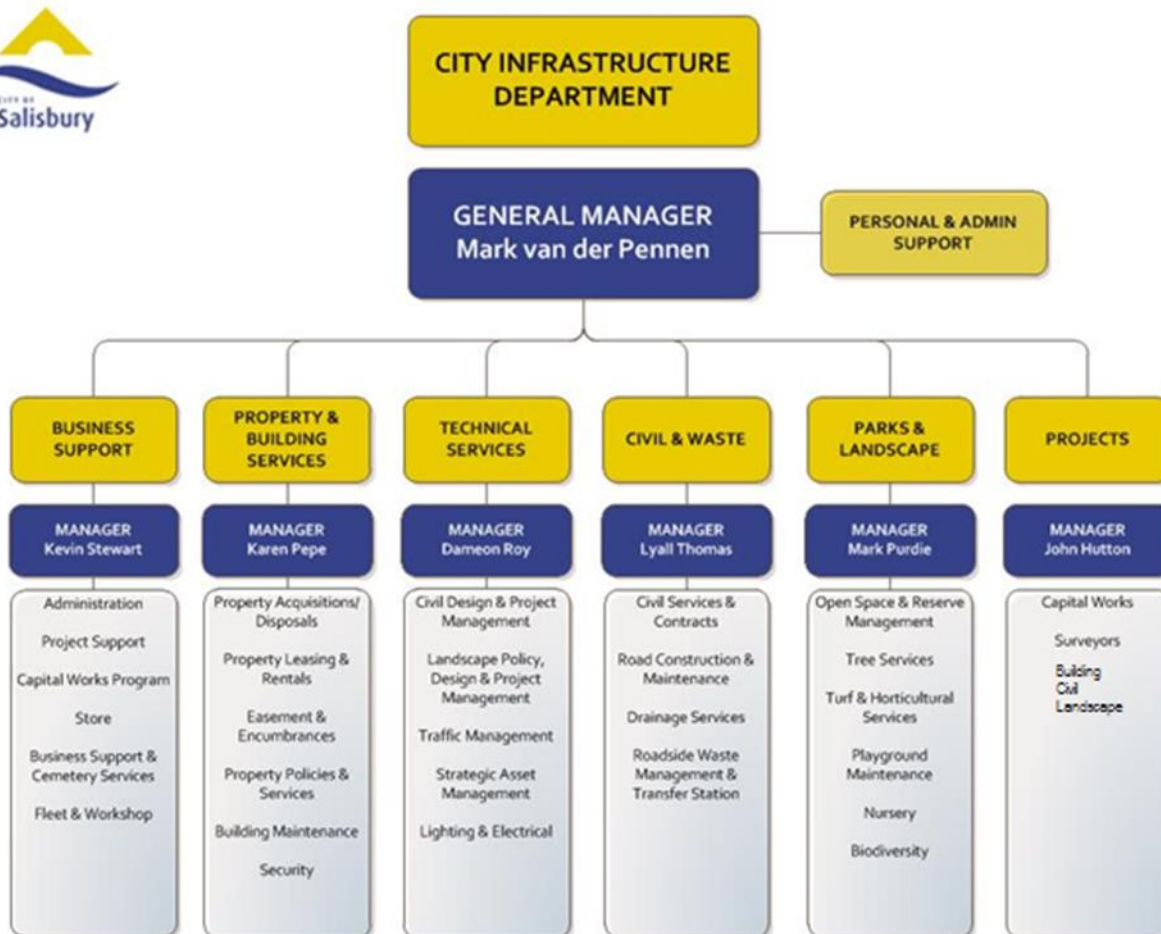
Projects				
Summary Operational Service Levels				
SERVICE SECTION	Projects			
SERVICE AREA	Administration			
SERVICE AREA FTE's	2.00			
BUDGET	Description	2014-2015	2015-2016	
	Statutory Charges	\$ -	\$ -	
	User Charges	\$ -	\$ -	
	Operating Grants and Subsidies	\$ -	\$ -	
	Internal Income	\$ -	\$ -	
	Other Revenue	\$ -	\$ -	
	Wages & Salaries	\$ 244,100.00	\$ 234,300.00	
	Contractual Services	\$ 10,500.00	\$ 10,500.00	
	Materials	\$ 5,200.00	\$ 5,200.00	
	Depreciation	\$ 7,400.00	\$ 20,200.00	
	Other Expenses	\$ 7,100.00	\$ 7,000.00	
	Internal Expenses	\$ 86,100.00	\$ 88,500.00	
	Total Budget	\$ 360,400.00	\$ 365,700.00	
SERVICE METHOD	Provided by internal staff			
STRATEGIC LINKAGES	1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure 1.4 To deliver suitably integrated infrastructure that maximise economic efficiencies and opportunities for the community 2.5 To have a sustainable and resilient built environments that contribute to quality amenity 4.1 To have a workforce that is planned, dynamic and skilled that enables that enables the 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.6 To provide our customers with excellent service that meets their needs			
POLICIES, PLANS & STRATEGIES	City of Salisbury Strategic Asset Management Plan (2015) Salisbury City Plan 2020 Disability Policy and Action Plan			
ASSETS SERVICED	Provides Management and administration support across all asset classes.			
DESCRIPTION OF SERVICE	This service area comprises the Manager of Projects and an administrative function for the Projects area and provides overall management of the Projects under the control of this Team.			
SERVICE STANDARDS	All financial transaction or variations are recorded and monitored in accordance with AS 4000 or AS 2124.			
	That all correspondence and record keeping is consistent with Council's corporate policy and legislative requirements. (response within 1 day and correspondence within 1 week)			
	That all completed projects are transferred to the asset owner and relevant information is include in the asset plan and financials.			
	Delivery of all projects consistent with AS 4915 (Project Management Standards).			
SERVICE OUTCOME	Projects delivered on time and budget and in a manner that complies with Council's relevant Procedures and Policies and meets the agreed level of client satisfaction.			
PERFORMANCE INDICATORS	While Council delivers these projects in accordance with the approved plans there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery. At this stage there is no customer satisfaction surveys undertaken of Projects works. However this could be a future key performance indicator for all major projects over a defined value. All customer contacts are responded to within agreed standards (1 day/1 week) .			
CUSTOMER EXPECTATIONS / ENQUIRIES	Coordinates customer enquiries.			
LEGISLATION	Local Government Act (1999)			
CONSEQUENCE (if service not provided)	This Service area provides essential Management of Project delivery and administration to ensure projects are delivered on time and within budget and at the same time ensuring quality is delivered. Therefore both positions are essential to the delivery of projects within the City of Salisbury.			

SERVICE SECTION	Projects		
SERVICE AREA	Building		
SERVICE AREA FTE's	2.00		
BUDGET	Description	2014-2015	2015-2016
	Statutory Charges	\$ -	\$ -
	User Charges	\$ -	\$ -
	Operating Grants and Subsidies	\$ -	\$ -
	Internal Income	\$ -	\$ -
	Other Revenue	\$ -	\$ -
	Wages & Salaries	\$ 187,700.00	\$ 194,800.00
	Contractual Services	\$ 640,000.00	\$ 348,000.00
	Materials	\$ -	\$ -
	Depreciation	\$ -	\$ -
	Other Expenses	\$ -	\$ 88,000.00
	Internal Expenses	\$ -	\$ -
	Total Budget	\$ 827,700.00	\$ 630,800.00
SERVICE METHOD	Project management is undertaken internally but works are contracted out		
STRATEGIC LINKAGES	1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure 1.4 To deliver suitably integrated infrastructure that maximise economic efficiencies and opportunities for the community 2.5 To have a sustainable and resilient built environments that contribute to quality amenity 4.1 To have a workforce that is planned, dynamic and skilled that enables that enables the organisation to achieve excellence 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.6 To provide our customers with excellent service that meets their needs		
POLICIES, PLANS & STRATEGIES	City of Salisbury Strategic Asset Management Plan (2015) Disability Policy and Action Plan Salisbury City Plan 2020 Building Inspection Policy (2012) Building Renewal Policy (2015)		
ASSETS SERVICED	All Council building assets		
DESCRIPTION OF SERVICE	Project delivery of all capital building projects identified in either the asset plan for buildings or through strategic initiative and includes all works from minor upgrades through to major renewal and new construction of property assets. The number of projects undertaken in 2014/15 was 169 with a value of \$7,514,780. In addition to this capital program a further \$348,000 in operating projects were also delivered.		
SERVICE STANDARDS	Delivery of all projects in alignment with AS 4915 (Project Management Standards). All projects in the building category will be constructed in accordance with the Building Code of Australia. All building projects will ensure compliance with the Disability Discrimination Act (AS1428). All building projects will consider energy efficiency when designing and constructing projects to ensure 6 star energy efficiency rating. All financial transaction or variations are recorded and monitored in accordance with AS 4000 or AS 2124.		
SERVICE OUTCOME	A quality asset portfolio that meets the needs of the community and the end user while also delivering delivered by means of best practice project management.		
PERFORMANCE INDICATORS	While Council delivers these projects in accordance with the approved plans there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery.		
CUSTOMER EXPECTATIONS / ENQUIRIES	That the buildings our customers use are fit for purpose and that when works are undertaken on their buildings they will be done to a high quality and in a timely manner.		
LEGISLATION	Building Code Australia (2015) Disability Discrimination Act (1992) Various Utility Acts (such as SA Water)		
CONSEQUENCE (if service not provided)	Failure to deliver buildings to an approved legislative standard could see the building being non compliant or at worst case not being issued with a Certificate of Occupancy or requiring Council to rectify the building as part of Development approvals. Service could be provided externally but in-house project management allows for greater control and flexibility of project and also allows for seamless transition between design and construction and construction and handover.		

SERVICE SECTION	Projects		
SERVICE AREA	Transportation		
SERVICE AREA FTE's	2.60		
BUDGET	Description	2014-2015	2015-2016
	Statutory Charges	\$ -	\$ -
	User Charges	\$ -	\$ -
	Operating Grants and Subsidies	\$ -	\$ -
	Internal Income	\$ -	\$ -
	Other Revenue	\$ -	\$ -
	Wages & Salaries	\$ 91,000.00	\$ 262,100.00
	Contractual Services	\$ 1,000,000.00	\$ 1,121,700.00
	Materials	\$ -	\$ -
	Depreciation	\$ -	\$ -
	Other Expenses	\$ -	\$ -
	Internal Expenses	\$ -	\$ -
	Total Budget	\$ 1,091,000.00	\$ 1,383,800.00
SERVICE METHOD	Project management is undertaken internally but works are contracted out		
	1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure		
	1.4 To deliver suitably integrated infrastructure that maximise economic efficiencies and opportunities for the community		
	2.5 To have a sustainable and resilient built environments that contribute to quality amenity		
	4.1 To have a workforce that is planned, dynamic and skilled that enables that enables the organisation to achieve excellence		
	4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery		
	4.6 To provide our customers with excellent service that meets their needs		
STRATEGIC LINKAGES	City of Salisbury Strategic Asset Management Plan (2015) Disability Policy and Action Plan Salisbury City Plan 2020 City of Salisbury Integrated Transport Plan		
POLICIES, PLANS & STRATEGIES	City of Salisbury Strategic Asset Management Plan (2015) Disability Policy and Action Plan Salisbury City Plan 2020 City of Salisbury Integrated Transport Plan		
ASSETS SERVICED	Assets in this category are varied and include roads, footpaths, drainage, carparks and wetlands		
DESCRIPTION OF SERVICE	Project delivery of all capital projects identified in either the asset plan for transport or drainage or through strategic initiative and includes all works from minor upgrades through to major renewal and new construction of various asset classes. The number of projects undertaken in 2014/15 was 667 with a value of \$13,510,560. In addition to this capital program a further \$1,005,200 in operating projects were also delivered.		
SERVICE STANDARDS	Construction of kerb and channel to AS 2876:2000 Delivery of all road reseals in accordance with AS2150 Hot Mix Asphalt All transportation projects are completed in accordance with Ausroads Guidelines. DPTI - Instruction to engineers SAI 24-DD302 (advice to Council on stormwater) Delivery of all projects in alignment with AS 4915 (Project Management Standards). All financial transaction or variations are recorded and monitored in accordance with AS 4000 or AS 2124. AS 3600 Use of concrete pipes in drainage		
SERVICE OUTCOME	A quality asset portfolio that meets the needs of the community and the end user while also delivering delivered by means of best practice project management.		
PERFORMANCE INDICATORS	While Council delivers these projects in accordance with the approved plans there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery.		
CUSTOMER EXPECTATIONS / ENQUIRIES	That the assets are functional, maintained and contribute to the amenity of the area.		
LEGISLATION	Road Traffic Act (1961) Disability Discrimination Act (1992) Local Government Stormwater Management Act (2007)		
CONSEQUENCE (if service not provided)	Failure to deliver civil projects to an approved standard could see the asset design life or functionality compromised. Service could be provided externally but in-house project management allows for greater control and flexibility of project and also allows for seamless transition between design and construction and construction and handover.		

SERVICE SECTION	Projects		
SERVICE AREA	Landscape		
SERVICE AREA FTE's	2.00		
BUDGET	Description	2014-2015	2015-2016
	Statutory Charges	\$ -	\$ -
	User Charges	\$ -	\$ -
	Operating Grants and Subsidies	\$ -	\$ -
	Internal Income	\$ -	\$ -
	Other Revenue	\$ -	\$ -
	Wages & Salaries	\$ 190,800.00	\$ 198,000.00
	Contractual Services	\$ -	\$ -
	Materials	\$ -	\$ -
	Depreciation	\$ -	\$ -
	Other Expenses	\$ -	\$ -
	Internal Expenses	\$ -	\$ -
	Total Budget	\$ 190,800.00	\$ 198,000.00
SERVICE METHOD	Project management is undertaken internally but works are contracted out		
STRATEGIC LINKAGES	1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure 1.4 To deliver suitably integrated infrastructure that maximise economic efficiencies and opportunities for the community 2.5 To have a sustainable and resilient built environments that contribute to quality amenity 4.1 To have a workforce that is planned, dynamic and skilled that enables that enables the organisation to achieve excellence 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.6 To provide our customers with excellent service that meets their needs		
POLICIES, PLANS & STRATEGIES	City of Salisbury Strategic Asset Management Plan Disability Policy and action plan Salisbury City Plan 2020 City of Salisbury native vegetation and biodiversity policy The Game Plan City Salisbury Landscape Plan		
ASSETS SERVICED	Assets in this category are varied and include Council's open spaces, recreation areas roads verges drainage corridors, carpark and wetlands.		
DESCRIPTION OF SERVICE	Project delivery of all capital projects identified in either the asset plan for transport, open spaces or drainage or through strategic initiative and includes all works from minor upgrades through to major renewal and new construction of various asset classes.		
SERVICE STANDARDS	Various Australian Standards consistent with the design are referenced to ensure compliance with design and delivery objectives. AS/NZS 4486.1:1997 : Playgrounds and playground equipment - Development, installation, inspection, maintenance and operation Conformance with Council's landscape Design Policy AS/NZS 4422:1996 : Playground surfacing - Specifications, requirements and test method NRM Vegetation Guidelines		
SERVICE OUTCOME	A quality asset portfolio that meets the needs of the community and the end user while also delivering delivered by means of best practice project management.		
PERFORMANCE INDICATORS	While Council delivers these projects in accordance with the approved plans there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery.		
CUSTOMER EXPECTATIONS / ENQUIRIES	That the assets are functional, maintained and contribute to the amenity of the area.		
LEGISLATION	NRM Act Local Government Stormwater Act 2007		
CONSEQUENCE (if service not provided)	Failure to deliver open space projects to an approved standard could see the asset design life or functionality compromised. Service could be provided externally but in-house project management allows for greater control and flexibility of project and also allows for seamless transition between design and		

SERVICE SECTION	Projects		
SERVICE AREA	Survey and Drainage Projects		
SERVICE AREA FTE's	2.00		
BUDGET	Description	2014-2015	2015-2016
	Statutory Charges	\$ -	\$ -
	User Charges	\$ -	\$ -
	Operating Grants and Subsidies	\$ -	\$ -
	Internal Income	\$ -	\$ -
	Other Revenue	\$ -	\$ -
	Wages & Salaries	\$ 176,400.00	\$ 182,000.00
	Contractual Services	\$ -	\$ -
	Materials	\$ -	\$ -
	Depreciation	\$ -	\$ -
	Other Expenses	\$ -	\$ -
	Internal Expenses	\$ -	\$ -
	Total Budget	\$ 176,400.00	\$ 182,000.00
SERVICE METHOD	Service is delivered in house		
STRATEGIC LINKAGES	1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure 1.4 To deliver suitably integrated infrastructure that maximise economic efficiencies and opportunities for the community 2.5 To have a sustainable and resilient built environments that contribute to quality amenity 4.1 To have a workforce that is planned, dynamic and skilled that enables that enables the organisation to achieve excellence 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and 4.6 To provide our customers with excellent service that meets their needs		
POLICIES, PLANS & STRATEGIES	City of Salisbury Strategic Asset Management Plan Salisbury City Plan 2020		
ASSETS SERVICED	On a as needs bases but generally relates to all Council land and projects. In addition this group deliver projects associated with drainage.		
DESCRIPTION OF SERVICE	Provision of survey work for either Technical Services (design) or for Projects to allow construction.		
SERVICE STANDARDS	ICSM (2006), Geocentric Datum of Australia Technical Manual, Intergovernmental Committee on Surveying and Mapping, Canberra, Australia. ICSM (2007), Australian Tides Manual – Special Publication 9, Intergovernmental Committee on AS/NZS 3725:2007 design and install of drainage pipes DPTI - Instruction to engineers SAI 24-DD302 (advice to Council on stormwater)		
SERVICE OUTCOME	Quality survey work to enable delivery of design and construction processes.		
PERFORMANCE INDICATORS	Quantifiable KPI do not exist for this area but will be developed as part of Program Review.		
CUSTOMER EXPECTATIONS / ENQUIRIES	There is no external customer expectation with this service as it is delivered to internal customers only. The internal customers expectation is that the service will be accurate and		
LEGISLATION	Survey Act (1992) Development Act		
CONSEQUENCE (if service not provided)	Works could be delivered by external surveyors however current in-house service provides for some flexibility. This program area also project manages the majority of Council's project work associated with flood mitigation through the construction of the drainage program.		



ITEM	PRSC4
	PROGRAM REVIEW SUB COMMITTEE
DATE	15 March 2016
PREV REFS	PRSC PRSC1 10/08/2015
HEADING	Technical Services Program Review Update
AUTHORS	Dameon Roy, Manager Technical Services, City Infrastructure Peter Smith, Program Manager City Infrastructure, City Infrastructure
CITY PLAN LINKS	2.5 To have sustainable and resilient built environments that contribute to quality amenity 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.5 To apply business and resource management that enables excellent service delivery and financial sustainability
SUMMARY	This report provides the Program Review Sub Committee (PRSC) with an update on the progress of the Program Review for Technical Services Division within City Infrastructure. The report also provides a concise summary of each of the services provided within the Technical Services area for further discussion.

RECOMMENDATION

1. That the information be received.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Technical Services - Service Summary Sheets
2. Technical Services - Organisation Structure

1. BACKGROUND

- 1.1 The Council in 2013 endorsed the review of all of Council's services through a Program Review process that aimed to identify potential savings, invest or redirect resources to priority areas, and make processes more streamlined and efficient.
- 1.2 As part of the program a number of divisional areas were identified for 2015/16 with Technical Services being one of those chosen for review.
- 1.3 A project brief was submitted to the PRSC in August 2015 as item PRSC1 City Infrastructure, Technical Services - Project Brief which was endorsed.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 General Manager, City Infrastructure
- 2.1.2 Manager Technical Services, City Infrastructure
- 2.1.3 Manager Contracts and Procurement, Business Excellence
- 2.1.4 Senior Management Account, Business Excellence.

2.2 External

- 2.2.1 Prequalified consultants who are tendering to undertake the Program Review.

3. REPORT

- 3.1 The Technical Services Division of City Infrastructure provides the strategic planning, management, engineering and technical advice to asset owners and other areas within Council such as Development Services.
- 3.2 The Division comprise of 24 Full Time Equivalent (FTE) staff across a number of service areas which include (refer attachment - Divisional Structure):
 - Strategic Asset Management
 - Energy and Lighting Management
 - Stormwater and Flood Management
 - Civil/structural and Traffic Design and Management
 - Building Management
 - Open Spaces and Facilities Design and Development.
- 3.3 The objective of this report is to provide PRSC with an update on progress of this Program Review and provide it with a summary of existing operating service levels by service area for the Technical Service Division of City Infrastructure.
- 3.4 Following the PRSC meeting of the 10 August 2015 significant work has been under taken internally to progress the commencement of the Technical Services Program Review which has included:
 - Development of an acquisition plan
 - Timelines for project delivery
 - Risk assessment of the project
 - Development of consultancy brief and calling of tenders
- 3.5 The tender for the appointment of a consultant closed in late January 2016. At this time Council had received four submissions which have been evaluated and subject to a final presentation by the shortlisted company a contract should be award by the time that the PRSC meets to consider this report. This would enable a start to the consultancy by the end March 2016.
- 3.6 The scheduled delivery of this Program Review has been delayed by one month (originally planned for July 2016) due to the need to source additional information for presentation to the PRSC. It is expected that the PRSC should now consider a

final report on recommendations associated with the Technical Services Division Program Review in August 2016.

- 3.7 The Technical Services Division is responsible for the development of Council's Strategic Asset Management Plans (AMP) which informs, along with other Council strategies, the development of the Long Term Financial Plan (LTFP). This plan and matching funding is needed to maintain Council's existing assets and provide new and improved assets for use by the community.
- 3.8 In addition the Technical Services Division also undertake a broader role of working with and negotiating with the State Government agreements to provide a coordinated City wide response to an integrated delivery of asset management strategies. Some of these strategies or plans include:
 - 3.8.1 Stormwater Management Plans
 - 3.8.2 Local Area Traffic Management Plans (including recreation and cycling)
 - 3.8.3 Liaison with Natural Resource Management (water quality and biodiversity)
 - 3.8.4 Liaison with Department of Planning, Transport and Infrastructure on City wide arterial road network and its effect on local roads.
- 3.9 All projects identified in the AMP and the LTFP other than renewal projects are likely to require some level of design. This design process is the other main function undertaken by the Technical Services Division.
- 3.10 The current AMP identifies the renewal of assets while the LTFP includes both renewal and identified new strategies. These two documents indicate that demand in the main asset categories (roads, stormwater, landscapes and buildings) will vary in scope, scale and cost from year to year (refer Table 1) this will require access to diversified skills to deliver the design program.
- 3.11 The Program Review for the Technical Services Division will consider this long term diversified skill set when making its final recommendations to the PRSC.
- 3.12 Table 2 provides a summary of the roles and staff commitment associated with Technical Services Division with further breakdown of service levels provided in the attachments.

Summary of 4 Year Long Term Infrastructure Expenditure Table 1

Item PRSC4

Proposed 4 Year Capital Expenditure Program	2016/17		2017/18		2018/19		2019/20	
	CAPITAL \$000	OPERATING \$000	CAPITAL \$000	OPERATING \$000	CAPITAL \$000	OPERATING \$000	CAPITAL \$000	OPERATING \$000
DRAINAGE & WATERWAYS								
NEW	1,743	103	1,146	106	1,209	109	1,511	111
RENEWAL	1,139	111	1,203	112	1,227	70	1,012	72
TOTAL DRAINAGE & WATERWAYS	2,882	214	2,349	218	2,436	179	2,523	183
PROPERTY & BUILDINGS								
NEW	2,979	26	4,547	88	459	27	470	28
RENEWAL	2,019	380	5,429	390	3,655	400	3,746	410
TOTAL PROPERTY & BUILDINGS	4,998	406	9,976	478	4,114	427	4,216	438
PARKS & STREETSCAPES								
NEW	1,426	28	363	16	372	16	380	16
RENEWAL	2,604	(1)	2,376	1	2,444	1	2,481	1
TOTAL PARKS & STREETSCAPES	4,030	27	2,739	17	2,816	17	2,861	17
STRATEGIC PROJECTS								
NEW	4,094	0	27,056	0	12,137	0	1,059	0
RENEWAL	0	0	0	0	0	0	0	0
TOTAL STRATEGIC PROJECTS	4,094	0	27,056	0	12,137	0	1,059	0
TRANSPORTATION								
NEW	10,190	98	6,037	82	2,412	89	1,756	95
RENEWAL	9,841	25	9,817	26	10,060	27	10,310	28
TOTAL TRANSPORTATION	20,031	123	15,854	108	12,472	116	12,066	123

Technical Services Operating Budget

Table 2

	2014-2015 Budget			2015-2016 Budget			
	Budget \$000's	Budget Allocation to Capital	Staff FTE	Budget \$000's	Budget Allocation to Capital	Resource Mix	Staff FTE
Strategic Asset Management Program	\$677,800	\$677,800	7.00	\$698,200	\$698,200	5Permanent 2Contract	7.00
Energy and Lighting Management Program	\$109,500	\$54,750	1.00	\$111,900	\$55,950	1Permanent	1.00
Landscape Development Program	\$664,990	\$328,350	7.10	\$591,660	\$338,850	3.1Permanent 3Contract	6.10
Stormwater and Flood Management Program	\$205,180	\$166,552	1.90	\$204,070	\$185,365	.9Permanent 1Contract	1.90
Civil Technical and Traffic Management Program	\$766,130	\$426,278	8.00	\$783,570	\$469,270	6Permanent 2Contract	8.00
Total Technical Services	\$2,423,600	\$1,653,730	25.00	\$2,389,400	\$1,747,635	24.00	24.00
Remaining operational budget		\$769,870			\$641,765		

- 3.13 The resource mix shown in Table 2 indicates the current breakdown of staff for the Technical Services Division consists of 16 permanent staff and 8 contract staff.
- 3.14 Table 2 also indicates that seventy three (73) percent of the Technical Services Division operating wages are capitalized against projects and an operating cost of \$641,765 (2015/16).
- 3.15 The work of the Technical Services and Projects Division requires the use of numerous contracts to enable delivery of designs and expert advice to deliver the capital program and technical response to queries and therefore there is a need for strong synergies between this Division and the Contracts and Procurement area. This interrelationship is to be considered by this Program Review and the Contracts and Procurement review being undertaken concurrently to ensure synergies and opportunities for improvement are maximised.

4. CONCLUSION / PROPOSAL

- 4.1 The information contained in this report provides the opportunity for discussion on the principles that underpin the delivery of the works program in the Technical Services Division and the expectations of Council.

CO-ORDINATION

Officer: Executive Group
Date: 08/03/2016

Technical Services				
Summary Operational Service Levels				
SERVICE SECTION		Strategic Asset Management Program		
SERVICE SECTION FTE's		7.00		
BUDGET		Description	2014-2015	2015-2016
		Statutory Charges	\$ -	\$ -
		User Charges	\$ -	\$ -
		Operating Grants and Subsidies	\$ -	\$ -
		Internal Income	\$ -	\$ -
		Other Revenue	\$ -	\$ -
		Wages & Salaries	\$ 677,800.00	\$ 698,200.00
		Contractual Services	\$ 45,100.00	\$ 33,000.00
		Materials	\$ 4,100.00	\$ 11,600.00
		Depreciation	\$ 4,800.00	\$ 800.00
		Other Expenses	\$ 2,500.00	\$ 2,200.00
		Internal Expenses	\$ 35,800.00	\$ 26,300.00
		Total Budget	\$ 770,100.00	\$ 772,100.00
SERVICE METHOD		Custodian on behalf of asset owner with review being undertaken internally with external contractual input		
STRATEGIC LINKAGES		1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure 1.4 To deliver suitably integrated infrastructure that maximises economic efficiencies and opportunities for the community 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.5 To apply business and resource management that enables excellent service delivery and financial sustainability 4.6 To provide our customers with excellent service that meets their needs		
POLICIES, PLANS & STRATEGIES		City of Salisbury Strategic Asset Management Plan Salisbury City Plan 2020 City of Salisbury Integrated Transport Plan Open Spaces and Recreation Action Plan City of Salisbury Landscapes Plan Depreciation Policy (2015/0681)		
ASSETS SERVICED		All transport assets (roads, footpaths kerb & gutter, bridges and cycle ways), Building and Property, Drainage/Waterways, Parks and Streetscapes, Fleet, Water Business and IT equipment.		
DESCRIPTION OF SERVICE		This area undertakes a number of functions which include: Auditing, planning, capitalisation, budget development GIS maintenance and project briefs which are associated with either the budget process or the maintenance of asset plans. The aim of the group is to develop and maintain an integrated asset management plan and the annual recurrent and optimised long term capital works program for infrastructure assets.		
SERVICE STANDARDS		Ensure Asset Plans are endorsed by Council every 4 years and all asset plans are reviewed and updated annually. Australian Standards for asset management ISO 55000 Deliver an asset renewal plan annually that is consistent with the 5 year plan.		
SERVICE OUTCOME		An endorsed set of asset plans that provide strategic guidance to the LTFP and ensure appropriate levels of service are maintained in accordance with its asset plans and community expectation.		
PERFORMANCE INDICATORS		While Council delivers the various functions of asset management in accordance with required timelines there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery.		
CUSTOMER EXPECTATIONS / ENQUIRIES		That Council's asset maintenance and replacement are in alignment with endorsed levels of service and community expectation.		
LEGISLATION		Local Government Act (1999) Local Government Stormwater Management Act (2007)		
CONSEQUENCE (if service not provided)		Failure to deliver strategic Management Plans including infrastructure and asset plans would see Council be in breach of Section 122 of the Local Government Act. It would also mean that Council was potentially not managing its assets on behalf of the community in a sustainable and transparent manner.		

Technical Services			
Summary Operational Service Levels			
SERVICE SECTION	Energy and Lighting Management Program		
SERVICE SECTION FTE's	1.00		
BUDGET	Description	2014-2015	2015-2016
	Statutory Charges	\$ -	\$ -
	User Charges	\$ -	\$ -
	Operating Grants and Subsidies	\$ -	\$ -
	Internal Income	\$ -	\$ -
	Other Revenue	-\$ 10,000.00	-\$ 10,000.00
	Wages & Salaries	\$ 109,500.00	\$ 111,900.00
	Contractual Services	\$ 11,000.00	\$ 10,200.00
	Materials	\$ -	\$ -
	Depreciation	\$ -	\$ -
	Other Expenses	\$ 4,500.00	\$ 2,000.00
	Internal Expenses	\$ -	\$ -
	Total Budget	\$ 115,000.00	\$ 114,100.00
SERVICE METHOD	Management by internal resources with possible delivery from external contractors		
STRATEGIC LINKAGES	<p>1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure</p> <p>1.4 To deliver suitably integrated infrastructure that maximise economic efficiencies and opportunities for the community</p> <p>2.2 To reduce corporate carbon emissions via mitigation as well as optimising renewable energy options</p> <p>4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery</p> <p>4.5 To apply business and resource management that enables excellent service delivery and financial sustainability</p> <p>4.6 To provide our customers with excellent service that meets their needs</p>		
POLICIES, PLANS & STRATEGIES	<p>City of Salisbury Strategic Asset Management Plan</p> <p>Salisbury City Plan 2020</p> <p>City of Salisbury Integrated Transport Plan</p> <p>Open Spaces and Recreation Action Plan</p> <p>City of Salisbury Landscapes Plan</p>		
ASSETS SERVICED	Asset comprise of all Council building assets and all street and reserve lighting		
DESCRIPTION OF SERVICE	This area of Energy and lighting management includes the functions of Sustainable Energy Program, Public lighting management and Energy efficiency management.		
	Review and investigate opportunities for the integration of energy efficiency into Council's operation through converting existing and new assets to sustainable and efficient practices.		
	To evaluate opportunities for the implementation of energy efficiency within Council owned assets and implement these programs and report annual the savings made in consumption (\$) and greenhouse gases.		
SERVICE STANDARDS	<p>More energy efficient assets that provide for reduced greenhouse gas emissions and savings in energy consumption and associated cost.</p> <p>NS 119 Street lighting Design and Construction.</p> <p>ISO 50001:2011 Energy Management Systems.</p> <p>AS/NZS 1158 Lighting for Roads and Public Spaces.</p>		
SERVICE OUTCOME	Tonnes of CO ² emissions saved per year and compliance with street lighting standards.		
PERFORMANCE INDICATORS	Savings in \$ against energy costs as a result of programs		
	While Council delivers these projects in accordance with Council directions there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery.		
CUSTOMER EXPECTATIONS / ENQUIRIES	Providing adequate lighting where required.		
LEGISLATION	<p>Electricity Regulations 2012</p> <p>Draft National Greenhouse and Energy Reporting (NGER) Act</p> <p>AS 3000</p> <p>AS/NZS 1158</p>		
CONSEQUENCE (if service not provided)	This will not impact on service delivery but would be against Council's general directions of delivering value for money to its community and acting as a good corporate body through the implementation of energy efficiency programs and innovation thereby setting an example to the community and business.		

Technical Services			
Summary Operational Service Levels			
SERVICE SECTION	Landscape Development Program		
SERVICE SECTION FTE's	6.10		
BUDGET	Description	2014-2015	2015-2016
	Statutory Charges	\$ -	\$ -
	User Charges	\$ -	\$ -
	Operating Grants and Subsidies	-\$ 309,400.00	-\$ 212,280.00
	Internal Income	\$ -	\$ -
	Other Revenue	\$ -	\$ -
	Wages & Salaries	\$ 664,990.00	\$ 591,660.00
	Contractual Services	\$ 32,400.00	\$ 32,149.00
	Materials	\$ 1,700.00	\$ 1,739.00
	Depreciation	\$ -	\$ -
	Other Expenses	\$ 6,900.00	\$ 5,618.00
	Internal Expenses	\$ 34,200.00	\$ 21,074.00
	Total Budget	\$ 430,790.00	\$ 439,960.00
SERVICE METHOD	Mix of internal resources (externally funded) and volunteers from the community		
STRATEGIC LINKAGES	1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure 1.4 To deliver suitably integrated infrastructure that maximise economic efficiencies and opportunities for the community 1.5 To deliver a regional culture of collaboration 2.1 To have sustainable and resilient natural environments that support biodiversity and contribute to quality amenity 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.5 To apply business and resource management that enables excellent service delivery and financial sustainability 4.6 To provide our customers with excellent service that meets their needs		
POLICIES, PLANS & STRATEGIES	City of Salisbury Strategic Asset Management Plan Salisbury City Plan 2020 City of Salisbury Integrated Transport Plan Open Spaces and Recreation Action Plan City of Salisbury Landscapes Plan		
ASSETS SERVICED	Natural and biodiversity corridors across the Council region		
DESCRIPTION OF SERVICE	The functions undertaken by the landscape team include Sustainability and community education, streetscape and biodiversity, landscape design, Landscape development and communication. Coordination of volunteers and community groups to maintain high value biodiversity areas plus an education role within the community and schools.		
SERVICE STANDARDS	Delivery of the objectives of the joint agreement with the NRM Board. AS/NZS 4486.1:1997 : Playgrounds and playground equipment - Development, installation, inspection, maintenance and operation. Conformance with Council's Landscape Design Policy, Trees Asset Management Plan and Parks & Landscape Asset Management Plan. AS/NZS 4422:1996 : Playground surfacing - Specifications, requirements and test method. NRM Vegetation Guidelines. Designs standards that align with Council's Landscape and Streetscape Policy		
SERVICE OUTCOME	To ensure effective communication with volunteers and community groups and engagement with the community to delivery annual planting and rehabilitation programs for areas of high bio diversity.		
PERFORMANCE INDICATORS	While Council delivers these projects in accordance with environmental plans and design standards there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery. Streetscape Renewal Development. Some future KPI could include: Number of schools/education providers engaged per year Number of volunteer hours worked on vegetation sites or number of sites developed.		
	Number of groups engaged per year		
CUSTOMER EXPECTATIONS / ENQUIRIES	Maintained amenity that is attractive and functional.		
LEGISLATION	NRM Act Local Government Act		
CONSEQUENCE (if service not provided)	While the loss of these two staff would result in Council taking direct responsibility for the areas the loss while significant with respect to the environment and future biodiversity Council could choose not to do these works and not affect its core business deliverables.		

Technical Services			
Summary Operational Service Levels			
SERVICE SECTION	Stormwater and Flood Management Program		
SERVICE SECTION FTE's	1.90		
BUDGET	Description	2014-2015	2015-2016
	Statutory Charges	\$ -	\$ -
	User Charges	\$ -	\$ -
	Operating Grants and Subsidies	\$ -	\$ -
	Internal Income	\$ -	\$ -
	Other Revenue	\$ -	\$ -
	Wages & Salaries	\$ 205,180.00	\$ 204,070.00
	Contractual Services	\$ 80,200.00	\$ 71,000.00
	Materials	\$ 1,200.00	\$ 500.00
	Depreciation	\$ -	\$ -
	Other Expenses	\$ 10,500.00	\$ 20,500.00
	Internal Expenses	\$ 1,500.00	\$ 1,000.00
	Total Budget	\$ 298,580.00	\$ 297,070.00
SERVICE METHOD	Service provide inhouse		
STRATEGIC LINKAGES	1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure 1.4 To deliver suitably integrated infrastructure that maximises economic efficiencies and opportunities for the community 2.2 To have sustainable and resilient natural environments that support biodiversity and contribute to quality amenity 2.4 To have sustainable water management and improved water security for the city 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and 4.5 To apply business and resource management that enables excellent service delivery and financial 4.6 To provide our customers with excellent service that meets their needs		
POLICIES, PLANS & STRATEGIES	City of Salisbury Strategic Asset Management Plan Salisbury City Plan 2020 City of Salisbury Integrated Transport Plan Open Spaces and Recreation Action Plan City of Salisbury Landscapes Plan		
ASSETS SERVICED	The total catchment of the City including all creeks, wetlands and pipe and pit networks that exist within the City.		
DESCRIPTION OF SERVICE	The functions of stormwater and flood management also includes the functions of management of natural resources, local and major flooding design and Hydraulic and hydrology of system capacity and effects on flooding. To monitor and provide expert advice on the management of natural resources including waterways, wetlands, ornamental water bodies, coastal infrastructure, flood management infrastructure, including weirs and dams and manage and maintain regional partnerships with adjoining Councils particularly with respect to water course/stormwater management.		
SERVICE STANDARDS	All drainage design is undertaken to achieve a 1:100 ARI year flood protection for all major drains and all local drainage is designed to 1:10 ARI year flood protection. AS/NZS 3725:2007 design and install of drainage pipes. DPTI - Instruction to engineers SAI 24-DD302 (advice to Council on stormwater). All design work is completed to AS 3500 3.1 Plumbing and Drainage. Water Sensitive Urban Design Technical Manual - Chapter 13 - Wetlands. That all correspondence and record keeping is consistent with Council's corporate policy and legislative requirements. (response within 1 day and correspondence within 1 week).		
SERVICE OUTCOME	Implementation of the various Stormwater Management Plans for the catchment. To ensure the City is protected from flooding (coastal or catchment) as result of sea level rise or significant rainfall events within the catchment.		
PERFORMANCE INDICATORS	No of houses flooded in a defined rainfall event (example 1:10 year ARI). While Council delivers these projects in accordance with stormwater management plans there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery.		
CUSTOMER EXPECTATIONS / ENQUIRIES	That properties will be safe from flooding. Enquires in regards to flooding are generally seasonal and are at there highest when a rainfall event has occurred and localised flooding has been evident.		
LEGISLATION	Local Government Act Local Government Stormwater Management Act 2007		
CONSEQUENCE (if service not provided)	This service is an essential service of Council and considered core business and to reduce or eliminate the service would be a significant risk and could result in poor future decision making in regards to stormwater and flood management.		

Technical Services				
Summary Operational Service Levels				
SERVICE SECTION	Civil Technical and Traffic Management Program			
SERVICE SECTION FTE's	8.00			
BUDGET	Description	2014-2015	2015-2016	
	Statutory Charges	\$ -	\$ -	
	User Charges	\$ -	\$ -	
	Operating Grants and Subsidies	\$ -	\$ -	
	Internal Income	\$ -	\$ -	
	Other Revenue	\$ -	\$ -	
	Wages & Salaries	\$ 770,530.00	\$ 787,570.00	
	Contractual Services	\$ 74,000.00	\$ 68,000.00	
	Materials	\$ 20,200.00	\$ 19,200.00	
	Depreciation	\$ 2,600.00	\$ 200.00	
	Other Expenses	\$ 20,900.00	\$ 20,200.00	
	Internal Expenses	\$ 71,100.00	\$ 57,838.00	
	Total Budget		\$ 959,330.00 \$ 953,008.00	
SERVICE METHOD	Conducted inhouse			
STRATEGIC LINKAGES	1.2 To enhance and create quality urban areas with high amenity and integrated infrastructure 1.4 To deliver suitably integrated infrastructure that maximies economic efficiencies and opportunities for the community 2.5 To have a sustainable and resilient built environments that contribute to quality amenity 4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.5 To apply business and resource management that enables excellent service delivery and financial sustainability 4.6 To provide our customers with excellent service that meets their needs			
POLICIES, PLANS & STRATEGIES	Citv of Salisbury Strategic Asset Management Plan Disability Discrimination Act Salisbury City Plan 2020 City of Salisbury Integrated Transport Plan			
ASSETS SERVICED	All of Council owned road network and other assets such as cycle paths			
DESCRIPTION OF SERVICE	The traffic management functions include infrstructure investigations, review and maintenance of Council standards and policies, community and government advice of traffic, traffic approval civil and traffic design, Grant funding submission and consultation. Management of consultants in investigations, geotechnical, coastal, traffic etc. and design projects, including civil and environmental engineers.			
SERVICE STANDARDS	That all correspondence and record keeping is consistent with Council's corporate policy and legislative requirements. (response within 1 day and correspondence within 1 week).			
	All design and traffic management responses are consistent with Ausroad Guidelines			
	Compliance with DPTI road design standards including DP010 Traffic controls, DP 013 Lighting, DP003 Geeneral Construction and GD Guidelines for selection of safety barriers.			
SERVICE OUTCOME	A safe and complaint road network that also provides for safe and sufficnet parking for cars.			
PERFORMANCE INDICATORS	While Council delivers these projects in accordance with traffic management plans and Ausroad Guidelines there is limited quantifiable KPI work undertaken. It is proposed as part of the Program Review to develop these KPI for future use in delivery.			
CUSTOMER EXPECTATIONS / ENQUIRIES	Timely response that provides a solution to the customers issue.			
LEGISLATION	Road Traffic Act Austroads Guide to Road Design Disability Act			
CONSEQUENCE (if service not provided)	This is an essential service given that Council is the asset owner and the asset generally abuts all properties and as such there is a need to respond to community concerns in a prompt manner with local knowledge.			

