



**LOCAL  
GOVERNMENT  
PROCUREMENT**

# **ANNUAL REPORT 2022/23**

# HIGHLIGHTS

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**\$902  
MILLION**  
**CONTRACT SPEND**




**PROVIDED**  
**\$95,000**  
**PROCUREMENT-RELATED  
FUNDING**  
across 10 projects



**\$1.45  
MILLION**  
**IN REBATES**  
paid to councils,  
ROCs and JOs



**1,142**   
approved  
**CONTRACTORS ASSESSED FOR  
MODERN SLAVERY RISK**

  
**2,339  
RFXS  
ONLINE**  
with an estimated value of  
**\$664 MILLION**

  
**DELIVERED  
SPECIALISED  
TRAINING TO**  
**ALMOST 350 PEOPLE**

**DEVELOPED AN  
ONLINE  
SOCIAL  
PROCUREMENT  
TOOLKIT**



  
**SAVED**  
the sector  
**\$76 MILLION**  
**OR 310,050  
RESOURCE HOURS**

**DELIVERED 38  
ENGAGEMENT  
EVENTS TO**  
  
**ALMOST PEOPLE 2000**

Represented  
local government  
interests on the  
**AUSTRALIAN  
CIRCULAR  
ECONOMY (ACE)  
HUB PROCUREMENT  
WORKING GROUP**

  
**DELIVERED 30  
INITIATIVES  
FROM OUR 2020-23  
STRATEGIC PLAN**

**LAUNCHED  
THE HIGH-  
PERFORMANCE  
HUB**



# ABOUT LGP



## PURPOSE

We **create and drive value** for local communities.

## VISION

We are an **innovative leader**, expert and champion delivering **high-value procurement** solutions, education, and consulting services.

## VALUE PROPOSITION

At LGP we have the **services and expertise** to support procurement capability and efficiencies for the local government sector.

# HOW WE DELIVER OUR VALUE:

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- ◆ We are Australia's only **sustainable procurement** consultancy solely dedicated to local government.
- ◆ We are **customer focused**.
- ◆ We are **innovating** our organisation.
- ◆ We **reduce cost**.
- ◆ We **reduce risk**.
- ◆ We offer a broad suite of services that form an **integrated procurement solution**.
- ◆ We **promote learning** and procurement capability development.
- ◆ We **invest back** in the local government sector.
- ◆ We focus on **growing regional** economic development.

## OUR CUSTOMERS

Our customers include all NSW councils, regional organisations of councils (ROCs), joint organisations (JOs), non-NSW councils, not-for-profit organisations, universities, state government agencies and departments.

## OUR SUSTAINABILITY JOURNEY

LGP has further progressed our sustainability journey, by **enacting our sustainability policies**. Our focus this year has been **ensuring** sustainability is a **high priority** for all our events. This includes an **audit of all hotels** our staff stay at when travelling. The audit assessed these properties on their sustainable practices to inform our accommodation choices going forward.

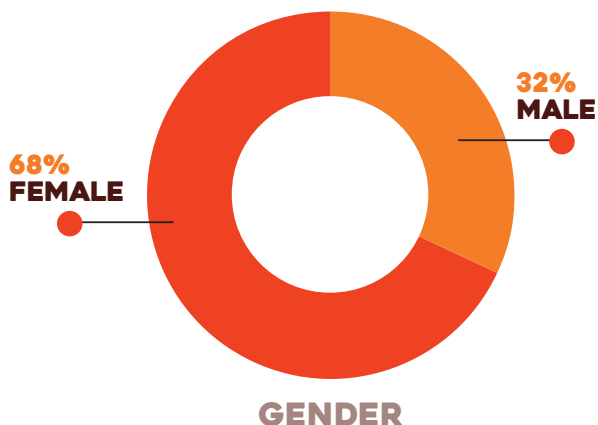
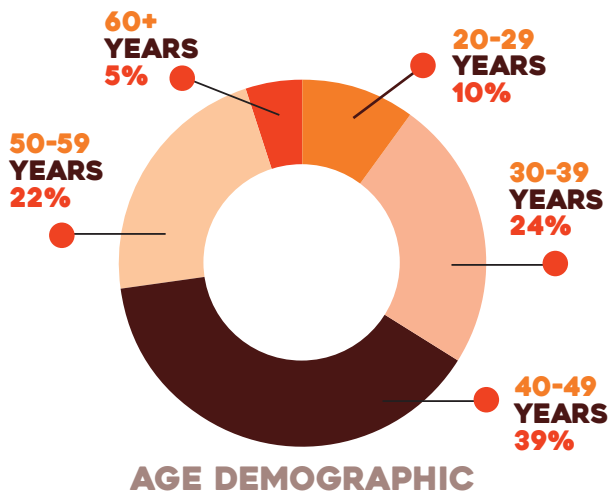
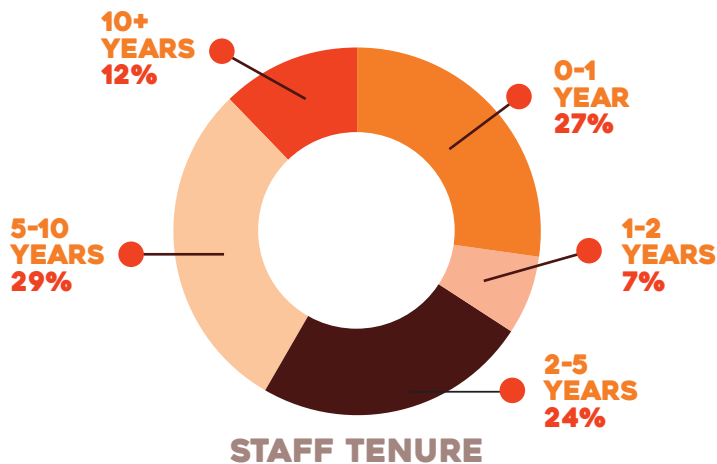
We have begun our Reconciliation journey and are currently developing our first **Reconciliation Action Plan**. In conjunction we have commenced an **Indigenous Procurement Program** with the aim of better connecting councils with Indigenous Businesses.

Sustainability is now **included in all LGP contracts**, both in Request for Tenders (RFTs) and Standing Offer Deeds. Councils can identify LGP approved contractors that align with their sustainability goals and objectives by procuring through LGP Contracts.



# OUR PEOPLE

## WORKFORCE



In 2022/23 one of our founding employees **Phill Scott Chief Procurement Officer** retired. Phill has been a pivotal person in the establishment of LGP. Phill's work has shaped the development of LGP to achieve our significant growth with a team of more than 40 now serving NSW councils. Over the years we have benefitted from his expertise and the high regard in which he is held by procurement professionals in the local government sector. With more than 30 years' experience in local government we would like to acknowledge Phill's service and contribution.

We recognised our people who had reached 5 and 10 years of service. The **tenure awards** were presented at the Annual Conference dinner in October.



### 5 YEARS OF SERVICE

- ◆ Shivani Ghai
- ◆ Luke Kenny
- ◆ Valerie Krueger
- ◆ Tania Lalor
- ◆ Evariste Ngenzi
- ◆ Selina Pinheiro
- ◆ Nivedita Roy
- ◆ Kenny Tan

### 10 YEARS OF SERVICE

- ◆ Megan Riakos
- ◆ Marie Talevska



# CULTURE

LGP actively promotes an inclusive work environment, with a diverse and multicultural team. We are a values-based organisation, promoting **our core values of leadership, collaboration, respect, integrity, empathy, innovation, and fun**. Our values guide our actions, decision-making and interactions with all stakeholders. LGP encourages growth, responsibility, and making a difference through the value that each person brings to our business.

# ENGAGEMENT

LGP supports employee activities that deliver, maintain, and enhance an environment in which our people can deliver their best work, and flourish both professionally and personally. With an **employee engagement score of 82.6% in 2023**, our key drivers of engagement include our culture, encouraging flexibility and work-life balance, supporting new employees through our on-boarding process, and agile performance management.

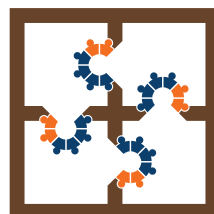
The overall wellbeing of our people is incredibly important. We are conscious that the health and wellness of our staff has a direct impact on their behaviour, engagement, and overall performance. As a business, we regularly **focus on wellness** and provide information and programs that offer support to the lives of our people.

# TRAINING AND DEVELOPMENT

LGP encourages and supports the growth and development of our people. We prioritise and invest in our leadership capabilities, with **63% of the current workforce undertaking our bespoke LGP Leadership Development Program**. The program is based on behavioural leadership, focusing on observing and evaluating actions and behaviours in response to specific situations. The aim is to bring a constructive style of thinking to the workplace, with a balance between 'task' and 'people'. We use the skill of self-awareness to bring out the best in our people and enable high performance and growth.

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# MESSAGE FROM THE CHAIR

I am pleased to share Local Government Procurement's (LGP) Annual Report for the financial year ending 30 June 2023.

This year, LGP delivered an excellent financial result, providing strong returns to our owner, Local Government NSW (LGNSW). LGP's 34 contracts delivered \$902 million in contract spend. This is an excellent result generating significant savings for local communities. This spend also enables LGP to return a gross surplus (before allocation of rebates) of \$3.63 million, a 33% increase when compared to FY22, and provided LGNSW with revenue of \$1.81 million.

## Investing in the sector

Thanks to the support given by councils across NSW using our contracts, training, and consulting services, \$1.45 million was allocated in rebates to councils, regional organisations of councils (ROCs) and joint organisations (JOs). This means, since LGP was established in 2006 more than \$11.2 million has been returned to the local government sector through the rebate scheme.

LGP's Procurement Capability Grant Program has swiftly emerged as an enabler of new procurement practice, delivering impactful initiatives to advance capability in procurement practice across the region.

The very first year of the grant program was met with overwhelming enthusiasm. An exciting mix of councils and joint organisations successfully accessed over \$95,000 in procurement-related funding across 10 projects. These initiatives spanned diverse categories, including process improvement, procurement resource development, technology, professional development, and other areas, such as disaster recovery and procurement-related endeavours.

## Strengthening our strategy

At the start of the year the Board designed our 2023-26 Strategic Plan. Developing this new plan was the result of a strong collaboration between the Board and the LGP staff team, and included the assessment of feedback from councils and suppliers about how we can further develop our services. In adopting the new plan, it was rewarding to review the achievements we managed under the 2020-23 Strategic Plan, including the development and delivery of more than 30 significant new initiatives.

## Thank you

We farewelled and thanked director Elizabeth Henderson for her advice and leadership as a LGP director. We also welcomed a new associate director to the Board, Cr Phyllis Miller OAM who replaced Cr Jerome Laxale. The associate director roles assist us to liaise and partner with LGNSW and Cr Laxale made a significant contribution.

I would like to express my appreciation to all the LGP staff for their hard work during the year. We appreciate your dedication and value the expertise you provide towards our goal of supporting our communities through better procurement outcomes.

On behalf of the Board at Local Government Procurement we are delighted to present the LGP Annual Report and share with you the positive results LGP has again achieved this year.

Thank you

*John Truman*  
Chair





# MESSAGE FROM THE CEO

The 2023 financial year was one that was full of achievement for LGP. We designed our new 3-year Strategic Plan to set our direction, achieved record council spend under LGP contracts and achieved all our financial goals.

We launched several new programs which will create new value over time for councils and our suppliers.

The first is our **Procurement Capability Grant Program** supporting a range of metropolitan, regional, and rural councils introduce new skills, process, and technology to lift their respective procurement operations.

A **new LGP Indigenous Procurement Program** was designed as part of our 2020-23 Strategic Plan. This program has a range of features that includes a Reconciliation Action Plan, indigenous enterprise engagement to support local government engagement, and looking at new partnerships to support the program.

The Net Zero conversation amongst councils is generating more focus on renewable energy as being a major strategy to reduce our carbon footprint. We were very pleased to **commence our first 100% Renewable Energy contract**, that will deliver exceptional fixed pricing over 7 years for those councils who chose to join us on the renewable energy journey.

LGP has extended its presence and **suite of services in relation to modern slavery supply chain risk**. We formed a new partnership with the Anti-slavery Commission, through the Commissioner Dr James Cockayne and his team. Tania Lalor from LGP Consulting was invited to join a Working Party to help shape the Commissioners new guidelines.

Another growing risk in our sector is Cyber Security. LGP deployed a significant range of new initiatives under **our first Cyber Security Program**. Our aim is to protect our organisation from imminent and future attack, ensuring we protect our data and systems.

Like many businesses, emerging from the pandemic LGP built a new Webinar delivery capability to complement our event program. We delivered seven webinars attracting over 600 attendees from across the sector. All up LGP ran 37 different events to collaborate with almost 2,000 people.

LGP has always benefitted from great loyalty through our valued staff. In April 2023 **we thanked and farewelled Phill Scott, our Chief Procurement Officer** as he stepped onto a well-deserved retirement. Phill was a founding employee at LGP, he effectively designed our tendering and contracting function that has successfully supported \$7 billion in council spend during his time with us. We also celebrated Megan Riakos and Marie Talevska for reaching 10 years of service with LGP.

People form the foundation of LGP, our staff are a critical part of that foundation, as is our incredibly supportive, constructive, and engaged LGP Board, led by John Truman. I would like to thank our two outgoing Board Members Elizabeth Henderson and Scott Phillips for their excellent contribution around the Board table. We are very grateful to have Cr Phyllis Miller join the Board and we look forward to welcoming David Reynolds, the new LGNSW Chief Executive to our board shortly.

It has been a year full of great results, new ideas and high achievement. We would like to thank all NSW councils for their engagement, support, and trust. We also thank the 1,100+ approved contractors working hard under our LGP contracts, and all our key stakeholders supporting the LGP organisation.

Thank you

*Luke Kenny*

Chief Executive Officer

# BOARD OF DIRECTORS



## JOHN TRUMAN

### Chairperson

John has served on the LGP Board since 2005 and was appointed chair in 2018. He is a former National President and NSW President of the Institute of Public Works Engineering Australasia. John has worked in NSW local government for more than 25 years and is currently the Director Civil Services at Ballina Council. John's professional qualifications include a Bachelor of Engineering, Bachelor of Laws (Hons) and a Masters in Business Administration. In 2021 John was admitted as a lawyer in the Supreme Court of New South Wales and has since commenced legal practice with Keystone Lawyers.



## PETER DENNIS

### Director

Peter has served on the LGP Board since 2018. He is an engineer with over 35 years water industry and local government experience. He is currently General Manager Beca Hunter H2O. His previous roles include CEO at Seqwater, CEO at Armidale Regional Council, General Manager System Strategy at Hunter Water Corporation and Chief Operating Officer at Hunter Water Australia. Peter is currently President of the Australian Water Association. His Board experience includes ICON Water, Australian Water Association, Mackay Regional Council Water Board, Beca Australia and Newcastle Institute of Energy and Resources. Peter is also currently an Adjunct Professor in the School of Engineering at the University of Newcastle.



## ELIZABETH HENDERSON

### Director

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Elizabeth served on the LGP Board from 2018 to March 2023. She is an executive, lawyer, and sourcing & procurement professional with 20+ years' experience in the banking & financial services and professional sectors. She was a senior manager and commercial director at Westpac, including Director of Strategic Sourcing, Director of the WorkSMART Program and Chief of Staff to the Chief Operating Officer. Previously she worked in both investment banking and as a Senior Associate at major Australian law firm Freehills (now Herbert Smith Freehills).



## PENNY HOLLOWAY

### Director

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Penny has served on the LGP Board since 2018. She has 30+ years' experience at senior executive level in state and local government in Victoria and NSW, including CEO of Lord Howe Island Board, General Manager at North Sydney Council and CEO at Latrobe City Council. She is currently a Board member on the Victorian Planning Authority, Alternate Chair of Local Planning Panels at Woollahra, Burwood and Hornsby Councils, a State Member on the Sydney South Planning Panel, a Member of Northern Sydney Local Health District Audit and Risk Committee and Chair of the Connected Libraries Board in Victoria.



## ROBERT LAGAIDA PSM

### Director

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Robert has served on the LGP Board since 2018. He has 25+ years' experience in the NSW public health system managing delivery of health services, undertaking procurement and management of assets, goods, and services for NSW public hospitals. He was Director of Clinical Operations and Director of Finance and Commercial Services in a number of NSW Health entities, and also held senior policy positions in the NSW Ministry of Health. Robert is currently a Board Director of Nepean Blue Mountains Local Health District, Bureau of Health Information and LiveBetter Pty Ltd. He is also a NSW Government Trustee for the Responsible Gambling Fund, and a member of the NSW Medical Council. He acts as Independent Chair and Independent Member of Audit and Risk Management Committees for a number of NSW Government agencies and Local Government Councils in metropolitan and regional NSW.



## **CR PHYLLIS MILLER OAM**

### Associate Director

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Phyllis has served on the LGP Board since July 2022. She is a tireless advocate of rural issues and was the first woman to be elected President of the NSW Shires Association in its 100-year history. She is currently a director of Local Government NSW, Mayor of Forbes, Board member of Central West Organisation of Councils and Board member of National Parks and Wildlife Advisory Council. She has worked as a partner in a successful stock and station agency, in real estate, an auctioneer business, and dry land and irrigation farming enterprises for 30 years. She has succeeded with these, and many other achievements, while raising five children. She is always up for a challenge, gives her time freely to others, and loves having fun with her family and friends.



## **SCOTT PHILLIPS**

### Associate Director

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Scott served on the LGP Board from October 2020 to July 2023. During his tenure he was Chief Executive of Local Government NSW (LGNSW), with three decades experience in the local and state government sectors developing and leading high-performing and multi-disciplinary teams. He is currently CEO of Northern Beaches Council and his extensive career in local government has included appointments as General Manager at both Sutherland Shire Council and Hornsby Shire Council. His public sector career includes several executive roles at a State and local level in the planning and development profession. He has been a member of and has served on a number of industry Boards, Ministerial Advisory Committees and Panels.



A 3D bar chart with five bars of increasing height, colored in a gradient from green to red. A large, thick, yellow-orange arrow curves upwards from the bottom left towards the top right, passing behind the bars. The background is white with a grey diagonal shape on the left.

# **MEASURING OUR VALUE**

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# SINCE LGP WAS ESTABLISHED IN 2006 NSW LOCAL GOVERNMENT HAS SPENT \$7 BILLION THROUGH LGP CONTRACTS

LGP continues to provide value to councils through panel contracts, free RFX software, specialised training, consulting services and **returning more than \$11.2 million to the local government sector through the rebate scheme.**

## CONTRACT SPEND



During the 2022/23 financial year LGP contract spend was **\$902 million**. Overall, **2,339 online RFXs** were submitted through LGP panel contracts – with an estimated value of **\$664 million**.

## SAVINGS



LGP's efficiency and expertise saved the NSW Local Government sector an estimated **\$76 million** or equivalent of **310,050 resource hours** overall for the financial year.

## REBATES



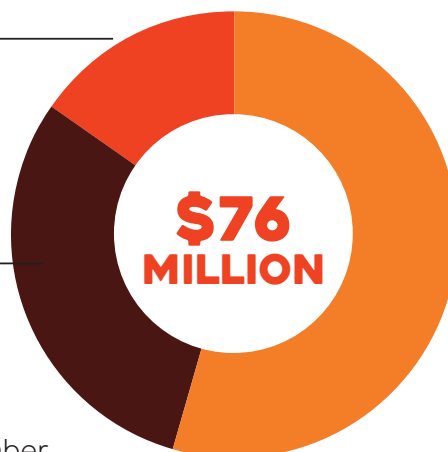
LGP finished the 2022/23 financial year with a gross surplus of \$3.63 million (before allocation of rebates) thanks to the support given by councils across NSW in using our contracts, training, and consulting services. As a result, the **FY23 Rebate scheme paid \$1.45 million** to councils, ROCs and JOs.

## \$10 MILLION IN CONTRACT MANAGEMENT COSTS

(\$5k per contract x number of contracts used)

## \$21 MILLION IN TENDER COST AVOIDANCE

(\$10K per tender x average number of contracts used x number of councils)



## \$45 MILLION NEGOTIATED PRICE SAVINGS

Achieved under LGP contracts (actual contract expenditure x 5%)

# ENHANCING PROCUREMENT EXCELLENCE: LGP'S PROCUREMENT CAPABILITY GRANT PROGRAM

In the dynamic landscape of local government sector, **effective procurement is the cornerstone** of success. In its ongoing commitment to creating and driving value for local communities in New South Wales, LGP proudly introduced the **Procurement Capability Grant Program**. LGP stepped into new territory with this program, recognising the vital role that

robust procurement capacity plays in the growth and development of the local government sector. Launched in FY22, the LGP Procurement Capability Grant Program has swiftly emerged as an enabler of new procurement practice, delivering impactful initiatives to advance capability in procurement practice across the region.

## TRANSFORMATIVE IMPACT IN FY23

The first iteration of this grant program was met with overwhelming enthusiasm. Local government organisations across New South Wales submitted **37 applications**, collectively seeking \$557,095 in funding. A mix of councils and joint organisations successfully accessed over **\$95,000** in procurement-related funding **across 10 projects**. These initiatives spanned diverse categories, including process improvement, procurement resource development, technology, professional development, and other areas, such as disaster recovery and procurement-related endeavours.

During FY23 projects were swiftly implemented, yielding outcomes that resonated throughout the sector. Initiatives included: implementation of **Payapps - Progress Claim Management** undertaken at Lismore City Council; assessments for **Modern Slavery risks** across suppliers in several councils; and various **training courses** undertaken by council staff to advance their procurement capability. Testimonials from these projects aptly demonstrates the program's value, showcasing how enhanced procurement capabilities can drive progress.



*“LGP providing the grant capability opportunities for procurement personnel is wonderful, my experience in participating in Cert IV Procurement and Contracting was extraordinary. This course has given me exponential professional growth and determination to continue spreading the word of how valuable procurement knowledge is. Procurement planning is the key to success!”*

Denise Jones, Procurement Coordinator –  
Leeton Shire Council (February 2023)

## A CALL FOR COLLECTIVE PROGRESS

LGP's [Procurement Capability Grant Program](#) is cutting a new pathway for better procurement practices. The success of our first year of the program highlights the need for both investment in progress and increased funding allocation to nurture these invaluable initiatives. This program's triumphs show it can spark positive change, boost processes, and drive growth.

LGP envisions a [future with procurement excellence](#), where councils and businesses unite for growth. Together, we can foster innovation, strengthen skills, elevate standards, and foster sustainable growth in the local government sector.





# CONTRACTS NEGOTIATED FOR THE SECTOR

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...to be paid in  
...to be paid in cash at the time of closing the sale.  
...purchase price shall be paid in cash at the time of closing the sale  
...obtain a first mortgage loan within \_\_\_\_\_ days after the  
...amount of \$ \_\_\_\_\_, payable in not less than  
...interest at a rate not to exceed \_\_\_\_\_ % financing. If  
...time specified above then either Purchaser or Seller may terminate  
...posited by Purchaser will be promptly refunded.  
The purchase price shall be paid in cash at the time of closing the sale  
...then outstanding balance due and owing under the existing mortgage  
...20 \_\_\_\_\_, in the original amount of \$ \_\_\_\_\_; of such  
...as of \_\_\_\_\_, 20 \_\_\_\_\_.  
The purchase price shall be paid in cash at the time of the  
...price the then outstanding balance due and owing under the  
...20 \_\_\_\_\_, having a present balance of  
...20 \_\_\_\_\_, which the purchaser hereby  
...provisions; purchaser shall pay  
...the mortgage shall be  
...to perform all of its provisions; purchaser shall pay  
...Any transfer fees required by the mortgage contract  
...shall be paid in accordance with the certain land contract  
...reference. The down payment to be made at the time of  
...balance of \$ \_\_\_\_\_ shall be paid at the rate of  
...with the broker which shall be applied to the  
...offer is not accepted by Seller this earnest  
...the event that this offer is accepted by  
...any deposit shall be forfeited  
...any other legal

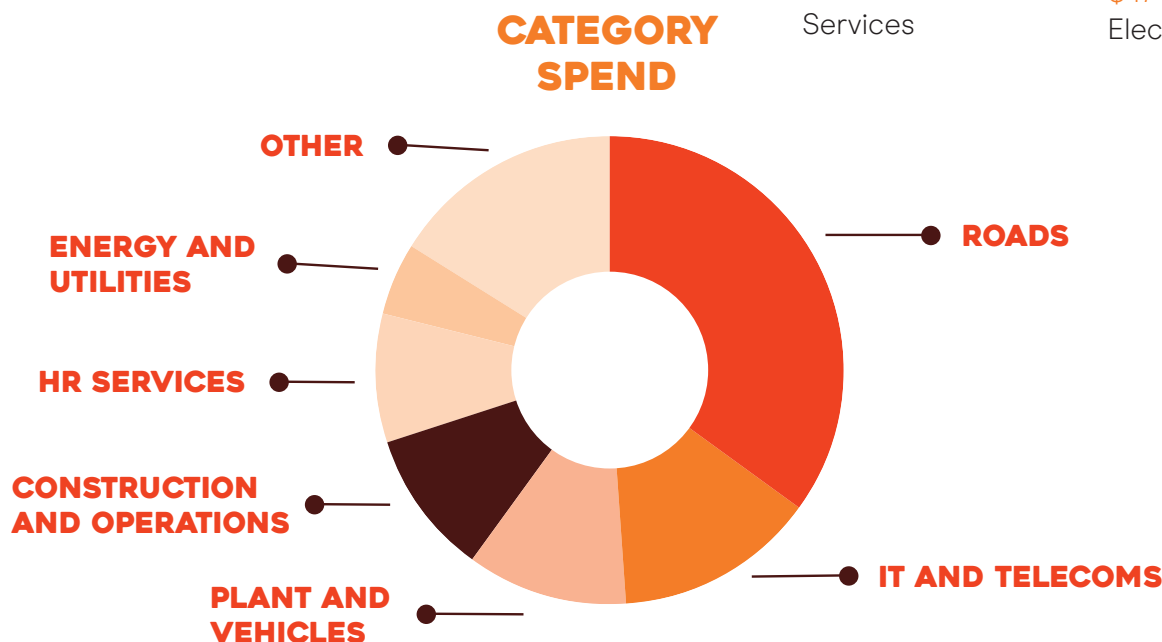


# TENDERING AND CONTRACTS

**IN 2022/23 THE NSW LOCAL GOVERNMENT SECTOR SPENT \$902 MILLION THROUGH LGP CONTRACTS**

The contracts with the **biggest spend** during the year were:

- ◆ \$292 million – Bitumen, Emulsions and Asphalt Materials and Services
- ◆ \$83 million – HR Placements and Associated Services
- ◆ \$61 million – Minor and Major Capital Works
- ◆ \$55 million – IT&C Products, Services and Consulting
- ◆ \$47 million – Electricity



## **DURING THE YEAR WE REFRESHED 9 CONTRACTS FOR:**



- 1 Supply of Renewable Electricity for Street Light Sites
- 2 Supply of Renewable Electricity for Small Tariff Sites
- 3 Supply of Renewable Electricity for Large Sites
- 4 Supply of Electricity for Street Lighting
- 5 Supply of Electricity for Small Sites
- 6 Supply of Electricity for Large Sites
- 7 Microsoft Licensing for NSW Local Government via Microsoft Licensing Solution Providers (LSPs)
- 8 Human Resources (HR) – Permanent and Temporary Placements and Associated Services
- 9 Supply of Electricity for Large Building & Facilities, Unmetered Street Lighting (stage 1)

**DURING THE YEAR 9 TENDER PROCESSES WERE CONDUCTED WITH 149 SUBMISSIONS RECEIVED FROM TENDERERS**

# LGP HAD 34 CONTRACTS IN OPERATION, ENCOMPASSING 1,159 LGP APPROVED CONTRACTORS

Across the team, many members moved on to other opportunities and there was a significant amount of backfill recruitment to replace Category Managers, Category Administrators, and Tender Administrators. To deliver more for councils, **one new position** was created for end-to-end ownership and greater capacity for the tender and contracts team: **Tender and Contracts Administrator**.

Many **core LGP contracts were enhanced and refreshed** including Human Resources (HR), Electricity, ICT, Debt Recovery, and Microsoft providing councils with an enhanced set of products and services and new suppliers from these contracts. These contracts represent **\$221 million** in council spend over FY23.

## WE DELIVERED AND COMMENCED SEVERAL NEW INITIATIVES

- ◆ **Dynamic Contracting:** A 'pilot' was conducted to increase LGP contracts flexibility extending panel terms, an ability to add more suppliers, and amend scope. This is now being rolled out to most LGP contracts.
- ◆ **Contract Performance Management:** A greater emphasis on demanding performance from contractors, with suspensions issued where there are performance issues.
- ◆ **Dashboards:** Several dashboards were designed and delivered to support fact-based decision-making.
- ◆ **Contract Lifecycle Management System (CLMS):** The sourcing process for a CLMS has commenced to standardise and streamline contract management at LGP.
- ◆ **Artificial Intelligence:** Technologies are being explored to make processes more efficient.
- ◆ **Automated Issuance of Contract Extension Letters:** The process has reduced from a few days to a few minutes.
- ◆ **Office of Local Government (OLG) Review of Procurement Guidelines:** LGP led a joint submission with LGNSW on their review of procurement guidelines.

# SERVICES





# LG TRAINING ACADEMY



## DURING 2022/23 LG TRAINING ACADEMY (LGTA) (CODE 45450) DELIVERED SPECIALISED PROCUREMENT AND CONTRACT MANAGEMENT TRAINING INCLUDING ELEARNING PROGRAMS TO ALMOST 350 PEOPLE

LGTA has three qualifications on scope: Diploma of Project Management, Diploma of Leadership and Management and Diploma of Business – with eligibility to deliver it across Australia. Over time and based on industry needs, more courses including Certificate IV, Diploma and Advanced Diploma of Procurement and Contracting are being considered.

Since successfully meeting all compliance requirements and passing the performance audit conducted by the regulator Australian Skills Quality Authority (ASQA) last year, LGTA has been focussing on establishing its operational framework and implementing the expansion strategy.

In line with its ongoing commitment to building the capabilities of the sector, LGTA extended the services through its various training solutions. Nearly 20 training courses were delivered across the state benefiting metropolitan and regional councils through delivery of accredited and non-accredited courses. This included organization-wide roll out of a customised eLearning program for a metropolitan council, for which we received exceptional feedback.

### SOME OF THE MOST SOUGHT-AFTER COURSES INCLUDE:

1. Procurement and Contracting in Local Government - The Essentials
2. Procurement Planning and Specification Development
3. Tender Evaluation and Contract Awarding
4. Advanced Contracting in Local Government

# CONSULTING SERVICES

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## DURING 2022/23 LGP CONSULTING HAS SUCCESSFULLY DELIVERED 16 PROCUREMENT PROJECTS

These included probity services, procurement framework review, document suite development, video tutorials and the facilitation of Requests for Tenders.

### PROJECT DELIVERY

Our team assisted councils in NSW to deliver over 15 projects, including the facilitation of tenders: to establish a panel of probity practitioners; to establish a panel of contractors for traffic management systems; to appoint a contractor for waste collection & processing; to appoint a contractor for crushing and screening of concrete, brick and tiles; to appoint a contractor to construct a new Library; to appoint a contractor for road disaster recovery works; to appoint a contractor for the supply of gravel and quarry materials; and to appoint a contractor to lease and operate a council facility and land.

Our consultants also delivered a Procurement Review project that involved document review, stakeholder engagement and procurement systems review. Following the review, we prepared a Procurement Framework supported by a clear and concise Procurement Policy and step-by-step procedure, incorporating direction, guidance, and supporting tools and documents, to ensure staff undertaking procurement activity, do so with transparency, governance, and best practice.

We have delivered probity services for two councils to ensure fairness, transparency, accountability, confidentiality of information and integrity in their procurement process.

We drafted a suite of documents for a council, that included the following templates: Request for Tender and accompanying documents and schedules; Evaluation and Probity Plan; Compliance Assessment Recommendation Report; and Risk Management Plan.

We produced a series of short Video Tutorials for a group of councils focussing on contract management, relationship management, contractual issues, Key Performance Indicators and measurement, contract life and value, and obligations to meet Audit Office requirements.



## WEBINARS AND NETWORKING

The Consulting Team delivered 4 webinars as part of its **Product Webinar series**, focusing on topics that align with the services we provide and sharing our experiences and knowledge to inform and assist councils. Topics covered included: Procurement as a Service; Leadership in local government – building valuable habits; Probity in Action; and High-Performance Hub – Stretching capability and supporting performance.

A Consulting Team member was present at all Networking Meetings, which enabled us to connect with many councils to understand their procurement needs and provide guidance and advice.

## NEW PRODUCT

We have expanded our product suite to include a **leadership development offering**.

The **High-Performance Hub** is a program designed to create Leaders who have the confidence, conviction, and courage to make decisions, manage conflict, create meaningful relationships, influence action and change, and achieve accountability for performance.

# SUSTAINABLE CHOICE

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## SIXTY-FIVE COUNCILS HAVE COMMITTED TO SUSTAINABLE PROCUREMENT BY JOINING SUSTAINABLE CHOICE

Membership is free and provides access to webinars, a comprehensive suite of online resources and general advice and guidance.

Our Sustainable Choice Team presented to councils on sustainable procurement topics at the 2022 LGP Conference, four Networking Meetings and two webinars and represented local government interests as a member of the Australian Circular Economy (ACE) Hub Procurement Working Group.

## MODERN SLAVERY

This year marked the first reporting period for NSW councils under modern slavery legislation. We focussed on maintaining and growing the number of resources available to councils in the [LGP Modern Slavery Toolkit](#).

**52 councils** are now using the toolkit to guide and assist them to take steps to ensure the goods and services they procure are not the product of modern slavery.

After being made aware of the work LGP is doing in relation to modern slavery prevention, the newly appointed NSW Anti-slavery Commissioner invited LGP to participate in his [Shared Implementation Framework Procurement Working Party](#). The working party was established to provide feedback on the Commissioner's development of 'reasonable steps' guidance.

The Commissioner or member of his team attended LGP Networking Meetings in Tamworth, Holbrook, Dubbo, Sydney, and Goulburn to present and provide guidance to councils on modern slavery and its prevention.

LGP's third [annual modern slavery risk assessment](#) was completed **across all 1,142 LGP approved contractors** in November 2022. Refreshed supplier modern slavery risk ratings are now available in [VendorPanel](#) when accessing LGP contracts, enabling councils who purchase through the contracts to better meet the new legislative requirements.

Through this risk assessment approach LGP has provided guidance and assistance to approved contractors to help them to identify, assess and manage their modern slavery risks. As a result, improvements are being seen and risk ratings are lowering. **83% of LGP approved contractors can be considered a low-risk rating.**

**Modern slavery clauses** have been incorporated into contract documents with all LGP approved contractors, requiring them to comply with Australian legislation, respond annually to LGP's modern slavery questionnaire, report any modern slavery found in their supply chain and detail remedial steps taken.

Using our [in-house developed risk assessment process](#), LGP has completed modern slavery risk assessments for **eight councils and one Joint Organisation** across their supplier base.

## SOCIAL PROCUREMENT TOOLKIT

LGP developed an [online Social Procurement Toolkit](#) to assist councils to incorporate social considerations into their procurement processes. The toolkit compliments the Modern Slavery Toolkit and includes [templates and guides](#) to better enable councils to create social value through their procurement activities, such as increasing local employment opportunities, local economic growth, and supplier diversity.

## SUSTAINABILITY FILTER TAGS

We continue to assign sustainability filter tags against approved contractors for [all LGP Contracts in VendorPanel](#). These filters can assist councils to find approved contractors that better align with their sustainability goals.

Filters available include Sustainable Business Practices, Products Containing Recycled Content, TCO Certification (ICT Hardware), ISO 14001 Certification, Certified Carbon Neutral, Reduced Carbon, Indigenous Owned Business, Social Enterprise, Recyclable Products, Circular Economy Initiatives Implemented and End of Life/Collection/Recycling Service.



# EVENTS

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## DURING 2022/23 OUR EVENTS PROGRAM DELIVERED 37 ENGAGEMENT EVENTS TO MORE THAN 1,900 LOCAL GOVERNMENT STAFF

LGP successfully resumed in-person events across the state, including Canberra, Grafton, Lake Macquarie, Griffith, Sydney, Tamworth, Greater Hume, and Dubbo. This encompassed our [annual conference](#), [seven regional and three Sydney network meetings](#). A further 27 events including sustainability and probity webinars, procurement information sessions, tender briefings and contract implementations were delivered in Sydney, across the state and online.

The [LGP Annual Conference](#) over two days in October 2022 highlighted the theme '2030 - how will you measure up? Capability | Infrastructure | Sustainability'. We set a new benchmark with almost [140 delegates](#), [23 speakers](#) and [30 sponsors and exhibitors](#).

Almost [300 delegates](#) attended our [network meetings](#) to engage with industry experts and connect with fellow council peers. Our network meetings, dedicated to procurement, engineering, and IT continue to be free and exclusive to the local government community.

These events have emerged as essential platforms for council officers to convene, fostering networking and knowledge exchange. Discussions revolve around procurement, engineering, IT, and sustainable practices within local government, embracing best practices.

Our engagement spectrum also incorporates [webinars](#), [information sessions](#), [site visits](#), [tender briefings](#), and [contract implementation sessions](#), all orchestrated by LGP to share vital insights with councils, suppliers, and approved contractors.

LGP's commitment extended beyond its own events, supporting multiple local government events, contributing as a sponsor or exhibitor in four events. Additionally, LGP coordinated a visit to a [wind farm](#) in collaboration with Iberdrola, providing councils with unique insights of renewable energy.

**1** **ANNUAL  
CONFERENCE**  
attended by more than **140**  
**DELEGATES**

**11** **INFORMATION  
SESSIONS**  
delivered to **600**  
**ATTENDEES**

**10** **PROCUREMENT,  
ENGINEERING  
AND IT NETWORK  
MEETINGS**  
attended by more than **300**  
**DELEGATES**

**5** **CONTRACT  
IMPLEMENTATION  
SESSIONS**  
delivered to  
**180 ATTENDEES**

**7** **WEBINARS  
DELIVERED TO**  
**600 ATTENDEES**

**4** **TENDER  
BRIEFINGS**  
delivered to  
**160 ATTENDEES**

# PROCUREMENT AWARDS

The procurement professional and sustainable procurement awards recognise excellence, best practice and achievement in procurement and sustainability and celebrate those procurement professionals or groups making a difference in local government and the community.

The approved contractor award celebrates the diversity of LGP approved contractors and recognises excellence in supporting the local government sector.

## THE AWARDS WERE PRESENTED AT THE ANNUAL CONFERENCE DINNER



**Carly Cembala,**  
**Singleton Council**  
2022 Outstanding Procurement  
Professional of the Year Award



**Denise Jones,**  
**Leeton Shire Council**  
2022 New Procurement  
Professional Award



**Blackwoods**  
2022 LGP Approved  
Contractor of the Year Award



**Blacktown City Council**  
2022 Sustainable  
Procurement Achievement





**SUPPORTING OUR  
COMMUNITIES**

# REGIONAL COUNCILS BENEFIT FROM PROCUREMENT INFORMATION SESSIONS



## LGP'S PURPOSE IS TO CREATE AND DRIVE VALUE FOR LOCAL COMMUNITIES

One way we do this is by supporting councils to develop more efficient and effective procurement practices. LGP's **Business Development Team** is focused on providing support to our NSW council customers. The team travels throughout both metropolitan and regional NSW to provide advice, assistance, and information to support each council's procurement objectives.

**"I LEARNT MORE ABOUT  
PROCUREMENT IN THE  
90-MINUTE SESSION THAN I  
HAD IN EIGHT YEARS."**

The Business Development Team can deliver a number of initiatives to support councils at **no cost to the council**. One such initiative is **procurement information sessions**. These are brief, informal sessions tailored to each council's requirements and can include a variety of procurement-related topics focusing on reducing procurement risk and improving efficiency.

During 2022/23, procurement information sessions were held at both Tamworth Regional Council and MidCoast Council on request. Both councils were keen to improve the efficiency of their procurement activities as well as address inherent procurement risk. **Four sessions** were held at **Tamworth** with around **80 staff** across the two days. **Three sessions** were held at **MidCoast Council** with around **50 staff**. Those attending the sessions were from a variety of roles including procurement, works, engineering, project management, corporate services and IT.

**"THE CASE STUDIES  
WERE RELEVANT AND  
VERY USEFUL AS A WAY  
OF SHOWING HOW THE  
PRINCIPLES AND IDEAS  
COULD BE APPLIED IN  
PRACTICE."**

Staff left the sessions with a greater understanding of the finer details of procurement in the local government context specific to the requirements of their role.

*"The information on using LGP contracts for awarding large civil works contracts was very helpful. Being able to obtain strong value with improved risk management and through a more efficient procurement process is definitely beneficial."*



# OUTSOURCING TO PROTECT RELATIONSHIPS

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LGP is often engaged to facilitate delicate tender processes or provide probity services to ensure governance is adhered to or to provide an assessment of an organisation's procurement strength. But in all cases we have found, that, while outsourcing, an intended or unintended benefit is protection of existing relationships.

In one example an organisation which owned public land was looking to test the market. There are inherent challenges for local government when partnering with private partners or the community, where land is used and developed for a particular use – and due to that specific use there tends to be an acceptance of the status quo; in some instances, this can accrue over time and suddenly an entrenched situation appears that is decades old.

In situations where land is used for sporting purposes, where structures are built, land is developed and maintained, and the organisation is led, managed, and supported by the community, change is resisted and the community may see change through the lens of scepticism. The key is early engagement and planned communication delivery.

Local Government is the level of government closest to the community, but it is also subject to legislative requirements; navigating these two factors can often feel like moving around a mine field.

Councils have an obligation to demonstrate that public land is providing the community with value for money, not just for those that participate in a particular sport but to the wider community. Testing the market can do this; but managing interested parties, incumbents, members of the community, elected officials, and media can be difficult and confronting.

Typically, a council's procurement officer works on tender documents, issues documents, responds to innocuous tendering questions, oversees the tender 'close and opening', provides the administrative role between tenderers and the evaluation panel, and authors a draft recommendation report. This person is usually not prepared or skilled to stave off external aggrieved interested parties.

This is where **LGP Consulting makes our clients lives easier**: we step in, between the external parties and council staff, and create a protective wall of probity and transparency, managed by skilled and experienced procurement professionals.

## **A CLIENT FOR A RECENT PROJECT SAID:**

*“I am very pleased that the procurement process established and maintained by LGP Consulting for our tender insulated the Tender and the Tender Evaluation Panel from all external noise.”*

## **COMPLIANCE**

*“The active involvement of the LGP Probity Adviser was very important to achieve assurance of compliance and integrity and intervention was provided to guide and clarify the Tender Evaluation and Probity Plan process and considerations.”*

## **PROCESS CONFIDENCE**

*“Due to media and community attention, with probity engaged from the start and with the process managed by LGP Consulting, it gave the Executives confidence that the tender process was insulated and protected and that the recommendations (the way the recommendations were laid out and worded) would hold, and they did.”*

# MOVING FORWARD

**EMPLOYEE  
ENGAGEMENT  
IS 82.6%**



**APPROVED  
CONTRACTOR  
SATISFACTION IS 69%**

## LEADING INTO 2023/24 OUR NEW 'VALUE CREATION' INITIATIVES INCLUDE:

### EXPANDING

- ◆ Scope of courses available through our **RTO LG Training Academy**
- ◆ Suite of **Power BI** dashboards to drive informed business decisions

### IMPLEMENTING

- ◆ New 3-year **Strategic Plan**
- ◆ Our **Reconciliation Action Plan**
- ◆ New **Indigenous Procurement Program**
- ◆ **Contract Lifecycle Management System** to manage contracts more efficiently
- ◆ Dynamic contracting across most LGP contracts to enable frequent **supplier panel updates**

### ASSESSING

- ◆ Stakeholder sentiment

### DEVELOPING

- ◆ 3-Year **Strategic IT Roadmap**
- ◆ **Energy** strategy to support councils **transition to renewable sources**
- ◆ **Data analysis** and spend dashboard product for councils

### EXPLORING

- ◆ Tools to assist councils enhance their procurement systems
- ◆ How to support councils with their **waste management** challenges
- ◆ New technologies to make processes more efficient

**LGP IS A WHOLLY OWNED  
COMPANY OF LGNSW THAT  
SUPPORTS COUNCILS TO  
TENDER MORE EFFECTIVELY  
AND MAXIMISE THE PRICES FOR  
PUBLIC MONEY THROUGH BULK  
PURCHASING ARRANGEMENTS.**



**LOCAL  
GOVERNMENT  
PROCUREMENT**

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