

5.3 Appointment of Consultant to conduct CEO Performance Review

Ward:	-	Date:	19 December 2016
Precinct:	-	File Ref:	P/F
Attachments:	Confidential – Summary of Quotations Received		
Tabled Items:	Nil		
Reporting Officer:	Mayor John Carey		
Responsible Officer:	Mayor John Carey		

RECOMMENDATION:

That Council APPOINTS Natalie Lincolne of Price Consulting to conduct the Chief Executive Officer's Performance Review 2015/16 as outlined in this report and in its confidential response to the City's Request for Quotation.

PURPOSE OF REPORT:

To consider appointing a Human Resources Consultant to assist Council in conducting the Chief Executive Officer's (CEO's) annual performance review, for the 2015/16 period.

BACKGROUND:

The Chief Executive Officer Performance Review Panel, comprising of Mayor John Carey, Cr Harley, Cr Cole, Cr Gontaszewski and Cr Topelberg was approved at the Council Meeting held on 31 May 2016.

The role of the panel is to manage and have oversight of the CEO's Annual Performance review process, including:

- preparing a consultancy brief to engage a consultant to assist in conducting the review;
- assessing submissions received;
- making a recommendation to Council to appoint a consultant; and
- managing the consultant on Council's behalf.

DETAILS:

A formal request for quotations to conduct the CEO's 2015/16 Annual Performance Review was sent to six suitably qualified human resources consultants on 17 October 2016.

The CEO Performance Review Panel then met on Monday 21 November 2016 to review and consider quotations received.

Each consultant was provided with identical information and was requested to describe their experience and recommended methodology for conducting the performance review.

As part of the CEO Performance Review Panel assessment, the following was considered in making a determination:

1. Proposed methodology of the CEO review and level of engagement with Councillors and Senior Administration;
2. Relevant experience to undertake such a review;
3. Proposed cost; and
4. List of references.

A complete copy of each confidential quotation submission was provided to all Council Members following the closure of the process.

A summary of the quotations received is included as **Confidential Attachment 1**.

CONSULTATION:

Nil.

LEGAL/POLICY:

Nil.

RISK MANAGEMENT IMPLICATIONS:

Nil.

STRATEGIC IMPLICATIONS:

The review of the CEO's performance is an important opportunity for Council to evaluate the CEO and the City's performance against Council Priorities and Corporate Plans in 2015/16 and to engage in constructive dialogue with the CEO about his past performance, future direction and to conduct the Council's aspirations and expectations.

SUSTAINABILITY IMPLICATIONS:

Nil.

FINANCIAL IMPLICATIONS

Below is a summary of the financial value of quotations received to conduct the CEO's Performance Review:

- Acumen Alliance \$21,960 - \$24,480 + GST
- Anne Lake Consultancy \$6,000 + GST
- Australian Institute of Company Directors \$10,000 + GST (plus \$5,000 for optional facilitate workshop)
- Gary Martin \$5,000 + GST and \$150/hr plus travel costs for any additional follow-up visits required
- Learning Horizons \$3,900 + GST (est.) and \$200/hr thereafter for report preparation
- Price Consulting \$2,896 + GST (for 16 hrs) and \$181/hr thereafter

Funds are available in the CEO's Budget area to engage any one of the consultants to conduct his performance review.

COMMENTS:

There was significant variation in the cost proposed by consultants to conduct the CEO's Performance Review.

While some costs reflected differences in approach by consultants, it was the Panel's assessment that not all costs could be clearly attributed to such variations in process.

The Panel gave careful consideration to the proposed process but recognised, given a new Strategic Community Plan would be developed in 2017, that a more explorative and far reaching performance review could be conducted of the CEO's performance next year.

It was the view of the Panel, following consideration of the assessment criteria, that Natalie Lincolne's (from Price Consulting) methodology outlined in her quotation was well considered, thorough and provided sound engagement with Councillors to ensure an accurate review of the CEO's performance. As part of this process, Councillors will be able to have individual face-to-face or phone meetings with the consultant as part of the appraisal process.

The Panel also considered Ms Lincolne's price accurately reflected the level of engagement proposed and represented good value for ratepayers.

Ms Lincolne also demonstrated substantial, recent and relevant experience in conducting CEO performance reviews and also included as referees, Anne Banks-McAllister, Chair Women's Health & Family Services (WHFS); Anne Nolan, Director General, Department of Finance; Geoff Oddy, A/CEO Busselton Water plus two others.

On the basis of the above, Natalie Lincolne from Price Consulting is considered to be the most appropriate consultant to carry out the CEO's performance review.

For the record and for the avoidance of doubt, the CEO advises that he has no relationship or past professional association whatsoever with any of the consultants who have submitted a quotation to conduct his performance review.
