



PROCUREMENT POLICY

**To be read in conjunction with
Procurement Policy Guidelines**

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Version	12 – Policy documents are amended from time to time, therefore you should not rely on a printed copy being the current version. Please consult the Procurement page on the intranet for the current version.
Version Date	August 2018
Next Review date	This policy shall be reviewed within 1 year of the latest issue date

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1. AIM

The aim of this Policy is to:

- ensure that Council resources are being used efficiently and effectively to support the objectives of the Council Plan
- ensure that Council resources achieve best value for the local community
- ensure that the proportion of Council's spend into the local economy is the maximum possible in line with achieving Best Value by giving preference to the procurement of goods, services and works from local businesses where price, quality, service standards and delivery is comparable to other suppliers.
- provide direction and guidance to allow consistency and control over procurement activities;
- demonstrate accountability to the community;
- provide guidance on ethical behaviour in public sector purchasing;
- demonstrate the application of elements of continuous improvement in purchasing;
- embed Sustainability principles into purchasing decisions to improve Council's environmental performance
- increase the probability of obtaining the best outcome when purchasing goods and services.

The attached guidelines provide in depth information on the procedures and process relating to Council Procurement activities.

2. APPLICATION

This Policy applies to all purchases made by Council staff.

3. RESPONSIBILITIES

All Council staff are responsible for complying with this Policy.

The Procurement Officer is responsible for:

- Updating this Policy, including the Guidelines, and all relevant processes, procedures, and documents in consultation with Council staff; and
- Providing annual training relating to the contents of this Policy to all Council staff.
- Annual review and update of the policy.

4. SCOPE

This Procurement Policy is made under Section 186A of the *Local Government Act 1989*.

This section of the *Local Government Act 1989* requires Council to prepare, approve and comply with a Procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by the Council.

This policy applies to all contracting and procurement activities at Council and is binding upon Councillors, Council Staff and temporary employees, Special Committees, contractors and consultants while engaged by the Council.

5. GENERAL PROVISIONS

5.1. Ethics, Probity and Accountability

The Council's Procurement activities shall be performed in a fair, honest and transparent manner; with the highest levels of integrity and in the public interest; and in a manner able to withstand the closest possible audit scrutiny.

Councillors and Council staff shall at all times conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity and *will*:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information such as tender submissions and other sensitive information;
- present the highest standards of professionalism and probity;
- deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them.

Accountability in procurement means being able to explain and provide evidence of the process followed. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

All Council staff must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council and provide feedback on them and all procurement activities must demonstrate an audit trail for monitoring and reporting purposes.

5.2. Minimum Spend Competition Thresholds

Purchase of all goods and services for which the estimated expenditure exceeds \$150,000, and building and construction works for which the estimated expenditure exceeds \$200,000 must be undertaken by public tender as per the provisions of Section 186(1) of the *Local Government Act 1989*.

5.3. Quotation and Tender Thresholds

<p>The table below details the procurement process and agreement type required for the quotation and tender thresholds. Threshold Amount inc. GST</p>	<p>Actioned by</p>	<p>Process type</p>	<p>Agreement Type</p>
<p>\$0-\$5,000</p>	<p>Relevant Department / Unit</p>	<p>Best practice is to obtain 1 quote where practical</p>	<p>Purchase Order or Corporate Card</p>
<p>\$5,001-\$15,000</p>	<p>Relevant Department / Unit</p>	<p>Minimum of 2 quotations or Supplier on Preferred Supplier List with rates relevant to required supply</p>	<p>Purchase Order – approved by Manager or Corporate Card</p>
<p>\$15,001-\$50,000</p>	<p>Procurement Officer</p>	<p>Electronic Quotation Process (maybe closed or open, if closed a min of 3 suppliers must be invited, including local)</p>	<p>Purchase Order - approved by Director</p>
<p>\$50,001 to \$150,000</p>	<p>Procurement Officer</p>	<p>Public Tender process</p>	<p>Formal Contract - approved by Director or Chief Executive Officer depending on price (refer Procurement Delegations)</p>
<p>\$150,001.00 and above</p>	<p>Procurement Officer</p>	<p>Public Tender Process</p>	<p>Formal Contract – approved by Council</p>

In the obtaining of quotes one must be a local business where possible.

6. EXEMPTIONS

The Chief Executive Officer may, upon recommendation by the relevant Director, issue orders for the purchase of goods, works and services having a value of less than \$150,000 outside the requirements of this Procurement Policy, where it is considered to be in the best interests of the Organisation to do so.

7. COMPLIANCE

Compliance with this Policy, including associated guidelines, is mandatory.

Officers must bring any instances of non-compliance to the attention of their direct Manager or Director. The Manager or Director must then notify the Contracts/Procurements Officer of the non-compliance and any remedial action taken.

Non-compliance with this Policy is taken seriously and will be dealt with in accordance with Council's Performance and Discipline Policy.

8. REVIEW

In accordance with Section 186A(7) of the *Local Government Act 1989* Council must review this Policy at least once per financial year. Council also endeavours to continually improve its procurement performance such that all relevant processes, procedures, documents and training are continually reviewed and updated.

9. COMMENCEMENT

This Policy came into operation on 9 August 2018. This is the 12th version of Council's Procurement Policy.