

PROCUREMENT POLICY

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1. Introduction

The purpose of this policy is to provide clear guiding principles for Council in its procurement of goods and services. The policy sets out the legislative framework within which Council operates and outlines the expected behaviour of Council Officers, suppliers and contractors.

2. Purpose

The primary objective of the Procurement Policy is to obtain Value for Money (VFM) when evaluating and selecting goods and services that are paid for with public funds.

To ensure essential accounting and control procedures are followed for the process of requisition, ordering, receipt, issue and return of all goods and services through the purchasing system.

To provide Council staff with a set of basic procurement guidelines and ethical standards to be used in the purchase of goods and services on behalf of Council.

To ensure that suppliers, contractors and consultants to Council understand their ethical responsibilities.

3. Scope

This policy will be applied to all internal Council and S355 procurements, but Council reserves the right to provide services and undertake works with internal resources at its discretion

4. Legislative Requirements

- Local Government Act 1993 (specifically Section 55), Local Government (General) Regulation 2005 and Local Government (General) Amendment (Tenders) Regulation 2008.
- Office of Local Government Circulars
- Local Government Code of Accounting Standards
- Internal Auditing Requirements

Where Council is expending funding from a source such as federal or state government, there may be particular policy conditions that need to be followed.

Council also has obligations under the Workplace, Health and Safety Act 2011 which may require consideration during the procurement process to ensure the health, safety and welfare of people at work are secured.

5. Policy Statement

The Federation Council is committed to achieving a balance between the following objectives:

- Open and Effective Competition
- Achieving Value for Money
- Enhancing the Capabilities of Local Business and Industry
- Providing Safe Workplaces and Practices
- Legislative and Regulatory Compliance
- Environmental Protection
- Ethical Behaviour and Fair Dealing

6. Methods of Procurement

The Council's standard methods for purchasing goods, services and works shall be by some or all of the following methods:

- Petty cash,
- Purchase card,
- Purchase order following a quotation process from suppliers for goods or services that represent best value for money under directed quotation thresholds
- Under formal agreement following a Council or agent tender process. This may include demand aggregators and shared procurements with other organisations
- Individual Council panel procurement agreements.
- Procurement in reference to S55 a(3)
 - NSW Government ProcurePoint
 - Contracts for the provision of common use goods and services that have been specifically arranged for Councils by Local Government Procurement (LGP). This allows councils to utilise supply arrangements coordinated by LGP without the need to obtain quotations or necessarily go to tender in their own right.
 - Local Region of Councils panel agreements (REROC & RAMROC).
- Local Business and Industry

7. Exemptions

The following activities are exempt from this policy subject to the approval of the General Manager.

- 7.1 Emergency/ Urgent Purchases
- 7.2 Purchase of specialised goods or services
- 7.3 Purchase of travel and accommodation

This exemption clause only applies to procurement less than \$150,000.

8. Quotation Rules

The table below sets out the structure Council Officers will use to determine the minimum number of quotations that are required in relation to the value of goods and services being purchased. When sourcing goods and services Council may give preference to utilising the following options:

REQUIREMENTS FOR VARIOUS VALUES OF PURCHASES	
Less than \$500	Best value purchase (no quote required)
\$500 to less than \$1,000	1 quote – Purchase Orders required for over \$500
\$1,000 to less than \$25,000	2 written quotes
\$25,000 to less than \$150,000	3 written quotes
\$150,000 and above	Tender process <ul style="list-style-type: none">• Unless subject to S55a(3)• Note Council Resolution 89/17FC - 29 June 2017 Council Meeting.

9. Evaluation

Purchase evaluation criteria and weightings will vary according to the particular purchase under consideration.

These will be provided in the purchase documents or requirements on a case by case basis (refer value for money considerations and other objectives laid out and supported by delegations to Council Officers within the Procurement Guidelines and Procedures).

Evaluation will consider Price, WH&S, Quality, Delivery Outcomes and direct Local Business Support.

10. Responsibilities

General Manager

- Shall ensure the development of Procurement Guidelines and Procedures that conforms to Council's Policy.
- Shall monitor the effectiveness of the Procurement Guidelines and Procedures in operation and authorise changes to improve the procedures to conform to Council's Policy.
- Shall report to council any issues that arise out of the Policy.

Staff

- Shall implement and carry out the actions listed in the Policy, Guidelines and Procedures.
- Shall report regularly to the General Manager on the effectiveness of the Procurement Guidelines and Procedures.

11. Policy History

Version	Date	Changes / Amendments
V1	20/09/2016	Resolution 069/16FC - Adoption
V2	18/07/2017	Revision

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