



# **Procurement Policy**

## **POLICY OBJECTIVE**

To ensure transparent, accountable and compliant processes for the procurement of goods, services and expertise, required to support the implementation of Council plans and objectives.

## **LEGISLATIVE PROVISIONS**

*Local Government Act, 1993 Section 55*  
*Local Government (General) Regulation 2005 Part 7*  
*Tendering Guidelines of NSW Local Government 2009*  
*State Records Act, 1998*  
*Government Information (Public Access) Act, 2009*  
*Work health & Safety Act, 2011*  
*Modern Slavery Act (Cth) 2018*

## **POLICY STATEMENT**

Council is responsible for the allocation of significant public funds to providers during the procurement of goods, services and expertise on behalf of ratepayers. This policy outlines the key principles which apply to staff in the execution of procurement activities, and should be read in conjunction with the procurement procedures.

### **Procurement Processes**

The relevant procurement process will be determined based on the estimated costs of the goods, services or expertise sought, the project risks, and the probable supplier type.

Where possible, existing agreements or prescribed panel contracts will be used. Based on the estimated costs, the procurement process may require selective quotations or a public tender.

The General Manager or a Director may waive selected process requirements in writing, provided the exceptional circumstances are justified. Public tender exemption is only permitted based on the legislation.

### **Key Principles**

Staff engaged in procurement activities will at all times pursue the following key procurement principles:

#### *Effective Competition*

Effective competition is the central operating principle in the pursuit of the best outcome. Council will establish effective competition by maximising the opportunities for businesses to engage with Council through the selection of procurement methods suited to market conditions.

These methods will include inviting submissions from various suppliers, requesting timely and accurate information. The use of publicly advertised tenders allows for ease of entry for new suppliers. Council will provide feedback to unsuccessful respondents, as requested.

#### *Value for Money*

Value for money does not mean accepting the lowest price. Factors considered as part of evaluating quotations and tenders may include specification compliance, experience and references, qualifications, and adequate WHS, environmental and quality processes.

These criteria along with price and whole of life costs will be used to determine best value. 'Whole of life' costs can include, purchase price, installation costs, maintenance and disposal costs.

### *Sustainable Procurement*

Sustainable procurement is guided by four factors referred to as the Quadruple Bottom Line (QBL).

Sustainable procurement considers:

- cost and economic impact of the purchase;
- environmental impact of the growth, manufacture and transport of the product or service;
- social and ethical implications, including the impact of potential modern slavery in the supply chain; and
- application of good governance.

### *Ethical Behaviour and Fair Dealing*

Council and staff will adhere to the Statement of Business Ethics. This includes not disclosing information which confers unfair advantage, financial benefit, or detriment to a supplier.

Council and staff will adopt an approach to procurement that ensures honesty, integrity, fairness and accountability, as core expectations of public sector procurement.

Council and staff will not engage in any private business or professional activity that would, or may be seen to, create conflict between personal interest and the interest of Council.

### *Accountability and Transparency*

Accountability and transparency in procurement includes developing and storing evidence of the procurement activities and the unbiased decision making process. An independent, third party must be able to clearly see a fair and reasonable process has been followed.

### *Delegated Authority*

Delegations define the limits within which Council employees are permitted to work. These ensure accountability and provide confidence to Council and the public that procurement activities and decisions are dealt with at the appropriate level.

### **Local Preference**

Council recognises that local business is an integral part of the Goulburn Mulwaree community and is committed to encouraging the benefits of locally sourced goods, services and expertise.

Council will:

- Foster good relations with local industry bodies and suppliers
- Encourage local business to quote for the supply of goods, services and expertise to Council while ensuring quality deliverables, customer service, effective risk management, and best value.

For the purpose of evaluating Submissions, a Local Business and Industry Participation Plan may be requested. This will require the supplier to indicate how the submission will support local business and industry during the delivery of the proposed agreement.

This may include, but is not limited to, locally sourced:

- Design;
- Materials and/or components;
- Labour and/or subcontractors; and
- Plant & equipment hire.

When applicable, this will be clearly communicated in the RFx documents.

### Emergency Procurement

In some circumstances, an urgent procurement may be required to meet Council obligations in regard to public safety, asset protection, environmental protection or critical service provision. If such a situation arises with insufficient time to comply with this policy, the General Manager or a Director must authorise an emergency procurement.

Version	Council Meeting Date	Resolution	Adoption Date	Effective From
1	20 December 2005			
2	18 November 2008	08/735	18 November 2008	18 November 2008
3	21 June 2011	11/220	17 August 2011	17 August 2011
4	21 May 2013	13/179	21 May 2013	5 July 2013
5	7 April 2015	15/127	22 May 2015	22 May 2015
6	18 July 2017	2017/308	18 July 2017	18 August 2017
7	21 June 2022	2022/230	21 June 2022	19 July 2022
<b>All policies can be reviewed or revoked by resolution of Council at any time.</b>				

**DIRECTORATE:** Corporate and Community Services

**BUSINESS UNIT:** Finance