



Edward River
COUNCIL

PROCUREMENT POLICY

Scope

This Policy applies to Councillors and Council Officers participating in the procurement of goods or services on behalf of Edward River Council.

Purpose

The purpose of this policy is to establish how Council's procurement practices support the implementation and delivery of Council's Community Strategic Plan in accordance with Council's annual budget and long term financial plan.

Definitions

Procurement describes the over-arching process concerned with developing and implementing strategies to manage an organisations spend in a way as to contribute to the organisations overall goals and to maximise value and/or minimise the total cost of ownership.

Purchasing means the actual purchasing of goods and services.

Value for Money as detailed by the Tendering Guidelines for NSW Local Government, value for money is determined by considering all the factors that are relevant to the proposed procurement and may include: experience, quality, reliability, timeliness, service, risk profiles and initial and ongoing costs. These are all factors that can make a significant impact on benefits and costs. Value for money does not automatically mean the 'lowest price'. Value for money is a comparison of the apparent benefits of the proposed procurement activity with the whole-of-life costs.

Legislative Requirements

Local Government Act 1993 particularly Section 55, Section 10A, Section 12.

Local Government (General) Regulation 2005.

Relevant Australian Standards.

Local Government Amendment (Public Private Partnership) Act 2004 and the Public Private Partnerships DLG Guidelines.

Office of Local Government Tendering Guidelines for NSW Local Government.

Government Information (Public Access) Act 2009.

National Competition Policy.

Competition and Consumer Act 2010 (Cth) and the Fair Trading Act 1987 (NSW)

Privacy and Personal Information Protection Act 1998.

State Records Act 1998.

Policy Statement

Council is committed to ensuring that all procurement activities are undertaken in a robust and systematic manner that is consistent with its legal and ethical obligations.

Council will ensure value for money through a balanced whole-of-life evaluation that includes consideration of financial, social, ethical, local economic and environmental factors.

Council will deliver on our commitment to procurement that meets operational requirements and achieves the highest commercial and sustainability outcomes through the application of the principles and objectives of this policy.

Only authorised staff may undertake procurement of goods or services on behalf of Edward River Council. Staff are authorised through instruments of delegation in accordance with the Local Government Act 1993.

Principles

- i. Value for money**
Consideration of capital cost, lifetime costs and benefits associated with the procurement for the long-term benefit of Council.
- ii. Probity**
Clear application of fairness and integrity in procurement processes to encourage suppliers to work with Council.
- iii. Accountability and transparency**
Procurement is open, justified, planned, documented and within delegation.
- iv. Consistency**
Application of procedures based on standard methods providing a consistent approach to procurement.
- v. Risk management**
Risks are identified and managed to maximise opportunity and minimise adverse consequence to Council through procurement processes.
- vi. Sustainability**
Procurement achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to the community, the economy and the natural environment.

Objectives

Building upon our existing business principles, it is the objectives of the Policy to ensure that Council's procurement practices:

- 1. make efficient and effective use of Council's and Council's supplier's resources;
- 2. are compliant with legislation;
- 3. improve the local amenity of our community and are socially responsible;
- 4. foster local economic development and business sustainability through procurement practices;
- 5. support Australian markets for sustainable products and services;
- 6. improve Council's on time payment record and cash management;
- 7. ensure Council and its staff act within their delegations and are accountable for decision making in procurement.

Procurement Controls

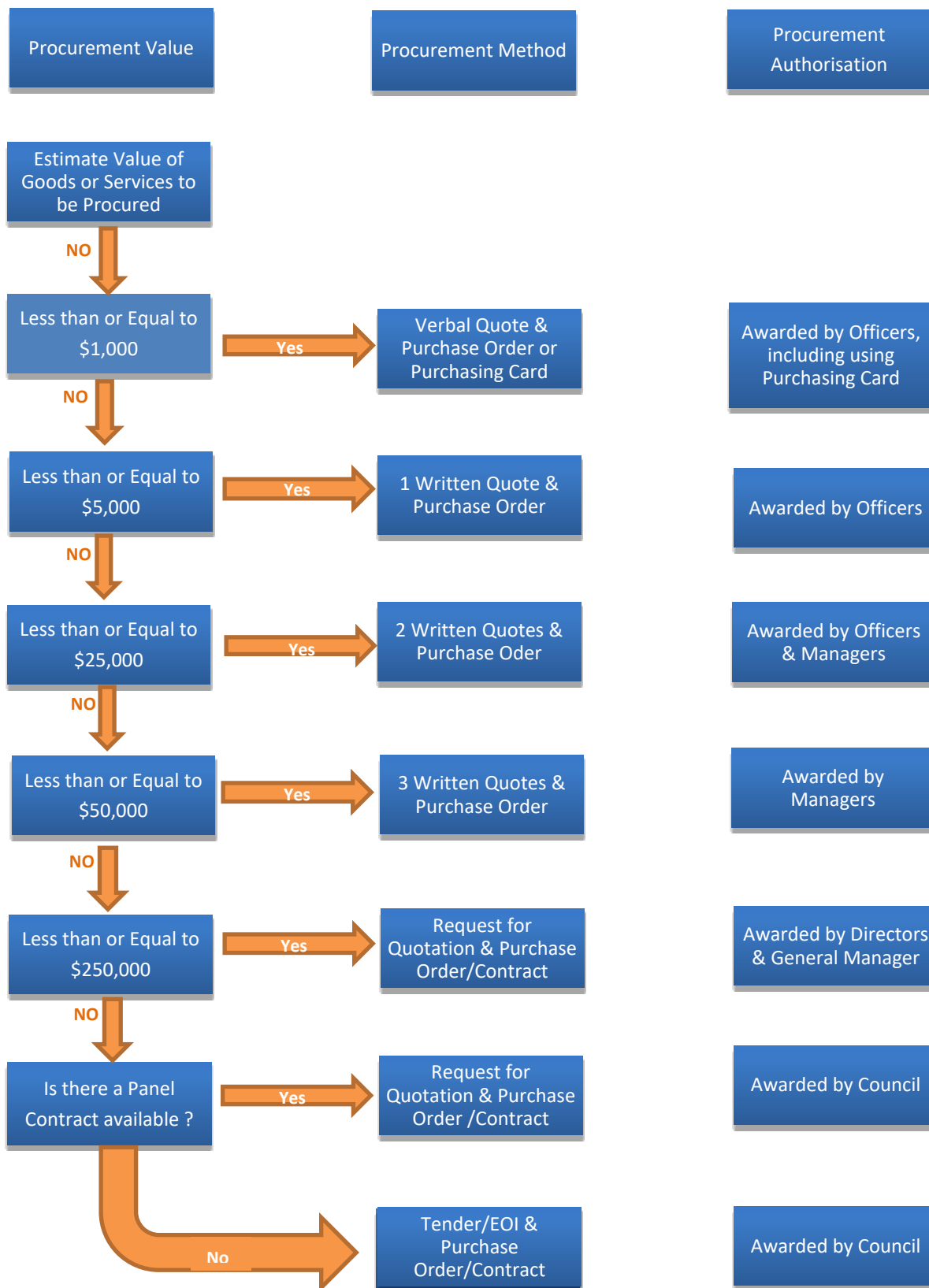
All procurements must be in accordance with the following and executed in accordance with the Procurement Procedure.

Value of Purchase inc. GST	Procurement Method
Less than \$1,000	Verbal quote or Purchase Card
More than 1,000 and less than \$5,000	1 written quote
More than \$5,000 and less than or equal to \$25,000	2 written quotes
More than \$25,000 and less than or equal to \$50,000	3 written quotes
More than \$50,000 & less than \$250,000	Request for Quotation
Equal to or more than \$250,000	Public Tender

For low value transactions of less than \$1,000, where procurement can be through a single verbal quote, the details of the verbal quote are to be entered in the notes field of the Purchase Order in the Finance System. Similarly, written quotes are to be attached to the Purchase Order.

All purchase orders must be separately authorised in accordance with Financial Delegations.

Council's Corporate Purchase Card may be used for the payment of invoices under \$1,000.



Exemption

The following activities are exempt from this Policy as they are subject to the approval of the General Manager:

- Emergency purchases
- Purchase of specialised goods or services
- Purchase of travel and accommodation

Exemptions from Quotation Requirements

If an employee is prevented from obtaining the number of quotations required (e.g. sole supplier), then they must document the facts to support the deviation from the procedures set out in this Policy on an *Exemption* Form; and

(b) All exemptions must be recommended by the relevant Director and authorised by the General Manager or designate

Supporting Local Business

Council is committed to supporting local businesses where such purchases are justified on value for money grounds, while remaining compliant with the Competition and Consumer Act 2010 and other fair trading legislation requirements. A weighting percentage of 10% will be assigned to the criteria element of “benefit to the Edward River region” for tenders and quotations. Council will examine where the business has its head office, the percentage of staff employed, percentage of materials, plant and equipment used and what impact the business offers the local community.

Corporate Purchase Cards

The following applies to the use of Corporate Purchase Cards issued to the Mayor, General Manager and designated Council employees:

1. Council is to maintain a register of Corporate Purchase Cards;
2. All cards will have transaction limits and monthly spending limits;
3. The cardholder is responsible for ensuring the security of the Purchase Card;
4. The cardholder is responsible for keeping all transaction records, such as receipts to verify expenditure;
5. All Corporate Purchase Card transactions must be authorised by the cardholder’s manager or Director;
6. Corporate Purchase Card spending will be regularly audited by the Manager Finance and external auditors.

Procedures, guidelines and supporting documents

Procurement Procedure (Council)

Tender Guidelines for NSW Local Government, October 2009 (State)

Delegations Register

Code of Conduct and Guidelines

**CERTIFICATE OF EXEMPTION
TO DEVIATE FROM POLICY**

Project Details:

Description of work/materials:

Total Estimated Cost: \$

Allocation No. / Project Code:

Reasons for Seeking Exemption:

Proposed Supplier/Tenderer:

Certificate of ExemptionI certify that for the work/material
detailed above it is impractical /
inexpedient to:Obtaining three (3) quotations
Calling public tenders
Other (specify)

Period for which Certificate of Exemption is value to

Recommended

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Signature	Position
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Approved	
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Signature	Position

Policy Version Control

Title	Procurement Policy			
ECM Doc Set ID	27190			
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2	Michael Todd	Quotations	19 July 2018	2018/166
3	Michael Todd	Tender thresholds	19 September 2019	2019/09/221