

POLICY STATEMENT

PROCUREMENT POLICY

AUTHORISATION

POLICY TYPE: <i>(Council or Operational)</i>	Operational
POLICY LOCATION: <i>(eg. Corporate, Engineering, etc.)</i>	Engineering
RESPONSIBLE OFFICER: <i>(by position title)</i>	Director Technical Services
AUTHORISED BY: <i>(GM or Director Title)</i>	General Manager
DATE ADOPTED:	22 February 2022
ADOPTED BY: <i>(Manex or Council)</i>	Manex
MINUTE NO: <i>(If required)</i>	
REVIEW DUE DATE: <i>(Four years unless statutorily required sooner)</i>	February 2026
REVISION NUMBER:	4

DOCUMENT HISTORY

VERSION NO.	DATE	DESCRIPTION OF AMENDMENTS <i>Include names of former policies that this policy will replace if applicable</i>	AMENDED BY <i>(Where required)</i>
4	17.12.2021	Relocation of procedure issues to the manual	Director Technical Services
3	19.04.2016		
2	19.11.2011		
1	16.05.2006		
0	19.04.2005		

REVIEW OF THIS POLICY

This Policy will be reviewed within four (4) years from the date of adoption or as required in the event of legislative changes. The Policy may also be changed as a result of other amendment that are to the advantage that Council and in the spirit of this Policy. Any amendment to the Policy must be by way of a Council Resolution for all policies categorised as “Council” policies or the approval of the General Manager for all policies categorised as “Operational” policies.

1. Purpose:

This policy is to provide clear guidance for the procurement of materials, equipment and services.

Bland Shire Council is committed to obtaining the best possible value for the community, through the implementation and management of an appropriate procurement system that will:

- Maximise value for money
- Ensuring open and effective competition
- Support and enhance the capabilities of local business and industry
- Consider the environment
- Ensure a safe working environment for all employees, contractors, volunteers and visitors, contractors/suppliers: and
- Demonstrate accountability to rate payers.

Bland Shire Council expects all its representatives, staff and councillors in addition to all contractors and suppliers to behave ethically and within the Code of Conduct.

2. Scope:

Council is committed to ensuring a fair, transparent and accountable process in the purchase of goods and the contracting of services. This policy applies to all Councillors and staff of Bland Shire Council.

One of Council's values is to 'Act with integrity and honesty'. This is true for all facets of Council operations, including procurement. As such Bland Shire Council has developed a set of business ethics and expects all contractors, suppliers and Council staff to follow.

3. Outcomes:

Delivery

Defined procurement processes and controls.

Prepaid Visa Card

The prepaid Visa card is to be utilised by staff when travelling for work purposes. All expenditure on the card is limited to work related expenses only.

All expenditure on the card must be supported by tax invoice/receipt, be signed by the purchaser and approved by an authorised officer.

Credit Cards

Limited staff have been issued with a credit card as outlined in the Delegated Authority register. Credit cards are only to be utilised for Council procurement. All transactions must be supported by a tax invoice/receipt, be signed by the purchaser and authorised officer.

Purchase Orders

A purchase order is Council's official document used to purchase goods or services from an external supplier. The purchase order confirms the contractual arrangement between Council and the supplier.

All purchases of goods, services or materials are to be formalised by issuing a purchase order authorised by the relevant staff member within the delegated authority of that officer.

Emergency Orders

In the case of an emergency situation where the officer is unable to obtain a purchase order and an officer with delegated authority and goods are required urgently, verbal permission from a supervisor to obtain the goods is acceptable.

It is imperative that the officer arranging emergency supplies provides their name to the supplier so reference can be made to the emergency order and an order is completed and provided to the supplier as soon as practical.

Tenders

The purchase of goods, services or material in excess of \$250,000 shall be made in accordance with the *NSW Local Government Act 1993, Section 55* which in part states:

A council must invite tenders before entering into any of the following contracts:

- (a) a contract to carry out work that, by or under any Act, is directed or authorised to be carried out by the council,*
 - (b) a contract to carry out work that, under some other contract, the council has undertaken to carry out for some other person or body,*
 - (c) a contract to perform a service or to provide facilities that, by or under any Act, is directed or authorised to be performed or provided by the council,*
 - (d) a contract to perform a service or to provide facilities that, under some other contract, the council has undertaken to perform or provide for some other body,*
 - (e) a contract for the provision of goods or materials to the council (whether by sale, lease or otherwise),*
 - (f) a contract for the provision of services to the council (other than a contract for the provision of banking, borrowing or investment services),*
 - (g) a contract for the disposal of property of the council,*
 - (h) a contract requiring the payment of installations by or to the council over a period of two (2) or more years,*
 - (i) Any other contract, or any contract of a class, prescribed by the regulations.*
- (2) Tenders are to be invited, and invitations to tender are to be made, by public notice and in accordance with any provisions prescribed by the regulations.*

Local Providers

Every effort should be made to ensure businesses operating within Bland Shire are given an opportunity to quote, as appropriate.

Splitting of Orders

Council staff are prohibited from splitting orders for the purposes of acquiring goods or services above their delegated authority or to avoid the necessity to obtain quotes or call for tenders.

Trade Ins

Staff involved with 'trade in' on goods e.g. Plant purchases and sale, are required to follow delegated authority limits for the purchase of goods not the purchase price less the trade in price.

Value for Money

Value is determined by considering all the factors that are relevant to a particular acquisition. The method of purchase must be cost effective and efficient. Quality, reliability, timeliness, service, initial and ongoing costs are all factors that can make an impact on cost and benefit.

Value does not mean 'lowest price' however the lowest price might offer best value if it meets other essentials such as quality, reliability and criteria particular to the application.

Effective Competition

Open and effective competition will be achieved by ensuring that Council obtains quotations prior to purchase and makes use of competitive procurement services when available.

Bland Shire Council has a number of contracts from suppliers to provide goods and services. Some of the supply contracts are established as part of the REROC group and/or Local Government Procurement. The implementation of period contracts allows Bland Shire Council to take advantage of its buying power through an efficient procurement process.

Sustainable Procurement

Bland Shire Council is committed to sustainability with particular emphasis on the environment, social and economic outcomes that will assist Council to:

- Eliminate unnecessary expenditure, inefficiencies and waste
- Increasing awareness of product range and quality
- Support local business and organisations.

Consideration should be given to the following during the procurement process:

- Whole of life cost
- Use of recycled or recovered materials
- Product reusability
- Product recyclability
- Durability of product
- Energy efficiency and energy consumption
- Water efficiency
- Waste prevention
- End of life disposal method
- Compliance of the firm with environmental sustainability principles; and
- Environmental health issues.

Work Health and Safety

NSW Work Health and Safety Act 2011 and *Work Health and Safety Legislation 2011* is in place to ensure suppliers provide a safe product and employers provide a safe workplace. Council has responsibilities to staff, contractors and volunteers.

Council staff are to ensure that all contractors meet their legislative, WHS and insurance requirements. Refer to the Contractor Safety Management Procedure for requirements.

Conflicts of Interest

Councillors and Council staff involved in the purchase of goods and/or services are responsible for disclosing any actual or perceived conflicts of interest that may arise in the performance of their duties. All perceived and actual conflicts of interest are to be referred to the General Manager.

Obligations under the Code of Conduct and Business Ethics should always be considered.

Councillors and Council staff shall not have any involvement in the procurement process, including determining specifications of goods to be purchased, determining evaluation criteria and authorising and requisitioning purchase, where the Councillor or Council employee, (or company owned by a Councillor or Council employee) or close family member supplies goods and services to Council.

4. Roles and Responsibilities:

This policy applies to all Council employees authorised to purchase up to the level delegated by the General Manager and within the adopted budget. The Manager Customer and Financial Services maintains a register of all purchasing delegations, and they are also listed in the Delegations from the General Manager to staff.

5. Definitions:

Procurement – the acquiring of all goods and/or services whether by purchase, lease, hire or contracting. The procurement/lease of land and property is excluded from this Council policy.

Whole of life cost – the total cost of owning an asset over its entire life. Whole of life cost includes all costs such as design and building costs, operating costs, associated financing costs, depreciation and disposal costs.

Council staff – includes full time employees, part time employees, casual employees, temporary employees, contractors and consultants while engaged by Council.

Sustainable procurement – activities that meet the needs of the present without compromising the ability of future generations to meet their needs.

6. Legislation and Supporting Documents:

- NSW Local Government Act 1993, Section 55
- NSW Work Health and Safety Act 2011
- Work Health and Safety Legislation 2011
- Bland Shire Council Code of Conduct
- Bland Shire Council Procurement Manual Including Contract Management

7. Relationship to Community Strategic Plan:

This Policy supports Council's Delivery Program Strategy 9.1 Responsibly manage asset renewal and maintenance for current and future generations and Strategy 10.4 Ensure the long term financial sustainability of Council through effective and prudent financial management.

8. Attachments:

NIL