



WEDDIN SHIRE COUNCIL

POLICY NUMBER: 1.23.2

POLICY FOR PROCUREMENT

Adopted: 16 March 2017

POLICY FOR PROCUREMENT (NO. 1.23.2)

1. **Title:** Policy for Procurement

2. **Number:** Policy Number 1.23.2

3. **Purpose:**

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 Weddin Shire Council.

The purpose of this policy is to provide clear guiding principles for the procurement of materials, equipment and services, through quotations and tendering, to assist in ensuring best value for money, cost effectiveness, meeting the needs of the community, good management practices, transparency, probity and environmental performance.

A probity plan is inherent in this policy for ensuring overall fairness and integrity in the procurement of materials, equipment and services for Council and the disposal of assets.

4. **Application:**

This policy applies to all staff who are authorised to purchase goods and services on behalf of Council.

The principles of this policy, and associated guidelines/procedures for implementation, must be followed by employees (full time, part time, temporary and casual) as well as all contractors, consultants and service providers engaged in any of Council's business units and services.

5. **Associated legislation and other references:**

Local Government Act 1993

Asset Management Policy

Statement of Business Ethics

Code of Conduct

6. **Policy –**

6.1 **Objectives:**

- make efficient and effective use of Council's and Council's supplier's resources;
- ensure fair, open and effective competition;
- are ethical and compliant with legislation;
- improve the local amenity of our community and are socially responsible;
- identify and manage risks to maximise opportunities and manage potentially adverse consequences;
- use our skilled resources to provide advice and guidance;
- encourage sustainability and economic development in accordance with local preference;
- ensure Council and its staff act within their delegations and are accountable for decision making in procurement.

6.2 General

Council's procurement related activities including the hiring of goods and services shall be conducted in a manner that complies with these general procurement policies:

- Open and effective competition and obtaining value for money should be observed in the procurement of goods and services to ensure optimum quality, price, deliver and service.
- Quality, price, delivery and service shall generally be considered the main criteria in assessing Council's procurement of goods and services, together with experience, conformance with specifications (including environmental performance), WH&S record and systems and project specific matters.
- Council expects its contractors and suppliers to comply with ethical business standards and practices, in its procurement activities.
- Council shall strictly implement its Code of Conduct, and other relevant policies on matters relating to its procurement activities.
- All staff are required to consistently apply and implement Council's procurement policies and procedures. Appropriate remedial action shall be taken for non-compliance.

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.

To deliver on our commitment to procurement that meets operational requirements and achieves the highest commercial and sustainability outcomes, Council will:

1. comply with applicable laws and documentation;
2. avoid unnecessary consumption, manage demand for goods and services, and maximise the efficiency of those products and services acquired;
3. foster relationships with suppliers in a manner that is ethical, efficient, fair and transparent, and that respects their confidential information;
4. exercise responsible financial management and accountability for actions;
5. support the establishment of a diverse supply chain, with particular focus on entities that delivery or have potential to deliver social, economic and/or environmental benefit locally;
6. support Australian owned suppliers and/or suppliers who manufacture in Australia, where doing so is appropriate and permissible by law, focusing on those locally;
7. identify and manage the risks associated with procurement.

6.3 Delegations

The Council has delegated to the General Manager authority to purchase goods and services on behalf of the council, subject to certain conditions.

In turn the General Manager has sub-delegated this authority to other staff members, also subject to certain conditions.

These delegations only apply for procurement where Council has voted the funds for the proposed work.

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The condition on the delegations to the General Manager may be varied in the case of an emergency or other pressing necessity where time is crucial. However no expenditure above \$150,000 may be incurred except in accordance with the Act.

6.4 Procurement

Purchase of goods or services of less than \$150,000 shall be made in accordance with the relevant delegation.

Purchase of goods or services over \$150,000 shall be made in accordance with the Act, and also the Division of Local Government's "Tendering Guidelines for the NSW Local Government".

6.5 Evaluation of Tenders

Council officials shall take into account all matters which may be relevant in comparing tenders, including the following criteria:

- price
- record of similar tenders
- capacity of tender
- reputation in the market
- local content

These criteria may be allocated confidential weightings (totalling 100%) to prepare a comparison matrix for the tenders received, and the evaluation officer/panel shall allocate confidential weightings for each criterion which shall then be given a score between 1 and 10. The weighted scores for each tender shall be used to determine the preferred tender.

This method may also be used to compare quotations.

6.6 Local Preference

Council acknowledges there is a cascading benefit to the local community from purchasing goods or services from local firms which employ local people and/or provide local materials.

Council also acknowledges that it is in the interests of the ratepayer that procurement is carried out as economically as possible. The Local Preference Policy has been determined by careful assessment of these two conflicting objectives.

6.7 Non-Compliance

Non-compliance with this policy may render an employee liable for disciplinary action, or a tenderer may have their tender rejected.

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7. Review and Amendment

- This policy shall be reviewed at four (4) yearly intervals, to ensure it meets all statutory requirements and the needs of Council.
- This policy may be amended or cancelled by Council at any time without prior notice or obligation to any employee.

8. Adoption

- This policy commences as from the date of adoption by Council, being 16 March 2017.

9. History

Version	Details
1.23.1	Adopted 16 July 2015
1.23.2	Adopted 16 March 2017