

## CP 16 Procurement Policy

Responsible Officer:	Manager Finance
Document type:	Council Policy
Reference:	CP 16
Approved by:	Council
Date approved:	3 August 2016
Date of next review:	June 2017

### Purpose

The purpose of the Procurement Policy is to:

- Provide guidance, consistency and control over procurement activities
- Demonstrate accountability to rate payers
- Ensure compliance with legislation
- Provide guidance on ethical behaviour in purchasing
- Ensure openness and transparency of the decision making process

### Objective

Section 186a of the Local Government Act 1989 requires the Council to prepare, approve and comply with a Procurement Policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by the Council. The Council must review its Procurement Policy annually and make it available for public inspection.

### Scope

The Policy covers all procurement activities of Council and is binding upon Council Staff, contractors and consultants while engaged by the Council.

### Standards

The Council's procurement activities will be carried out to the professional standards required by best practice and in compliance with the:

- Local Government Act 1989
- Council policies
- Council Code of Conduct
- Local Government Procurement Best Practice Guideline
- other relevant legislative requirements such as, but not limited to the Trade Practices Act, Goods Act and the Environmental Protection Act

## Policy Statement

The Council recognises that a procurement policy and supporting administrative procedures will support the achievement of the Council's strategic objectives.

The Council is committed to ensuring its purchasing practices are sustainable, efficient and deliver value for money, while encouraging a competitive environment amongst its suppliers and ensuring a safe working environment for its staff and contractors.

## Principles

The Council's purchasing practices are based on the following principles:

- **Delegation of Procurement Authority**

- **Delegations Reserved for the Council**

- Only the Council can award contracts that are greater than:

- \$150,000 for goods and services
    - \$200,000 for works

- **Delegation of Authority to Council Staff**

- Council procurement activities are undertaken using a Delegation of Procurement Authority allowing authorised and trained, Council staff to approve certain purchases, quotation, tender and contractual processes without prior referral to the Council. Council staff procurement delegations will be documented and communicated within an administrative procedures manual.

- **Value for Money**

- The Council's procurement activities will be carried out on the basis of obtaining value of money. Value for money means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability, delivery and risk considerations. Section 186(4) of the Local Government Act provides that the Council is not required to accept the lowest tender or accept any tender.

- **Fair and Honest Dealing**

- All prospective suppliers will be afforded an equal opportunity to tender or quote. Impartiality will be maintained in selecting suppliers so that no action is taken that could evoke criticism of Council.

- **Conduct of Councillors and Council Staff**

- Council's procurement activities will be performed with unquestionable integrity and in a manner able to withstand the closest possible scrutiny. Councillors and Council staff will at all times conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity.

- **Accountability and Transparency**

Accountability in procurement means being able to explain and provide evidence of what has happened during the process. The test of accountability is that an independent third party must be able to see clearly that a defined process has been followed and that the process is fair and reasonable.

The processes by which all procurement activities are conducted will be in accordance with the Council's Procurement Policy and supporting administrative procedures which ensure fairness and impartiality towards suppliers, consistency and transparency in the competitive process and provide security and confidentiality for the commercial interests of existing and potential suppliers.

The Council must be able to account for all procurement decisions made over the lifecycle of all purchased goods, services and works and provide feedback on them.

- **Sustainability**

Council is committed to adopting a green procurement approach by supporting the principles of sustainable procurement within the context of purchasing on a value for money basis.

- **Local Content**

Consistent with the value for money principle and taking all factors into consideration, where equivalent value can be sourced both locally and elsewhere, the goods or services should be procured from the local supplier.

- **Operations and Process Improvement**

The Council will seek continual operational and process improvement including innovative and technological initiatives with the objective to reduce overall activity costs and achieve best practice.

- **Dispute Resolution**

Any dispute arising from the application of this policy will be referred to the Chief Executive Officer for investigation and resolution.

#### Review

This policy is required to be reviewed at least once in each financial year as per section 186A (7) of the Local Government Act 1989.