

# Procurement Policy



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<b>Further Document Information and Relationships</b>	
<b>Related Legislation*</b>	Local Government Act 1993 Local Government (General) Regulation 2021 Tendering Guidelines for NSW Local Government 2009 Government Information (Public Access) Act 2009 State Records Act 1998 Modern Slavery Act 2018 Children’s Guardian Act 2019
<b>Related Policies</b>	Code of Conduct Local Preference Purchasing Policy Risk Management Policy Privacy Management Plan

	<p>WHS Policy          Gifts &amp; Benefits Policy          Fraud and Corruption Prevention Policy          Corporate Credit Cards Policy          Statement of Business Ethics or Business Ethics Policy          Contract Management Policy</p>
<p><b>Related Documents</b></p>	<p>Financial Delegations Register          Procurement Procedure          Contract Management Procedure          Store Management Procedure          Child Safe Standards</p>

*\*Note: Any reference to Legislation will be updated in the Policy as required. See website <http://www.legislation.nsw.gov.au/> for current Acts, Regulations and Environmental Planning Instruments.*

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## 1. Objective

The objective of this policy is to:

- Provide consistency and control over procurement practices;
- Demonstrate accountability to ratepayers;
- Guide ethical behaviour in purchasing;
- Ensure Council's procurement activities to be fair, ethical and transparent;
- Increase the probability of obtaining best value for money in the expenditure of public funds;
- Ensure compliance with various legislation, guidelines and best practice in all of Councils Procurement activities.

## 2. Council Risks to be Addressed

This Policy is established to create a framework in Procurement that addresses the following risks;

- Compliance with Legislative requirements of Procurement;
- Identified common gaps in processes and practices that expose risks to transparency, accountability and value for money;
- Sensible expenditure of public funds.

## 3. Scope

This policy applies to all contracting and procurement activities at Liverpool Plains Shire Council (hereby referred as Council) and is binding upon Councillors, Council employees, contractors and consultants while engaged by Council.

It applies to the procurement of all goods and services, including capital works, major plant and equipment, construction and improvement of infrastructure, information technology projects, professional services, leasing arrangements, utilities, contract labour services and external goods and services contracts, including panel contracts for the Council regardless of source of funding.

## 4. Abbreviations and Definitions

Term	Definition
Act	Local Government Act NSW 1993 (as amended)
Best value	Best value in procurement is about selecting the supply of goods, services and works considering both cost and non-cost factors including: <ul style="list-style-type: none"> <li>• contribution to the advancement of Council's priorities;</li> <li>• non-cost factors such as fitness for purpose, quality, service and support;</li> <li>• cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.</li> </ul>

Conflict of Interest	Personal or professional relationships where the financial gain or other interests of another party and the outcome of a Council decision may be unfairly influenced or effected. This can be Pecuniary or Non-Pecuniary interest.
Commercial in-confidence	Information that, if released, may prejudice the business dealings of a party e.g. prices, discounts, rebates, profits, methodologies and process information.
Contract management	The process that ensures both parties to a contract fully meet their respective obligations as efficiently and effectively as possible in order to deliver the business and operational objectives required from the contract and, to provide value for money.
Corporate Social Responsibility (CSR)	Corporate Social Responsibility is about taking positive action to demonstrate Council's commitment to the local community and environment on which it impacts.
Council staff	Includes full-time and part-time Council staff, and temporary employees, contractors and consultants while engaged by Council.
Expressions of Interest (EOI)	An open approach to the market requesting submissions from bidders interested in participating in Councils procurement process. It is used to seek the market and identify potential suppliers capable and interested in delivering the required goods or services. It is usually a first stage of a multi-stage tender process i.e. Selective tendering.
Goods and Services Tax (GST)	All monetary values stated in this policy include Goods and Services Tax except where specifically stated otherwise.
ICAC	The Independent Commission Against Corruption.
Local Content	Goods or services procured from a local supplier identified permanently trading in the Liverpool Plains Shire Council Local Government area.
Local Supplier	A business, contractor or industry based in, or employing staff operating from, permanent premises situated within the Liverpool Plains Shire Council LGA boundaries.
Probity	A process able to withstand scrutiny achieving both accountability and transparency, providing tenderers with fair, consistent and equal treatment.
Request for Tender (RFT)	A request for offer to supply goods/services for which the estimated expenditure exceeds the threshold (inclusive of GST) as contained in the Act.
Request for Quote (RFQ)	A request for offer to supply goods/services for which the estimated expenditure is below the threshold as contained in the Act. The number of quotes required is based on the minimum spend threshold (please refer to item 8.5.6)
Social procurement	Social procurement uses procurement processes and purchasing power to generate positive social outcomes in

	addition to the delivery of efficient goods, services and works.
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.

## 5. Policy Statement

### 5.1. Effective Legislative and Policy Compliance and Control

#### 5.1.1 Ethics and Probity

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

#### 5.1.2 Conduct of Councillors and Council Staff

Councillors and Council staff must abide by Council's Code of Conduct.

Serious breaches of this Policy may result in an official investigation which could lead to:

- a) in the case of a Councillor, disciplinary action being taken under *Chapter 14 Division 3 Misconduct* of the Act and/or referral to ICAC; and
- b) in the case of an employee, disciplinary action including termination of employment in accordance with the Award, and/or referral to ICAC.

In relation to procurement, Councillors and Council staff shall always conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity and will:

- Treat potential and existing suppliers with equality and fairness;
- Not seek or receive personal gain;
- Maintain confidentiality of commercial in-confidence information such as contract prices and other sensitive information;
- Present the highest standards of professionalism and probity;
- Deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- Provide all suppliers and tenderers with the same information and equal opportunity; and
- Be able to account for all decisions and provide feedback to suppliers and tenderers on them.

Council will discontinue all dealings with suppliers who engage in unethical conduct including slavery in their supply chain. Staff found not to be acting in accordance with the principles, guidelines and procedures set down in this and other related documents will be subject to the applicable disciplinary processes.

Canvassing of support from Councillors and/or Council Staff at any stage of the tender process will be deemed an unacceptable practice and will result with the prospective contractor being disqualified.

#### 5.1.3 Governance

- **Responsible Financial Management** – staff must consider factors such



as the requirement for the good or service, the value for money achieved, whole of life costs and the budgetary limitations that apply when making procurement decisions. Staff must ensure that sufficient funding is available within the properly designated and approved Council budget prior to committing to any purchase.

- **Responsible Record Keeping** – staff must ensure that the level of record keeping pertinent to the transaction is maintained. In determining the appropriate level of records to maintain, consideration will be given to matters such as transparency and the degree of scrutiny the transaction is likely to attract. Records of procurement activities shall be kept and recorded in Council's Electronic Management System.
- **Management of risk through procurement** – staff must ensure that all purchases will protect and enhance Council's ability to manage risk.
- **Supporting Competition** – Council recognises the need to allow suppliers to be able to fairly compete for Council's business, and as such, Council has set parameters around the number and the nature of quotes that staff are to obtain at various price levels.

#### 5.1.4 Compliance

All procurement activities shall be conducted in accordance with the requirements of this policy and all associated procedures, relevant legislation, relevant Australian Standards and the Act.

## 5.2. Procurement Principles

### 5.2.1 Best Value

Council's procurement activities will be carried out on the key objective of fully obtaining Best Value in the expenditure of public funds. Purchase of all goods, services, works and assets should represent the optimum combination of quality, risk, technical expertise, Local and community benefit and timeliness and should be determined on a whole of contract, whole of life basis.

This will be achieved by:

- Planning, developing, implementing and managing procurement strategies that support the coordination and value activities throughout the life cycle;
- Using aggregated contracts and standard offer arrangements where suitable and cost effective to do so and;
- Working with suppliers to create relationships that are professional, productive and transparent.

### 5.2.2 Open and Fair Competition

All suppliers must be treated fairly in an open and transparent manner and will have access to the same information.

Third parties that have been consulted on, or have been assisting Council with, the development of a project scope or specification must sign a confidentiality agreement and are specifically excluded from participating in the procurement process for that particular project. This is due to the fact that they may have the ability to influence, and are privy to, confidential aspects of the project and/or specification.

### 5.2.3 Sustainable Procurement

Within the context of purchasing on a value for money basis, Council is committed to adopting a sustainable procurement approach.

In addition, Council recognises the potential impact expenditure has on the environment and where applicable will integrate sustainability, environmental and social issues into procurement process including:

- Waste management;
- Recycling;
- Energy management;
- Emission management;
- Water conservation;
- Green building design; and
- Procurement.

The objectives of taking environmental factors into account are:

- Manage the risks in the broader environment by procuring goods and services that have a lesser impact on the natural environment and human health;
- Provide better value for money on a whole-of-life cycle basis;
- Encourage the development of products and processes that have a positive environmental impact; and
- Encourage recyclability and sustainability.

### 5.2.4 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is about taking positive action to demonstrate Council's commitment to the local community and environment on which it impacts. This means Council will maximise the benefits of the services it provides across the community and minimise the negative aspects of its activities.

Council integrates CSR into its organisational policies and practices through social procurement, sustainability and diversity.

### 5.2.5 Social Procurement

Social Procurement generates positive outcomes by building on initiatives already undertaken by Council in enhancing sustainable and strategic procurement practice, further enabling procurement to effectively contribute towards building stronger communities and meeting the social objectives of Council. Council is committed to Social Procurement by:

- Ensuring all procurement practices are sustainable and strategically aligned with the wider Council objectives;
- Achieving greater value for money across the community through the use of effective procurement;
- Ensuring all businesses have the same opportunity to tender for Council contracts;
- Enhancing partnerships with other Councils, suppliers and community

stakeholders;

- Building and maintaining a strong community by exploring ways to generate local employment and further strengthening the local economy;
- Purchasing ethical and fair-trade goods to support equitable, local, national and international trade; and
- Ensuring no slavery has been using in producing the products procured.

#### **5.2.6 Management of Work Health and Safety**

In compliance with all relevant Work Health & Safety legislation Council will consider the impact on the health and safety of staff and the community when procuring goods and services.

#### **5.2.7 Diversity**

Promoting equality through procurement can improve competition, best value, the quality of public services, satisfaction among users, and community relations. It should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities wherever possible.

#### **5.2.8 Support of Local Business**

Where purchases can be justified within the context of value for money, Council is committed to procuring from local business in accordance with its Local Preference Purchasing Policy.

#### **5.2.9 Risk Management**

Consistent strategies for managing risks associated with all procurement processes must be in place.

#### **5.2.10 Probity and Transparency**

All Council procurement processes must be conducted in a fair, honest and open manner, with the highest levels of integrity and in the public interest.

#### **5.2.11 Responsible Financial Management**

The principle of responsible financial management shall be applied to all procurement activities.

To give effect to this principle, the availability of existing funds within an approved budget, or other source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council staff must not authorise the expenditure of funds in excess of their financial delegations.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement without compromising any of the procurement principles set out in this policy.

#### **5.2.12 Relationship Management**

Council is committed to developing constructive long-term relationships with suppliers. It is important that Council identifies its key suppliers so that its

efforts are focused to best effect. Such areas may include:

- Size of spend across Council;
- Criticality of goods and services, to the delivery of Council's services; and
- Availability of substitutes.

#### **5.2.13 Communication**

External communication is very important in ensuring a healthy interest from potential suppliers and partners to Council. Council's website will be kept up to date and provide:

- A list of existing and forthcoming contract opportunities projected over a number of years.
- Guidelines for doing business with Council.
- Standard documentation used in the procurement process; and
- Links to other relevant sites.

#### **5.2.14 Build and Maintain Supply Relationships**

Council recognises that in order to achieve continuous value, a strategic assessment of the appropriate 'channel to market' should be undertaken, whether to go to market on its own, participate in regional or sector aggregated projects or panels, access State Government panel agreements, or other means. Council will consider supply arrangements that deliver the best value in terms of time, expertise, cost, and outcome.

#### **5.2.15 Developing and Managing Suppliers**

Developing and managing suppliers is essential to achieving a competitive market capable of delivering Council's services and works requirements.

Council needs to interact with the market and its suppliers in particular to understand their views and what enables and encourages diverse parts of the market to bid for work with Council. At the same time Council will ensure that its relationship with strategic suppliers is mutually productive and that goals are shared. Council aims to develop relationships with suppliers that create mutually advantageous, flexible and long-term relations based on the quality of performance and financial savings.

#### **5.2.16 Supply Market Development**

A wide range of suppliers should be encouraged to compete for Council work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations offering business diversity include:

- Local businesses
- Green suppliers
- Small to medium sized enterprises (SMEs)
- Social enterprises
- Ethnic and minority business
- Voluntary and community organisations

Whenever practicable, however, Council must give effective and substantial preference to contracts for the purchase of goods, machinery or material

manufactured or produced in Australia or New Zealand.

#### 5.2.17 Performance Measures and Continuous Improvement

Appropriate performance measures are to be established and reporting systems will be used to monitor performance and compliance with procurement policies, procedures and controls.

Internal service standards will be agreed within Council and performance against these targets will be measured and reviewed regularly to support continuous improvement. The performance measurements developed will be used to:

- Highlight trend and exceptions where necessary to enhance performance.
- Improve the internal efficiency of the procurement process and where relevant the performance of suppliers.
- Facilitate programs to drive improvement in procurement to eliminate waste and inefficiencies across key spend categories.

#### 5.2.18 Modern Slavery Compliance

Council is committed to doing all that it can to prevent slavery and human trafficking in its activities and to ensure as far as is practicable that its supply chains are free from slavery and/or human trafficking. Council will ensure all tenders take into consideration all relevant ethical supply chain provisions identified in the Modern Slavery Act 2018.

- Commitment to eradicate modern slavery: Council is committed to preventing and eradicating modern slavery within its supply chains and operations. Modern slavery encompasses human trafficking, forced labor, and other forms of exploitation. Council expects its suppliers and contractors to share this commitment and to implement measures to address and mitigate the risks of modern slavery.
- Supplier Due Diligence: Council will conduct due diligence on its suppliers to ensure they comply with the Modern Slavery Act and share our commitment to eradicating modern slavery. Suppliers will be required to demonstrate the actions they have taken to address modern slavery risks within their own supply chains.
- Reporting Requirements: Suppliers shall report annually on the steps taken to ensure that modern slavery is not present in their supply chains. This includes providing information on policies, risk assessments, training programs, and actions taken to address any instances of modern slavery.
- Non-Compliance: Failure to comply with the Modern Slavery Act or the requirements outlined in this policy may result in termination of contracts, and suppliers may be removed from Council's list of approved vendors.
- Training and Awareness: Council will provide training and awareness programs for its employees involved in procurement activities to recognise and address modern slavery risks. This will include training on identifying indicators of modern slavery, understanding supplier obligations, and reporting mechanisms.
- Continuous Improvement: Council is committed to continuous improvement in its efforts to combat modern slavery. This policy will be

reviewed periodically to ensure its effectiveness and alignment with legal requirements and best practices.

### 5.3. Procurement Conduct

#### 5.3.1 Standards of Behaviours and Ethical Principles

Councils should adapt these standards of behaviour and ethical principles and likewise require their suppliers and contractors to behave in accordance with them at all times. These standards re consistent with the requirements for the effective and efficient conduct of Councils under the Act.

<b><i>Honesty and Fairness</i></b>	Council must conduct tendering, procurement and business relationships with honesty, fairness and probity at all levels. Confidential and Commercial-in-confidence information must not be disclosed
<b><i>Accountability and Transparency</i></b>	Council must ensure that the process for awarding contracts is open, clear, fully documented and defensible.
<b><i>Consistency</i></b>	Council must ensure consistency in all stages of the tendering process; <ul style="list-style-type: none"> <li>▪ Conditions of tendering must be the same for each tenderer on any tender;</li> <li>▪ All requirements must be clearly specified in the tender documents and criteria for evaluation be clearly indicated;</li> <li>▪ All potential tenderers should be given the same information;</li> </ul> And the evaluation of tenders must be based on the conditions of tendering and selection criteria as defined in the tender documents.
<b><i>No conflict of interest</i></b>	Council staff/official with a potential conflict of interest will declare and address that interest as soon as the conflict is known to that party.
<b><i>Rule of Law</i></b>	Council must comply with all legal obligations. These include the provisions of the Act and the Regulations.
<b><i>No anti-competitive practices</i></b>	Council must not engage in practices that are anti-competitive or engage in any form of collusive practice.
<b><i>No Improper advantage</i></b>	Council must not engage in practices that aim to give a potential tenderer an advantage over the others, unless such advantage stems from an adopted Council procurement policy such as a Local Preference Policy.
<b><i>Intention to proceed</i></b>	Council must not invite or submit tenders without a firm intention and capacity to proceed with a contract.

<b>Co-operation</b>	Council must encourage business relationships based on open and effective communication, respect and trust and adopt a non-adversarial approach to dispute resolution.
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#### Gifts and Hospitality

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how flimsy the evidence available), must be promptly brought to the attention of the General Manager.

With regard to gifts and hospitality, Councillors and Council staff must comply with Council's 'Gifts and Benefits Policy'. This policy forbids Council representatives involved in corporate purchasing, procurement, contract evaluation, EOI evaluation, and tender evaluation from accepting any form of gift, benefit or hospitality (of more than a token or nominal value) from suppliers or potential suppliers. Written declarations from Council representatives are required as part of the evaluation process.

### 5.3.2 Disclosure of Information

Unless required by legislation, commercial in-confidence information received by Council must not be disclosed and is to be stored in a secure environment pending lawful destruction in accordance with the State Records Act 1988.

Councillors and Council staff are to protect, by refusing to release or discuss, the following:

- Allocated Council budgets for proposed tenders;
- Information disclosed by organisations in tenders, quotation or during tender negotiations;
- All information that is commercial in-confidence; and
- Pre-contract information including, but not limited to, information provided in quotes and tenders or subsequently provided in pre-contract negotiations;

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

### 5.4. Procurement Options

Council's standard options for purchasing goods, services and works shall be by some or all of the following methods:

- Petty cash/reimbursement of expenditure (for small-value items);
- Corporate Credit card;
- Purchase order following a quotation process from suppliers for goods or services that represent best value for money under quotation thresholds;
- Under contract following a tender process;
- Using established contract by prescribed entities under the Act; Local Government Procurement and Procurement Australasia, aggregated purchasing arrangements with Joint Organisations or other councils, purchases under the NSW Government Prequalification Scheme or

other approved purchasing scheme.

- Other arrangements authorised by Council or the General Manager if required under abnormal circumstances such as emergencies.

Council may, at the General Manager’s discretion and based on the complexity and cost of the project, conduct single stage or multi-stage tenders.

A multi-stage tender process will commence with an Expression of Interest stage followed by a tender process involving the organisations selected during the registration of interest stage.

### 5.5. Procurement Method and Thresholds

The five Procurement process covered under this policy and the criteria for determination are as follows:

<b>5.5.1. In-House Services</b>	Where Council provides the same or similar services
<b>5.5.2. Store</b>	Where Council Store stocks the same or similar items
<b>5.5.3. Existing/Established Contract</b>	Where an existing /established contract is made available through Prescribed entities; LGP, Procurement Australia, NSW Procure Point, available through Joint Organisation (where Council has participated) or Regional Procurement (where Council has participated), and Council established Period Contracts.
<b>5.5.4. Quotation</b>	Where the value of work, goods or services is under the threshold of \$250,000 including GST.
<b>5.5.5. Tendering</b>	Where the value of work, good or services is at the threshold of \$250,000 and over including GST. The Regulation specifies the requirements for the three different tendering methods: <ul style="list-style-type: none"> <li>• Open tendering;</li> <li>• Selective tendering by which invitations to tender are made after public advertisement for expressions of interest; or</li> <li>• Selective tendering by which recognised contractors listed by the Council are invited to tender</li> </ul>

#### 5.5.6. Quotation Threshold

Purchase of goods and services with a **\*value up to the threshold** contained in the Act may be undertaken using the procurement by quotation method. Below details the minimum number of quotations required based on the estimated value of the goods or services to be procured:

Estimated value of Goods or Services inclusive of GST	Minimum requirements
\$0.00 to \$2,000	Seek a minimum of one (1) verbal quote;



	reimbursement may be done for the urgent purchase for up to \$100 if made by employee (Approval must be sought off Manager prior to purchase); Up to \$1,000 creditcards may be used for these purchases.
\$2,001 to \$10,000	Seek a minimum of two (2) written quotations based on Quotation process.
\$10,001 to \$150,000	<ul style="list-style-type: none"> <li>• Seek a minimum of three (3) written quotations based on Quotation process.</li> <li>• Or most advantageous procurement strategy including but not limited to: <ul style="list-style-type: none"> <li>(a) RFQ or EOI</li> <li>(b) Existing LGP, Procurement Australia, Regional Procurement contracts or State Government Arrangements (s55(3))</li> <li>(c) Evaluation Report to Management</li> </ul> </li> </ul>
\$150,000 to \$250,000	<p>Most advantageous procurement strategy including but not limited to:</p> <ul style="list-style-type: none"> <li>(a) Public Tender or EOI</li> <li>(b) Existing LGP, Procurement Australia, Regional Procurement contracts or State Government arrangements (s55(3))</li> <li>(c) Evaluation Report to Council</li> <li>(d) Enter to Contract Register as per GIPA reporting requirements</li> </ul>
<p><b>*Where the actual expenditure cannot be determined with certainty and the estimated expenditure is close to but under the \$250,000 threshold inclusive of GST, the Above \$250,000 procurement guidelines MUST be used.</b></p>	

Section 5.5.6 does not apply in the following cases:

- Purchase or sale of land;
- Lease or license of land for a term less than 5 years;
- Purchase or sale at public auction;
- Other arrangements authorised by Council or the General Manager as a result of abnormal or extenuating circumstances such as emergencies, remoteness of locality or the unavailability of competitive or reliable quotes.

### 5.5.7. Procurement Exemptions

Although the Act does not specify procurement exemptions under tendering threshold, these exemptions are determined by the General Manager or their financial delegate in accordance with this policy. The exemptions can only be applied in specific cases as per 5.5.6 and only upon approval from respective authority as set out below:

Financial Threshold (incl.GST)	Approving Authority
\$2001-\$25,000	Director
Above \$25,000 up to threshold	General Manager

Section 55(3) of the act sets out several exemptions from the need to invite tenders. However, to apply the provisions for exemptions from the tender process, council must consider the procurement principles and conduct an evaluation to ensure that the use of an exemption is the most appropriate course of action. This evaluation should involve a thorough examination of the situation to ensure that the exemption is necessary and that it is in line with the procurement principles.

The council should document its evaluation of the exemption and its reasons for deciding to utilise the exemption. This documentation should be provided to the relevant parties and should be kept on record.

#### **5.5.8. Public Advertising**

Request for quotations (RFQ) should be actioned through VendorPanel. This will utilise contracts from prescribed agencies, Enterprise panel contracts established by Council and Joint Organisations and Public Marketplace which covers the local suppliers.

Request for tenders (RFT) are to be invited by public notice and in accordance with any provisions prescribed under the Local Government (General) Regulations 2021.

#### **5.6. Emergency Purchases**

An emergency is a situation that poses an immediate risk to health, life, property or environment. Most emergencies require urgent intervention to prevent a worsening of the situation.

The General Manager is authorised to approve emergency purchases that are not outlined in the Combined Delivery Program and Operational Plan, which in the General Manager's opinion is urgent up to costs not exceeding \$150,000 except in the case of a Bush Fire Emergency where the limit is \$50,000.

The procurement activity must be included in the Contract Register in compliance with GIPA requirements.

#### **5.7. Standard Purchase Order Terms and Conditions**

Purchase Order Terms and Conditions will be used when no formal contract is in place and must not be altered. They will be identified on RFQ documents as the conditions that will apply to the purchase.

#### **5.8. Procurement Delegations**

Delegations define the limitations within which Council staff are permitted to work. Delegation of procurement authority allows specified Council staff to approve certain purchases, quotations and contractual processes without prior referral to Council. This enables Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

##### **5.8.1. Council Staff**

Council shall maintain a documented scheme of procurement delegations,

identifying Council staff authorised to make such procurement commitments in respect of goods, services and works on behalf of Council. The instrument of sub-delegation will be issued by the General Manager and reviewed annually. The Instrument of Sub-delegation will detail respective delegations relating to:

- Acceptance of tenders
- Acceptance of quotes
- Contract term extensions (within authorised budget)
- Contract amendment (non-financial)
- Contract amendment (financial)
- Procedural exceptions

The General Manager will approve a Financial Delegations Register that sets appropriate levels of delegation to Directors, Managers and staff for purchasing and entering into contracts. This register will include delegations for:

- Credit card purchases
- Acceptance of quotes

The Acceptance or Rejection of Tenders can only be made by Resolution of Council. In the event that the estimated expenditure is below the threshold of \$250,000 excl GST, the General Manager, in consultation with the Chief Financial Officer, may accept the tender in accordance with the *Local Government Act 1993* and the Instrument of Sub-Delegation to the General Manager.

#### **5.8.2. General Manager**

The General Manager is authorised to approve purchases within their delegations as approved by Council and within the parameters contained in the Act.

#### **5.8.3. Decisions Reserved for Council**

Commitments and processes which must be approved by Council are:

- All purchases exceeding the threshold contained in the Act; and
- Contract variations on the above-mentioned contracts that seek to increase the total contract sum (including provisional amounts) by more than 15%.

### **5.9. Disposal**

Disposal is the final stage of the procurement life cycle. Assets that are no longer required by Council, or do not represent good value to maintain are identified for disposal.

Council will promote a recycle, re-use and recover initiative for Council goods. Council equipment, fleet items, store inventory, materials, by-products from construction and maintenance activities and other items should be re-used or disposed.

The 'disposal' must achieve the best value for money such that Council obtains the best possible return for goods it sells. In addition to price the disposal

process is to include consideration of the Council's Social, Economic, Environmental and WHS Policy objectives.

The disposal method must promote fair and effective competition to the greatest extent possible, and disposals should be conducted in an ethical manner.

## 6. Child Safety

Council is committed to ensuring the safety and well-being of children in all aspects of its operations, including procurement activities. This commitment aligns with the requirements of the NSW Child Safety Standard.

### 6.1 Child Safety Principles

In accordance with the NSW Child Safety Standard, Council acknowledges and adopts the following child safety principles:

- a) Best Interest of the Child: All procurement decisions and activities must prioritise the best interests of the child, ensuring their safety, welfare, and rights.
- b) Child Participation: Where applicable, involve children in the procurement process to gather their perspectives and preferences, ensuring their voices are heard and considered.
- c) Prevention of Harm: Take proactive measures to prevent harm to children during any procurement activities. This includes assessing and mitigating potential risks to child safety.
- d) Reporting and Responding: Implement reporting mechanisms for any concerns related to child safety. Promptly respond to and address any allegations, suspicions, or incidents of harm in accordance with legal requirements.

### 6.2 Supplier Compliance

Council requires suppliers and contractors to comply with child safety laws and adhere to the following:

- a) Working with Children Checks: Suppliers engaged in activities involving children must ensure that their staff undergo and maintain valid Working with Children Checks as required by law.
- b) Child Safe Policies: Suppliers must have their own child safety policies in place, demonstrating their commitment to child safety in their operations.
- c) Incident Reporting: Suppliers must promptly report any child safety incidents or concerns arising during the provision of goods, services, or works to Council.

### 6.3 Training and Awareness

Council will provide training and awareness programs for its employees involved in procurement activities to recognise and address child safety risks. This includes training on identifying indicators of harm, understanding legal obligations, and reporting mechanisms.

### 6.4 Continuous Improvement

Council is committed to continuous improvement in its efforts to ensure child safety. This policy will be reviewed periodically to ensure its effectiveness and alignment with legal requirements and best practices in child protection.

## 7. Dispute Resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes getting out of hand and leading to legal action.