



1. BACKGROUND

Council is committed to ensuring a fair, transparent and accountable process in the purchase of goods and services. This policy applies to all Councillors and Staff (Council Officers) of Weddin Shire Council. The policy aims to ensure transparency, fairness, and efficiency in procurement activities while also promoting accountability, compliance with regulations, and achieving value for money. The Procurement Policy will be a standalone from the Policy for Procurement and Sale of Assets Policy.

2. PURPOSE

The purpose of the Procurement Policy (Policy) is to establish how Council's procurement practices complies with its requirements under the *Local Government Act 1993* and supports the implementation and delivery of Council's Community Strategic Plan in accordance with Council's annual budget and long term financial plan.

3. POLICY OBJECTIVES

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

- make efficient and effective use of Council's and Council's supplier's resources.
- are compliant with legislation, in particular *s. 55 of the Local Government Act 1993*
- improve the local amenity of our community and are socially responsible.
- foster local economic development and business sustainability through procurement practices.
- support Australian markets for sustainable products and services.
- improve Council's on time payment record and cash management.
- ensure Council and its staff act within their delegations and are accountable for decision making in procurement.

4. LEGISLATION AND RELATED DOCUMENTS

The Policy relates to the following:

- *Local Government Act 1993 particularly Section 55, Section 10A, Section 12.*
- Relevant Australian Standards
- *Local Government (General) Regulation 2021*
- 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*
- *Building and Construction Industry Security of Payment Act 1999*

5. SCOPE

The Policy applies to the Council and Council Officers participating in the procurement of goods or services on behalf of Council.

6. POLICY

- 6.1.1. 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.
- 6.1.2. 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.
- 6.1.3. 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.
- 6.1.4. Only authorised staff may undertake procurement of goods or services on behalf of Council. Staff are authorised through instruments of delegation in accordance with the *Local Government Act 1993*.

6.2 Roles and Responsibilities

The following table outlines the roles and responsibilities of personnel. Noting that the position titles may change, however, the responsibilities remain the same.

Roles	Responsibility
The Elected Council	The elected Council must act in accordance with the Policy and abide by any determination made as a result of this Policy.
General Manager	The General Manager is responsible for providing policy, procedures and framework to facilitate transparent, ethical and value for all procurement and contract management activities. This includes adhering to <i>s. 55 of the Local Government Act 1993</i> .
Director of Corporate Services	The Director of Corporate Services is responsible for providing policy, procedures and framework to facilitate transparent, ethical and value for all procurement and contract management activities.
Directors and Senior Management	The Directors and Senior Management have financial delegation and are responsible for ensuring compliance with the Policy.



Roles	Responsibility
Managers/Team Leaders	Managers/Team Leaders are responsible for ensuring the following Policy and its supported procedures are implemented within their workgroup. Managers/Team Leaders are to ensure hazard identification and risk assessment is undertaken with regard to equipment, materials and supplies which they have responsibility for purchasing for workplace use.
Supervisors	Supervisors are responsible for ensuring procurement tasks are carried out according to procedures. Supervisors are to ensure procedures are in place for identifying safety defects in equipment, material and supplies purchased and used at the workplace.
Employees	Employees are responsible for carrying out procurement activities in an appropriate manner with regard to any training undertaken.
General Public	The General Public must act in accordance with this policy and abide by any determination made as a result of this policy.

6.3 Principles

The following outlines the principles that underpin the Policy.

Principle	We commit to:
Value for money	Consideration of capital cost, lifetime costs and benefits associated with the procurement for the long-term benefit of Council.
Probity	Clear application of fairness and integrity in procurement processes to encourage suppliers to work with Council.
Accountability and transparency	Procurement is open, justified, planned, documented and within delegation.
Consistency	Application of procedures based on standard methods providing a consistent approach to procurement.
Risk management	Risks are identified and managed to maximise opportunity and minimise adverse consequence to Council through procurement processes.
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.

6.4 Procurement Controls

All procurements must be in accordance with the following and executed in accordance with the Policy and any accompanying Procedure(s).



Value of Procurement Inc. GST	Procurement Method
Less than \$3,000	<ul style="list-style-type: none"> • Verbal quote or Purchase Order
More than \$3,000 and less than \$15,000	<ul style="list-style-type: none"> • Competitive process is not required • 1 written quote
More than \$15,000 and less than \$50,000	<ul style="list-style-type: none"> • Competitive process is not required • 2 written quotes • Exemption applies to a Stores Purchase Order (if the stores item is an existing item being purchased by an existing supplier and the price per item/litre has not changed by greater than 10%, or there has been a Joint Organisation (JO) Competitive Process, no second quotation is required)
More than \$50,000 and less than \$150,000	<ul style="list-style-type: none"> • Competitive process is required • 3 written quotes via Request for Quotation (RFQ) • Exemption guidelines apply (part 9) • A decision of Council is <u>not</u> required.
More than \$150,000 and less than \$250,000	<ul style="list-style-type: none"> • Competitive process is required • Request for Tender (RFT) is required • A <u>decision from Council is not required</u> to award the tender if the contract awarded is not an “employee” of Council, however subject to General Manager’s discretion.
Equal to or more than \$250,000	<ul style="list-style-type: none"> • Competitive process is required • Request for Tender (RFT) is required • <u>A decision from Council is required</u> to award the tender

For low value transactions of less than \$3,000, 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 (Authority). Where directed, verbal quotation forms are to be utilised to record the verbal quote. Similarly, written quotes are to be attached to the Purchase Order, and added to the quotes folder on the server

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

Council’s Corporate Credit Card may be used for the payment of invoices under \$3,000.

6.5 Exemptions from Tender Requirements

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



- Emergency purchases (eg. natural disasters, emergency events in accordance to the Local Government Act 1993).
- Purchase of specialised goods or services (refer to Procedures for examples)
- A contract awarded by the Central NSW Joint Organisation.
- Approved Supplier is on Council's Panel Contractors approved by Council (Order of Services form required).
- Only supplier of the good or service in the State of New South Wales.
- Technology – annual software licenses or software upgrades from existing providers.
- Audit Office of NSW.
- Revaluation of Council assets in relation to Audit Office requirements –
- A payment to a Government Agency.
- Employment contracts for consultants provided by recruitment agencies registered with Local Government Procurement.
- Tender process through Local Government Procurement and also via buy.nsw.gov.au.
- Purchase of travel and accommodation (eg. to industry peak bodies LG NSW, etc.).

6.6 Exemptions from Quotation Requirements

- 6.6.1 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
- 6.6.2 All exemptions must be recommended by the relevant Director and authorised by the General Manager or their respective delegate prior to proceeding.

6.7 Competitive Process

6.7.1 Competitive Process - Request for Quotation (RFQ)

- 6.7.1.1 An RFQ is a process in which a company solicits select suppliers and contractors to submit price quotes and bids for the chance to provide goods or services. Council may select preferred suppliers or open the process to all suppliers for the supply of a good or service. A minimum of three quotations are required for a successful RFQ process. Less than three quotations will require a new RFQ, unless 6.6 applies.
- 6.7.1.2 The exception is specialised products/services that have limited suppliers or one or two of the three eligible supplier's declines to quote. If Council has the evidence that the RFQ was sent to three reputable suppliers; one quote will be sufficient.
- 6.7.1.3 An evaluation panel to consider the RFQ is required to evaluate the quotation.



6.7.2 Competitive Process - Request for Tender (RFT)

6.7.2.1 *Section 55 of the Local Government Act 1993*, in conjunction with the Local Government (General) Regulation 2021, provides the legislative framework that promotes the consistent use of good practice standards in local government tendering in a manner that is clear, consistent and readily accessible to all persons. There are multiple reasons why you may need a tender/contract process as outlined by the both the Act and Regulation and is not limited to value of the proposed contract value.

6.7.2.2 Tenders will be called for the provision of goods and or services that exceed \$150,000 in value (including GST). Exceptions may apply in certain circumstances as provided by *section 55(3) of the Local Government Act 1993*.

6.7.2.3 Whenever Council is required by *section 55 of the Local Government Act 1993* to invite tenders before entering into a contract, Council must decide the tendering method to be used. The options are:

- I. The open tendering method by which tenders for the proposed contract are invited by public advertisement.
- II. The selective tendering method by which invitations to tender for a particular proposed contract are made following a public advertisement asking for Expressions of Interest.
- III. The selective tendering method by which recognised contractors selected from a list prepared or adopted by Council are invited to tender for proposed contracts of a particular kind.
- IV. The General Manager and Directors must approve the selective tendering methods prior to advertising (as an alternative to the open tendering method). The General Manager/Director Corporate Services must also approve those selected tenderers from the Expression of Interest prior to undertaking the selective tender process.
- V. Accessing a Standing Offer Arrangement (SOA); accessing a Preferred Supplier Arrangement (PSA); or accessing a Pre-qualified Supplier Arrangement.

6.7.2.4 Where there are extenuating circumstances, remoteness of locality (noting the location of Council does not of itself satisfy this exemption) or the unavailability of competitive or reliable tenderers, the provisions of *section 55(3)(i) of the Local Government Act 1993* may be applied to justify not inviting tenders subject to a supporting resolution of Council.

6.7.2.5 Tenders should be evaluated based on Council's purchasing objectives, as well as, but not limited to previous performance of contractors.

6.7.2.6 An instrument of engagement must be used when procuring goods and/or services via a tender. For example a formal contract or Instrument



of Agreement must be provided as part of the tender documentation. The terms and conditions relevant to this procurement must be made evident during the tendering process (attached to tendering documentation).

- 6.7.2.7 The Contract must include any proposed retention, bank guarantee requirements, payment milestones or any other conditions. The instrument of engagement must be agreed upon with the successful applicant (and signed) prior to the issuance of purchase order. All tenders must be evaluated with a minimum of three (3) suitably qualified personnel.

6.7.3 Opening Tenders and Quotations

6.7.3.1 Tenders -

- i) All tenders will be placed on Council's approved procurement portal. At the time of implementing this policy, this was vendor Panel.
- ii) All tenders received are to be placed in Council's Record Management System and only to be handled by staff designated by the General Manager.
- iii) Tenders are to be opened as soon as practicable after the specified closing time.
- iv) Tenders are to be opened by two persons designated by the General Manager, and shall include the General Manager if estimated to be over \$250,000. - Under section 27 of the GIPA, requires that Council keeps a register of class 1 contracts (above \$150,000).
<https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2009-052#sec.27>
- v) The designated persons are to initial each financial page of each tender received, as well as preparing and signing a list of the names and amounts of each tender which is then listed on Council's Contract Register – to comply with the provisions of section 175 (5) of the Local Government (General) Regulation 2021-
<https://legislation.nsw.gov.au/view/html/inforce/current/sl-2021-0460#sec.175>.
- vi) Other duties as listed in clause 175 of the Regulation shall also be carried out.
- vii) Confidentiality of Tenders and Quotes is to be maintained at all times during this process.

6.7.3.2 Quotations



- i) Formal quotations/RFQs are to be dealt with as per Tenders in 6.7.3.1 above.
- ii) Where quotations are informally obtained, including by telephone, the responsible Director is to list the names and amounts of all quotations received and attach a signed copy to the official order.

6.7.4 Communication with Tenderers, Suppliers and Consultancies

6.7.4.1 All communications with potential tenderers, suppliers and consultancies should be conducted within strict probity and risk management frameworks to ensure accountability and transparency. Councillors and staff are reminded to ensure they act in accordance to the Model Code of Conduct and Procedures.

6.7.4.2 Records should be kept of all communications with all tenderers, suppliers or consultancies. Council officers are to ensure that:

- I. A register of all requests for tender/RFQ documents and a register of all requests for information regarding the tender and requests for clarification are maintained.
- II. Communication with potential tenderers, suppliers or consultancies is only undertaken by the contact person who must be listed in the public advertisement of the tender and the tender documents.
- III. Unless impractical, all communication to tenderers, suppliers or consultancies be provided in writing and simultaneously to all tenderers, suppliers or consultancies in respect of a question asked of the tender. A copy of the question, not including details of the source of the question, should be circulated with the answer.
- IV. Information or clarification provided to potential tenderers, suppliers or consultancies is consistent and documented. Where the information is not readily or immediately available, the contact person obtains the relevant information and then follows up the request.
- V. Response to queries about a specific tenderer's, supplier's or consultancy's innovative solution should not be communicated to any other tenderer, supplier or consultancy.
- VI. Any amendment to the tender/RFQ documents and the steps taken to inform all potential tenderers,



- suppliers or consultancies of the amendments, are documented.
- VII. Responses to tender/RFQ enquiries should reference the relevant clause in the tender/RFQ documents or if there is no clause relevant to the query, provide the response as an addendum to the tender documents.
 - VIII. Information or clarification provided to potential tenderers, suppliers or consultancies is consistent and documented.
 - IX. Where briefing or site visits are offered by the council in regard to a particular tender or quotation, an attendance register and minutes or notes of the proceedings, including questions asked and answers provided is maintained and forwarded to all attendees following the briefing or site visit.
 - X. During briefings or site visits, council officials (officers and staff) should avoid one to one communication. Requests for information by one potential tenderer, supplier or consultancy should be repeated and the response provided to all in attendance to maintain, transparency, objectivity and fairness to all.

6.7.5 Request for Quote or Tender Evaluation

- 6.7.5.1 A Request for Quotation/tender evaluation panel (EP)/committee will be formed to evaluate all RFQ/tender responses. An evaluation panel of three suitably qualified personnel is required.
- 6.7.5.2 General key area is to be taken into consideration when evaluating a RFQ/tender. In accordance with 6.7.7, all RFQ and RFT documents should include the assessment criteria. The key considerations include:

RFQ/Tender Evaluation Areas	Key	Explanation
Price		While price is one of the most important aspects of Procurement, it does not always follow that the lowest price will always win the contract. The requirement is for the most commercially favourable and advantageous tender to be accepted. This may not necessarily be the cheapest tender.
Commercial Considerations		These should include: <ul style="list-style-type: none"> • the ability of the supplier to deliver the goods and/or services in accordance with the specified delivery dates;



	<ul style="list-style-type: none"> • the capacity of the supplier to meet environmental and WHS standards; • any previous poor supply performances • inferior product quality • the ability to meet appropriate quality standards as set but Council.warranty considerations • any other costs that need to be factored in by Council or others to obtain a final price
Financial Considerations	The financial viability and stability of the supplier. If there are questions in this regards, then appropriate advice should be sought.
Risk	A formal risk assessment must be conducted for all high risk tenders or tenders over \$1,000,000. The resulting risk profile should be used in conjunction with the analysis of other evaluation criteria to determine the recommended tenderer to Council.

6.7.6 Pre-Procurement Activities

In considering purchases through the tender and quotation processes the following questions are to be addressed:

- I. What is the proposed purchase item?
- II. What safety information has been obtained from the supplier regarding the item to ensure the hazards and risks can be properly assessed? Equipment Manual Australian Standards/MSDS/other safety information. Refer to the WHS Purchase Procedure.
- III. Which employees and work processes are affected by the purchase?
- IV. Have the affected employees been consulted? When? Staff will be able to provide input on the requirements of the intended purchase and provide information on safety issues that need to be controlled.
- V. What are WHS risks relevant to the purchase? A risk assessment is undertaken with regard to its potential use at the workplace including the hazards and risks presented by the item to be purchased, the manner in which it is to be used, the suitability of the item for the purpose, and the opinions of the users of the item.
- VI. How will the purchase help manage these risks?
- VII. What has to be done to ensure the use, storage and transport of the purchase is safe, including any



- specific risk control measures identified by the manufacturer/supplier, provision of any personal protective equipment recommended by the manufacturer/ supplier, and provision of any special emergency equipment?
- VIII. What change will need to be made to Safe Work Procedures? Effective risk management procedures need to be in place before the purchase is used at the workplace.
 - IX. What training will be required before the purchase to ensure the safe use of the purchase?
 - X. Have environmental impacts from the purchase been considered?

6.7.7 Assessment Criteria (RFQ and RFT)

6.7.7.1 Prior to approaching the market, the assessment criteria must be clearly defined in the RFQ/tender submission to ensure that tenderers, suppliers or consultancies address the appropriate criteria.

6.7.7.2 Criteria should be weighted with a percentage or provided as a pass or fail.

6.7.7.3 Pricing should only form one of the weighted assessment criteria.

6.7.7.4 The following provides a breakdown of suggested assessment criteria. These need to have a weighted % applied to each of them (refer to Procedures).

It should incorporate the 6.7.5.2 RFQ and Tender Evaluation Key Areas.

- I. Price/Proposed budget allocation/Total Price.
- II. Duration and estimated completion date.
- III. Evidence of previous experience including similar projects of value and scope with references.
- IV. Proposed methodology and approach.
- V. Warranties

6.7.8 Post-Tender Activities

6.7.8.1 A listing of tender respondents is to be displayed in alphabetical order as soon as practicable after the tenders have been opened.

6.7.8.2 A confidential report will be submitted to Council and the tender awarded. In accordance with Clause 179 of the Regulation, Council must make information on the outcome of the tendering process publicly



available by displaying the name and amount of the successful tender, or if no tenders were accepted, a notice to that effect.

6.7.9 Communicating outcome of RFQ/RFT

6.7.9.1 Further, as soon as reasonably practicable, tender, supplier or consultancy respondents should be notified in writing of their successful or unsuccessful tender, supplier or consultancy. If feedback is requested by an unsuccessful tenderer, supplier or consultancy, it will be provided by the Senior Manager responsible for the particular RFT/RFQ.

6.7.10 Accessing tenders through external organisations & prescribed entities

6.7.10.1 Council has the option to access tenders conducted by external organisations. This practice eliminates the need for Council to tender as an individual when there is demonstrated value for money from our alternatives due to a 'bulk buy' methodology. Prior approval from the Director to the General Manager is required before proceeding with this process.

6.7.10.2 Council can access current tenders listed with Local Government Procurement (Prescribed Entity), Procurement Australia (Prescribed Entity), Regional Procurement & Central NSW Councils by following the relevant participation procedures. Council is not limited to utilising tender arrangements as sought by the abovementioned organisations and is encouraged to utilise the most effective method of Tendering for Council's purchasing objective.

6.7.10.3 Council have the capability to compare pricing and if an alternative is deemed better value for money than we are capable of obtaining as a single organisation we may utilise these alternatives. Considerations must also be given to Contract terms and conditions of the alternative tender to ensure the needs and expectations of Council are met.

6.7.10.4 When Council participates in an external organisations tenders the project manager should assess the qualification criteria including compliance, standing offer deed, specifications and any evaluation criteria if available. Considerations must also be given to contract terms and conditions of the tender to ensure the needs and expectations of Council are met.

6.7.10.5 When accepting a tender conducted by an external organisation appropriate approvals must still be sought from either Council or the General Manager, depending on estimated contract value.



- 6.7.10.6 When Council utilises tenders from Prescribed Entities, an approved panel of Service Providers is supplied, Council may choose to do business with one or all of the Service Providers. Where Council spend for any one quote is estimated to exceed \$250,000, and prior to approaching the panel of approved service providers, Council staff must obtain permission to proceed from the General Manager or the Director Corporate Services through Council's Procurement Evaluation Plan and the relevant Director. Once this documentation has been completed and approved, Council staff approach the appropriate approved Service Providers (via appropriate formats i.e. e-quoting portals) to provide a quote under the conditions of tender by the Prescribed Entity for the goods/services required. Council is able to engage suppliers directly (without obtaining quotes), however this is not encouraged.
- 6.7.10.7 The Local Government (General) Regulation 2021 and the Tendering Guidelines for NSW Local Government must still be considered during the evaluation phase of the responses from the request for quote. The same responsibilities apply to a tender with regards to the security of documentation and pricing as well as commercial in confidence information.
- 6.7.10.8 The evaluation of the responses (quotes) must align to the methodology stated in the approved Procurement Evaluation Plan. An Approval Memorandum must be submitted to the General Manager for acceptance of the recommended applicant unless delegated otherwise.

6.7.11 Amending Tendered Rates

Tendered rates cannot be amended mid-contract unless the original tender documentation and contract specifically permits rate increase considerations and/or variations (eg. 'rise and fall ceiling costs'). All requests for rate increases must be made in writing to the appropriate Council delegate and must not exceed the most recent annual CPI rate increase (nearest quarter) All Groups (or the rate specified in the tender/contract). All approved variations must be responded to in writing from Council's delegate (usually the General Manager).

6.7.12 Conflicts of Interest

Council officers or delegates are required to report any identified relationships that could be actual, potential or perceived conflicts of interest both pecuniary and non-pecuniary. A relationship must be reported as it is identified, whether that be before or during any procurement activity, during a contract term, or as a conflict arises. It is the responsibility of the Council officer or delegate to make the appropriate persons aware (as per the Code of Conduct) of the relationship and complete a 'Conflict of Interest Declaration' form. It is at the discretion of



that delegated person in the Code of Conduct to make determination on the conflict (refer to Procedural Register).

6.7.13 Due Diligence

Due diligence of Service Providers is to be carried out, where appropriate, where a tender is not required. Due diligence of any Service Provider must be carried out in all Tender situations.

6.7.14 Receipt of Goods and Services

6.7.14.1 When the goods are received or the works and services carried out, a Goods Received declaration shall be completed in the prescribed format (refer to Procedures).

6.7.14.2 Council has the right to return damaged goods. In relation construction works, the provisions in the Building and Construction Industry Security of Payment Act 1999 applies.

6.7.15 Council Specific Procurement

Council will call for tenders/RFQ on a regular basis for the provision of certain goods and services. The frequency of tenders/RFQ will be guided by legislative requirements and operational needs. These contracts may include, but are not limited to:

- I. The supply of fuel and oils
- II. Cleaning of Council premises
- III. Security services
- IV. Electricity supply
- V. Telecommunications

6.7.16 Panel of contractors

6.7.16.1 Council will establish panels of contractors. Tenders for panel contractors for specific suppliers, consultancies or services will be publicly advertised as required. The process requires all proposed suppliers, consultants or services to satisfy the tender documentations.

6.7.16.2 Approved suppliers will be required to submit an Order of Services Form to ensure assessment provides value for money and compliance with the integrity of the Policy.

6.7.17 Certificates of Insurance Service providers must have appropriate levels of public, products liability and professional indemnity insurance as necessary. Service providers must also provide evidence of their workers compensation coverage where applicable. All required Certificates of



Currency for appropriate insurance must be downloaded into VendorPanel prior to the engagement.

- 6.7.17.1 Service providers identified to be working with (near) children or vulnerable people will be required to complete Police Checks for subcontractors & working with children checks prior to entering any relevant site.
- 6.7.17.2 Publication of Successful Tenderers and Expressions of Interest - Council will maintain a register showing those successful Service Providers to Council in those cases where the contract value is in excess of \$150,000.

7. WORK HEALTH AND SAFETY MANAGEMENT

- 7.1 Council assigns a high priority to the continuous improvement of work health and safety management. More information on risk assessment can be obtained in the WHS Purchasing Procedure. This procedure provides a framework for the determination of the level of WHS risk associated with any service to be provided, along with guidelines for WHS documents to be provided as part of any RFT or RFQ.

8. RISK MANAGEMENT

- 8.1 Council's purchasing risk assessment must be undertaken for all items/goods with regards to its potential use at the workplace. In undertaking the risk assessment, the following factors are to be considered:
 - I. Manner in which it is to be used and the suitability of the item for the purpose
 - II. Hazards and risks presented by the item (including biological and chemical products) to be purchased
 - III. Potential impact on affected personnel
 - IV. Transport, Maintenance, Cleaning and Storage
 - V. Any associated needs (e.g. appropriate firefighting gear) should an emergency with the item occur
 - VI. Legal requirements such as codes of practice or relevant standards
 - VII. Specifications which are required to ensure safe operation or use
 - VIII. Training requirements
 - IX. The need to change work procedures
 - X. The need for personal protective equipment (PPE)
 - XI. Technical data or information required
 - XII. Hazards and risks associated with compounds used in operating, maintaining, cleaning, transporting and storage of the items



XIII. Environmental impact of disposal of waste arising from the above.

- 8.2 All risk assessments are to be documented in Council's record system and undertaken in consultation with employees/ workers who may be affected by the purchase. All records of assessments, and details provided by the service provider shall be maintained in a file by the originator of the purchasing request or the life of the equipment and updated when any modifications are carried out. Previous records of assessments are to be archived as appropriate.

9. SUSTAINABLE CHOICE, ENVIRONMENTAL GOALS AND OBJECTIVES

9.1. Goals

Wherever possible, Council employees and contractors will pursue the following goals and adhere to the specified objectives when purchasing products and services (noting that these impacts should be considered during the entire life cycle of the product - i.e. the production, distribution, usage, and end of life stages):

- I. Minimise unnecessary purchasing - only purchase when a product or service is necessary.
- II. Minimise waste - purchase in accordance with avoiding, reducing, reuse, and recycling strategies.
- III. Save water and energy - purchase products that save energy and/or water.
- IV. Minimise pollution - avoid purchasing products that pollute soils, air, or waterways.
- V. Non-Toxic - avoid purchasing hazardous chemicals that may be harmful to health or ecosystems.
- VI. Greenhouse Benefits - purchase products that reduce greenhouse gas emissions.
- VII. Biodiversity and Habitat Protection - purchase in accordance with biodiversity and conservation objective.
- VIII. Value for Money - purchase the best value for money in the long term.

9.2. Objectives

9.2.1 Council's objectives through sustainable purchasing are to:

- I. Eliminate unnecessary inefficiency, waste and expenditure.
- II. Contribute to the combined purchasing power of local government to further stimulate demand for sustainable products.



- III. Advance sustainability by participating in "closing the life-cycle loop" – ie. the cost of disposal or rehabilitation).
- IV. Increase awareness about the range and quality of products available.
- V. Deliver Council's commitments in relation to ecologically sustainable development (ESD) and other environmental and social objectives.
- VI. Play a leadership role in advancing long-term social and environmental sustainability.

10. GENERAL

- 10.1 All monetary amounts include GST.
- 10.2 Order splitting - i.e. multiple orders – is not permitted to avoid quotation levels within the procurement process.
- 10.3 Council Officers are prohibited from splitting orders for the purposes of acquiring goods or services above their delegated financial and procurement levels, or to avoid the necessity to obtain quotes or call for tenders. When party to a trade-in on goods, the delegated level of authority will be used for the purchase price of the goods not the purchase value less the trade in price.

11. MODERN SLAVERY

“Modern slavery” is defined in the *Modern Slavery Act 2018 (NSW)* as any conduct constituting a modern slavery offence within the meaning of that Act and any conduct involving the use of any form of slavery, servitude or forced labour to exploit children or other persons taking place in the supply chains of organisations

The commencement of the *Modern Slavery Act 2018 (NSW)*, introduces new obligations for councils under the *Local Government Act 1993* relating to modern slavery.

11.1 What this means for Council

- I. From 1 July 2022, Council will be required to comply with the *Modern Slavery Act 2018 (NSW)*. That is, take reasonable steps to ensure that goods and services procured by and for the council are not the product of modern slavery within the meaning of the *Modern Slavery Act 2018 (NSW)*.
- II. Council is required to publish in their annual reports:
 - ✓ a statement of the action taken by the council in relation to any issue raised by the Anti-slavery Commissioner during the year concerning the



- ✓ operations of the council and identified by the Commissioner as being a significant issue, and a statement of steps taken to ensure that goods and services procured by and for the council during the year were not the product of modern slavery within the meaning of the *Modern Slavery Act 2018* (NSW).

12. SOCIAL PROCUREMENT

Council can (or where required must) implement social procurement policies that prioritise the engagement of social enterprises in their procurement processes. This involves setting targets or preferences for purchasing goods and services from certified social enterprises. This needs to be read in conjunction with any other Social Procurement Requirements (examples include state targets, Aboriginal procurement requirements, etc.).

13. 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 Weddin Shire 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.

14. CORPORATE CREDIT CARD

14.1.1 The following applies to the use of Corporate Credit Cards issued to the General Manager and designated Council employees:

- I. Council is to maintain a register of Corporate Credit Cards.
- II. All cards will have transaction limits and monthly spending limits.
- III. The cardholder is responsible for ensuring the security of the Purchase Card.
- IV. The cardholder is responsible for keeping all transaction records, such as receipts to verify expenditure.
- V. All Corporate Credit Card transactions must be authorised by the cardholder’s Director.
- VI. Corporate Credit Card spending will be regularly audited by the Management Accountant/Director Corporate Services and external auditors.



VII. The Credit Card Use form must be completed and endorsed by the card holder when anyone other than the card holder needs to procure goods or services via credit card payment

14.1.2 This needs to be read in conjunction with our Corporate Credit Card Policy.

15. PROCEDURES, GUIDELINES AND SUPPORTING DOCUMENTS

The policy is supported by a number of procedures and guidelines that is in line with best practice and Council Code of Conduct.

16. BREACH OF THE PROCUREMENT POLICY

At all times, Council Officers, Councillors and Contractors must adhere to the requirements set out in this policy. Council Officers in breach of the Procurement Policy will be subject to disciplinary action as set out in the Local Government (State) Award. Councillors must adhere to the Code of Conduct Policy.

17. REPORTING

Procurement reporting will be in accordance with the reporting provisions of the Local Government (General) Regulation 2021 and *Government Information (Public Access) Act 2009*.

18. DEFINITIONS

Key Terms	Meaning
Contract	An agreement, exchange of letters, heads of agreement, deeds of agreement, binding memorandum of understanding, response to tender, grant application, trust deed and any other document which creates or which may create binding obligations on the Council and on the other party / parties to the contract.
Contractor	The supplier or the service provider (the other party) under a contract.
Contract Manager	The Council staff member nominated to be responsible for the management of the administration and management of a contract.
Contract Management	Refers to all activities at the commencement of, during and after the contract period, to ensure that all contractual obligations have been completed.
Contract Owner	The Council staff member who is ultimately accountable for the outcomes of the contract, usually the ELT member or Manager with the Financial Delegation. The Contract



Key Terms	Meaning
	Owner approves contract variations, including extensions, as well appoints the contract management roles.
Contract Register	A register maintained for all Contracts.
Contract Variation	Is an addition or alteration to the original contract and may include a change to the scope of the contract, value of the contract, the contract options to be exercised, contract prices and quantity purchased.
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.
Program Manager	The responsible officer (usually a Senior Manager) for overseeing the contract and any major contractual changes and strategies. The General Manager/Director (owner) appoints the Contract Manager.
Purchasing	means the actual purchasing of goods and services.
Value of a Contract	The value of a contract is whichever of the following values (incl. GST) is appropriate to the kind of contract concerned: <ul style="list-style-type: none"> • The total estimated value of the project, or • The total estimated value of the goods or services over the term of the contract, or • The value of the real property transferred, or • The rent for the term of the lease
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.



Title: Procurement Policy		
Department: Corporate Services		
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1.23.02	21 May 2022	Adopted by Council
Draft 1.23.03	8 May 2024	Finance and Governance Specialist
01.23.03	18 July 2024	ADOPTED 18 July 2024 Resolution 150/24
<p>This policy may be amended or revoked at any time and must be reviewed at least three (3) years since its adoption (or latest amendment). The Director Corporate Services will be responsible for the review of this policy. Review of this policy will incorporate relevant legislation, documentation released from relevant state agencies and best practice guideline.</p>		
Review Date: 2027		
Amendments in the release		
Amendment History	Date	Detail
Annexure Attached:		
Noreen Vu General Manager		