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| Title | Procurement Policy |
| Category | Council Policy |
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Disclaimer

*Please note that this policy may not be current as Snowy Valleys Council (Council) regularly reviews and updates its policies and procedures. The latest controlled version can be found in Council's Records Management System or contact Council's Coordinator Governance and Risk on policy@snowyvalleys.nsw.gov.au for a hard copy of the latest version. **A hard copy of this electronic document is uncontrolled.***

Where there is a delegation identified in this policy, the reader will need to confirm if an alternative delegation exists in the Delegations Register. To the extent that there is any conflict perceived between the delegation/s identified in this policy and of those contained in the Delegations Register, then the delegation/s in the Delegations Register takes precedence. The General Manager will, if necessary, be the sole arbiter in resolving any issues of conflict.

1 PURPOSE

This document sets out the Snowy Valleys Council (SVC or Council) Procurement Policy for purchasing, Tendering, Contract Management, payments and asset disposal relating to the procuring of goods and services.

Council is committed to Procurement practices that result in the best value for money. It is imperative that it uses accountable, transparent, fair and sustainable processes in the Procurement of all goods and services.

Council is to ensure compliance with the *Local Government Act 1993* (the *Act*) and the *Local Government (General) Regulation 2005* (the *Regulation*) in relation to the Procurement and Tendering of goods and services.

The Procurement function is high risk in terms of corruption and therefore it is subject to tight rules and processes. Successful Procurement provides great opportunities to use the community's money wisely and to deliver the required goods and services in a financially, environmentally and socially sustainable way.

2 SCOPE

This policy applies to anyone who undertakes or is involved in Procurement activities on behalf of the Council, including Council Officials, consultants and Contractors

This policy excludes the Procurement or the lease of land and property.

3 DEFINITIONS

For the purpose of this Policy, definitions of terms are provided below:

Conflict of Interests – exist where a reasonable and informed person would perceive that they could be influenced by a private interest when carrying out their public duty (*Code of Conduct*).

Contract Management – is the process whereby both contract parties 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 in particular, to provide value for money.

Contractors and Suppliers – Individuals, organisations or businesses, other than Council Officials, that provides goods or services to Council.

Council Officials – includes councillors, members of staff of Council, administrators, Council committee members, conduct reviewers and delegates of Council (*Code of Conduct*).

Local Supplier – has its principle place of business/registered office within the SVC LGA or has a place of business within the SVC LGA which solely or primarily employs persons who are residents or ratepayers of the SVC LGA.

Non-Pecuniary Interest – are private or personal interests the person has that do not amount to a pecuniary interest as defined in the *Act*. These commonly arise out of family, or personal relationships, or involvement in sporting, social, or other cultural groups and associations and may include an interest of a financial nature (*Code of Conduct*).

Pecuniary Interest – is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person (s442 of the Act).

A person will also be taken to have a pecuniary interest in a matter if that person's spouse or de facto partner or a relative of the person or a partner or employer of the person, or a company or other body of which the person, or a nominee, partner or employer or the person is a member, has a pecuniary interest in the matter (s443 of the Act).

Tendering – is a formal process for seeking offers for the supply of goods or services and the disposal of property whereby an invitation is extended and offers are made and considered, according to a set of pre-determined assessment criteria, prior to the creation of a contract for the supply of the goods or services (*Tendering Guidelines for NSW Local Government*).

The requirements for tendering by NSW local Councils are prescribed under section 55 of the Act and by the *Regulation*.

Procurement – Procurement is the full range of activities related to purchasing goods and services. The Procurement process spans the entire life cycle of the product or service from inception and design through to contract management and disposal of any assets.

4 PRINCIPLES FOR PROCUREMENT

4.1 ENSURING BEST VALUE FOR MONEY AND COST EFFECTIVENESS

The method of Procurement must be cost effective and efficient. Regard must be given to all relevant costs and benefits over the whole of life from the sourcing of raw materials to disposal/recycling/remanufacturing of the goods or services being procured.

Best value for money does not necessarily mean selecting the lowest quoted price. It represents the best return and performance from the money spent over the entire life of the good or service.

Purchasing decisions will be assessed on a value for money basis whilst giving full consideration to non-price factors such as fitness for purpose, quality, timely delivery, service and support.

It also considers broader objectives of Council in areas such as business and industry development, environmental protection, energy conservation, occupational health and safety.

4.2 OPEN AND EFFECTIVE COMPETITION

It is Council's responsibility to give all prospective Contractors or Suppliers fair and equitable consideration to conduct business with the Council. All Contractors or Suppliers must be given equal access to information and equal opportunity to clarify what is being sought.

Council shall encourage and maintain competition by ensuring that there is minimal reliance on a single Contractor or Supplier. This is achieved by the Council engaging a variety of Suppliers or Contractors across all Procurement practices.

4.3 TRANSPARENCY AND ACCOUNTABILITY

Council will ensure all Procurement activities are undertaken through a process that is open, clear and documented.

Accountability in Procurement means that an independent third party must be able to see clearly that a process has been followed and that the process is fair, reasonable and consistent with this policy.

4.4 ETHICAL BEHAVIOUR AND FAIR DEALING

Council Officials will act with honesty, integrity, diligence and a high degree of care in their Procurement processes.

Council will not knowingly enter into procurement processes with Contractors or Suppliers who demonstrate an inability to adhere to Council's values or who fail to meet the requirements of Council's policies, procedures and associated documents.

Council's Procurement will advance the interests of the Council, and attain a high level of professionalism and creditability. The Council strives to be fair by ensuring its processes are appropriate and demonstrates this by being open and accountable wherever possible.

Council's *Procurement Procedure* will align with the Independent Commission Against Corruption (ICAC) Procurement recommendations and the *NSW Local Government Tendering Guidelines*. Council Officials shall undertake their work in accordance with the *Council's Code of Conduct* and *Statement of Business Ethics*.

Council Officials must avoid or appropriately manage any Conflict of Interests and can refer to Council's *Code of Conduct* for guidance. A Conflict of Interests includes, but is not limited to, any pecuniary or non-pecuniary interests held by Council Officials which may influence, or be seen to influence, the outcome of a Procurement process.

4.5 DEVELOPMENT OF COMPETITIVE LOCAL BUSINESS AND INDUSTRY

Council encourages local businesses by supporting economic activity within the SVC LGA, where it is efficient to do so, while achieving the Council's overall principles for Procurement. This method seeks to maximise the overall community benefit for the LGA.

4.6 SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

To support socially and ethically responsible Procurement, Council will investigate the circumstances in which the goods and services are provided for Council use. This investigation extends to establishing whether Contractors or Suppliers promote socially and ethically responsible practices.

Sustainability involves maintaining and enhancing our quality of life, for both current and future generations, through a balance of economic viability, environmental conservation and restoration and community wellbeing. Council will assess proposals to determine commitment to environmental sustainability through whole of life considerations.

4.7 PROMOTING GOOD MANAGEMENT PRACTICES

Procurement documents shall be prepared in accordance with the Council's *Procurement Procedures*, available internally.

All information required to be disclosed under the *Government Information (Public Access) Act 2009 (GIPA Act)* will be made available; and confidentiality will be maintained where appropriate.

Assessment of proposals shall ensure compliance with the *Work Health & Safety Act 2011* to provide a safe working environment for all Council Officials, Suppliers, Contractors,

volunteers and visitors where materials and equipment purchased are fit for purpose and comply with legislative and workplace requirements.

All tenders prepared by Council will comply with the *Act*, the *Regulation*, the *Tendering Guidelines for NSW Local Government* and *Councils Tendering Procedures*.

5 GOVERNANCE

The Council's Procurement activities shall be carried out to the professional standards required by best practice and in compliance with relevant legislation and Councils policies and procedures.

5.1 STRUCTURE

Council has established a Procurement responsibility structure and delegations ensuring accountability, traceability and auditability of all Procurement decisions of all goods, services and works purchased by Council and aims to ensure that Council's Procurement structure is flexible enough to purchase in a timely manner the diverse range of materials, goods, works and services required by Council.

5.2 DELEGATIONS

Council staff must, prior to undertaking any Procurement activities, obtain approval for the decision or act under delegated authority. Financial delegations define the financial limitations within which specified staff may approve a purchase, quotation and contractual processes. All Procurement must be undertaken within these delegations.

5.3 RECORDS MANAGEMENT

Council keeps records of Procurement activities in accordance with the *State Records Act 1998*. The level of detail recorded for each Procurement activity is dependent on the complexity and the dollar value of the Procurement activity.

6 PROCUREMENT THRESHOLDS

Procurement thresholds are contained in the *Procurement Procedures* and set out the required actions for undertaking any Procurement.

7 COUNCIL CONTRACTS

In accordance with section 27 of the *GIPA Act*, Council is required to maintain a register that records information about each government contract which has (or is likely to have) a value of \$150,000 or more. This register is required to be on the Council's website as prescribed under section 35 of the *GIPA Act*.

8 RESPONSIBILITIES/ACCOUNTABILITIES

Council Officials – Responsible for complying with the provisions of this policy and related procedures.

Division Managers/Directors – Responsible for ensuring compliance with the policy and related procedures.

People, Culture and Governance Division – Responsible for ensuring Council Officials that have Procurement responsibilities are trained in accordance with this policy and related procedures.

General Manager – Responsible for supporting Council Officials to apply this policy and related procedures.

9 RELEVANT LEGISLATION

Government Information (Public Access) Act 2009
ICAC Publications and Guidelines
Local Government Act 1993 (NSW)
Local Government (General) Regulation 2005
State Records Act 1998
Tendering Guidelines for NSW Local Government – October 2009
Work Health & Safety Act 2011

10 RELATED POLICIES/DOCUMENTS

Code of Conduct SVC-RP-STY-001
Procurement Procedure SVC-RM-PR-029
Statement of Business Ethics SVC-EXE-Stm -021

11 RELATED FORMS

Nil

12 SUPERSEDING POLICY / PROCEDURE NUMBER AND TITLE

Local Preference Policy GOV.21 (former Tumut Council policy)
Local Preference Policy TSC-EXE-PO-109-01 (former Tumbarumba Council policy)
Purchasing Policy Gov.12 (former Tumut Council policy)
Procurement Policy TSC-RM-PO-055-07 (former Tumbarumba Council policy)

13 REVISION HISTORY

| Date | Version Number | Activity log | Resolution Number | Resolution date |
|------------|----------------|--------------------|-------------------|-----------------|
| 11/12/2018 | 1 | Adopted by Council | M338/18 | 11/12/2018 |

14 CONTACT OFFICER

Position: Division Manager People, Culture and Governance

Section: Internal Services