

Procurement Policy

Leadership

- 1. Our Council has the trust of the community and well-informed decisions are made to ensure long term sustainability of our Shire**

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1. Objectives

Wingecarribee Shire Council has a commitment of providing value for money in delivering services and infrastructure to its community in an ethical, transparent and compliant manner.

This policy sets the strategic direction to ensure Council delivers the procurement outcomes outlined in this policy in accordance with its legislative obligations and executed with the utmost integrity.

2. Scope

This Policy applies to all Councillors, Administrators, permanent employees, temporary or casual employees, suppliers and contractors of Council who are involved in Council's procurement activities or engaged to perform work on behalf of Council.

This Procurement Policy will be accompanied by a Procurement Guidelines which will provide the Council staff details on how to procure in accordance with this policy.

The procurement process can be defined as finding, selecting, engaging and overseeing vendors (or other third parties) to provide goods and/or services to Council.

Notwithstanding the prescribed exceptions outlined within the Local Government Act 1993, procurement activities involving an estimated expenditure or receipt of an amount equal to or greater than \$250,000 (incl. GST) will be subject to the provisions of section 55 of the Local Government Act 1993. All other expenditure (not subject to the provisions of the Local Government Act) is subject to provisions the Procurement Guidelines.

Further information on procurement exemptions is referenced within section 55 of the Local Government Act 1993.

3. Policy Statement

This policy will set a clear and legally compliant policy position which will be incorporated within the Procurement Guidelines.

The following are statements must be incorporated into the Procurement Guidelines to ensure compliance with this policy.

3.1 Standards of Behaviour and Ethical Principles

Councillors, Administrators, permanent employees, temporary or casual employees, suppliers and contractors of Council will conduct procurement activities in a transparent manner which upholds the following behavioural and ethical standards:

- Conduct all procurement activities and business relationships with honesty, fairness and integrity.
- Ensure that procurement activities are open, clear, fully documented, and defensible.
- Declare any interests in accordance with Council's Code of Conduct Policy and Procedure (both pecuniary and non-pecuniary interests).
- Not engage in anti-competitive or collusive practices

- Operate within their allocated delegation.
- Adhere to the applicable legislation, guidelines, codes, policies and procedures.
- Act in a Commercial-in-Confidence basis to ensure confidentiality (where applicable).

Council Officers must not engage suppliers to procure goods or services for their personal use or for use by any organisation other than Council.

3.2 Probity

Council has a Centre-Led procurement model where the Procurement Team oversees the implementation of this Procurement Policy and administration of the Procurement Guidelines to ensure integrity and transparency throughout the procurement process.

The following controls are to be maintained to ensure that probity is maintained throughout the procurement process:

Procurement Activity (including GST)	Probity Control
Procurement Activity Less than \$50K	The Procurement team is to review all purchase requisitions for to ensure compliance with the Procurement Guidelines and Policy before a purchase order is released to a vendor. This includes at least two quotations for procurement activities greater than \$10K. The probity is managed by the relevant Department Manager in accordance with this policy and the Procurement Guidelines.
Procurement Activity greater than \$50K.	Unless the procurement activity meets the criteria for a Complex Procurement activity, a Procurement team member will be allocated as the probity advisor throughout the procurement event. The Chief Financial Officer* may allocate a specialised, independent probity advisor dependant on the risk profile of the procurement activity.
Complex Procurement Activity	The Chief Financial Officer* will allocate a specialised, independent probity advisor if one of the following criteria is met: <ul style="list-style-type: none"> • Any project that is budgeted to cost more than \$10M; OR • The procurement activity satisfies the criteria set by the Office of Local Government for a Capital Expenditure Review; OR • The procurement activity relates to the sale of Council land or buildings; OR • The procurement activity relates to the development or re-development of Council land, buildings or property; OR



	<ul style="list-style-type: none">• Any other Procurement Activities deemed high or extreme as a part of the Risk Matrix Assessment or as determined by the Chief Financial Officer*.
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*In the absence of the Chief Financial Officer, the provisions of this allocation extend to the General Manager or Director Corporate Strategy and Resourcing.

3.3 Value for Money

Value for money is the combination of supply quality and lifetime cost that is most advantageous to Council. Lowest price is not necessarily an indicator of value for money.

Council’s procurement processes will promote value for money outcomes by:

- considering the value, complexity, risk, and resource skills when determining the most appropriate procurement process that is to be followed.
- ensuring that the requirements set out in tenders and quotes accurately reflect Council’s needs (including appropriately qualified and accredited vendors).
- providing transparency of the consideration that led to each value for money decision, including recognition of the lifetime cost associated with the procurement.

These principles will be incorporated in the evaluation criteria in the Procurement Guidelines.

3.4 Sustainable & Social Procurement

Council plays a significant role in procuring sustainable products and services. To achieve sustainable procurement, Council officers will endeavour to adhere to the following objectives wherever reasonably possible:

- Minimise unnecessary purchasing – only purchase when a product or service is necessary.
- Minimise waste – purchase in accordance with avoid, reduce, reuse and recycle strategies.
- Save water and energy – purchase products that save energy and/or water.
- Minimise pollution – avoid purchasing products that pollute soils, air or waterways.
- Non-Toxic – avoid purchasing hazardous chemicals that may be harmful to human health or ecosystems.
- Greenhouse benefits – purchase products that reduce greenhouse gas emissions.
- Biodiversity & habitat protection – purchase in accordance with biodiversity and conservation objectives.

Council understands the importance of social procurement. Where suitable and practicable, Council will investigate and procure goods and/or services from suppliers such as the following:

- Indigenous Contractors & Suppliers; and
- Australian Disability Enterprises (ADEs).

3.5 Local & Australian Made Procurement

Council recognises that through its procurement activities, it plays a large role in the local economy. For all formally evaluated quotations and tenders, there will be a requirement for a mandatory non-price weighted criterion for local submissions/content of 10%.

3.6 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.

Council recognises that Modern slavery is a serious violation of an individual’s dignity and human rights. Exploitative practices including human trafficking, slavery, servitude, forced labour, debt bondage and forced marriage are all considered modern slavery and are serious crimes under Australian law.

Council will not engage with any vendors engage in Modern Slavery practices.

4. Responsibilities

Responsibilities for this this Policy is as follows:

4.1 Councillors and Administrators

The role of Councillors or the Administrator(s) is to provide the strategic direction for this policy and ensure it complies with legislative requirements. When determining a tender, a Council decision should be made in the accordance with the objectives of this policy. The Council will also determine the General Manager’s delegations which will influence how this policy is executed.

4.2 General Manager

The General Manager is responsible for determining the appropriate delegations to Council staff to enable them to administer and perform procurement activities in a way that promotes integrity and value for money.

4.3 Chief Financial Officer

The Chief Financial Officer is responsible for the implementation of this policy. The Chief Financial Officer will establish internal controls to ensure the execution of this policy is in accordance with its intended outcomes. The Chief Financial Officer is responsible for regularly reviewing this policy and the Procurement Guidelines to ensure they are congruent and ensuring the reporting requirements of this policy are completed. The Chief Financial Officer will provide sound, reliable advice to the Council and Executive on procurement matters.

4.4 Council staff

Council Staff must adhere to this policy and the Procurement Guidelines whilst conducting or participating in a procurement activity. Council Staff are also to act in accordance with Council’s [Code of Conduct](#) and are required to only procure goods and services applicable to their delegated authority for the use of Council. Council staff must ensure that engagement of a supplier is conducted through issuing a formal commitment from Council (or other third parties) by using a Purchase Order or other form of agreement (excluding Credit Card and Petty Cash purchases).

4.5 Contractors and Suppliers

Suppliers must act in good faith and ethically in accordance with Council’s [Code of Conduct](#) when participating in a Council led procurement activity. [Code of Conduct](#) and Work Health and Safety provisions extended to when a contractor or supplier is engaged and delivering a service or providing a good on of behalf of Council.



5. Reporting Obligations

5.1 Reporting of Tenders to Council

In accordance with the General Manager's instrument of delegation, any tenders that were not engaged through a prescribed agency and have a value greater than \$250,000 (inclusive of GST) are to be reported to Council.

5.2 Statutory Reporting

Council will fulfil its reporting obligations of any procurement activities in accordance with legislative requirements. This includes:

- Reporting of contracts entered above \$50,000 (inclusive of GST) as a part of the Quarterly Budget Review Statement for the corresponding quarter.
- Register of contracts entered above \$150,000 (inclusive of GST) as a part of the Government Information (Public Access) Review Statement 2009.
- Modern Slavery reporting obligations as outlined by the Anti-Slavery commission within Council's Annual report.

Any additional statutory reporting requirements that eventuate after the adoption of this policy is required to be reported upon as required.

5.3 Internal Reporting

The Procurement Guidelines will outline the relevant reports and timing of these to ensure officers are procuring in accordance with this policy and the integrity of Council's procurement processes are actively managed.

6. Complaints Management

Any complaints or grievances about this Policy from internal or external sources need to be submitted in writing and addressed to the General Manager. The complaint/grievance will be reviewed and responded to in line with Council's [Complaint Handling Policy and Procedure](#).


When a possible breach of this policy has been identified, the matter may be dealt with in accordance with Council's [Public Interest Disclosures Policy](#). This includes cases of maladministration, corrupt conduct, serious and substantial waste, violation of government information or criminal activity.

7. Breaches of this policy

A breach of this policy by a Council Officer will be dealt with in accordance with Council's Code of Conduct Policy. The Code of Conduct Policy articulates the standards of ethical behaviour expected of Council officials and external service providers in their dealings with Council.

Evidence of corrupt and/or unethical conduct by a Council official could lead to (but not limited to):

- Disciplinary action;
- Dismissal;
- Investigation for corruption, inappropriate or unethical conduct; and
- Referral of the matter for criminal investigation.



Evidence of corrupt and/or unethical conduct by a contractor or supplier participating in a procurement activity or engaged to conduct works on behalf of Council could lead to (but not limited to):

- Tender disqualification;
- Contract termination;
- Loss of future work with Council;
- Investigation for corruption, inappropriate or unethical conduct; and
- Referral of the matter for criminal investigation.

8. Related Material

8.1 Related Legislation, Regulations and Guidelines

The following legislative materials are related to this Policy:

- Local Government Act 1993;
- Local Government (General) Regulation 2021;
- Tendering Guidelines for NSW Local Government
- Government Information (Public Access) Act
- Work Health and Safety Act 2011, NSW
- The Modern Slavery Act 2018
- Quarterly Budget Review Guidelines issued by the Office of Local Government
- Government Information (Public Access) Act 2009.
- Relevant ICAC guidelines.

8.2 Related Council Policies and Procedures

The following document is related to this Policy:

- Council Delegations
- Asset Disposal Guidelines
- Council's Procurement Guidelines
- Council's Code of Conduct Policy and Guidelines
- Statement of Business Ethics
- Work Health and Safety Policy
- Gifts and Benefits Policy
- Corporate Credit Card Guidelines

9. Document Control

9.1 Version Control

Version	Adoption Date	Notes
1.0	3 May 2018	Initial adoption of document
2.0	17 August 2022	Following Council resolution MN2022/181. The Policy has made provisions for Probity and Modern Slavery, where other minor changes have been made throughout the document policy to align terminology.



9.2 Superseded Documents

The following documents are superseded by this Policy:

Document Title	Adoption Date	Notes
Procurement Policy	23 May 2018	Initial adoption of document

10. Attachments

Nil

Approved by:

WINGECARRIBEE SHIRE COUNCIL

17 August 2022