



**Central Darling Shire Council**

<b>Title of Policy</b>	Procurement		
<b>This applies to</b>	All public officials of Central Darling Shire Council		
<b>Author</b>	Greg Hill	<b>Date approved:</b>	
<b>Position of Author</b>	General Manager	<b>Authorised by:</b>	
<b>Legislation, Australian Standards, Code of Practice</b>	<i>Local Government Act 1993</i> <i>Local Government (General) Regulation 2005</i> <i>Government Information (Public Access) Act 2009</i> <i>Tendering Guidelines for NSW Local Government 2009</i> <i>NSW Code of Practice for Procurement 2005</i> <i>Independent Commission Against Corruption Act 1998</i>		
<b>Related Policies/Procedures</b>	Code of Conduct Procurement Procedure		
<b>Review Date</b>	2 years from Adoption		
<b>Version</b>	<b>Council Minute</b>	<b>Date</b>	
2			
<b>Superseded Policies</b>			
<b>Review Date:</b>			
<b>TRIM reference:</b>	GD19/8445		

**OBJECTIVES**

The Procurement Policy and associate procedures are designed to ensure that expenditure of public funds results in the best cost/value ratio and to ensure compliance with the following principles:

- Efficiency and effectiveness
- Value for money, being the benefits achieved compared to whole of life costs
- Probity and equity
- Environmental considerations
- Effective competition.

## **POLICY**

Council will give fair and equitable consideration in all its procurement activities and will use public funds to ensure the best return and performance is achieved through prudent evaluation. Council will, in its evaluation, give preference to environmentally sensitive goods where price, performance, quality, sustainability and other evaluation criteria are comparable, considering whole of life analysis.

When purchasing goods and services, Council officers and Councillors will act impartially, maintain a high level of professionalism, confidentiality and accountability. The procurement must be in accordance with all relevant delegations.

The procurement of goods and services by Council must be in accordance with the legislative framework that is set out in Section 55 of the *Local Government Act 1993* (the Act) and Part 7 – *Tendering of the Local Government (General) Regulation 2005* (the Regulation).

Adherence to Council's Code of Conduct, Statement of Business Ethics and Values will at all times be maintained and followed in any procurement activity conducted by Council.

## **QUOTATION AND TENDER THRESHOLD**

### **\$150,000 & over – Tenders are required**

In accordance with the Act and Regulation, Council will invite Tenders before making a contract for carrying out works or the supply of goods and services, involving costs of \$150,000 and over. The acceptance of the Tender is to be reported to and approved by Council.

### **\$30,000 - \$149,999 – Three written quotations are required**

Council may invite Tenders or will obtain three written itemised quotations before making a contract for the carrying out of works or the supply of goods and services involving costs between \$30,000 and \$149,999. The acceptance of the Tender/Quotation is to be reported to Council.

### **\$1,500 - \$29,999 – Two written quotations are required**

Council may invite Tenders or will obtain two written quotations subject to the rates being considered reasonable and consistent with normal market rates for items of a like nature.

### **Under \$1,500**

Goods under the value of \$1,500 will be at the discretion of the relevant Manager and in line with their delegated authority and appropriate Purchasing and Risk Management procedures.

## **LOCAL TENDER/QUOTATION ADVANTAGE**

Council is committed to supporting the local economy and enhancing the capabilities of local business and industry to create a framework that ensures Council gives due consideration to the

actual and potential benefits to the local economy of sourcing goods and services locally where possible, while maintaining a value for money approach at all times.

The intention of this Policy supports Council's commitment to achieve the best value for money outcome to Council and the community, while maximising opportunities for local businesses to compete for Council business.

Preference will be given to those who meet the requirements in local Tenders utilising the following weighting:

10%	<\$5,000
5%	\$5,000-\$30,000
Nil	>\$30,000

### **EXEMPTION FROM REQUIREMENT TO TENDER OR QUOTE**

Council can enter into an agreement without a Tender or Contract above \$5,000 and less than \$150,000 without seeking Quotations, in accordance to the *Local Government Act 1993 - Section 55 (3)*, if:

- Council resolved that the services being sought are of such a specialised or confidential nature that it would be impractical or disadvantageous to seek Quotations or Tenders,
- A genuine emergency exists;
- Quotations are provided by an approved procurement service provider such a Local Government Procurement.

In any circumstance where a decision not is to Tender, in accordance to the *Local Government Act 1993 - Section 55 (3)*, Council must record its reasons in writing for any exemptions.

### **PURCHASE ORDERS**

A purchase order is Council's official document used to purchase goods or services from an external supplier. A purchase order confirms the contractual relationship between Council and the supplier and must be issued before the procurement of the goods or service.

### **RELATED POLICIES/DOCUMENTS**

- *Local Government Act 1993. Section 55*
- *Local Government (General) Regulation. Part 7 – Tendering. Sections 163 to 179.*
- Procurement Procedure
- DLG Tendering Guidelines October 2009
- DLG Circular No 06/07 – Procurement in NSW Councils

### **VARIATIONS**

Council retains the right to review, vary or revoke this policy at any time.

The General Manager has the right to review of vary any related procedures.