

## BACKGROUND

This Sustainable Procurement Policy defines Council's procurement function including purchasing, purchase cards, tendering, contract management, payments and asset disposal relating to the acquisition and use of goods and services.

Procurement is a function that 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 much needed goods and services in a financially, environmentally and socially sustainable way.

All officers must comply with this policy, and must be able to demonstrate through training or certification that they can address all the principles within the policy and procedures that support it.

## OBJECTIVE

The main objectives of this policy are to –

- 1 Provide a procurement function that manages risk and provides for the safety of Council officers, business partners and the community.
- 2 Ensure that acquisition planning and supplier evaluation is clearly linked to Council's strategic directions; and supported by efficient and effective contract management and evaluation.
- 3 Provide clarity of accountabilities and guidance for officers engaged in purchasing, use of purchase cards, tendering, contract management, payments and asset disposal relating to the acquisition and use of goods and services.

Council's procurement processes are intended to ensure best value for money for the community and provide:

- A safe working environment for all officers, suppliers, contractors, volunteers and visitors;
- Ethical business dealings, meeting high standards of probity;
- Sustainable work practices and minimal environmental impact;
- Open and effective competition; and
- Management of formal contractual arrangements between Council and suppliers.

## POLICY STATEMENT

The procurement function will comply with all legislative and risk management requirements.

## STATEMENT OF PROCEDURES

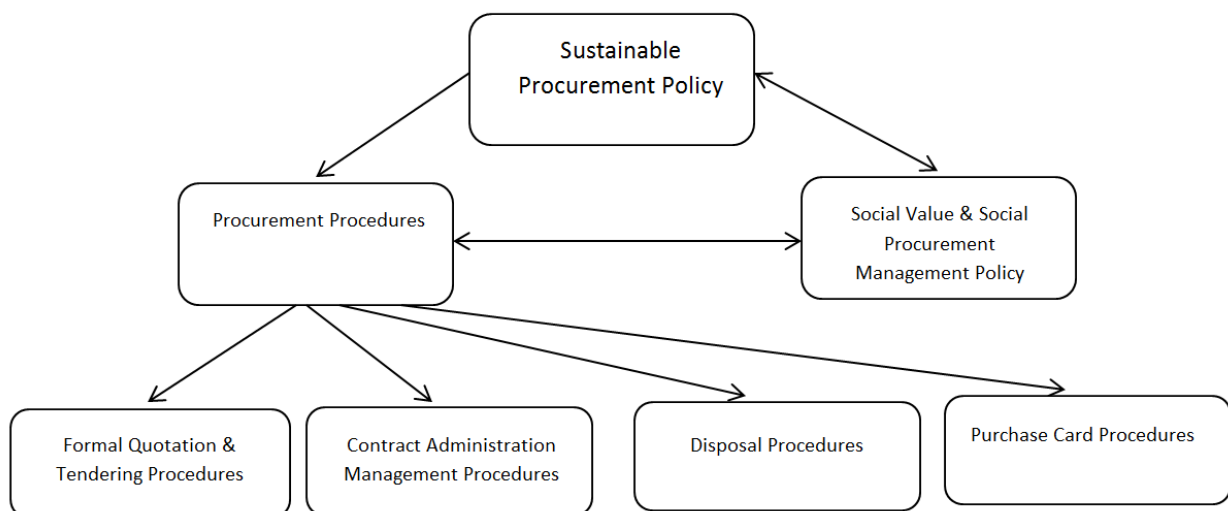
The following principles will be incorporated into our practices:

- 1 Best value for money for the community;
  - i The method of purchase must be cost effective and efficient;
  - ii Take into account all relevant costs and benefits over the whole of life from the sourcing of raw materials to disposal of the goods or services being procured; and
  - iii Accepting the lowest price is not necessarily the only indicator of best value for money.
- 2 A safe working environment for all officers, suppliers, contractors, volunteers and visitors where materials and equipment purchased are fit for purpose and comply with legislative and workplace requirements.
- 3 Council's procurement procedures will provide ethical business dealings and pass scrutiny from internal and external stakeholders.

Procurement activities must:

  - i Demonstrate the relationship to Council's priorities, objectives and values;
  - ii Model high-quality environmental standards and responsibility;
  - iii Display professionalism, integrity, probity and not behave in any manner that contravenes Council's Code of Conduct, values and Code of Business Ethics;
  - iv Avoid any actual, or appearance of any possible, conflict of interest;
  - v Maintain confidentiality of information obtained that relates to procurement activities; and
  - vi Not provide any unfair advantage or bias to any supplier.
- 4 To reduce risk associated with procurement activities, Council staff will:
  - i Determine the level of risks associated with the acquisition when deciding on the method of purchase to be used;
  - ii Undertake and document a risk analysis for all procurement involving the process of calling of tenders or as determined by the delegated purchasing officer;
  - iii Comply with procedures relating to procurement;
  - iv Ensure segregation of duties in the requisitioning, approval and payment functions;
  - v Only approve the incurring of expenditure up to the delegated monetary level and within budgetary limits;
  - vi Ensure all suppliers are registered and contracted with Council through a registration process that confirms a pre-approved and/or established systems of WHS systems, environmental factors and insurances are in place;
  - vii Use Council's procurement services, Council stores, State Government Contracts, Prescribed Entity Contracts, Council's period contracts, and Council's catalogues whenever possible;
  - viii Provide suppliers with Council's standard Purchase Order and/or contract prior to supply; and
  - ix Maintain a contract register and procedures for contract variation and contractor evaluation.
- 5 Council does not support the extension of contracts as a means of avoiding periodic competitive Tendering in accordance with Formal Quotation and Tendering Procedures.
- 6 All goods and services that are restricted and/or dangerous must only be acquired in accordance with the WHS Purchasing of Goods Procedure and the Contractor Management Procedure located in the Safety Intranet site under WHS Systems Procedures located on the HUB.
- 7 Council supports sustainable work practices and minimal environmental impact as evaluation criteria in all procurement and suppliers should demonstrate commitment to the environment.
- 8 Council supports the integration of the Sustainable Purchasing Policy Principles, as outlined by the Local Government NSW 'Sustainable Choice' program, into all areas of Council business through its Procurement Management Procedures.
- 9 Suppliers must be provided access to open and fair competition to compete for Council business.
- 10 Suppliers will be eliminated from the procurement process if found to be lobbying Councillors or staff during the procurement process.

- 11 Council supports the strengthening of local economic capacity through the Procurement Management Procedures. The criteria to assist local firms obtain business with Council will be based upon the following strategies:
  - i Quotations - Council will give preference to a local supplier if the assessment of all selection criteria is equal; or
  - ii Tenders – A criterion weighted at 5% for strengthening of local economic capacity shall be included in all tenders (definitions will be included in the tender documents).
- 12 Council supports the integration of the principles of Social Value and Social Procurement into all areas of Council business through its Procurement Management Procedures. Definitions of Social Value and Social Procurement are detailed within the Social Value and Social Procurement Policy.
- 13 Staff engaged in procurement will be trained in Council’s policies, procedures and systems; and be certified as understanding them, prior to being provided authority and access to procurement systems.
- 14 The procurement/lease of land and property is excluded from this Council policy.
- 15 Standard contract conditions will not be altered or varied without the approval of the Governance and Information Division.
- 16 Council’s purchasing procedures will align with the Independent Commission Against Corruption (ICAC) Procurement Policies and Office of Local Government guidelines.
- 17 The framework for procedures under the Sustainable Procurement Policy is shown below:



SUMMARY SHEET	
Responsible Division	Finance
Date adopted by Council	8 September 2014 EMC adopted minor administrative change on 16 February 2016
Date of previous adoptions	8 September 2014, September 2010, June 2010, April 2007
Date of next review	September 2019
Prepared by	Supply Chain and Logistics Manager
Authorised by	Manager Finance