

## 1.0 INTRODUCTION

- 1.1. Council is committed to obtaining the best possible value for public funds through the implementation and management of an appropriate procurement system. This policy establishes a framework for the implementation of Council's procurement arrangements.
- 1.2. Council shall strictly implement its Code of Conduct, Work Health and Safety Act guidelines and other relevant policies on matters relating to its purchasing activities. This policy links to Moree Plains Shire Council's Community Strategic Plan, as it allows Council to be accountable and transparent in its affairs, operate with integrity, improve responsiveness and pursue innovative solutions for organisational improvement.

## 2.0 PURPOSE

- 2.1. The purpose of this policy is to provide clear guiding principles for Council in its procurement of goods and services. The policy sets out the legislative framework within which Council operates. Clear guidelines detail behaviors expected of Council Officers, suppliers and contractors to ensure best value for money, good management practice, transparency and probity in tendering decisions.

## 3.0 SCOPE

- 3.1. This Policy applies to all procurement activities undertaken by Council, other than statutory payments or payments for membership of Regional or State organisations and is binding on all Councillors, Council staff, Section 355 committees, suppliers, contractors and any other external entity overseeing the purchase of goods and services for Council.

## 4. DEFINITIONS

- 4.1 **Council** means Moree Plains Shire Council
- 4.2 **Council Officer or staff member** means a staff member who is employed by Council on a permanent, part-time or casual basis
- 4.3 **External Policies** mean those policies that will have a noticeable effect on the public and are required to be placed on public display.
- 4.4 **Local supplier** is deemed to be a supplier who operates a business within the boundaries of the Moree Plains Shire. Eligibility criteria such as Council Rates Notices and or utility accounts showing addresses may need to be provided as proof of locality
- 4.5 **The Act** means the *Local Government Act 1993*
- 4.6 **The General Manager** is the General Manager of the Moree Plains Shire Council

## 5.0 BUILDING AND MAINTAINING PROCUREMENT CAPACITY

### 5.1. Best Value

- 5.1.1. To achieve sustainable value, a strategic assessment of the appropriate procurement path must be carried out on an individual purchase or project basis. Participation in regional projects or panels and access to Local Government and State Government panel agreements, or other means, are to be considered to ensure that arrangements deliver the best value outcomes in terms of value for money, sustainability, protection of the environment, corporate social responsibility, Safety Standards and risk management.
- 5.1.2. Reconciliation Action Plan (R.A.P.) - Council will continue to investigate opportunities to increase supplier diversity within procurement activities including becoming a member of Supply Nation and to educate staff about using Aboriginal and Torres Strait Islander business.
- 5.1.3 Council will integrate sustainability principles, planning and implementation into procurement processes, in order to achieve sustainable procurement.

### 5.2. Local Supplier Preference

- 5.2.1. This policy supports the local economy and capabilities of local business and industry to assist them when engaging in business with Council. This ensures that due consideration is given to the actual and potential benefits to the local economy of sourcing goods and services locally, where possible, whilst maintaining a value for money approach at all times.
- 5.2.2. The policy sets out the procurement framework to assist local industry and local economic development ensuring that buying practices, procedures and specifications do not disadvantage local suppliers and ensure transparency procurement and contract management practices.
- 5.2.3 Where Council calls for quotes and/or tenders for goods or services, and a Local Supplier provides the goods or services; it must ensure that an invitation to quote is extended to at least one local supplier as part of the procurement process, to ensure demonstrated consistency with local supplier preference.
- 5.2.4. A local price preference will apply to all procurement activities invited by Council for the supply of goods and services, unless Council resolves that this Policy not apply to a particular procurement activity. Where applicable, the amount and/ or type of local content is assessed using the selection criteria together with a weighted score system of assessment. It should be noted that the lowest price will not necessarily be guaranteed of acceptance.

5.2.5. For the purposes of selecting the successful supplier tendered by local and non-local suppliers, the following levels of price preference discounts will be applied under this policy;

- a) For Non-Tender purchases with local content – supplier given 2% discount
- b) For Tender purchases with local content – supplier given 2% discount

5.2.6 Discounts may also be extended to apply to suppliers based outside the Moree Plains Shire area where such suppliers;

- a) Use goods, materials or services of a significant amount via sub-contracts that are sourced within the Local Government area of Moree Plains Shire. The discount applies to the value of the goods, materials or services sourced and used from the local government area; or
- b) Can demonstrate the use of locally sourced products and services as opposed to using products and services from outside the Moree Plains Shire area.

### 5.3 Continuous Improvement

5.3.1. Council is committed to continuous improvement with review of the procurement policy and guidelines on a regular basis to ensure standards and processes comply with current legislation and market changes.

## 6.0 POLICY STATEMENT

### 6.1 Responsibilities

6.1.1. The Finance Section is responsible for implementing this policy.

6.1.2. The Executive Department is responsible for recording and providing approved and drafted policies in an easily accessible register through the use of Records Management Systems.

6.1.3 The Executive Department is responsible for making this policy readily available to community members and staff on request and for ensuring that this policy is adhered to in a consistent manner.

### 6.2 Management

6.2.1. This Procurement Policy (in conjunction with Council's Procurement Procedures) is intended to provide guidance for Council in their day to day activities in managing

purchasing, quotations, tendering, expressions of interest and contract management.

### 6.3 Policy Limitations

- 6.3.1 This provisions of this policy are limited to financial threshold Requirements of Tendering prescribed in Section 55 (3) (n) Local Government Act 1993 and Section 163 (2) *Local government (General) Regulation 2005*.

### 6.4 Financial Delegations for Procurement

- 6.4.1. The General Manager is authorised by council to approve the financial delegations to Council Staff. Financial delegations define the financial limitations within which specified Council officers and staff may approve procurement activities.

### 6.5 Quotation

- 6.5.1. Council Officers are required to obtain quotes for authorised purchases according to the guidelines provided in Council Purchasing Procedures.

### 6.6 Purchase Orders

- 6.6.1. A purchase order is Council's official authorisation document to purchase goods or services from an external supplier. A purchase order will confirm the contractual arrangement between Council and the supplier for goods and services, and facilitate payment, including progress payments.
- 6.6.2 A purchase order is to be used for procurement of all goods and services except in cases where a policy of Council specifically exempts the requirement of a purchase order.

### 6.7 Exceptions and Exclusions for Procurement Requirements

- 6.7.1. In the interest of maintaining efficiency in the purchasing process there are some instances where the requirements outlined in this policy may not apply. These exceptions and exclusions only apply to procurement activities where at least one of the following conditions are satisfied;
- a) Where there is only one firm or person capable or available to undertake the task. In such circumstances, the arrangement is to be commercially negotiated to achieve best value for money.

- b) Legal or ongoing consulting and training services, as determined by the General Manager, in instances where it is necessary for service providers to have an ongoing knowledge of the affairs of Moree Plains Shire Council in order to provide an effective and informed service.
- c) Supply of goods and services under a Government purchasing or contracting agreement under those let by bodies including Regional Organisations of Councils e.g., Northern Inland Regional Waste, Local Government Procurement, Procurement Australia or the NSW State Government.
- d) Where there is a genuine urgent circumstance. For example, emergency repairs of Council infrastructure that expose Council to a public, staff or environment safety risk. Council Officers utilising this exemption are to use the Council Preferred Supplier list in selecting a supplier for the goods and services required. Dependent on circumstances, Council Officers are required to obtain verbal confirmation from their Manager or Director seeking an exemption from this Procurement Policy.
- e) Where supply arrangements for small value consumables, with expected annual purchases greater than \$20,000 are documented and signed off by the General Manager.
- f) Goods and Services procured utilising a prequalified supplier on an internal list for an amount less than \$30,000.

## 7.0 SAFETY RESPONSIBILITIES OF CONTRACTORS

### 7.1 Safety Management Requirements

- 7.1.1. Council is obliged to provide and maintain, where practicable, an environment that is without risk to health and safety. Therefore, contractors and consultants engaged to provide a goods and/or services on its behalf are required to be aware of their safety management requirements and at all times identify, exercise and maintain all reasonable and necessary precautions for the health and safety of all persons.
- 7.1.3. The cost of complying with safety management responsibilities shall be deemed to be included in the quotation amount and no additional payment shall be made in regard to meeting these obligations.

### 7.2 Chain of Responsibility

POLICY	PROCUREMENT POLICY	
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7.2.1. The Chain of Responsibility (CoR), is a nationally legislated program of compliance and enforcement under the Heavy Vehicle National Law that aims to improve safety and reduce accidents across the road transport industry.

7.2.4. The CoR is relevant for all areas of Council’s activities and contractors and consultants engaged to provide a goods and/or services (Alternative wording - or engaged for a procurement activity) on its behalf are required to demonstrate compliance, when requested, by providing safety management systems such as business practices, training, procedures and review processes.

## 8.0 NON COMPLIANCE

8.1. Non-compliance with this policy may result in disciplinary action and/or dismissal.

## 9.0 VARIATION

9.1.1 This Policy is automatically amended as a result of any changes to the *Local Government Act 1993*, the *Local Government (General) Regulation 2005*, or other amending legislation, it being noted that the Act and Regulations take precedent over the Council's Policy.

9.2.1 Council reserves the right to vary the terms and conditions of this policy and may by resolution depart from the procurement policy, subject to a report to Council.

## 10.0 DELEGATION

10.1. The General Manager is authorised, pursuant to Section 377 of the *Local Government Act 1993*, to allow a matter that does not conform with a policy to proceed if the General Manager is of the opinion that the variation from the Policy is of a minor nature.

## 11.0 REFERENCES

- 11.1. *Local Government Act 1993*
- 11.2. *Local Government (General) Regulation 2005*
- 11.3. Moree Plains Shire Council Procurement Policy
- 11.4. Moree Plains Shire Council Delegation Policy

## 12.0 DISPUTE PROCEDURE

- 12.1. In the event of a dispute over any aspect of this Policy, immediate action will be taken by the Director of the Department who was responsible for developing the policy through effective and constructive consultation between the parties concerned. If a resolution cannot be reached, the General Manager will determine the matter and that decision shall be final.

### 13.0 REVIEW

- 13.1. Council will review existing policies if at any time it is apparent that the circumstances which gave rise to the policy have changed substantially.
- 13.2. Council will consider existing policies on a progressive basis; however, each policy will be reviewed by staff at least once within four years of the date of adoption and proposed changes reported to the Council.

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## HISTORY

Original Policy	<b>Policy on Policy Making (2005)</b>	
Policy drafted by	Executive	
Policy reviewed by Managers' Meeting	17 September 2014 15 October 2014	
Policy reviewed by Manex	[Date]	
Council Resolution Number, if applicable	Not applicable	
Date of Adoption	[Date]	
Review Date	[Date]	
Classification of Policy	Internal	
This Policy works in conjunction with these polices	[Policy Name]	[Records Manager No]
This policy works in conjunction with these procedures:	[Procedure Name]	[Records Manager No]

ELECTRONICALLY SIGNED BY THE GENERAL MANAGER OF MOREE PLAINS SHIRE COUNCIL,  
WHOSE SIGNATURE APPEARS BELOW.

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**LESTER RODGERS**