

Procurement Policy

Corporate & Commercial Services

Council conducts its procurement and contracting activities to advance the strategic priorities and outcomes of the Community Strategic Plan whilst achieving value for money with probity and accountability. In doing so, Council must meet its legislative obligations under the *Local Government Act 1993*.

Policy No:	POL/6001	Version:	4
Service Unit:	Procurement		
Responsible Officer:	Manager Corporate Services		
Responsible Director:	Director Corporate & Commercial Services		
Authorisation Date:	15 November 2022	Review Date:	15 November 2026
Minute No:	185/22		

Printing Disclaimer

If you are viewing a printed copy of this document, it may not be current. Printed copies of this document are not controlled.

Before utilising a printed copy of this document, verify that it is the most current version by referencing Council's intranet.

Table of Contents

1	Background.....	3
1.1	Title of the Policy and Commencement Date	3
1.2	Purpose of the Policy	3
2	Objective	3
2.1	Objectives and Coverage of the Policy	3
3	Application	3
3.1	Application of this Policy	3
4	Definitions	4
5	Principles/Body	4
5.1	Procedural Statement	4
5.1.1	Procurement Principles	4
5.1.1.1	Value for money	5
5.1.1.2	Sustainability	5
5.1.1.3	Modern Slavery	5
5.1.1.4	Open, fair and honest competition	6
5.1.1.5	Risk Management	6
5.1.1.6	Compliance	6
6	Relevant Legislation.....	6
7	Document Information	7
7.1	Related Documents.....	7
8	Responsible Officer / Policy Owner	7
9	Responsibilities	7
10	Approval	9
11	Monitoring	9
12	Review Date	9
13	Last Review Date	9
14	Record Keeping, Confidentiality and Privacy	9
15	Breaches and Sanctions	9
16	Document History.....	9



1 Background

1.1 Title of the Policy and Commencement Date

The Procurement Policy which will be effective upon adoption by Council.

1.2 Purpose of the Policy

This policy is intended to outline Council's commitment to sustainable and compliant procurement.

2 Objective

2.1 Objectives and Coverage of the Policy

The implementation of this policy will:

- Eliminate unnecessary purchases, maximise the re-use and recycling of productions, minimise waste and purchase fewer goods with negative environmental impact,
- Increase purchaser awareness about the 'sustainability advantage' of alternative products,
- Deliver Council's commitments in relation to ecologically sustainable development (ESD), environmental management and social wellbeing objectives,
- Demonstrate to the community that Council is 'walking the talk' in relation to sustainable purchasing,
- Establish a procurement framework for Singleton Council (Council) to achieve value for money and continuous improvement in the provision of services for the community,
- Ensure that Council resources are used efficiently and effectively,
- Achieve compliance with relevant legislative requirements achieving high standards of probity, transparency, accountability, and risk management,
- Give preference to procurements which provide environmentally sustainable benefits,
- Give preference to procurements which provide community and social benefits,
- Aim to eliminate practices of modern slavery or hidden labour exploitation including illegal wages and employment practices, discrimination, harassment, where identified.
- Provide opportunities for local business to act as a supplier to Council,
- Where practical, Council will collaborate with other Council's to take advantage of economies of scale.

3 Application

3.1 Application of this Policy

This Policy applies to all procurement activities for and on behalf of Council and is binding upon Councillors, Council staff including temporary and contract employees as well as contractors and consultants while engaged by Council.

This Policy represents the principles, processes and procedures that will be applied to all procurement activities undertaken by Council. The scope of this policy



commences from when Council has identified a need for procurement, and it continues through to the delivery/completion of that procurement.

4 Definitions

For the purposes of this policy:

Term	Meaning
Council	Singleton Council
Probity	The evidence of ethical behaviour, and can be defined as complete and confirmed integrity, uprightness and honesty in a procurement process
Procurement	The process of acquisition of external goods, works and services. The process spans the whole life cycle from initial concept through to the end of the useful life of an asset or the end of the contract period
Procurement Process	The process of inviting parties to submit a tender or quotation using either invitation or public advertisement, followed by evaluation of submissions and selection of a successful respondent or tenderer
Sustainability Advantage	A measure used to compare the merit of various product options with improved environmental and sustainability performance that can also add business value.
Sustainable Procurement	The process of organisations meeting their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment
Whole of Life Cost	Whole life costing takes into account the total cost of a product or service over its lifetime, from concept through to disposal including purchase, hire or lease, maintenance, operation, utilities, training and disposal. It is important for procurement to take all these elements into consideration when making decisions and comparing the costs of buying, renting or leasing equipment particularly. In most cases the purchase costs are only a small proportion of the cost of operating it

5 Principles/Body

5.1 Procedural Statement

5.1.1 Procurement Principles

Council will apply the following fundamental best practice principles to procurement, irrespective of the value and complexity of a procurement.



5.1.1.1 Value for money

All procurement activity will take into account the 'whole of life' costs of a purchase rather than the initial cost to Council. Value for money is determined by financial and non-financial factors, including but not limited to quality, fit for purpose, capability, risk, total cost of ownership, including maintenance and operational costs, disposal and contribution to Council's Community Strategic Plan and Objectives through our Leadership, to lead, govern and regulate in an ethical, equitable and transparent way and ensuring Council's tenders and contracts are compliant.

5.1.1.2 Sustainability

Sustainable procurement is procurement or purchasing that looks beyond the initial cost outlay and has the most positive economic, social and environmental impacts across the entire life cycle of a goods/service, the triple bottom line, and contributes to Council's obligation to spend community money efficiently, effectively, economically and ethically.

Council will ensure that the environmental performance of goods and suppliers is considered by adopting criteria linked to the principles of ESD:

- Promoting and supporting the local community, local suppliers and the local economy,
- Purchasing necessary products or services and select products and services that reduce Council's consumption footprint,
- Purchasing in accordance with the waste hierarchy – prevent, reduce, reuse, recycle and recover,
- Purchasing products that save energy and/or water including products with recycled content, and those that minimise greenhouse gas emissions,
- Avoid purchasing products that pollute soil, air or water,
- Avoid purchasing hazardous chemicals that may be harmful to human health or to the environment,
- Considering the desirable life of the product, as well as the upstream production and transportation costs,
- Considering the impact on the health and safety of staff and the community when procuring goods and services,
- Where appropriate, and to the extent permissible by law, supporting Australian owned suppliers, and/or suppliers who manufacture in Australia,
- Developing and sustaining markets for sustainable products and services.

5.1.1.3 Modern Slavery

Council will take reasonable steps to ensure that goods and services procured by and for the Council are not the product of modern slavery within the meaning of the *Modern Slavery Act 2018* (NSW).

Council will publish in the annual report:

- a statement of the action taken by the Council in relation to any issue raised by the Anti-slavery Commissioner during the year concerning the operations of the council and identified by the Commissioner as being a significant issue, and



- a statement of steps taken to ensure that goods and services procured by and for the Council during the year were not the product of modern slavery within the meaning of the *Modern Slavery Act 2018* (NSW).

5.1.1.4 Open, fair and honest competition

Council will follow a competitive, honest, transparent and fair process. All procurement and purchasing at Singleton Council is to be conducted in compliance with Council's values:

- Integrity - to act with commitment, trust and accountability,
- Respect - open, honest, inclusive and supportive,

Excellence - strive to achieve the highest standards. Council will not seek to purchase goods or services without having funds available and will be consistent in all aspects of purchasing, ensuring compliance with our procedures, ensuring our practices are open, fair, transparent, documented and defensible, more information can be found within the Procurement Procedure.

5.1.1.5 Risk Management

Council will follow Council's adopted Integrated Risk Management procedures and policy.

5.1.1.6 Compliance

In all purchasing decisions, Council will comply with the *Local Government Act 1993*, the *Local Government (general) Regulation 2021*, Tendering Guidelines for NSW Local Government, Council's Code of Conduct and ICAC's Managing Conflicts of Interest in the Public Sector.

As specified in Section 55 of *Local Government Act*:

3. (a) subject to the regulations, a contract for the purchase of goods, materials or services specified by a person prescribed by the regulations made with another person so specified, during a period so specified and, if a rate is so specified, at a rate not exceeding the rate so specified.

Recognised prescribed contractors include:

- Local Government Procurement Partnership
- Procurement Australia Pty Ltd

Other Procurement aggregators available to Council but require a Council or General Manager resolution are:

- The Regional Procurement Initiative (Hunter Councils)
- NSW State Government (buy.nsw)

6 Relevant Legislation

Local Government Act 1993

Local Government (General) Regulation 2021

Government Information (Public Access) Act 2009

Modern Slavery Act 2018 (NSW)



OLG Tendering Guidelines
 NSW Government Procurement Policy Framework
 NSW Government Procurement Policy
 AS Sustainable Procurement Guide
 ICAC's Managing Conflicts of Interest in the Public Sector

7 Document Information

Related documents and reference information in this section provides a single reference point to develop and maintain site compliance information.

7.1 Related Documents

Related documents, listed in **Table 7-1** below, are internal documents directly related to or referenced from this document.

This Procurement Policy has been developed so that it is consistent with Council's Vision and Mission.

In addition, it also acknowledges Council's Corporate Values and Code of Conduct.

Number	Title
POL/6018	Local Preference Policy
POL/6010	Asset Disposal Policy
POL/1011	Code of Conduct
POL/30003	Competitive Neutrality and Complaints Handling Policy
POL/9008.4	Integrated Risk Management Policy
POL/6007	Fraud & Corruption Control Policy
POL/9007	Gift and Benefits Policy

Table 7-1 – Related documents

Other Council related documents include:

- Council's Procurement Document Suite
- Statement of Business Ethics

8 Responsible Officer / Policy Owner

Ownership of this policy rests with the Manager Corporate Services.

9 Responsibilities

All officers responsible for generating purchasing requests need to be fully aware of, and comply with, Council's Procurement Policy. Where additional guidance is required, they should consult with the Procurement Coordinator.



Parties or Persons	Responsibilities
Elected Council	Authorise and accept tenders presented by Council in compliance with the <i>Local Government Act 1993</i> .
The General Manager	<p>As the administrative head of Council, the General Manager has a series of unique responsibilities.</p> <p>The General Manager monitors the performance of procurement across the organisation and is also responsible for reporting any matter that is suspected on reasonable grounds to be “corrupt” to the Independent Commission Against Corruption.</p> <p>All allegations of behaviours relating to fraud and corruption, maladministration and serious and substantial waste are referred to the General Manager. The General Manager will decide what actions should be taken to assess the situation, together with receipt and approval of an investigation plan before the commencement of any formal investigation.</p> <p>The General Manager approves and executes Procurement contracts in accordance with Financial Delegations.</p>
The Executive Leadership Team	<p>The Executive Leadership Team (ELT) is responsible for leading by example and driving the organisational culture and behaviours in the requisite directions.</p> <p>The NSW Code of Conduct for Senior Executives specifically talks about the need to “lead by example and encourage their staff members to exercise similar qualities of personal and professional behaviour” and that “staff and resources should be managed in a way that will, to the greatest extent possible, avoid the opportunity for unethical behaviour by others.”</p> <p>The Executive Leadership Team also considers and approves all policies and procedures relating to procurement.</p>
Directors	Approve purchase orders for contracts that have been awarded by resolution of Council or ELT.
People Leaders	<p>People Leaders have additional responsibilities. They are responsible for:</p> <ul style="list-style-type: none"> • Making sure that all officers responsible for generating purchasing requests understand their responsibilities. • Making sure that staff undertaking major procurement projects have the knowledge, skills and experience necessary to undertake this task. • Assessing current and emerging procurement risks. <p>Checking to make sure that procurement risks are being managed and that workplace behaviours are consistent with corporate expectations.</p>
Employees	Undertake Procurement in accordance with this Policy, its associated procedures, and legislative requirements.



10 Approval

As per cover sheet.

11 Monitoring

This policy will be monitored by the Manager Corporate Services to ensure compliance.

Council monitors and evaluates its success in procurement and to do this we:

- Test our control mechanisms through regular audits,
- Require Pre-Purchase Risk Assessments to be completed where complex, high value procurement is undertaken so that we actively manage our procurement risks,
- Update our policies and procedures in light of the above performance information.

12 Review Date

This policy, once adopted, is to remain in force until it is reviewed by the Council. This policy is to be reviewed approximately every four (4) years to ensure that it meets legislative requirements.

13 Last Review Date

This Policy was last reviewed on 16 November 2020.

14 Record Keeping, Confidentiality and Privacy

This policy is to be made available for public viewing as required under the *Government Information (Public Access) 2009, NSW*.

15 Breaches and Sanctions

Any breaches of this Policy will be referred to the General Manager for appropriate action.

16 Document History

The below table provides a summary of changes and amendments to this document

Section	Date Amended	Author	Comments
	October 2022	Manager Corporate Services	Update to position titles throughout the document
2.1			Update Objectives and Coverage of the Policy



Section	Date Amended	Author	Comments
4			Insert Sustainability Advantage definition
5.1.1.2			Update factors and add modern slavery requirements
5.1.1.5			Update Local Government (general) Regulation 2005 to be 2021
6			Update Local Government (general) Regulation 2005 to be 2021 Add Modern Slavery Act 2018 (NSW)
7.1			Add POL/6018 Local Preference Policy to the table
16			Add table for Document History

