



Bayside Council

Serving Our Community

Procurement Policy

14 August 2019



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Procurement Policy

File: SF16/145 Document: 17/61373[v2]

Policy Register: F16/951 Policy No.: PP17/10

Class of document: Council Policy

Enquiries: Manager Procurement



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Procurement Policy

Contents

1	Introduction	4
1.1	Background	4
1.2	Definitions	4
1.3	Policy statement	4
1.4	Scope of policy	4
2	Legislation	5
3	Council's Values	5
4	Statement of Business Ethics	5
5	Procurement Principles	5
5.1	Ethics and Fair Dealing	5
5.2	Value for Money	6
5.3	Risk Management	6
5.4	Sustainability	6
5.5	Best Practice	6
5.6	Buy Local Considerations	7
5.7	Disability Considerations	7
6	Policy implementation	7
6.1	Delegations	7
6.2	Policy responsibilities	7
6.3	Procedures	7
6.4	Breaches	7
7	Document control	8
7.1	Review	8
7.2	Related documents	8
8	Version history	8

1 Introduction

1.1 Background

This outlines the legislative and administrative framework that applies to all Procurement activities undertaken by the Council.

1.2 Definitions

The definitions of certain terms are:

Council

Bayside Council NSW

GST

Goods and Services Tax (GST)

Procurement

The act of obtaining and buying goods and services. The process includes preparation and processing of a demand as well as the end receipt and approval of payment. Reference: <http://www.businessdictionary.com>

Procurement Methods

Procurement methods include but are not limited to Expression of Interest, Selective Tendering, Request for Quotations, Request for Tender and Direct Negotiation.

Regulations

Refers to Local Government Regulations General (2005)

The Act

Refers to the Local Government Act 1993

Value for Money

Considers all non-price and price factors when determining the procurement of a good, material and/or service.

1.3 Policy statement

Council is committed to procuring value for money goods, materials and services in a lawful, commercial, consistent, open, fair and transparent manner that ensures the application of appropriate standards of efficiency, risk management, probity and ethics.

1.4 Scope of policy

The Policy is applied from when Council has identified a need for procurement through to the receiving and completion of that procurement activity.

This Policy will apply to Council, Council staff and all persons undertaking procurement on behalf of Council.

2 Legislation

Tendering

The procurement of goods, services and materials by Council is governed by the NSW Local Government Act 1993, NSW Local Government (General) Regulation 2005 and the Tendering Guidelines for NSW Local Government.

Councils must tender for goods, services and materials with an estimated of the amount specified in Clause 163 of the Local Government Regulations (General) 2005. Exceptions apply in certain circumstances as listed in Section 55 of the Local Government Act 1993.

Procurement requirements below the amount specified in the Regulations is governed by Council's administrative policies and guidelines.

3 Council's Values

Council is committed to providing a positive customer experience to our community and customers. In collaboration with our staff, the leadership team will refresh our values to reflect the new organisation and vision for the future.

The guiding principles of respect, trust, accountability, leadership, innovation, collaboration and excellence in customer service define how Bayside Council strengthens its working environment to deliver on aspirations of our community.

4 Statement of Business Ethics

Council partners with and engages the private sector to implement many of its responsibilities. Appropriate working relationships with the private sector enhance the efficiency and effectiveness of Council's many and varied services.

This *Statement of Business Ethics* clarifies the relationship between the private sector and Council. It provides, in one document, important information about Council's values, business principles, expectations of staff and private sector entities, and how to report unethical behaviour.

Council's *Statement of Business Ethics* is to be read in conjunction with the Procurement Policy. The Statement can be viewed on Council's website.

5 Procurement Principles

5.1 Ethics and Fair Dealing

In order to achieve ethical and fair procurement practices, Council will:

- 1 Respect and comply with Council's Code of Conduct, Statement of Business Ethics and other policies and procedures, and abide by the law;
- 2 Maintain principles of probity including fairness, honesty, integrity and professionalism;
- 3 Be accountable and act in the public interest;

- 4 Promote fair and open competition, seeking the best value for money;
- 5 Approach potential market sources with consistent factual information;
- 6 Ensure purchases are not split for the purposes of avoiding statutory or other mandatory government purchasing requirements;
- 7 Only conduct procurement activities for Council related business;
- 8 Identify and report any pecuniary or non-pecuniary interests without delay, in accordance with the Code of Conduct;
- 9 Maintain and protect the confidentiality of commercial information and intellectual property, as agreed to under terms and conditions with the supplier/provider;
- 10 Comply strictly with the Gifts and Benefits policy by not soliciting or accepting any gift or benefit from suppliers;
- 11 Use Council resources effectively and efficiently;
- 12 Apply a 'No Purchase Order, No Purchase' practice to procurement activities with the exception of exemptions outlined in procurement administrative policies and guidelines.

5.2 Value for Money

Council will seek the best value for money in procuring goods, materials and services taking into account price and non-price factors.

Value for money does not mean Council is obliged to accept the lowest price. Council will apply careful and objective consideration of all value factors to the procurement decision to achieve the best value for money outcome. Value factors include but are not limited to: Price, quality, fit for purpose, sustainability, serviceability, delivery, whole of lifecycle costs and disposal methods and costs.

5.3 Risk Management

Procurement practices have inherent risks including financial and reputational risks for Council.

Risk assessment and management will be applied at all stages of procurement process in accordance with Council's Enterprise Risk Management Framework and guidelines.

5.4 Sustainability

Council will apply sustainable procurement principles and practices with the aim to generate benefits to our business and community whilst minimising damage to the environment and human health.

5.5 Best Practice

Council will apply a continuous improvement approach to procurement ensuring that policies, procedures and business processes are regularly updated to meet contemporary standards and current legislative requirements.

Council embraces Innovation and technological initiatives that enhance, improve and support procurement activities.

5.6 Buy Local Considerations

Council will seek to utilise local suppliers and/or Australian-made products where possible taking price, quality and other relevant best 'value for money' considerations into account.

5.7 Disability Considerations

In accordance with Office of Local Government Circular 12-02, councils will encourage the procurement of goods, materials and services where possible from organisations that employ people with disabilities.

6 Policy implementation

6.1 Delegations

Responsibility for the acceptance of tenders, quotations, expressions of interest, and the like is governed by the Act, Regulations, Council's Policies and Procedures, and the General Manager's Sub-delegations to staff.

6.2 Policy responsibilities

The General Manager has the overall responsibility for this Policy. The Manager Procurement is responsible for the administration of the Policy.

6.3 Procedures

Administrative-policies and procedures that support this Procurement Policy may be approved by the General Manager from time to time and cover such matters as:

- Methods of Procurement
- Financial Thresholds below the statutory limits
- Bayside Purchase Cards
- Financial Delegations of Authority
- Petty Cash
- Internal controls
- Emergency work
- e-procurement
- Contract management
- Standard Terms and Conditions

6.4 Breaches

Non-compliance of this policy by Council, Council staff and all persons undertaking procurement on behalf of Council will be addressed in accordance with the Code of Conduct and relevant legislation.

Breach in the policy by an existing or potential supplier may result in disqualification of doing business with Council. It may also result in the disqualification of the supplier from being engaged by Council to perform future procurement activities.

7 Document control

7.1 Review

This policy is to be reviewed every 4 years or when relevant legislation changes. The General Manager may approve non-significant and/or minor editorial amendments that do not change the policy substance.

7.2 Related documents

- Local Government Act NSW 1993
- Local Government Regulation (General) 2005
- NSW Government Tendering Guidelines 2010
- Bayside Council Code of Conduct
- Bayside Council Statement of Business Ethics
- Bayside Council Procurement Guidelines
- Bayside Council Contract Management Guidelines
- OLG Circular 12-02 Procurement from Disability Employment Organisations
- OLG Circular 11-37 Council Procurement and Contract Management Practices
- NSW Procurement Policy Framework for NSW Government Agencies 2015
- OLG Circular 10-34 Capital Expenditure Guidelines
- Australian Government Sustainable Procurement Guide 2013.

8 Version history

This document is based on policies of the former Rockdale City Council and former City of Botany Bay.

Version	Release	Author	Reason for Change
1.0	12/07/2017	Manager Procurement	Harmonised document from former Councils
1.1	9/08/2017	Manager Procurement	Addition of an Appendix on <i>Methods of Procurement and Financial Thresholds</i> as requested by Council on 12/07/2017.
2.0	14/08/2019	Manager Governance & Risk	Deletion of Appendix 1 and references to enable the General Manager to set administration policies for procurement methods that are below the statutory threshold referred to in section 2.1.