



PURCHASING AND PROCUREMENT POLICY

P3.0161.3

PURCHASING AND PROCUREMENT POLICY

DIVISION: Customer and Corporate Strategy

BRANCH: Finance and Property Services

CATEGORY: 2

PART 1 - INTRODUCTION

1. BACKGROUND

1.1 This Policy refers to Council's procurement of all goods and services in pursuing its commitment to efficiently deliver services to meet the needs of our community.

2. OBJECTIVE

2.1 The objective of this policy is to set out the principles and framework for Council's purchasing and procurement activities and to ensure that Council is at all times compliant with the *Local Government Act 1993*, *Local Government (General) Regulations 2005*, Tendering Guidelines for NSW Local Government and Council's Code of Conduct in relation to the procurement of goods and services.

2.2 Through the application of this Policy, Council is committed to the following:

- obtaining value for money for the Community;
- transparency and accountability;
- making environmentally sustainable decisions;
- eliminating any conflicts of interest;
- monitoring and evaluating performance;
- providing policy and guidance on purchasing and procurement activities to ensure consistency;
- setting out Council's procurement governance framework.

3. SCOPE

3.1 This Policy applies to all purchasing, procurement, tendering and contracting activities undertaken by Camden Council, other than statutory payments or payments for membership of regional or state organisations and is binding on Council officers (i.e. staff, contractors, consultants, Committee members, volunteers etc) who are involved in any aspect of procurement on behalf of Council.

4. DELEGATED AUTHORITY

4.1 In order to purchase goods and services on behalf of Council, a **delegated authority** is required from the General Manager. Numerous employees of Council are charged with financial delegations for the *Purchasing and Procurement of Goods, Works and Services*. Employees may only procure goods and/or services applicable to their delegated authority.

Financial delegations define the financial limitations within which specified staff may approve a purchase, quotation and contractual processes. Employees may only procure goods and/or services in accordance with these delegations.

Financial delegations are set out in the Council's Schedule of Delegation Register which is available on the intranet.

PART 2 - POLICY STATEMENT

5. PURCHASING PROCEDURES

- 5.1 Prescriptive purchasing procedures are located in Council's *Procurement Procedures and Guidelines* documentation.
- 5.2 The procedures outline Council's requirements when procuring goods and/or services on behalf of Council. Different requirements apply, depending on the total value of the supply.
- 5.3 All goods and/or services procured on behalf of Council must be procured following these procedures.

6. TENDERING PROCEDURES

- 6.1 Tenders are **mandatory** for the majority of purchases where the total anticipated expenditure is \$150,000 (GST inclusive) or above over more than one accounting period. Council may also tender for purchases below this limit.
- 6.2 Detailed tender procedures are contained in Council's *Procurement Procedures and Guidelines*.
- 6.3 It is noted that the process for public tendering may be waived when dealing with prescribed NSWBuy Government Contracts, Local Government Procurement (LGP) or Procurement Australia Contracts. Advice on this may be sought from Council's Financial Accounting Section – Purchasing and Procurement Coordinator.

7. PROCUREMENT PROTOCOLS

7.1 **Ethics and Probity**

All Council Officers must comply with the standards of integrity, probity, professional conduct and ethical behaviour established by Council's *Code of Conduct*, Council's Statement of Business Ethics and Guidelines issued by ICAC.

Council officials **must disclose** any *potential or actual* conflict of interest (whether pecuniary or non-pecuniary) in order to protect the public interest and prevent breaches of public trust.

Council has adopted a Statement of Business Ethics which sets out the standards of behaviour that Council expects from its private/public partners.

Probity auditors may be commissioned where deemed appropriate by Council's General Manager, in circumstances where additional professional knowledge, experience or independent recommendation is required.

7.2 **Fraud and Corruption Principles**

The principal elements of Council's Fraud and Corruption Prevention policy are:

- Preventing fraud at its origin, in particular, implementing effective control structures and procedures that aim to eliminate the prospect of fraud occurring;
- Making all staff, Councillors, contractors to Council and volunteers aware of their obligation to act ethically and to follow Council's Code of Conduct at all times;
- Making all contractors and those dealing with Council aware of the ethical standards that Council applies and of the ethical standards of others in their dealings with Council;
- Committing to a policy of detection, investigation and prosecution of individual cases of fraud; and
- Respecting the civil rights of employees and members of the public and committing to natural justice.

Council has a Fraud and Corruption Prevention Plan that underpins this policy and details responsibilities of positions within Council and the community. It also outlines steps involved in identifying, investigating, reporting and taking action around fraud and corruption.

The Fraud and Corruption Prevention Plan and Council's Code of Conduct also outline the policies and procedures being implemented by Council to ensure that any allegations and subsequent investigations into fraud are handled confidentially and in accordance with applicable legislation.

7.3 **Value for Money**

Council resources are to be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

7.4 **Record Keeping**

All substantive communications with potential suppliers in respect of procurement and purchasing should be in writing and/or formal minuted meetings. Records for all procurement activities must be kept and recorded in Council's records management system.

7.5 **Lobbying**

Lobbying of Councillors and staff by tenderers or their agents is not permitted and shall result in their disqualification from the quotation or tender process on that occasion. For the purposes of this clause "lobbying" shall include seeking to influence, seeking to obtain support or assistance, urging or persuading.

7.6 **Gifts and Benefits**

Council officers must never seek or accept any payment, gift or benefit intended or likely to influence, or that could be reasonably perceived by an impartial observer as intended or likely to influence their decision making.

In some circumstances token or nominal gifts may be accepted but only in situations that do not create a sense of obligation on the staff or Councillors actions. Where you cannot reasonably refuse or return a gift or benefit of more than nominal value this must be disclosed to your supervisor and then ensure this is recorded in the Gifts Register through Governance. Under no circumstances should a gift of cash, or cash – like gift, be accepted.

7.7 Local Preference Policy

Council currently does not have a Local Preference Policy, i.e. Council does not give preference to local suppliers. The implementation of a Local Preference Policy is not necessarily inconsistent with the principles of National Competition Policy.

However, the use of local preference in the evaluation of tenders and awarding of contracts possesses inherent risks in terms of anti-competitiveness and the maintenance of defensibility, accountability and probity. ICAC does not advocate the use of local preference policies and believes they represent a corruption risk. This is because they are anti-competitive in application and create circumstances in which conflicts of interest can arise.

Council does however continue to play a significant role in local and regional economic development through other initiatives such as the Business Alliance, Small Business friendly Council Program and establishing an On-Time Payment Policy.

Local businesses should be encouraged to look in the local press, on Council's website or to register with NSW e-tendering for current quotations and tenders for the opportunity of conducting business with Council.

8. SUSTAINABLE PURCHASING

8.1 Council staff and its representatives must consider the impact that their purchases have on the environment. Value for money in procurement is enhanced by promoting the efficient, effective and ethical use of resources.

8.2 Consideration will be given to areas such as:

- Minimising greenhouse gas emissions, waste, habitat destruction, soil degradation and toxicity;
- Maximising water efficiency.

9. WORKPLACE HEALTH AND SAFETY

9.1 All contractors of Council must adhere to relevant Work Health and Safety (WHS) 2011 legislation. WHS performance will be monitored and reviewed to ensure continued adherence to legislation and relevant Council Policies.

9.2 All Contractors providing services to Camden Council are required to complete an Accreditation process. Please refer to the *Contractor Management Procedures* for more detail.

10. ADMINISTRATION OF THIS POLICY

10.1 General enquiries in regard to this Policy should be directed in the first instance to Council's Purchasing and Procurement Coordinator.

10.2 Council will deal promptly with any concerns or complaints regarding this Policy. Any issues should be directed in writing to the General Manager.

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RELEVANT LEGISLATIVE INSTRUMENTS:

Local Government Act 1993
Local Government (General) Regulations 2005
Tendering Guidelines for NSW Local Government
Work Health and Safety Act 2011
Local Government Code of Accounting Practice and Financial Reporting
Government Information (Public Access) Act 2009
Waste Avoidance and Resource Recovery Act 2001
Related Party Transaction Act 2016
Privacy and Personal Information Protection Act 1998
State Records Act 1988

RELATED POLICIES, PLANS AND PROCEDURES:

Code of Conduct
Procurement Procedures and Guidelines
On-time Payment Policy
Petty Cash Policy
Purchase Card Policy
Financial Delegations from General Manager
Purchased Goods Safety Evaluation Sheet
Contractor Management Procedure 5.0A
Contractor Management (PC) Procedure 5.B
Work Health and Safety Policy
ICAC Guidelines
Statement of Business Ethics
Fraud and Corruption Prevention Policy
Fraud and Corruption Prevention Plan
ICAC Guidelines

RESPONSIBLE DIRECTOR:

Director Customer and Corporate Strategy

APPROVAL:

Council

HISTORY:

Version	Approved by	Changes made	Date	EDMS Number
1	Council	Minor	July 2002	15/167592
2	Council	Old policy (5.32) rescinded and updated policy (P3.0161.1) adopted	26/09/2017	17/305833
3	Council	Minor - addition of fraud and corruption principles	11/06/2019	17/305833