Policy: 2150-006

Procurement

Head of Power

Local Government Act 2009
Local Government Regulation 2012

Related Legislation
Public Sector Ethics Act 1994

Objective

To ensure all Procurement activities:

- are carried out in a professional manner promoting probity and accountability;
- comply with Council’s legal and statutory obligations;
- achieve value for money;
- minimise operational costs;
- promote environmentally and socially responsible procurement practices;
- maintain public confidence in Council’s procurement activities; and
- assist in achieving Council’s goals as set out in the Corporate Plan.

Definitions

“Contract Delegated Authority” - means the financial level that the Chief Executive Officer (CEO) delegates to an officer, in accordance with the Register of Delegations, for the purposes of signing a contract on Council’s behalf.

“Financial Delegated Authority” - means the financial level that the CEO delegates to an officer, in accordance with the Register of Delegations, for the purposes of approving expenditure of Council’s monies. For the avoidance of doubt, Financial Delegated Authority does not authorise officers to sign any contract on Council’s behalf.

“Local Business” - means a business whose registered business address is within the Region of Moreton Bay.

“Procurement” - means all purchasing, supply and contracting arrangements undertaken between Council and another party for the provision of goods and/or services. It shall include but not be limited to:

1) participation in the development of material and service requirements and their specifications
2) management of value analysis activities
3) conducting extensive material market studies
4) all purchasing function activities
5) development of partnerships and alliance contracting with suppliers
6) management of supplier quality and performance
7) management of storage and distribution activities
8) management of investment recovery activities (salvage of surplus scrap)

“Purchase Order” - means the official document used by Council to record the purchase of goods and services. It contains Council’s Standard Terms and Conditions, is produced by Council’s finance system and electronically signed by the CEO.

Application

This Policy applies to all of Council’s procurement and disposal activities.
Policy Statement

Council must give equal consideration to the following 5 sound contracting principles of the Policy Statement in their procurement and disposal activities.

1. **Value for Money**
   Council officers will ensure that all procurement and contract management activities achieve the most advantageous outcome for Council (which balances meeting the business requirement with efficiency, quality, risk, environmental impact and total acquisition cost).

2. **Open and Effective Competition**
   Unless an exception is made in accordance with the *Local Government Regulation 2012 Division 3*, officers will:
   
   1) advertise tenders in accordance with the *Local Government Regulation 2012 Division 2 – Entering into Particular Contracts* for contracts exceeding $200,000 or expressions of interest where council resolves that it would be in the public's best interest to do so;
   2) obtain a minimum of 3 written quotations for purchases between $15,000 and $200,000;
   3) obtain a minimum of 2 written quotations for purchases between $7,500 and $15,000; and
   4) obtain at least 1 quotation for purchases between $0 and $7,500, ensuring the best value for council in accordance with the criteria set out in the Procurement Manual.

All threshold values are exclusive of GST.

These are the minimum requirements for purchases, and there may be instances at the responsible officer’s discretion, where it is prudent to obtain more quotations than are documented above.

Suppliers wishing to do business with Council will be given every reasonable opportunity to do so subject to them satisfying Council’s requirements and all relevant evaluation criteria (which may include but not be limited to demonstrated technical ability, environmental impact, company profile, professional references, quality assurances, insurances and total acquisition cost).

3. **The Development of Competitive Local Business and Industry**
   Council officers will use every endeavour to determine whether a good/service is supplied by a local business before placing an order.

   Council will support local business through order placement where that business is competitive under Council’s evaluation process. If a local business and non-local business submit offers for the same requirement, and are evaluated as equally competitive, the order will be placed with the local business.

4. **Environmental Protection**
   Council will advance the sustainable use of resources and aim to minimise adverse impacts on the environment and human health through its procurement activities.

   Council will demonstrate to the community that its purchasing decisions can improve markets for environmentally preferred products, enhance environmental quality, be resource responsible and directly contribute to sustainability.

   Council will purchase environmentally preferred products whenever their performance, quality and total acquisition cost is equal to or better than those products which can be demonstrated as having a more adverse effect on the environment.
5. **Ethical Behaviour and Fair Dealing**

Officers must ensure that all procurement activities are carried out in a professional manner and comply with the obligations of the Code of Conduct and in accordance with the Procurement and Disposals Manual, Contract Management Framework and other Corporate Directives.

Only officers with the appropriate financial delegated authority can approve purchase orders, and only officers with the appropriate contract delegated authority can make or vary contracts on behalf of Council.

### Related Documents

- Code of Conduct for Employees
- Procurement and Disposals Manual
- Contract Management Framework
- Establishment and Use of Purchasing Arrangements Directive 11-2180-027
- General Purchasing Guidelines Directive 10-2180-012
- Operating Leases Directive 10-2180-014
- Purchase Card Guidelines Directive 10-2180-010
- Petty Cash Guidelines Directive 10-2180-013
- Direct Payments – Cheque/Payment Requisitions Directive 10-2180-015
- Disposal of Property, Plant, Equipment and Scrap Material 10-2180-016
- Purchase Order Procedure Directive 2180-044
- Delegations Register

### Review Triggers

This Policy is reviewed internally for applicability, continuing effect and consistency with related documents and other legislative provisions when any of the following occurs:

1. The related documents are amended.
2. The related documents are replaced by new documents.
3. Amendments which affect the allowable scope and effect of a Policy of this nature are made to the head of power.
4. Other circumstances as determined from time to time by a resolution of Council.

In accordance with the Local Government Regulation 2012, this Policy is to be reviewed annually for relevance and to ensure that its effectiveness is maintained.

### Responsibility

This Policy is to be:

1. implemented by all Council officers responsible for procurement activities; and
2. reviewed and amended in accordance with the "Review Triggers" by the Financial Operations Manager.
### Document Control

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<thead>
<tr>
<th>Version / Reviewed</th>
<th>Version Adoption (Council meeting / Minute Page) (revision comment)</th>
<th>Date</th>
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<tr>
<td>Version 1</td>
<td>Coordination Committee (09/926-927) (Procurement &amp; Disposals Policy)</td>
<td>21.4.2009</td>
<td>Version of PDF A4728766</td>
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<tr>
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<td>Version 3</td>
<td>Legislative Amendment 2012 only</td>
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