

GREATER SHEPPARTON CITY COUNCIL

Policy Number 13.POL1

Procurement Policy

Version 1.0

Adopted 20 October 2009

This document should be read in conjunction with:

- Code of Conduct Policy
- Conflict of Interest in Local Government Feb 2009
- Contract Administration Manual
- Exercise of Delegations
- Financial Strategic Plan
- Gifts and Benefits Policy
- Procurement Procedures
- Risk Management Policy
- Section 186 of the *Local Government Act 1989*
- Sustainable Purchasing Policy

1.0 PREAMBLE

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 and outlines the expected behaviour of Council Officers, suppliers and contractors. This policy will be applied to all internal Council procurements, but Council reserves the right to provide services and undertake works with internal resources at its discretion.

2.0 POLICY STATEMENT

The Greater Shepparton City Council is committed to applying the principles of accountability, fairness, probity, sustainability and transparency in the procurement of works, materials, equipment and services. This commitment will be demonstrated through:

- accountability to rate payers
- applying elements of best practice in purchasing
- assisting Council to achieve "value for money" procurement outcomes based on "whole of life" costs
- promoting and ensuring a sustainable approach to decisions based on the social, environmental and financial aspects of procurement
- supporting local business within the context of achieving value for money and sustainability where appropriate
- promoting cooperation and understanding from suppliers, contractors and consultants by fostering open engagement, and demonstrating consistent and regulated procurement practices.

3.0 POLICY OBJECTIVES

The objectives of this policy are to:

- provide policy and guidance to Council and suppliers
- ensure consistency and control over procurement activities
- provide guidance on ethical behaviour in public sector purchasing
- ensure that suppliers, contractors and consultants to Council understand their ethical responsibilities.

4.0 LEGISLATIVE AND OTHER REQUIREMENTS

All Council procurements shall be in accordance with the legislative framework that is defined in section 186 of the *Local Government Act 1989* (The Act).

Where Council is expending funding from a source such as federal or state government, there may be particular policy conditions that need to be followed.

Council also has obligations under the *Occupational Health and Safety Act 2004* which may require consideration during the procurement process to ensure the health, safety and welfare of people at work are secured.

5.0 GOVERNANCE STANDARDS

The Council's procurement activities shall be carried out to the professional standards required by best practice and in compliance with:

- the Act
- Council's policies
- other relevant legislation such as but not limited to the *Trade Practices Act 1974* and the *Environment Protection Act 1970*.

6.0 METHODS OF PROCUREMENT

The Council's standard methods for purchasing goods, services and works shall be by some or all of the following methods:

- petty cash
- purchasing card
- purchase order following a quotation process from suppliers for goods or services that represent best value for money under directed quotation thresholds
- under formal agreement following a Council or agent tender process. This may include demand aggregators and shared procurements with other organisations.

Tender evaluation criteria and weightings will vary according to the particular purchase under consideration. These will be provided in the tender documents.

These methods are supported by delegations to Council officers and detailed procedures which are set out in the Council's Procurement Procedures and Contract Administration Manuals. Procedures are reviewed and updated on a regular basis.

7.0 QUOTATION RULES

The table below sets out the structure Officers will use to determine the minimum number of quotations that are required in relation to the value of goods and services being purchased. It also determines the method according to The Act:

Less than \$500	best value purchase (no quote required)
\$500 to less than \$5,000	1 verbal quote
\$5,000 to less than \$25,000	2 verbal quotes
\$25,000 to less than \$150,000	3 written quotes (goods and services)
\$25,000 to less than \$200,000	3 written quotes (works)
More than \$150,000	formal advertised contract (goods and services, needs Council approval)
More than \$200,000	formal advertised contract (construction works, needs Council approval)

Policy Review

The Procurement Adviser is to annually make recommendations to Council with respect to Council's review of the policy under *section 186A(7) of the Local Government Act 1989*.

Gavin Cator
Chief Executive Officer

Date