

STRATHFIELD COUNCIL

# PROCUREMENT POLICY

12 APRIL 2024



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<b>ASSOCIATED POLICIES</b>	<i>Strathfield Council Code of Conduct</i> <i>Strathfield Council Business Ethics Statement</i> <i>Strathfield Council Contract Management Policy</i> <i>Public Interest Disclosure Policy</i> <i>Instrument of Delegation - Register of Delegations</i> <i>Tendering Guidelines for NSW Local Government (Division of Local Government)</i> <i>Strathfield Council Purchasing and Tendering Procedure</i>			
<b>ASSOCIATED LEGISLATION</b>	<i>Local Government Act 1993</i> <i>Local Government (General) Regulation 2021</i> <i>Government Information (Public Access) Act 2009</i> <i>State Records Act 1998</i> <i>Modern Slavery Act 2018</i>			
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## 1.0 Introduction

The Procurement Policy (The Policy) was prepared and placed on public exhibition from 12 March 2024 to 9 April 2024. Strathfield Council's Procurement Policy was adopted on 12 April 2024.

### 1.1 Background and Purpose of Procedure

The Policy outlines the legislative and administrative framework that applies to all procurement activities undertaken by Council.

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

### 1.2 Objectives of the Procedure

The objectives of the Policy are:

- To ensure value for money purchasing at Strathfield Council.
- To ensure compliance with the relevant legislation including the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.
- To establish Council's procurement governance framework and ensure consistency in procurement processes across all Council departments.
- To ensure that all procurement activities are conducted with honesty, fairness, and transparency.
- To ensure sustainable outcomes in purchasing including positive social, environmental, safety, governance and economic impacts to Strathfield community.

### 1.3 Coverage of the Procedure

The Policy applies to all procurement activities undertaken by Strathfield Council. This Policy is applied from when Council has identified a need for procurement through to the receiving and completion of the procurement activity.

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

### 1.4 Definitions

Nil.

## 2.0 Policy

### 2.1 Legislation

The procurement of goods, services and materials by Council is governed by the *Local Government Act 1993 (NSW)*, *Local Government (General) Regulation 2021 (NSW)* and the Tendering Guidelines for NSW Local Government.

Councils must tender for goods, services and materials with an estimated amount specified in Section 55 of the *Local Government Act 1993*. Exceptions apply in certain circumstances as listed in Section 55 of the *Local Government Act 1993*.

Procurement requirements below the amount specified in Section 55 (3)(n) of the Act are governed by Council's administrative processes.

## **2.2 Code of conduct**

The practice of good governance is critical in ensuring that Council meets our legal and ethical compliance obligations and that decisions are made in the public interest. Council demonstrates good governance through probity, accountability and transparency in decision making.

The Code of Conduct sets the minimum standards of conduct for Council officials. It is prescribed by legislation to assist Council officials to:

- Understand and comply with the standards of conduct that are expected of them.
- Enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence.
- Act in a way that enhances public confidence in local government.

Council's Code of Conduct is to be read in conjunction with the Procurement Policy. The Code can be viewed on Council's website.

## **2.3 Business Ethics Statement**

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

The Business Ethics Statement 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.

The objectives of the Business Ethics Statement are to:

- Set out the ethical standards required of Council's suppliers and business partners.
- Encourage compliance with Council's ethical standards.
- Provide guidance on complaints and reporting processes.

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

## **3.0 Procurement Principles**

### **3.1 Ethics and Fair Dealing**

To achieve ethical and fair procurement practices, Council will:

- Respect and comply with Council's Code of Conduct, Business Ethics Statement and other relevant policies and procedures, and abide by the law.
- Maintain principles of probity including fairness, honesty, integrity, and professionalism.
- Be accountable and act in the public interest.
- Promote fair and open competition, seeking the best value for money.
- Approach potential market sources with consistent factual information.
- Ensure purchases are not split for the purposes of avoiding statutory or other mandatory government purchasing requirements.
- Only conduct procurement activities for Council-related business.
- Identify and report any pecuniary or non-pecuniary interests without delay, in accordance with the Code of Conduct.
- Maintain and protect the confidentiality of commercial information and intellectual property, as agreed to under terms and conditions with the supplier/ provider, and as required by legislation.
- Comply strictly with the Gifts and Benefits Policy by not soliciting or accepting any gift or benefit from suppliers.
- Use Council resources effectively and efficiently.
- During a procurement process, Councillors and staff must not meet with potential supplier alone and/ or outside office hours to discuss the Request for Quotation or Request for Tender.
- Apply a 'No Purchase Order, No Purchase' practice to procurement activities with the exception of exemptions outlined in the Procurement and Tendering Procedure.

### **3.2 Value for Money**

All procurement decisions must be made based on value for money. Consideration will be given to price and non-price factors when determining the procurement of a good or service. Value for money does not mean Council is obliged to accept the lowest price. Value factors include, but are not limited to:

- Price.
- Quality.
- Availability to meet Council's deadlines.
- Whole-of-life costing incorporating depreciation, maintenance, and disposal requirements.
- Fit for purpose and degree of compliance with standards and specifications.
- Known performance history and capacity of suppliers.
- Experience of suppliers/contractors in undertaking similar works within recent years.
- Work methodology and staging (if applicable).
- Strategic alignment with Council's assets, systems, tools, and/ or established methods of working.
- Sustainability, including positive social, environmental, governance and economic impacts.
- Adequacy of work, health, and safety (WHS) and risk controls.

### **3.3 Risk Management**

Procurement practices have inherent risks including financial, operational 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.

Where risks are identified as 'critical' or above, potential suppliers will be required to demonstrate appropriate mitigations and provide express commitment to those mitigations, as far as practicable and in accordance with the relevant legislation.

### **3.4 Work, Health and Safety**

### **3.5 Best Practice**

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

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

### **3.6 Modern Slavery**

Council must 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)* or any legislative instrument that adds, removes, modifies or supersedes this Act.

### **3.7 Record Keeping**

Records for all procurement activities must be kept and recorded in Council's records management system and in accordance with the *State Records Act 1998 (NSW)* or any legislative instrument that adds, removes, modifies or supersedes this Act.

## **4.0 Policy Implementation**

### **4.1 Purchasing and Tendering Process**

Council's Purchasing and Tendering Procedure provides process steps and instructions to guide Council staff in their day-to-day activities in managing purchasing, quotations, tendering and contract management.

The authority to procure goods and services for, or on behalf of Council, can only be undertaken by duly authorised officers of Council. This approval will be by way of delegated authority from the General Manager, in accordance with the Register of Delegations. The authority to determine quotations and tenders and the authority to award contracts is also contained within the Register of Delegations.

### **4.2 Conflicts of Interest**

Council staff have an obligation to disclose potential or actual conflicts of interest prior to participating in the contract evaluation process. Any declared potential, actual or perceived conflict of interest in the

procurement process or management of a contract must be referred to and reviewed by the appropriate Director and actively managed. Staff and advisors may be removed from involvement in the relevant procurement process or management of a contract.

### **4.3 Procurement Assurance**

For high value and/or potentially risky procurement, consideration will be given to appointing a Procurement Assurance advisor. This person may be a member of staff or an external independent consultant, or group containing a mix of staff and/or external personnel.

### **4.4 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.

A breach in the policy by an existing or potential supplier may result in disqualification from doing future business with Council and/ or claims, penalties and judgements made under law. Periods of disqualification will be at the absolute discretion of Council, as far as reasonably practicable under the law.

## **5.0 Procurement Exemptions**

In a small minority of circumstances, it may not always be possible to obtain multiple quotations for goods and services. A procurement exemption may be granted in the following circumstances:

- An emergency or urgent circumstance.
- Where there is only one supplier who is capable or available to provide goods or services.

Procurement exemptions may only be granted in accordance with the Register of Delegations.

Granted procurement exemptions will undergo periodic review to ensure internal compliance and delivery of the objectives of this policy in accordance with Section 3.1 Ethics and Fair Dealing.