	<b>Procurement Policy (including Local Support Policy)</b>
	<b>STRATEGIC</b>

### 1. Purpose

To provide the framework for Warrumbungle Shire Council to procure goods and services that meet the expectations of the community and stakeholders in the Warrumbungle Local Government area (LGA) at an affordable cost.

### 2. Objectives

The objectives of this policy are to ensure Council's procurement of goods and services:

- is legal, ethical and to Council's best advantage;
- demonstrates sustained value and achieves value for money;
- considers benefits to the local economy;
- is environmentally sustainable; and
- considers social outcomes.

The expected outcomes of this policy are:

- Governance, Legislative and Regulatory Compliance
- Open, fair and effective competition
- Achieving value for money
- Encouragement of local business
- Enhancing the Capabilities of Local Business and Industry
- Ethical behaviour and fair dealing
- Providing Safe Workplaces and Practices
- Environmental Protection

### 3. Scope

This Policy applies to procurement processes and activities for and on behalf of Council and applies to Councillors, Council employees including temporary and contract employees, contractors and consultants whilst engaged by Council.


The scope of this Policy begins when Council determines that procurement is required and ends when the procurement is delivered and payment settled.

### 4. Policy Statement

Council is committed to providing a Procurement system that complies with the requirements of the *Local Government Act 1993 (NSW)*, the *Local Government (General Regulations 2021 (NSW))*. All employees, contractors and consultants involved in procurement activities will work in accordance with *Council's Statement of Business Ethics (Vers 5.0)*, *Code of Conduct Policy (dated 21 Nov 2024)*, *Gifts and Benefits Policy*, *Privacy Management Plan*

### 5. Procurement Policy Framework

The *NSW Government Procurement Policy Framework | NSW Treasury* sets out the policy and operating framework for the NSW public sector procurement system, and provides a single source of guidance of the rules for procurement. The fundamental objective of the Framework is to ensure that government procurement activities achieve best value for money in supporting the delivery of government services.

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## 6. Legislation and Associated Documents


<b>ASSOCIATED POLICIES</b>	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Gifts and Benefits Policy</li> <li>• Privacy Management Plan</li> <li>• Statement of Business Ethics</li> </ul>
<b>ASSOCIATED LEGISLATION</b>	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1993 (NSW)</i></li> <li>• <i>Modern Slavery Act 2018 (NSW)</i></li> <li>• <i>Work Health and Safety Act 2011 (NSW)</i></li> <li>• <i>Local Government (General) Regulation 2021 (NSW)</i></li> <li>• <i>Environmental Planning &amp; Assessment Act 1997</i></li> <li>• <i>NSW Government Policy Procurement Framework   NSW Treasury</i></li> <li>• <i>Department of Premier and Cabinet (Local Government) Tendering Guidelines for NSW Local Government</i></li> <li>• <i>Public Interest Disclosures Act 2022 No 14 NSW Legislation</i></li> </ul>
<b>ASSOCIATED DOCUMENTS</b>	<ul style="list-style-type: none"> <li>• Council's Integrated Planning and Reporting framework documents, eg Workforce Management Plan, Operational Plan, Delivery Program</li> <li>• Council's <ul style="list-style-type: none"> <li>○ Enterprise Risk Management Plan</li> <li>○ Supplier questionnaire <ul style="list-style-type: none"> <li>▪ Questionnaire explanatory notes</li> </ul> </li> </ul> </li> <li>• Delegations of authority – sub-delegations from General Manager to Staff</li> <li>• 'Guidance on Reasonable Steps' – Office of the Anti-slavery Commissioner;</li> <li>• GRS Inherent Risk Identification Tool (IRIT) – Department of Communities and Justice;</li> <li>• NSW Procurement Policy Framework – April 2022</li> <li>• 'Tendering Guidelines for NSW Local Government', NSW Office of Local Government, October 2009</li> </ul>

### 6.1 Tenders

Council will seek tenders where required by the Act and when deemed appropriate by the General Manager.

The Tender Evaluation Committee shall meet prior to tenders being called, for probity of documentation and conditions for the tender being requested. The Committee will meet once tenders have been closed, and an evaluation is required.

The tender assessment criteria and weighting are to be identified before the tendering process is commenced. This includes how the prices/rates are to be requested and evaluated, whether it be lump sum, by schedule of rates, price adjustments and whether other incentives or sanctions will be applied.

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The tendering process will follow the guideline document produced by the Office of Local Government (OLG) called 'Tendering Guidelines for NSW Local Government, October 2009'. Particular attention will be paid to the process checklist included in the guidelines.

A tender evaluation committee is responsible for ensuring that a government procurement process is transparent and that procurement related actions are documented, defensible and validated in accordance with probity obligations. Among other things, their job is to protect the Council from allegations of impropriety in government purchasing.

A tender evaluation committee will be constituted to include staff involved in the preparation of the tender documentation. The Committee shall include an independent member, not involved in the preparation of the documentation. The Committee is responsible for making recommendations to the General Manager concerning tender acceptance or denial.

#### **6.1.1 Invitation to Tender to Recognised Contractors on Council's List**

From the Guidelines:

*'Clause 169 of the Regulation allows Council to establish a list of contractors who are interested in tendering for proposed contracts of a special kind'.*

*'Selective tender lists of recognised contractors are established where there is a continuing workload in a particular category of work and this workload justifies the cost of setting up and maintaining the list.'* (p35 OLG Tendering Guidelines).

#### **6.1.2 Tender by a Regional Procurement Company**


Council may from time to time join with other councils for various products and services through a procurement company to attract price savings for a particular product or service.

The procurement company undertakes the administrative process associated with tendering and Council has the opportunity to procure products and services at the tendered price. However, Council is required, by resolution, to formally accept or reject a particular tender proposal by the procurement company.

#### **6.1.3 State Government Procurement Contract**

Council is able to access products and services through providers that are recognised by the NSW Treasury (Buy NSW) and the Commonwealth Department of Administrative Services.

State Contracts are the principal method of purchasing for Government agencies across New South Wales. Over 100 State Contracts have been approved under the authority of NSW Treasury. A complete list and information about all NSW Government State Contracts can be found on the Buy NSW website [buy.nsw](http://buy.nsw).

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#### **6.1.4 Prescribed Organisations**

Local Government Procurement Partnership is a prescribed provider pursuant to clause 163 of the Regulation.

### **7. Principles**

#### **7.1. Value for Money**

Procurement must demonstrate how value for money is achieved regardless of the method of procurement. Value for money considers a range of factors such as quality, reliability, fit for purpose, service and support, as well as initial and ongoing costs. Achieving value for money does not always mean that the 'highest quality' good or service is selected. A lower cost option still appropriate to quality requirements may be appropriate where Council has limited funds available for a particular procurement. Value for money is achieved when the 'right size' procurement solution is selected to meet Council's needs.

#### **7.2. Ethical Behaviour**

It is expected Council employees responsible for procurement will act to ensure the best value for money reasonably available is obtained and they behave ethically. Ethical behaviour embraces the principles of honesty and fairness, accountability and transparency, avoiding conflicts of interest, and compliance with laws and regulations. Practices that are anticompetitive or confer an improper advantage to one party over another must be avoided.

#### **7.3. Open & Effective Competition**

Council recognises the commercial and economic benefits of open and effective competition and is committed to impartial and open procurement processes that encourages healthy competition.

#### **7.4. Work Health & Safety, and Risk Management**


In compliance with Work Health & Safety legislation, Council will consider the impact on the health and safety of employees and the community when procuring goods and services.

#### **7.5. Local Preference Policy**

Council is committed to supporting the local economy and enhancing the capabilities of local business and industry. Council will consider the actual and potential benefits to the local economy when sourcing goods and services whilst maintaining value for money.

Local business means a supplier that:

- i. is beneficially owned and operated by persons who are residents or ratepayers in the Warrumbungle LGA;
- ii. has its principle place of business within the Warrumbungle LGA; or
- iii. otherwise has a place of business within the local area that solely or primarily employs or subcontracts persons who are residents or ratepayers in the Warrumbungle LG.

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Wherever practicable, Council will fully examine the benefits available through purchasing goods, services or works from suppliers contractors within the Warrumbungle LGA.

For all tenders where a non-local supplier has provided a proposal for goods or services all local supplier proposals for the same request will have, for evaluation purposes, a nominal 5% deduction to their quoted price.

#### Sustainability & Environmental Protection

Council will consider sustainable practices and environmental principles to procurement without compromising value for money by adopting the following standards:

- purchase only when a product or service is necessary
- consider products that reduce waste, or are recyclable, or reusable
- eliminate toxic products that are harmful to human health and ecosystems
- reduce greenhouse emissions
- achieve biodiversity and habitat protection.

#### 7.6. Modern Slavery

Council commits to complying with its obligation under the *Modern Slavery Act 2018 (NSW)* and any other Modern Slavery legislation that may come into effect.

#### 7.7. Conflict of Interest

Council employees will disclose conflicts of interest in accordance with Council's *Code of Conduct Policy (dated 21 Nov 2024)*.

### 7. Responsibilities

#### Councillors

- Ensure that individually, councillors ensure they have undertaken procurement training (at least two yearly) and/or within a year of taking up a role of councillor in how to undertake their respective roles in the procurement process.

#### General Manager


- Shall ensure the development of Procurement Guidelines and Procedures, including Warrumbungle Shire Council Purchase Order - Standard Terms and Conditions, that conforms to Council's Policy.
- Shall monitor the effectiveness of the Procurement Guidelines and Procedures in operation and authorise changes to improve the procedures to conform to Council's Policy.
- Ensure the availability of procurement training (at least two yearly) be provided to councillors and/or within a year of taking up a role of councillor in how to undertake their respective roles in the procurement process.

### 8. Getting Help

The staff member/s who can assist with enquiries about the policy:

Position: Directors, Chief Financial Officer

Department: Corporate and Community Services, Technical Services, Environment and Development Services.

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## 9. Version Control

Staff Member Responsible for Review: Director Corporate and Community Services

Policy Name	Action	Resolution No.	Date
Procurement Policy (including Local Preference Policy)	Endorsed	319	17 March 2011
Procurement Policy (including Local Preference Policy)	Endorsed	26/1718	20 July 2017
Procurement Policy (including Local Support Policy)	Adopted	50/2021	20 August 2020
Procurement Policy (including Local Support Policy)	Adopted	215/2324	15 February 2024
Procurement Policy (including Local Support Policy)	Adopted		