

Name of policy:	Procurement		
Adoption by Council:	22 May 2024	Minute number:	195/2024
Last review date:	March 2024		
Review timeframe:	4 years		
Next scheduled review date:	March 2028		
Related legislation:	<p><i>Local Government Act 1993</i></p> <p><i>Local Government (General) Regulation 2021</i></p> <p><i>Work Health and Safety Act 2011</i></p> <p><i>Government Information (Public Access) Act 2009</i></p>		
Associated policies/documents:	<p>MidCoast Council Code of Conduct</p> <p>MidCoast Council Statement of Business Ethics</p> <p>Office of Local Government <i>Tendering Guidelines for NSW Local Government</i>, - October 2009</p> <p>MidCoast Council Risk Management Framework and Policy</p> <p>MidCoast Council Fraud and Corruption Control Framework and Policy</p>		
Responsible division:	Corporate Services		

Policy objective

The objective of this policy is to provide guiding principles for the procurement of goods and services for MidCoast Council while ensuring compliance with the *Local Government Act 1993* and *Local Government (General) Regulation 2021*.

This policy aims to assist in:

- Achieving ‘Value for Money’ outcomes through procurement.
- Outlining expectations for ethical behaviour by all parties involved in procurement activities.
- Ensuring probity, transparency and accountability in the procurement process.
- Highlighting the importance of risk and sustainability as key procurement considerations.

Policy statement

MidCoast Council is committed to providing a fair, transparent and accountable process for the procurement of goods and services.

Coverage of the policy

This policy and associated procedures apply to all contracting and procurement activities across Council and are binding upon Councillors, Council employees and temporary staff, contractors and consultants while engaged by the Council.

Staff with any level of delegated authority for expenditure of Council funds are accountable for applying this policy within their areas of responsibility.

Specific responsibilities are as follows:

- The General Manager has ultimate responsibility for procurement and delegated authority for expenditure of funds across Council.
- The Manager Governance and Procurement Coordinator are responsible for the development of all policies and procedures in relation to procurement across Council.
- The Director and Managers of each Division are accountable for the implementation, maintenance and the management of any breach of policy within their areas of responsibility in accordance with this policy and related procedures.
- Each member of staff is responsible for ensuring that they fulfil their obligations in relation to this policy and associated policies and procedures, including the Code of Conduct, when spending public funds.

Strategic plan link

Community Outcome 4: Strong leadership and good governance

<i>4.2 Council demonstrates good governance and financial management to ensure decisions and transactions are ethical, efficient, safe and fair.</i>	<i>4.2.1: Use governance frameworks and processes to guide our decisions and to ensure council is accountable to the community.</i>
--	---

Principles

Ethical Behaviour

Council officials have a responsibility to perform their duties and conduct themselves in a manner which ensures they maintain a reputation for fair dealing, and that the integrity of Council's procurement function that can withstand any scrutiny.

Council officials are required to conduct themselves in accordance with both the spirit and intent of Council's Code of Conduct.

The following guidelines, based on the requirements of the Code, are provided to assist in understanding this responsibility:

Fair and Honest Dealing

Council officials must ensure that prospective suppliers, contractors and consultants are afforded equal opportunity when submitting a tender/quote for the provision of goods and services. Impartiality should be maintained at all times so that no action is taken which could evoke criticism of the Council.

It is important that Council officials protect the commercial interests of all existing or potential suppliers, contractors or consultants. Disclosure of information supplied by means of the tender or quotation process must not be made, other than in the course of official Council business. Confidentiality of commercially sensitive material such as prices, discounts, rebates, profits, manufacturing and product information or other matters which come to notice in the course of official duties, must be maintained at all times.

Supplier Contact

Council encourages its officers to research the market to identify new suppliers for goods/services required by Council and to encourage such sources to tender or quote details of their products and expertise to Council.

All contact with suppliers must be carried out having regard to this policy and ensuring that contact is made in such a way as not to deliberately advantage or disadvantage other suppliers or contractors. To ensure transparency, contact with prospective and existing suppliers should occur within ordinary business hours and must be appropriately documented.

Conflict of Interest

Council officials are to avoid situations where private interests conflict with their Council procurement duties. Officials finding themselves in this situation are required to disclose the conflict, in writing, to the General Manager or relevant Director and seek advice on their continued involvement. (Part 4 - Conflict of Interests of Council's Code of Conduct - provides more detailed guidance of how these issues should be handled).

Suppliers of goods and services to Council are required to comply with Council's Statement of Business Ethics. The principles of this Statement are consistent with the ethical requirements of other public sector agencies.

Gifts and Benefits

Council officials must comply with Council's Gifts and Benefits Policy and have an obligation to report any offer of a gift, commission or bribe in line with the Policy. Suppliers, contractors and consultants should note and comply with the requirements of Council's Statement of Business Ethics which provides guidance in this area.

Support for Local Economy

Council is committed to supporting the local economy and enhancing the capabilities of local business and industry. The objective is to create a framework that ensures Council gives due consideration to the actual and potential benefits to the local economy of sourcing goods and services locally where possible, while maintaining a value for money approach at all times.

Council will work with local suppliers to improve their capacity to meet Council's requirements and compete most effectively with other suppliers. This support will be provided in a way that aims to improve local suppliers' ability to compete for other business opportunities external to Council.

Value for Money

Council officials will make procurement decisions based on the 'Value for Money' concept which means when sourcing and ordering goods and services Council does not rely on price alone but also gives consideration to other criteria including, but not limited to:

- Quality (including quality assurance accreditation)

- Delivery time
- Reliability / supplier reputation
- Trading terms, conditions and discounts
- Availability / continuity
- Whole of life costs
- Sustainability principles

Risk Management

Council will identify and manage risks, including, but not limited to, health and safety, financial, contractual, fraud and legal compliance risks in accordance with Council's relevant risk management policies and frameworks.

Sustainability

Council is committed to reducing its environmental impacts and operating in a socially, financially responsible manner.

Council recognises the potential impact its spend may have on the environment and where appropriate will integrate sustainability, environmental and social considerations into the procurement process in order to maximise the benefits of the services it provides to the community.

Council's sustainable purchasing objectives are to:

- Eliminate inefficiency and unnecessary waste and expenditure;
- Further stimulate the demand for sustainable products;
- Take into account 'whole of life' costs; and
- Play a leadership role in promoting and embedding social and environmental sustainability practices.

Specifically, Council will endeavour to:

- Minimise unnecessary purchasing - by only purchasing the right product, at the right price, at the right time.
- Minimise waste - by purchasing in accordance with avoid, reduce, reuse and recycle strategies.
- Save water and energy - by purchasing products that minimise energy and/or water consumption.
- Minimise pollution - by minimising the purchase of products that pollute soils, air or waterways.
- Minimise toxicity - by minimising the purchase of hazardous chemicals that may be harmful to human health or ecosystems.

- Minimise greenhouse gas emissions - by purchasing products that help reduce Council's carbon footprint.
- Maximise economic and social benefits to our local community by supporting local businesses and organisations in line with the principles contained in this policy and
- exploring ways to generate local employment and/or achieve social outcomes.

Efficient Purchasing Processes

Council will undertake its purchasing activities in the most efficient and effective manner to minimise the administrative costs by:

- Seeking opportunities to streamline purchasing processes;
- Utilising technological advances and electronic commerce applications, supported by appropriate controls aimed at reducing the administrative costs associated with purchasing;
- Adopting a clear and consistent approach to its purchasing activities including the use of standard documents and contracts;
- Ensuring all staff are trained in the use of electronic purchasing programs.

Delegations and thresholds

The General Manager will delegate authority to staff to undertake various forms of procurement and to authorise the expenditure of Council funds. Details of financial thresholds that determine the procurement method and associated requirements are provided in the Procurement Procedure. Delegations will be kept within Council's Delegations Register.

Complaints and breach of policy

Any complaints from suppliers or other members of the public relating to procurement matters will be dealt with under Council's Complaints Handling Policy.

Allegations by suppliers or the public of corrupt conduct within Council are to be referred in writing to the General Manager.

Allegations by staff may be made under Public Interest Disclosures legislation and/or referred to the General Manager for investigation in accordance with Council's adopted policy and procedures.

All procurement activity must be conducted in accordance with this policy and the associated procedures. Failure to comply with this policy or associated procedure may result in disciplinary or legal action.

Definitions

Delegation – Approval from the General Manager to Council officers - an appropriate level of authority to incur and approve expenditure of Council funds.

Local Supplier – A local supplier with employees based permanently in the MidCoast Council Local Government Area (LGA) of NSW or where appropriate, Australian-made products.

Probity – Strict adherence to a code of conduct and statement of business ethics based on undeviating honesty especially in commercial (monetary) matters and beyond legal requirements.

Procurement - refers to a process that begins with the basic 'make or buy' decision, and then spans the 'whole life' of supplier/construction arrangements. It includes all activities involved in acquiring goods and services either outright or by lease (including disposal and lease termination) It also encompasses acquiring consumables, capital equipment, real property, infrastructure and services under consultancies, professional services, facilities management and construction.

Purchasing - the process of buying or purchasing from those supplier arrangements.

Vendor, Contractor, Supplier or Service Provider - generically includes contractors, subcontractors, suppliers and consultants that contract goods and services.

Responsible officer (position)

Manager Governance