

Council Policy

Procurement

Policy Statement

This policy provides the framework for Northern Beaches Council to achieve value for money from their procurement whilst being fair, ethical and transparent.

Principles

The following principles will guide all procurement activities.

Value for Money

Obtaining value for money in delivering the best outcomes for our community is the overarching requirement for procurement at the Northern Beaches Council. Value for money is not necessarily the lowest price; it includes consideration of many factors including quality, performance history, whole of life costing - including the cost of environmentally responsible disposal at end of life, timely delivery, risk and WHS requirements.

Ethics and Probity

Council procurement involves the expenditure of public funds for community benefit and is governed by strict considerations of probity, transparency and accountability to ensure that the decision making processes withstands public scrutiny. All staff must adhere to high standards of probity in procurement, uphold high standards of integrity and fairness and undertake their duties in accordance with Councils Statement of Business Ethics and Code of Conduct.

Equity

Procurement processes are developed to ensure that suppliers are provided equal opportunity to contract with Council in the provision of works, goods and services.

Environmental Sustainability

Council will promote high-quality environmental standards and responsibility and make procurement decisions which aim to reduce resource consumption, biodiversity depletion and environmental impact where possible. The entire life cycle of goods and services are to be considered, taking environmental risks and benefits into account whilst avoiding unnecessary consumption - for example inputs of natural resources, energy and water in the manufacture, use and disposal of goods

Social Sustainability and Local Supplier Engagement:

Council is committed to assisting local businesses in working with Council and will ensure that its processes are transparent and do not disadvantage local business. Certain circumstances may present opportunities to generate social value through the procurement processes, these opportunities will be pursued where applicable to generate positive outcomes and benefits for the people and communities that Council serves.

Compliance

Council has a legislative requirement under the Act to tender for works, goods and services where expenditure for the life of the contract is greater than \$150,000 (including GST). Procurement is also undertaken in accordance with the Tendering Guidelines for NSW Local Government and the NSW Code of Practice for Procurement.

A Robust Procurement Framework

A policy, operational processes, manuals and templates which provide guidance in achieving the best value for money delivery of quality services to our community. To the extent possible, procurement processes will be kept simple so as to maximise efficiency and reduce costs.

Key components of the framework are:

- *Financial Thresholds* which define the procurement processes for different levels of expenditure. Processes to be followed for values below the \$150,000 tender threshold prescribed in the Act are detailed in operational guidelines and the procurement manual.
- *Financial Delegations* which define the levels of authority that specified staff have to approve contracts and payments. Prior to the commencement of any procurement process:
 - I. Funds must exist within an approved budget; and
 - II. The appropriate financial delegate must be aware of the procurement.

Breach of Policy

All procurement activity must be conducted in accordance with this policy and the associated procurement framework. Failure to comply may result in disciplinary or legal action. The Independent Commission Against Corruption (ICAC) has been established to protect the public interest, prevent breaches of public trust and guide the conduct of public officials. Council has an obligation to report serious matters to the ICAC and/or Police which potentially could result in civil or criminal proceedings.

Scope & Application

This policy applies to all employees, agents and officers of Northern Beaches Council, along with all Councillors.

References and related documents

- Section 55 Local Government Act 1993 (NSW)
- Part 7 Local Government (General) Regulation 2005 (NSW)
- DLG Tendering Guidelines for NSW Local Government
- Northern Beaches Council Statement of Business Ethics – 2016
- NSW Code of Practice for Procurement 2013
- Northern Beaches Council Procurement Manual and associated templates

Definitions

The Act: Section 55 Local Government Act 1993 (NSW)

Regulations: Part 7 Local Government (General) Regulation 2005 (NSW)

Probity: Ethical behaviour that upholds the values of honesty and integrity and ensures impartiality, accountability and transparency

Procurement: the overarching business function of acquiring goods and services; the end to end process of identification, sourcing, market engagement, evaluation, contract award, contract management and review.

Goods and Services: where Goods and Services are referred to in this policy, it is also applicable for Works, Consultancies and Lease agreements.

Responsible Officer

Manager Procurement

Review Date

May 2021

Revision History

Revision	Date	Change	HPE CM Ref
1	25/7/2017	Policy adopted by Council with no changes following exhibition	2017/124289