

Procurement Policy

Policy Author	General Manager – Strategy and Corporate
Date of next review	March 2025

1. Statement of Intent

Council is entrusted with public funds to fulfil its services to the community. Council procurement activities and the expenditure of these funds, whilst giving due regard to financial thresholds outlined in the associated Procedures, will be underpinned by the following principles:

1.1 Open and Fair Competition

Council recognises the commercial and economic benefits of open and effective competition and must give fair and equitable consideration to all prospective suppliers.

1.2 Probity, Accountability and Transparency

All procurement shall be undertaken in a manner that ensures:

- Clearly established roles and responsibilities.
- Appropriate record keeping and documentation.
- Integrity through transparency of process and documentation of decisions made.
- Adherence to relevant legislation, policy and procedure.
- Identification and management of actual or potential conflicts of interest.
- Confidentiality of all commercial information.

1.3 Ethical Behaviour and Fair Dealing

Workers involved in procurement activities are to:

- Behave with impartiality, fairness, openness, integrity, and professionalism.
- Provide all suppliers with equal opportunity to supply to Council.
- Establish clear and easy to understand documentation requirements, evaluation criteria and methodology.
- Provide consistent processes and constructive feedback on decisions upon request from suppliers.
- Ensure effective communication and provision of information to all suppliers.

1.4 Value for Money

Council seeks to achieve value for money and acquire quality goods and services. The concept of value for money is not restricted to price alone, the assessment must include consideration, where applicable, of:

- Ensuring that the goods and/or services meet the needs of the community,
- Procurement through purchasing groups, cooperatives and other councils,

- The performance history of each prospective supplier,
- Compliance with the Councils commercial terms, fitness for purpose, quality, service, support and warranty;
- Financial considerations including all relevant direct and indirect benefits and costs both tangible and intangible;
- Delivery and/or timeliness;
- The flexibility to adapt to possible change over the lifecycle of the property or service; and
- Risk exposure.

1.5 Risk Management

Council will ensure that appropriate consideration to risk identification and management is undertaken during the procurement activity.

The assessment of higher risk may necessitate supplier engagement via a contractual document in lieu of a system generated purchase order.

Consideration for these elements are further defined in Councils Risk Management Framework and this should be referenced and tools utilised in the identification, assessment and implementation of controls where required.

1.6 Industry Participation

Council is committed to maximising the positive impact of its procurement activities to benefit the community and its economy, giving preference to local and or northern region benefit when all other financial and commercial considerations are equal. The following areas may be considered in evaluating offers:

- Creation of local employment and training opportunities;
- Economic growth within the local area;
- Benefit to Council of any associated local commercial transaction; and
- The short and long term impact of the procurement on local business.

Consideration for these elements are further defined in Councils Industry Participation Procedure.

1.7 Environment and Sustainability

Council promotes environmental sustainability through its procurement activities and will consider the purchase of environmentally sustainable goods and services that satisfy the value for money criteria and when all other financial and commercial considerations are equal.

Council will endeavour to ensure legislative compliance and environmentally responsible practices by any contractor engaged to perform services for or on behalf of Council.

2 Scope

This Policy applies to all procurement activities undertaken in the acquisition of goods and services on behalf of Council, whilst giving due regard to financial thresholds outlined in the associated Procedures (i.e. only where practicable the principals outlined in 1.6 and 1.7 above will be applied to purchases below \$20,000), whether solicited by Council or the result of an unsolicited proposal

from the private or not-for-profit sectors and whether transacted via trading account or Council expense card.

This Policy does not apply to real property acquisitions, non-procurement expenditure such as the provision of funding by Council for sponsorships, grants, and donations nor employment contracts.

3 Legislation and References

This Policy is to be read in conjunction with the;

- Procurement Procedure
- Expense Card Procedure
- Industry Participation Procedure
- Unsolicited Proposal Procedure

- *Local Government Act 1999*
 - Section 37 - Provision relating to contracts and transactions,
 - Section 49 - Contracts and tenders policies,
 - Section 120 - Conflict of interest
 - Section 137 - Expenditure of funds.
- *Independent Commissioner Against Corruption Act 2012*
 - Section 3 – Objects, and
 - Section 5 - Corruption, misconduct and maladministration.
- *Competition and Consumer Act 2010 (Cth)*
 - Section 2BA Application of Part IV to local government bodies
 - Section 45 - Contracts, arrangements or understandings that restrict dealings or affect competition
- *Environment Protection Act 1993*
- *Freedom of Information Act 1991*
- Worker Code of Conduct
- Fraud and Corruption Control Policy
- Financial Management Policy
- Risk Management Framework
- Delegation Register
- City of Playford Global Glossary

This Policy should not be considered as the only document that may relate to procurement, other tiers of government, agencies or organisations may have legislation or policies that also apply.

4 Application

Mayor and Chief Executive Officer	Execution of a Contract document requiring the affixation of the Common Seal of the Council, following the resolution of Council.
Chief Executive Officer (CEO)	Approval of expenditure of Council funds and the process undertaken preceding the approval request, exceeding expenditure limits delegated. Execution of a Contract document, exceeding expenditure limits delegated. Approval of a Worker maintaining involvement in a procurement activity where an actual or potential conflict of interest has been declared.
General Manager – Strategy and Corporate	Ensure this Policy is reviewed by Council as required.
Manager – Procurement and Accounts Payable	Ensure correct application of this Policy and associated Procedures in the development of systemised and non-systemised procurement process. Conduct annual analysis of Councils expenditure, including expense card, to identify aggregation opportunities and efficiencies that can be included in its annual procurement strategy.
Procurement Team	Assist Workers in the application of this Policy and associated Procedures.
Internal Auditor	Conduct periodic audit of Councils procurement activities and assist in the development of assurance metrics to ensure compliance with this Policy and associated Procedures.
Workers holding CEO sub-delegation pursuant to Section 37 of the <i>Local Government Act 1999</i> (Approvers)	Enter into contract arrangements on behalf of Council, within financial limitations delegated.
Workers holding CEO sub-delegation pursuant to Section 137 of the <i>Local Government Act 1999</i> (Approvers)	Approval of expenditure of Council funds and the process undertaken preceding the approval request, within Financial limitations delegated.

5 Relevance to Risk Appetite Statement

5.1 Environmental Impact

The City of Playford has a **LOW** appetite for discretionary environmental impacts and as such this policy commits to underpinning principles to ensure its procurement practices promote environmental sustainability.

5.2 Financial Sustainability

The City of Playford has a **LOW** appetite for short-term financial risk that adversely impacts on the delivery of the Long Term Financial Plan (LTFP) and the overall financial stability and sustainability and as such this policy commits to underpinning principles to ensure its procurement practices obtain value in the expenditure of public money.

5.3 Reputation

The City of Playford has a **LOW** appetite for negative perceptions that compromise its credibility and reputation and as such this policy commits to underpinning principles to ensure its procurement practices are fair, equitable and transparent.

5.4 Regulatory Compliance

The City of Playford has **ZERO TOLERANCE** for non-compliance with applicable legislation and as such this policy meets Councils requirement under the *Local Government Act 1999* – Section 49 (a1) and the associated Procedures broadly outline the regulatory compliance requirements to be adhered to when undertaking procurement activities.

6 Feedback

Your feedback on this policy is invited and can be directed to the Manager Governance via email to governance@playford.sa.gov.au or by calling the Customer Contact Team on 8256 0333.

Administration use only

ECM document set no.	3960713
Version no.	4
Procedure link	Procurement Procedure Expense Card Procedure Industry Participation Procedure Unsolicited Proposal Procedure
Policy author	General Manager – Strategy and Corporate
Endorsed by	Council
Resolution no.	4615
Legal requirement	<i>Local Government Act 1999</i>
Review schedule	4 Years per Council Term
Date of current version	May 2021
Date of next review	March 2025

Version history

Version no.	Approval date	Approval by	Change
2	24 May 2016	Ordinary Council Resolution No. 2575	Policy complete reworked
3	26 July 2017	Ordinary Council Resolution No. 2932	Administrative Changes
4	25 May 2021	Ordinary Council Resolution No. 4615	Complete rework in line with Councils new Policy Governance Framework
