

<b>POLICY LOCATION</b>	Corporate and Organisational Performance	<b>POLICY TITLE</b>	Procurement Policy
<b>POLICY NUMBER</b>	CA03	<b>DATE ADOPTED</b>	12 October 2022
<b>REVISION NUMBER</b>	12	<b>REVISION DATE</b>	July 2025

## Purpose

The purpose of this policy is to assist the Buloke Shire Council (Council) to meet its obligations and responsibilities by providing a framework which will:

- Ensure compliance, consistency and control over procurement activities,
- Achieve value for money and continuous improvement in the provision of services,
- Demonstrate accountability to ratepayers, and
- Provide guidance on ethical behaviour in local government procurement activities.

This document represents the current policy of Council until it is revised or rescinded.

## Scope

This policy is made under Section 108 of the *Local Government Act 2020* (Act).

This section of the Act requires Council to prepare and adopt a procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services, and works undertaken by Council to ensure the promotion of open and fair competition and value for money.

This policy applies to the acquisition of goods, services, and works by Council other than to those activities or circumstances listed as exempt in Appendix 1. The exemptions also apply to collaborative procurements.

All monetary values stated in this policy exclude GST, except where specifically stated otherwise.

## Definitions

In this policy –

**“Delegations”** refers to the delegation of power to members of Council staff to approve a range of functions in the procurement process.

**“GST”** refers to Goods and Services Tax. For the purposes of this policy, any amounts stated are exclusive of GST, unless expressly stated otherwise.

**“Panel contracts”** means a contract that sets out rates for the provision of goods, services or works which are available for the term of the contract for two or more potential suppliers.

Such contract will not commit Council to purchase a specified value or quantity of goods, services or works unless specified as part of the tender process.

**“Procurement”** is the whole process of acquisition of external goods, services or works. Procurement is deemed to include the whole-of-life cycle, from initial concept through to end of useful life of an asset, including disposal, or the end of a service contract.

**“Regional businesses”** refers to businesses registered within the Shire of Buloke and registered within municipalities which share a common boundary with the Shire of Buloke.

## Policy Statement

Council recognises that developing a procurement policy and adopting appropriate best practice contracting and procurement principles, policies, processes and procedures for all goods, services and works by Council will enhance achievement of Council’s objectives (including sustainable and socially responsible procurement), and support bottom-line cost savings, local economies, innovation, and better service provision for communities.

Council understands its role in supporting regional economic benefit as a major purchaser of goods and services within the municipality, and this policy aims to ensure, where possible, there is a positive influence on and outcome for the local economy.

Council is committed to procurement that supports local businesses plus economic diversity and viability. This also supports socially inclusive activities, as it works to stimulate the local economy and contribute to local job creation and reduces the reliance on goods and services that impact the environment through travel and transport.

Council endorses the practice of sustainable procurement and the sourcing of environmentally preferable products and services whenever they perform satisfactorily and are available at a competitive price.

Sustainable procurement practice will demonstrate to the community that Council’s purchasing decisions can improve markets for environmentally preferred products, enhance environmental quality, be resource responsible and contribute to progress toward sustainability.

## Preamble

This policy is designed to ensure elements of best practice applicable to local government procurement incorporates:

- Broad principles covering ethics, value for money, open and fair competition, responsibility and accountability, risk management, probity and transparency, sustainable and social procurement and guidelines giving effect to those principles,
- A system of delegations, and
- A professional approach to all major procurements.

This policy requires contracting and purchasing activities to support Council’s corporate strategies, aims and objectives, including, but not limited to, those related to sustainability, protection of the environment and corporate social responsibility.

The approach for procurement within Council will be guided by the Best Value Principles set out below:

**a. Value for money**

Council will procure goods, services, and works after consideration of cost and non-cost factors which contribute to the advancement of Council priorities and community interest as follows:

- Cost factors: whole-of-life and transactional costs associated with acquiring, using, holding, maintaining, and disposing of the goods, services or works.
- Non-cost factors: fit-for-purpose, quality, service and support, project delivery considerations, risk, local economic contribution, and financial capacity.

**b. Open and Fair Competition**

Procurement activities will be conducted, and be seen to be conducted, in an impartial, fair and ethical manner. This includes, but is not limited to, ensuring all prospective suppliers are provided with the same access to information about procurement to enable them to submit prices, quotations, tenders, or other submissions on an equal basis.

Council will take all reasonable steps to test the market in a consistent manner without bias, or perception of bias.

**c. Accountability, probity, and transparency**

A consistent approach to procurement will be applied across Council through the application of authorised financial delegations, this policy, and associated procedures to ensure the highest level of integrity and public interest. Council staff are required to account for all procurement decisions made over the lifecycle of all goods, services, and works purchased by Council.

Council will work within an auditable and regular reporting mechanism to ensure adherence to procurement frameworks and legislative requirements.

**d. Risk Management**

Risk management will be applied at all stages of procurement, and steps will be taken to ensure associated activities will be managed to protect Council's capability to prevent, manage and recover from interruption to the supply of goods, services and works.

**e. Sustainable and social procurement objectives**

Council will have a regard for the long-term and cumulative effects of procurement activities and decisions through:

- Minimising environmental impact by purchasing goods and services which reduce its environmental footprint and supporting innovation in sustainability.
- Seeking ways to promote social procurement when sourcing goods, services and works to generate positive social outcomes.

- Seeking continuous improvement, including through embracing innovative and technological initiatives, and addressing service gaps by considering options for joint ventures between Council and external partners.
- Giving preference to goods manufactured in Australian and New Zealand wherever practicable.

Council is also committed to reducing its environmental impacts and will encourage the design and use of projects and services that have been produced to ethical standards which have minimal impact on the environment and human health. This includes but is not limited to:

- waste and resource recovery
- recycling
- energy management emissions management water conservation
- eco-buy products green building design
- environmentally sustainable procurement

## Guidelines

### Ethics and conflict of interest

Councillors and Council staff will adhere to conduct principles within the Code of Conduct for Councillors, and the Code of Conduct for Staff, respectively. This both means and includes:

- Neither seeking nor receiving personal gain,
- No Councillor or member of Council staff, either directly or indirectly, soliciting or accepting gifts or presents from any member of the public, or prospective suppliers, who is involved in any matter connected with the performance of the Councillor's or staff member's duties, or in any procurement matter in which Council is interested,
- Maintaining confidentiality regarding pricing, specifications, quotations, tenders and any other commercial interests or proprietary information,
- Dealing with prospective suppliers and in an honest and impartial manner which does not allow conflicts of interest, or the perception of conflicts of interest,
- Being accountable for all decisions, and
- Presenting a high standard of professionalism and impartiality.

### Governance

Council has established a procurement responsibility framework and delegations to ensure accountability, traceability and auditability of all procurement decisions made over the lifecycle of goods, services, or works.

Council procedures will be maintained to ensure appropriate internal controls are in place, including as a minimum:

- Separation of duties in transactional end-to-end activities,
- Transparency in the acquisition of goods, services or works, Clear and documented audit trails for procurement activities, Appropriate authorisations are obtained and documented,

- A regular, at least annual, review of creditor payments made over the previous two years to ensure compliance with public tender thresholds,
- Establishment of panel contracts for any goods, services or works which may result in expenditure exceeding public tender thresholds in favour of one supplier,
- Systems are established and maintained to monitor compliance with this policy and associated procedures, and
- A process is in place for escalation, where appropriate, of procurement matters (including procedural non-compliance) to the senior leadership team, Audit and Risk Committee and Council.

### **Tenders**

In accordance with s 108(3)(a) of the Act, the public tender threshold for contracts is \$250,000 for the purchase of goods, services or works, unless a different public tender threshold is set by regulation from time to time. If Council's monetary contribution to a collaborative procurement process is greater than \$250,000 a public tender process is required.

Council may determine to allow public expressions of interests or tenders may be called for contracts below the public tender threshold amounts if it is considered the nature of the requirement and the characteristics of the market are such that the public tender process would lead to a better value for money outcome.

Member of Council staff must not disclose allocated tender budgets to prospective suppliers without the prior written authorisation of the Chief Executive Officer.

All public tenders invited by Council will be published via Council's nominated e-Procurement portal and may be advertised in the media.

All tender processes will be conducted in accordance with this policy, its associated procedures and relevant legislation, and comply with Council requirements outlined within Council's Tendering and Contracts Manual.

### **Selection Criteria**

Council may include the following evaluation criteria categories to determine whether the proposed contract provides value for money:

- Mandatory compliance criteria (e.g., ABN registration, Occupational Health & Safety)
- Conformance requirements
- Price
- Capacity
- Capability
- Local content

### **Buy Local Content**

Council is committed to purchasing from local and regional businesses where such purchases may be justified through value for money.

All other factors being equal, Council should, where it is reasonably practicable to do so, give preference to regional economic benefit when sourcing goods, services or works.

These benefits may take the form of:

- increased local employment
- increased activity and spend in local economies with identifiable benefits
- the level of local content in the goods, services and works, including the life cycle impacts of products purchased on the local community.

Council may, where it is reasonably practicable to do so, include a local content weighting of up to 10% within a request for quotation or tender evaluation criteria for projects above \$30,001 in support of the Buy Local Content principle in this policy.

### **Panel Contracts**

Contractors may be engaged through the use of panel contracts which Council has put in place. Supplier panels may be appointed by Council after a publicly advertised tender process has taken place.

When looking to engage a supplier from a panel contract, members of Council staff should refer to the requirements set out in the Procurement Procedure.

### **Quotations & Other Standard Purchasing Methods**

The purchase of goods, services and works below the public tender threshold will be undertaken in accordance with one of the procurement methods outlined in the Procurement Procedure. The Procurement Procedure will stipulate the minimum number of quotations or other submissions which must be sought.

Council shall publish the procurement thresholds applicable to the purchase of goods, services and works that are below the public tender threshold, and contained in its Procurement Procedure, on Council's website for the information of the public and prospective suppliers. The procurement thresholds contained in the Procurement Procedure are subject to change from time to time, by the Chief Executive Officer.

### **Collaborative Procurement**

In accordance with s 108(c) Council will give consideration to collaboration with other Councils and public bodies or utilise collaborative procurement arrangements, when procuring goods, services or works. This may be done by assessing:

- The nature of the opportunities available (if any), and the councils or public bodies with whom they are available; and
- Whether the identified opportunities should be pursued

Council may collaborate with other councils or use other agents (such as MAV Procurement or Procurement Australasia) to procure goods, services and works or utilise existing collaborative procurement arrangements for the procurement of goods, services or works established through a public tender process where it provides an advantageous value for money outcome for Council.

## **Delegations**

Financial delegations will be consistent with the Instrument of Delegation from Council to the Chief Executive Officer, and the Instrument of Delegation from Chief Executive Officer to staff.

The availability of existing funds within an approved budget, or source of funds, must be established prior to the commencement of any procurement action for the supply of goods, services or works.

Members of Council staff must not authorise the expenditure of funds in excess of their financial delegations. Council is solely responsible for approving contract term extensions which require allocation of funds in excess of Council approved budgets and awarding a contract with a value which would exceed the Chief Executive Officer's financial delegations.

All tenders with a value:

- above the public tender threshold amounts under this policy or subsequently set by regulation, and
- within the financial delegation of the Chief Executive Officer

will be reported to Councillors monthly to enable Council to request the award of a contract to occur at a Council meeting.

## **Chief Executive Officer Exemption – Budget Disclosure**

Members of Council staff must not disclose allocated tender budgets or project budgets below the public tender threshold to prospective suppliers, without the prior written authorisation of the Chief Executive Officer.

Such requests and approvals must be in writing and appropriate records kept in Council's records management system.

## **Training**

All members of Council staff with financial delegations will be provided with training and information in accordance with Council policies.

## **Record Keeping**

Council is responsible for retaining all documentation arising from procurement activities in line with Council's Records Management Policy and the PROV Local Government Records Management Disposal Schedule.

## **Complaints**

Complaints from potential suppliers, tenderers and contracted suppliers concerning Council's procurement processes should be reported in accordance with Council's Complaints Handling Policy and Procurement Procedure.

Complaints in relation to corrupt or fraudulent activity in relation to procurement should be made in accordance with either Council's Fraud and Corruption Reporting Policy or Public Interests Disclosure Policy, as applicable.

### **Breach of this Policy**

Council may take disciplinary action against an Employee who is found to breach this Policy and its associated procedures in accord with Council's Disciplinary Action Policy.

Suspected breaches of this policy by Councillors will be referred to the Chief Executive Officer in accordance with Council's mandatory notification requirements.

### **References**

This policy was developed in accordance with the following legislation:

- *Local Government Act 2020*
- *Competition Policy Reform (Victoria) Act 1995*
- *Competition and Consumer Act 2010 (Cth)*
- *Charter of Human Rights and Responsibilities Act 2006*

This policy was developed in accordance with the following documents:

- Code of Conduct for Councillors
- Code of Conduct for Staff
- Complaints Handling Policy
- Local Government Procurement Best Practice Guidelines 2013
- Procurement Procedure
- Public Interest Disclosure Policy
- Records Management Policy
- Risk Management Policy
- Risk Management Framework
- Tendering and Contracts Manual
- Fraud and Corruption Reporting Policy
- Disciplinary Action Policy



## Appendix 1

Exemption Name	Explanation and Limitations
Emergency response, relief or recovery & public safety situations requiring immediate action	<p>The member of Council staff appointed as the primary officer responsible for emergency management or public safety response, or an alternative officer authorised to act in the primary officer's absence, has authorisation to take immediate action in the procurement of services, goods or works during a declared emergency management situation in order to protect the Buloke community and/or Council assets, but subject to that member of Council staff acting within the scope of their financial delegation.</p> <p>This exemption shall extend to the occurrence of an event such as flooding or fire at a Council property that impacts on business continuity.</p> <p>This authority ceases where there is no further requirement to take immediate action in order to protect life or property. Emergency provisions must not be used for the procurement of extended goods, works or services.</p>
Legal Services	The definition of legal services does not extend to include debt recovery services
Labour Hire	
Electoral or valuation services	
Payroll expenses and deductions	
Refunds	
Warranties and servicing for plant and equipment	<p>Where:</p> <ul style="list-style-type: none"> <li>• It is required to maintain a valid warranty.</li> <li>• Works need to be carried out by recognised suppliers using genuine parts. To achieve this Council may utilise servicing by the manufacturers from whom the plant and equipment were originally purchased. Spare parts from specific manufacturers can be purchased to complete works on a plant and equipment in Council's workshop.</li> </ul>
Utilities	

Essential service provision or other government entity	Where certain bodies or authorities will only allow works to be conducted by themselves or their contractors on their assets (for example Powercor, GWM Water).
Core service sole suppliers	Includes: <ul style="list-style-type: none"> <li>• Professional membership payments (relating to positions held at Council); and</li> <li>• IT equipment (Apple and Microsoft products and the like)</li> </ul>
Information technology resellers and software developers	Allows Council to renew software licences, subscriptions and maintenance and support, or to upgrade existing systems, where there is only one supplier of the software who holds the intellectual property rights to the software.
Operating leases	Where a vendor leases an asset (generally a vehicle or plant and equipment) to Council and assumes the residual value risk of the vehicle.
Novated contracts	Where the initial contract was entered into in compliance with the policy and due diligence has been undertaken in respect to the new party.
A contract made with, or a purchase from a contract made by another government entity, government owned entity or other approved third party	Allows engagements; <ul style="list-style-type: none"> <li>• With another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government; and/or</li> <li>• In reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, Municipal Association of Victoria, Procurement Australasia or Loddon Mallee Procurement Network.</li> </ul>
Extension of contract while Council is at market to replace that contract	Allows Council to extend an existing contract where the procurement process to replace the existing contract has commenced, and where the tender process or negotiations will take or are taking longer than expected.  This exemption may be used when the establishment of an interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in

	<p>the delivery of public services to the municipality.</p>
<p>Chief Executive Officer exemptions</p>	<ul style="list-style-type: none"> <li>• Where a member of Council staff has taken all reasonable steps to comply with this policy and its associated procedures but is unable to meet requirements under the same, for example: where there is only one known and reputable supplier or provider for the particular goods, services or works or</li> <li>• Where there is an ability to obtain sufficient quotations</li> </ul> <p>The member of Council staff may apply, in writing, for an exemption under this policy to the Chief Executive Officer.</p> <p>The Chief Executive Officer may consider an application and provide a written exemption under this policy, where it can be clearly demonstrated that a public procurement process will not be in the best interests of the organisation or community to do so, however a member of Council staff must be able to demonstrate in their application that clear and robust market testing has occurred.</p> <p>Such requests and approvals must be in writing and appropriate records kept.</p> <p>The Chief Executive Officer may also provide a written exemption under this policy where he or she is satisfied that:</p> <ul style="list-style-type: none"> <li>• Exceptional circumstances exist; and</li> <li>• It is in the public interest to depart from the procurement processes that would otherwise apply.</li> </ul> <p>The Chief Executive Officer must present to a Council meeting details of any contract or other agreement entered into as a result of such exemption being provided.</p>