



Lifestyle and opportunity @ your doorstep



Procurement Policy
June 2020

Procurement Policy

1. Introduction

The Council of City of Ryde is committed to demonstrating the highest levels of integrity in the procurement of all goods and services that are used to meet community needs.

The objectives of this policy are to ensure that Council's procurement processes:

- comply with relevant legislation, regulations, and guidelines.
- adhere to appropriate standards of behaviour and ethical principles.
- obtain the best value for money.
- promote sustainable practices.
- promote 'buy local' practices.
- include the provisions of other related Council Policies.

This document confirms the scope of the policy, provides detail regarding the objectives, and sets out how the policy is to be implemented.

The policy is supported by a CoR Procurement Manual which documents the guidelines, procedures, processes and templates associated with CoR procurement activities.

2. Scope

This policy applies to any person undertaking procurement on behalf of Council, including staff (permanent, contract or temporary), councillors, consultants, and contractors.

Procurement is the process of finding, selecting and contracting suppliers (or other third parties) to:

- provide goods and/or services to Council.
- lease or licence land and/or buildings from Council.
- dispose of Council property.

The procurement process typically includes requesting quotations, expressions of interest or tenders and issuing a formal commitment from Council to suppliers (or other third parties) using a Purchase Order or other form of agreement.

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3. Policy Objectives

3.1. Legislation, Regulations, and Guidelines

All procurement activities must be carried out in accordance with relevant legislation, regulations, and guidelines, including:

- The *Local Government Act 1993* (LG Act)
- The *Local Government (General) Regulation 2005* (LG Regulation)
- The Tendering Guidelines for NSW Local Government (October 2009) (Tendering Guidelines)
- *Government Information (Public Access) Act 2009* (GIPA)
- *Work Health and Safety Act 2011*, NSW

Typically, procurement involving an estimated expenditure or receipt of an amount equal to or greater than \$250,000 (incl. GST) will be subject to the provisions of section 55 of the LG Act. All other expenditure (not subject to the provisions of the LG Act) is subject to provisions included in the CoR Procurement Manual.

3.2. Standards of Behaviour and Ethical Principles

Any person undertaking procurement on behalf of Council must promote Council's core values of safety, teamwork, ethics and professionalism and adhere to the standards of behaviour and ethical principles set out in Section 1.2 of the Tendering Guidelines.

These principles include:

- Conducting all procurement processes and business relationships with honesty, fairness and probity.
- Ensuring that procurement processes are open, clear, fully documented, and defensible.
- Ensuring that all participants in procurement processes are treated consistently.
- Identifying and managing any conflicts of interest without delay.
- Not engaging in anti-competitive or collusive practices.
- Not inviting quotes or tenders without a firm intention and capacity to proceed with a Purchase Order (or other form of contract).
- Encouraging business relationships based on open and effective communication, respect and trust.
- Adopting a non-adversarial approach to dispute resolution.

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Relevant Independent Commission Against Corruption (ICAC) publications must be followed when undertaking procurement activities such as negotiations.

Council Officers must not use CoR suppliers to procure goods or services for their personal use or for use by any organisation other than Council.

3.3. Value for Money

Best value for money is the combination of supply quality and Lifetime Cost that is most advantageous to Council. Lowest price is not necessarily an indicator of value for money.

Council's procurement processes will promote value for money outcomes by:

- considering the value, complexity, risk, and resource skills when determining the most appropriate procurement process that is to be followed.
- ensuring that the requirements set out in tenders and quotes accurately reflect Council's needs.
- providing transparency of the consideration that led to each value for money decision, including recognition of the Lifetime Cost associated with the procurement.

3.4. Sustainable Practices

- a. Council is committed to promoting economically, socially, and environmentally sustainable practices.
- b. Procurement processes will seek to understand suppliers' commitments to environmental protection and ecologically sustainable development, and how these impact the products and services that they offer.
- c. Sustainable practices acknowledge Council's pursuit towards improved sustainable outcomes and includes initiatives such as the reduction of procurement impact on the environment, including waste and recyclables and products that lower environmental impact. This includes establishing 2025 'green procurement' operational targets as follows:
 - i. 50% of all 'material' purchases to comprise a recyclable element or component, and
 - ii. 70% of all 'service' contracts adhere to sustainable principles

3.5. Buy local

Where possible and with all other procurement considerations being equal, Council will preference local suppliers to help generate local employment and stimulate the local economy.

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3.6. Other related Council Policies and Procedures

Any person undertaking procurement on behalf of Council must adhere to the relevant provisions of other related Council policies or procedures including:

Policy/Procedure	Link to Procurement
Delegations	Release of Purchase Orders and execution of contracts.
Asset Disposal	Support for the disposal of assets (other than IT assets).
CSI006G2 IT Asset – Use and Disposal Guideline	Support for the disposal of IT assets.
Work Health and Safety Policy	WH&S practices of suppliers.
Statement of Business Ethics	Business behaviours of suppliers.
Code of Conduct Policy	Conduct of supplier personnel.
Sustainability/Resilience	Inclusion of sustainability/resilience considerations.
Corporate Credit Card Policy	Compliance of purchases made using a corporate credit card with Procurement Policy.
CSI001 Information Policy	Retention of documents related to procurement events.
Legal Services and General Counsel Protocol and Procedures	Use of legal services to support procurement events.
Community Buildings Licensing Policy	Procurement support for events that licence community buildings.

4. Policy Implementation

4.1. Procurement Direction

In implementing this policy, the Procurement Department will:

- Act as a single point of structural control over all Council procurement activity.
- Maintain a CoR Procurement Manual setting out the procedures, processes, and templates to be followed for key procurement processes.
- Promote the use of existing supply contracts and panels (as established by Council or other prescribed entities).

Be responsive to the unique demands of critical procurement events (e.g. by developing event specific processes or Procurement Plans where appropriate).

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- Use absolute scoring mechanisms in the evaluation of quote and tender responses.
- Enable suitably skilled operational resources to retain accountability and responsibility for procurement activity.

4.2. Consultation with the Procurement Department

Procurement valued at less than \$75,000 (excl. GST) may be carried out by without consulting the Procurement Department by following a standard procurement process to obtain a minimum number of quotes.

For all other procurement, a member of the Procurement Department, or another representative authorised by the Manager Procurement, must be consulted to confirm the most appropriate procurement process and the level of formal specialist procurement support required.

4.3. Supplier Commitments

With the exception of Emergency Procurement, procurement using a Purchase Card and procurement from suppliers included on the Authority to Pay List, a Purchase Order (PO) must be raised for every procurement event before a commitment can be made to a supplier (even when there is an existing contract).

5. Definitions

- Emergency Procurement - any situation or event where there is a risk of injury if maintenance/repair is not carried out or where major works cannot be completed due to breakage in an essential piece of equipment. (Poor planning does not constitute an emergency).
- Lifetime Cost – the sum of the direct and the indirect costs associated with a supply over the whole period that the supply is providing Council's requirements. Where the procurement is for the leasing/licencing of land or buildings, or the disposal of assets cost is substituted by monies received.
- Procurement Plan - A plan established by the Procurement Department that defines procurement processes that require to be followed for a specific type of procurement spend or when procuring from an existing supply contract or panel.

6. Review Process and Endorsement

This policy will be reviewed every two years and any changes approved by Council Resolution.

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Change History

Version	Issue Date	Author	Reason for Change
1	February 2015	Manager Procurement	City of Ryde Procurement Policy 2015, Document ID: D20/60977
2	June 2020	Manager Procurement	Updated procurement framework to guide the procurement of goods and services. The Policy reflects Council's ongoing commitment to promoting economically, socially and environmentally sustainable practices.
2.1	23 June 2020	Manager Procurement	<p>Council decision on 23 June 2020 to add to part 3.4 that:</p> <p>(a) Council commits to establish the following operational targets to achieve by 2025:</p> <ul style="list-style-type: none"> - 50 per cent of all material procurements be sourced from recycled materials. - 70 per cent of all service contracts adhere to sustainable principles. <p>The above targets will be reviewed every 18 months.</p> <p>(b) Wherever possible, when assessing potential supplier relationships, Council will consider:</p> <ul style="list-style-type: none"> - The use of local suppliers to encourage economic development. • Generating local employment. • Considering the life cycle impacts of products purchased on the local economy. - That where there is a like choice between two suppliers or services, Council will give preference to local business.
2.2	November 2020	Governance	Format of document updated to include cover sheet, change history table, trim references

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