

FILE NO: PSC2009-02488

TITLE: PROCUREMENT POLICY

POLICY OWNER: FINANCIAL SERVICES SECTION MANAGER

PURPOSE:

The purpose of this policy is to state Council's position on procurement matters and to provide clear direction to Council officials (Councillors, staff and delegates of Council) making procurement decisions.

Environmentally sustainable procurement results in minimisation of unnecessary purchasing, waste minimisation, water and energy saving, pollution minimisation, avoidance of toxic chemicals, reduction in greenhouse gases and decision making that incorporates biodiversity and conservation objectives.

CONTEXT/BACKGROUND:

Council procurement is required to achieve best value for money in the expenditure of public funds while being ethical, ecologically sustainable, transparent, accountable and promoting fairness and competition. This policy prescribes Council's approach to procurement and is supported by the Procurement Management Directive.

SCOPE:

This policy has been written considering the following principles:

- 1) All parties engaged in procurement activities will display high standards of behaviour and ethics.
- 2) Procurement activities aim to be efficient, effective and balance risk and total cost.
- 3) Due economy shall be exercised in all purchasing decisions.
- 4) Purchasing decisions shall consider relevant evaluation criteria including environmental sustainability, support of local suppliers, registered disability employers and Australian made goods.
- 5) Parties will conduct all procurement and business relationships with fairness and honesty.
- 6) The process for awarding contracts on government projects will be open, clear and defensible.
- 7) A party with a potential conflict of interest will declare and address that interest as soon as the conflict is known to that party.

defined in The Act as the "effective integration of economic and environmental considerations in decision-making processes".

Council is committed to effective implementation for the following principles of ESD in procurement decision making; the precautionary principle; intergenerational equity; conservation of biological diversity and ecological integrity; and improved valuation, pricing and incentive mechanisms.

3) Local preference

Best value for money does not always mean lowest price. Council functions contribute to the economic success of the Local Government Area and Council expends considerable amounts annually on local economic development. Council prefers to buy from local suppliers and contractors where possible as this supports Council's local economic development initiatives.

4) Preference for Australian made products

Council prefers to buy goods made in Australia and encourages a culture of buy Australian in Council officials when evaluating the merits of purchases. Where it is cost effective to do so staff must purchase Australian made/origin supplies.

5) Preference for registered disability employers

Council prefers to buy products made by registered disability enterprises and encourages such consideration in the evaluation of purchases. Where it is cost effective to do so, staff are encouraged to buy from registered disability employers.

6) Purchase orders

Council will always issue a purchase order number for approved purchases. Suppliers are expected to cooperate by quoting the purchase order number on invoices. Council will not pay invoices where an approved purchase order number is absent.

7) Asset disposal

Council will dispose of surplus plant, vehicles, stores, materials, equipment, furniture, scrap metal, technology and other items in a competitive, transparent, cost effective and environmentally sustainable manner.

POLICY RESPONSIBILITIES:

- 1) Section Managers generally.
- 2) Procurement and Contractor Management Specialist.
- 3) Expenditure Coordinator.

RELATED DOCUMENTS:

- 1) *Local Government Act 1993 (NSW).*
- 2) *Local Government (General) Regulation 2005.*
- 3) *Competition and Consumer Act 2010 (Cth).*
- 4) NSW Government Procurement Code of Practice.
- 5) NSW Government Procurement Policy Framework.
- 6) NSW Government Sustainability Policy.
- 7) Port Stephens Council Code of Conduct.
- 8) Procurement Management Directive.
- 9) Financial Business Rules Management Directive.
- 10) Asset Disposal (other than property) Policy.

CONTROLLED DOCUMENT INFORMATION:

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RM8 container No	PSC2009-02488	RM8 record No	17/210686
Audience	Council Staff		
Process owner	Financial Services Section Manager		
Author	Financial Services Section Manager		
Review timeframe	Two years	Next review date	##/##/2019
Adoption date	25/03/14		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1	25/03/14	Financial Services Section Manager	Policy adopted.	64

2	25/11/14	Financial Services Section Manager	<ul style="list-style-type: none"> • Amended policy adopted. 	317
3	27/11/15	Financial Services Section Manager	<ul style="list-style-type: none"> • This policy has been reviewed and formatted into the new template. • Port Stephens Council Code of Conduct added to related documents. • Reference to the Procurement Management Directive added to the Context/Background. 	
4	09/02/16	Financial Services Manager	<ul style="list-style-type: none"> • Amended policy adopted. 	018

5	12/12/17	Financial Services Section Manager	<ul style="list-style-type: none"> • Updated references from TRIM to RM8. • Updated RM8 record from 487 to 17/210686. • Removed NSW Government Procurement Code of Tendering from the Related Documents Section. • Added NSW Government Procurement Policy Framework, Procurement Management Directive, Asset Disposal (other than property) Policy, and Financial Business Rules Management Directive to the Related Documents Section. 	319
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