

Policy number	Policy 301
Policy title	Procurement
Strategic outcomes supported	CL6 – Finances are managed appropriately, sustainably and transparently for the benefit of the community. CL8 – Visionary civic leadership with sound and accountable governance that reflects objective decision-making. CL10 – Legislative responsibilities are resourced and managed appropriately, diligently and equitably.

POLICY OBJECTIVE:

The objective of this policy is to establish guidelines to ensure the most cost effective and efficient methods are used in the procurement of goods, works and services.

This policy reinforces the principle that the maintenance of comprehensive and well documented records is crucial to ensuring that value for money has been obtained and that the procurement process has been conducted with probity and transparency.

POLICY SCOPE:

This policy applies to all employees, contractors and entities that procure goods, services or works for, or on behalf of, the Town of Victoria Park.

DEFINITIONS:

Aboriginal Business means an Aboriginal or Torres Strait Islander business registered in the Aboriginal Business Directory issued by the Small Business Development Corporation.

Australian Disability Enterprise means and Australian Disability Enterprise registered as such on the Australian Business Register.

POLICY STATEMENT:

1. The Council of the Town of Victoria Park is committed to ensuring the procurement of goods and services are managed appropriately, sustainably and transparently for the benefit of the community.
2. The use of alternative procurement methods, such as corporate credit cards, transaction cards and supplier panels are supported where benefits through improved administrative practices and more efficient cash management can be demonstrated.
3. Throughout the procurement process, the Town will:

- a. Ensure transparency, probity and good governance to rate payers and relevant stakeholders on procurement activities
- b. Ensure consistency and control over procurement activities
- c. Encourage competitive procurement of goods, works and services and maximise community value.
- d. Ensure that funds are spent effectively and economically to gain value for money by taking into account price and non-price factors such as after sales service, warranty, safety, environmental, repair costs, spare parts, etc.
- e. As much as practicable support local business.

Principals for procurement

Ethical Principles

Legislation	All procurement activities must comply with legal obligations including the requirements of the <i>Local Government Act 1995</i> , <i>Local Government (Functions and General) Regulations 1996</i> , <i>Local Government (Financial Management) Regulations 1996</i> as well as the <i>Competition and Consumer Act 2010</i> .
Honesty and fairness	Town officials must conduct all procurement with honesty, fairness and probity and must not disclose any confidential information.
Accountability and transparency	All procurement activities are undertaken through a process that is open, clear and documented
Declaration of conflicts of interest	Any conflicts of interest (actual or potential) during the procurement process must be declared and managed.
No anti-competitive practices	Town officials must not engage in practices that are anti-competitive or engage in any form of collusive practice
No improper advantage	Town officials must not engage in practices that aim to give any supplier an advantage over other suppliers
Intention to proceed	The procurement process must be undertaken with an intention to proceed with the purchase including having funding available for the purchase.
Cooperation	Town officials must encourage business relationships based on open and effective communication, respect and trust.
Gifts and Hospitality	No Councilor or member of Town staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected with the duties of the officer, or in which the Council is interested.

Responsible financial management

4. The principle of responsible financial management is to be applied to all procurement activities. Town funds are to be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the cost of the procurement process without compromising any of the procurement principles set out in this policy.

Value for money

5. Procurement activities are to be carried out on the basis of obtaining value for money. This means minimising the total cost of ownership over the lifetime of the good or service consistent with acceptable quality, reliability, safety and delivery considerations. Contracts will be formed with a view to maximising the economies available through the quotation/tender process and ensuring that the process provides real competition.

6. Council is committed to ensuring funds are spent effectively and economically by taking into account price and non-price factors.

Procurement thresholds

7. The methods of conducting procurement processes are intended to be transparent and appropriate while ensuring value for money and the best use of the Town’s resources.
8. The Town to supply the same information to all suppliers. If an important change to the procurement requirements is made, then all suppliers are to be alerted at, or around, the same time. Confidentiality is to be maintained throughout any quotation or tender process.
9. The values below prescribe the procurement thresholds, along with the associated guidelines, that are to be observed (all values are exclusive of Goods and Services Tax) are set out in the below table:

Up to \$5,000	<p>The Town will use its general knowledge of the market to ascertain whether the purchase represents value for money in accordance with the relevant management practice.</p> <p>The Town should seek more than one quotation if they are not satisfied that the first choice of supplier would represent value for money.</p>
From \$5,000 up to \$50,000	<p>The Town is to obtain at least three written quotations from suppliers in accordance with the relevant management practice.</p> <p>The Town is to clearly define and specify the goods, services or works being procured with the intent being to enable suppliers to respond and to appropriately price their quote.</p>
From \$50,000 up to \$150,000	<p>The Town is to obtain at least three written quotations from suppliers in accordance with the relevant management practice.</p> <p>This process may include obtaining quotes from preferred supplier panels or state common use agreements in accordance with the management practice.</p> <p>The procurement evaluation and decision is to be based on the pre- determined evaluation criteria and is to be undertaken by an evaluation panel of not less than three relevantly qualified persons in accordance with the relevant management practice.</p>

<p>Above \$150,000</p>	<p>A Request for Tender process is to be conducted where the expected purchase value is to be over \$150,000. Tenders are to be publicly invited if the purchasing requirement is not suitable to be met through a panel of pre-qualified suppliers, or any other tender-exempt arrangement, as prescribed.</p> <p>The Request for Tender process is to be conducted in accordance with part 4 of the Local Government (Functions and General) Regulations 1996.</p> <p>The procurement decision is to be based on pre-determined evaluation criteria that assess all value for money considerations, as defined in this policy and relevant management practices.</p>
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10. Where obtaining quotes are impractical due to significant financial or other adverse impact to the Town, the Chief Executive Officer at their discretion, may waive the requirements to obtain quotes. The request to waive the quotation requirement must be in writing. If approved by the Chief Executive Officer, this quotation waiver must be saved within the appropriate records management system.
11. For procurement of goods, services and works above the minimum threshold where it can be demonstrated that there is only one source of supply (monopoly supply), procurement may be permitted without undertaking a quotation process, as approved by the Chief Executive Officer in accordance with the relevant management practice.

Approval of expenditure

12. Subject to conditions imposed under delegations, policy and relevant management practices, management discretion may be used to incur expenditure for all approved budget items except those identified in the budget as requiring a report, or a further report, to Council.
13. The Chief Executive Officer may as appropriate, through a management practice establish bands for the approval of expenditure and procurement decisions to be undertaken by Officers or particular groups of Officers.

Sustainable and ethical procurement

14. Council recognises it has an implicit role in furthering sustainable development, through its procurement of goods, and services and works. In addition, Council recognises the potential impact this spend has on the environment and where applicable will integrate sustainability, environmental and social issues into the procurement process. Accordingly procurement should consider in addition to value for money, the sustainability, ethical, environmental impact and social value of a procurement decision.
15. Where possible procurement processes should give consideration to supporting potential suppliers that are Aboriginal Businesses and/or Australian Disability Enterprises.

RELATED DOCUMENTS:

[Local Government \(Functions and General\) Regulations 1996](#)

Policy 306 Business dealings with elected members and employees

Policy 311 Budget expenditure authorisation

Policy 312 Transaction Card

Practice 301.1 Procurement Practice

Policy manager	Chief Financial Officer
Responsible officers	Manager – Corporate Services Financial Controller Senior Accounting Officer Senior Procurement Officer
Approval authority	Council
Next Evaluation Date	

REVISION HISTORY

Version	Approved, Amended, Rescinded or Reviewed	Date	Authority	Resolution Number	Key Changes/Notes
1	Adopted	12/08/1997	Council	-	-
2	Amended	20/03/2007	Council	-	Item 3.5
3	Amended	24/11/2009	Council	-	Item 3.8
3	Reviewed	09/07/2013	Council	-	Item 10.1
3	Reviewed	11/08/2015	Council	-	Item 10.1
4	Amended	09/08/2016	Council	-	Item 15.1
5	Reviewed and Amended	20/08/2019	Council	148/2019	Item 10.1