

Operational Policy

Procurement



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Further Document Information and Relationships	
Related Legislation*	Local Government (General) Regulation 2021 Local Government Act 1993 No 30 Government Information (Public Access) Act 2009 No 52 Work Health and Safety Act 2011 Work Health and Safety regulation 2017 Tendering Guidelines for NSW Local Government 2009 Model code of conduct and procedures 2020
Related Policies	Code of Conduct Gifts, Benefits and Bribes Motor Vehicle Leaseback Statement of Business Ethics Travel and Expenses Corporate Credit Card Contractor Management WHSMS Policy and Procedure WHS001 Disposal Contract Management - To be Written.

Related Documents	Purchase of Goods and Services - Terms and Conditions Procurement Framework - To be Written. Procurement Procedure - To be Written. Financial System Delegations - To be produced.
Note: Any reference to Legislation will be updated in this Policy as required. See website http://www.legislation.nsw.gov.au/ for current Acts, Regulations and Environmental Planning Instruments.	

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1. Purpose

This Operational Policy is intended to outline Councils' commitment to participate in sustainable and compliant procurement to facilitate purchasing environmentally, sustainable, and socially responsible products and services whenever possible.

This policy is to provide clear guiding principles for the procurement of materials, equipment and services through quotations and tendering. to assist in ensuring best value for money, cost effectiveness, meeting the needs of the community, good management practices, transparency, probity, and environmental performance.

2. Commencement and Review

This Operational Policy is effective from the date of endorsement by the General Manager and shall remain in force until repealed by formal revocation by the General Manager.

As part of Council's commitment to good governance and continuous improvement, this Operational Policy must be reviewed and re-endorsed by the General Manager not less than once every four years or as otherwise determined by the General Manager in line with legislative requirements and policy changes.

3. Scope and Application

Council procurement activities are governed by a regulatory framework, particularly Section 55 of the Local Government Act (1993) and Part 7 of the Local Government (General) Regulations 2005. Principles and practices are outlined in documents such as the Department of Local Government Tendering Guidelines for NSW Local Government (October 2009).

There are many stages in the procurement cycle, ranging from the initial identification of need and the subsequent planning phase, right through to the long-term contract management.

Council strives to achieve a fair, transparent, and accountable process in the purchase and contracting of goods and services. Council's procurement activities shall be conducted in a manner that complies with these general procurement policies:

- Obtaining Value-for-money in the procurement of goods and services, using open and effective competition wherever practicable.
- Quality, price, delivery, and service shall generally be considered the main criteria in assessing Council's procurement of goods and services together with experience, conformance with specifications (including environmental performance), local benefit, WHS record and systems and project specific matters.
- Council expects its contractors and suppliers to comply with ethical business standards and practices in its procurement activities.
- Council shall strictly implement its Code of Conduct, guidelines and other relevant policies on matters relating to its procurement activities.
- All staff are required to consistently apply and implement Council's procurement policies and procedures. Appropriate disciplinary action shall be taken for non-compliance.

This Operational Policy applies to all Council staff, contractors, and volunteers.

4. Definitions

In this Operational Policy, the following terms shall be interpreted as having the following meanings:

Term	Definition
Council	Means Parkes Shire Council
Business Day	Means a day that is not a Saturday, a Sunday, 27/28/29/30/31 December, nor a public holiday in Sydney
General Manager	Means the General Manager of Parkes Shire Council appointed under section 334 of the <i>Local Government Act 1993</i>
Governing Body	Means a person elected or appointed to civic office as a member of the governing body of Council who is not suspended, including the Mayor
ATP	Authority to Procure
Bid Shopping	The practice of trading off one's tenderer's price against another's, in order to obtain lower prices
Client	Party calling for tenders and/or awarding a contract
Concession	The application of a percentage-based 'reduction' of the pricing of any submissions deemed to comply with the above 'local content' and/or 'local supplier' definitions
Construction	All organised activities concerned with demolition, building, landscaping, maintenance, civil engineering, process engineering, mining, and heavy engineering
Contract	A Contract is an agreement between two parties that creates an obligation to perform (or not perform) and to supply (or not supply) goods and services as per the specifications within the document. A contract is typically used for purchases comprising complex goods and services. In particular high risk, high value and extended period procurement require a contract
Declared Natural Disaster	Means a natural disaster that has been declared in relation to the area of a Council by either— (a) Natural Disaster Declaration for the purposes of the Natural Disaster Relief and Recovery Arrangements jointly administered by the Commonwealth and the States and Territories, or (b) a Declaration under the State Emergency and Rescue Management Act 1989 , section 33
Employee	Person whose employment is governed by a contract of service, or a person deemed to be an employee under Australian or NSW industrial law
Employer	Entity that employs a person or persons under a contract of service or a person deemed to be an employer under Australian or NSW industrial law

Term	Definition
Fair	Being unbiased, reasonable, and even-handed. Being fair does not mean satisfying everyone or not reasonably pursuing one's legitimate interests. A fair decision may still adversely affect parties
Infrastructure	Fixed assets that support economic and social development in a fundamental way
Intellectual Property	Inventions, original designs, and practical applications of good ideas protected by law through copyright, patents, registered designs, circuit layout rights and trademarks. Also includes trade secrets, proprietary know-how and other confidential information protected against unlawful disclosure by law and through additional contractual obligations, such as confidentiality agreements, contracts, and conditions of tendering
Monitor	Regularly collect information to review performance against specified criteria
Net Costs	In relation to a Quotation, Tender or Expression of Interest, the total amount offered by a supplier for the supply of goods or services, including freight or delivery charges, excluding GST and any discounts or rebates offered by the supplier
Party	Client, tenderer, or service provider. An entity's role in a procurement will determine whether it is a client, tenderer, or service provider for that procurement
Procurement	All activities involved in acquiring goods and services either outright or by lease (including disposal and lease termination). Includes acquiring consumables, capital equipment, real property, infrastructure, and services under consultancies, professional services, facilities management, and construction
Procurement Request	Any purchasing transaction undertaken by Council, including those prescribed by the Tendering Regulations under the Local Government Act 1993
Service Provider	Includes Contractors, Subcontractors, Suppliers, and Consultants that contract to provide goods or services
Submission	Any form of submitted pricing from a prospective supplier, including those received under the Tendering Regulations under the Local Government Act 1993
T&C's	Standard Terms and Conditions, which form part of a Purchase Order
Whole of Life	All procurement activities will consider the 'whole of life' costs of a purchase rather than the initial cost to Council. Whole of life costing considers the total cost of a product or service over its lifetime, from manufacture through to disposal including purchase, hire or lease, maintenance, operation, utilities, training, and disposal

5. Probity in Procurement

Council aims to achieve Value-for-money through an accountable process, that is compliant with relevant legislation and is conducted in a fair, ethical, impartial, and transparent manner.

5.1. What is Probity?

Probity means integrity, uprightness, and honesty, being fair, honest open and transparent. - mitigate risk of fraudulent behaviour across procurement. When an organisation upholds high standards of Probity, it aids in safeguarding against negative public perception and scrutiny encompassing the Procurement of Goods and Services. Probity is a fundamental part of every procurement activity regardless of value and size and can arise at any stage throughout the procurement process. Good Probity practice sets the foundation for: Mutual trust between buyers and suppliers.

- Accountability for procurement outcomes and supporting decisions for spending public money.
- Ensuring business and community have confidence in the procurement process.
- Earning and sustaining public trust.
- Complying with Government laws, policies, and framework.
- Managing Conflicts of Interest.

When Probity is absent it can lead to:

- Unfair sourcing.
- Financial losses (potential overpaying).
- Reputational risk.
- Fraudulent Activity (LGA etc).
- Supply chain delays.

5.2. Probity in Practice

To achieve an honest, ethical, and transparent approach, every staff member needs to act with integrity and impartiality.

These can be upheld by:

- Consistent and transparent processes.
- Confidentiality and security of information.
- Maintaining an audit trail and good record keeping (ECM).
- Managing conflict of interest, whether actual, perceived, or potential.
- Clear and honest communication to all parties involved.
- Fairness in decision making by utilising an Evaluation Matrix.
- Fair and open competition enables: more innovation, better results (financial gains) and good supplier relationships.

5.3. Plan for Probity

Probity can arise at any stage throughout the procurement process, efficient planning is essential to ensure integrity and impartiality are maintained throughout the entire lifecycle. Lower risk procurement requires adhering to processes as defined in this policy. High risk procurements will require adherence to processes and completion of a Probity plan.

6. Modern Slavery

Council aims to procure goods and services in a responsible manner, to aid in reducing Modern Slavery.

6.1. What is Modern Slavery

Although there is no global agreed definition of "Modern Slavery", the recurring theme is people being treated "as if owned".

The term is used to cover a range of exploitative practices including slavery, servitude, sexual servitude, forced labour, deceptive recruiting, restriction of movements, isolation, intimidation and threats, retention of identity documents, withholding wages, abusive working conditions and excessive overtime.

6.2. Modern Slavery Act 2018

The Act defines Modern Slavery as conduct which would constitute:

- a) An offence under Division 270 or 271 of the *Criminal Code*; or
- b) An offence under either of those Divisions if the conduct took place in Australia; or
- c) Trafficking in persons, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000 ([2005] ATS 27); or
- d) The worst forms of Child Labour, as defined in Article 3 of the ILO Convention (No.182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, done at Geneva on 17 June 1999 ([2007] ATS 38).

6.3. Modern Slavery in Procurement

Procurement of goods and services obtained via Modern Slavery practices can be limited by procurement personnel, through awareness and understanding.

Considering the risk involved in procurement of high-risk goods and services and communication with suppliers around our expectation that goods and services will not impede the Modern Slavery Act requirements.

High risk products can include:

- Goods - cotton (and apparel), cobalt (lithium-ion batteries, electronic/ computing equipment) citrus fruits and berries.
- Services - Cleaning, security and facilities management and certain energy services.

7. Value-For-Money

Council recognises that 'overall value-for-money' is about broader economic benefits to the Council area and not just the lower price. Value-for-money is determined by financial and non-financial factors, including but not limited to quality, fitness for purpose, capability, associated risks, total cost of ownership including maintenance, operational costs, and disposal.

It is important for procurement to take all these elements into consideration when making decisions and comparing the costs of buying, renting, or leasing equipment. In most cases, the purchase costs are only a small proportion of the cost of operating the product or service.

7.1. Non-Price Value-for-money considerations

When assessing 'overall value-for-money', the following Non-Price considerations should be considered (where relevant) in relation to a Procurement Request:

- Availability and access to after-sales service and maintenance.
- Quality, type and availability of goods and services.
- Whole-of-life costs to the purchase or contract.
- Compliance with specifications, guidelines, and requirements.
- The supplier acknowledges and adequately demonstrates their experience and ability to fulfil the requirements of the contract or purchase.
- Net benefits to the Council area, including economic benefits; and advantages in dealing with a local supplier, including administrative and operational efficiency.
- The proportion of local content to be supplied.
- The supplier's commitment to supporting local business and the local economy through sub-contracting and other supplier arrangements.
- All other factors relevant to consideration of the procurement request.

8. Local Preference

Council is committed to sustainable and compliant procurement giving preference to local suppliers and contractors where it is cost effective and supports value-for-money to do so, as this supports Council's local economic development and social procurement initiatives.

8.1. What is Local Preference.

Council acknowledges that economic benefits flow to all local businesses where Council maximises opportunities for local suppliers to compete for Council's business. To assist local industry and local economic development, Council will:

- Encourage the use of local suppliers where it "value for money" to do so.
- Encourage a 'buy local' culture within the Council and ensure that as far as practicable procurement policies and procedures do not disadvantage local suppliers.
- Encourage local suppliers to participate in Council business by advertising in local newspapers, in the media and other means considered appropriate.
- Ensure transparency in Council procurement practices.
- Encourage the use of local suppliers by contractors whenever goods or services must be sourced from outside the Council area.
- Consider non-price "value-for-money" criteria such as previous experience, methodology and project teams; and
- apply a Pricing Preference Evaluation in favor of local suppliers, as set out in this policy.

8.2. Obtaining Discounts

To be eligible for concession, suppliers must specifically detail and explain in their responses to Council's procurement request, the particular facts upon which they rely to establish their eligibility for the concession and must provide any evidence of such eligibility as reasonably required by the Council. All procurement requests issued by Council must clearly state how a price preference for local suppliers will be applied so that respondents to such procurement requests are aware of Council's Local Preference Purchasing Policy prior to responding to the procurement request.

8.3. Applying the local Preference

Value of Procurement	Method
Up to \$199,999	Reduction of tendered price 5% Local Supplier 2.5% Regional Supplier
200,000 and above	Evaluation of tender 2.5% Locality of business 2.5% Local Content

8.4. Defining Local / Regional Supplier and Local Content

Term	Definition
Local Supplier will be defined as:	<p>An organisation/individual that operates from permanently staffed premises/residence or employing permanent staff operating from within the boundaries of Parkes LGA as defined in the map (Annexure 1) and has operated from the premises/residence for a minimum period of six (6) months before submitting the quotation or tender.</p> <p>OR</p> <p>An organisation that is more than 49.9% owned by an individual (or individuals) that live/s within the boundaries of Parkes LGA and has done so for a minimum period of six (6) months before the organisation submits the quotation or tender.</p> <p><i>Note:</i> It is assumed that the individual/s reside/s at their address on the electoral role.</p>
Regional Supplier will be defined as:	<p>An organisation /individual that operates from permanently staffed premises/residence or employing permanent staff operating from within the regional area as defined in the map (Annexure 1) and has operated from the premises for a minimum period of six (6) months before submitting the quotation or tender.</p> <p><i>Note:</i> It is assumed that the individual/s reside/s at their address on the electoral role.</p>
Local Content will be defined as:	<p>Goods and services, materials and resources procured through local businesses based permanently within the Parkes LGA.</p>

9. Sustainable Choice and Environmental Goals and Objectives

Goals

Wherever possible, Council employees and contractors will pursue the following goals and adhere to the specified objectives when purchasing products and services (noting that these impacts should be considered during the entire life cycle of the product - example, the production, distribution, usage, and end of life stages):

- Minimise unnecessary purchasing - only purchase when a product or service is necessary.
- Minimise waste - purchase in accordance with avoid, reduce, reuse, and recycle strategies.
- Save water and energy - purchase products that save energy and/or water.
- Minimise pollution - avoid purchasing products that pollute soil, air or waterways.
- Non-Toxic - avoid purchasing hazardous chemicals that may be harmful to health or ecosystems.
- Greenhouse Benefits - purchase products that reduce greenhouse gas emissions.
- Biodiversity and Habitat Protection - purchase in accordance with biodiversity and conservation objective.
- Value-for-money - purchase the best Value-for-money in the long term.

Objectives

Council's objectives through sustainable purchasing are to:

- Eliminate unnecessary inefficiency, waste, and expenditure.
- Contribute to the combined purchasing power of local government to further stimulate demand for sustainable products.
- Advance sustainability by participating in "closing the life-cycle loop".
- Increase awareness about the range and quality of products available.
- Deliver Council's commitments in relation to ecologically sustainable development (ESD) and other environmental and social objectives.
- Play a leadership role in advancing long-term social and environmental sustainability.

10. Risk

For larger purchases of \$200,000 or greater or purchases where there is the potential for significant impacts upon Council, a risk assessment is to be carried out. Such risk assessment is to identify among other matters:

- If there is an appropriate pool of suppliers locally or if more broad tenders should be called in accordance with the Local Government Act 1993.
- The likelihood of contract variations, taking escalating prices above the legislated tender threshold.
- The most appropriate Conditions of Contract to be used.
- The weighting to be applied to the Assessment Evaluation, for example financial, WHS, environmental, etc.
- Any pre-qualifications that should be a mandatory requirement of Suppliers or Contractors.
- Confidentiality and Probity issues.

11. Reporting

Procurement reporting will be in accordance with the reporting provisions of the Local Government Regulation 2005 and Government Information (Public Access) Act 2009.

GIPA Contract Classifications

The Government Information (Public Access) Act 2009 No.52 require Council to maintain a register of Contracts that exceed or are likely to exceed a value of \$150,000 (inclusive of GST). The Act provides for three different classes of Contracts, each with different information disclosure requirements.

(Class 1 - S27, Class 2 - S30 and Class 3 - S31)

Class 1 - Contracts that have, or are likely to have, a value of \$150,000 or more.

Class 2 - Class 1 Contract which also involves one or more of the following:

- There has **not** been a tender process, the proposed Contract has not been made publicly available and the terms of the Contract have been negotiated directly with the contractor.
- The proposed Contract was the subject of a tender (whether public or not) but the terms and conditions have been substantially negotiated with the Contractor.
- The obligations of one or more parties under the Contract to maintain or operate infrastructure or assets for a period of 10-years or more.
- The Contract involves a privately financed project as defined by the Treasury.
- The Contract involves a transfer of a significant assets in exchange for another asset.

Class 3 - In addition to Class 2, has a value, or likely value of more than \$5 million. (Agencies must publish a copy of a Class 3 Contract on the Register of Government Contracts).

12. New Supplier request

Any requests to Accounts Payable in relation to creating new suppliers, will require completion of the [15945159 Supplier Creation Form](#) in ECM. Once completed, return to Accounts Payable via email to accounts@parkes.nsw.gov.au.

13. Special Circumstances

Provision is made for purchases of goods and services to be obtained without quotes if approved by an appropriately delegated officer of Council. Extenuating circumstances and cases of emergency should be used as an exemption to the tendering requirements, only after careful consideration with the reasons clearly documented. The delegated officer would need to be satisfied that a legitimate emergency situation exists.

The General Manager has the delegated authority to provide exemption from procurement threshold requirements, as appropriate. The General Manager may delegate this authority. Exemptions are only to be granted where exceptional circumstances exist that would not allow for the minimum procurement requirements (example two quotes).

Example: Contract with electoral commission - they are the only entity for administering elections.

14. Conflicts of interest

A Conflict of Interest exists when it appears likely that an employee could be influenced, or where it could be perceived that they are influenced, by a personal interest in carrying out their duty.

Conflict of Interests may be real, apparent or potential:

- Real – where a direct conflict exists between current official duties and existing private interests.
- Apparent – where it appears or could be perceived that private interests are improperly influencing the performance of official duties, whether or not, that is actually the case.
- Potential – where private interests are not, but could, come into direct conflict with official duties.

For purchases \$80,000 and above, each employee involved in the procurement process **MUST** complete a [Conflict of Interest](#) form.

For purchases under \$80,000, where a Conflict of Interest has been identified, the employee **MUST** turn over the procurement to their Manger.

Note: Private interests include not only the personal, professional, or commercial interests of the employee, but the interest of relatives, friends, and associates of that employee.

These can include:

- Actual or perceived gain through property, shares, unpaid debts.
- Non-financial benefits including job opportunities, gifts, preferential treatment of sporting or social clubs and associations with which a relationship exists.

15. Contract Number

For all procurement that requires a competitive process and/or are issued an agreement or contract, a Contract Number must be added to all correspondence. Contracts obtained by panels example Centroc and LGP, must be allocated a Contract Number. Contract Numbers can be obtained on the [Contracts Register](#).

16. Responsibility - Delegation of Authority

Party or Persons	Responsibilities
General Manager	<p>General Manager is responsible for providing policy, procedures, and framework to facilitate transparent, ethical and value-for-money procurement.</p> <p>The General Manager is authorised to enter contracts on behalf of Council within the expenditure Delegation Authorised. The Delegation of Authority for the General Manager allows the General Manager to accept Council tenders with a Contract value of up to \$10,000,000 (including GST) or a Contract entered into through a prescribed entity tender, where all other tender requirements of section 55 of the Local Government Act 1993 and Part 7 of the Local Government Regulation 2021 are met.</p> <p>The General Manager has delegated authority to incur financial expenditure on behalf of Council under the following provisions:</p> <ul style="list-style-type: none"> • Where expenditure has been provided for in Council’s Budget; or • To respond to an emergency, community safety issue or potential public liability issue at a cost not exceeding \$250,000. <p>The General Manager is not authorised to accept any other tender recommendation other than a ‘recommendation of acceptance’. He is not authorised (for example) to decline tenders or approve negotiation recommendations.</p>
Directors	<p>Directors are responsible for providing policy, procedures, and framework to facilitate transparent, ethical, and value-for-money procurement.</p> <p><i>(See Financial System Delegations)</i></p>
Managers	<p>Managers are responsible for ensuring the following procedures are implemented within their workgroup. Managers are to ensure a Hazard Identification and Risk Assessment is undertaken regarding equipment, materials, and supplies which they have responsibility for purchasing for workplace use.</p> <p><i>(See Financial System Delegations)</i></p>
Supervisors	<p>Supervisors are responsible for ensuring procurement tasks are carried out according to procedures. Supervisors are to ensure there are in place, procedures for identifying safety defects in equipment, material and supplies purchased and used at the workplace.</p>

<p>Employees</p>	<p>Employees are responsible for carrying out procurement activities in an appropriate manner regarding any training undertaken. Council employees may only incur expenditure on behalf of the Council if:</p> <ul style="list-style-type: none"> • The position an employee holds has been granted a financial delegation by the General Manager and such delegation is recorded in the Financial Delegations Register. • The expenditure is provided for in Council's budget; or • in the case of genuine emergency or hardship where the power to incur expenditure in these circumstances has also been delegated. <p>Council employees may only receive an expenditure delegation, where approved by the General Manager and agreed by Council's Executive Leadership Team (ELT).</p> <p>Any employee incurring expenditure may only do so in accordance with any constraints imposed by the Council or the General Manager in respect to a financial delegation.</p>
<p>Supplier</p>	<p>The Supplier is required to advise of the risks to WHS of employees of the purchase, and to supply appropriate information and instruction to ensure safe use at the workplace. Large procurements or procurements with elements outside Council's areas of expertise, will require the supplier to complete a risk assessment prior to Council accepting the item or service.</p> <p>Suppliers must supply council with all relevant documents (Specifications, Work Health and Safety management, Standards Operating Procedures etc.) related to the procurement within a reasonable timeframe.</p>

As a rule, generally, Council staff are not to use their own funds (cash or credit card) to purchase goods on Council's behalf. Exceptions are in cases of emergency or when on Council business, reasonable travel expenses exceed the cash advance obtained (refer to Procedure)

All staff must comply with the applicable provisions of Council's Code of Conduct. It is the personal responsibility of Council officials to comply with the standards in the code and to regularly review their personal circumstances and conduct with this in mind.

17. Procurement

The Procurement methodology is dependent on risk and/or the value threshold of the purchase as shown in the below table. All amounts include GST. The value threshold to determine the methodology is the total accumulated spend.

Council has access to a range of Local Government Contracts including Local Government Procurement, Buy NSW, and NSW Procurement. These Contracts are pre-established panels of providers.

Threshold	Process Requirements
Unlimited	<p>Request for Information (RFI) and Expression of interest (EOI) provides an opportunity to undertake market tests, to assess the respondent's capability, experience, and capacity to undertake the project. RFI or EOI can be used as a screening or shortlisting tool and may lead to one of the below procurement actions.</p> <p><i>Note: It does not replace any of these actions</i></p>
All Spend Thresholds	<p>Best practice is to obtain two formal quotes, however, as per below it may not be mandatory in specified thresholds.</p> <ul style="list-style-type: none"> • Verbal Quotes are to be listed on the "Records of Verbal Quotes received" form. • Procurement panels or Common Use Agreements are in place to reduce red tape and time. These should be accessed wherever possible for any spend level.
Incidental Spend and Petty Cash	<p>On occasion staff may incur expenses on Council's behalf, when attending Council related training and functions outside of the shire. Staff may be reimbursed through Petty Cash for purchase claims up to \$70.00.</p> <p>Purchases over \$70.00 will require completion of the "Expense Claim" form.</p> <p>All claims must be accompanied by a receipt.</p> <p>For instances where a staff member may anticipate incidental purchases, an advance may be organised by your manager.</p> <p>Reimbursements and advances are paid direct into the employee's bank account.</p>
Up to \$5,000	<p>Where possible Parkes Shire Council issued credit cards may be utilised for purchases that are low value, high volume or where a terms account, is not available up to \$5,000. No formal quotes are required, however best practice of seeking two quotes is preferred.</p>
\$5,001 - \$34,999	<p>A competitive process is not required, however one documented written or verbal quote is to be obtained (best practice to obtain two quotes is preferred).</p> <p>Email or written requests and/or Records of Verbal Quotes received form are to be attached to the requisition.</p>

Threshold	Process Requirements
\$35,000 - \$79,999	<p>A competitive process is not required, however a minimum of two suppliers must be invited to supply a quote.</p> <p>Documented evidence of each invitation such as an email message or written request received and/or Records of Verbal Quotes received form are to be attached to the requisition.</p> <p>If the purchase is for Services, then a Services Contract must be entered, and a Purchase Order supplied.</p>
\$80,000 - \$199,999	<p>A Competitive process MUST be undertaken in the form of RFQ or RFT.</p> <p>Documented evidence of invitation is required - the contract (procurement) index within ECM must contain evidence that a minimum of three suppliers were invited to tender.</p> <p>A Contract is required to be entered.</p>
\$200,000 and over	<p>A Competitive process MUST be undertaken in the form of RFT. documented evidence of invitation of minimum three suppliers must be recorded against the Contract in ECM.</p> <p>RFT must comply with the Tendering requirements in Section 55 of the Local Government Act 1993 and part 7 of the Local Government (General) Regulation 2005.</p> <p>Purchases MUST be presented and approved at a Council meeting prior to purchase.</p> <p>An appropriate Contract must be entered into.</p>
Up to \$500,000 - Emergency and Natural Disaster response	<p>Council is not required to tender prior to entering a Contract with a value up to \$500,000 where the primary purpose of purchase is related to a declared Natural Disaster.</p> <p>Local Government (General) Regulation 2021, Clause 170A states the contract:</p> <ul style="list-style-type: none"> a) be primarily for the purpose to or recovery from a declared natural disaster. b) is entered into within 12 Months after the due date on which the natural disaster is declared. <p>These purchases MUST have an approved Purchase Order (PO) prior to receipt of goods or services.</p>

Note: The thresholds above refer to the total cost of purchase including GST, and **NOT** individual line items. Order splitting, example, multiple orders – is not permitted to avoid threshold levels within the procurement process.

The above process requirements are the minimum required. You may, if you choose, perform a process above the minimum requirement to achieve the required results.

18. Go to Market Process

<input checked="" type="checkbox"/>	Minimum Requirement	<input checked="" type="checkbox"/>	Preferred Option	<input checked="" type="checkbox"/>	Additional step - Optional		
	Approval Method	1 Quote	2 Quotes	RFI EOI	RFQ	RFT	
Up to \$70	Petty Cash Voucher	<input checked="" type="checkbox"/>					
Up to \$5,000	Credit Card or Purchase Order	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
\$5,000 - \$34,999	Purchase Order	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
\$35,000 - \$79,999	Purchase Order and Contract (Services)		<input checked="" type="checkbox"/>				
\$80,000 - 199,999	Purchase Order and Contract			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
\$200,000 and above	Purchase Order and Contract			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Panel Contract	Purchase Order and Specs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Declared Emergency	Purchase Order	<input checked="" type="checkbox"/>					

19. End to End Approval Process

	Authority to Procure	Approval to Purchase	Contract Type	Approval to Pay
Up to \$70	Verbal Supervisor	Verbal with Supervisor	Consumer Warranty	Petty Cash
Up to \$5,000	Email Supervisor	Email Supervisor or PO	Consumer Warranty or T&C's	Credit Card / Goods Receipt
\$5,000 - \$34,999	Email Supervisor	PO	T&C's or Service Contract	Goods Receipt
\$35,000 - \$79,999	Project Bid or ATP	PO	T&C's or Service Contract	Goods Receipt
\$80,000 - 199,999	Project Bid or ATP	PO	AS Contract	Payment Claim
\$200,000 and above	Project Bid or ATP	Council	AS Contract	Payment Claim
Panel Contract	Project Bid or ATP	PO	Panel Contract	Payment Claim
Declared Emergency	Declared by GM	PO	T&C's or Service Contract	Goods Receipt

20. Tender

A tender is the process in which an entity or organisation in need of goods or services, invites other parties to submit a written proposal or bid to supply the goods and/or services. (RFQ/RFT).

The local Government Act 1993 (Act) and Local Government (General) Regulation 2005 specify a financial threshold of \$250,000 to determine when a tender is required for the procurement of Goods and Services. This means all purchases over \$250,000 must be managed by a tender process unless exempt under the Act.

Tender documents must include the evaluation criteria to be used on submissions.

NOTE: Council has determined an RFQ/RFT is required for all purchases **\$80,000 upwards**.

20.1. Tendering Methods:

Whenever Council is required to invite tenders before entering a contract, the Council must decide which, if the following tendering methods is to be used.

Open Tenders - where Council tenders by public advertisement with no restriction placed on who may tender. The advertisement must be published as per the requirements in the relevant digital platform inviting tenders for the proposed contract with a deadline that is at least 21 days after the date of publication, or first publication of the advertisement.

Selective Tenders - where invitations to tender for a particular proposed contract are made following a public advertisement asking for Expressions of Interest.

- If Council adopts the selective tendering method to form a panel of Pre-qualified Tenders, Council must **publicly** invite (using newspapers or online channels) applications from persons interested in being appointed to the relevant panel.
- The council must then consider all applications made in response to such an advertisement by considering the experience of the applicants in fulfilling the requirements of similar contracts and their capacity to undertake similar contracts.
- Council can then appoint successful applicants to the panel to be considered for the kinds of work, goods or services specified in the original expression of interest to market (example panellists can only be engaged for the kinds of works or services originally contemplated by the panel).
- Once the panel is established, in seeking tenders for a particular proposed contract, Council may invite some or all the recognised contractors listed by it to tender for that contract and may do so on the basis of their capacity to fulfil the requirements of that contract and the number of occasions on which each contractor has previously been invited to tender for similar proposed contracts.

Selected Tenders/Pre-qualified Tenders - whereby recognised contractors selected from a list prepared or adopted previously by the Council are invited to tender for proposed contracts of a particular kind.

20.2. Tender Evaluation

When conducting a Tender process, an evaluation of the tender responses is required to make an informed decision on the successful tender. General key areas to be taken into consideration when evaluating a tender include value-for-money, Commercial considerations, Financial considerations and risk.

21. Appendix 1

