

GOV10	Procurement Policy
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Purpose

This policy sets the overarching principles and strategic direction for West Daly Regional Council's procurement of goods and services.

Scope

This policy applies to all Council staff who are involved in Council's procurement activities and processes.

For matters of collective procurement, refer to the Shared Services and Collective Procurement Policy.

Policy Statement

1. Policy Principles

- 1.1. Council has in place good practice considerations for procurement to ensure effective stewardship, mitigate risks, support our communities, and enable the Council to respond to emerging needs whilst pursuing agreed strategic directions.
- 1.2. Council's procurement activities are guided by the legislative principles set out in *Local Government Regulations* and according to currently accepted good practice procurement. These include:
 - Principle 1: The enhancement of the capabilities of local enterprises and industries
 - Principle 2: The promotion of diversity
 - Principle 3: The employment of Aboriginal people
 - Principle 4: The employment of people with a disability
 - Principle 5: Ethical behaviour and fair dealings
 - Principle 6: Environmental protection and sustainability
 - Principle 7: Open and effective competition
 - Principle 8: Value for money
 - Principle 9: Best practice procurement practices, ensuring compliance with the regulatory and legislative requirements.

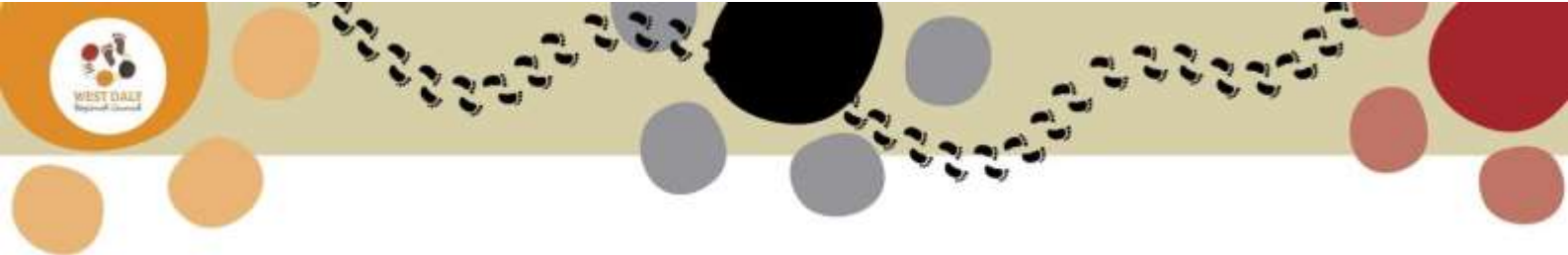


2. The Enhancement of the Capabilities of Local Enterprises and Industries (Principle 1)

- 2.1. Council's procurement activities will support the growth, development and sustainability of local enterprises and industries, including the advancement of local communities.
- 2.2. Council employees undertaking procurement activities are particularly instructed to always consider local traders and businesses, as well as businesses that provide services to Council's communities and contribute to the development of the West Daly region. Every effort should be made to use local suppliers, build local capacity, and to ensure locally based businesses and industries are given an opportunity to participate in quotation and tender processes.
- 2.3. To support the local economy, Council may consider allocating a local supplier weighting to the assessment of tender proposals. The weighting may operate primarily to provide benefit to businesses based in the West Daly region, however it could also be applied more widely to take into consideration increased capacity and benefits to the local economy.
- 2.4. For low value procurement, such as entertainment, food and beverages at community events and civic functions, Council will prioritise local suppliers.

3. The Promotion of Diversity (Principles 2, 3, 4)

- 3.1. Council is committed to setting and embedding a workplace culture and workplace practices that value and promote inclusion and diversity at Council and within our communities.
- 3.2. Council recognises the opportunities our procurement activities provide to positively impact people and our communities through inclusive and diverse sourcing strategies and practices. Social procurement involves delivering positive social outcomes through the purchase of goods and services by Council. Council's objective is to increase the social benefit of procurement and the number of social enterprises delivering services to Council either directly or indirectly.
- 3.3. Council is particularly focused on supporting inclusion opportunities in our procurement with businesses owned by Aboriginal and Torres Strait Islander people.
- 3.4. Council will support the development of a diverse and sustainable Aboriginal and Torres Strait Islander business sector by creating opportunities for Aboriginal and Torres Strait Islander owned businesses to supply to West Daly Regional Council. This will also assist in improving employment outcomes and opportunities for Aboriginal and Torres Strait Islander people to participate in the local economy.
- 3.5. To achieve a more inclusive and diverse supply chain, Council will:
 - a) Actively seek opportunities to purchase goods and services from diverse suppliers.
 - b) Develop and embed inclusion and diversity strategies into our procurement processes.
 - c) When developing a sourcing strategy for each procurement activity, consideration will be given to whether it is in the public interest to include a weighting for



Aboriginal and Torres Strait Islander enterprises as part of the assessment criteria. To ensure transparency and consistency, any documentation will include notification that consideration of supporting Aboriginal and Torres Strait Islander enterprises will be taken into account and submitters are encouraged to include detail on how they meet Council's objectives.

- d) Increase awareness across Council of the impact of our purchasing decisions, and the ability to achieve social outcomes through partnering with diverse suppliers.
- e) Encourage our suppliers to embed inclusion and diversity into their own operations and supply chains.

3.6. Council may assess the involvement of local enterprise and social benefits as part of any local supplier weighting. Examples include whether the supplier provides:

- a) Employment and training of people and groups who have been marginalised, financially excluded and under-represented in the Australian economy, including Aboriginal and Torres Strait Islander people, people with disabilities, people from culturally and linguistically diverse backgrounds, seniors, and long-term unemployed.
- b) Evidence of organisational policies and programs that support diversity and inclusion.
- c) Reinvesting profit back into community and into Aboriginal and Torres Strait Islander causes.
- d) Using the services of social enterprises, community organisations or Aboriginal and Torres Strait Islander enterprises in the vendor's supply chain.

4. Ethical Behaviour and Fair Dealings (Principle 5)

- 4.1. Council will ensure that all procurement is undertaken with integrity, that probity is appropriately managed, and that accountability for outcomes is maintained.
- 4.2. All employees involved in purchasing are to behave in a manner which is consistent with and compliant with Council's policies relating to codes of conduct and conflict of interest. This means acting with impartiality, fairness, openness, integrity and professionalism in their discussions and negotiations with suppliers and their representatives.

5. Environmental protection and sustainability (Principle 6)

- 5.1. Council is committed to responding to climate change through the sustainable procurement of goods and services.
- 5.2. Council will integrate sustainability into our procurement practices, and take into consideration the social, environmental, cultural, and economic impacts of our procurement activities.
- 5.3. In developing a sourcing strategy, consideration will be given to whether it is in the public interest to include consideration of sustainability principles as part of the assessment criteria. To ensure transparency and consistency, any documentation will include notification that these considerations will be taken into account and submitters are encouraged to include detail on how they meet them.

5.4. Sustainability principles may include:

- a) Vendor strategies to avoid unnecessary consumption and manage demand (this includes consumption of energy and water).
- b) Goods and infrastructure to be supplied that can be reused, repaired, or recycled, and that include recycled content.
- c) Environmental impacts over the life of the goods and services by providing products or services that lower adverse impacts associated with any stage in their production, use or disposal.
- d) Innovation in sustainable products or services through the design and implementation of the arrangement.

6. Open and Effective Competition (Principle 7)

- 6.1. Council's procurement activities should foster a competitive and innovative business environment to drive opportunities in the local government area and in the Northern Territory.
- 6.2. Purchasing should be open and result in effective competition in the provision of goods and services. Council must give fair and equitable consideration to all prospective suppliers.
- 6.3. Council has in place appropriate processes and procedures to support effective procurement practices that are compliant with the legislative and regulatory requirements.
- 6.4. Where it is appropriate and provides value for money, Council may use the Local Buy Procurement and National Procurement Network arrangements to which the Local Government Association of the Northern Territory is a signatory, to facilitate compliant purchasing.

7. Value for Money (Principle 8)

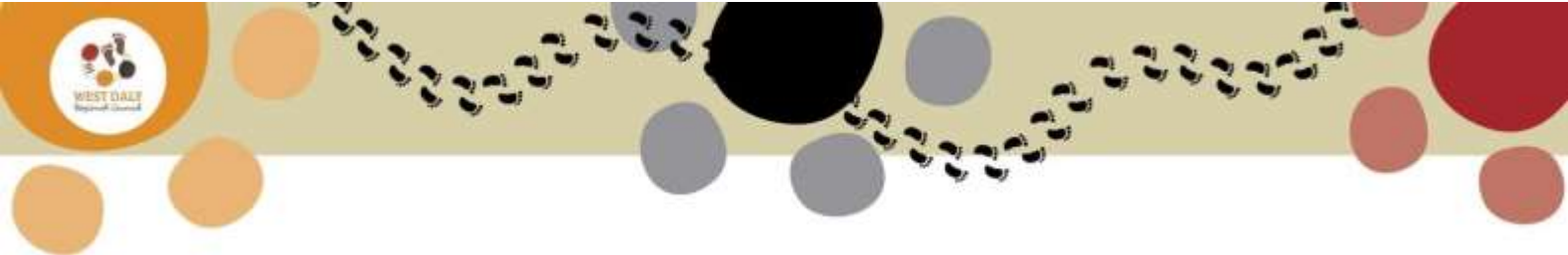
- 7.1. Council's procurement activities must achieve the best value for money, which includes meeting the objectives of Council to promote the social, economic, environmental, and cultural well-being of our communities.
- 7.2. The concept of value for money is not limited to price alone. The value for money assessment should include consideration of:
 - a) Contribution to the advancement of Council's priorities and strategic objectives.
 - b) Overall benefit to the local economy.
 - c) Fitness for purpose, quality, services, and support.
 - d) Whole of life costs including costs of acquiring, using, maintaining and disposal.
 - e) Internal administration costs.
 - f) Technical compliance issues.
 - g) Risk exposure.
 - h) The value of any environmental benefits.

- i) The value of any social benefits.

8. Best Practice Procurement Practices, ensuring compliance with the Regulatory and Legislative Requirements (Principle 9)

- 8.1. Council respects the trust placed in us by our communities, and we are committed to being accountable for delivering timely outcomes using public resources. To ensure integrity, probity and accountability, Council will:
- a) Observe all requirements under the *Local Government Act* and associated regulations and guidelines.
 - b) Ensure appropriate work health and safety protections are in place to meet or exceed requirements under the *Work Health and Safety (National Uniform Legislation) Act* and associated regulations and guidelines.
 - c) Ensure that appropriate governance mechanisms are in place to maintain the integrity of the procurement process. As part of this, systems for conflicts of interest and complaints management for procurement will be in place.
 - d) Integrate probity to ensure probity is managed relative to the assigned value and risk of the procurement activity.
 - e) Undertake consideration of privacy implications of the procurement activity and preferred supplier.
 - f) Meet or exceed disclosure requirements for the outcomes of procurement processes.
 - g) Periodically review our procurement policies, processes, procedures and practices, with links to Council's quality management systems and continuous improvement activities.
- 8.2. Council will adhere to the following procurement methods determined by the following purchase and tender cost thresholds:

Threshold (excluding GST)	Procurement Method
Less than \$10,000	Communication with suppliers must be documented and submitted with purchase order.
\$10,000 but not more than \$100,000	Quotations from at least three (3) possible suppliers, preferably written. Council must choose one from these suppliers.
\$100,000 but not more than \$150,000	Public request for quotations, including public notice in regional newspaper and published on Council's website. The outcome of the quotation process must be notified through the same channels. Council may only accept a supplier from those that have submitted a quotation.
\$150,000 or more	Public tender for contract, including public notice in regional newspaper, Territory newspaper and published



Threshold (excluding GST)	Procurement Method
	on the council's website. The outcome of the public tender must be notified through the same channels.

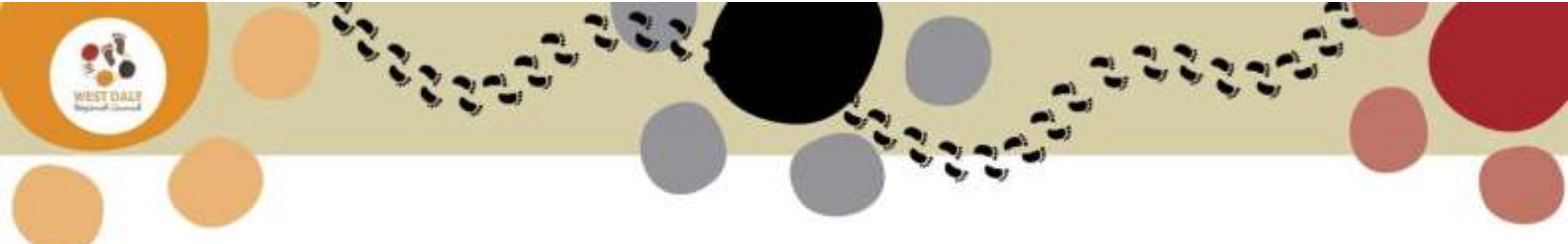
- 8.3. An exclusion to the above thresholds may be applied where 3 written quotations cannot practically be obtained due to the nature of supplies being procured or other market factors. Under these circumstances the responsible office will obtain as many quotations as practicable, and will document:
- a) The reasons for not obtaining the required 3 quotations;
 - b) The attempts made to obtain the minimum 3 quotations; and
 - c) Why there was no further attempt made to obtain the minimum quotations.
- 8.4. For circumstances where Council does not require quotations or tenders, Council will prescribe procurement practice guidelines that identify those circumstances and the requirements for providing notice and record keeping.

9. Training in Procurement

- 9.1. All Council staff involved in procurement activities will have access to training relating to their roles and responsibilities.
- 9.2. Training will include raising awareness of the impact of Council's purchasing decisions, and Council's commitment to developing and embedding inclusion and diversity strategies into our procurement processes.

10. Responsibilities

- 10.1. All Council staff involved in procurement activities have a responsibility to understand and comply with this policy, and with all of Council's procurement policies, practices, procedures and instructions.
- 10.2. It is the responsibility of all staff involved in the procurement process to understand the meaning and intent of this policy.
- 10.3. The Chief Operations Officer is responsible for:
- a) Ensuring a system for procurement is implemented that meets the procurement principles and which provides staff with procurement responsibility with the required training, tools, and guidance to apply the principles in practice.
 - b) Taking the lead in the periodic review of Council's procurement policies, processes, procedures and practices.
 - c) Developing specialist inclusion and diversity capability as part of Council's procurement practice. This will include developing and embedding diversity and inclusion strategies into our procurement processes.
 - d) Monitoring and reporting on trends in Council's supplier inclusion performance, including opportunities for and use of Aboriginal and Torres Strait Islander owned businesses, local suppliers and social enterprises.
- 10.4. All staff involved in Council's procurement activities must:

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- a) Observe the highest standards of ethical conduct, abiding by applicable codes of conduct, and declaring and managing conflicts of interest, gifts or benefits.
 - b) Apply risk and quality management considerations in accordance with Council's frameworks.
 - c) Utilise available procedures, processes and tools to ensure compliant procurement practice.
 - d) Seek and exercise authority in accordance with roles and responsibilities, and Council's prescribed delegations of authority.
 - e) Contribute as required to the review of procurement activity and processes.

References

Local Government Act 2019 (NT)

Local Government (General) Regulations 2021 (NT) r.33

Work Health and Safety (National Uniform Legislation) Act

Definitions

In the context of this policy the following definitions apply:

Aboriginal and Torres Strait Islander Enterprise is an individual, or an entity that is at least 50% Aboriginal and Torres Strait Islander owned, that is undertaking commercial activity.

Collective procurement is an agreement between two or more councils to enter into a procurement agreement where a lead council is nominated, as prescribed under the *Local Government (General) Regulations*.

Council refers to the West Daly Regional Council, a regional council that delivers essential local government services to remote communities and supports development opportunities in the region.

Local Supplier is a supplier operating in the West Daly Regional Council area, with permanent resources in the West Daly region, which employs residents within the West Daly region, and sources materials and services from businesses in the West Daly region.

Procurement means purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods and services to Council, or third parties acting as representatives for Council.

Social Enterprise is a business that operates to address social problems, improve communities, or help the environment. A social enterprise generates most, or all their incomes from trade (not grants or donations) and can be categorised under one or more of the below models:

- provide employment and training for marginalised groups
- provide employment and training for people with a disability
- provide products and services in a direct response to a community or environmental need (something not met by the market)

- an ethical not-for-profit business, with a significant proportion of profits redistributed for a social impact.

Supplier means a contractor or seller of goods and services.

Related Documents

Code of Conduct (CEO)

Code of Conduct (CEO) Policy

Code of Conduct (Council Staff)

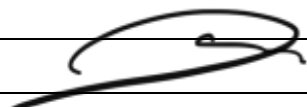
Code of Conduct (Council Staff) Policy

Conflict of Interest (Council Staff) Policy

Shared Services and Collective Procurement Policy.

Procurement guidelines and procedures

For more information, contact the Policy Custodian.

Signature of Endorsement:	
Name:	Matthew Eastham ASM
Position:	Chief Executive Officer