

GOV10	PROCUREMENT POLICY
Approval Date:	27 March 2024
Council Decision Reference:	OCM-2024/28
Policy Type:	Governance
Policy Custodian:	Executive Director, Corporate Services
Review Date:	27/03/2027
Version (Revision Number):	1.2

Purpose

This policy sets the overarching principles and ensures Council utilises a fair and transparent process in the purchase of goods and services that delivers quality and value for money.

Scope

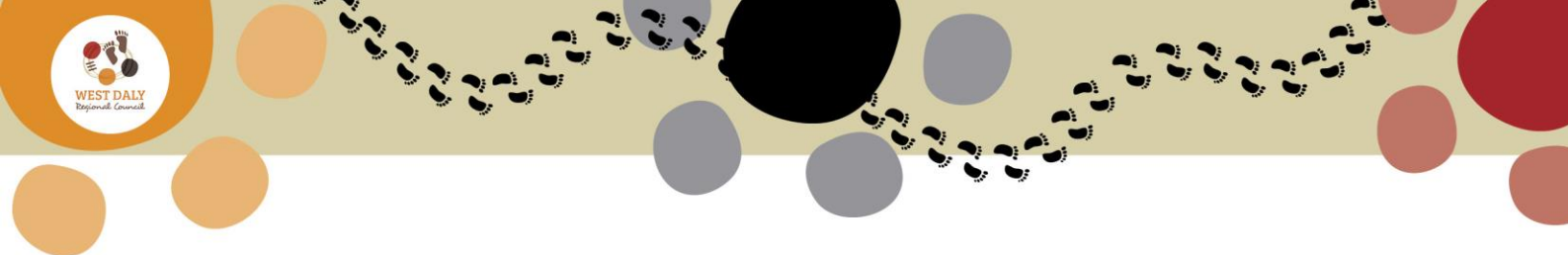
This policy applies to all Council staff who are involved in Council’s procurement activities and processes.

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 the *Local Government (General) Regulations 2021* which must by resolution be adopted, as well as according to generally 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.

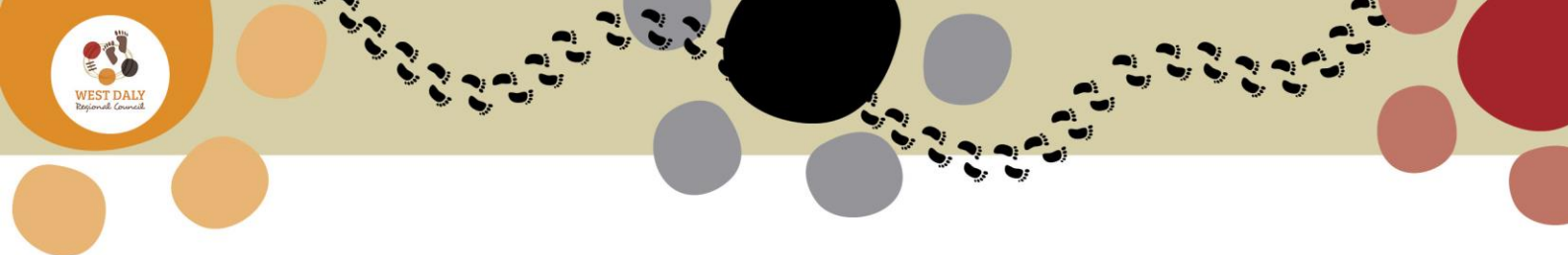


2. The Enhancement of the Capabilities of Local Enterprises and Industries (Principle 1)

- 2.1. Council's procurement activities will support the growth, development and sustainability of local enterprises and industries, including the advancement of local communities. This includes the use of gateways that bridge the legislative requirements and connect local government to local suppliers.
- 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.
- 3.4. 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 those submitting 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.

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:

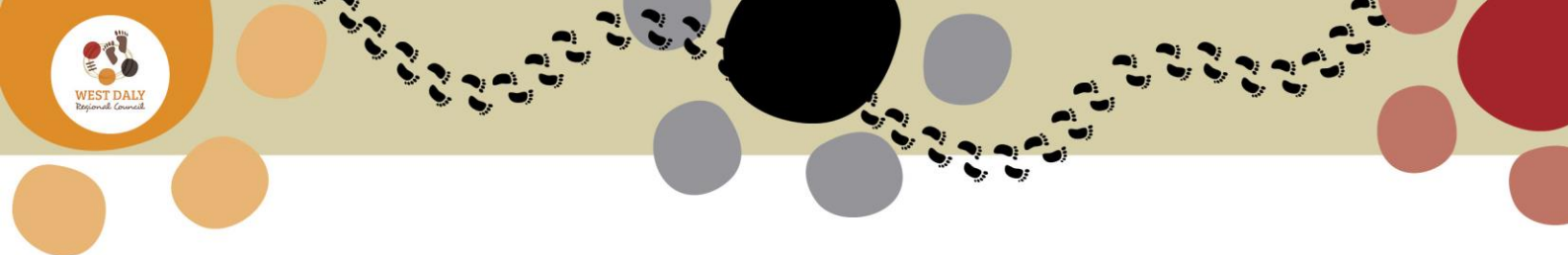
- a) Employment and training of people and groups who have been marginalised, financially excluded and under-represented in the Australian economy, including Aboriginal and Torres Strait Islander people, people with disabilities, people from culturally and linguistically diverse backgrounds, seniors, 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:



Considerations will be given to the environmental and social sustainability implications of the procurement. This should include, but not be exclusive to, lifecycle costs, resource use, greenhouse gas emissions, ethical purchasing implications, access and inclusivity and waste minimisation. These procurement factors should be considered at all stages of the product 'life cycle', including production, purchase, delivery and use.

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)

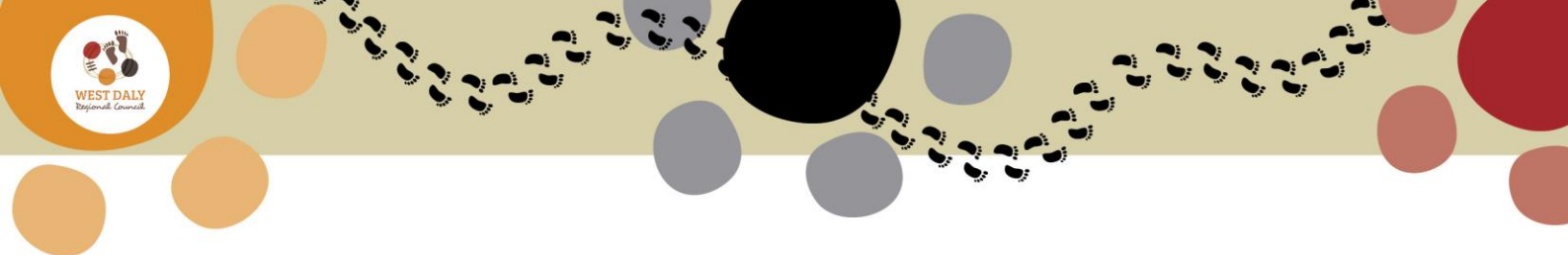
- 7.1. Council's procurement activities must achieve the best value for money, which includes meeting the objectives of Council to promote the social, economic, environmental, and cultural well-being of our communities.
- 7.2. The concept of value for money is not limited to price alone. The value for 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.
 - h) Council may procure under a contract that is facilitated by a procurement entity established under *Section 39(2) of the Local Government Act (NT) 2019*.
- 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. Council officers responsible for purchasing goods and services must comply with this policy and it is the officer’s duty to understand the meaning and intent of this policy.
- 10.2. Council officers are required to:
 - Follow the standards of the *Local Government Act* and the corresponding legislations;
 - Preserve Council’s integrity to ensure that Council may be seen to have acted appropriately in all procurement dealings; and
 - Abide by Council’s *Code of Conduct* Policy and all applicable policies and instructions.

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) Policy

Code of Conduct (Council Staff) Policy

Conflict of Interest (Council Staff) Policy

For more information, contact the Policy Custodian.

Review History

Date	Review details	Action/Resolution/Document ID
June 2022 – V1.1	Due on 23 June 2025	June 2022 - 057/2022
27 March 2024 – V1.2	Due on 27 March 2027	27 March 2024 - OCM-2024/28/ID: 24848

Signature of Endorsement:	
Position:	A/Chief Executive Officer