

Policy PP001 - Procurement of Goods, Services and Materials



Policy - Procurement of Goods, Services and Materials

Policy No. PP001

1 INFORMATION ABOUT THIS POLICY

Date Adopted By Board		Resolution No.	16/038
Policy Responsibility	General Manager		
Review Timeframe	2 yearly		
Last Review Date		Next Scheduled Review Date	April 2018

Document History

Doc No.	Date Amended	Summary of Changes

Further Document Information and Relationships

Related Legislation	NSW Local Government Act 1993 (in particular section 55), NSW Local Government General Regulation 2005 (in particular section 7) and NSW Local Government Financial Regulation
Related Policies	Code of Conduct
Related Procedures / Protocols, Statements, Documents	Procurement of Goods, Services and Materials Procedure

Policy - Procurement of Goods, Services and Materials

Policy No. PP001

2 TABLE OF CONTENTS

INFORMATION ABOUT THIS POLICY 1

TABLE OF CONTENTS..... 2

PURPOSE 3

SCOPE..... 3

DEFINITIONS..... 3

PROBITY AND CONFIDENTIALITY 3

REGULATED CONTRACTS 4

VALUE FOR MONEY..... 4

LOCAL SUPPLIERS 4

REGIONAL ORGANISATION OF COUNCILS 4

PRESCRIBED AGENCIES 4

TENDERING REQUIREMENTS 5

QUOTATION THRESHOLDS..... 5

PROCEDURES..... 5

Policy - Procurement of Goods, Services and Materials

Policy No. PP001

Policy Title: Procurement of Goods, Services and Materials

3 PURPOSE

Goldenfields Water County Council (GWCC) is committed to implementing best practice procurement policy, principles and procedures for the procurement of goods, services and materials.

GWCC recognises that by conducting its procurement activities in a cost effective, socially responsible, sustainable, accountable and ethical manner we are ensuring value for money and best possible outcome for the community and the environment.

4 SCOPE

The requirements of this Policy apply to tenders, quotations, and expressions of interest, lease agreements and contracts involving either expenditure or income. This policy does not apply to employment contracts or real estate property acquisitions and sales.

5 DEFINITIONS

Tender:	The process of inviting parties, from a predetermined list or via public advertisement submit an offer to provide goods, services and materials. Generally used for regulated contracts.
Quotation:	The process of inviting offers to provide goods, services and materials. Generally not advertised and used for contracts that are not regulated.
Local Supplier:	A supplier of goods, services and materials that can effectively demonstrate that they are operating a business premises within the area of GWCC operation.
Regulated Contract:	A contract that is regulated by Section 55 of the Local Government Act 1993 and the Local Government (General) Regulation 2005.
Area of GWCC Operation:	Local Government areas of Bland, Coolamon, Cootamundra, Harden, Junee, Narrandera, Temora and Young.

6 PROBITY AND CONFIDENTIALITY

All procurement activities are to be conducted in an ethical manner and in accordance with GWCC's Code of Conduct.

GWCC expects tenderers and suppliers to GWCC to conduct their business with GWCC in an ethical manner. Canvassing of Board Members and Council staff at any stage up to and including the acceptance of Tenders, may disqualify the applicant.

Policy - Procurement of Goods, Services and Materials

Policy No. PP001

Information in tenders and quotations, including the price, may be contained in the Business Agenda Paper, as well as on GWCC's website and therefore be a public record in accordance with Government Information (Public Access) Act (GIPA).

7 REGULATED CONTRACTS

Regulated contracts refer to contracts involving either expenditure or income with an estimated total contract value greater than or equal to \$150,000 (including GST if applicable). The estimated value must include the total amount payable to the service provider over the life of the contract, including any potential extensions, variations or contingencies. In addition to this Policy regulated contracts are subject to the requirements of the Local Government Act 1993 and the Local Government General Regulation 2005.

8 VALUE FOR MONEY

Value for money in procurement is about selecting the supply of goods, services and materials taking into account both cost and non-cost factors including:

- Cost-related factors including whole-of-life costs and transaction costs associated with the purchase, utilisation, maintaining and disposal of the goods, services and materials.
- Non-cost factors such as fit for purpose, quality, service and support.

9 LOCAL SUPPLIERS

GWCC recognises that money spent within Goldenfields area of operation will facilitate growth in local commerce and employment. It is in GWCC's interest to promote opportunities for local firms to compete for GWCC business and encourage active competition provided that the quality of goods, services or materials are not compromised.

GWCC will:

- Apply a discount of 5% in the price assessment of Council Tenders (for value equal to or greater than \$150,000), if the local supplier receives the same or better evaluation point score for non-price criteria.
- Promote the utilisation of local suppliers across the organisation.

10 REGIONAL ORGANISATION OF COUNCILS

GWCC staff may participate with other Councils in regional agreements for the acquisitions of goods, services and materials.

11 PRESCRIBED AGENCIES

Section 55 of the Act provide GWCC with an exception from the requirement to call tenders for the provision of goods, services and materials for value equal to or greater than \$150,000 where such items are available under contract through agencies prescribed under the act.

Policy - Procurement of Goods, Services and Materials

Policy No. PP001

12 TENDERING REQUIREMENTS

Tenders are to be called in accordance with Section 55 of The Local Government Act 1993, the Local Government General Regulation 2005 and Procedures approved by the General Manager.

13 QUOTATION THRESHOLDS

Quotations are to be called where supply agreements are not regulated. The quotation thresholds are:

For order/agreement value (GST inclusive)	Minimum requirements
Less than or equal to \$10,000	1 quotation (verbal or written)
\$10,001 to \$50,000	2 written quotations
\$50,001 to \$149,999	3 written quotations
Equal to or greater than \$150,000	Prescribed agency purchase or Tender in accordance with the Act and Regulation

Table 1 - Quotation Threshold

14 PROCEDURES

Procurement procedures that facilitate the application of this Policy are to be implemented and approved by the General Manager.