

## 1. PURPOSE

The purpose of the policy is to ensure probity in all of the council's procurement activities, consistency across the organisation, ensure compliance with legislation, and openness and transparency of decision making.

## 2. OBJECTIVE

The aim of this policy is to ensure that the council's procurement practices are efficient, clearly defined, deliver value for money and do so in accordance with the *Local Government Act 1989* and the Local Government Procurement Best Practice Guidelines.

## 3. SCOPE

The Policy covers all activities related to purchasing of goods and services by all council staff across all business units.

## 4. POLICY STATEMENT

The council is committed to ensuring its purchasing practices are sustainable, efficient and deliver value for money, whilst encouraging a competitive environment amongst its suppliers and ensuring a safe working environment for its staff and contractors.

Council purchasing practices will be based on the following principles:

### **Value for Money**

Obtain the best quality and value for the price and that the quality of the goods or services meets council's criteria in regard to policy, performance, risk and costs constraints. Section 186(4) of the Local Government Act provides that council is not required to take the lowest price or accept any tender.

### **Open and Fair Competition**

Treat all current and prospective suppliers and vendors fairly in an open and transparent manner without any bias or the perception of bias.

### **Accountability**

Provide clear lines of responsibility and requirements for compliance with best practice guidelines.

### **Risk Management**

Include management strategies to identify, minimise and control risk associated with different stages of the procurement process and to enhance council's capability

to prevent, withstand and recover from interruption to the supply of goods, services and works.

### **Probity and Transparency**

Demonstrate the highest levels of integrity consistent with the public interest. Ensuring fairness and impartiality towards suppliers; consistency and transparency in the competitive process; and providing security and confidentiality for the commercial interests of existing and potential suppliers.

### **Sustainability**

The council is committed to adopting a green procurement approach by supporting the principles of sustainable procurement within the context of purchasing on a value for money basis.

### **Benefit to the local region**

The council is committed to supporting local businesses where such purchases are justified on value for money grounds, while remaining compliant with the *Competition and Consumer Act 2010* and other fair trading legislation requirements. A weighting percentage of 10% will be assigned to the criteria element of 'Benefit to the local region' and the council will fully examine where the business has its head office, the percentage of staff employed, percentage of materials, plant and equipment used and what impact the business offers the local community.

### **Social Procurement**

Social Procurement involves using procurement processes and purchasing power to generate positive social outcomes in addition to the delivery of goods, services and works. Social Procurement generates positive outcomes by building on initiatives already undertaken by the council in enhancing sustainable and strategic procurement practice, further enabling procurement to effectively contribute towards building stronger communities and meeting the social needs of the vulnerable parts of our community.

### **Diversity**

Promoting equality through procurement can improve competition, best value for money, the quality of public services, satisfaction among users and community relations. Council supports the establishment of a diverse supply chain, with particular focus on entities that deliver or have the potential to deliver social, economic and/or environmental benefit locally and/or regionally.

### **Dispute Resolution**

Any dispute arising from the application of this policy will be referred to the Chief Executive Officer for investigation and resolution.

## **5. ATTACHMENTS**

Nil

**6. RELATED POLICIES**

Nil

**7. RELATED LEGISLATION AND OTHER REFERENCES**

- Local Government Act 1989
- National Competition Policy (Competition Policy Reform Act 1995) + Competition Neutrality Policy Victoria 2000
- The Victorian Charter of Human Rights and Responsibilities Act 2006
- Competition and Consumer Act 2010 (formerly known as Trade Practices Act)
- Australian Standards
- Victorian Local Government Best Practice Procurement Guidelines 2013
- Municipal Association of Victoria – Model Procurement Policy August 2011
- Victorian Government Purchasing Board Policies
- Department of Planning and Community Development
- City of Greater Geelong
- City of Ballarat
- Parramatta City Council
- Records Management Directive
- Johnsons MME

**8. REVIEW**

This policy will be reviewed once in each financial year. Minor amendments to the policy may be authorised by the CEO at any time where such changes do not alter the substance of the policy.

<b>Title:</b>	Procurement Policy
<b>Reference No:</b>	POL/CCS/ES/CNL/00001
<b>Business Unit:</b>	Governance and Customer Focus
<b>Category:</b>	Policy
<b>Version:</b>	Sixteen
<b>Approved By:</b>	Council on March 21, 2016
<b>Next Review:</b>	Prior to June 30, 2017.