

POLICY- COUNCIL

Procurement Policy

CONTENTS

1. Document control	2
2. Preamble.....	2
3. Policy purpose.....	2
4. Scope.....	3
5. Definitions	3
6. Strategic context.....	3
7. Policy	4
7.1 Value for money	4
7.2 Ethical and fair treatment of participants	4
7.3 Probity, accountability and transparency.....	5
7.4 Competitive tendering.....	5
7.5 Local business support.....	5
7.6 Environmental sustainability	6
7.7 Social procurement	6
7.8 Risk management.....	7
7.9 Work, health and safety requirements.....	7
7.10 Information mangement.....	7
8. Relevant legislation and references	7
9. Further information.....	7

1. Document control

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Electronic version on the intranet or website is the controlled version.

2. Preamble

The contents of and the commitments that Council makes in this policy are not intended to be and should not be interpreted to be any more than a statement of the City of Onkaparinga’s general position in relation to those matters, and to facilitate its aspirations wherever it is reasonable to do so.

3. Policy purpose

The purpose of this policy is to provide direction for Council employees regarding the procurement of goods and services.

This policy has been developed pursuant to *Section 49 of the Local Government Act 1999 (SA)* and best practice principles in procurement.

The policy supports Council's commitment to implementing fair, transparent and competitive procurement practices in accordance with strategic objectives and community expectations.

It is acknowledged that any legislative requirement which affects Council will take precedence over Council's policies and procedures.

4. Scope

This policy applies to all Council employees who undertake procurement and purchasing activities.

This policy excludes:

- Government fees and charges
- Non-procurement expenditures such as sponsorships, grants, funding arrangements, donations, and employee wages
- The disposal of land and other Council assets

5. Definitions

Conflict of Interest	any interest which may conflict a person's ability to fairly and transparently evaluate, award or reject a Submission
Local Supplier	a supplier that has a physical business location from which the business operates, (whether leased, owned or rented) within the City of Onkaparinga
Procurement Thresholds	purchasing limits, methods and requirements as defined within procurement administrative procedures
Performance Criteria	criteria to which a Submission will be weighted and scored for performance during an evaluation
Recycled Content	goods that are produced using a quantifiable portion of recycled materials
Submission	a quote or tender received from suppliers

6. Strategic context

City of Onkaparinga Community Plan 2030:

Place

- We are leaders in the transition from recycling to a circular economy

Prosperity

- We support local job growth, investment, and industry development
- We respond to the impacts of climate change, reducing emissions and building community resilience

Performance

- We make financially sustainable choices for the long term

7. Policy

All procurement activities are to be undertaken by Council staff in accordance with this policy and supporting procedures.

This policy supports the following principles in alignment with legislative requirements defined under *Section 49 of the Local Government Act 1999*.

- Obtain value in the expenditure of public money
- Provide ethical and fair treatment of participants
- Ensure probity, accountability, and transparency in procurement operations
- Promote competitive tendering and other measures to ensure services are delivered cost-effectively
- Promote the use of local goods and services
- Consider social, environmental, and economic outcomes.

7.1 VALUE FOR MONEY

The Council will undertake procurement activities with an objective to maximise value in the expenditure of public money.

Value for money will be determined by achieving the desired outcome at the lowest possible price after a balanced consideration of financial and non-financial factors relevant to the procurement which may include:

- Whole of life costs
- Assumptions, risks and opportunities
- Environmental, social and economic benefits
- Quality and reliability
- Maturity of the market
- Flexibility and adaptability
- Associated procurement costs and overheads

7.2 ETHICAL AND FAIR TREATMENT OF PARTICIPANTS

Fairness and impartiality will be considered at all stages throughout a procurement process.

In all instances, suppliers will be treated equally with regard to the following requirements:

- no supplier will be given preferences, opportunities or allowances that may result in an advantage or disadvantage to one supplier over another
- information will be made available at the same time for all suppliers (excluding commercial in confidence)
- any Conflicts of Interest will be identified immediately and actively managed
- a fair and consistent evaluation methodology will be applied
- feedback will be provided where appropriate to enable market development

A person with a Conflict of Interest may be removed from the procurement process or have their role in the evaluation of the procurement restricted.

7.3 PROBITY, ACCOUNTABILITY AND TRANSPARENCY

The Council will ensure that probity is maintained by upholding integrity, honesty and confidentiality through appropriate delegations and reporting.

All persons involved in a procurement activity on Council's behalf will demonstrate accountability and transparency in procurement operations and processes.

All persons involved in a procurement activity will follow the established framework of internal controls to ensure:

- multiple persons are involved in, and responsible for each procurement
- procurement processes are transparent
- a clearly documented audit trail exists for procurement transactions
- the required authorisations and delegations are applied
- Confidentiality will be maintained unless disclosure is required by law

7.4 COMPETITIVE TENDERING

The Council encourages open and effective competition by providing fair and reasonable opportunities to engage in business with Council.

Submissions from multiple suppliers should be sought wherever a competitive procurement can be undertaken that is likely to achieve a better outcome for Council.

Competitive tendering will be applied in alignment with Procurement Thresholds and procedures which may include the following objectives:

- maximise value for money
- provide opportunity for new suppliers
- allow for comparison to identify strengths and weaknesses
- maintain a robust marketplace

7.5 LOCAL BUSINESS SUPPORT

Wherever possible, procurement will be undertaken in a manner that supports Local Suppliers. This support will include:

- ensuring that Local Suppliers are afforded fair and reasonable opportunity to compete in the supply of goods and services for the Council
- helping maximise the potential of Local Suppliers, to enhance the local economy and support jobs growth
- ensuring that Local Suppliers are provided favourable payment terms to support cash flow and financial sustainability
- maximising the use of local resources including labour and materials
- supporting Local Suppliers to become tender ready through the provision of information, feedback, and guidance

- where the procurement may involve Local Suppliers, a mandatory Performance Criteria will be applied

7.6 ENVIRONMENTAL SUSTAINABILITY

Council's supply chain impacts on the organisation's sustainability performance. The Council maintains a commitment to environmental sustainability through procurement activities that conserve resources, address climate change impacts, improve efficiency, and maintain environmental quality and safety.

Council aims to achieve net zero carbon emissions by 2040. Procurement processes and activities will be undertaken in alignment and in support of achieving this key environmental objective.

Environmental sustainability considerations will be applied to procurements where there may be an opportunity to:

- reduce or offset greenhouse gas emissions
- reduce waste to landfill and support circular economy principles including recycling/reuse/refurbishment of materials
- reduce single-use plastic and consumable products
- improve energy conservation and water efficiency
- minimise the use of fossil fuels
- minimise carbon footprint and the use of resources applied throughout the supply chain by prioritising local purchasing and low carbon options where possible
- explore non-toxic alternatives to chemicals and pesticides where possible
- stimulate and incentivise sustainable business practices from suppliers including transitioning to a low carbon economy
- where the procurement may involve Recycled Content, a mandatory Performance Criteria will be applied

When engaging suppliers, the Council requires a minimum standard of environmental management, which includes compliance with all applicable environmental laws, regulations, and licences. Council may also request suppliers to provide their carbon emissions generated for the material or services provided, or actions to reduce emissions where this is not known.

7.7 SOCIAL PROCUREMENT

The Council will consider social outcomes when undertaking procurement and will aim to increase opportunities for those experiencing social disadvantage.

Council will support social procurement objectives including:

- creating employment and opportunities that increase social equity for Aboriginal people, young people, people who are homeless etc.
- supporting procurement capacity and acumen for marginalised suppliers
- exploring opportunities to increase procurement through social enterprises and trading groups

- applying social benefit as a Performance Criteria for procurements wherever tangible social outcomes can reasonably be achieved
- elevating social value as a key procurement objective

7.8 RISK MANAGEMENT

Council will follow the established organisational risk management framework when undertaking procurement activities. Key strategic procurement risk categories to be considered include:

- Employee Welfare / Public Safety
- Service Delivery
- Reputation / Community Expectation
- Compliance / Legal
- Financial / Business Sustainability
- Political
- Environment

Risk assessments when undertaking procurement may influence the type of approach to market, with higher risk activities requiring more formal procurement planning methodology and higher levels of oversight.

7.9 WORK, HEALTH AND SAFETY REQUIREMENTS

Work health and safety requirements for all procurements will align to internal policies and procedures and be compliant with relevant legislation such as the *Work Health and Safety Act 2012*.

7.10 INFORMATION MANGEMENT

All procurement documents will be saved, distributed and approved using corporate systems and in alignment with legislative and organisational requirements.

8. Relevant legislation and references

Local Government Act 1999 (SA)

Competition and Consumer Act 2010 (Cth)

Environment Protection Act 1993

Freedom of Information Act 1991

State Records Act 1997 (SA)

Independent Commission Against Corruption Act 2012 (SA)

Modern Slavery Act 2018 (Commonwealth)

9. Further information

It is also available for inspection, downloading or printing from our website www.onkaparingacity.com.au.