

1. Policy Statement

- 1.1 Council procures a wide range of products and services as part of its business operations, including to provide specific services to ratepayers. Council is committed to implementing fair, transparent, accountable and competitive purchasing and contracting practices achieving optimum value for money outcomes aligned to the Council's strategic objectives, community expectations and the requirements of any special funding sources.

2. Purpose

- 2.1 In compliance with Section 49 of the *Local Government Act 1999*, (the Act) and best practice principles in procurement, this Policy seeks to:
- 2.1.1 Define the methods by which Council can acquire goods and services.
 - 2.1.2 Demonstrate probity, accountability, and responsibility of Council to all stakeholders.
 - 2.1.3 Be fair and equitable to all parties involved.
 - 2.1.4 Enable consistency of approach in the application of procurement processes. and
 - 2.1.5 Ensure that the best possible outcome is achieved for Council.
- 2.2 Pursuant to Section 49 of the *Local Government Act 1999*, Council must prepare and adopt policies on contracts and tenders including:
- 2.2.1 the contracting out of services; and
 - 2.2.2 competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
 - 2.2.3 the use of local goods and services.
- 2.3 The specific requirements for contract and tender policies pursuant to section 49 of the Act must:
- 2.3.1 identify circumstances where the Council will call for tenders for the supply of goods, the provision of services or the carrying out of works; and
 - 2.3.2 provide a fair and transparent process for calling tenders and entering into contracts in those circumstances; and
 - 2.3.3 provide for the recording of reasons for entering into contracts other than those resulting from a tender process.
- 2.4 However, this Policy does not cover:
- 2.4.1 non-procurement expenditure such as sponsorships, grants, funding arrangements, donations and employment contracts; or

- 2.4.2 the disposal of land and other assets owned by the Council; or
- 2.4.3 Real property acquisitions of land, buildings or structures.
- 2.4.4 Procurement processes during the Council Caretaker period. These will be conducted under the requirements of the Council's Caretaker Policy.

3. Procurement Objectives

- 3.1 Council aims to achieve advantageous procurement outcomes for its residents and ratepayers by:
 - 3.1.1 enhancing value for money through fair, competitive, non-discriminatory procurement;
 - 3.1.2 promoting the use of resources in an efficient, effective and ethical manner;
 - 3.1.3 making decisions with probity, accountability and transparency;
 - 3.1.4 advancing and/or working within Council's economic, social and environmental policies;
 - 3.1.5 providing reasonable opportunities for competitive local businesses to supply to Council;
 - 3.1.6 appropriately managing risk; and
 - 3.1.7 ensuring compliance with all relevant legislation.

4. Definitions

- 4.1 In this Policy:
 - 4.1.1 **Annual** refers to a financial year
 - 4.1.1 **Goods** means goods including consumables, materials, plant and equipment.
 - 4.1.2 **Procurement** includes, but is not limited to, purchase finance, operating lease or hire/hire purchase.
 - 4.1.3 **Services** means provided by tradespeople, professionals, consultants or utilities providers.
 - 4.1.4 Reference to a **price** or **cost** means an amount before GST is added (GST Exclusive).

5. Procurement Principles

Council must have regard to the following principles in its acquisition of goods and services:

5.1 **Principle 1 – Open and Fair Competition**

5.1.1 Open and fair competition will be fostered and maintained by providing suppliers and contractors with appropriate access to Council's procurement opportunities. Council will ensure, where reasonably practicable, that:

- a) There is reasonable access for all suitable and competitive suppliers and contractors to the Council's business.
- b) Where market circumstances limit competition, procurement activities recognise this, and associated methodology takes account of it.
- c) Adequate, identical, and timely information is provided to all suppliers and contractors to enable them to quote or tender.

5.2 **Principle 2 - Value for Money**

Value for money can be achieved through balance considerations of financial and non-financial factors relevant to the procurement. The following factors should be considered:

- 5.2.1 Whole of life costs including acquiring, using, maintaining and disposal.
- 5.2.2 Opportunity costs (e.g. bulk buying over multi LGA areas)
- 5.2.3 Prevailing market forces and trends.
- 5.2.4 Local economic development and social inclusion.
- 5.2.5 Trade-in values.
- 5.2.6 The materiality of the level of expenditure.
- 5.2.7 Timeframes relevant to the procurement of Goods and Services.
- 5.2.8 The contribution to Council's long term financial plan and strategic direction.
- 5.2.9 Any relevant direct and indirect benefits to the Council, both tangible and intangible.
- 5.2.10 Efficiency and effectiveness of the proposed procurement activity.
- 5.2.11 The performance history, quality, scope of services, support and financial capacity of each prospective Contractor of Goods and Services.
- 5.2.12 Fit for purpose of the proposed Goods and Services.
- 5.2.13 The Council's internal administration costs.
- 5.2.14 Technical compliance, compatibility and interoperability issues and costs.

- 5.2.15 Risk exposure and WHS considerations.
- 5.2.16 The value of any associated environmental benefits.
- 5.2.17 Other relevant matters identified in specific procurement process documentation.

5.3 **Principle 3 – Probity, Ethical Behaviour and Fair Dealing**

- 5.3.1 All personnel involved in procurement activities are to:
 - a) Behave with impartiality, fairness, openness, integrity and professionalism in all discussions and negotiations as part of its procurement processes.
 - b) Provide all suppliers and contractors with equal opportunity to supply to Council.
 - c) Establish clear and easy to understand documentation requirements, evaluation criteria and methodology.
 - d) Provide consistent processes and constructive feedback on decisions upon request from suppliers and contractors;
 - e) Decisions are based on a pre-approved, fair and objective evaluation process.
 - f) Appropriate documentation regarding decision making and reasoning is prepared and maintained
 - g) Decisions made are documented and justified, with reasons.
 - h) Ensure effective communication and provision of information to all suppliers and contractors.
- 5.3.2 Conflicts of Interest:
 - a) Any actual or potential conflicts of interest identified before, during, or at the conclusion of a procurement process, will be documented and managed effectively.
 - b) Conflict of interest declarations for all participants in the process (including public authority employees, project advisers/consultants and probity advisers) will be completed, prior to commencing a procurement evaluation process, even where it may be considered that there are no conflicts to declare.
 - c) Employees will not make improper use of their position, or make improper use of commercial information gained through a procurement process, for the benefit of themselves, for another and/or to the detriment of the Council.
 - d) Employees will actively avoid any conflict of interest or placing themselves in position where it maybe alleged there was undue influence placed on them in their decision making.
 - e) Employees will ensure they meet their obligations under section 120 of the *Local Government Act 1999* with respect to any conflict

of interest.

- f) All participants in the process will raise any issues identified in this clause immediately as it arises with the Chief Executive Officer (CEO).

5.3.3 Canvassing of Employees or Elected Members

- a) Supplier canvassing of employees or Elected Members in relation to purchasing activities of the Council is prohibited and must be reported to the CEO. Any occurrences will result in the offer, or opportunity, being removed from consideration.

5.3.4 Confidentiality

- a) Measures will be in place to manage the security and confidentiality of documents (including emails and electronic documents).
- b) Confidentiality agreements for all participants, including public authority employees, project advisors/consultants and probity advisors, will be completed prior to commencing a procurement evaluation process.
- c) Measures will be in place to protect the competitive position and intellectual property of and commercial interests of suppliers and tenderers .
- d) Measures will be in place to prevent unauthorised access to, and divulging of, commercial-in-confidence information (except where permitted by consent or legislation).

5.3.5 Gifts/Benefits:

- a) Employees will not, for themselves or others, seek or accept gifts or benefits that could be reasonably perceived as influencing their decision making or creating a sense of obligation.
- b) Offers of gifts or benefits from any interested party during the evaluation process, or other point in the decision-making process, will be refused, documented and reported to the Chair of the evaluation panel, as well as to the CEO in accordance with section 119A of the *Local Government Act 1999*.

5.4 **Principle 4 - Identification and Management of Risk**

The Risk Assessment process should consider financial, supply, business, legal, management, reputations, probity, work health and safety, environmental, public safety, political and sensitive risks.

5.4.1 Risks relating to the procurement process may include:

- a) Procurement of unsuitable product or service.
- b) Funding (e.g. internal & external, impact on long term financial plan).

- c) Delegation and Policy process non compliance.
- d) Probity failure/record keeping.
- e) Inappropriate or inadequate specification.
- f) Negotiation of agreement terms/failure to agree to terms.
- g) Actual or perceived breach of probity/confidentiality.
- h) Lack of responses/limited supplier participation.
- i) Evaluation processes.
- j) Inappropriate or inadequate evaluation and selection processes.

5.4.2 Risks relating to the engagement of the product/service provider may include:

- a) Supplier capability/capacity/availability.
- b) Agreement management/supervision.
- c) Price variations.
- d) Agreement disputes.
- e) Unauthorised change in scope of work.

5.4.3 Risk Assessment

Council personnel will ensure that appropriate practices and procedures of internal control and risk management are in place for its procurement activities, including risk identification, assessment, and implementation of controls. Procurement risk assessments will focus on assessing a potential supplier's and contractor's capacity and capability to meet Council's requirements and identify any other factors which might result in goods or services not being successfully delivered.

5.4.4 Risk Based Approach to Market

Council's approach to market will be influenced by procurement risk assessments, with high-risk and high-value acquisitions requiring more formal procurement planning methodologies and higher levels of management oversight.

5.4.5 Work, Health and Safety (WHS)

Council is committed to protecting health, safety, and welfare. Council personnel will ensure that its procurement activities protect the health, safety and welfare of its workers, elected members, customers, and community.

Council has an obligation to ensure that all suppliers are compliant with the *Work Health and Safety Act 2012*, as well as competent in the provision of the goods or services.

Council will only consider suppliers who have appropriate systems to manage Work Health and Safety (WHS) or who can demonstrate a

capability to establish adequate systems relevant to a contract prior to the commencement of a contract.

A supplier who supplies or deploys labour in the performance of their contract must commit to WHS practices that accord with the Council's obligations, policies and procedures.

If the procurement of services, goods, materials or plant and equipment involves implications for work, health or safety, Council's relevant Work Health & Safety & Risk Management personnel may also be consulted prior to such procurement.

Where the procurement of goods or services has WHS implications for employees, those employees will be consulted and feedback taken into account, prior to the Council going to the market.

Where appropriate, procurement evaluation must ensure an appropriately skilled person confirms all WHS requirements.

5.5 **Principle 5 – Environmental Sustainability**

Council promotes environmental sustainability through its procurement activities and will consider the purchase of environmentally sustainable goods and services that satisfy the value for money criteria when all other financial and commercial considerations are equal. This can be by:

- 5.5.1 Purchasing recycled and environmentally preferred products where possible.
- 5.5.2 Adopting purchasing practices which conserve natural resources.
- 5.5.3 Aligning the Council's procurement activities with principles of ecological sustainability.
- 5.5.4 Select products and services which have lower environmental impacts across their life cycle compared with competing products and services.
- 5.5.5 Integrating relevant principles of waste minimisation and conservation of energy.
- 5.5.6 Provide leadership to business, industry, and the community in promoting the use of environmentally sensitive goods and services.
- 5.5.7 Fostering the development of products and services which have a low environmental impact.

5.6 **Principle 6 - Local Economic Benefit**

Council recognises the significant impact that its operations play in the local economy yet is mindful of its requirement to provide optimum value for money outcomes through its procurement activities and achieve budget expectations.

Council will endeavour to, at its discretion and to the full extent permitted by law, support local businesses by:

- 5.6.1 Promoting to local and regional businesses opportunities to supply to the Council.

- 5.6.2 Giving preference to local business when all other commercial considerations are equal.
- 5.6.3 Encouraging local Aboriginal and Torres Strait suppliers and contractors to quote and tender.
- 5.6.4 Local Aboriginal and Torres Strait contractors or suppliers will be given first or higher priority, who have a local or regional business when all other commercial conditions are equal to ensure local employment opportunities and economic stability and/or growth.
- 5.6.5 Considering economic and social inclusion elements such as employment creation and training opportunities specifically within the Council area.
- 5.6.6 The supplier offers Goods or Services that are more economically responsible than competing offerings.

5.7 **Principle 7 – Social Impact**

This refers to the intentional generation of social value through procurement processes that can occur through direct or indirect approaches, but is not limited to:

- a) Aboriginal and Torres Strait Suppliers and Contractors.
- b) People with a disability.
- c) Women in business.
- d) Small to medium business.
- e) Suppliers that provide or support social enterprise will also be favourably considered.

5.8 **Principle 8 – Effective Management of the End-to-End Procurement Lifecycle**

The procurement lifecycle includes all of the steps and tasks within the procurement process, from needs identification and data gathering to contract management, delivery of goods or services and relationships with suppliers and contractors.

Council personnel will refer to Appendix A – Procurement Process Flow Chart for the workflow process to follow, based on the various steps of the procurement lifecycle including planning, risk management, tendering, purchasing, contracting and financial control with regard to the scale, complexity and importance of the goods or services being acquired.

6. Financial and Contractual Delegations

- 6.1 Prior to the commencement of a procurement activity, the employee must ensure that there is sufficient budget for the Goods and Services or have secured appropriate and committed funding through another source (such as grant funding).

- 6.2 Under the *Local Government Act 1999*, the CEO has delegated authority with respect to expenditure of Council funds, which has been sub-delegated to certain employees and evidenced in the Council's financial delegations documentation.
- 6.3 Where the value of the procurement exceeds an employee's financial delegation, approval must be obtained from the relevant General Manager or CEO, before the expenditure is committed.
- 6.4 Under the *Local Government Act 1999* the CEO may also delegate authority with respect to entering into any kind of contract, arrangement or agreement. This will be evidenced in writing and must be in place, prior to any employee entering into any kind of contract, arrangement or agreement.
- 6.5 Under no circumstances may purchase orders, or other documentation evidencing a procurement decision, be 'split' or otherwise amended, to bring it within a delegates financial, or decision making, delegation.
- 6.6 In regard to the financial thresholds under delegation to respective employees this financial threshold is based on being GST Exclusive.

7. Procurement Thresholds

- 7.1 Procurements are to be in accordance with Council's financial thresholds outlined in Council's Procurement Policy, procedural framework and financial delegation.
- 7.2 The value of the procurement is calculated as follows:
 - a) Single one-off procurement – the total amount, or estimated amount, of the procurement (excluding GST).
 - b) Multiple procurements with the same supplier or contractor – the gross value, or the estimated gross value, of the procurements (excluding GST).
 - c) Ongoing procurements over time – the annual gross value, or the estimated annual gross value, of the procurements (excluding GST).
- 7.3 The value of a procurement or transaction is calculated across all elements of the procurement process including any agreement options, extensions, renewals, and contingencies (exclusive of GST) and should be considered in the planning phase of the project and throughout the term of the contract.
- 7.4 Splitting the value of the purchase into individual components to meet with lower value of Purchase Thresholds is **not** permitted (refer Clause 8).
- 7.5 If the Council enters into a strategic alliances procurement process under this policy (Strategic Alliances) then there will be no requirement for the Council to approach the wider market or enter into a separate RFT/RFQ as an open tender process has already been undertaken. Council can meet its procurement requirements through contractual arrangements established and administered by other organisations that demonstrate adherence to the requirements of this

policy. The use by the Council of Strategic Alliances means that the methods of procurement set out in this policy will be undertaken pursuant to and in accordance with the arrangements set out under the Strategic Alliances.

- 7.6 The appropriate method of procurement will be determined by reference to a number of factors, including the financial thresholds outlined below:

Value	Procurement Method	Market Approach Options	Agreement Type	Contractor Engagement
Up to \$1000	Direct sourcing of low value purchases without a purchase order.	Local supplier for low cost item required for current work being undertaken	Purchase Order Reimbursement of approved transaction docket. Credit Card Store Account	As per Council Delegation Register
\$1000-\$10,000	Direct purchase with appropriate documentation for a purchase order to be raised (including at least one written cost estimate or written quotation).	Local Government Association Procurement Panel Direct approach	Purchase Order Credit Card Store Account	As per Council's Delegations Register
\$10,000-\$100,000	Request for Quotation (RFQ) with at least three (3) written quotations sought, or a Select or Open Tender	Council's pre-qualified contractor Council's existing panel arrangement or standing offer Local Government Association Procurement Panel	Purchase order or Contract Services Agreement Works Agreement Goods Agreement	As per Council's Delegations Register Where the Risk Assessment/CEO determines that a tender is of commercial or community sensitivity, approval must be obtained by Council resolution
Over \$100,000	REOI – Request for Expression of Interest RFP – Request for Proposal Open or Select RFT - with at least three (3) written quotations sought	Council's pre-qualified contractor Council's existing panel arrangement or standing offer Local Government Association Procurement Panel	Contract Service Agreement Works Agreement Goods Agreement	As per Council's Delegations Register Where the Risk Assessment/CEO determines that a tender is of commercial or community sensitivity, approval must be obtained by Council resolution

- 7.7 Any procurement over the value of \$100,000 must be reported to the Council, as well as to the Council's Audit & Risk Committee.
- 7.8 Before making a decision on purchase values, reasonable inquiries and an assessment of both price and non-price aspects are necessary to attain value for money.
- 7.9 In the case of any uncertainty as to the value of a purchase, the CEO has authority to assess price and risk to determine the best outcome for Council..
- 7.10 Cost of an open market approach versus the value of the acquisition and the potential benefits.
- 7.11 The particular circumstances of the procurement activity.
- 7.12 The objectives of the procurement.
- 7.13 The size of the market and the number of competent suppliers.
- 7.14 Time constraints.
- 7.15 An assessment of the risks associated with the relevant activity and/or project, including the risk profile of the procurement and any risks associated with the preferred procurement method.

8. Cumulative Spend

Cumulative Spend is identified as the estimated value of the total proposed purchase(s), including any agreement options, extensions and renewals (exclusive of GST), and potential cumulative value of the goods or services supplied over the period of the contract (eg annual contract over a four year period).

Cumulative Spend shall be monitored annually by Council to determine whether the appropriate procurement process has been undertaken and/or an alternative procurement method is required to be undertaken to comply with this policy.

9. Procurement Methods

Generally, open and fair competition is best achieved by undertaking a tender process so that all interested parties have an opportunity to bid. However, from time to time a tender process may not necessarily be the best approach when considering the Procurement Principles. In such instances, other market approaches may be more appropriate. Specific circumstances of any procurement will be considered when determining a process taking into account the scale, scope and relative risk of the proposed procurement.

An Acquisition or Probity Plan will be required for purchases above \$10,000.00 with reference to a number of factors including procurement complexity, value, risks, characteristics of the supply market, and Council's strategic objectives - and in

accordance with procurement thresholds. Personnel with financial delegated authority to procure will be responsible for ensuring appropriate procurement practices and procedures, including the identification of risk are observed.

The Council, having regard to its financial delegations, the considerations outlined in this Policy and any other factors considered relevant by the Council, in its absolute discretion, determine to utilise one or more of the following procurement methods:

9.1 Direct Purchasing (DP)

- 9.1.1 Where the Council purchases from a single source, without first obtaining competing bids.
- 9.1.2 This method is typically used for low value, low risk Goods and Services, and generally where the Contractor already has a successful service history with the Council.

9.2 Request for Quotations (RFQ)

- 9.2.1 This is where the Council obtains written quotations from prospective suppliers.
- 9.2.2 A minimum of three (3) written quotations should be sought (less than 3 quotations are acceptable where there is evidence of less than 3 suitable suppliers).
- 9.2.3 A 'Request for Quotation' is generally used for purchases with minimal specifications.

9.3 Requests for Expressions of Interest (REOI)

- 9.3.1 The Council will issue an open invitation for proposed Goods and Services.
- 9.3.2 This method is often used where there is potentially a large market for the proposed Goods and Services, and the Council would like to be able to prepare a shortlist of suppliers to then invite to participate in a tender process.
- 9.3.3 REOIs may be publicly advertised or, where the Council has reasonable grounds for specifically dealing with a select group of potential suppliers or a demonstrated and evidenced limited supply market, to a select range of Suppliers.

9.4 Requests for Proposals (RFP)

- 9.4.1 The primary purpose of an RFP is to transmit the Council's understanding of the requirements for a project to identified suppliers whom the Council believes can provide solutions.

9.5 Request for Tenders (RFT)

- 9.5.1 The Council, through the CEO, may issue a tender for proposed Goods and Services.

- 9.5.2 The Council may issue a 'Select' RFT where it has already issued a REOI, or where it has reasonable grounds for specifically dealing with a select group of potential Contractors such as a demonstrated and evidenced limited supply market.
- 9.5.3 Otherwise, the Council may issue an 'Open' RFT.
- 9.5.4 Open RFTs are to be processed via electronic tender platforms (e.g. VendorPanel, TenderLink or LGA Procurement or other platforms/website approved by the CEO) plus on the Council's website as a minimum requirement. RFT's may also be advertised and managed through the SA Tenders and Contracts website or other portals.
- 9.5.5 The CEO must review and authorise the RFT documentation.

9.6 Panel Contracts

- 9.6.1 Where the Council establishes panel arrangements with a select group of suppliers. Typically, a tender is undertaken to select a group of suppliers which can provide identified Goods and Services and have the capability to meet the Council's needs, for inclusion on a panel.
- 9.6.2 Once a panel has been established, the Council may purchase particular Goods and Services through such panel arrangements, including directly from any of the suppliers on the panel, without the need to obtain quotes or seek tenders.
- 9.6.3 Panel arrangements with selected suppliers usually involve either:
 - a) A standing offer from a pool of suppliers for the provision of Goods and Services on agreed terms; or
 - b) the pre-qualification of certain suppliers who may or may not be engaged on terms to be agreed.

9.7 Strategic Alliances

- 9.7.1 If the Council enters into a strategic alliances procurement process under this policy (Strategic Alliances) then there will be no requirement for the Council to approach the wider market or enter into a separate RFT/RFQ as an open tender process has already been undertaken. Council can meet its procurement requirements through contractual arrangements established and administered by other organisations that demonstrate adherence to the requirements of this policy. The use by the Council of Strategic Alliances means that the methods of procurement set out in this policy will be undertaken pursuant to and in accordance with the arrangements set out under the Strategic Alliances.

These include, but is not limited to:

- a) LGA Procurement (via VendorPanel);
- b) Procurement Australia;
- c) a purchasing group of which the Council is a member;
- d) other Councils;

- e) State Government contracts; and
 - f) Ad hoc alliances created with other Local Government entities.
- 9.7.2 Strategic alliances may result in the Council increasing its purchasing power by partnering with one or more Councils, representative bodies or suppliers.
- 9.7.3 Strategic alliances may enable the Council to achieve lower costs for standard Goods and Services through collaborative purchasing and achieve efficiencies in procuring the Goods and Services.
- 9.8 Purchase Order**
- 9.8.1 Purchases above \$1000.00 that will be supported by a purchase order regardless of whether they arise from a quotation, tender, or contract, must be authorised by staff operating within their delegated authority.
- 9.8.2 A purchase requisition must be prepared prior to issuing the purchase order, and appropriate segregation of duties must be maintained—specifically, the individual who raises the requisition must not be the same person who approves the purchase order.

10. Release Tender

- 10.1 An open tender should be released to the public and may be formally advertised. The tender period (minimum 21 days) should allow potential respondents sufficient time to respond. Some projects may require detailed information to be provided with a tender briefing or site visits. During the tender period, if circumstances change or additional information is required, all organisations that have sought the RFT documents must be informed.

11. Submitting Tenders

- 11.1 It is Council's preference that Tenders be lodged electronically via an online tender portal provider (Tenders Sa, Vendor Panel, TenderLink etc). If a physical tender box is used, it must be locked at all times, and physically closed to prevent submissions being lodged after the closing time.
- 11.2 Any tenders received after the closing time will not be considered.

12. Evaluation Criteria, Weighting & Assessing the Tender

- 12.1 Setting the evaluation criteria and weighing each criteria upfront, ensures the decision to select a supplier is objective and fair. Evaluation criteria will usually address compliance with contract terms and conditions, the technical merit of the goods or services offered, the skills of the tenderer to fulfil the specified requirements and an assessment of the risks or constraints associated with each offer.
- 12.2 All tenders are only accessed after the closing date and time. Tenders will be downloaded from SA Tenders (Open Tenders) or will be received direct from

the nominated person (Select Tenders or Expression of Interest) and provided to the panel for evaluation. An evaluation panel will comprise at least three (3) people, selected by the CEO, to assess tenders against a weighted point score system contained in a procurement plan.

- 12.3 The methods and results must be formally documented for probity purposes and placed on file with a copy of the tender. The tenderer's expertise, experience and financial stability may be validated via reference checks.

13. Recommendation

- 13.1 The evaluation panel will make a written recommendation, which is signed off by the appointed Chair of the Tender Evaluation Panel and the recommendation is then to be provided to the Chief Executive Officer for approval.

14. Execute the contract

- 14.1 The contract for the procurement must be authorised the CEO (or delegate), prior to the commencement of the procurement process.
- 14.2 Once the preferred supplier has been selected, the contract will be awarded. The contract must be signed by the CEO, or appropriate delegate. All unsuccessful tenderers must be informed of the outcome.
- 14.3 Where practicable and subject to legal advice to the contrary, a transaction should be based on the Council's template form of contract.

15. Information and Record-keeping

- 15.1 The Council must record reasons for utilising any procurement method other than those outlined in Clause 9.
- 15.2 The Council must maintain records of procurement activities in accordance with the State Records Act 1997 and Council's Records Management Policies and Procedures.
- 15.3 At a minimum, documentation which details the Procurement Method, Risk, Evaluation Plan, Evaluation Criteria and Weightings, and Evaluation Result, must be prepared and maintained for each relevant procurement.
- 15.4 Council must provide for the recording of reasons for entering into contracts. Employees must also ensure that:
- 15.4.1 Accurate records are kept for all stages of the procurement process including planning, sourcing and contract management.
 - 15.4.2 Relevant communication with suppliers is documented, including both written communications and verbal discussions.
 - 15.4.3 Decision making needs to be documented, including the process followed to arrive at that decision.

- 15.4.4 Electronic records management processes are in place including storage of data and protection from unauthorised access.

16. Contract Management and Administration

- 16.1 It is important that contracts are managed diligently to maximise the outcomes and minimise risk. An employee must be appointed by the CEO as the Contract Manager to represent the Council when engaging the supplier.
- 16.2 The Contract Manager will not be the employee responsible for the procurement process, unless otherwise authorised by the CEO.
- 16.3 The Contract Manager must review all invoices, to ensure charges are in accordance with the contract terms and conditions. They must also verify that the percentage of work completed and invoiced is accurate.
- 16.4 The Council must review all contract variations and make an assessment whether they are part of the original contract scope. Variations must be approved in accordance with financial delegations for the total value of the project including the variation. It may be necessary to re-tender the variation, to ensure open and fair competition.
- 16.5 Council requires contractors and consultants engaged to undertake activities on Council's behalf, who work with children and vulnerable people on a regular basis, to comply with Council's requirements in this respect.

17. Exemptions from this Policy

- 17.1 This Policy contains general guidelines to be followed by the Council in its procurement activities. There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for the Council, and other market approaches may be more appropriate.
- 17.2 The authority to provide an exemption from using the required method of procurement will be delegated to the Chief Executive Officer in accordance with expenditure sub-delegations as prescribed in Council's Delegations Register. Reasons for any exemption to the procurement method must be documented and registered in Council's Electronic Document Records Management System.
- 17.3 The Chief Executive Officer in approving an exempt method, will consider the scale, scope and relative risk of the purchase, including the principles defined in this Policy.
- 17.4 A request for waiver of a competitive process should not be viewed as a mechanism to remove the need for rigorous procurement planning.
- 17.5 Situations where it may be appropriate to waive application of this policy are:
- 17.5.1 There may be significant public risk if the procurement is delayed by process requirements, such as emergency situations threatening life and property.

- 17.5.2 The pressures of time are such that an open tender call is not feasible, such as where there has been an unanticipated Council or Government policy decision.
- 17.5.3 Council purchases assets or goods at an auction up to \$100,000.
- 17.5.4 Council purchases second hand assets or goods up to \$100,000.
- 17.5.5 A supplier or contractor is evidenced to be a “sole supplier or contractor” in the market and effectively a niche specialist or monopoly, rendering the tender process redundant.
- 17.5.6 A supplier or contractor who has considerable background knowledge and experience, or specialist expertise on that particular Council project or asset e.g. an extension of a previous project. In such circumstances, the procurement of assets, goods, or services on negotiated fees and terms through that supplier or contractor alone may be deemed sound and advantageous to the project. This could include engaging the supplier or contractor on a retainer basis for a specialised period of time.
- 17.5.7 Continuation of services under an existing purchasing arrangement (i.e. variations/extensions to existing purchase orders or agreements).
- 17.5.8 Goods or services are being provided under an existing purchasing arrangement (i.e. warranty, servicing, maintenance or defects liability).
- 17.5.9 Where knowledge, design and/or intellectual property is being retained to secure continuity of a staged initiative which may be disadvantaged (e.g. time, objective, financially) if subjected to a further competitive engagement process.
- 17.6 Exemptions from this, or other related policies, may be either general exemptions from specific provisions, or a single source supply dispensation, including emergency supplies in extenuating circumstances.
- 17.7 Single source supply dispensations may be considered where at least one of the following reasons applies:
 - 17.7.1 there are only a limited number of suppliers with the capability, experience, and suitability to meet requirements and no alternative exists;
 - 17.7.2 no submissions are received in a procurement process or the submissions received did not meet the specification requirements;
 - 17.7.3 the need for compatibility with existing systems or services;
 - 17.7.4 obligations under warranty or other contractual arrangements requiring the supply of goods, works or services from a particular supplier;
 - 17.7.5 an absence of competition due to technical reasons, including but not limited to, exclusive licence, proprietary information, or protection of intellectual property;
 - 17.7.6 value in the procurement process will not be achieved by the prescribed market approach, and there is demonstrated advantage in amending the approach; and

- 17.7.7 a response to a Council resolution with limited timeframes, or in an emergency situation.
- 17.8 If a procurement is deemed and approved as an emergency supply, in these cases:
- 17.8.1 expenditure must be within the employee's delegated financial authority;
 - 17.8.2 expenditure must be limited to that required to alleviate the emergency situation only; and
 - 17.8.3 the employee must ensure that appropriate methods of purchase are resumed as soon as practicable.
- 17.9 All exemption requests, regardless of their cause, must be made in writing to the CEO and must outline the reasons for the request and any risks which may be involved in the approach. A report outlining the authorised exemption requests will be reported quarterly to both Council and to Council's Audit & Risk Committee.
- 17.10 Where a funding agreement specifies that Council must follow a prescribed tendering or selection process which differs from that outlined in this Policy, the project funded under that agreement must follow the tendering or selection process outlined in the funding agreement and records of this must be recorded in Council's records management system.

18. Prudential Requirements

- 18.1 For all Prudential Requirements refer to Council's Prudential Management Policy.

19. Document administration and control

Policy title:	Procurement Policy
Policy number:	04.25
Policy type:	Council / Governance
Responsible officer:	Chief Executive Officer
First issued / adopted:	16 June 2026 [100-2026]
Review period:	Within 6 months after the conclusion of a periodic election, inline with legislative changes or by resolution of Council
Last reviewed:	
Next review date:	January 2027
Version:	Version 1
Date revoked:	n/a
Applicable legislation:	<i>Competition and Consumer Act (Cth) 2010</i> <i>Competition Policy Reform (SA) Act 1996</i> <i>Criminal Law Consolidation Act 1935</i> <i>Disability Inclusion Act 2018</i> <i>Environment Protection Act 1993</i> <i>Freedom of Information Act 1991</i> <i>Independent Commission Against Corruption Act 2012</i> <i>Industry Advocate Act 2017</i> <i>Local Government (Elections) Act 1999 – Caretaker Provision</i> <i>Local Government Act 1999 (SA)</i> <i>Local Government (Financial Management) Regulations 2011</i> <i>Modern Slavery Act (Cth) 2018</i> <i>Ombudsman Act, 1972</i> <i>State Records Act 1997</i> <i>Trades Practices Act (Cth) 1974</i> <i>Work Health and Safety Act (SA) 2012 and Regulations 2012</i>
Related documents:	Caretaker Policy 04.18 Code of Conduct for Council Employees Council Members Behavioural Management Policy 04.03 Contractor Management Policy Corporate Credit Card Policy Delegation Register Fraud, Corruption, Misconduct and Maladministration Prevention Policy 04.15 Internal Financial Controls 04.28 Local Government Association Procurement Handbook National Competition Policy (Federal) Prudential Management Policy 04.35 Risk Management Policy 04.29 Strategic Plan Work Health and Safety Injury Management Policy Work Health and Safety Contractor Management Policy
Public consultation required /	No

undertaken:	
Availability	This Policy is available for inspection at the Council office and any person may obtain a copy of this Policy upon payment of the fee fixed by Council in accordance with Council's Fees and Charges adopted each financial year. It is also available on Council's website mtr.sa.gov.au. Any grievance in relation to this policy or its application should be forwarded in writing to the Chief Executive Officer of the Council.
File reference:	W:\4. Policy Manuals\Current Policy Manual 2022

20. Appendix A – Procurement Process Flow Chart





