



NAMBUCCA VALLEY COUNCIL PROCUREMENT OF GOODS AND SERVICES POLICY NO: G 12

Our Vision

Nambucca Valley ~ Living at its best

Our Mission Statement

'The Nambucca Valley will value and protect its natural environment, maintain its assets and infrastructure and develop opportunities for its people.'

1.0 Policy objective

- 1.1 To establish the administrative framework required for the implementation of Council's procurement arrangements as follows:
- a) To facilitate the procurement of goods and services in the most timely, cost effective and environmentally sustainable manner
 - b) To ensure Nambucca Valley Council meets its legal and statutory obligations
 - c) To ensure all purchasing activities are carried out in a professional manner
 - d) To ensure all delegated officers have a clear understanding of their responsibilities
 - e) To allow flexibility to departments provided that all activities are completed within Council's guidelines, instructions and legal obligations and approved budget allocations
 - f) That all practices and procedures regardless of the size of the transaction be open and transparent and able to withstand public scrutiny.
 - g) To eliminate any conduct involving the use of any form of slavery, servitude or forced labour to exploit children or other persons taking place in the supply chain of Council

2.0 Related legislation and documents

- 2.1 Local Government Act 1993
- 2.2 Local Government (General) Regulation 2021
- 2.3 NVC Procurement Procedures Manual ES 06
- 2.4 NVC Policy—Purchasing (credit) Cards CS 23
- 2.5 NVC Purchase Card Procedures G 05
- 2.6 NVC Statement of Business Ethics G 07
- 2.7 NVC Delegations Policy G 33
- 2.8 NVC Buy Local Procurement Policy CS 272.9
- 2.9 Delegations Register
- 2.10 Modern Slavery Act 2018

3.0 Policy Philosophy

- 3.1 Council requires a large volume of materials, works, goods and services to meet its functional needs. The purpose of this document is to define the policies by which these requirements can be fulfilled.
- 3.2 This policy is designed to ensure expenditure is applied efficiently and effectively in line with Council's overall mission. To attain this goal, the parameters are defined in this Policy, within which all goods, works and services must be obtained:
- a) Open and effective competition
 - b) Council recognises the need to support local businesses when appropriate
 - c) Techniques designed to obtain the best prices/value available will be applied
 - d) Potential suppliers will be given fair and equitable consideration for each tender or quotation submitted
 - e) Environmental sustainability
 - f) Risk management.
 - g) Encourage contractors to employ Aboriginal people

4.0 Policy statement

All general purchasing, tenders and quotations shall be conducted in accordance with Council's Procurement Policy, Procurement Procedures Manual and other instructions as issued by the General Manager.

5.0 Responsibilities

Council's Procurement Policy together with its Procurement Procedures Manual clearly defines purchasing authorities, responsibilities and guidance for all staff at Council.

6.0 Tenders

It is the responsibility of staff involved in the tendering process to carry out the process in accordance with the Local Government (General) Regulation 2021 and subsequent updates, and the tendering procedures set out in Nambucca Valley Council's Procurement Procedures Manual.

From July 2019 the tender threshold was increased from \$150,000 to \$250,000 (excluding tenders for services currently performed by Council staff). Council has determined that staff must still call tenders for works and services costing \$150,000 or more however the General Manager has been given delegated authority to approve tenders between \$150,000 and \$250,000 (or \$500,000 from June 2022 in the case of a declared natural disaster). Any tenders approved under delegated authority should also be reported to Council for its notation and information.

From June 2022 the *Local Government (General) Regulation 2021* has been amended to prescribe a tendering threshold of \$500,000 for contracts entered into by councils for the purpose of responding to, or recovering from, a declared natural disaster within 12 months of the declaration of the natural disaster.

The phrase, "declared natural disaster", is defined in the Regulation to mean a natural disaster that has been declared in relation to the area of a council by either:

- a Natural Disaster Declaration for the purposes of the Natural Disaster Relief and Recovery Arrangements jointly administered by the Commonwealth and the States and Territories, or
- a declaration under the *State Emergency and Rescue Management Act 1989*, section 33.

7.0 Quotations

Quotations shall be sought as per the requirements set out in the Procurement Procedures Manual.

7.1 Tender and Quotation Evaluation

Tenders and quotations shall be evaluated in a transparent manner on the basis of quality, suitability of goods for the purpose for which they are intended, service, sustainability, trading terms, timely delivery, and whole of life price. Where all of these factors have been considered and are equal, and a local supplier (Nambucca Valley Council Local Government area) has submitted a quotation, the local supplier shall be given preference.

8.0 Sustainable Purchasing

Council is a member of the NSW Local Government Sustainable Choice Program. As a member, Council has access to the SChoice website and product database. The database allows a comparison of products and services as well as briefing papers on sustainability issues.

8.1 Goals

Wherever possible, Council employees and contractors will pursue the following goals and adhere to the specified objectives when purchasing products and services (noting that these impacts should be considered during the entire life cycle of the product, ie the production, distribution, usage and end of life stages):

- a) **Minimise Unnecessary Purchasing** – only purchase when a product or service is necessary.
- b) **Minimise Waste** – purchase in accordance with avoid, reduce, reuse and recycle strategies.

- c) **Save Water and Energy** – purchase products that save energy and/or water.
- d) **Minimise Pollution** – avoid purchasing products that pollute soils, air or waterways.
- e) **Non-Toxic** – avoid purchasing hazardous chemicals that may be harmful to human health or ecosystems.
- f) **Greenhouse Benefits** – purchase products that reduce greenhouse gas emissions.
- g) **Biodiversity & Habitat Protection** – purchase in accordance with biodiversity and conservation objectives.
- h) **Value for Money** – purchase for best value for money in the long term.
- i) **Eliminate Products & Services which use Modern Slavery** – ensure these are eliminated from the Council supply chain.

8.2 Objectives

Council's objectives through sustainable purchasing are to:

- a) Eliminate unnecessary inefficiency, waste and expenditure.
- b) Contribute to the combined purchasing power of local government to further stimulate demand for sustainable products, including materials collected through Council's kerbside collection.
- c) Advance sustainability by participating in "closing the life-cycle loop".
- d) Increase awareness about the range and quality of products available.
- e) Deliver Council's commitments in relation to ecologically sustainable development (ESD) and other environmental and social objectives.
- f) Play a leadership role in advancing long-term social and environmental sustainability.

9.0 Other Contracts

Council recognises the NSW State Government contracts and contracts available through Local Government Procurement (LGP) and Strategic Purchasing (formally MAPS).

10.0 Purchasing Cards

Procedures and agreement relating to issue and use of a Purchasing Card use are set out in Council's Purchasing Cards Policy No: CS 23 and the Purchasing Cards Procedure No: G 05.

11.0 Risk Management

- 11.1 All suppliers, where applicable, must comply with current Environmental, Workplace Health and Safety and Workers' Compensation legislative requirements and regulations and shall effect and maintain appropriate insurance policies.
- 11.2 Purchasing decisions are to include compliance with these requirements.

12.0 Complaints from Third Parties

- 12.1 Any complaint received regarding Council's procurement process shall in the first instance be immediately referred to the General Manager. All such complaints shall remain strictly confidential until fully investigated by the General Manager.
- 12.2 Subject to the General Manager's findings the following action may apply:
 - a) Advise the complainant that no breach of policy has been substantiated
 - b) In the event of a minor breach reprimand the person at fault and reinforce Council's procedures
 - c) For suspected major breaches the General Manager may refer the matter to ICAC and/or the Office of Local Government
 - d) A confirmed major breach would result in activation of Council's disciplinary procedures

13.0 This policy replaces the following policies:

- a) Plant – Tenders and New Purchases Preference to Local Vehicle Suppliers
- b) Plant – Tenders and New Purchases “Open” Tendering and Quotations
- c) Accounting and Finance Creditors Orders and Payments

14.0 History

Department:	Governance	Last Reviewed	Resolution Number
Policy Category	Organisation	October 2010	Adopted 20/10/10
Endorsed By:	AGMES	March 2018	78/18 – Adopted 22/02/18
Approval Authority	General Manager	December 2018	By AGMCS format only
Policy Owner	Engineering	July 2019	Revised tender limit
Contact Officer	AGMES	Feb 21 AGMCS	Aboriginal Employment added
Document No.	46423/2018	June 22 AGMCS	Added Modern Slavery Act
First Adopted	16 October 2008	June 22 AGMCS	Added \$500k for Natural disaster works tenders
Resolution No:	??		
Review Date:	December 2022		