

Wagga Wagga City Council

PROCUREMENT AND DISPOSAL POLICY

REFERENCE NUMBER	POL 110		
ORIGINAL APPROVAL DATE	November 2007		
RESPONSIBLE MANAGER	Manager Procurement Services		
RESPONSIBLE DIRECTOR	Director Financial		
This document is to be reviewed: every two years			
Next Review Date: August 2019			
Revision number	Issue Date	Council Resolution	Council Meeting Date
0		Res No: 07/489.7	17 December 2007
1	27 July 2009	Res No: 09/077	27 July 2009
2	11 July 2012	E Team	July 2012
3	March 2013	E Team	26 March 2013
4	August 2013	Res No: 13/224.1	26 August 2013
5	August 2017	Res No: 17/279	28 August 2017

PART 1: INTRODUCTION

This policy document has been written to standardise and co-ordinate purchasing and disposal practices and procedures at Wagga Wagga City Council in the procurement of goods and services.

The practices and procedures set out are seen as the best purchasing practices and are a guide for employees of the Council in purchasing.

1.1 Policy Objectives

- To ensure Council at all times complies with the Local Government Act 1993 and associated Regulations when purchasing goods and services and disposing of goods.
- To clearly define a framework, responsibilities and procedures for guidance of all Council staff.
- To assist Council in achieving the most advantageous price and purchasing and disposal recovery conditions.
- To overcome duplication of effort and research throughout the organisation and at the same time ensure co-operation and understanding from contractors and suppliers by consistent and regular purchasing and disposal practices.
- To ensure that Council's purchasing and disposal policies, practices and procedures are best practice and meet the highest level of public accountability.

1.2 Scope of Policy

This policy covers all procurement of goods and services and disposal of goods by Wagga Wagga City Council:

- by all Wagga Wagga City Council employees
- by agents of the Council.

Council is obliged to call tenders for the procurement of goods or services with an estimated value exceeding the NSW Department of Local Government tender threshold.

This policy does not apply to the procurement of goods and services:

- from internal Council sources;
- in an emergency;
- by contractors or subcontractors of Council.

1.3 Definitions

Procurement

The process involving all activities following the decision that a good or service is required. It involves the acquisition of goods and services and the disposal of goods.

Purchasing

The actual buying process, whether placing or transmitting an order orally, in hard copy, electronically via e-commerce, or buying across the counter.

Simple Purchasing

The procurement of goods, services or works with a total value less than the tender threshold as published by the NSW Department of Local Government.

Complex Purchasing

The procurement of goods, services or works with a total value greater than the tender threshold as published by the NSW Department of Local Government.

Tender Threshold

An amount in dollars as determined and published by the NSW Department of Local Government.

1.4 Legislative Context

The procurement of goods and services by Council must be in accordance with the provisions of s55 of the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*, as well as the policy and administrative requirements of Council.

1.5 Related Documents

- Statement of Business Ethics
- Wagga Wagga City Council- Effective Procurement Outcomes
- Code of Conduct

PART 2: POLICY CONTENT

2.1 General Provisions

In purchasing goods and services and disposing of goods Council will:

- ensure transparency and accountability in purchasing procedures;
- purchase goods and services at the best price and best value;
- dispose of goods at the best price and best value;
- ensure open competition with no individual supplier being given advantage over others;
- ensure that purchasing decisions consider the effect on the environment;
- comply with statutory obligations; and
- maintain commercial confidentiality.

2.2 Specific Provisions

2.2.1 *Simple Purchasing*

Simple purchasing refers to the procurement of goods, services or works with a total value less than the tender threshold. The procedures to be followed when performing simple purchasing are set out in Council's procurement manual, "*Effective Procurement Outcomes*". This may be accessed on Council's intranet under "Procurement Documents".

2.2.2 *Complex Purchasing*

Complex purchasing refers to the procurement of goods, services or works with a total value greater than the tender threshold. The procedures to be followed when performing complex procurement are set out in the Department of Local Government Tendering Guidelines for NSW Local Government. This may be accessed on Council's intranet under "Procurement Documents".

2.2.3 *Outsourcing Council Services*

When Council is outsourcing a service in which it has a significant interest, for example where it currently provides the service in-house, the Tender Evaluation Committee must comprise a majority of suitably qualified independent members.

2.2.4 Fair and Honest Dealing

Council Officers must ensure that prospective contractors and suppliers are afforded equal opportunity to quote/tender for all goods and services required. Impartiality should be maintained at all times so that no action is taken which could evoke criticism of the Council.

2.2.5 Confidentiality

It is important that Council Officers protect the commercial interests of all existing and potential contractors or suppliers. Disclosures must not be made, other than in the course of Council business, of information supplied by means of the quotation or tender process.

Confidentiality of commercially sensitive material such as prices, discounts, rebates, profits, manufacturing and product information or other matters which come to notice in the course of official duties, must be maintained at all times.

2.2.6 Conflicts of Interest

Council Officers must avoid situations where their private interests conflict with their Council procurement duties. Procedures relating to conflicts of interest are covered in detail in Council's *Conflicts of Interest Policy* and *Guidelines for Managing Conflicts of Interest for Council Staff*.

2.2.7 Gifts and Benefits

Council Officers must not by virtue of their position solicit, accept or acquire for any personal advantage, any gift or benefit from contractors and suppliers, both current and potential, or their representatives. Procedures relating to Gifts and benefits are covered in detail in Council's *Gifts and Benefits Policy* and *Guidelines*.

2.2.8 Best Value

Best value represents the best return and performance for the money spent on the procurement of goods and services. Officers making decisions on the procurement of goods and services and the disposal of goods must evaluate the following issues when determining the appropriate contractor or supplier of goods or services:

- Contractors or suppliers have equal opportunity to clarify what is being sought
- All documentation to suppliers is clear and concise and does not contain inconsistencies or ambiguities
- The performance of contractors or suppliers is investigated to ensure that they can provide service that it value for money

2.2.9 Procurement Preference

All matters being equal, Council prefers to purchase Australian products and services and to purchase them locally. Thus, where the results of the evaluation are equal, then Council will award the quotation or tender to a local supplier.

2.2.10 Environmental Protection

Council Officers will, when evaluating quotations or tenders, take into consideration the anticipated impact on the environment and show such consideration in their evaluation documentation. This may be achieved by procuring goods and services that will minimise their impact on the environment, including goods constructed from recycled or re-used products.