

Council Policy

Procurement Framework



POLICY OBJECTIVES

To ensure the procurement functions of the Shire of Narembreen are statutorily compliant and in line with the principles of the Council.

POLICY SCOPE

This policy applies to all Shire employees involved in procurement processes.

POLICY DETAIL

The procurement of goods and services for the Shire of Narembreen is a critically important business process. All Shire employees involved in procurement practices must have regard for the Shire's Code of Conduct requirements and display the highest standards of ethics and integrity, acting in an honest and professional manner at all times.

The Chief Executive Officer (CEO) must develop executive policies and procedures to ensure the Shire's procurement practices are legislatively compliant, specifically meeting the requirements set out in the Local Government (Function and General) Regulations 11-24AJ, and adhere to the Council's overarching principles, as detailed below:

1. **Best Value** – employees shall balance factors such as price, quality, timeliness of service, experience, lifetime management costs and other relevant selection criteria to ensure best value for the Shire
 - All purchases above \$50,000 must have at least two written quotes unless a Council exemption is provided
 - The CEO is to set other purchasing threshold and quotation requirements, and is able to grant exemptions under prescribed circumstances.
2. **Uniformity** – suppliers, contractors and persons dealing with the Shire must be treated consistently in a fair and equitable manner
3. **Accountability** – any policy put in place by the CEO must ensure procurement decisions are open and transparent to ensure full accountability can be taken for purchasing decisions and the efficient use of Shire funds. Records of all procurement based activities must be retained in compliance with the State Records Act 2000 and the Shire's record keeping plan.
4. **Full disclosure** - any actual or perceived conflicts of interest must be identified, disclosed and appropriately managed
5. **Confidentiality** - Any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and must not be released unless authorised by the supplier or relevant legislation.
6. **Local Economy** – whilst consideration must always be given to principle one (Best Value), Shire employees should seek where possible to engage in procurement practices to promote local economic development.
7. **Organisational Awareness** – all employees undertaking procurement activities must be adequately trained on how to conduct themselves
8. **Method** – where possible the Shire's procurement should be conducted by way of an electronic transaction with full accountability such as EFT or credit card. The CEO must ensure policies govern all payment methods to ensure they are fully traceable, accountable and auditable.

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- The CEO must develop suitable executive policies to govern the various purchasing methods to ensure adequate controls and authorisation processes are in place so all transactions can be clearly identified as being for legitimate business purposes in line with the Local Government (Financial Management) Regulations 11, 12 and 13.
9. **Authority** – the purchasing authority of senior officers is set by this policy, as shown below, the purchasing authority of all other officers is to be determined by the CEO but no purchasing authority given by the CEO can be in excess of \$25,000.
- CEO Purchasing Authority - \$150,000
 - Executive Manager Corporate Services Purchasing Authority - \$100,000
 - Works Manager Purchasing Authority - \$100,000
10. **Council Working Group** – for all capital expenditure greater than \$100,000, the use of a councillor working group should be considered to help establish key quote criteria and performance requirements. These groups may also help to review quotations to aid the CEO or Council in their decision making process.

DEFINITIONS

Procurement – the overarching function that describes the activities and processes to acquire goods and services. Importantly, and distinct from “purchasing”, procurement involves the activities involved in establishing fundamental requirements and criteria, sourcing suppliers, conducting tenders, developing performance standards, performance evaluation and negotiation of contracts. It also includes purchasing activities required to order and receive goods.

RELATED LEGISLATION

Local Government Act 1995
State Records Act 2000
Local Government (Functions and General) Regulations 1996
Local Government (Financial Management) Regulations 1996

OTHER RELATED POLICIES/KEY DOCUMENTS

Executive Policy – Purchasing Goods and Services

DELEGATED AUTHORITY

Delegated Authority 01 – Payments from Municipal and Trust Funds

REVIEW DATE

April 2021

HISTORY

Adopted:	17 July 2019	MIN:	6887/19
Reviewed:	xxxxxxx	MIN:	xxxx/xx
Reviewed:	xxxxxxx	MIN:	xxxx/xx