

# POLICY

<b>TITLE:</b>	PROCUREMENT POLICY		
<b>DIVISION:</b>	COUNCIL		
<b>ADOPTED BY:</b>	COUNCIL		
<b>DATE OF ADOPTION:</b>	MAY 2023	<b>DATE OF REVIEW:</b>	MAY 2028
<b>MOTION NUMBER:</b>			
<b>POLICY NUMBER:</b>	CP28		
<b>LEGISLATIVE REF:</b>	<i>Local Government (General) Regulations 2021, General Instruction 1: Procurement</i>		

**THIS POLICY APPLIES TO: All Council Members, CEO, Staff, BRC Contractors**

## 1.0 SUMMARY

### 1. Introduction

This policy is to outline the requirement of Barkly Regional Council (BRC) regarding Procurement, under Subdivision 1 and 2 of the *Local Government (General) Regulation 2021*.

#### 1.1. Purpose

The Council purchases goods and services as part of its normal operations. *The Local Government (General) Regulation 2021 and General Instruction 1: Procurement*. There are a set of procurement principles that must be applied in every procurement activity.

#### 1.1.2 Enhancement of the capabilities of local enterprises and industries.

Procurement activities support the growth, development and sustainability of local enterprises and industries, including the advancement of local communities.

#### 1.1.3 Employment of Aboriginal people

Procurement activities increase and encourage Aboriginal employment, participation and capability in the local government area and in the Northern Territory, acknowledging the importance of diversity, representation, and the improved social and economic outcomes that result from employment.

#### 1.1.4 Ethical behaviour and fair dealings

Procurement activities instil confidence in business, industry and the public as the probity, accountability and efficacy of the procurement policy framework, including demonstrating high standards of ethical conduct.

#### 1.1.5 Environmental protection and sustainability

Procurement activities promotes the protection of the environment through harm minimisation and sustainable practices, including a proper emphasis on environmentally sustainable development and a proper balance between economic, social, environmental and cultural considerations.

### 1.1.6 Open and effective competition

Procurement activities foster a competitive and innovative business environment to drive opportunities in the local government area and in the Northern Territory.+

### 1.1.7 Value for money

Procurement expenditure that delivers procurement outcomes, while meeting the objects of the council or local government subsidiary to promote the social, economic, environmental and cultural well-being of their local communities.

## 1.2. Policy Objectives

To ensure that Barkly Regional Council complies with the *Local Government (General) Regulations*, and to establish principles to guide the administration in the procurement of goods and services.

## 2. GENERAL REQUIREMENTS

Council purchasing officers are required to adhere to the following:

- Authorised limits as per the Delegation Manual.
- Any purchase over \$10,000 require a purchasing checklist be completed and approval required.

Purchase Cost (excl. GST)	Procedure
Up to \$10,000	Direct procurement through a quotation
Over \$10,001 but less than \$100,000	Three written quotations to be obtained. If it is not practicable to obtain quotations from 3 possible suppliers, obtain as many as practicable and must record in writing its reasons for not obtaining the 3 quotations
Over \$100,001 but less than \$150,000	Public quotation
Over \$100,000	Tenders are to be obtained through open tender

Under no circumstances are orders to be split so that the total value of the order falls under the amount of the individual's delegated authority or reduce the value of the purchase to a level where written quotations are not mandatory. This would be considered as violating Council's Fraud Protection Plan Policy and could result in deferment of the purchase until an investigation can be completed.

### 2.1 Good Practices – Obtaining Quotations (regulation 34)

For quotations between \$10 000 and \$100 000 – the responsible officer should endeavour to seek the greatest number of quotations to properly test the market and to be able to select best supplier for council.

- ii. Where it is not practicable to obtain the required written quotations from 3 potential suppliers, then the responsible officer must obtain as many quotations as possible and must record in writing the reasons for not obtaining the required 3 quotations.
- iii. Where reasons in writing are recorded, the follow details are required:
  - a. the attempts made to obtain the minimum 3 quotations;
  - b. why there was no further attempt to obtain the minimum quotations.

## 2.2 Good and Services over \$100,000 but less than \$150,000 (regulation 35)

Where the value of supplies is expected to exceed \$100,000 but less than \$150,000 public quotation can occur instead of Tender.

With Public Quotation, it must be called through public notices in local newspapers, i.e. *Tennant & District Times* and the *NT News*, and a further notice placed on Council's website.

The notice must contain a statement of the successful quotation will be published on the Council's website.

The Council must allow at least 5 business days for receipt of quotations after giving notice.

The Council must only accept a quotation for the provision of supplies from among those that submitted quotations and must record the reason in for accepting the quotation in writing.

If Council accepts a quotation it must accept by written notice to the supplier who submitted the successful quotation and contact each other supplier that submitted a quotation, along with publishing the notice on the Council website. Notice on the website must include the supplier who submitted the successful quotation, the supplies to be provided and the quoted price.

## 2.3 Good Practices - Weightings

For supplies at a cost of more than \$100 000 – the scope of works documentation must include the predetermined weightings to be applied for the assessment of the public quotations or tenders.

Providing potential suppliers with predetermined weightings assists suppliers in providing quality and competitive public quotations or tenders and ensures that decision-making criteria is transparent.

## 2.4 Good Practices – Open Period

In determining the length of the open period of public quotations or tenders, past the required 5 business days, the responsible officer should consider:

- (a) the complexity of the supplies being sought – the more complex the scope of works or service, the more time should be given for applicants to provide a public quotation or tender; and
- (b) the ability for potential suppliers to respond within the time desired – the aim is to seek as many quality public quotations or tenders as possible; and
- (c) the timeframe of the project that is being undertaken.

## 2.4 Tenders by Council (regulation 36)

Council can opt to go to tender for supplies if the amount is over \$100,000, Tender is the only option for supplies that cost more than \$150,000.

2.4.1 Council must call for tenders by public notices in local newspapers, i.e. *Tennant Creek Times* and the *NT News*, and a further notice placed on Council's website.

This notice will include:

- a) a description of the goods or services required;
- b) how a prospective tendered can source specific details of the goods or services required including contact details of the employee handling the tender process;

- a) how tenders should be lodged; and
- b) the tender closing date and time.

All tenders shall be kept confidential until their official opening and marked accordingly.

- 2.4.2 Council must allow 5 business days for the receipt of tenders after giving the notice.
- 2.4.3 Tenders received in response to the notice must be assessed, the tender panel must include at least 3 Council Staff members.
- 2.4.4 The panel is to be convened by the CEO and has the following functions to consider the tenders received in response to the notice and to provide a report in writing, to the CEO in relation to the tenders.
- 2.4.5 The CEO is not to be a panel member.
- 2.4.6 The CEO must provide the report provided by the panel to the Council.
- 2.4.7 The Council may only accept tender for the provisions of supplies from the submitted tenders and after receiving the report from the CEO.
- 2.4.8 If Council accepts the tender for the provision of supplies, Council must:
  - a) accept the tender by written notice to the person who submitted the successful tender; and
  - b) give notice of the successful tender:
    - (i) in writing to each other person who submitted a tender; and
    - (ii) by publishing the notice on the Council's website including who submitted the successful tender, the supplies to be provided and the price.

(For full tender requirements please refer to Local Government (General) Regulations 2021, 36-43.)

## 2.5 Good practice considerations – tender panels

- I. Depending on the complexity of the supplies being sought, the council CEO may seek the assistance or participation of experts in a tender panel, in addition to the minimum 3 council staff members who must constitute the tender panel.
- II. Conflicts of interests in relation to tender panel members need to be declared, with additional processes put in place to ensure conflicts can be identified for external tender panel members. External parties with a perceived or actual conflict of interest are not to provide advice or be involved as a panel member.
- III. Conflicts of interest held by a potential supplier are to be identified during the tender panel assessment process. If a conflict of interest is identified for a supplier
- IV. whose tender is recommended, the council (or the authorised delegate) must give due consideration as to how the conflict of interest will be managed.

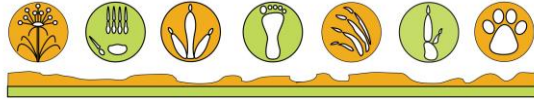
## 3. CONTRACTS FOR MORE THAN 5 YEARS

- 3.1 In relation to procurement, Council must not enter into a contract for supply that is for a period of more than 5 years, including any option to extend the contract, other than contracts for:
  - a) A lease or licence of land; or
  - b) Waste management, including the collection or transportation of waste; or
  - c) A particular supply approved by the CEO of the Agency under *clause 4.4 of the General Instruction 1: Procurement*.

**3.2** A contract under *clause 4.1(b) of the General Instruction 1: Procurement*, must not be for a period of more than 10 years.

### **3. LOCAL BUY**

Under Approval of Procurement Entity, Quotations and tenders are not required for a supply if the supply is facilitated through the procurement entity's arrangement with Local Buy Pty Ltd.



# Purchasing Checklist

## Documentation for PO Approval

Vendor's Name: .....Requisition No: .....

Name of Requesting Officer: .....Signature of Officer: .....

To assure our auditors that VDRC is complying with the Purchasing Requirements of the Local Government (Accounting) Regulations please ensure that you complete this checklist and attach it to your Purchase Order.

Please read VDRC Policy 3.2.11 Procurement and Delegations Manual before raising your requisition.

Purchase Cost (excl. GST)	Procedure
Up to \$10,000	Direct Procurement
Over \$10,001 but less than \$100,000	Three written quotes to be obtained
Over \$100,000	Tenders to be obtained through open tender

<p><b>For Purchases over \$10,001 but less than \$100,000 (excl. GST):</b></p> <p>You must obtain 3 written quotations. List the Vendor name and Price below of the three quotations obtained:</p> <p>1. .... \$ .....</p> <p>2. .... \$ .....</p> <p>3. .... \$ .....</p> <p>You MUST attach the quotes to your purchase order.</p>	<p><b>Signature</b></p>
<p><b>For Purchases over \$100,000 (excl. GST):</b></p> <p>You must call a tender by public notice. Advertising Details:</p> <p>Tender Number: ..... Date Published: .....</p> <p>Published at: .....</p> <p>Awarded tender price: .....</p> <p>You MUST attach the evaluation report to your purchase order.</p> <ul style="list-style-type: none"> <li>The successful tenderer and price must be displayed on Councils website.</li> <li>Unsuccessful tenderers must be notified, in writing, noting the successful tenderer and price</li> </ul>	<p><b>Signature</b></p>

If it is not practicable to obtain quotations from 3 possible suppliers, the Council must obtain as many as practicable and must record in writing its reasons for not obtaining the 3 quotations:

.....  
 .....  
 .....

Director/CEO Name: ..... Signature: .....