

POLICY

TITLE:	PROCUREMENT POLICY		
DIVISON:	COUNCIL		
ADOPTED BY:	COUNCIL		
DATE OF ADOPTION:	JULY 2021	DATE OF REVIEW:	JULY 2026
MOTION NUMBER:	OC 98/21		
POLICY NUMBER:	CP28		
LEGISLATIVE REF:	Regulation 33 of the Local Government (General) Regulations 2021		

PURPOSE:

To establish Barkly Regional Council's policy in relation to the purchase and procurement of goods and services on behalf of the council and details the process and procedures involved in entering such arrangements

1. DEFINITIONS

Local Supplier refers to businesses and enterprises that have a significant permanent presence in the Barkly Region.

Delegation means approval from the authorised officer, to the appropriate level of authority to incur and approve expenditure of Council funds

Tender - an offer in writing to supply goods and/or services, usually submitted in response to a public or selective invitation

Procurement is the process of acquisition of goods, services and works. This includes:

- planning and design
- standards determination and specification writing,
- preparation of quotation and tender documentation,
- Selection of suppliers, financing, contract administration, disposals, and other related functions.

This process spans the whole life cycle of the contract.

Collective Procurement means a procurement group of two or more entities (a council; a local government subsidiary; LGANT) that propose to obtain supplies may form a group (a procurement group) to act collectively for the purpose of obtaining the supplies

2. PRINCIPLES

Council purchases goods and services from a range of organisations as part of its normal operations and to meet its key objectives.

The Regulations and normal commercial requirements outline a range of minimum standards with which Council must comply with and dictate that competitive prices be sought from a range of suppliers.

All administrative procedures to support Council's Purchasing and Procurement policy should be designed to ensure cost effectiveness and operational efficiency.

Council officers involved in procurement should act in an ethical manner. Ethical behaviour includes acting honestly and with integrity and probity.

They must ensure due diligence, fairness, trust, respect and consistency of procurement is maintained. In pursuit of ethical behaviour, officers will:

- Disclose to the appropriate senior officer any actual or perceived conflict of interest in the purchasing activity;
- Deal with all suppliers in an honest, fair and even-handed manner;
- Respect all in-confidence information received and not use it for personal gain or to prejudice fair and open competition;
- Not accept money, goods, loans, credits, purchasing incentives, services or prejudiced discounts; and
- Not use Council's name or purchasing power to make purchases other than for Council use.

3. OBJECTIVES

This policy is underpinned by the following objectives:

- (a) Enhancement of the capabilities of the Barkly Region enterprises and industries through Council's buy local principles and its trade and services directory.
- (b) Support the employment of Aboriginal people by looking favourably at suppliers who prioritise Aboriginal employment. Barkly Regional Council acknowledges the importance of diversity, representation, and the improved social and economic outcomes that result from employment.
- (c) Barkly Regional Council is committed to ethical behaviour and fair dealings in all procurement activities. Council aims to instil confidence in business, industry and the public as to the probity, accountability and efficacy of the procurement policy framework, including demonstrating high standards of ethical conduct.

- (d) Promoting environmental protection and sustainability in procurement activities through harm minimisation and sustainable practices, including a proper emphasis on environmentally sustainable development where possible, and employing a proper balance between economic, social, environmental and cultural considerations.
- (e) Encouraging open and effective competition in Council's procurement process.
- (f) Procurement expenditure that delivers procurement outcomes that are value for money, while meeting the objects of the council to promote the social, economic, environmental and cultural well-being of their local communities.

2.1 Buy Local Principles

Council Policy is to support the enhancement of the capabilities of local, Barkly-based businesses and industries, and to ensure that local suppliers have the opportunity to bid for the supply of goods and services.

- (a) Where they are able to supply goods and services, Local suppliers will be favoured in line with Council's pre-set assessment criteria outlined in Council's procurement procedure.
- (b) Should a Barkly-based business not be able to fulfil Council's purchasing needs, other Northern Territory businesses will be favoured in line with Council's pre-set assessment criteria as outlined in Council's procurement procedure.
- (c) The local buy principles apply to all purchases and tenders. Local Business refers to businesses and enterprises that have a significant permanent presence in the Barkly Region.
- (d) Where goods are not available or it is not practical to supply from Barkly-based or Northern Territory-based businesses, goods and services should be sourced from the nearest supply centre offering those goods and services at the lowest landed price.

2.2 Trade and Services Directory

Council has developed a Trades and Service Directory. The directory is available on the Council website and via our internal information system.

- (a) Suppliers who have a significant permanent presence and who are listed in the directory are to be considered preferred suppliers, and given the opportunity to quote on all purchases.
- (b) Every listed supplier providing the required goods or services is to be given the opportunity to quote.
- (c) If our local suppliers cannot supply the goods or services required, or the quotes prices are deemed not to be competitive, then other NT-based business can be approached in line with this procurement policy.

- (d) For Alpurrurulam and Arlparra, it may not be viable to use local Barkly-based providers for minor purchases or works. In this instance the nearest suppliers can be asked to quote. If prices are not deemed competitive, the local buy policy is to be applied.
- (e) The Trades and Service Directory will be updated regularly to ensure current businesses and contact details are correct.

3. APPLICATION OF POLICY

3.1 Purchase of Goods and Services

- (a) Goods and Services will be obtained by use of the relevant Council electronic purchasing system or credit card.
- (b) Official Council purchase orders ('PO') will be approved by an Authorised Officer who has authority to incur expenditure on behalf of Council as delegated in the Schedule of Financial Delegations. Purchase orders will be retained electronically on the system.
- (c) Before the PO is authorised, it is to include an estimate of the cost of the goods and services so ordered and the appropriate general ledger account number for costing purposes.
- (d) Payment for the purchase will be approved by an Authorised Officer in line with the relevant delegation. It is the Authorised Officer's responsibility to ensure Goods and Services have been received, although other staff can receive goods and services on their behalf.
- (e) The CEO and Directors have the responsibility to ensure that this procedure is adhered to. This responsibility shall not be delegated to a subordinate

3.2 Quotations

When exercising a purchasing delegation, the following requirements must be observed in accordance with Section 33 of the Regulations.

Purchases with a value of \$10,000 or less:

The Authorised Officer does not require quotes under this policy

Purchases with a value between \$10,001 and \$99,999:

- (a) The Authorised Officer is to obtain written quotes from all local businesses who provide that specific product or service.
- (b) The Director must verify the successful quote and certify with reasoning if it is impractical to obtain three written quotations.
- (c) This information is to be kept on file.

3.3 Public Quotations

Purchases with a value between \$100,000 and \$149,999:

- (a) If a council or local government subsidiary proposes to obtain supplies at a cost of more than \$100 000, but not more than \$150 000, the council or local government subsidiary must make a public request for quotations from suppliers by notice.
- (b) The notice must be published in a newspaper circulating in the council's area and by notice on the council's website;

3.3 Tenders

Purchases with a value in excess of \$150,000:

- (a) Public Tenders are to be called where the value is greater than \$150,000.
- (b) Authorised staff may elect to call for tenders where the value is less than \$150,000.
- (c) Council must not enter into a contract for the provision of supplies to the council at a cost of more than \$100,000, unless it has first called for tenders for that contract.
- (d) Tenders are to be called by public notice published in a newspaper circulating the Council's area.
- (e) The Council (or the CEO) may apply to the Minister for an exemption from the requirement to call for tenders on purchases with a value in excess of \$100,000 in accordance with Regulation 31.

The following process needs to be followed in line with the Local Government (Accounting) Regulations section 35:

- (a) Call for tender with public notice containing statement to the effect that notice of the successful tender will be published on the council's website; and
- (b) Tenders will be advertised in the Tennant & District Times, the council website or other media where considered appropriate.
Where tenders have an estimated value exceeding \$100,000 tenders will also be advertised in the NT News.

Tenders received may only be opened either:

- (a) in the presence of the council itself or
- (b) by a committee of 3 members of the council's staff delegated by council to open and consider the tenders and report to the council on the tenders.

Council must accept the tender by written notice to the person/company who submitted the successful tender.

Council must also give notice of the successful tender in writing to each of the unsuccessful tenderers.

A notice of the successful tender must be published on the council's website, and be kept on the website for three years.

The notice of successful tender on the council's website must include the name of the person/company who submitted the successful tender; and the supplies to be provided; and the tender price.

For tenders over \$100,000 in value, the successful Tenderer, price and nature of supply will be advertised in the Tennant & District Times.

3.3.1 Exceptions from Quotation and Tender requirements

In line with Section 37 Local Government (Accounting) Regulations quotations and tenders are not required for the following:

- (a) Provision of supplies consisting of, or related to the purchase of land, including the leasing of land.
- (b) If the supplies are to be obtained under a contract to which any of the following is a party:
 - The Territory
 - The Commonwealth
 - A State or another Territory
 - Another council or local government subsidiary
- (c) If the supply has been authorised by resolution of the council and notice of the resolution has been published on the council's website, another council, a local government subsidiary or LGANT.

4. COLLECTIVE PROCUREMENT

In line with Part 13 Division 2 Local Government (Accounting) Regulations two or more entities (a council; a local government subsidiary; LGANT) may form a group (a procurement group) to act collectively for the purpose of obtaining the supplies.

Before commencing to act as a procurement group, the entities in the group must enter into a written agreement (a collective procurement agreement) setting out the arrangements for the collective procurement by the group.

If a procurement group complies with Division 2 Part 13 Local Government (Accounting) Regulations, a council that is in the group is not required to separately comply with Division

1 Part 13 Local Government (Accounting) Regulations.

5. RESPONSIBILITY & DELEGATION

The CEO is responsible for the implementation of this policy in relation to purchasing procedures and any decisions in relation to the letting of contracts entered into by council resolution.

The CEO has authority under the Local Government Act to sub-delegate functions and thus the authority to delegate purchasing and procurement decisions.

The CEO is responsible for maintaining a schedule of financial delegations and purchasing authorisations and for establishing financial limitations.

Pursuant to Regulation 35 (5) of the Local Government (General) Regulations, tenders are to be assessed by a panel of three members of council staff.

The panel is convened by the CEO and its functions are to consider the tenders received in response to the council notice, and to report to council about the tenders.

6. RELEVANT LEGISLATION, STANDARDS, POLICIES AND FORMS

Local Government Act NT (2019)

Local Government (General) Regulations 2021

Barkly Regional Council Code of Conduct Policy (staff and members)

Delegations Policy and Delegation Register

Conflict of Interest Policy

7. EVALUATION AND REVIEW

Within six (6) months of a new term of Council.

