

TITLE:	Purchasing and Procurement Policy		
DIVISION:	Corporate		
ADOPTED BY:	Barkly Regional Council		
DATE OF ADOPTION:	22 March 2018	DATE OF REVIEW:	February 2022
MOTION NUMBER:	OC 59/18		
POLICY NUMBER:	CP000028		
AUTHORISED:	Barkly Regional Council		

THIS POLICY APPLIES TO:

All employees of the Barkly Regional Council and Elected Members

SUMMARY

The aim of all policy is for Councillors to provide strategic input into the effective operational framework of the organisation under Section 11 of the *Local Government Act*“.

This document establishes the Council' policy in relation to the purchase of goods and services on behalf of the council and details the process and procedures involved in entering such contracts.

OBJECTIVES

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

BACKGROUND

The Council purchases goods and services as part of its normal operations. The Local Government Accounting Regulations and normal commercial requirements dictate that competitive prices be sought from suppliers.

POLICY

Buy Local Principles

Council Policy is to support the enhancement of the capabilities of local, Barkly based business and industry and will ensure that local suppliers have the opportunity to bid for the supply of goods and services. Where they are able to supply goods and services, Local suppliers will be favoured in line with Council's pre-set assessment criteria outlines in Council procurement procedure.

Should Barkly based business not be able to fulfil Council's purchasing needs, other Northern Territory businesses will favoured in line with Council's pre-set assessment criteria as outlined in Council's procurement procedure.

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.

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.

Principles

Administrative procedures to support Council's Purchasing and Procurement policy should be designed to contribute to cost effectiveness and operational efficiency.

Council officers involved in procurement should act in an ethical manner. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. In pursuit of ethical behaviour, officers will: Disclose to the appropriate senior officer any possible 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.

Purchase of Goods and Services

Goods and Services will be obtained by use of an electronic purchasing system or credit card.

Official Council Purchase Orders will be approved by an Authorised Officer with authority to incur expenditure on behalf of council as delegated in the Schedule of Financial Delegations. And will be retained electronically on the system. Before the purchase order 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.

Payment for the purchase will be approved by an Authorised Officer in line with the given 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.

The CEO and Directors have the responsibility to ensure that this procedure is adhered to. This responsibility shall not be delegated to a subordinate.

Quotations

When exercising purchasing delegation the following requirements must be observed in accordance with Section 28 of the Local Government (Accounting) 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

- The Authorised Officer is to obtain three written quotes. The Director must verify the successful quote and certify with reasoning if it is impractical to obtain three written quotations. This information is to be kept on file.

Purchases with a value in excess of \$100,000

- Public Tenders are to be called where the value is greater than \$100,000, authorised staff may elect to call for tenders where the value is less than \$100,000. 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

Tenders

Section 29 of the Local Government (Accounting) Regulations provides that the 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 by public notice published in a newspaper circulating the council's area.

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

- 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.
- Tenders will be advertised in the Tennant & District Times or other media where considered appropriate. Where tenders have an estimated value exceeding \$100,000 tenders will also be advertised in the NT News.

Tender received may only be opened in the presence of the council itself or 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 who submitted the successful tender and give notice of the successful tender in writing to each other person who submitted a tender; and by publishing the notice on the council's website. For tenders over \$100,000 in value, the successful Tenderer, price and nature of supply will be advertised in the Tennant & District Times.

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

Exceptions from Quotation and Tender requirements

In line with Section 30 Local Government (Accounting) Regulations quotations and tenders are not required for the following situations:

- Purchase of land
- Consultancy or other professional services
- Travel and accommodation
- If the Minister dispenses, in a particular case, with the requirement to call for quotations or tenders
- 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; and
- 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.

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.

TERMINOLOGY & DEFINITIONS

Local Supplier	Refers to businesses and enterprises that have a significant permanent presence in the Barkly Region.
Delegation	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	Procurement is the process of acquisition of goods, services and works. It may include planning, design, standards determination, 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	Is 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

REFERENCES

Financial Procedures
 Delegation Policy and Delegation Register
 Conflicts of Interest Policy

LEGISLATION & STANDARDS

Local Government Act
 Local Government (Accounting) Regulations

LINKS

<https://legislation.nt.gov.au/en/Legislation/LOCAL-GOVERNMENT-ACT>

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 29 of the Local Government (Accounting) Regulations, tenders are opened by the appointed officer in the presence of two other staff members. The appointed officers are:

- Chief Executive Officer, the Directors or a person authorised by the CEO or a Director to act on his or her behalf.

Tenders received are assessed by a panel appointed by the CEO and the relevant Director.

EVALUATION AND REVIEW

This Policy should be on the basis that the Audit Committee is satisfied that it has been and is being implemented. This policy to be reviewed every 4 years or earlier if required