

1104 Procurement

Statutory Policy

PURPOSE

- 1) Pursuant to section 198 of the *Local Government Regulation 2012* (the Regulation) a local government must prepare and adopt a procurement policy annually which documents the principles, including the sound contracting principles, Council will apply in the financial year for purchasing of good and services.
- 2) The purpose of this Policy is to guide Council's procurement activities pursuant to the Regulation default contracting procedures.
- 3) The Policy provides Council with a framework for managing the procurement function that ensures compliance with statutory requirements, efficient and effective processes, and a reduction to the risk of fraud and corruption.

SCOPE

- 4) The policy outlines how the sound contracting principles will be considered when entering into a contract for the supply of goods or services or the disposal of assets (including land). Specifically, the policy applies to the procurement of all goods, equipment and related services, consultancies, construction contracts and service contracts (including maintenance).

DEFINITIONS

Term	Definition
Council	Means North Burnett Regional Council.
Employee	Means all employees of Council, whether employed on a permanent, temporary, or part-time basis and includes volunteers, contractors and their employees
Financial Delegation	Means a formal delegation allowing an employee to authorise / approve expenditure or reimbursement of money within an approved budget and delegation limit.
Local Business	Means a supplier that: <ul style="list-style-type: none">• Is beneficially owned and operated by persons who are residents or ratepayers of the North Burnett Local Government area; or• Is a registered business or individual that has a principal place of business within the North Burnett Local Government area; or• Has a place of business within the North Burnett Local Government area which solely or primarily employs persons who are residents or ratepayers of the North Burnett Local Government area.

POLICY

OBJECTIVES

- 5) The objectives of this Procurement Policy are:
 - a) Ensure compliance with the *Local Government Act 2009* (the Act) and *Local Government Regulation 2012* (the Regulation);
 - b) Ensure Council procurement is conducted within a sound governance and probity environment;
 - c) Advance Council's economic, social and environmental policies; and
 - d) Support the cost-effective and timely delivery of Council's capital works, operational and service delivery programs.

PRINCIPLES

- 6) Council will establish a system of financial management consistent with Section 104 of the Act.
- 7) Section 104(3) of the Act requires a Council to ensure regard is had to the 'sound contracting principles', when entering into a contract for the supply of goods and services or the disposal of assets, being:
 - a) value for money; and
 - b) open and effective competition; and

- c) the development of competitive local business and industry; and
 - d) environmental protection; and
 - e) ethical behaviour and fair dealing.
- 8) All procurement and related activities will be performed in compliance with Work Health and Safety requirements.

POLICY STATEMENT

VALUE FOR MONEY

- 9) Council aims to obtain Value for Money in its procurement in that the goods, equipment or services being procured represent the best return and performance for the money spent from a “total cost of ownership” or “whole-of-life costs” perspective. The result of using such an evaluation methodology to assess value for money may not necessarily favour the lowest price. All impacts of entering into a contract at a particular price must be considered.

OPEN AND EFFECTIVE COMPETITION

- 10) Council promotes Open and Effective Competition by:
- a) Procurement procedures and processes being available to Council suppliers and the public (i.e. rate payers and the local community);
 - b) Suppliers having real opportunity to do business with Council;
 - c) Invitations to suppliers being arranged so that there is competition among suppliers to provide value for money offerings; and
 - d) Fair and equitable assessment of all offers to supply.

DEVELOPMENT OF COMPETITIVE LOCAL BUSINESS AND INDUSTRY

- 11) Council encourages development of competitive local business and industry by:
- a) Actively seeking out potential local supplies and suppliers and where applicable, encourage local business to provide a quote;
 - b) Encouraging principal contractors to give local suppliers every opportunity, to participate in major projects as partners or subcontractors;
 - c) Giving preference to locally sourced goods and services, where price, performance, quality, suitability and other evaluation criteria are comparable;
 - d) Ensuring that payments are prompt and in accordance with the agreed terms of contract; and
 - e) Giving consideration to the advantages of buying locally sourced goods and services, and to dealing with local suppliers, including:
 - i) Spare parts and servicing support are more readily available;
 - ii) Compliance with warranty provisions is more reliable;
 - iii) Supply lines are shorter; and
 - iv) Communications for contract administration are more convenient.
- 12) Local preference will be based on outcomes realised for North Burnett Region businesses and the local economy. Key local benefits may include:
- a) local sourced services, manufactured or sourced goods
 - b) local employment and local subcontracting
 - c) local growth and development including:
 - i) provision of new local jobs and career development opportunities
 - ii) commitment to community and social development initiatives
 - iii) consortiums, joint ventures or strategic partnering with local firms
 - iv) skills transfer, technology transfer, research and development transfer
 - v) investment in local training, apprenticeships, trainee opportunities certifications and capability.

ENVIRONMENTAL PROTECTION

- 13) Council promotes environmental protection through its procurement activities. In undertaking any procurement activities, the Council will:
- a) Prefer the purchase of environmentally friendly goods and services that satisfy value for money criteria when the environmental cost is included;
 - b) Foster the development of products and processes of low environmental and climatic impact;
 - c) Provide an example to business, industry and the community by promoting the use of climatically and environmentally friendly goods and services; and

- d) Encourage environmentally responsible activities.

ETHICAL BEHAVIOUR AND FAIR DEALING

- 14) Council supports ethical behaviour and fair dealing by:
 - a) Developing systems and procedures that ensure a consistent, ethical and fair approach to procurement and allows for the transparent disclosure of conflicts of interest; and
 - b) Promoting professional, ethical and fair procurement practice.

PROCUREMENT PROCEDURES

- 15) Procedures that apply to all Council procurement are outlined in the associated Procurement Procedures ensuring the adherence to the procurement principles set out in the legislation. Council officers are to be fully informed of the requirements under the legislation and to ensure they adopt a standard approach to procurement activities.

ROLES AND RESPONSIBILITIES

Delegations

- 16) Delegated officers are responsible for ensuring expenditure is only committed where it is within the constraints of the budget or Council resolution.
- 17) Financial delegations are listed in Council's Delegations Register, and may be amended based on operational need.

APPLICABLE LEGISLATION AND REGULATION

- 18) Applicable legislation and regulation:
 - a) *Local Government Act 2009*
 - b) *Local Government Regulation 2012*
 - c) *Work Health and Safety Act 2011*
 - d) *Work Health and Safety Regulation 2011*

RELATED DOCUMENTS

- 19) Related documents are:
 - a) Procurement Procedures
 - b) Fraud and Corruption Prevention Policy
 - c) Deed of Confidentiality and Conflict of Interest

RESPONSIBLE OFFICER

Chief Executive Officer

APPROVAL DATE

10 July 2024

REVIEW DATE

June 2025 (Annual Review)

REVISION HISTORY

Version	Meeting	Approval Date	History
1	General Meeting	22/07/2020	New policy and separate procedures
2	General Meeting	27/06/2022	Revised for 2022/2023
3	General Meeting	28/06/2023	Reviewed for 2023/2024 - No change
4	Budget Meeting	10/07/2024	Revised for 2024/2025