

<b>TITLE:</b>	Purchasing and Procurement Policy		
<b>DIVISION:</b>			
<b>ADOPTED BY:</b>	Council		
<b>DATE OF ADOPTION:</b>	March 20, 2014	<b>DATE OF REVIEW:</b>	March 2018
<b>MOTION NUMBER:</b>	41/14		
<b>POLICY NUMBER:</b>	CP000028		
<b>AUTHORISED:</b>	Chief Executive Officer		

## THIS POLICY APPLIES TO:

All employees and Elected Members of the Barkly Regional Council

## PREAMBLE

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

## SUMMARY

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 compliance 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 STATEMENT

### *Principles*

Council Policy is to support the enhancement of the capabilities of local business and industry and will ensure that local industry has the opportunity to bid for the supply of goods and services. Local suppliers will be favoured where they are able to supply goods and services at a competitive price.

Administrative procedures to support Council's Purchasing 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 \$5,000 or less

- The Authorised Officer does not require quotes under this policy.

Purchases with a value between \$5,001 and \$50,000

- 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 \$50,000

- Public Tenders are to be called unless, where the value is less than \$100,000, the Council, has by resolution approved some other method. 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.

## **LEGISLATION, TERMINOLOGY AND REFERENCES**

Local Government Act and Local Government (Accounting) Regulations 2008  
Financial Policy and Procedures  
Financial Delegations

## **IMPLEMENTATION AND 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 is to be reviewed every four (4) years, and may be reviewed at other times at the discretion of Chief Executive Officer.