

QPRC Procurement Policy

Date policy was adopted:	25 October 2017
Resolution number:	318/17
Next Policy review date:	
Reference number:	

QPRC Procurement Policy

1. OUTCOMES:

The purpose of this policy is to define Queanbeyan-Palerang Regional Council (QPRC) procurement principles and set out the standard by which Council will conduct its procurement activities.

2. POLICY:

This Procurement Policy defines Council's procurement function. The procurement process consists of all activities required to obtain works, goods, materials, and services from external providers.

The key objective of the Procurement Policy is to ensure that procurement activities achieve best value for money in an efficient manner. Procurement activities are to support the delivery of Council's Community Strategic Plan by incorporating Quadruple Bottom Line (QBL) principles.

Successful procurement provides opportunities to use the community's money wisely and in a sustainable way, while meeting governance requirements and promoting open and effective competition. In summary this means QPRC will ensure its business dealings are fair, ethical, transparent, impartial, meet high standards of probity and avoid any conflict of interest.

Where possible QPRC will consider benefits delivered to the community through procurement engagements. QPRC will identify opportunities for local economic development, social benefit and environmental protection.

Furthermore, QPRC will ensure that all procurement activities are conducted in accordance with the legislative requirements set out in the Local Government Act (1993) and General Regulation (2005), in conjunction with Council's Code of Conduct, Statement of Business Ethics, Fraud Control Policy and Risk Management Framework.

The objectives of this policy will be fulfilled in accordance with the Council Procurement Procedures for consistency in the procurement activities. The procedures detail the procurement methods and processes for quotation and tendering requirements for the Council.

3. SCOPE OF THE POLICY:

The Procurement Policy applies to all staff who procure goods and/or service for QPRC and its procurement engagements with all suppliers

4. DEFINITIONS:

COUNCIL	Queanbeyan-Palerang Regional Council.
ETHICAL	To conduct activities with acceptable behavioural norms.
FAIRNESS	Quality in making judgements that are free from discrimination, favouritism or fraudulent benefits.
IMPARTIAL	Fairness in the decision making process based on objective criterion rather than bias or prejudice.

QPRC Procurement Policy

PROCUREMENT	The complete set of activities in obtaining goods and services.
PURCHASING	The transactional exchange of money for goods and services.
QBL	The “Quadruple Bottom Line” encompasses environmental considerations, social benefit, economic development, sustainable infrastructure and effective governance.
TRANSPARENT	Visible and verifiable confirmation of the integrity of the purchasing process.
RISK	The level of exposure to harm, loss or danger

5. LEGISLATIVE OBLIGATIONS AND/OR RELEVANT STANDARDS:

The procurement of goods and services for the Council is governed by the following:

- Local Government Act 1993
 - Section 55 and 55a with the calling for tenders.
 - Section 7(e) and 8(1) with regard to principles of ecologically sustainable development.
- Local Government (General) Regulations 2005.
 - Part 7 Tendering.
 - Part 9 Divisions 1-4 deals with financial management and the authorisation of expenditure.
- Environmental Planning and Assessment Act 1979
- Work Health and Safety Act 2011
- DLG Tendering Guidelines of NSW Local Government 2009
- QPRC Code of Conduct
- QPRC Statement of Business Ethics.

Any inconsistency that may arise between QPRC Policies or Procedures and relevant legislation shall be resolved in favour of the requirements of legislation.

6. CONTENT:

6.1. Procurement Thresholds

Procurement thresholds (GST inclusive) are dollar value levels which detail the appropriate method for Council staff to undertake any procurement. The aim of these thresholds are to enable Council in achieving best value for money whilst effectively managing risk.

These thresholds are detailed in the adopted QPRC Procurement Procedures and Council staff will be required to adhere to these thresholds in the conduct of all procurement related activities.

QPRC Procurement Policy

6.2. Value for Money

Value for money is the core principle of Procurement within QPRC.

Value for money is the differential between the total benefit derived from a good or a service against its total cost, when assessed over the period the goods or services are to be utilised. The method of procurement must be cost effective and efficient. Value for money takes into account all relevant costs and benefits over the whole of life from the sourcing of raw materials to disposal of goods or services being procured.

Value for money is achieved when the 'right sized' procurement solution is selected to meet the organisation's need and in an efficient manner.

Procurement procedures will require QPRC staff

6.3. Local Economic Benefit

Council is committed to supporting the local economy and enhancing the capabilities of local business and industry. Council will give due consideration to the actual and potential benefits to the local economy when sourcing goods and services, whilst maintaining a value for money approach at all times.

Consideration needs to be given to local value when determining value for money. Where local content can be applied, either directly or via the Quadruple Bottom Line, a weighting should be applied to the evaluation. This weighting, taking into account all other weightings will help determine the overall best outcome for Council. In order to apply local content the weighting is not applied to price, rather the weighting is applied to the overall evaluation.

6.4. Sustainability through Procurement

Sustainability comprises an important component of the procurement process:

Sustainable Procurement Objectives – The specific objectives for sustainable procurement are to:

- Minimise unnecessary purchasing – only purchase when a product or service is necessary;
- Minimise waste – purchase in accordance with reduce, reuse and recycle strategies;
- Save water and energy – purchase products that save energy and/or water;
- Minimise pollution – avoid purchasing products that pollute soils, air or waterways;
- Eliminate toxic products – avoid where possible purchasing hazardous chemicals that may be harmful to human health or ecosystems;
- Reduce greenhouse emission – purchase products that reduce greenhouse gas emissions;
- Achieve biodiversity and habitat protection – purchase in accordance with biodiversity and conservation objectives.

Sustainable Procurement Actions – In delivery of the specific objectives, Council is to pursue the following actions through sustainable procurement to:

- Eliminate inefficiency, waste and expenditure;
- Contribute to the combined purchasing power of Local Government to further stimulate demand for sustainable products;
- Advance sustainability by participating in 'closing the life-cycle loop';
- Increase awareness about the range and quality of products available;
- Deliver Council's commitments in relation to ecologically sustainable development (ESD) and other environmental and social objectives;

QPRC Procurement Policy

- Play a leadership role in advancing long term social and environmental sustainability;
- Follow the Community Strategic Plan;
- Support local businesses and organisations.

Council acknowledges that it has a vital role to play at the local level in promoting sustainable development and can make a contribution towards meeting the global challenges of creating a sustainable society.

6.5. Building and Maintaining Procurement Capacity

Procurement Options – QPRC recognises that in order to achieve sustainable value, a strategic assessment of the appropriate procurement path must be carried out on an individual purchase/project basis.

Participation in regional or sector aggregated projects or panels and access to Local Government and State Government panel agreements or other means are to be considered to ensure that arrangements deliver the best value outcomes in terms of value for money, sustainability, protection of the environment, corporate social responsibility, Work Health and Safety standards and risk management. Section 163 (1A) of the Regulations allows for Council to seek procurement quotations through the listed prescribed organisations.

Where procurement is greater than the value nominated in section 163 (1) of the Regulation and is proposed to procure not through by panel arrangements, the tender shall be advertised for open tender in accordance with Part 7 of the Regulation. In the event an alternative selective tender method is proposed (ref clause 168 or 169 of the Regulation) a specific resolution of Council to this effect shall be required.

Supply Market Development – A wide range of suppliers should be encouraged to compete for Council work. The focus for new work need not always be with the larger or more familiar businesses. Other types of organisations offering business diversity could include:

- Local businesses.
- Suppliers with a focus on sustainability.
- Small to medium sized enterprises.
- Social enterprises.
- Voluntary and community organisations.

Continual Improvement – QPRC is committed to continuous improvement with review of the procurement policy and guidelines on a regular basis to ensure Council's standards and processes comply with current legislation and market changes.

Staff Training – QPRC is committed to training Council staff in the procurement process from initiation of procurement to contract management.

6.6. Exemptions

Exemptions of public tendering are listed in Section 55, Part 3 of the Local Government Act 1993. These are the only exemptions that apply to Procurement within QPRC.

This policy does not apply to real property acquisitions and other non-procurement expenditure such as sponsorships, donations and employment contracts.

QPRC Procurement Policy

6.7. Systems Management

Procurement activities must be recorded in Councils financial system. Relevant documentation regarding Council's procurement activities must be recorded in the Council's document management system. The guidelines of these requirements are detailed in the Procurement Procedures.

6.8. Accountability and Responsibility

The authorisation of the procurement of goods and services and financial value permitted for Council can only be delegated by the General Manager. These delegations are contained within Council's Delegation Register.

The Council is responsible for establishing effective governance arrangements and processes for acquisition of works, goods, materials, consultancies and services.

Staff whose position descriptions include responsibilities for procurement are responsible for purchasing in accordance with this Policy subject to their delegated authority.


2. PERFORMANCE INDICATOR:

Procurement related activities will form part of Council's internal audit process

QPRC Procurement Policy

POLICY:-	
Policy No:	
Policy Title:	QPRC Procurement Policy
Date Policy was adopted by Council:	25 October 2017
Resolution Number:	318/17
Previous Policy Review Date:	
Next Policy Review Date:	
PROCEDURES/GUIDELINES:-	
Date Procedure/Guideline (if any) was developed:	Procurement Procedures
RECORDS:-	
Container Reference in TRIM: Policy	
Container Reference in TRIM: Procedure	
Other locations of Policy:	Intranet (linked to TRIM Container)
Other locations of Procedures/Guidelines:	Intranet (linked to TRIM Container)
DELEGATION (if any):-	
RESPONSIBILITY:-	
Draft Policy developed by:	Chief Financial Officer
Committees (if any) consulted in the development of the Draft Policy:	
Responsibility for Implementation:	
Responsibility for Review of Policy:	

INTEGRATED PLANNING FRAMEWORK:	
Strategic Direction (CSP):	Council
Service:	Financial
Program:	Procurement

Senior Authorising Officer	Position General Manager	Signature/Date  17 November 2017
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QPRC Procurement Policy

ACTION	COUNCIL MEETING DATE	RESOLUTION NUMBER	REPORT ITEM NUMBER
NEW/RECONFIRMED/ AMENDED			
Replaces QCC Procurement Policy			
Replaces Palerang Council Purchasing and Procurement Policy			

DATE REVIEWED	REVIEWER POSITION	REVIEWER NAME