

COBAR SHIRE COUNCIL



PROCUREMENT POLICY

PURPOSE

The objective of this policy is to govern all Cobar Shire Council (Council) procurement related activity and outlines the approach adopted by Council to manage the acquisition of goods, services, infrastructure and capital works from vendors, contractors and suppliers.

RELEVANT LEGISLATION

- Local Government Act 1993
- Local Government (General) Regulation 2005 – Part 7 Tendering
- Government Information (Public Access) Act 2009

RELATED POLICIES AND PROCEDURES

- Code of Conduct
- Purchasing System and Authority Levels
- Tendering Procedure and Checklist
- Community Strategic Plan – Cobar Shire 2025
- Complaints Management Policy
- Provision and Use of Councils Corporate Credit Card Policy
- Fraud Control Policy
- Business Ethics Policy
- Corruption Prevention Management Plan

RELATED GUIDELINES

- Tendering Guidelines for NSW Local Government (Division of Local Government Circular 09-39)

APPLICATION OF THIS POLICY

This Policy applies to all procurement and contracting activities undertaken by Cobar Shire Council, other than statutory payments or payments for membership of Regional or State organisations and is binding on all Councillors, Council staff, suppliers, contractors and consultants.

POLICY SCOPE

Staff with any level of delegated authority of expenditure are accountable for applying this policy within their areas of responsibility. Specific responsibilities are as follows:

- The General Manager has ultimate responsibility for procurement and delegated authority of expenditure of funds across Cobar Shire Council;
- The Director of Finance and Community Services is responsible for the development of all policies and procedures in relation to procurement across Council;
- The Director of each division is accountable for the implementation, maintenance and the management of any breach of policy within their areas of responsibility in accordance with this policy and related procedures;
- Each member of staff is responsible for ensuring that they fulfil their obligations in relation to this policy, procedures and Code of Conduct when spending public funds.

USE OF PUBLIC FUNDS

Under no circumstances are any goods, services or work of any kind to be arranged for a purpose other than a direct business need on behalf of and for Cobar Shire Council.

FINANCIAL DELEGATIONS FOR PROCUREMENT

Financial delegations define the financial limitations within which specified staff may approve a purchase, quotation and contractual processes. This allows Council to conduct business activities in an efficient and timely manner whilst maintaining transparency and integrity. All procurement must be undertaken within these delegations (Refer to Cobar Shire Council Purchasing System and Authority Levels - File: A2-5).

Any changes to current levels, or an authorisation level for a new position, require approval from the General Manager. As with the current structure of delegated authorities, the limits put in place will be strictly adhered to with the onus being on the individual employee to ensure they do not abuse their authority level.

An individual Council officer's current level of delegated authority is also applicable at the Council's store.

TENDERING THRESHOLD

Council must formally tender for goods and services where the anticipated expenditure for the life of the contract is greater than \$250,000 (inclusive of GST). Any procurement that involves expenditure under this amount must be conducted in accordance with Councils Purchasing System and Authority Levels (File: A2-5).

For contracts in excess of \$250,000 (inclusive of GST), either formal tenders are to be invited by public advertisement in accordance with *Section 55 of the Local Government Act 1993 & the Local Government (General) Regulation 2005* or accessing an existing contract with a prescribed organisation as below:

- Cobar Shire Council Pre-Qualified Suppliers (Tender Established);
- Local Government Procurement (LGP);
- Regional Procurement Initiative.

PURCHASE ORDERS

No orders are to be placed with suppliers without an official purchase order being supplied by Council first. Purchase orders must be accompanied by the required documentation as per The procurement requirements detailed in Purchasing System and Authority Levels (file A2-5).

All suppliers are instructed not to supply goods unless they refer to an official Cobar Shire Council purchase order number. If a supplier supplies goods without a purchase order number and produces an invoice to Council without reference to an official purchase order number, then Council reserves the right to refuse payment for those goods or services.

LOCAL SUPPLIER PREFERENCE

Council is committed to supporting the local economy and enhancing the capabilities of local business and industry. The objective is to create a framework that ensures Council gives due consideration to the actual and potential benefits to the local economy of sourcing goods and services locally where possible, whilst maintaining a value for money approach always. The intention of this policy supports Council's commitment to achieve the best value for money outcome to Council and the Community, while maximising opportunities for local business to compete for Council business. Council acknowledges that it has an important role to play in the local economy and is committed to assisting local industry engage in business with Council. To assist local industry and local economic development, Council will ensure that buying practices, procedures and specifications do not disadvantage local suppliers and ensure transparency in quotation, tendering and contract management practices.

