

# PURCHASING POLICY

ST093

F22

## OBJECTIVES

- To establish how Council's purchasing practices support the implementation and delivery of Council's Community Strategic Plan and Delivery/Operational Plan.
- Build upon Council's existing business principles to:
  - 1 make efficient and effective use of Council's and Council's supplier's resources
  - 2 ensure fair, open and effective competition
  - 3 are ethical and compliant with legislation
  - 4 improve the local amenity of our community and are socially responsible
  - 5 identify and manage risks to maximise opportunities and manage potentially adverse consequences
  - 6 use our skilled resources to provide advice and guidance
  - 7 encourage sustainability and economic development in accordance with local preference
  - 8 foster a viable Australian market for sustainable products and services
  - 9 ensure Council and its staff act within their delegations and are accountable for decision making in procurement.

## APPLICABILITY

This policy applies to all types of purchasing, including acquisition, provision and disposal of materials, services and facilities by Orange City Council. The principles of this policy, and associated guidelines/procedures for implementation, must be followed by employees (full time, part time, temporary and casual) as well as all contractors, consultants and service providers engaged in any of Council's business units and services.

## GENERAL

Council will ensure value for money through a balanced whole-of-life evaluation that includes consideration of financial, social, ethical, local economic and environmental factors.

To deliver on Council's commitment to procurement that meets operational requirements and achieves the highest commercial and sustainability outcomes, Council will:

- 1 comply with applicable laws and documentation
- 2 avoid unnecessary consumption, manage demand for goods and services, and maximise the efficiency of those products and services acquired
- 3 foster relationships with suppliers in a manner that is ethical, efficient, fair and transparent, and that respects their confidential information
- 4 exercise responsible financial management and accountability for actions
- 5 support the establishment of a diverse supply chain, with particular focus on entities that deliver or have potential to deliver social, economic and/or environmental benefit locally

All policies can be reviewed or revoked by a resolution of Council, at any time.

- 6 support Australian owned suppliers and/or suppliers who manufacture in Australia, where doing so is appropriate and permissible by law, focusing on those locally
- 7 support suppliers and industry groups that develop and/or apply innovative responses in relation to sustainability issues
- 8 establish performance agreements with our key suppliers, and monitor their performance over time
- 9 develop practical and transparent tools for assessing and providing feedback to existing and potential suppliers about their proposals and performance
- 10 identify and manage the risks associated with procurement

### Local Preference Procurement

Council will apply a 2% price advantage to suppliers, whose business is permanently located within the Orange Local Government Area, when quoting on the supply of goods and/or services at a value greater than \$10,000 and less than Council's established Tendering Limit. The Local Preference price advantage only applies when a non-local supplier is included in the quotation process. Specifications for the calling of quotations must state how the Local Preference price advantage will be applied so that all respondents are aware of Council's policy.

### Tendering Limit

The Local Government Act 1993, and Local Government (General) Regulation 2005 specify a financial limit of \$150,000 to determine when a tender is required for the procurement of goods and/or services. To manage risk and avoid any uncertainty Council has established a financial limit of \$120,000 (inclusive of GST) to determine when the tender process will be required for the procurement of goods and/or services.

### RELATED POLICIES/DOCUMENTS

Operational Purchasing Policy and Procedures

Local Government Act 1993

Asset Management Policy

Asset Rationalisation Policy

Statement of Business Ethics

Code of Conduct

Enterprise Risk Management Policy

### Responsible Area – Corporate and Commercial Services

REVISION					
	DATE	RESOLUTION		DATE	RESOLUTION
<b>1</b>	2 Dec 2014	14/1076	<b>4</b>		
<b>2</b>	3 July 2018	18/308	<b>5</b>		
<b>3</b>			<b>6</b>		

All policies can be reviewed or revoked by resolution of Council, at any time.

### SUMMARY OF AMENDMENTS

Date	Section/Reference and Amendment
December 2014	Significant rewrite of this policy due to large scale changes in the processes Council uses to manage risk. Tools including the procedures to use the online procurement system, action plan from Operation Jarek and the action plan from the Dec 2013 Promoting Better Practice review have influenced these changes.
April 2018	Formatting updates. Combine Policy "Purpose" and "Objective" sections.