

## Procurement Policy Review 2023 – Summary of Proposed Changes

Changes made to the Policy as a result of the review are summarised below:

Type	Description	Reason
Update	Transferred content to current Policy Template branding	To ensure consistent formatting across Council's policy portfolio
Update	Sections 1 & 2 (Scope and Purpose): Updated phrasing	To ensure the sections read consistently with Council's policy portfolio
Update	Section 3 (Policy): Updated language and list formatting, and added clause numbering	To improve clarity, and to ensure consistency with applicable Council and legal standards.
Update	Section 3 (Policy): Provided greater specification in policy framework by dividing single bulleted list presentation of "Council's policy" into topic-specific clause and sub-clauses. Elaborated on requirements for each topic where required, as explained in the notes below.	To improve clarity
Addition	<p>Clause 3.2: Added reference to overarching Code of Conduct and Business Ethics Policy requirements, as follows:</p> <p><i>In accordance with Council's Code of Conduct and Business Ethics Policy, all Council resources must be used ethically, effectively, and carefully, in the course of public duties.</i></p>	To strengthen the Policy framework, as recommended by the Internal Ombudsman (IOSS)
Addition	<p>Clause 3.2.1: In regard to meeting Code of Conduct obligations, added directive that:</p> <p><i>It is prohibited to accept any form of incentive offered in relation to Procurement activities on behalf of Council, including accepting rewards program points, promotional goods, or other benefits.</i></p>	To strengthen the Policy framework, as recommended by the Internal Ombudsman (IOSS)
Addition	<p>Clause 3.3: Added statement to summarise Council's strategic direction for Procurement, that,</p> <p><i>All Procurement activities must be undertaken with a view to procuring goods and services at the best possible total cost of ownership to meet the needs of Council, in terms of quality and quantity, time, and location.</i></p>	To strengthen the Policy framework
Addition	Clause 3.4: Added specifications to establish	To strengthen the Policy framework

	<p>strategic direction for value for money considerations, as follows:</p> <p><i>Persons engaging in Procurement activities on behalf of Council must ensure value for money is obtained through undertaking a balanced, whole-of-life, evaluation that includes consideration of financial, social, ethical, local economic, and environmental factors.</i></p>	
Addition	<p>Clauses 3.4.1 and 5.6: Added statement communicating Council's commitment to avoiding Modern Slavery, and established procedural requirement that Council will publish in its annual reports the measures undertaken to comply with the <i>Modern Slavery Act 2018 (NSW)</i>.</p>	<p>To support Council's compliance with the new <i>Modern Slavery Act 2018 (NSW)</i></p>
Update	<p>Clause 3.5: Consolidated all existing measures to ensure prudent Procurement management into a single clause</p>	<p>To improve clarity</p>
Update	<p>Clause 3.6: Consolidated all existing strategic guiding principles for Council's Procurement practices into a single clause</p>	<p>To improve clarity</p>
Addition	<p>Clause 3.6(c): Added guiding principle for Council's Procurement practices to support First Nations' owned businesses</p>	<p>To improve Council's strategic approach to Procurement</p>
Addition	<p>Clause 3.6.1: Added reference to Council Resolution 13661 from 25 February 2013, which establishes that Council will require as a tender selection criterion that suppliers receive a 5% local supplier bonus</p>	<p>To ensure all requirements for procurement as resolved by Council are clearly set out in the Policy document</p>
Update	<p>Clause 3.7: Consolidated all existing measures for managing supplier relationships and performance into a single clause</p>	<p>To improve clarity</p>
Addition	<p>Section 4 (Delegation): Added reference to applicable delegations</p>	<p>To ensure consistency with policy template requirements, and to support clarity in Policy implementation</p>
Update	<p>Section 5 (Procedure): Updated language and added clause numbering</p>	<p>To improve clarity, and to ensure consistency with applicable Council and legal standards</p>
Addition	<p>Clauses 5.2 and 5.2.1: Added procedural requirement, as taken from the Procurement Guidelines, that:</p>	<p>To align with Council's policy document framework by ensuring that mandatory procedural directives are</p>

	<p>5.2 A Council officer with appropriate financial delegation to approve the total value of the intended purchase, must approve all Purchase Requisitions before the expenditure is incurred, by issuing a Purchase Order.</p> <p>5.2.1 The only exception to this pre-approval requirement is for utility and ongoing service payments (e.g. electricity, telephone service) where Purchase Requisitions are required to be raised after an invoice is issued, to reflect the service usage cost incurred.</p>	set out in the formal Policy document
Update	Clause 5.2: Replaced statement copied from applicable legislation with reference to relevant source sections.	To mitigate risk of inconsistency between prevailing legislation and Council's policy
Addition	<p>Clause 5.3.1: Added requirement, as taken from the Procurement Guidelines, that:</p> <p><i>All tenders must be conducted under the supervision of Council's Procurement Team and must comply with any additional requirements, as specified in the Procurement Guidelines.</i></p>	To align with Council's policy document framework by ensuring that mandatory procedural directives are set out in the formal Policy document
Addition	<p>Clause 5.4: Added framework for requirements for obtaining a certain number of written suppliers quotations as per the purchase value, as taken from the Procurement Guidelines:</p> <p><i>5.4 Where there is no existing contractual agreement and where there is no requirement to undertake a tender, the following requirements apply to the preparation of an acceptable Purchase Requisition, as determined by the anticipated total purchase value:</i></p> <p><i>5.4.1 For purchases under \$500 (incl. GST), a purchase may be made directly with the selected supplier, without the need for a written supplier quotation.</i></p> <p><i>5.4.2 For purchases between \$500-\$9,999 (incl. GST), one written supplier quotation is required.</i></p> <p><i>5.4.3 For purchases between \$10,000-\$49,999 (incl. GST), two written supplier quotations are required.</i></p> <p><i>5.4.4 For purchases between \$50,000-\$249,999 (incl. GST), three written supplier quotations are required.</i></p> <p><i>5.4.5 An exception to the quotation</i></p>	To align with Council's policy document framework by ensuring that mandatory procedural directives are set out in the formal Policy document

	<p><i>requirements set out in clause 5.4 of this Policy may only be permitted where goods and services are only available from one source of supply (i.e. manufacturer, supplier, or agency. However every endeavour to find alternative sources must be made and documented in the Purchase Requisition.</i></p>	
Addition	<p>Clause 5.4.6: Added directive prohibiting splitting Purchase Requisitions for the purposes of avoiding exceeding purchase value thresholds for Procurement approval requirements, as follows:</p> <p><i>Employees are prohibited from splitting Purchase Requisitions for the same purchase, engagement, or project with the same supplier, for the purposes of acquiring goods and/or services above their financial delegation, or to avoid requirements for calling for tenders or obtaining multiple supplier quotations.</i></p>	To support clearer implementation of Council's Policy, as recommended by the IOSS
Addition	<p>Clause 5.5: Added disclaimer that:</p> <p><i>In accordance with the Independent Commission Against Corruption Act 1988 (NSW), Council will refer any suspected incidences of fraud and corruption to the Independent Commission Against Corruption.</i></p>	To provide transparency regarding related legislative requirements, and to support Council's compliance with the legislation
Addition	<p>Section 6 (Definitions): Added definitions for key terms employed in Policy</p>	To improve clarity and accuracy, and to ensure consistency with applicable Council and legal standards
Update	<p>Former Section 6 Associated Documents: Moved titles of associated documents relevant to the updated Policy to References table</p>	To ensure consistency with Council's Policy Template