

Procurement Policy

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1. Scope

- 1.1 This Policy applies to all Procurement undertaken for City of Parramatta Council (Council).
- 1.2 This Policy applies to all Employees, consultants, and contractors engaged in Procurement activities on behalf of Council.

2. Purpose

- 2.1. This Policy establishes a framework to guide how Council's Procurement practices are to be undertaken.

3. Policy

- 3.1 Council is committed to Procurement practices which meet operational requirements, while achieving the highest commercial and Sustainable Procurement outcomes.
- 3.2 In accordance with Council's Code of Conduct and Business Ethics Policy, all Council resources must be used ethically, effectively, efficiently, and carefully, in the course of public duties. Council is committed to working to avoid unnecessary consumption, including by managing demand for goods and services, and by maximising the efficiency of those products and services.

3.2.1 In this regard, 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.

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- 3.3 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.
- 3.4 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.
- 3.4.1 In this regard, Council is committed to taking all reasonable steps to avoid Procurement that contributes to Modern Slavery.
- 3.5 Persons engaging in Procurement activities on behalf of Council, must also ensure prudent Procurement management, by:
- (a) complying with applicable legislation and documentation requirements, as specified in Council's Procurement Guidelines;
 - (b) establishing procedures that ensure fair, open, and effective competition, including by calling for tenders, where required;
 - (c) exercising responsible financial management and demonstrating accountability for actions; and
 - (d) proactively identifying and managing the risks associated with Procurement.
- 3.6 Council will conduct its Procurement practices in accordance with the following guiding principles:
- (a) Supporting the establishment of a diverse supply chain, with consideration for entities that have potential to deliver local social, economic, and/or environmental benefits.
 - (b) Supporting Australian-owned suppliers and/or suppliers who manufacture in Australia, where doing so is appropriate and permissible by law, with consideration given to local supplier options.
 - (c) Supporting First Nations' owned businesses.
 - (d) Supporting suppliers and industry groups that develop and/or apply innovative responses in relation to sustainability issues.

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3.6.1 To meet these guiding principles, where Council calls for tenders, it will require, as a tender selection criterion, that suppliers receive a 5% local supplier scoring bonus, if their Main Business Location is within the:

- (a) City of Parramatta local government area; or
- (b) boundary radiating 5 kilometres from the Parramatta Central Business District, as determined by Council.

3.7 In undertaking its Procurement activities, Council will foster relationships with suppliers in a manner that is ethical, efficient, fair, and transparent, and that respects their confidential information. To support these relationships, Council will:

- (a) implement transparent tools for assessing and providing feedback to existing and potential suppliers about their proposals and performance; and
- (b) establish performance agreements with suppliers, including monitoring their performance over time.

4. Delegation

4.1 There are Administrative and/or Legislative Delegations applicable to this Policy, which are provided for in Council's Delegations Manual.

5. Procedure

5.1 This Policy must be read in conjunction with Council's Procurement Guidelines, which provide detailed guidance regarding appropriate methods and processes for conducting Procurement on behalf of Council.

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.

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.

5.3 Before commencing Procurement, consideration must be given to whether a tender is required, as set out under section 55 of the *Local Government Act 1993 (NSW)*, Part 7 of

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the *Local Government (General) Regulation 2021 (NSW)*, and having regard to the Procurement Guidelines.

- 5.3.1 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.
- 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:
- 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.
- 5.4.2 For purchases between \$500-\$9,999 (incl. GST), one written supplier quotation is required.
- 5.4.3 For purchases between \$10,000-\$49,999 (incl. GST), two written supplier quotations are required.
- 5.4.4 For purchases between \$50,000-\$249,999 (incl. GST), three written supplier quotations are required.
- 5.4.5 An exception to the quotation 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.
- 5.4.6 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.
- 5.5 In accordance with the *Independent Commission Against Corruption Act 1988 (NSW)*, Council will refer any suspected incidences of fraud or corruption to the Independent Commission Against Corruption.

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5.6 Council will publish in its annual reports the measures undertaken to comply with the *Modern Slavery Act 2018* (NSW), in relation to its Procurement activities.

6. Definitions

Employee	A person who is directly employed by Council on a full time, part time, temporary, or casual basis.
Main Business Location	Means the main business location defined by the ABN search facility on the Australian Government's ABN Lookup website.
Modern Slavery	Refers to a violation and crime of fundamental human rights. It takes many forms, such as slavery, forced and compulsory labour, servitude, and human trafficking, all of which have in common the deprivation of a person's liberty by another, in order to exploit them for personal or commercial gain.
Procurement	The acquisition of goods and/or services, including the acquisition, provision, and disposal of materials, services, facilities, and human resources.
Purchase Order	An official document issued by a purchaser, as a commitment to pay a supplier for the sale of specific goods or services, to be delivered at a future date.
Purchase Requisition	Document created during the first step in the purchasing process through Council's financial system, to request approval for issuing a Purchase Order.
Sustainable Procurement	Refers to when procurement helps build a circular economy, aiming to reduce adverse social, environmental, and economic impacts of purchased goods and services throughout their life. This includes considerations such as waste disposal and the cost of operations and maintenance over the life of the goods and services.

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REFERENCES	<i>Independent Commission Against Corruption Act 1988 (NSW)</i> <i>Local Government Act 1993 (NSW)</i> <i>Local Government (General) Regulation 2021 (NSW)</i> <i>Modern Slavery Act 2018 (NSW)</i>
ASSOCIATED POLICIES	Business Ethics Policy Code of Conduct Corporate Sustainability Policy Fraud and Corruption Prevention Policy
ATTACHMENTS	Procurement Guidelines

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