



PIASC POLICY

Procurement

POLICY STATEMENT

Please Note that until further advice all procurement transactions MUST have the CEO's approval.

This document sets out the Council's policy for the acquisition of goods and services and carrying out of the Sound Contracting Principles.

This policy applies to the procurement of all goods, equipment and related services, construction contracts and service contracts (including maintenance).

Council employees responsible for procuring goods and services and employees with financial delegation must comply with this policy. It is the responsibility of all Council employees involved in the procurement process to understand the meaning and intent of this policy.

Sustainable procurement means that when purchasing goods and services organisations practicing sustainable procurement will consider:

- Strategies to avoid unnecessary consumption and manage demand;
- Minimising environmental impacts of the goods and services over the whole-of-life of the goods and services;
- Suppliers' socially responsible practices including compliance with legislative obligations to employees;
- Value for money over the whole-of-life of the goods and services, rather than just initial cost;
- The cost value of money and associated payback periods

Council's procurement decisions should encompass the consideration of goods and services which have a lower impact on the environment and human wellbeing than competing goods and services and which are ethically and socially responsible and value for money.

Council employee's financial delegation or responsibility for purchasing goods and services must comply with this policy. It is the responsibility of these employees to understand the meaning and intent of this policy.

All Council purchases must be carried out in compliance with the Local Government Act 2009 and the Local Government Regulation 2012 and relevant Council Policies.

Council's procurement activities aim to achieve advantageous procurement outcomes for Council by:

- Promoting value for money with transparency, probity and accountability; and
- Advancing Council's economic, social and environmental policies; and
- Providing opportunities for local businesses to be competitive based on them complying with relevant Council Policies and legislation to supply to Council.

INTRODUCTION

Palm Island Aboriginal Shire Council (Council) is committed to the open and transparent operations of all Council activities. To meet this commitment Council will place all policies on the PIASC website for ease of access for all the Palm Island Community

GOVERNANCE

| | |
|-------------------|-----------|
| Policy Identifier | L 1.11 |
| Responsible | CEO |
| Start date | 1/7/2021 |
| Review date | 30/6/2022 |
| Version number | 1 |

REFERENCES

- *Local Government Act 2009*
- *Local Government Regulations 2012*
- *Credit Card Policy*
- *Code of Conduct Policy*
- *Environmental Policy*
- *Fraud and Corruption Policy*
- *Confidentiality Policy*

All procurement transactions must comply with the Local Government Regulation 2012. Council will utilise the default contracting procedures set out in the regulation (including the exceptions) to manage its procurement processes.

The dollar amounts quoted in this section are to be exclusive of GST. Council's contracted suppliers or stores issue shall be used in the first instance for all transactions, subject to availability of goods and services.

Procurement made up to \$1,000.00 (exclusive of GST)

Considering the 5 principles (refer section C above) before finalising the procurement decision; or

Seeking verbal or written quotes where the employees consider that meeting the principles warrants this action;

- Using any of the processes for exceptions for medium sized and large sized contract in the regulation including:
 - Quote or tender consideration plan
 - Approved Contactor List
 - Pre-Qualified Suppliers
 - Preferred Supplier Arrangements
 - LGA Arrangement
 - Other Exceptions

Payment of goods and services up to \$1000.00

Procurement up to \$50 (exclusive of GST) may be spent out of petty cash, except as defined otherwise by the CEO in accordance with petty cash procedures and contractual arrangements.

All other procurement up to \$1000.00 be made by placing a written purchase order or by purchasing card in accordance with the Purchasing Card Justification and Usage Administration Procedure.

Recording of information

Details of quotes received must be entered into Councils corporate accounting software.

Procurement from \$1,000 and up to \$15,000 (exclusive of GST)

Seeking at least 2 verbal or written quotes; or

Using any of the process for exceptions for medium sized and large sized contract set out regulation including:

- Quote or tender consideration plan
- Approved Contactor List
- Pre-Qualified Suppliers
- Preferred Suppliers
- LGA – Local Buy - Arrangement
- Other Exceptions

Payment of goods and services from \$1,000 and up to \$15,000 placing a written purchase order

- Recording of information
- Details of quotes received must be entered into Councils corporate accounting software.

Medium Sized Contracts procurement from \$15,000 and up to \$200,000 (excluding GST)

Use the default procurement procedures set out in the Local Government Regulation 2012 including the exceptions.

Payment of goods and services from \$15000 and up to \$200,000

placing a written purchase order

Recording of information

Details of quotes and tenders received must be entered into Councils corporate accounting software.

Large Sized Contracts procurement above \$200,000 (exclusive of GST)

Use the default procurement procedures set out in the Local Government Regulation 2012 including the exceptions.

- Payment of goods and services from \$200,000.00
- placing a written purchase order
- Recording of information
- Details of tenders received must be entered into Councils corporate accounting software.
- Establishment of lists and supplier arrangement

The development of Approved Contactor Lists, Pre-Qualified Suppliers Lists and Preferred Supplier Arrangements should be considered if the development of these lists and arrangements may:

- provide savings to Council through bulk procurement or reduction of transactional costs; or
- increase the use of local suppliers

COMPLIANCE REVIEW

Compliance with this policy and associated procedures should form part of an annual compliance review.

Contractor Performance Review

A contractor performance review should be undertaken by Council as follows:

- For Approved Contactor Lists, Pre-Qualified Suppliers Lists and Preferred Supplier Arrangements at least once during the term of the contract;
- Procurement quantities including stores on an annual basis.

DELEGATIONS

Only the Council officer positions listed in Council's Delegation Register holding the Financial, Procurement, and Acquittal Delegation are entitled to sign requisitions, and then only in accordance with their respective financial delegation limits.

By signing a requisition/purchase order all employees are confirming that they have taken full notice of this policy and will comply with all of the requirements of this policy.

Delegations in respect to policies are set out in the Council's delegations register.

DEFINITIONS

Council: means Palm Island Aboriginal Shire Council

CEO: means Chief Executive Officer

To assist in interpretation the following definitions shall apply:

Sound Contracting Principles are:

- Value for money Council must maximise its purchasing power to achieve the best value for money. The concept of value for money is not restricted to the purchase price alone. The value for money assessment must include consideration of:

Contribution to the advancement of Council's Key strategies

- Fit for purpose,
- quality,
- services and support; and
- Maintenance and disposal; and
- Internal administration costs; and
- Technical compliance issues; and
- Risk and,

The value of any associated environmental or sustainable benefits.

Open effective, competitive and transparent competition

Procurement should result in effective competition in the provision of goods and services. Council must give fair and equitable consideration to all prospective suppliers especially Community based suppliers.

The development of competitive local business and industry within the Palm Island Community

Council encourages the development of competitive local businesses within the region first the northern and central Queensland region second and then within Queensland. When price, performance, quality, suitability, legislative compliance and other evaluation criteria are comparable, the following areas may be considered in evaluating offers:

Creation of local employment opportunities;

- More readily available servicing support;
- More convenient communications for contract management;
- Economic growth within the local area;
- Benefit to Council of associated local commercial transaction.

Environmental protection

One of Councils key Strategic Priorities is the promotional and adoption of Environmental Sustainability.

In undertaking any procurement activity Council will:

- Promote the purchase of environmentally friendly goods and services that satisfy value for money criteria, taking into account the whole of life costs of the procurement transaction; and
- Foster the development of products and processes of low environmental and climatic impact; and
- Provide an example to business, industry and the community by promoting the use of climatically and environmentally friendly goods and services; and
- Encourage environmentally responsible activities by stipulating minimum environmental requirements in procurement documentation.

Ethical behaviour and fair dealing.

Council employees involved in procurement are to act with impartiality, fairness, independence, openness, integrity and professionalism in all dealings with suppliers and their representatives.