



INNER WEST COUNCIL

Sustainable Procurement Policy

DOCUMENT PROFILE

Title	Sustainable Procurement Policy
Summary	This policy provides the principles that underpin the framework for purchasing goods and services to ensure council obtains best value for money whilst achieving legislative compliance, transparency, probity and environmental and social sustainability objectives.
Background	The Local Government Act and Regulations covers the procurement of all goods and services and is binding on all Local Government Authorities.
Relevant Council References	<ul style="list-style-type: none">• Procurement Protocol• Procurement Manual Procedures• Code of Conduct• Gifts & Benefits Policy• Statement of Business Ethics• Register of Delegations• Purchase Order General Terms and Conditions
Main Legislative Or Regulatory Reference	<ul style="list-style-type: none">• The Local Government Act 1993 (NSW)• Local Government (General) Regulation 2005• Government Information (Public Access) Act 2009• State Records Act 1998
Other References	<ul style="list-style-type: none">• ISO 20400 Sustainable Procurement - Guidance
Version Control	See last page

Document:	Sustainable Procurement Policy	<i>Uncontrolled Copy When Printed</i>	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019

TABLE OF CONTENTS

1. PURPOSE	3
2. OBJECTIVES	3
3. POLICY STATEMENT	4
4. PROCUREMENT PRINCIPLES.....	4

Document:	Sustainable Procurement Policy	Uncontrolled Copy When Printed	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019



INNER WEST COUNCIL

1. PURPOSE

The purpose of this Policy is to provide the sustainable procurement principles that underpin the overall framework for the purchasing of goods and services for the council.

2. OBJECTIVES

The objectives of this policy are to ensure that council satisfies legislative requirements and achieves best practice in its business operations, with due consideration for the effective and efficient management of resources, while delivering fair, value for money outcomes for the local community. Good, sustainable procurement practices encompass the following:

- Efficient and effective operations
- Value for money
- Legislative compliance
- Probity, transparency and accountability
- Social sustainability with positive outcomes for the local community
- Sustainable outcomes along the whole supply chain
- Comprehensive Risk Management

The diagram below depicts Council's commitment to consideration of these principles during the procurement process.



Document:	Sustainable Procurement Policy	Uncontrolled Copy When Printed	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019



INNER WEST COUNCIL

3. POLICY STATEMENT

The Inner West Council is committed to implementing a strong centre-led procurement model for the organisation, providing a centralised procurement centre focussed on best practice, knowledge sharing, data analysis and overarching strategic initiatives, who in turn support individual service units as they undertake their own specific purchasing.

The Inner West Council is committed to sustainable procurement, aiming for the most positive environmental, social and economic impacts possible across the entire life cycle whilst striving to minimise adverse impacts¹.

4. PROCUREMENT PRINCIPLES

The main principles for sustainable procurement identified within the ISO 20400 Sustainable Procurement Guideline are as follows:

- Accountability
- Transparency
- Ethical behaviour
- Full and fair opportunity
- Respect for stakeholder interests
- Respect for the rule of law and international norms of behaviour
- Respect for human rights
- Innovative solutions
- Focus on needs
- Integration
- Analysis of all costs
- Continual improvement

Council has developed the principles below which align with the ISO 20400 Guideline, to support a quadruple bottom line approach to achieving positive social, environmental, economic and civic leadership outcomes.

4.1. Efficient and Effective operations

The procurement process must be undertaken in a consistent and business-like manner, leading to improved industry performance, business relationships and cost effective methods of doing business for Council.

4.2. Value for money

Procurement decisions shall be made on the basis of value for money, and does not imply that the lowest price should be the deciding factor.

Other criteria such as whole-of-life costing incorporating maintenance requirements, degree of compliance with specified compliance standards, known performance history and capacity of suppliers, consideration of “fit for purpose” and Return on Investment should all be taken into account.

¹ As per ISO 20400:2017(E) - 4.1 Concept of sustainable procurement

Document:	Sustainable Procurement Policy	<i>Uncontrolled Copy When Printed</i>	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019

The degree of detail with which procurement is performed depends on the value, complexity and sensitivity of the goods and services being purchased. It is not good practice to expend excessive time and administrative work on simple, low risk purchases of low value.

To ensure that the Inner West Council is achieving economic value and continually testing the market, an expenditure table in Council Procurement Protocol document provides a breakdown of estimated values and their associated procurement processes. This allows staff to quickly and easily purchase low value goods and services, firstly from our preferred suppliers, and for more costly purchases requires a transparent and competitive Request for Quotation (RFQ) or Tender process to ensure economic value for money.

4.3. Legislative Compliance

The Local Government Act 1993 and the Local Government (General) Regulation 2005 provide the main legislative framework for the Inner West Council to procure goods and services.

The Act clearly differentiates procurement with expenditure less than the tender threshold (which is currently \$150,000 inc. GST) to procurement with expenditure equal to or greater than the tender threshold.

If in accordance with the Act, council is obliged to invite tenders for a contract with expenditure equal to or in excess of the tender threshold, the accompanying Regulation sets out the procedural requirements for the tender, including choice of tendering methods.

4.4. Governance – probity, transparency and accountability

All procurement shall conform to the relevant NSW legislation, regulation and purchasing procedures. At all times the procurement process shall be transparent, visible and verifiable, and confirms the integrity of the procurement process.

Procurement activities such as obtaining quotations, tendering and the assessment and selection of suppliers shall be conducted in accordance with this Policy and associated Procedures and be well documented.

The procurement process must be able to withstand public scrutiny. All persons invited to quote or tender for Council business shall be given equal information, and the information they provide to Council shall be treated as confidential and restricted to persons specifically involved in the purchase.

Council staff should behave with strong moral principles, demonstrating honesty and decency in all dealings.

Document:	Sustainable Procurement Policy	<i>Uncontrolled Copy When Printed</i>	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019



INNER WEST COUNCIL

Conflicts of Interest

Council staff have an obligation to disclose potential or actual conflict of interests. Any declared potential, actual or perceived conflict of interest in the procurement process for or management of a contract must be reviewed by the appropriate Group Manager. Staff and advisors may be removed from involvement in the relevant procurement process or management of the contract.

Breach of Policy

Failure to comply may lead to disciplinary action in line with Council's Policies and Procedures

Records Management

Appropriate records in relation to contracts must be kept and maintained in accordance with the State Records Act 1998 and Council policies, procedures and guidelines.

Authority to Execute Contracts

Authority to execute contracts is provided in Council's Delegation Register.

Reporting Corrupt Behaviour

The Independent Commission Against Corruption (ICAC) has been established to protect the public interest, prevent breaches of public trust and guide the conduct of public officials.

If a Public Officer suspects corruption, then they can either report the corruption via Council's internal reporting system (Public Interest Disclosure Officer) or alternatively report direct to ICAC.

Statement of Business Ethics

Inner West Council is proud to be a professional, friendly and ethical organisation.

Council provides an enormous number of services, and our community expects high ethical standards in our provision of those services and in everything we do. How we manage our relationships with business is key to maintaining the community's trust and confidence.

All staff must understand, apply and support the ethical framework in which council operates.

The complete Statement of Business Ethics is a public document and available on Council's website.

Code of Conduct

The community rightly expects Council to conduct its business with efficiency, impartiality and integrity. This requires that all officers perform their duties at the

Document:	Sustainable Procurement Policy	Uncontrolled Copy When Printed	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019

highest standard and that there not be, nor or seem to be, any conflict between private interests and Council's responsibilities to the community.

Staff involved in undertaking any purchasing activity must:

- Perform their duties professionally, objectively and with integrity
- Serve the Council efficiently and effectively
- Maintain the confidentiality of information received from their client and suppliers
- Observe the principal of equity in all activities, and
- Avoid real or apparent conflicts of interest.

Authority to Procure

Approval for the procurement of goods and services for or on behalf of Council, can only be undertaken by duly authorised officers of Council. This approval will be by way of delegated authority from the General Manager, as per the Delegations Register. The financial delegations of Council will be reviewed periodically as required.

4.5. Social Sustainability with positive outcomes for the local community

Council is committed to generating social value through procurement and purchasing processes so that Council's purchasing power maximises opportunities to generate positive outcomes and benefits for the people and communities (stakeholders) that Council serves.

Staff are also encouraged to procure goods and services from organisations that employ people with disabilities or people that come from disadvantaged communities, where possible, where reasonable comparative market rates are offered and there is capacity to deliver. The National Disability Services (NDS) website contains a register of organisations, and council's Vendor Panel page lists the Supply Nation register of organisations.

Fair Trade

Council is interested in the principles relating to "Fair Trade". The International Fair Trade Association (IFTA) defines fair trade as a 'trading partnership based on dialogue, transparency and respect that seeks greater equity in international trade.' When making a purchasing decision, the below principles shall be considered:

- Creating opportunities for economically disadvantaged producers
- Transparency and accountability
- Capacity building

Document:	Sustainable Procurement Policy	<i>Uncontrolled Copy When Printed</i>	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019



INNER WEST COUNCIL

- Promoting fair trade
- Payment of a fair price
- Gender equity

4.6. Sustainable outcomes along the whole supply chain

Through changing purchasing behaviour Council staff can reduce impacts on the environment and human health. For example, purchasing products:

- with less waste
- that save energy and water
- that minimise pollution
- that are non-toxic
- that reduce greenhouse emissions
- that encourage biodiversity and habitat protection
- that have a socially just and environmentally sustainable supply chain

Further, by giving preference to sustainable products and services, Council aims to encourage suppliers and contractors to adopt cleaner technologies and practices and produce products with lower environmental impacts.

Council requires that purchasing decisions incorporate the principles of environmental sustainability. Environmental purchasing is the inclusion of environmental factors in the decision making process. The purpose of considering environmental factors in purchasing is to buy products or services that have less impact on the environment compared with competing products or services that serve the same purpose.

Environmental purchasing results in numerous benefits, including but not limited to:

- reduced energy and water consumption
- improved efficiency of resource use
- reduced waste
- reduced environmental health impacts
- reduced pollution
- provision of markets for environmentally preferable products
- increased recycling and support to make recycling activities more viable

Document:	Sustainable Procurement Policy	Uncontrolled Copy When Printed	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019

- encouraging industries to adopt cleaner technologies and produce products with lower environmental impact

4.7. Risk Management

Risk may be defined as the probability of the occurrence of an incident or event that could cause a degree of harm to the organisation in terms of economic loss, property, people or the environment over a specified period of time.

When initiating a purchase, consideration must be given to the identification of unacceptable risks and either the elimination of the risk, or management of the risk to an acceptable level.

4.8. Industrial Relations

Council would like to do business with suppliers who display a commitment to sound employee and industrial relations policies.

A key element in achieving this position is encouraging suppliers to demonstrate their adherence to sound employee and industrial relations practices when looking to provide goods and services to council.

A statement detailing compliance with industrial relations practices will be included in applicable advertised tenders.

Version Control - POLICY HISTORY:

Governance Use only - The history of modifications and approval to the Policy must be detailed in the table below post adoption

Governance Use only:

Version	Amended By	Changes Made	Date	TRIM #
1	Governance: Policy and Risk			#
2				

Document:	Sustainable Procurement Policy	<i>Uncontrolled Copy When Printed</i>	
Custodian:	Manager Procurement Services	Version #	Version 1.0
Approved By:	Group Manager Procurement and Fleet	TRIM Ref #	XXXXXX
Adopted By:	Council	Publish Location	internet
Adopted Date and Minute #:	TBA	Next Review Date	1 July 2019