

Procurement Policy

V2

Title	Procurement Policy
Summary	This policy provides the principles that underpin the framework for the procurement of goods and services to ensure Council obtains best value for money whilst achieving legislative compliance, transparency, and probity objectives.
Document Type	Policy
Relevant Strategic Plan Objective	<ul style="list-style-type: none"> • Strategic Direction 1: An ecologically sustainable Inner West • Strategic Direction 2: Liveable, connected neighbourhoods and transport. • Strategic Direction 3: Creative communities and a strong economy • Strategic Direction 4: Healthy, resilient and caring communities • Strategic Direction 5: Progressive, responsive and effective civic leadership.
Legislative Reference	<ul style="list-style-type: none"> • <i>Fair Work Act 2009</i> (Cth) • <i>Industrial Relations Act 1996</i> • <i>Local Government Act 1993</i> • Local Government (General) Regulation 2021 • <i>Modern Slavery Act 2018</i> (Cth) • <i>State Records Act 1998</i> <i>Government Information (Public Access) Act 2009</i>
Related Council Documents	<ul style="list-style-type: none"> • Model Code of Conduct • Procurement Procedure • Conflict of Interest Policy • Fraud and Corruption Control Policy • Fraud and Corruption Control Procedure • Public Access to Information Policy • Gifts, Benefits and Hospitality Guideline • Governance, Delegations and Compliance Framework • Disposals Policy • Statement of Business Ethics • Land and Property Policy
Version Control	See last page

Contents

Contents.....	3
1. Purpose.....	4
2. Scope	4
3. Definitions.....	4
4. Statement	6
5. Breaches of this policy	10
6. Administrative Changes	10
7. Version Control – Policy History	11

1. Purpose

The purpose of this Procurement policy is to uphold the principles for procurement and to provide clear guidelines for the procurement of goods and services ensuring:

- Integrity, transparency and probity
- Best value for money and cost effectiveness
- Meeting the needs of the community
- Advocating economic, social and environmental sustainability Compliance with legislative requirements.
- Minimise and manage risks in procurement.
- Prioritise, where practical, social procurement.
- Best practice

This policy also describes the legislative framework within which Inner West Council operates; the practices within Council; staff responsibilities and expected behaviours of both Council staff and suppliers and contractors of Council.

2. Scope

This Procurement Policy applies to all procurement activities undertaken by Council and is binding upon all Council Officials.

3. Definitions

In this Procurement Policy, the following terms have the following meanings:

Act	<i>Local Government Act 1993.</i>
Conflict of Interest	Includes either a: <ul style="list-style-type: none"> • pecuniary conflict of interest; • significant non-pecuniary conflict of interest; or • non-significant non-pecuniary conflict of interest, as defined in the Model Code of Conduct and described in section 7 of the Conflict of Interest Policy.
Corruption or corrupt conduct	Dishonest activity in which a Council Officer, Councillor, volunteer, or service provider/services partner acts contrary to the interests of Council and abuses their position of trust in order to achieve some personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by Council, or a person purporting to act on behalf of and in the interests of Council, in order to secure some form of

improper advantage for Council either directly or indirectly. Fraud is an example of corrupt conduct. Corrupt conduct is defined in the *Independent Commission Against Corruption Act 1998*.

Councillor	Inner West Council elected representative.
Council committee member	A person other than a Councillor or Council Officer who is a member of a Council committee other than a wholly advisory committee, and a person other than a Councillor who is a member of Council's audit, risk and improvement committee.
Council Official	Councillors, Council Officers, Council committee members and delegates of Council.
Council Officer	Inner West Council members of staff (including full-time, part-time, casual and contracted staff).
Fraud or fraudulent conduct	Dishonest activity causing actual or potential financial loss to Council including theft of monies or other property by Councillors, Council Officers, delegates of Council, Council committee members, volunteers, or service providers/services partners, and/or where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction, or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit. Fraud is further defined in the <i>Crimes Act 1900</i> (NSW).
GST	Goods and services tax.
In-House Bid	A tender, quote or other requested submission to Council from an In-House Bidder for consideration as part of a procurement process.
Modern Slavery	<p>The term Modern Slavery refers to a number of offences, as set out succinctly by the Local Government Procurement organisation:</p> <ul style="list-style-type: none"> • Slavery & slavery like practices – this can include workers having to work long hours with very little pay and sometimes in very poor conditions, not being paid or not being paid a 'living wage'.

- Forced labour – this includes any type of work people have been forced to do against their will or under threat of some form of punishment. This has occurred in Australia in the construction industry and usually affects migrants or people on working or bridging visas.
- Child labour and child slavery – Child labour is terribly harmful for children and hinders their education and development. Child slavery occurs when a child is exploited for someone else's gain. Examples are child trafficking, child soldiers and child marriage.
- Human trafficking – this can involve transporting and recruiting people for the purpose of exploitation, using violence, threats or coercion. This again has occurred in the construction industry in Australia.
- Debt bondage – this is the world's most widespread form of slavery. It happens when people borrow money that they cannot repay and are forced to work to pay off the debt, losing control over the conditions of both their employment and the debt.

Servitude – the victim is significantly deprived of their personal freedom.

Supply Nation

Council is a Supply Nation member. Supply Nation certify Indigenously owned businesses in Australia. To be certified with Supply Nation a business must be at least 51% Indigenous owned and based in Australia. To be registered with Supply Nation businesses must be at least 50% Indigenous Owned.

4. Statement

Council is committed to the effective procurement of goods, services and works through adopting key principles and policies. The adoption of these key principles and policies will support the achievement of Council objectives in relation to the mitigation of fraudulent or corrupt conduct, socially responsible procurement, and obtaining value for money. Achievement of these objectives will instill public confidence and lead to better outcomes in the provision of services for the community.

The *Local Government Act 1993* (**Act**) and the *Local Government (General) Regulation 2005* (**Regulation**) provide the legislative framework for the Inner West Council to procure goods and services. The Act requires Council to invite tenders for a contract with expenditure equal to or in excess of the tender threshold while the accompanying Regulation sets out the procedural requirements for the tender, including choice of tendering methods.

Council's Model Code of Conduct requires that Council Officials not conduct themselves in a manner that:

- Is likely to bring Council or other Council Officials into disrepute.
- Is contrary to statutory requirements or Council's administrative requirements or policies.
- Is improper or unethical.
- Is an abuse of power.
- Involves the misuse of a position to obtain a private benefit.

In undertaking any procurement activity, Council Officials will conduct themselves with the utmost integrity and behave with strong moral principles.

Minimum market engagement thresholds

Inner West Council is required to procure goods, services and/or works in accordance with the procurement methods and financial thresholds outlined below:

	Estimated Value (GST inclusive)	Minimum market engagement
1	\$1 to \$10,000	One (1) written quote or a published catalogue or web price.
2	\$10,001 to \$249,999*	Three (3) or more written quotes obtained through a Request for Quotation process. Refer to section Error! Reference source not found. of the Procurement Procedure for more information regarding the Request for Quotation process.
3	Equal to or greater than \$250,000*	<ul style="list-style-type: none"> • A public request for tender; or • A public request for expression of interest, to be followed by a confined invitation to tender issued to a shortlist resulting from the expression of interest process (selective tendering); or

		<ul style="list-style-type: none"> • Confined invitation to tender issued to at least 3 contractors on a pre-established list of recognised contractors** (selective tendering). <p>Refer to section 9 of the Procurement Procedure for procedures.</p>
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Approval to procure

Council Officials will always seek approval from the relevant financial delegate having regard to the Governance, Delegations and Compliance Framework prior to undertaking a procurement activity. Approvals must be sought in accordance with the Procurement Procedure.

Record keeping

Appropriate records in relation to contracts must be kept and maintained in accordance with the *State Records Act 1998*, *Government Information (Public Access) Act 2009* and relevant Council policies, procedures and guidelines.

Council Officials conducting procurement activities will also keep process records in accordance with the Procurement Procedure.

Probity requirements

Council Officials will not disclose any information that could jeopardise a procurement process by creating an unfair advantage for one or more potential suppliers. Where Council conducts a request for tender process and the procurement is particularly high risk, Council must engage an independent probity advisor to oversee the process.

Conflicts of interest

Council's Model Code of Conduct provides that where a Council Official has a Conflict of Interest, the Council Official must not participate in consideration of, or decision making in relation to, the matter in which the Council Official has the Conflict of Interest. The matter must be allocated to another person for consideration or determination.

Council Officials will disclose any Conflicts of Interest which arise during a procurement activity in accordance with the Conflict of Interest Policy. Breaches of the Conflict of Interest Policy may result in an investigation of the alleged breach in line with relevant Council policies including the Model Code of Conduct. Any alleged criminal offence or allegation of corrupt conduct will be referred to the relevant agency.

Gifts and hospitality

Council Officials will avoid situations that would give rise to the appearance that a person or body is attempting to secure favourable treatment from the Council Official or from Council through the provision of gifts, benefits or hospitality of any kind to the



Council Official or someone with whom they are closely associated. Council Officials will comply with the Gifts, Benefits and Hospitality Guideline.

Fraudulent and corrupt conduct

Council will not tolerate fraudulent or corrupt conduct of any kind and will take any complaints of such conduct seriously. Any complaints received will be investigated in line with the Fraud and Corruption Control Policy and Procedure, and disciplinary actions will be taken against anyone who engages in fraudulent or corrupt conduct.

Statement of Business Ethics

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

All Council Officials will understand, apply and support the ethical framework in which Council operates.

Risk management

Council is committed to identifying risks associated with undertaking procurement activities, particularly the risk of fraudulent and corrupt conduct. Council Officials will undertake the risk management process in accordance with the Risk Management Framework to identify relevant risks and assign appropriate risk treatments.

Social procurement

- Council is committed to creating positive outcomes in the community and supports contractors from a diverse range of backgrounds. To encourage social procurement, Council will do the following: Take reasonable steps to ensure that goods and services procured are not the product of Modern Slavery, in accordance with the Procurement Procedure.
- Encourage the use of aboriginal contractors by ensuring that all procurement activities with a value of over \$150,000 will be advertised on the Supply Nation Member Opportunity Board.
- Only engage with contractors who display a commitment to sound employee and industrial relations policies.
- Preference local contractors and organisations that employ people with disabilities, indigenous contractors or people that come from disadvantaged communities, where possible, where other factors are equal and reasonable comparative market rates are offered.
- Have regard to sustainability and environment practices when engaging and contracting with contractors.

Value for money

Council places value for money at the centre of all its procurement activities. In planning a procurement activity, Council Officials will consider the following factors which underpin value for money:

- Experience.
- Quality.
- Reliability.
- Timeliness.
- Service.
- Risk profile.
- Initial and ongoing costs.

In-House Bids

Council is committed to the effective procurement of goods, services and works, including the management of Council-owned and Council-managed assets, through adopting best practice principles, policies and procedures.

Council will ensure the procurement process is fair and consistent to all and will use its best endeavours to demonstrate its transparency to contractors, including In-House Bidders. Council must uphold the highest standards of probity and integrity to safeguard the procurement activities and ensure that all procurement processes are robust and can withstand scrutiny.

5. Breaches of this policy

Breaches of this policy may result in an investigation of the alleged breach in line with relevant Council policies including the Model Code of Conduct.

Any alleged criminal offence or allegation of corrupt conduct will be referred to the relevant external agency.

6. Administrative Changes

From time-to-time circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made including branding, Council Officer titles or department changes and legislative name or title changes. These are considered minor in nature and not required to be formally endorsed.

7. Version Control – Policy History

This policy will be formally reviewed every three years from the date of adoption or as required.

Governance use only:

Document	Procurement Policy	Uncontrolled Copy When Printed	
Custodian	Procurement and Contract Manager	Version #	Version 2
Approved By	Council	ECM Document #	TBD
Next Review Date	TBD		

Amended by	Changes made	Date Adopted
Procurement	Policy Created	10 December 2019
Governance & Risk	Policy redeveloped to strengthen the overall procurement framework, based on Audits undertaken and to align with ICAC best practice.	TBD