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PROCUREMENT POLICY

Strategic Outcome:	CL. Our Civic Leadership	
Policy type	Statutory	
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Date for Review:	4 March 2026	
Responsible Officer:	Director Corporate Services	
Document Control:		
Delivery Program Link:	CL.2 Manage people, assets, resources, and risks responsibility to support the Council's ongoing viability and maximize value for money for ratepayers.	

1. POLICY STATEMENT

Berrigan Shire Council (“Council”) procures goods, services and works to effectively deliver services and infrastructure to the Berrigan Shire community. This Procurement Policy (“this Policy”) outlines the key principles, objectives and requirements that must be adhered to by all those conducting procurement activities on behalf of Council.

The Berrigan Shire community should have confidence Council will procure goods and services in a cost-effective, legislatively compliant, and appropriate manner. Suppliers should understand the processes by which goods, services and works are procured and have confidence Council’s procurement processes are applied fairly and consistently.

Council is required to undertake specified procurement in accordance with:

- (a) the *Local Government Act 1993* (in particular section 55), and
- (b) the *Local Government (General) Regulation 2021* (in particular Part 7).

This legislation applies to all contracts for goods and services, unless a relevant exception in accordance with the *Local Government Act 1993* applies.



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2. PURPOSE

The purpose of this Procurement Policy is to:

- (a) establish a framework to guide Council officials involved in procurement and disposal activities to meet legislative requirements, manage risk and achieve a best value result,
- (b) create an environment where the Council's purchasing and disposal activities are - and are seen to be - ethical, accountable, transparent and effective,
- (c) enable Council to achieve the best value result when purchasing goods and services and disposing of goods and
- (d) ensure Council complies with its legislative obligations when purchasing goods and services and disposing of goods.

3. SCOPE

This Policy covers all procurement and disposal activities undertaken by or on behalf of, Council and applies to all Council Officials, volunteers, contractors or subcontractors who are involved in Council's procurement activities or engaged to perform work on behalf of Council.

This Policy does not apply to employment contracts, real estate property acquisition or sales, sponsorship agreements, grants, reimbursements, donations, or where Council has adopted a specific acquisition or sale strategy.

This Policy does not confer delegations of authority upon any person. All delegations to Council employees are conferred by the Chief Executive Officer.

This Policy will be accompanied by Procurement Guidelines which will provide Council employees and others, with guidance and direction on how to procure in accordance with this Policy.

Notwithstanding the prescribed exceptions outlined within the *Local Government Act 1993* ("the Act"), procurement activities involving an estimated expenditure or receipt of an amount equal to or greater than \$250,000 (including GST) will be subject to the provisions of section 55 of the Act. All other expenditure (not subject to the provisions of the Act) is subject to the provisions of Council's Procurement Guidelines.

Further information on procurement exemptions is referenced within section 55 of the Act.

4. OBJECTIVE

This Policy is developed to assist the Council with the Delivery Program Objective:

CL2. Manage people, assets, resources, and risks responsibility to support the Council's ongoing viability and maximise value for money for ratepayers



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DEFINITIONS

Act, the:	means the <i>Local Government Act 1993</i> .
Asset disposal:	means the process whereby Berrigan Shire Council divests itself of an asset in an organised, transparent and authorised manner.
Best value:	represents the best return and performance for the money spent on procurement of goods and services. Best value must also consider price, “whole of life” and other ongoing costs, fitness for purpose, suitability, availability and timeliness, prior performance, and statutory compliance and work health and safety.
Chief Executive Officer:	means the General Manager of Berrigan Shire Council appointed pursuant to section 334 of the <i>Local Government Act 1993</i> .
Code of Conduct:	means Berrigan Shire Council’s Code of Conduct adopted pursuant to section 440 of the <i>Local Government Act 1993</i> .
Contract:	means a legally binding agreement between two or more parties that creates obligations on each party that is enforceable by law.
Council:	means Berrigan Shire Council.
Council Officials:	means councilors, administrators, employees, Section 355 committee member volunteers, consultants and contractors of Berrigan Shire Council.
Declared Natural Disaster:	means a natural disaster that has been declared in relation to the local government area by either (a) a Natural Disaster Declaration for the purposes of the Natural Disaster Relief and Recovery Arrangements jointly administered by the Commonwealth and the States and Territories, or (b) a declaration pursuant to section 33 of the <i>State Emergency and Rescue Management Act 1989</i> (NSW).
Emergency purchase:	means a purchase made to fill an immediate, unexpected need of a serious nature relating to health, safety or protection of property where insufficient time to procure by the normal means under this Policy is available.
Employee:	means a person who is directly employed by Berrigan Shire Council on a full-time, part-time, temporary, or casual basis.
GIPA Act, the:	means the <i>Government Information (Public Access) Act 2009</i> .
ICAC:	means the New South Wales Independent Commission Against Corruption.
Local Supplier:	means a supplier whose main business location is within:



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- (a) the Berrigan Shire, or
- (b) a NSW local government area within the Riverina and Murray Regional Organisation of Councils, being Albury City, Carrathool Shire, Edward River, Federation, Griffith City, Hay Shire, Leeton Shire, Murray River, Murrumbidgee, and Narrandera Shire, or
- (c) a Victorian local government area which is party to the Cross-Border Memorandum of Understanding endorsed in March 2022, being Moira Shire and Indigo Shire.

Main Business Location: means the main business location defined by the Australian Business Number (ABN) search facility on the Australian Government's Australian Business Register.

Modern Slavery: refers to a violation of and crime against, 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.

PID Act, the: means the *Public Interest Disclosures Act 2022*.

Probity: means a process able to withstand internal and external scrutiny and achieve both accountability and transparency, providing suppliers and tenderers with fair, consistent and equal treatment.

Procurement: means all activities in acquiring of goods, services and/or works either outright or by lease (including disposal and lease termination, the acquisition and disposal of consumables, capital equipment, real property, infrastructure, and services under consultancies, professional services, facilities management and construction).

Quotations: means any offer, including verbal pricing, documented bids and proposals to provide goods, services or works to, or on behalf of, Berrigan Shire Council, for amounts up to \$249,999.

Regulation, the: means the *Local Government (General) Regulation 2021*.

Section 355 committee member: means a person appointed by Berrigan Shire Council to serve on a committee established pursuant to section 355 of the *Local Government Act 1993*.

Splitting orders: refers to the practice of corrupting a single procurement process by intentionally dividing it into two or more purchase orders or contracts to



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avoid review or competitive selection. This practice is also known as “order splitting” or “split purchasing”.

- Supplier:** means an external person or organisation who supplies goods, services and/or works Berrigan Shire Council may procure, in conducting its business.
- Tender:** means a formal offer to provide goods, services or works to, or on behalf of, Berrigan Shire Council, lodged in response to a public invitation from Council for amounts over \$250,000 (including GST), that are subject to requirements of section 55 of the *Local Government Act 1993* and accompanying *Local Government (General) Regulation 2021*.
- Tendering Guidelines:** means the *Tendering Guidelines for NSW Local Government* published by the NSW Office of Local Government and prescribed under section 23A of the *Local Government Act 1993*.
- Value for Money:** means the best possible outcome for the total cost of ownership over whole of life. Value for Money does not necessarily mean selecting the lowest value or price; rather, the right combination of quality, quantity and price at the right place and time, and where possible, having considered sustainability.



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5. POLICY IMPLEMENTATION

5.3 Standards of Behaviour and Ethical Principles

All Council Officials involved in procurement activities must conduct themselves in accordance with Council's Code of Conduct.

Council Officials must not engage suppliers to procure goods, services or works for their personal use or for use by any organisation other than Council.

5.4 Authority to Procure

Approval for the procurement of goods, services and/or works for, or on behalf of, Council may only be undertaken by a Council employee or Section 355 committee member with the appropriate financial delegation and be in accordance with their Instrument of Delegation, including any conditions and limitations imposed.

All employees and Section 355 committee members engaged in procurement activities must ensure that they understand the scope of their delegation, including the financial limitations set out in their Instrument of Delegation, and not take action outside of this scope.

All Council employees and Section 355 Committee members engaged in procurement activities are accountable for the decisions they make in undertaking such activities.

5.5 Procurement Principles

5.5.1 Responsible Financial Management

The principle of responsible financial management is noted in section 8B of the Act and must be applied to all procurement activities. Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process, without compromising any of the procurement principles set out in this Policy.

5.5.2 Probity and Accountability

Council will conduct its procurement activities in a transparent manner which demonstrates probity and accountability. Therefore, procurement activities undertaken by, or on behalf of, Council must be:

- (a) performed ethically, transparently and with fairness to all participants,
- (b) carried out in accordance with the applicable legislation, guidelines, codes, policies and procedures,



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- (c) undertaken by Council employees and Section 355 committee members who have the appropriate authority and delegations and are trained to perform their assigned procurement role, and
- (d) conducted on a “commercial-in-confidence” basis.

Council expects suppliers to conduct their business with Council in an ethical manner. Suppliers should be aware they may be subject to public scrutiny by bodies such as ICAC, and equally may be afforded protections under the *Public Interest Disclosure Act 1994*.

Suppliers must not lobby Council, including individual Council Officials, or seek favour/advantage during procurement activities. Canvassing of Council Officials (other than Council’s nominated contact employee or Section 355 committee member for the procurement process) at any stage of the procurement process will be deemed an unacceptable practice and will result in the supplier being disqualified from the procurement process.

Information in tenders and quotations, including the price, may be contained in the Council agenda paper, as well as on Council’s website and therefore be a public record in accordance with the *Government Information (Public Access) Act 2009* (“the GIPA Act”). Information relating to the actual assessment will be regarded as ‘commercial in confidence’ and will be treated as confidential. However, the information may still be available for release pursuant to the GIPA Act.

5.5.3 Fair and Ethical Dealings

Council will conduct its procurement activities honestly, transparently and in a manner that is fair and equitable to all parties. Therefore, procurement activities undertaken by, or on behalf of, Council must:

- (a) be undertaken with consistent and appropriate documentation and processes to ensure equitable treatment of all parties to the procurement process,
- (b) be free from any conflict of interest that may result in any unfavorable, favorable or preferential treatment,
- (c) ensure impartiality throughout the process and
- (d) not seek or receive personal gain.

Under Council’s Code of Conduct, all Council Officials have an obligation to disclose potential or actual conflicts of interest. Any declared conflict of interest in a contract must be declared and managed in accordance with Council’s Code of Conduct.

5.5.4 Modern Slavery

“Modern slavery” is defined in the *Modern Slavery Act 2018* as any conduct constituting a modern slavery offence within the meaning of that Act and any conduct involving the use of any form of



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slavery, servitude or forced labour to exploit children or other persons taking place in the supply chains of organisations.

Council recognises modern slavery is a serious violation of an individual's dignity and human rights. Exploitative practices including human trafficking, slavery, servitude, forced labour, debt bondage and forced marriage are all considered modern slavery and are serious crimes under Australian law.

Council will not engage with any suppliers engaged in modern slavery practices, nor those who do not manage the practice within their supply chains.

5.5.5 Value for Money

Council will conduct its procurement activities on the basis of obtaining Value for Money. This means minimising the total cost of ownership over the lifetime of the good or service consistent with acceptable quality, reliability, safety and delivery consideration.

The Value for Money assessment includes:

- (a) cost-related factors, including whole-of-life costs and transaction costs (amongst others) associated with acquisition, maintenance and disposal,
- (b) non-cost factors such as fitness for purpose, innovation, quality, risk profile, service, support, Work Health and Safety, community, environment and sustainability requirements,
- (c) contribution to the advancement of Council priorities, especially those set out in Council's Integrated Planning and Reporting ("IP&R") framework,
- (d) purchase price consistent with standard market prices/rates and
- (e) the ability to provide the goods, perform services and/or deliver works to a reasonable level depending on the requirements.

5.5.6 Sustainable Procurement

Council is committed to taking positive action to minimise the negative impact of the products and services procured and maximising the benefits. This includes minimising unnecessary purchasing and purchasing goods, services and works that contribute to a more sustainable future that is ethical and supportive of fair trade.

Council's procurement practices also aim to apply the principle of corporate social responsibility ("CSR") by taking positive action to demonstrate the Council's commitment to the local community and environment on which its procurement activities impact. Sustainable procurement is conducted through:

- (a) considering the environmental performance of all suppliers and contractors and encouraging them to conduct their operations in an environmentally sensitive manner,



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- (b) selecting products/services where possible, that have minimal effect on the depletion of natural resources and biodiversity,
- (c) choosing environmentally preferred "green" or recycled products and services where there is a value for money proposition,
- (d) purchasing ethically sourced and fair-trade goods and services where appropriate and
- (e) exploring opportunities to engage with social enterprises for the procurement of goods or services which support reinvigorating marginalised communities, underrepresented and disadvantaged people and increase the "social value" of doing business.

5.5.7 Local Supplier Preference

Council is committed to supporting the local economy and enhancing the capabilities of local business and industry by including a Local Supplier Preference framework in this Policy.

To ensure Value for Money is achieved through use of local suppliers and contractors when purchasing, employees and Section 355 committee members shall:

- (a) encourage a 'buy local' culture within the Council, where local providers can meet best value requirements,
- (b) encourage and support local suppliers to participate in Council business by use of the Council's VendorPanel, Tenderlink and other appropriate processes,
- (c) encourage and support local businesses to adopt suitable Work Health and Safety, Quality Assurance and other processes to meet the Council's procurement requirements,
- (d) ensure, as far as practicable, procurement policies and procedures do not disadvantage local suppliers,
- (e) ensure transparency in Council procurement practices,
- (f) encourage use of local suppliers by contractors, whenever goods, services and/or works must be sourced from outside the Berrigan Shire and
- (g) apply a Local Supplier Criteria weighting of 5 per cent (%) to all tenders, up to a maximum concession of \$15,000.

5.6 Procurement Requirements

5.6.1 Procurement Thresholds

Table 1, below, details the appropriate procurement thresholds including GST based on the estimated value of the contract or goods, services or works required.



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Table 1 Procurement Thresholds

Procurement Value	Procurement Process
< \$1,000	Minimum of one (1) verbal quotation.
\$1,001 - \$5,000	Minimum of one (1) written quotation.
\$5,001 - \$20,000	Minimum of two (2) written quotations.
\$20,001 - \$249,999	Minimum of three (3) written quotations.
> \$250,000	Prescribed Agency Purchase or Request for Tender as per legislative requirements.

Council employees and Section 355 committee members are prohibited from splitting orders for the purposes of acquiring goods, services or works above their delegated financial and procurement levels, or to avoid the necessity to obtain quotations or call for tenders.

5.6.2 Quotations

The assessment of quotations will be objective, consistent, documented, transparent and undertaken in accordance with Council's Procurement Manual.

Council will only accept one (1) Quotation from each supplier. Suppliers will not be given an opportunity to re-quote for the supply of goods, services and/or works unless the scope of work changes.

5.6.3 Tendering

Council is legally required to formally tender for goods, services and/or works where the anticipated expenditure for the life of the contract is greater than:

- (a) \$250,000 (including GST), or
- (b) \$150,000 (including GST) for a contract involving the provision of services where those services are, at the time of entering the contract, being provided by employees of Council.

Tenders will be called in accordance with section 55 of the Act, the Regulation, the Tendering Guidelines, and Council's Procurement Manual and approved by the Chief Executive Officer.

While a formal tendering process is not required for purchases under \$250,000, a formal tendering process can be utilised for any purchase under the threshold. Formal tendering is advisable when the:



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- (a) purchasing amount is close to \$250,000,
- (b) goods, services or works are of significant public interest,
- (c) purchase may be considered to be controversial or contentious,
- (d) procurement process is complex and/or
- (e) expected price of procurement is unknown.

5.6.4 Declared Natural Disaster Expenditure to Assist Council with a Response

Pursuant to Clause 170A of the Regulation, Council is not required to tender prior to entering into a contract with a value of less than \$500,000, where the contract:

- (a) is primarily for the purpose of response to, or recovery from, a Declared Natural Disaster and
- (b) is entered into within 12 months after the date on which the Natural Disaster is declared.

5.6.5 Prescribed Agencies

Section 55 of the Act provides Council with an exemption from the requirement to call tenders for the provision of goods, materials and services worth more than \$250,000 where such items are available under contract by prescribed authorities. Council will support the use of prescribed agency contracts, where considered appropriate.

The following agencies are prescribed within clause 163(1A) of the Regulation for the purposes of section 55(3)(a) of the Act:

- (a) the Trustee for LGP (LGA NSW) Trust & the Trustee for LGP (SA NSW) Trust, trading as Local Government Procurement Partnership (ABN 34 578 553 267) and
- (b) Procurement Australasia Ltd (ABN 45 058 335 363).

5.7 **Purchasing Methods**

5.7.1 Purchase Orders

Council will issue a purchase order number for approved purchases. Suppliers are expected to cooperate by quoting the purchase order number on invoices. Council may not pay invoices where an approved purchase order number is absent.

Purchase order variations which exceed \$10,000 will need to have approval by the relevant Director. Variations under this amount will need to be approved by a Council Official with the appropriate financial delegated authority.

Invoices which exceed the goods receipt by more than 10 per cent (%) will be returned to the appropriate Council Official for further approvals under their sub-delegations.



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Goods and/or services that may be exempt from requiring a purchase order include, but are not limited to:

- (a) statutory payments,
- (b) payments of utilities,
- (c) employee reimbursements,
- (d) loans and investments and
- (e) payments relating to donations and grants approved by Council.

5.7.2 Credit Cards

The use of corporate credits must be in accordance with Council's Corporate Credit Card Procedure.

5.7.3 Fuel Cards

The use of Council fuel cards must only be used for the purchase of fuel for Council vehicles, in accordance with Council's Procurement Manual.

5.8 Disposal Methods

Disposing of goods on behalf of Council is subject to the same principles as purchasing. Council employs a range of methods when undertaking asset disposal, including:

- (a) public auction,
- (b) online auction,
- (c) trade in,
- (d) direct sale or transfer of land, and / or
- (e) disposing of and writing off the value of the goods

The method of disposal used will be dependent on the type of asset and value of the asset being disposed of, subject to approval by Council's Chief Executive Office or delegate and consistent with Council's Procurement Manual.

5.9 Exceptions and Emergency Purchases

Council's Chief Executive Officer or delegate may approve exceptions to this Policy for emergency purchases.



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5.10 Reporting Obligations

Council will fulfil its reporting obligations of any procurement activities in accordance with legislative requirements. This includes:

- (a) reporting of contracts entered above \$50,000 (inclusive of GST) as a part of the Quarterly Budget Review Statement for the corresponding quarter,
- (b) registering contracts entered above \$150,000 (inclusive of GST) as a part of the Government Information (Public Access) Review Statement 2009 and
- (c) applying Modern Slavery reporting obligations as outlined by the Anti-Slavery Commission within Council's annual report.

Any additional statutory reporting requirements that eventuate after the adoption of this Policy is required to be reported upon as required.

5.11 Breaches

Breaches of this Policy by a Council Official will be dealt with in accordance with Council's Code of Conduct, which outlines the standards of ethical behaviour expected of Council Officials.

Evidence of corrupt and/or unethical conduct by a Council Official could lead to (but is not limited to):

- (a) disciplinary action,
- (b) dismissal,
- (c) investigation for corruption, inappropriate or unethical conduct and / or
- (d) referral for criminal investigation.

Evidence of corrupt and/or unethical conduct by a contractor or supplier participating in a procurement activity or engaged to conduct works on behalf of Council could lead to (but is not limited to):

- (a) tender disqualification,
- (b) contract termination,
- (c) loss of future work with Council,
- (d) investigation for corruption, inappropriate or unethical conduct and / or
- (e) referral for criminal investigation.



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6. RELATED LEGISLATION, POLICIES AND STRATEGIES

6.1 Legislation

- Australian Accounting Standards
- *Government Information (Public Access) Act 2009*
- *Independent Commission against Corruption Act 1988*
- *Local Government Act 1993*
- *Local Government Regulation 2021*
- *Modern Slavery Act 2018*
- *Privacy and Personal Information Protection Act 1998*
- *Public Finance and Audit Act 1993*
- *Work Health and Safety Act 2011*
- *Work Health and Safety Regulation 2011*

6.2 Council policies and guidelines

- Berrigan Shire Council Code of Conduct
- Berrigan Shire 2023 (Community Strategic Plan)
- Fraud Policy
- Privacy Management Plan
- Procurement Manual
- Resourcing Strategy
- Risk Management Policy and Framework

7. RECORDS MANAGEMENT

Accurate records of all procurement activities must be maintained to demonstrate a transparent and equitable process, and that probity considerations have been applied.

Procurement records can be requested by external authorities or be the subject of a request under the *Government Information (Public Access) Act 2009*.

Records for procurement activities must be kept and recorded in Council's records management system in accordance with Council's Record Management Policy.

8. REVIEW AND EVALUATION

This Policy will be evaluated and reviewed at least once every four (4) years as per Council's Governance Policy (currently under development) or as required.



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9. DOCUMENT AVAILABILITY

This Policy will be available for inspection at Council's principal office during ordinary business hours as per the requirements of section 18 (c) of the GIPA Act and section 167 of the Act.

Access to the policy in digital format is free and is available on Council's website <https://www.berriganshire.nsw.gov.au/>

Printed copies of the document are available at Council's principal office (address noted below) and are subject to Council's Fees and Charges.

Berrigan Shire Council
56 Chanter Street
BERRIGAN NSW 2712

Ph: 03 5888 5100

Email: mail@berriganshire.nsw.gov.au

10. RELATED LEGISLATION, POLICIES AND STRATEGIES

10.3 Legislation

- *Template Act 2000*
- *Template Regulation 2001*
- *Template Guidelines (2002)*

10.4 Council policies and guidelines

- Governance Policy
- Code of Conduct

11. RECORDS MANAGEMENT

Recording of all information relating to this policy ...

All Records must be kept in accordance with Council's Records Management Policy (currently under development) and destroyed as per the General Retention and Disposal Authority: Local Government Records (GA39).



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12. REVIEW AND EVALUATION

This policy (procedure) will be evaluated and reviewed at least once every four (4) years as per Council's Governance Policy (currently under development) or as required.

13. DOCUMENT AVAILABILITY

A number of legislative instruments require Councils to have the policy available for inspection at Council's principal office (i.e. Policies made under Part 3, of the Local Government Act 1993). Each document should therefore state the ways in which the policy is available including any relevant fees and charges for access to such policy. An example of the required statement is provided below:

This policy will be available for inspection at Council's principal office during ordinary business hours as per the requirements of section 18 (c) of the *Government Information (Public Access) Act 2009* and section 167 of the *Local Government Act 1993*.

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14. VERSION CONTROL

Version Number	Date	Summary	Responsible Officer
1.0		New Policy document	Tahlia Fry