



Authorised by: SCCG Executive Committee

Authorised date: 21/10/2021

Effective date: 21/10/2021

Next review date: 21/10/2023

SCCG Procurement Policy

Introduction

This policy has been introduced to outline the minimum standards required for any procurement activity to ensure a transparent probity driven process that can withstand any scrutiny. It provides guiding principles for the procurement of goods and services for the Sydney Coastal Councils Group (SCCG) while ensuring compliance with relevant legislation.

Policy Statement and Scope

The objective of this policy is to provide guiding principles for the procurement of good and services for the SCCG while ensuring compliance with the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2021* (the Regulation). It seeks to detail standard procurement practices across the SCCG and to highlight the obligations of its staff and members of the Executive Committee with the delegated authority to purchase goods and services on behalf of the SCCG.

This policy is intended for all procurement activity of any value or type in accordance with the Act, Regulations and the specific procedures associated with the procurement.

Policy Statement and Scope

Under no circumstances are any goods, services or work of any kind to be purchased for a purpose other than a direct business need on behalf of and for the SCCG.

Principles

The following principles will guide the SCCG's procurement activities.

- a) Best value for money - must be obtained through proper evaluation of the merits, or otherwise of an offer and is not necessarily indicated by lowest price. Procurement must promote the public interest through competition by fair and reasonable market testing, noting that SCCG's procurement activities involve the use of public funds.
- b) Ethical behaviour - expectations are set out in SCCG Statement of Business Ethics. Procurement must be conducted honestly, and in keeping with the expectations of the community. It must not entail any act or omission that would not seem fair and reasonable to a fair and reasonable person. Procurement must be for Council / SCCG business purposes only and must exclude any purchases or benefits of a private nature.
- c) Fairness - means equality of opportunity through impartial decision making and precludes the improper gain or loss of any advantage.

- d) Goodwill - must be encouraged in business relationships through open and effective communication, respect and trust, and amicable dispute resolution. Procurement must not be initiated without a firm intention and capacity to proceed with a contract.
- e) Transparency - of process should be open to scrutiny. Knowledge of anything that may materially affect the outcome of the procurement process must be properly disclosed in advance of decision making, including any potential or actual conflict of interest.
- f) Confidential - information must not be shared or made public without the written consent of the owner of that information, without the written consent of the parties to a legal agreement governing the disclosure of that information, or where, on balance, to do so would harm the public interest.
- g) Efficiency - through procurement planning should reflect the scale and complexity, be holistic, ensure fitness for purpose, and be completed prior to the call for offers. It must be timely, with due consideration for deadlines for meeting Council's objectives and obligations, and particularly with respect to any deadlines applicable under statute, regulation and policy. SCCG will use well-designed delegations of authority to empower its officers to make procurement decisions.

Tender Threshold

The SCCG follows the tender threshold set by the Act, specifically Section 55 of the Act requires a council to invite tenders by public advertisement that are for contracts with an estimated expenditure or receipt of:

- (i) \$250,000 (inc GST); or
- (ii) \$150,000 (inc GST) for the provision of services where those services are, at the time of entering the contract, being provided by employees of the Council.

Where a project is less than \$250,000 (inc GST) the following financial thresholds and procurement methods applies.

Procurement Expenditure Threshold Table

Value including GST	Procurement method
Up to \$ 5,000	Number of quotes at discretion of the delegated authority, at minimum one written quote.
\$5,001 - \$50,000	At minimum two (2) written quotes.
\$50,001 - \$250,000	At least three (3) written quotes sought through a formal Request for Quote and formal Sourcing Evaluation Plan
\$250,001 and above	Formal Request for Tender (Open)

Exceptions

The requirements outlined in the Procurement Expenditure Threshold Table may not be applicable in some situations, such as where:

- There is extenuating circumstances, remoteness or unavailability of competitive tenderers or quoters e.g., there is only one viable supplier of the required good or services.
- A contract must be made in the case of emergency, for example where an economic, environmental or safety issue or disruption to a critical service make it unreasonable to obtain multiple quotes or request tenders.
- Where seeking specialist services and one provider has particular expertise in the field or has ongoing in-depth knowledge or understanding of an issue or specific methodology, whereby the seeking of additional quotations will not be advantageous to Council.

In these circumstances, approval to proceed outside of the requirements of the Procurement Expenditure Threshold must be obtained from the Chair of the SCCG.

Delegated Levels of Authority

Appropriate levels of authority to incur and approve expenditure will be strictly adhered to and will be regularly monitored. These levels of authority are monitored by the SCCG's Executive Committee and documented in its Delegations Register.

Breach of Policy

All procurement activity must be conducted in accordance with this policy. Failure to comply may result in disciplinary or legal action. 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. The SCCG (on behalf of its member Councils) has an obligation to report serious matters to the ICAC and/or Police which potentially could result in civil or criminal proceedings.

Definitions

- I. Delegation – An appropriate level of authority to incur and approve expenditure of SCCG funds
- II. Probity: Ethical behaviour that upholds the values of honesty and integrity and ensures impartiality, accountability and transparency.
- III. Procurement: the overarching business function of acquiring goods and services; the end to end process of identification, sourcing, market engagement, evaluation, contract award, contract management and review.
- IV. Goods and Services: where Goods and Services are referred to in this policy, it is also applicable for Works, Consultancies and Lease agreements.