

Procurement Policy v6

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1. Legislation

The Local Government (General) Regulations 2021 is an instrument made under the *Local Government Act 2019*. Section 33 of these Regulations outlines the policy principles and general requirements that Council must take into account for the procurement of supplies.

2. Definitions

Authorised Delegate means any staff member within Council who has been delegated appropriate authority by the Chief Executive Officer to undertake the specified function on their behalf.

Delegation is a power handed down by *the Council* or Chief Executive Officer in an instrument to enable a delegate to act on Council's behalf.

Council means the MacDonnell Regional Council's administration.

The Council is the Councillors, President and Deputy President.

Procurement is the whole process of the acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.

3. Statement

This policy provides the principals for purchasing, ordering, tendering, and contracting undertaken to ensure:

- a) Sound governance, risk management and control practices.
- b) Promotion of fair and open competition.
- c) Compliance with legislation and regulatory requirements that do not apply to sponsorship, donations, employment contracts or disposals.

4. Policy

4.1 Principals of Procurement

4.1.1 The Enhancement of the Capabilities of Local Enterprises and Industries

4.1.1.1 Procurement activities which support the growth, development and sustainability of local enterprises and industries, including the advancement of local communities.

4.1.1.2 Every effort should be made to utilise local suppliers, build local capacity, and to ensure local businesses and industries are given an opportunity to participate in quotation and tender processes.

4.1.1.3 In support of local, regional and Territory businesses and subject to this policy and product or service specifications, Council will give a weighting advantage when sourcing products and services.

4.1.2 The Employment of Aboriginal People

4.1.2.1 Procurement activities which increase and encourage Aboriginal employment, participation and capability within the region and the Northern Territory generally, acknowledging the importance of diversity, representation and the improved social and economic outcomes that result from employment.

4.1.2.2 Set targets for Indigenous procurement where applicable.

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4.1.3 Ethical Behaviour and Fair Dealings

- 4.1.3.1** Procurement activities which instil confidence in business, industry and the public as to the probity, accountability and efficacy of the procurement policy framework, including demonstrating high standards of ethical conduct.
- 4.1.3.2** Procurement activities shall be performed with integrity and in a manner able to withstand the closest possible scrutiny through documented processes and justifiable decisions.
- 4.1.3.3** Address conflicts of interest and gifts and benefits.
- 4.1.3.4** Promote integrity and ethical behaviour in procurement activities.

4.1.4 Environmental Protection and Sustainability

- 4.1.4.1** Procurement activities which promote the protection of the environment through harm minimisation and sustainable practices, including a proper emphasis on environmentally sustainable development and a proper balance between economic, social, environmental and cultural considerations.

4.1.5 Open and Effective Competition

- 4.1.5.1** Procurement activities which foster a competitive and innovative business environment to drive opportunities within the region and in the Northern Territory generally.
- 4.1.5.2** Encourage participation from all eligible suppliers.

4.1.6 Value for Money

- 4.1.6.1** Procurement expenditure that delivers procurement outcomes, while meeting the objects of Council to promote the social, economic, environmental and cultural well-being of its communities.
- 4.1.6.2** Lowest price is not necessarily an indicator of value for money and cost is not the only factor for assessing value for money.
- 4.1.6.3** When evaluating competing company's submissions, a comparative analysis or a weighting score system shall be used to ensure the best overall return on investment.

4.1.7 Code of Conduct

- 4.1.7.1** Procurement activities which are undertaken in a lawful manner and are consistent with Council's code of conduct and conflict of interest policies.

4.2 Thresholds and Procedures

4.2.1 Quotations

- 4.2.1.1** When procuring goods and services and/or works the following requirements must be observed in accordance with the Regulations.
- 4.2.1.2** The Regulations do not require Council to obtain quotations for the provision of supplies or services if the cost of the supplies or services is \$10,000 or less. However, subject to this policy, if the cost of the supplies or services is over \$1,000 but less than \$5,000, one written quote is required and if the cost of the supplies or services is over \$5,000 but less than \$10,000, two written quotes are required.
- 4.2.1.3** If Council proposes to obtain supplies or services at a cost more than \$10,000 but less than \$100,000; Council must obtain written quotations from at least three (3) possible suppliers and Council must choose a supplier from amongst those submitting written quotations.

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- 4.2.1.4** If it is not practicable to obtain quotations from three (3) possible suppliers under the Regulations, Council must obtain as many as practicable and must record in writing its reasons for not obtaining the three (3) quotations.

4.2.2 Public Quotations

- 4.2.2.1** Regulation 35 of the Regulations applies in situations where Council proposes to obtain supplies at a cost of more than \$100,000 but no more than \$150,000. Council must make a public request for quotations from suppliers published in a newspaper circulating in Council's area and by notice on Council's website.

- 4.2.2.2** The Regulations do not require predetermined weighting. Council encourages including predetermined weightings as good practice in the development of the scope of works documentation to be applied to the assessment of the public quotations or tenders.

4.2.3 Tenders

- 4.2.3.1** The Regulations provide that Council must not enter into a contract for the provision of supplies at a cost of more than \$150,000, unless it has first called for tenders for that contract by public notice published in a newspaper circulating in Council's area. There are specific time limits applicable to the length of a contract which is subject to the thresholds in *General Instruction 1: Procurement*. Council will determine the optimum period for the contract based on this information, on the basis of value for money and the efficiency and effectiveness of the procurement and then assess the value of the contract. Council may undertake a public tender where the value of goods, works and services does not reach the threshold sums. These may be situations where a public tender is preferred or prudent, managing risk considerations are paramount, or there is a desire for greater transparency of the procurement. As a general rule, Council will not accept late tenders, the exception being as noted below.

- 4.2.3.2** If there were a Council related system failure/interruption in the case of a submission of an electronic tender, or access was denied or hindered in relation to the physical tender box, the Chief Executive Officer can accept a late tender where it can be substantiated that these circumstances prevailed at the time of attempted lodgement.

4.3 Delegation of Authority

4.3.1 Requirement

- 4.3.1.1** Delegations define the limitations within which employees are permitted to work. Delegation of procurement authority allows specified employees to approve certain purchases, quotations, tender and contractual processes without prior referral to the Council. This enables Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity. Procurement delegations ensure accountability and provide confidence to Council and the public that purchasing activities are dealt with at the appropriate level. As such, Council has delegated responsibilities as detailed below relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotes and tenders and for contract management activities.

- 4.3.1.2** Council maintains a documented record of authorised procurement delegations, identifying Council officers authorised to make such procurement commitments in respect of goods, services and works on behalf of Council, including but not limited to the following:

- power to authorise and issue order forms for goods and services;

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- power to enter into contracts within approved budgets;
- sign letters of acceptance on behalf of Council to enter into contracts; and
- contract term extensions and contract variations.

4.4 Delegations Reserved for the Council

Tender recommendations must be approved by *the Council* as per the Regulations.

5. Monitoring and Reporting

- 5.1** The Chief Financial and Information Officer reports regularly to the Executive Leadership Team on procurement compliance.
- 5.2** The Tender Committee has established mechanisms for monitoring compliance with tenders.

6. Authority

Council, 28 May 2025

7. Owner

Corporate Services, Finance

8. Review Date

31 May 2028

9. Related Information

Delegations Manual
Procurement Procedure
Statutory Declaration Form