

# Central Tablelands *Water*



## Procurement Policy

<b>Policy Title:</b>	Procurement Policy	
<b>Responsible Officer:</b>	Director Finance and Corporate Services	
<b>Adopted:</b>	Date: 12.10.2016	Minute Number: 16/079
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## RELEVANT LEGISLATION

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Work Health and Safety Act 2011 (NSW)
- State Records Act 1998 (NSW)

## RELATED DOCUMENTS

- Gifts & Benefits Policy
- Code of Conduct
- Purchasing Procedure
- Tendering Procedure
- Stocktake Procedure
- Delegations Register

## INTRODUCTION

This policy has been introduced to outline the minimum standards required for any procurement activity and to be read in conjunction with the above listed associated documents that ensure a transparent probity driven process that can withstand any scrutiny.

## OBJECTIVE

The objective of this policy and associated procedures detail standard procurement practices across Council and to highlight the obligations of Council officers with the delegated authority to arrange goods and services of any value or type on behalf of Council. This policy and underlying procedures set the ethical ground rules and requirements outlined in the Local Government Act 1993 and Local Government (General) Regulations 2005 for all business dealings between Central Tablelands Water (CTW) and our business partners. Furthermore, the procurement policy is based on the underlying principles of Councils' Code of Conduct.

## SCOPE

Staff with any level of delegated authority of expenditure are accountable for applying this policy within their areas of responsibility. Specific responsibilities are as follows:-

- The General Manager has ultimate responsibility for procurement and delegated authority of expenditure of funds across CTW;
- The Director Finance & Corporate Services is responsible for the development of all policies and procedures in relation to procurement across Council;
- The Directors and Managers are accountable for the implementation, maintenance and the management of any breach of policy within their areas of responsibility in accordance with this policy and related procedures; and
- Each member of staff is responsible for ensuring that they fulfil their obligations in relation to this policy, procedures and Code of Conduct when spending public funds.

## POLICY

### Use of Public Funds

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

### Delegation of Authority

The General Manager has delegated authority to incur financial expenditure on behalf of Council under the following provisions:

- Where expenditure has been provided for in Council's budget; or
- Genuine emergency or hardship;

The General Manager is authorised to enter into contracts on behalf of Council within the expenditure delegation authorised. Other Council Officers may only incur expenditure on behalf of the Council if:

- The Officer has been granted a financial delegation by the General Manager and such delegation is recorded in the Delegations Register; and
- The expenditure is provided for in Council's budget; or
- In the case of genuine emergency or hardship where the power to incur expenditure in these circumstances has also been delegated.

Council Officers may only receive an expenditure delegation greater than \$1,000 where the Officer has completed appropriate training or has relevant experience which, in the opinion of the General Manager, qualifies the Officer to the delegated level.

Any Officer incurring expenditure may only do so in accordance with any constraints imposed by the Council or the General Manager in respect to a financial delegation.

No Officer may have a procurement delegation exceeding \$150,000.

### Tender Threshold

Council has a requirement to formally tender for goods and services where the anticipated expenditure for the life of the contract is greater than \$150,000 (incl GST). Any procurement that involves expenditure above this amount must be conducted in accordance with Council's tendering procedure.

Any purchase of goods and services below the tender threshold must be conducted in accordance with Council's purchasing procedure.

All contracts above \$100,000 must be referred to the General Manager before purchase order is generated.

### Purchase Orders

No orders are to be placed with suppliers without an official purchase order being supplied by Council first. A purchase order must be authorised by a supervisor with the proper delegation limit before it is sent to a supplier.

All suppliers are instructed not to supply goods unless they make reference to an official CTW purchase order number. If a supplier supplies goods without a purchase order number, and produces an invoice to Council without reference to an official purchase order number, then Council reserves the right to refuse payment for those goods or services.

### **Promotions & Incentives**

The offering or acceptance of promotional goods, rewards, benefits or any other form of incentive in relation to the purchase of goods and services is strictly prohibited. Refer to Council's Gifts and Benefits Policy.

### **Stocktake**

CTW will conduct a yearly physical stocktake of the Blayney Bulk Store, which is to be conducted in compliance with the Stocktake Procedures. Independent 'spot-checks' of inventory on request of the Director Finance and Corporate Services will be undertaken on a quarterly basis.

### **Local Supplier Preference**

CTW is committed to supporting the local economy and enhancing the capabilities of local business and industry. The objective is to create a framework that ensures CTW gives due consideration to the actual and potential benefits to the local economy of sourcing goods and services locally where possible, whilst maintaining a value for money approach at all times.

The intention of this policy supports Council's commitment to achieve the best value for money outcome to CTW and the Community, while maximising opportunities for local business to compete for business.

CTW acknowledges that it has an important role to play in the local economy and is committed to assisting local industry. To assist local industry and local economic development, CTW will ensure that buying practices, procedures and specifications do not disadvantage local suppliers and ensure transparency in quotation, tendering and contract management practices.

### **Breach of Policy**

All procurement activity must be conducted in accordance with this policy and the associated procedures. Failure to comply with this policy or associated procedure may result in disciplinary or legal action.

### **VARIATION**

Council reserves the right to vary the terms and conditions of this policy, subject to a report to Council.