

POLICY



CENTRAL TABLELANDS WATER

PROCUREMENT POLICY

DOCUMENT CONTROL

| Document Title | | Procurement Policy | | | |
|---------------------|------------|---|--------|---------------------|--------------------------|
| Policy Number | | CTW-PR029 | | | |
| Responsible Officer | | Director Finance and Corporate Services | | | |
| Reviewed by | | Director Finance and Corporate Services & Governance and executive Support Officer | | | |
| Date Adopted | | 11 December 2024 | | | |
| Adopted by | | Council | | | |
| Review Due Date | | 11 December 2028 | | | |
| Revision Number | | 02 | | | |
| Previous Versions | Date | Description of Amendments | Author | Review/ Sign Off | Minute No: (if relevant) |
| 1 | 12/10/2016 | | DFCS | | 16/079 |
| 2 | 11/12/2024 | Updated Policy | | | 24/109 |
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Policy Statement

1.1 Purpose

The purpose of this Procurement Policy (Policy) is to establish a framework for the efficient, transparent, and ethical procurement of goods, services, and works by Central Tablelands Water.

This Policy ensures that the procurement practices align with contemporary standards, promote competition, uphold integrity and delivery value for all our stakeholders while adhering to legal and regulatory requirements.

1.2 Objectives

The objective of this policy is to:

- Provide consistency and control over procurement practices;
- Demonstrate accountability to ratepayers;
- Ensure Council's procurement activities to be fair, ethical and transparent
- Increase the probability of obtaining best value for Council in the expenditure of public funds;
- Ensure compliance with Local Government Act 1993 and relevant regulations, guidelines and best practice in all of Councils Procurement activities.

1.3 Scope

This Policy applies to all Council officers and representatives who undertake procurement activities on behalf of Council.

1.4 Responsibilities

Responsibilities for this Policy are as follows:

| Position | Responsibilities |
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| Councillors and Administrators | The role of Councillors or the Administrator(s) is to provide the strategic direction for this policy and ensure it complies with legislative requirements. When determining a tender, a Council decision should be made in the accordance with the objectives of this policy. The Council will also determine the General Manager's delegations which will influence how this policy is executed. |
| General Manager | Is responsible for determining the appropriate delegations to Council staff to enable them to administer and perform procurement activities in a way that promotes integrity and value for money. |
| Director Finance and Corporate Services | The Director Finance and Corporate Services is responsible for the implementation of this policy. The Director Finance and Corporate Services will establish internal controls to ensure the execution of this policy is in accordance with its intended outcomes. The Director Finance and Corporate Services is responsible for regularly reviewing this policy and the Procurement Guidelines to ensure they are |

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| | <p>congruent and ensuring the reporting requirements of this policy are completed.</p> <p>The Director Finance and Corporate Services will provide sound, reliable advice to the Council and General Manager on procurement matters.</p> |
| Council staff | <p>Council staff must adhere to this policy and the Procurement Procedures whilst conducting or participating in a procurement activity. Council staff are also to act in accordance with Council's Code of Conduct and are required to only procure goods and services applicable to their delegated authority for the use of Council. Council staff must ensure that engagement of a supplier is conducted through issuing a formal commitment from Council (or other third parties) by using a Purchase Order or other form of agreement (excluding Credit Card purchases).</p> |
| Contractors and Suppliers | <p>Suppliers must act in good faith and ethically in accordance with Council's Code of Conduct when participating in a Council led procurement activity. Code of Conduct and Work Health and Safety provisions extended to when a contractor or supplier is engaged and delivering a service or providing a good on behalf of Council.</p> |

1.5 Review of the Procurement Policy

This policy will be reviewed each council term or more frequent in response to legislative change or the control environment.

1. Guidance Notes

1.1 Conduct of Council staff

Council staff (and all persons engaged in procurement on Council's behalf) must maintain the principles of integrity, transparency and accountability, good management practices, and prevention of misconduct when undertaking procurement activities for Council.

All members of staff have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest.

In procurement matters:

- Treat potential and existing suppliers with equality and fairness;
- Maintain confidentiality of Commercial in Confidence matters and information such as contract prices and other sensitive information;
- Councillors must not improperly direct or improperly influence a member of council staff in the exercise of any power on/ in the performance of any duty or function.
- Members of staff must also comply with the Code of Conduct.
- All staff engaged in the evaluation of quotation or tender evaluations must adhere to this Policy.
- All Councillors and Staff must adhere to councils Gifts and Benefits Policy in matters of procurement.

1.2 Conflicts of Interest

CTW staff shall at all times avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their duties. All perceived, direct or indirect conflicts of interest must be declared, recorded and saved prior to entering into any procurement activities.

CTW staff involved in the procurement process, in particular preparing tender documentation, including writing tender specifications, tender opening, and tender evaluation panels, must:

- Avoid conflicts, whether actual, potential or perceived, arising between their official duties and their private interests. Private interests include the financial and other interests of CTW, plus their relatives and close associates;
- Declare that there is no conflict of interest. Where future conflicts, or relevant private interests arise CTW staff must make their manager, or the chairperson of the relevant tender evaluation panel aware and allow them to decide whether the officer should continue to be involved in the specific Procurement exercise; and
- Observe prevailing CTW, and governmental, guidelines on how to prevent or deal with conflict-of-interest situations and not take advantage of any tender related information whether or not for personal gain.

1.3 Accountability and Transparency

Accountability in procurement means being able to explain and evidence what has happened.

The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

All procurement activities will follow Council's procurement policies and procedures.

Additionally:

- The responsible Council staff must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council;
- Where necessary, brief tenderers regarding the documented decision-making process, and

All procurement activities are to leave an audit trail for monitoring and reporting purposes.

1.4 Gifts and Benefits

CTW staff shall at all times ensure compliance with CTW's Gifts & Benefits Policy, which prohibits the offering or acceptance of promotional goods, rewards, benefits or any other form of incentive in relation to the purchase of goods and services.

1.5 Value for Money

Maintaining integrity in the procurement process by adhering to principles of transparency and accountability, good management practices, and prevention of misconduct are considered the principles that will provide value for Council.

CTW staff are not required to accept any or the lowest cost submission. Instead, CTW staff are required to take into account issues of fit for purpose, quality, whole of life costs, sustainability, the accessibility

of the service and other relevant factors when assessing best value for Council as part of their procurement activities.

1.6 Sustainable Procurement

CTW recognises it has an implicit role in furthering sustainability objectives, through its procurement of goods, services and works.

CTW will maintain a procurement framework designed to support the achievement of value for Council outcomes and facilitate opportunities to further organisational environmental, social and economic development objectives.

1.7 Social Procurement

Council is committed to Social Procurement by:

- Procurement practices are sustainable and strategically aligned with the wider Council objectives;
- Achieving greater value for Council across the community through the use of effective procurement;
- Ensuring all businesses have the same opportunity to tender for Council contracts;
- Enhancing partnerships with other Councils, suppliers and community stakeholders;
- Building and maintaining a strong community by exploring ways to generate local employment and further strengthening the local economy;
- Purchasing ethical and fair-trade goods to support equitable, local, national and international trade; and
- Follow modern Slavery compliance requirements (refer 1.9)

1.8 Environmental Sustainability

Where applicable, CTW staff shall consider the following environmental principles as part of their procurement activity:

- REFUSE – Choose not to purchase a product/service.
- REDUCE – Choose to purchase less of a given product/service.
- REUSE – Purchase a product of extended life or of multiple uses.
- RECYCLE – Purchase a product that contains amounts of non-virgin materials.
- REPLACE – Choose to replace or offset the resources purchased in a product.

1.9 Modern Slavery Compliance

Council is committed to doing all that it can to prevent slavery and human trafficking in its activities and to ensure as far as is practicable that its supply chains are free from slavery and/or human trafficking. Council will ensure all tenders take into consideration all relevant ethical supply chain provisions identified in the Modern Slavery Act 2018.

- **Commitment to eradicate modern slavery:** Council is committed to preventing and eradicating modern slavery within its supply chains and operations. Modern slavery encompasses human trafficking, forced labour, and other forms of exploitation. Council expects its suppliers and contractors to share this commitment and to implement measures to address and mitigate the risks of modern slavery.

- **Supplier Due Diligence and reporting requirements:** The Council is involved with Central NSW Joint Organisation (CNSWJO) which undertakes a collaborative Modern Slavery assessment of suppliers. This collaborative process will offer efficiencies by lessening the burden on suppliers utilised across regional councils in responding to multiple surveys requesting the same or similar information. This work will result in a central data list accessible to councils for informational purposes. CNSWJO will then conduct this work on an ongoing basis to keep track of suppliers utilised throughout the region and their risk levels concerning modern slavery.
- **Non-Compliance:** Failure to comply with the Modern Slavery Act or the requirements outlined in this policy may result in termination of contracts, and suppliers may be removed from Council's list of approved vendors.
- **Training and Awareness:** Council will provide training and awareness programs for its employees involved in procurement activities to recognise and address modern slavery risks. This will include training on identifying indicators of modern slavery, understanding supplier obligations, and reporting mechanisms.
- **Continuous Improvement:** Council is committed to continuous improvement in its efforts to combat modern slavery. This policy will be reviewed each council term or more frequent in response to legislative change or the risk environment.

1.10 Procurement Procedure

Procurement Procedures are developed to assist CTW to meet the requirements of Procurement Policy and the principles underpinning procurement activities across the Council.

All councilors, Council staff and all persons undertaking procurement activities on Council's behalf are required to follow the procurement procedure requirements.

1.11 Prequalified Supplier of Goods and Services.

Council may use existing contracts of the State Government, Local Government Procurement (LGP) Central NSW Joint Organisation or other suppliers registered on a Constituent Councils pre-qualified supplier register as is deemed appropriate for the procurement activity.

Council, if resources enable, may establish and use a register of pre-qualified suppliers of goods and services if:

- It would be costly to prepare and evaluate invitations each time the goods and services are needed; or
- The capability or financial capacity of the supplier is critical; or
- There is significant security considerations; or
- Compliance with defined standards is a pre-condition of offer to contract; or
- The ability of local businesses to supply the goods and services needed by CTW needs to be established or encouraged.

1.12 Breaches of this policy

A breach of this policy by a Council Officer will be dealt with in accordance with Council's Code of Conduct Policy. The Code of Conduct Policy articulates the standards of ethical behaviour expected of Council officials and external service providers in their dealings with Council.

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

- Disciplinary action;
- Dismissal;
- Investigation for corruption, inappropriate or unethical conduct; and
- Referral of the matter 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 not limited to):

- Tender disqualification;
- Contract termination;
- Loss of future work with Council;
- Investigation for corruption, inappropriate or unethical conduct; and
- Referral of the matter for criminal investigation.

Statutory Requirements

Local Government Act 1993
Local Government (General) Regulation 2005
Local Government (Tendering) Regulation 1999
Local Government (Financial Management) Regulation 1999
Government Information (Public Access) Act 2009
Privacy and Personal Information Protection Act 1998
Trade Practices Act 1974 (Cth)
A New Tax System (Goods and Services Tax) Act 1999 (Cth)
Electronic Transaction Act 2000 (Cth)
Occupational Health and Safety Act 2000
Personal Information Protection Act 2004 (Cth)
State Records Act 1998

Related Policy/Procedure

Code of Conduct
Procurement Policy
Corporate Credit Cards Policy
Enterprise risk management Policy
Project Management Policy & Methodology

Government References

NSW Government Procurement Policy and Framework
NSW Government Procurement Policy and Guidelines Paper
NSW Government Code of Practice for Procurement
NSW Government Tendering Guidelines
Department of Local Government Tendering Guidelines for NSW Local Government