

Policy title:	PROCUREMENT
Policy number:	1.4.19
Objective:	To provide Council with a fair and open process coupled with clear guiding principles for procurement of goods and services.
Link to community vision/service:	Leadership and participation – E3. Our decisions and actions are open, transparent, effective and in the interests of all.
Program Area:	Finance
Policy created: 8/07/2008	Council reviewed: 14/05/13, 12/12/17, 9/10/18
Last reviewed by staff: October 2018	TRIM Ref: ED16/31319[v3]

1. **Policy Statement**

Lismore City Council is committed to ensuring a fair, transparent and accountable process in its procurement of goods and services that it utilises in the delivery of services to the Lismore community.

The purpose of this policy is to document clear guiding principles for Council in its procurement of goods and services to assist in:

- ensuring best value for money and cost effectiveness,
- meeting the needs of the community,
- promoting good management practices,
- ensuring transparency and probity,
- promoting sustainability.

The policy applies equally to Councillors and staff.

2. **Policy Objectives**

The objectives of Lismore City Council's Procurement Policy are to:

- Ensure Council at all times, complies with the NSW Local Government Act, 1993 and the NSW Local Government (General) Regulations, 2005 and all other relevant laws and regulations, in relation to the procurement of goods and services.
- Clearly define Council's philosophy of fair, transparent and accountable procurement processes.
- Assist Council in achieving the most advantageous "value for money" procurement outcomes.
- Promote and ensure a sustainable approach to decisions around community, environment and financial aspects of procurement.

- Support local business where possible in procurement outcomes.
- Ensure cooperation and understanding from contractors and suppliers by fostering open engagement and demonstrating consistent and regulated procurement practices.
- Ensure Council's procurement, practices, and procedures are benchmarked and as such, meet the highest level of public scrutiny and probity.
- Ensure Council does not support the development of the Carmichael mine.
- Ensure all procurement activities are conducted in accordance with Council's Code of Conduct.

3. Sustainable Procurement

The *Local Government Act*, 1993 contains specific requirements and direction for councils in relation to sustainability. Lismore City Council promotes sustainability in its procurement processes. This is to support Council's environmental policies and objectives.

The objectives of Council's sustainability considerations are to:

- Eliminate unnecessary inefficiency, waste and expenditure.
- Contribute to the combined purchasing power of local government to stimulate demand for sustainable products.
- Reduce the use of virgin materials by increasing the recycled content in the products we buy.
- Increase awareness about the range and quality of sustainable products available.
- Deliver Council's commitments in relation to ecologically sustainable development and any other environmental and social objectives.
- Demonstrate leadership in advancing long term social and environmental sustainability.

4. Local Content

As a regional centre in Country NSW, Lismore City Council forms an integral part of the local economy in the region. One of Council's key strategic priorities is economic development with stated initiatives to support business and assist in job creation. Council seeks to meet these initiatives by measuring the amount of local content in its procurement activities.

The use of local content in the selection criteria within procurement is an appropriate way to make an informed assessment of a submission's direct benefit to the local economy. The amount and/or type of local content is assessed using the selection criteria framework, coupled with the standard weighted score system of assessment.

The objectives of Council's local content considerations are to:

- Provide benefits to the local economy in Council's procurement processes.
- Allow tenderers to easily and simply demonstrate the benefits of their bid to the local economy by using a standard tender schedule format.
- Allow easy assessment by Council within the tender evaluation system.
- Encourage suppliers from outside the Lismore City Council area to submit tenders by providing a transparent method of assessing local content.
- Promote the use of local contractors, materials and services.
- Have a fair and transparent system that addresses probity.
- Ensure tenders are evaluated on an equal footing.

Local content will be weighted at a minimum of twenty per cent (20%) of the selection criteria. The local content weighting can be higher than 20% if considered appropriate for the goods or services being procured.

5. Prescribed Person Contract procurement and application of Local Content

When assessing if a Prescribed Person panel contract for procurement is to be used, Local Content will be one of the selection criteria.

Where local suppliers are not included in a Prescribed Person panel contract, consideration will be given to the potential impact on local suppliers and if considered unreasonable, an open tender process will be followed.

Prescribed Person panel contracts entered into will be regularly reported to Councillors.

6. Risk Management

All suppliers must comply with current Environmental, Work Health and Safety and Workers Compensation legislative requirements where applicable in the delivery of goods and services to Council. They are therefore expected to be aware of and consider these requirements in preparing quotations or tenders for Council. Suppliers are also required to have appropriate insurance policies to cover their activities undertaken on behalf of Council.

7. Carmichael mine disclosure

The Lismore City Council does not support the development of the Carmichael mine.

7.1 Application of Carmichael mine disclosure in Procurement

- All tenderers are required to disclose any direct contractual agreement to construct or operate the Carmichael mine.
- All tenderers must complete a compulsory disclosure with a Yes or No response. Additional information can be provided.
- A Yes response will result in the tenderer being ineligible for further assessment.
- A No response will result in the tenderer being eligible for further assessment.
- If it is found or discovered during the contract period that a contractor has or develops a direct contractual agreement to construct or operate the Carmichael mine the contract will be terminated.

8. Review

The policy be reviewed once during the term of each Council.

9. Further Document Information and Relationships

Related Legislation	<ul style="list-style-type: none">• NSW Local Government Act 1993 – Section 55• NSW Local Government (General) Regulation 2005 – Clause 167• DLG Tendering Guidelines for NSW Local Government• NSW Independent Commission against Corruption (ISAC) website• NSW Government Information (Public Access) Act 2009• Work Health and Safety Act, 2011• Work Health and Safety Regulation, 2011• Independent Commission Against Corruption• Contracts Review Act 1980
Related Policies	<ul style="list-style-type: none">• Lismore City Council Code of Conduct• Lismore City Council Business Ethics
Related Guidelines	Lismore City Council Procurement Guidelines