

Title	Procurement
Policy Number (Governance Purpose)	



Policy Type

Council

Policy Purpose

This Policy aims to ensure all procurement decisions are made in a consistent manner using an equitable process that will help to mitigate risk, demonstrate value and achieve the most advantageous outcome for the City.

The City of Cockburn (the City) is committed to delivering best practice in the procurement of goods, services and works in accordance with Council Policies and applicable statutory obligations. All procurement activities must comply with the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996 in respect to all purchases, contracts and asset disposal decisions.

Policy Statement

Procurement decisions will be made using the following principles:

(1) Ethical Behaviour and Fair Dealing

Employees of the City must conduct all procurement and business relationships with honesty, integrity, fairness, diligence and a high degree of care, ensuring processes are appropriate and compliant. Procurement processes must be transparent and free from bias and will be supported by a Statement of Business Ethics, approved by the CEO outlining the behavioural standards expected by the City from its employees, suppliers and contractors in conducting its business.

(2) Value for Money

Achieving value for money reflects the best possible outcome by considering cost and non-cost factors in procurement decisions. Non-cost factors are important in reducing risk and determining whole of life outcomes that do not adversely impact the community. These include safety and quality considerations, fit for purpose (specification), timeliness, sustainability (social, environment and economic) and relevant service benchmarks. The City recognises that in order to achieve long term value for money, appropriate relationships may be developed with suppliers for specific supply categories. The acceptance of higher priced submissions must always be supported by justification, in presenting demonstrable benefits proportionate to the level of activity.

(3) Open and Effective Competition

Competition will be encouraged through the setting of appropriate procurement thresholds and any allowable exemptions within the administrative procurement framework policy. The document shall outline the acceptable manner in which information is to be presented and evaluated by the City. The expected level of

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effective competition will depend on the pre-determined market engagement strategy identified in the procurement plan and the assessed level of risk to the City.

Procurement Threshold Requirements

Expected Procurement or Contract Value (initial period - excluding options and Ex GST)	Sourcing requirement
Up to \$1,000 (credit card use)	One (1) verbal quotation. Discretion may apply to the Procurement controlled credit card. The City's Procurement Framework Policy will apply.
Up to \$1,999	One (1) verbal quotation (min) for low risk activities. The City's Procurement Framework Policy will apply.
\$2,000 to \$9,999	One (1) informal or formal written quotation (min) for low risk activities. The City's Procurement Framework Policy will apply.
\$10,000 to \$69,999	Two (2) informal quotations (min) (for low risk activities) or two (2) formal quotations (min) (for medium/high risk) Unless otherwise determined by an approved sourcing strategy for all pre-qualified, exempt or contracted suppliers. The City's Procurement Framework Policy will apply.
\$70,000 to \$149,999	Three (3) formal quotations (min) for all risk activities. Unless otherwise determined by an approved sourcing strategy for all pre-qualified, exempt or contracted suppliers. The City's Procurement Framework Policy will apply.
\$150,000 and above	Conduct a public process - Tender or similar for all risk activities. Unless otherwise determined by an approved sourcing strategy for all pre-qualified, exempt or contracted suppliers. The City's Procurement Framework Policy will apply.

Unless otherwise approved (in writing) by the CEO and/or Directors, the City will maintain a principle period of three (3) years for all initial procurement activities and contracts. The principle of competition will be satisfied where contracted Suppliers (where relevant) are utilised after considering alternative sourcing markets, including all cost and on-cost factors. Where a public notice process is utilised, a single or multiple contract may be executed based on the City's requirements as evaluated and stipulated in the award.

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In addition, a panel of pre-qualified suppliers may be created where the City determines that there is or will be a continuing need and ongoing benefits from a panel arrangement.

The CEO and/or Directors at their discretion may waive the requirements of this principle where a written justifiable reason is accepted.

(4) Sustainable Procurement (Corporate Social Responsibility)

The City will consider sustainability in all procurement decisions to maximise the positive impact on environmental, social and economic outcomes within the community. This principle considers whole-of-life costing in sourcing goods, services or works when determining value for money. For formal procurement decisions, the City may weight sustainability up to a total of 20%, with a maximum of 10% able to be assigned for any one of the following elements.

1. Environmental

Procurement that minimises unnecessary resource consumption, considers whole-of-life costs and delivers beneficial environmental economic outcomes is encouraged.

2. Social

Procurement from organisations such as Aboriginal controlled businesses and social enterprises including Australian Disability Enterprises is encouraged.

3. Local Economy (within City boundaries)

The City will provide supply opportunities for local organisations that can demonstrate economic benefits, either through being a local business, the use of local sub-contractors or local employees. This will be dependent on the extent to which the local business can demonstrate a contribution to the local economy, but does not include any preferential treatment of pricing in the evaluation process.

(5) Procurement Governance

Procurement governance will be managed using a centre-led procurement function, including (but not limited to) the application process for exemptions, procurement probity oversight & audit and reporting requirements.

1. Evaluation & Award

Evaluation criteria must be developed for all formal procurement activities relevant to the complexity, risk and expected budget. The supplier selection process may consider compliance, informative, qualitative and quantitative (cost) criteria, where allocated weightings should reflect the respective degree of importance. The evaluation criteria developed must total 100% inclusive of the cost criteria.

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Procurement recommendations are determined by an evaluation panel where the size and composition of the panel will be dependent on the value and complexity of the procurement. Panel members must be qualified and trained to ensure submissions are evaluated with due care and knowledge and free of any conflict of interest that might undermine the fairness of the evaluation process. Contracts may then be awarded to a supplier who is considered to provide the most advantageous outcome for the City, subject to Council delegations that may be in place.

Senior Managers, Directors and/or the CEO are required to authorise and set the financial limit for employees who are required to approve requisitions and commit to suppliers.

2. Disability Access

The City has legislative responsibilities to provide equitable access for individuals with disabilities to all buildings, facilities, information and services. Employee's must meet the City's disability access & inclusion requirements or seek specialist advice from internal resources or engage external advice. This may include accessibility appraisals, specifications reviews, audits and advice on best practice. This principle will be applied to all significant infrastructure projects and redevelopment requirements.

3. Procurement Risk

All employees with procurement responsibilities will identify and mitigate risk within the entire procurement and contract management lifecycle. All procurement will be properly planned and carried out in a manner that protects the City's capability to prevent, withstand and recover from any interruption from the supply of goods, services or works. Due diligence may be carried out on suppliers / organisations to ensure compliance and financial viability.

4. Compliance

Exemptions to all (or part) of this Policy must be approved (in writing) by the CEO or Director. All exemptions shall be consistent with all policies, procedures and the allowable market engagement given the associated risk. The Procurement process requires strict confidentiality and disclosure requirements to be developed and followed. It is the responsibility of the officer undertaking the procurement activity to ensure all documents created and received during the procurement process are correctly recorded and retained within the City's electronic document management system.

5. Purchase and Contract Development

All procurement (purchases and contracted) will be based on proper planning to ensure quality decision making. This requires sufficient and acceptable documentation to be developed in a timely manner, with an estimated cost.

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Procurement template documents and forms will be used to ensure quality, unless otherwise approved. Purchase Orders must be issued to all suppliers prior to the supply of the goods, services or works, unless otherwise exempt.

Employees with procurement responsibility must be appropriately trained to carry out their duties in a competent and efficient manner.

The City is expected to utilise existing or known contracted suppliers / service providers unless substantiation is provided and approved.

Where the procurement of goods, services or works is determined to be available from only one source of supply (manufacturer, supplier or agency), after best endeavours to determine alternative sources have failed, then written approval must be provided by the CEO or the Directors to support that finding.

6. Contractor Performance Management

Contracts and contractors shall be proactively managed to ensure contract obligations are met and performance enforced. The City requires all suppliers and contractors to comply with all risk control measures and all applicable OH&S legislation and safety procedures. Appropriate, processes shall include;

- (a) an evaluation to assess the capabilities and competencies to perform work in a safe, environmentally sound manner;
- (b) a safety risk assessment to be undertaken in accordance with the risk framework;
- (c) provide specific commentary against this Principle in all relevant procurement recommendation reports and where deficient, the award must be contingent on evidence being provided.

Strategic Link:	Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996
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