



Policy 287 - Procurement Policy

Background

Parramatta City Council is committed to implementing best practice procurement procedures and complying with legislative requirements. We also care about social, economic and environmental sustainability for our city and focus on delivering positive outcomes for our communities. Criteria in the evaluation process is to be formalised to ensure that preference is given for economic, social and environmental considerations included in proposals and as they pertain to local and regional preference. We are therefore committed to ensuring that our procurement processes contribute to our understanding and management of the impacts of our operations.

We recognise that improving our performance is an ongoing process and that our suppliers, both large and small, are important partners in achieving our goals. Through this policy, Parramatta City Council wishes to support suppliers that demonstrate a commitment to providing goods and services that are high quality, competitive and sustainable.

This policy incorporates continuous improvement in procurement and current sustainability concepts.

Objectives

This Policy has been developed to establish how Council's procurement practices can support the implementation of Council's Corporate Strategy, Parramatta 2025, Guiding Principles and Corporate Environmental Policy.

By building upon our existing business principles, it is our objective to ensure that our procurement practices:

- make efficient and effective use of our own and our suppliers' resources
- ensure fair, open and effective competition
- are ethical and compliant with legislation
- improve the local amenity of communities and are socially responsible
- identify and manage risks to maximise opportunities and manage potentially adverse consequences
- use our skilled resources to provide advice and guidance
- encourage sustainability and economic development in accordance with local and regional preference
- foster a viable Australian market for sustainable products and services, and
- ensure Council and its staff act within their delegations and are accountable for decision-making in procurement

Scope

Procurement Policy		
Owner: Procurement & Risk	Area:	Version: (1)
POL No: 287	Subject Matter Expert SME:	Review: Bi-Annual
Adopted by Council: 25 Feb 2013		Next Review: 2015

This policy applies to all types of procurement, including acquisition, provision and disposal of materials, services, facilities and human resources by Parramatta City Council. The principles in this policy, and the associated guidelines for implementation, must be followed by all employees (full time, part time, temporary and casual) as well as all consultants and contractors employed in any of Council's business units.

Relationship to legislation

Council has defined responsibilities under the NSW Local Government Act 1993 and the Local Government (General) Regulation 2005 to undertake certain functions that include calling for tenders in the circumstances and manner prescribed, and managing and improving the resources of their area taking into account sustainability and the needs of the community.

Related Strategies, Plans and Policies

Guidelines and procedures for implementation of this Policy are contained in:

- Procurement Guidelines

This Policy also has direct relationship to the following Council policies and must be read in conjunction with these, where applicable:

- Corporate Environmental Policy
- Asset Management Policy
- Disposal of Assets Policy
- Statement of Business Ethics
- Code of Conduct
- Customers, Compliments and Complaints Policy

Definitions

Local Preference	All postcodes within the Parramatta LGA and those within the boundary radiating 5klms from CBD, either wholly or partially.
Regional Preference	All postcodes within WSROC Council LGA's either wholly or partially (Western Sydney).

Policy

We will ensure value for money through a balanced whole-of-life evaluation that includes consideration of financial, social, ethical, local economic and environmental factors. To deliver on our commitment to procurement that meets operational requirements and achieves the highest commercial and sustainability outcomes, it is Council's policy to:

- Comply with applicable laws and documentation.
- Avoid unnecessary consumption, manage demand for goods and services, and maximise the efficiency of those products and services we do purchase.
- Establish procedures that ensure fair, open and effective competition, including by ensuring that tenders are called when required by legislation.
- Foster relationships with suppliers in a manner that is ethical, efficient, fair and transparent, and that respects their confidential information.
- Exercise responsible financial management and accountability for actions.

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- Support the establishment of a diverse supply chain, with particular focus on entities that deliver or have potential to deliver social, economic and/or environmental benefit locally and/or regionally.
- Support Australian owned suppliers and / or suppliers who manufacture in Australia, where doing so is appropriate and permissible by law, focusing on those locally and/or regionally.
- Support suppliers and industry groups that develop and/or apply innovative responses in relation to sustainability issues.
- Establish performance agreements with our key suppliers, monitor their performance over time.
- Develop practical and transparent tools for assessing and providing feedback to existing and potential suppliers about their proposals and performance.
- Identify and manage the risks associated with procurement.

To identify the optimum ways to select, use and dispose of products and services, our continual improvement strategies for delivering on this Policy include:

- Ensuring all staff understand and can effectively implement efficient and effective sustainable procurement as required by this Policy.
- Ensuring all staff are accountable for their procurement decisions and actions.
- Engaging relevant stakeholders and skilled staff early in the procurement process.
- Communicating this policy to our existing and potential suppliers.
- Engaging our suppliers on strategies for achieving our procurement objectives and assist them to make improvements where appropriate.
- Monitoring the effectiveness of implementing this Policy by measuring, reviewing and reporting on our sustainable procurement performance.

The Local Government Act 1993 and the Local Government (General) Regulation 2005 specify contracts for which a tender is required. This legislation describes those contracts using both a financial measure (presently \$150,000) and duration measure (being instalment payable or received over a period of 2 or more years. This policy requires (amongst other things) a whole of life evaluation in procurement. To avoid potential uncertainty in the application of the procurement laws referred to above, it is Council policy to conduct a tender if the relevant contract or service exceeds the financial measure or the duration measure or both.

Review

This policy will be reviewed every two years in conjunction with the associated Procurement Guidelines and other related documentation.

Amendments

Original Policy – 19 September 2007
 Adopted by Council - 23 May 2011
 Adopted by Council- 25 February 2013

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