

Policy No. PP001

Procurement of Goods, Services and Materials Policy

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1 INFORMATION ABOUT THIS POLICY

POLICY INFORMATION

Date Adopted by Board 22 August 2019	Resolution No. 19/072
Policy Responsibility General Manager	
Review Timeframe 2 yearly	
Last Review 08/2019	Next Scheduled Review 08/2021

DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
	24/08/2017	Board Resolution No.17/060
	05/09/2018	Update Quotation Threshold Values - Table 1
	21/12/2018	Board Resolution No.18/117
	01/08/2019	Update Related Legislation, Definition – Goldenfields Water area of operation, sections 7, 9 and Table 1 – Quotation Threshold

FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

Related Legislation	NSW Local Government Act 1993 (in particular section 55) Local Government Amendment Bill 2019 (NSW) NSW Local Government General Regulation 2005 (in particular section 7) NSW Local Government Financial Regulation
Related Policies	Goldenfields Water Code of Conduct PP030 Corporate Credit Card Policy
Related Procedures, Protocols, Statements and Documents	P003 Procurement and Disposal of Goods, Services and Materials Procedure P011 Corporate Credit Card Procedure

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3 PURPOSE

Goldenfields Water is committed to implementing best practice procurement policy, principles and procedures for the procurement of goods, services and materials.

Goldenfields Water recognises that by conducting its procurement activities in a cost effective, socially responsible, sustainable, accountable and ethical manner we are ensuring value for money and best possible outcome for the community and the environment.

4 SCOPE

The requirements of this policy apply to tenders, quotations, and expressions of interest, lease agreements and contracts involving either expenditure or income. This policy does not apply to employment contracts or real estate property acquisitions and sales.

5 DEFINITIONS

Goldenfields Water area of operation - Local Government areas of Bland, Coolamon, Cootamundra-Gundagai, Hilltops (Harden and Young), Junee, Temora and parts of Carrathool, Lachlan, Narrandera and Wagga Wagga.

Local Supplier - A supplier of goods, services and materials that can effectively demonstrate that they are operating a business premises within the Goldenfields Water area of operation.

Quotation - The process of inviting offers to provide goods, services and materials. Generally not advertised and used for contracts that are not regulated.

Regulated Contract - A contract that is regulated by Section 55 of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

Tender – The process of inviting parties, from a predetermined list or via public advertisement submit an offer to provide goods, services and materials. Generally used for regulated contracts.

6 PROBITY AND CONFIDENTIALITY

All procurement activities are to be conducted in an ethical manner and in accordance with Goldenfields Water's Code of Conduct.

Goldenfields Water expects tenderers and suppliers to Goldenfields Water to conduct their business in an ethical manner. Canvassing of Board Members and Goldenfields Water employees at any stage up to and including the acceptance of Tenders, may disqualify the applicant.

Information in tenders and quotations, including the price, may be contained in the Business Agenda Paper, as well as on Goldenfields Water's website and therefore be a public record in accordance with Government Information (Public Access) Act 2009 (GIPA Act).

7 REGULATED CONTRACTS

Regulated contracts refer to contracts involving either expenditure or income with an estimated total contract value greater than or equal to \$250,000 (including GST if applicable). The estimated value must include the total amount payable to the service provider over the life of the contract, including any potential extensions, variations or contingencies. In addition to this policy, regulated contracts are subject to the requirements of the Local Government Act 1993 and the Local Government General Regulation 2005.

8 VALUE FOR MONEY

Value for money in procurement is about selecting the supply of goods, services and materials taking into account both cost and non-cost factors including:

- Cost-related factors including whole-of-life costs and transaction costs associated with the purchase, utilisation, maintenance and disposal of the goods, services and materials; and
- Non-cost factors such as fit for purpose, quality, service and support.

9 LOCAL SUPPLIERS

Goldenfields Water recognises that money spent within Goldenfields Water's area of operation will facilitate growth in local commerce and employment. It is in Goldenfields Water's interest to promote opportunities for local firms to compete for Goldenfields Water business and encourage active competition provided that the quality of goods, services or materials are not compromised.

Goldenfields Water will:

- Apply a discount of five percent in the price assessment of tenders (for value equal to or greater than \$250,000), if the local supplier receives the same or better evaluation point score for non-price criteria; and
- Promote the utilisation of local suppliers across the organisation.

10 REGIONAL ORGANISATION OF COUNCILS

Goldenfields Water staff may participate with other Councils in regional agreements for the acquisitions of goods, services and materials.

11 PRESCRIBED AGENCIES

Section 55 of the Local Government Act 1993 provides Goldenfields Water with an exception from the requirement to call for tenders for the provision of goods, services and materials for value equal to or greater than \$250,000 where such items are available under contract through agencies prescribed under the act.

12 REQUIREMENTS UNDER THE GIPA ACT

Pursuant to the GIPA Act, contracts over a prescribed monetary value will be entered into Goldenfields Water's contracts register. The register is available on the Goldenfields Water website.

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Furthermore, it is a condition of engagement that contractors, regardless of the value of the relevant contract, agree to Goldenfields Water requirements with respect to access to information contained in records held by the contractor in relation to the engagement.

13 TENDERING REQUIREMENTS

Tenders are to be called in accordance with Section 55 of the Local Government Act 1993, the Local Government General Regulation 2005 and procedures approved by the General Manager.

14 QUOTATION THRESHOLDS

Quotations are to be called where supply agreements are not regulated. The quotation thresholds are:

For order/agreement value (GST inclusive)	Minimum requirements
Less than \$1,000	Direct Purchase (Credit Card or PO)
\$1,001 to \$5,000	One quotation (verbal or written)
\$5,001 to \$25,000	Two written quotations
\$25,001 to \$249,999	Three written quotations
Equal to, or greater than \$250,000	Prescribed agency purchase or tender in accordance with the Act and Regulation

Table 1 - Quotation Thresholds

15 PROCEDURES

Procurement procedures that facilitate the application of this policy are to be implemented and approved by the General Manager.