



Procurement Policy 2018-2019



Purpose of the policy

Ipswich City Council's Procurement Policy is the Council's overarching policy for the procurement of goods and services. Its purpose is to deliver excellence in procurement outcomes for the Ipswich Community.

Ipswich City Council recognises that developing and adopting appropriate best practice contracting and procurement policies, processes, systems and procedures for all goods and services by Council, will enhance achievement of Council objectives such as sustainable procurement; bottom-line cost savings, supporting local economies; achieving innovation; and better services for communities.

The elements of best practice applicable to Council procurement incorporate:

- broad concepts covering ethics, value for money, responsibilities and accountabilities;
- procurement guides giving effect to those concepts;
- a system of delegations (i.e. the authorisation of officers to approve and undertake a range of functions in the procurement process);
- procurement processes and checklists, with appropriate procedures covering low value, low risk simple procurement to high value, more complex procurement; and
- sound contracting principles as specified in the *Local Government Act 2009*.

Scope

This Procurement Policy is made under Section 198 of the *Local Government Regulation 2012*. The Regulation and the *Local Government Act 2009* are the key legislative frameworks that regulate the process of local government procurement in Queensland. Section 198 of the Regulation requires the Council to prepare and adopt a procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services by the Council.

This policy applies to all contracting and procurement activities at Council and is binding upon Councillors, Council officers and temporary employees, contractors and consultants while engaged by the Council.

Sound contracting principles of the procurement process

As specified in Section 104 (3) of the *Local Government Act 2009*, Council must have regard to these five (5) sound contracting principles:

1. Value for money
2. Open and effective competition
3. The development of competitive local business and industry
4. Environmental protection, and
5. Ethical behaviour and fair dealing.

1. Value for money

Council will use public funds in such a manner that the best return and performance for the money spent is being obtained.

The achievement of value for money can be driven through each stage of the procurement process from procurement planning to contract management.

The benefits of the procurement are considered against the costs necessary for the optimum result for the Council and local community. Ipswich City Council is not required to accept the lowest tender. Instead, Council is required to take into account issues such as but not limited to fitness of purpose, quality, price, service support and warranty and other factors relevant to the overall sound contracting principles of the *Local Government Act*.

2. Open and effective competition

Council will give fair and equitable consideration to all prospective suppliers. Prospective suppliers wishing to do businesses with Council will be given a reasonable opportunity to do so.

All suppliers will be treated fairly in an open and transparent manner and have access to the same information.

3. Development of competitive local business and industry

Council recognises the need to support local industry. The benefits of encouraging and dealing with local suppliers will be taken into account in the procurement planning stage and form part of the evaluation process for all procurement. Council's procurement guidance materials encourage Council officers to use local suppliers where benefits exist to all stakeholders and the five contracting principles are satisfied according to their priority.

To encourage local industry to tender, Council will advertise tenders in local newspapers and actively seek quotations from local suppliers where available.

4. Environmental protection

Council is sensitive to environmental protection issues. Council is not only dedicated to environment protection; Council is also committed achieving sustainability. In order to achieve sustainability Council will consider environmental, social and economic elements in procurement activities.

When planning the procurement activity Council will analyse, where appropriate, the potential purchase of environmentally friendly goods and services and other environmental initiatives such as reduce, reuse, and recycle. Other considerations that may be examined include, but not limited to, eco-friendly products and suppliers that 'support environmental sustainability initiatives.

Council's procurement activities will also address the specific targets contained within the Sustainable Ipswich strategy that deals with reducing the environmental impacts through the procurement practices.

5. Ethical behaviour and fair dealing

The Council's procurement activities (methods, practices and procedures) must be performed with integrity and beyond approach.

All Council officers and Councillors when purchasing goods and services will advance the interests of the Council and conduct themselves in ways that are, and are seen to be, impartial, faire and in an ethical manner.

All Council officers and Councillors must:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of commercial in confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them.

Procuring goods and services

All purchase of goods and services must be carried out in strict compliance with the:

- *Local Government Act 2009* and amendments
- *Local Government Regulations 2012*.

Council operated in accordance with Part 3 Default contracting procedures under the *Local Government Regulation 2012*. Council's Procurement Framework, guides, checklists and procedures set out the steps and processes to be followed by all involved in the procurement activities.

Responsibilities

All Council officers and Councillors are required to be aware of, and comply with this policy.

Accountable officers are responsible for ensuring this policy is followed within their departments.

Managers and supervisors are responsible for ensuring that employees are aware of, and comply with, this policy.

The Finance and Corporate Services Branch is responsible for ensuring this policy, its related guidelines, checklists and procedures are appropriate, reflect better practice and facilitate a high standard of procurement performance.

Administration

Commencement:

This policy takes effect from 1 July 2018 and replaces the Ipswich City Council 2016-2017 Procurement Policy.

Policy owner and contact details

The Chief Finance Officer, Finance and Corporate Services Branch is the designated owner of this policy.