Procurement Policy

Statutory Policy

Renmark Paringa Council

Responsible Officer	Director Corporate and Community Services
Relevant Legislation	*S49 – Contracts and Tenders Policies*
Related Policies	*Unsolicited Proposals Policy*
Adopted	March 2006
Reviewed	August 2026
Next Review	August 2027

1. Purpose

1.1. The purpose of this policy is to in accordance with Section 49 of the *Local Government Act 1999 (the Act)* establish a framework for procurement activities. The framework seeks to ensure all procurement activities are conducted in a fair, transparent and accountable manner that achieves value for money and maintains strong internal controls and governance whilst assisting council in achieving its strategic objectives.

2. Scope

2.1. This policy applies to all procurement activities for goods and services undertaken by Council staff on behalf of the Council.

2.2. The procurement of goods and services by the Council must:

2.2.1. Ony relate to the business of Council

2.2.2. Be entered into in accordance with Councils financial delegations and any other relevant policy.

2.3. This policy does not cover:

2.3.1. Non-procurement expenditure such as sponsorships, grants, funding arrangements, donations and employment contracts (see related documents below); or

2.3.2. The purchase or disposal of land and the disposal of other assets owned by the Council.

3. Definitions

3.1. For the purposes of this Policy, the following definitions apply:

The Act refers to the *Local Government Act 1999 (SA)*

Contractor refers to a company, organisation or person (non-employee) engaged by Council to provide Goods and Services.

Goods and Services Goods are physical, tangible items that can be seen, touched, stored, and owned. Services are intangible activities or tasks performed by a person or organisation for a fee.

Local Contractor refers to contractors with a registered business located in Renmark, Paringa or Lyrup within the Renmark Paringa Council Boundary or who employ workers within the Renmark Paringa Council Boundary.

Works refers to construction-related activities that involve building, altering, repairing, or demolishing physical infrastructure or assets.

4. Policy Statement

4.1. In compliance with Section 49 of the Act, Council should refer to this Policy when acquiring Goods and Services.

4.2. Section 49 (a1) of the Act requires the Council to develop and maintain procurement policies, practices and procedures directed towards:

4.2.1. Obtaining value in the expenditure of public money; and

4.2.2. Providing for ethical and fair treatment of participants; and

4.2.3. Ensuring probity, accountability and transparency in procurement operations.

4.3. Section 49 (1) of the Act requires the Council to prepare and adopt policies on contracts and tenders, including policies on:

4.3.1. The contracting out of services; and

4.3.2. Competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and

4.3.3. The use of local goods and services

4.4. This Policy Seeks to:

4.4.1. Identify circumstances where Council will call for tenders for the supply of goods, the provision of services or the carrying out of works.

4.4.2. Provide a fair and transparent process for calling tenders and entering into contracts in those circumstances;

4.4.3. Provide for the recording of reasons for entering into contracts other than those resulting from a tender process;

5. Roles and Responsibilities

5.1. Council:

5.1.1. The Council is responsible for approving the procurement policy and ensuring compliance with Section 49 of the Act.

5.2. Audit and Risk Committee

5.2.1. Monitoring compliance with Section 49 of the Act.
5.2.2. Monitoring risk and internal controls in relation to Procurement.
5.2.3. Providing oversight on procurement matters bought to the committees attention by the CEO.

5.3. Chief Executive Officer:

5.3.1. The Council's Chief Executive Officer is responsible for:
5.3.1.1. Overseeing the implementation and enforcement of this Policy
5.3.1.2. Ensuring the provision of appropriate procurement systems, internal controls and staffing capacity in order to achieve the objectives of this Policy
5.3.1.3. Creation and execution of delegated authority in relation to procurement approvals and policy exemptions.
5.3.1.4. Reporting significant procurement matters to the Audit and Risk Committee and Council

5.4. Director Corporate & Community Services

5.4.1. Ensuring procurement activities comply with this Policy.
5.4.2. Updating and reviewing the Policy.
5.4.3. Ensuring organisation wide training and updates are provided in relation to Policy changes.

5.5. Manager Financial Services

5.5.1. Monitoring procurement related controls
5.5.2. Monitoring compliance with procurement thresholds, delegation limits and Policy requirements.
5.5.3. Oversight of the Procurement and Accounts Payable functions and Supplier Masterfile integrity.

5.6. Responsible Officers (Procurement & Contract Managers)

5.6.1. Plan procurements in accordance with this Policy.
5.6.2. Ensure value for money is obtained, documentations and records are maintained, conflicts of interest are declared.
5.6.3. Manage contracts including performance, variations and supplier relationships.
5.6.4. Participate in tender evaluation panels

5.7. Council Staff

5.7.1. Comply with this policy and associated procedures.
5.7.2. Ensure procurement is conducted ethically, fairly and transparently.
5.7.3. Act in accordance with delegations.
5.7.4. Provide accurate documentation and justification for purchases.
5.7.5. Report any suspected breaches or irregularities.

6. Procurement Principles

6.1. Council must have regard to the following principles in its acquisition of goods and services:

6.1.1. **Open and fair competition**

Open and fair competition will be fostered and maintained by providing suppliers and contractors with appropriate access to Council's procurement opportunities. Council will ensure, where reasonably practicable, that:

6.1.1.1. There is reasonable access for all suitable and competitive suppliers and contractors to the Council's business.
6.1.1.2. Where market circumstances limit competition, procurement activities recognise this, and associated methodology takes account of it. And
6.1.1.3. Adequate, identical, and timely information is provided to all suppliers and contractors to enable them to quote or tender.

6.1.2. **Value for money**

Value for money outcomes can be achieved through balanced consideration of financial and non-financial factors relevant to the procurement. The following factors should be considered:

6.1.2.1. The contribution to Council's long-term plan and strategic direction.
6.1.2.2. Any relevant direct and indirect benefits to Council, both tangible and intangible.
6.1.2.3. Efficiency and effectiveness of the proposed procurement activity.
6.1.2.4. The performance history, quality and scope of services, and support of each prospective supplier and contractor.
6.1.2.5. Fit for purpose of the proposed goods or service.
6.1.2.6. Whole of life costs including acquiring, using, maintaining and disposal.
6.1.2.7. Council's internal administration costs.
6.1.2.8. Technical compliance issues and costs.
6.1.2.9. Risk exposure and WHS considerations.
6.1.2.10. Prevailing market forces and trends.
6.1.2.11. The value of any associated environmental benefits.
6.1.2.12. Local Economic development and social inclusion.
6.1.2.13. Trade-in values. and
6.1.2.14. Other relevant matters identified in specific procurement process documentation.

6.1.3. **Probity, accountability, and Transparency**

All procurement shall be undertaken in a manner that ensures:

6.1.3.1. Clearly established roles and responsibilities.
6.1.3.2. Appropriate record keeping and documentation.
6.1.3.3. Integrity through transparency of process and documentation of decisions made.
6.1.3.4. Adherence to relevant legislation, policy, and procedure.
6.1.3.5. Identification and management of actual or potential conflicts of interest. and

6.1.3.6. Confidentiality of all commercial information.

6.1.4. Ethical Behaviour and Fair Dealing

All personnel involved in procurement activities are to:

6.1.4.1. Behave with impartiality, fairness, openness, integrity, and professionalism.
6.1.4.2. Provide all suppliers and contractors with equal opportunity to supply to Council.
6.1.4.3. Establish clear and easy to understand documentation requirements, evaluation criteria and methodology.
6.1.4.4. Provide consistent processes and constructive feedback on decisions upon request from suppliers and contractors. and
6.1.4.5. Ensure effective communication and provision of information to all suppliers and contractors.

6.1.5. Identification and Management of Risk

The Risk Assessment process should consider financial, supply, business, legal, management, reputations, probity, work health and safety, environmental, public safety, political and sensitive risks.

6.1.5.1. Risks relating to the procurement process may include:
6.1.5.1.1. Procurement of unsuitable product or service.
6.1.5.1.2. Funding (e.g. internal & external, impact on long term financial plan).
6.1.5.1.3. Probity failure.
6.1.5.1.4. Inappropriate or inadequate specification.
6.1.5.1.5. Negotiation of agreement terms/failure to agree to terms.
6.1.5.1.6. Actual or perceived breach of probity/confidentiality.
6.1.5.1.7. Lack of responses/limited supplier participation. and
6.1.5.1.8. Evaluation processes.

6.1.5.2. Risks related to the engagement of the product/service provider may include:
6.1.5.2.1. Supplier capability/capacity/availability.
6.1.5.2.2. Agreement management/supervision.
6.1.5.2.3. Price variations.
6.1.5.2.4. Agreement disputes. and
6.1.5.2.5. Unauthorised change in scope of work.

6.1.5.3. Risk Assessment - Council personnel will ensure that appropriate practices and procedures of internal control and risk management are in place for its procurement activities, including risk identification, assessment, and implementation of controls.

Procurement risk assessments will focus on assessing a potential supplier's and contractor's capacity and capability to meet Council's requirements, and identify any other factors which might result in goods or services not being successfully delivered.

6.1.5.4. Risk Based Approach to Market - Council's approach to market will be influenced by procurement risk assessments, with high-risk and high-value acquisitions requiring more formal procurement planning methodologies and higher levels of

management oversight.

6.1.5.5. Work Health Safety - Council is committed to protecting health, safety, and welfare. Council personnel will ensure that its procurement activities protect the health, safety and welfare of its workers, elected members, customers, and community.

6.1.5.5.1. If the procurement of services, goods, materials or plant and equipment involves implications for work, health or safety, Council's Work Health & Safety & Risk Management Team should also be consulted prior to such procurement. And

6.1.5.5.2. Where appropriate, procurement evaluation must ensure an appropriately skilled person confirms all WHS requirements.

6.1.6. Environmental Sustainability and Circular Economy

Council promotes environmental sustainability through its procurement activities and will consider the purchase of environmentally sustainable goods and services that satisfy the value for money criteria when all other financial and commercial considerations are equal. This can be by:

6.1.6.1. Purchasing recycled and environmentally preferred products where possible.
6.1.6.2. Adopting purchasing practices which conserve natural resources.
6.1.6.3. Aligning the Council's procurement activities with principles of ecological sustainability.
6.1.6.4. Select products and services which have lower environmental impacts across their life cycle compared with competing products and services.
6.1.6.5. Integrating relevant principles of waste minimisation and conservation of energy.
6.1.6.6. Provide leadership to business, industry, and the community in promoting the use of environmentally sensitive goods and services. and
6.1.6.7. Fostering the development of products and services which have a low environmental impact.

6.1.7. Local Economic Benefit

Council recognises the significant impact that its operations play in the local economy yet is mindful of its requirement to provide optimum value for money outcomes through its procurement activities and achieve budget expectations. Council will endeavour to, at its discretion and to the full extent permitted by law, support local businesses by:

6.1.7.1. Promoting to local and regional businesses opportunities to supply to the Council.
6.1.7.2. Giving preference to local business when all other commercial considerations are equal.
6.1.7.3. Encouraging Aboriginal and Torres Strait suppliers and contractors to quote and tender.
6.1.7.4. Giving preference to Aboriginal and Torres Strait, local and regional businesses when all other commercial conditions are equal to ensure local employment opportunities and economic stability and/or growth. and
6.1.7.5. Considering economic and social inclusion elements such as employment creation and training opportunities specifically within the Council area.

6.1.8. **Social Impact & Modern Slavery**

Council will consider how its purchasing decisions can benefit the community by supporting diverse and inclusive businesses and creating positive social outcomes. Council will also work to prevent modern slavery and unethical labour practices in the goods and services it purchases. This includes:

6.1.8.1. Indigenous Suppliers and Contractors.
6.1.8.2. People with a disability.
6.1.8.3. Women in business.
6.1.8.4. Small to medium business. and
6.1.8.5. Modern slavery

7. Procurement Methodology

7.1. Procurements are to be in accordance with Council's financial thresholds outlined in Council's Procurement Policy and/or Procedure.

7.2. The value of the procurement is calculated as follows:

7.2.1. Single one-off procurement – the total amount, or estimated amount, of the procurement (excluding GST).

7.2.2. Multiple procurements with the same supplier or contractor for the same or similar services – the gross value, or the estimated gross value, of the procurements (excluding GST). or

7.2.3. Ongoing procurements over time – the annual gross value, or the estimated annual gross value, of the procurements (excluding GST).

7.3. The value of a procurement or transaction is calculated across all elements of the procurement process including any agreement options, extensions, renewals, and contingencies (exclusive of GST) and should be considered in the planning phase of the project.

7.4. All contractors who fit the contractor management policy criteria must be pre-approved and added to Council's pre-approved contractors register. All contractors and suppliers must complete a supplier details form, provide copies of relevant insurance and licencing documents and agree to adhere to Council's purchasing terms and conditions prior to being issued a purchase order.

7.5. Splitting the value of the purchase into individual components to meet with lower value of Purchase Thresholds is not permitted.

7.6. Purchases must be assessed on a risk level in accordance with Council's risk framework, purchases that are identified to be a high risk to Council must adhere to strict RFQ or Tendering, regardless of its value in the table at 7.7

7.7. Procurements must follow the following thresholds;

Value of Procurement	Market Approach Minimum Requirements	Agreement Type	Approver

Up to $2,500	• Direct Purchase Based on Advertised Price or Written or Verbal Quotation	• Purchase Order • Credit or Purchase Card	• As per Council Delegation Register
$2,501 to $10,000	• Request for Quotation (minimum two (2) verbal or written quotes) or; • Pre-Approved rates as listed in the approved panel	• Purchase Order	• As per Council Delegation Register
$10,001 to $25,000	• Request for Quotation (minimum three (3) written quotes) or; • Request for quotation from two pre-approved panel suppliers. Or; • LGA Procurement Approved Tender Panel	• Purchase Order	• As per Council Delegation Register • Risk assessment may need to be carried out.
$25,001 to $100,000	• Open Request for quotation or; • Select request for quotation (minimum of three (3) written quotes) or; • LGA Procurement Approved tender Panel	• Purchase Order • AS 4000 • AS 4902 • Other formal contract's	• As per Council Delegation Register • Risk assessment must be carried out. High risk requests may need to be tendered at the discretion of the CEO.
Above $100,000	• Open Request for Tender or; • Request for Expression of Interest – Select Request for Tender (minimum three (3) Tenderers)	• Purchase Order • AS 4000 • AS 4902 • Other formal contract's	• As per Council Delegation Register • Risk assessment must be carried out. High risk requests with an aspect of community sensitivity or High value Council approval may be

	• LGA Procurement Approved Tender Panel		sought at the discretion of the CEO.

7.8. All procurement must be supported by an approved purchase order (PO) prior to commitment (where practicable)

7.9. Tender panels must be made up of appropriately skilled members who have declared conflicts of interest prior to their participation in evaluation. The panel must include independent members where possible and must clearly identify and record their evaluation methodology.

7.10. Purchases made through strategic allicances must adhere to Council's procurement policies and procedures (where practicable). Exemptions may be requested through the CEO.

7.11. All purchases must be in compliance with Council's approved delegations register.

8. Procurement Methods

8.1. Direct Purchasing

8.1.1. Direct purchasing is a procurement method undertaken by directly approaching and negotiating with one (1) supplier or contractor.

8.1.2. Procurement method may be conducted where transactions are of low value and low risk.

8.1.3. Prices should be tested for currency prior to awarding supplier or contractor to give consideration to Value for Money.

8.2. Request for Quotations (RFQ)

8.2.1. This is where Council obtains quotations from prospective suppliers or contractors for the provision of low value, low risk goods and services.

8.2.2. This method may be suitable for simple, largely price-based purchases.

8.3. Expressions of Interest (EOI)

8.3.1. Expressions of Interest are useful when the number of suppliers or contractors, market size or the approach to solving a problem is largely unknown.

8.3.2. Such a process can form the platform for a future Request for Tender for the goods and/or services required.

8.3.3. Council should attempt to assess the market before conducting an EOI process and refine its requirements as much as possible to ensure responses are targeted appropriately.

8.4. Request for Tender (RFT)

8.4.1. This is where the Council issues a tender for the goods or services required.

8.4.2. Council may issue a "Select" Request for Tender where it has already issued an EOI, or where it has reasonable grounds for only dealing with a select group of potential suppliers or contractors.

8.4.3. Otherwise, Council may issue an "Open" Request for Tender.

8.5. Panel Contracts

8.5.1. Council may establish its own panel arrangements with a select group of suppliers or contractors to increase efficient procurement of goods and services.

8.5.2. Panels must be established following the principles of this Policy.

8.5.3. Any panels must operate under an Agreement and managed for performance and on-going value for money opportunities.

8.6. Strategic Alliances

8.6.1. If the Council enters into a strategic alliances procurement process under this policy (Strategic Alliances) then there will be no requirement for the Council to approach the wider market or enter into a separate RFT/RFQ as an open tender process has already been undertaken. Council can meet its procurement requirements through contractual arrangements established and administered by other organisations that demonstrate adherence to the requirements of this policy. The use by the Council of Strategic Alliances means that the methods of procurement set out in this policy will be undertaken pursuant to and in accordance with the arrangements set out under the Strategic Alliances. These include, but is not limited to:

- LGA Procurement (via VendorPanel).
- A purchasing group of which the Council is a member.
- Some State Government contracts.
- Ad hoc alliances created with other Local Government entities.

9. Records and Controls

9.1. Supplier Controls

9.1.1. A supplier Masterfile of approved suppliers must be maintained at all times that includes completed supplier details declarations and up to date copies of licences, insurances and any other items of material importance.

9.1.2. Changes to the supplier Masterfile must be supported by appropriate documentation and be independently verified.

9.1.3. The supplier Masterfile will be periodically reviewed for accuracy and relevance.

9.2. Purchase Order Controls

9.2.1. All procurement must be supported by an approved purchase order (PO) prior to commitment (where practicable per the exemptions section 10 of this policy)

9.2.2. All invoices must be approved by the appropriate delegate prior to payment the approval of the invoice verifies the invoice is correct and the goods or services have been received.

9.2.3. Council will implement formal variance controls. A standard tolerance of greater than 10% or $1,000 will apply. Any variance to the purchase order must be accompanied by a variance reason upon signing of the invoice. Variances beyond the tolerance threshold must be re-approved through PO amendments prior to payment.

9.2.4. All invoice variances to the purchase order must be documented and justified and approved in accordance with delegation limits.

9.2.5. All procurement must be documented establishing reasons for selection and or exemption.

9.3. Contracts register

9.3.1. Higher value procurements greater than $100,000 require a formal procurement plan, risk assessment, documented evaluation and governance oversight.

9.3.2. Council will maintain a Contracts Register that at minimum includes contract terms, supplier details, value and responsible manager.

9.3.3. Council should consider preferred supplier panels for high volume categories to improve efficiency and value for money.

9.4. Tender Controls

9.4.1. Tender panels must be composed of appropriately skilled staff with the inclusion of independent members where appropriate in the context of risk.

9.4.2. Panel members must declare conflicts of interest prior to evaluation

9.4.3. Evaluation methodology must be documented and maintained securely

9.4.4. Secure controls around tender documents must be maintained

10. Exemptions

10.1. The authority to provide an exemption from using the required method of procurement will be delegated to the Chief Executive Officer Reasons for any exemption to the procurement method must be documented and registered in Council's Electronic Document Records Management System.

10.2. The Chief Executive Officer, in approving an exempt method, will consider the scale, scope and relative risk of the purchase, including the principles defined in this Policy.

10.3. A request for waiver of a competitive process should not be viewed as a mechanism to remove the need for rigorous procurement planning.

10.4. Situations where it may be appropriate to waive application of this policy are:

10.4.1. There may be significant public risk if the procurement is delayed by process requirements, such as emergency situations threatening life and property.

10.4.2. The pressures of time are such that an open tender call is not feasible, such as where there has been an unanticipated Council or Government policy decision.

10.4.3. Council purchases assets or goods at an auction.

10.4.4. Council purchases second hand assets or goods up to $100,000.

10.4.5. A supplier or contractor is evidenced to be a "sole supplier or contractor" in the market and effectively a niche specialist or monopoly, rendering the tender process redundant.

10.4.6. A supplier or contractor who has considerable background knowledge and experience, or specialist expertise on that particular Council project or asset e.g. an extension of a previous project. In such circumstances, the procurement of assets, goods, or services on negotiated fees and terms through that supplier or contractor alone may be deemed sound and advantageous to the project. This could include engaging the supplier or contractor on a retainer basis for a specialised period of time.

10.4.7. Continuation of services under an existing purchasing arrangement (i.e. variations/extensions to existing purchase orders or agreements).

10.4.8. Goods or services are being provided under an existing purchasing arrangement (i.e. warranty, servicing, maintenance or defects liability).

10.4.9. Where knowledge, design and/or intellectual property is being retained to secure continuity of a staged initiative which may be disadvantaged (e.g. time, objective, financially) if subjected to a further competitive engagement process.

11. Review

11.1. This Policy will be subject to regular review to ensure it remains current, effective and aligned with legislative requirements, best practice standards and Council's operational needs.

11.2. This Policy will be formally reviewed by Council at least every three (3) years, and within twelve (12) months following a general Council election, in accordance with Section 49 of the Local Government Act 1999.

12. Related Documents

Delegations Register
Procurement Manual
Credit Card Policy
Unsolicited Proposals Policy
Grants and Sponsorship Policy