



PROCUREMENT OF GOODS AND SERVICES POLICY

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PROCUREMENT OF GOODS AND SERVICES POLICY

1. POLICY OBJECTIVE

This Policy outlines the principles under which Narromine Shire Council (Council) makes procurement decisions and conducts procurement activities.

Council is committed to the competitive provision of services which meet best practice standards as a key organisational value. Council endeavours to guarantee procurement, disposal and contract management practices comply with legislative requirements and are conducted ethically achieving probity, fairness and transparency throughout the process.

Council's procurement activities will achieve best value for money in the expenditure of public funds.

2. SCOPE

This Policy applies to procurement processes and activities for and on behalf of Council and applies to Councillors, Council employees including temporary and contract employees, contractors and consultants whilst engaged by Council.

The scope of this Policy begins when Council determines that procurement is required and ends when the procurement is delivered and payment settled.

3. POLICY STATEMENT

Council is committed to providing a Procurement system that complies with the requirements of the *Local Government Act 1993 (NSW)*, the *Local Government (General) Regulations 2021 (NSW)*. All employees, contractors and consultants involved in procurement activities will work in accordance with *Council's Statement of Business Ethics Statement, Code of Conduct Policy and Procedures, Fraud Control Policy, and Risk Management Policy*.

4. PROCUREMENT POLICY FRAMEWORK

The *NSW Government Procurement Policy Framework | NSW Treasury* sets out the policy and operating framework for the NSW public sector procurement system, and provides a single source of guidance of the rules for procurement. The fundamental objective of the Framework is to ensure that government procurement activities achieve best value for money in supporting the delivery of government services.

5. PRINCIPLES

5.1 Value for Money

Procurement must demonstrate how value for money is achieved regardless of the method of procurement. Value for money considers a range of factors such as quality, reliability, fit for purpose, service and support, as well as initial and ongoing costs. Achieving value for money does not always mean that the 'highest quality' good or service is selected. A lower cost option still appropriate to quality requirements may be appropriate where Council has limited funds available for a particular procurement. Value for money is achieved when the 'right size' procurement solution is selected to meet Council's needs.

5.2 Ethical Behaviour

It is expected Council employees responsible for procurement will act to ensure the best value for money reasonably available is obtained and they behave ethically. Ethical behaviour embraces the principles of honesty and fairness, accountability and transparency, avoiding conflicts of interest, and compliance with laws and regulations. Practices that are anticompetitive or confer an improper advantage to one party over another must be avoided.

5.3 Open & Effective Competition

Council recognises the commercial and economic benefits of open and effective competition and is committed to impartial and open procurement processes that encourages healthy competition.

5.4 Work Health & Safety, and Risk Management

In compliance with Work Health & Safety legislation, Council will consider the impact on the health and safety of employees and the community when procuring goods and services.

5.5 Local Preference Policy

Council is committed to supporting the local economy and enhancing the capabilities of local business and industry. Council will give consideration to the actual and potential benefits to the local economy when sourcing goods and services whilst maintaining value for money.

Local preference is defined as a preference given to local suppliers and contractors with a permanent office and staff located with the Narromine Shire.

5.6 Sustainability & Environmental Protection

Council will consider sustainable practices and environmental principles to procurement without compromising value for money by adopting the following standards:

- purchase only when a product or service is necessary
- consider products that reduce waste, or are recyclable, or reusable
- eliminate toxic products that are harmful to human health and ecosystems
- reduce greenhouse emissions
- achieve biodiversity and habitat protection.

5.7 Modern Slavery

Council commits to complying with its obligation under the *Modern Slavery Act 2018 (NSW)* and any other Modern Slavery legislation that may come into effect.

5.8 Conflict of Interest

Council employees will disclose conflicts of interest in accordance with Council's *Code of Conduct Policy and Procedures*.

6. MONETARY THRESHOLDS

1. Council will apply the following threshold levels for the provision of goods and services, including the carrying out of work:

Local Preference Score*	Value of Goods & Services (GST included)	Number of Quotations (written)	Procurement Method
	< \$50	n/a	Petty Cash
	<\$5,000	n/a	Credit card
10%	< \$15,000	1*	Purchase Order with terms and Conditions
5%	≥\$15,000< \$75,000	2	Purchase Order with terms and conditions & Conditions
5%	≥\$75,000<\$ <\$250,000**	3	Request for Quotation Purchase Order with terms and conditions & Conditions
5%	>\$250,000**		Request for Tender (RFT) Purchase Order with terms and conditions & Conditions

In determining the applicable threshold for a purchase, the gross value of the expenditure must be used.

1. * Emergency or critical works are excluded and do not require a written quote but works must be approved by someone with financial delegation prior to contractor engagement.

2. **Where the contract involves a provision of services where those services are, at the time of entering the contract, being provided by employees of the Council the limit of the contract is \$150,000. This is specifically related to replacing or impacting works of current employees by contractors.

7. RESPONSIBILITIES

7.1 Authorisation

The General Manager is responsible for determining purchasing delegations of staff.

7.2 Policy Custodian

The Director Finance and Corporate Strategy is the officer accountable for managing policy compliance, initiating the policy review process, internal auditing requirements, and has responsibility for all aspects of policy implementation, unless appropriately delegated to another officer.

7.3 Compliance

Supervisors, Managers and Directors are responsible for ensuring employees comply with the Procurement Policy & Procedure.

8. LEGISLATION, POLICIES, PROCEDURES

Council will comply with Government legislation, guidelines, Acts and Council policies, procedures including but not limited to:

- Local Government Act 1993 [Local Government Act 1993 No 30 - NSW Legislation](#)
- Local Government (General) Regulations 2021 [Local Government \(General\) Regulation 2021 - NSW Legislation](#)
- Environmental Planning & Assessment Act 1997 [act-1997-152 \(nsw.gov.au\)](#)
- Work Health & Safety Act 2011 [Work Health and Safety Act 2011 \(legislation.gov.au\)](#)
- NSW Government Policy Procurement Framework [NSW Government Procurement Policy Framework | NSW Treasury](#)
- OLG Tendering Guidelines of NSW Local Government October 2009 [Department of Premier and Cabinet \(Local Government\) - Tendering Guidelines for NSW Local Government](#)
- Public Interest Disclosures Act 2022 No 14 [Public Interest Disclosures Act 2022 No 14 - NSW Legislation](#)
- Council Statement of Business Ethics Statement [Policies - Narromine Shire Council \(nsw.gov.au\)](#)
- Council Code of Conduct Policy and Procedures [Policies - Narromine Shire Council \(nsw.gov.au\)](#)