



# **PLANNING FOR THE FUTURE STANDING COMMITTEE MEETING**

**Monday 11 May 2020**

**Held remotely via Microsoft Teams**

**Check website for livestream details**

**6.00pm**

Committees will be held in the following order:

Development and Planning Standing Committee  
Planning for the Future Standing Committee  
Organisational Services Standing Committee  
Built and Natural Assets Standing Committee  
Service Delivery Standing Committee  
General Business Committee

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To support open, accessible and transparent government, the Council meetings of Lake Macquarie City Council are streamed live on Council's website at [webcast.lakemac.com.au](http://webcast.lakemac.com.au)

This allows our community greater access to Council proceedings, decisions and debate.

# ***Planning for the Future Standing Committee Meeting***

## ***Agenda***

***Monday 11 May 2020***

***6:00pm***

**Apologies:** For the non-attendance of Councillors

**Declaration of Interests:**

**Presentations:** Nil

<b>Planning for the Future Standing Committee Meeting - Monday 11 May 2020 (1)</b>	<b>4</b>
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***Recommendations of the Planning for the Future Standing Committee Meeting***  
***Monday 11 May 2020***

<b>20PFF002</b>	Procurement Policy Review
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<b>Key focus area</b>	8. Organisational support
<b>Objective</b>	8.1 Financial management
<b>File</b>	F2005/02162 - D09671232
<b>Author</b>	Category Management Officer - Sasha Buckley
<b>Responsible manager</b>	Chief Financial Officer - Dwight Graham

### ***Executive Summary***

Council's Procurement Policy seeks to ensure all of Council's procurement activities comply with legislation and are conducted in accordance with the guiding principles for a Council when exercising its functions and decision making as set out in Chapter 3 of the *Local Government Act 1993*.

The policy is required to be reviewed every four years. A review has been undertaken and the revised policy is now presented before Council for consideration.

#### ***Recommendation***

Council:

- A. rescinds the existing Procurement Policy – version 5; and
- B. adopts the revised Procurement Policy – version 6.

### ***Discussion***

The purpose of Council's Procurement Policy is to formalise Council's commitment to the principles of sound financial management, investment in responsible and sustainable infrastructure, principles of ecologically sustainable development and social justice as outlined in Chapter 3 of the *Local Government Act 1993*.

The policy seeks to establish Council's commitment to managing its procurement practices in a manner that complies with relevant legislation and delivering the best outcomes for Lake Macquarie City and its people. Beyond achieving quality and cost effectiveness for all goods and services procured, Council will objectively seek positive sustainability outcomes across the entire life cycle of the goods or services procured.

The policy applies to anyone conducting or participating in Council procurement activities.

The policy is required to be reviewed every four years and is due for review. Therefore, a review of the current policy has been undertaken and the following amendments are proposed:

- The Policy has been simplified and the wording revised to reflect the NSW *Local Government Act 1993* No 30 Chapter 3 Principles of Local Government.
- The Policy wording has been revised to align with Council's Sustainability Policy.
- The Policy format and template have been updated in line with the latest corporate style.

Attachment 1 shows tracked changes to the current Procurement Policy – Version 5.

Attachment 2 shows the draft Procurement Policy – Version 6 in the new policy template.

### **Assessment of options**

Adopting the amended Procurement Policy ensures that Council's Policy aligns with current legislation and reinforces Council's commitment to conducting business in a manner that models best-practice governance and probity.

### **Community engagement and internal consultation**

Consultation on the revised Procurement Policy has been undertaken internally with Sustainable Engagement, Environmental Systems, Communications and Corporate Strategy, Procurement Services, the Chief Financial Officer and the Executive.

### **Key considerations**

<b>Economic impacts</b>	Council's Procurement Policy considers the impacts of its procurement activities on the local economy. The growth and diversification of our local economy is vital to the long-term prosperity of Lake Macquarie City.
<b>Environment</b>	Council's Procurement Policy and Procurement Procedure considers the impacts of its procurement activities on the environment. Our community values the long-term wellbeing and unique character of Lake Macquarie City's built and natural environment.
<b>Community</b>	Council's Procurement Policy considers the impacts of its procurement activities on Lake Macquarie City's community and its people. Procurement activities need to be consistent with the social fabric of the Lake Macquarie community and should seek to support the social goals and aspirations of the people of Lake Macquarie City.
<b>Civic leadership</b>	Council's Procurement Policy seeks to demonstrate that Council embraces the principles outlined in chapter 3 of the <i>Local Government Act 1993</i> and actively seeks to build on these principles where it can. It reinforces Council's commitment to conducting business in a manner that models best-practice governance and probity.

<b>Financial</b>	Council's Procurement Policy strives to achieve quality and cost effectiveness for all goods and services procured, while considering positive sustainability and whole of life costs.
<b>Infrastructure</b>	When making decisions related to infrastructure, Council's Procurement Policy strives to deliver best value to Council, considering whole of life costs, impacts on the Lake Macquarie community and the local environment.
<b>Risk and insurance</b>	Council's Procurement Policy confirms Council's commitment to applying a risk-based approach to guide its procurement decisions.

### ***Legislative and policy considerations***

NSW *Local Government Act 1993* No 30 Chapter 3 Principles of Local Government

NSW *Local Government Act 1993* Section 55 Requirements for Tendering

### ***Attachments***

1. Procurement Policy - Version 5 showing tracked changes to Version 6 D09675827
2. DRAFT Procurement Policy - External - Version 6 (NEW TEMPLATE) D09693949



	<b>Council Policy</b> <b>Procurement</b>	
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## Policy

### 1 ScopePurpose

This Policy outlines the principles under which Council makes its procurement decisions and conducts its procurement activities.

This Policy also outlines Council's commitment to Ecologically Sustainable Development (ESD) through sustainable purchasing. By making sustainable purchasing decisions, Council is operating in accordance with the Council's charter as defined in Chapter 3 Section 8 of the Local Government Act 1993. Chapter 3 of the *Local Government Act 1993* establishes the principles for Council when exercising its functions and decision making to consider sound financial management, investment in responsible and sustainable infrastructure, principles of ecologically sustainable development and social justice principles.

Council embraces these principles and actively seeks to build on these principles where it can. Accordingly, the purpose of this document is to formalise these principles as a policy of Council

### 2 Scope

the scope of this policy pertains to all persons conducting or participating in Council procurement activities.

### 23 Objectives

The objective of this policy is to establish Council commitment to managing its procurement practices in a manner that complies with relevant legislation and delivers the very best outcomes for Lake Macquarie City and its people. This means that, beyond achieving quality and cost effectiveness for all goods and services procured, Council will objectively seek the most positive sustainability outcomes possible across the entire life cycle of the goods or services procured.

Council's objectives through sustainable purchasing activities are to:

- eliminate unnecessary purchases, maximise the re-use and recycling of products, minimise waste, and purchase fewer goods with a negative environmental impact;
- contribute to the combined purchasing power of local government to further stimulate demand for sustainable products;
- increase purchaser awareness about the "sustainability advantage" of alternative products;
- deliver Council's commitments in relation to ecologically sustainable development (ESD), environmental management, and social wellbeing objectives;
- demonstrate to the community that Council is "walking the talk" in relation to sustainable purchasing.

### 34 Policy Statement

In conducting its procurement activities, Council will:

- Comply with the Local Government Act 1993 and all other relevant legislation;
- conduct business in a manner which models best-practice governance and probity;
- seek to work with individuals and organisations that demonstrate ethical conduct and practices;
- consider the impacts of its decisions on:
  - the people – the health and wellbeing of our people (staff, contractors and the public) are of paramount importance;
  - the environment – our community values the long-term wellbeing and unique character of Lake Macquarie City's built and natural environment;
  - the economy – the growth and diversification of our local economy is vital to the long-term prosperity of Lake Macquarie City; and

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## Procurement - Council Policy

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- the community – procurement activities need to be consistent with the social fabric of the Lake Macquarie community and should seek to support the social goals and aspirations of the people of Lake Macquarie City.

- Strive to deliver best value, considering whole of life costs;
- use a risk-based approach to guide its procurement decisions, and
- promote a culture of continuous learning to improve procurement practices across Council.

Council bases its procurement decisions on all of the following:

- a) ~~Council will prioritise value for money throughout the entire “life cycle” of a product rather than the lowest initial cost.~~
- b) ~~Unless another supplier provides a comparable product or level of service for better value for money, Council will procure goods and services based on the following hierarchy:~~
  - ~~Suppliers demonstrating that goods and services are environmentally sustainable;~~
  - ~~The Regional Procurement Initiative (Hunter Councils) contracts~~
  - ~~Local Government Procurement contracts;~~
  - ~~NSW State Government contracts;~~
  - ~~Procurement Australia contracts;~~
  - ~~Suppliers meeting Australian Quality Assurance standards; and,~~
  - ~~Local suppliers.~~
- c) ~~Council will consider the impact on the health and safety of staff and the community when procuring goods and services.~~
- d) ~~Council will discontinue all dealings with suppliers who engage in unethical conduct, where demonstrable.~~
- e) ~~Council employees and contractors will ensure that the environmental performance of goods and suppliers is considered by adopting the following criteria: (noting that these goals should be considered for the entire “life cycle” of the product or service, i.e. the production, distribution, usage, and disposal stages)~~

**Resources** – ~~only purchase necessary products or services and select products and services that reduce Council's consumption footprint.~~

**Waste** – ~~purchase in accordance with the waste hierarchy “avoid, reuse, recycle”.~~

**Water and energy** – ~~purchase products that save energy and/or water including products with recycled content, and those that minimise greenhouse gas emissions.~~

**Pollution** – ~~avoid purchasing products that pollute soil, air, or water.~~

**Toxicity** – ~~avoid purchasing hazardous chemicals that may be harmful to human health or to the environment.~~

**Life-cycle** – ~~consider the desirable life of the product, as well as the upstream production and transportation costs.~~

**Biodiversity and habitat protection** – ~~purchase in accordance with biodiversity and conservation objectives.~~

**Industries and markets** – ~~develop and sustain markets for energy efficient services and products, waste and recycling services.~~

- f) ~~Where the “sustainability advantage” of one service provider over another has been the determining factor in the award of a contract, Council officers shall communicate this to the senior management of unsuccessful tenderers. This shall be done with the aim of promoting the improvement of the environmental performance of the service provider community.~~

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## Procurement - Council Policy

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- ~~g) Where appropriate, and to the extent permissible by law, Council supports Australian-owned suppliers, and/or suppliers who manufacture in Australia.~~
- ~~h) Council expects those staff that procure goods and services on its behalf to conduct all purchasing activities with a high degree of probity and transparency.~~
- ~~i) Council is committed to training and educating staff to promote the principles contained within this Policy.~~
- ~~j) Council is committed to the continuous improvement of its strategies for delivering the objectives of this Policy, and will monitor its effectiveness by measuring and reporting on its sustainable purchasing performance.~~
- ~~k) In all of its purchasing decisions, Council will comply with all applicable legislation, guidelines, and Council policies/procedures and related documents including, but not limited to:~~
- ~~▪ Council's Business Ethics Policy;~~
  - ~~▪ Council's Code of Conduct;~~
  - ~~▪ Council's Contract Administration and Compliance Procedure;~~
  - ~~▪ Council's Delegations Register;~~
  - ~~▪ Council's Environmental Sustainability Policy;~~
  - ~~▪ Council's WHS Policy;~~
  - ~~▪ Council's Procurement Procedure;~~
  - ~~▪ Local Government Amendment (Ecologically Sustainable Development) Act 1997;~~
  - ~~▪ National Competition Guidelines;~~
  - ~~▪ National Self-Insurer OHS Audit Tool;~~
  - ~~▪ NSW WHS Act 2011;~~
  - ~~▪ NSW WHS Regulations 2011;~~
  - ~~▪ WHS Module 05 – Purchasing;~~
  - ~~▪ The Local Government (General) Regulations 2005;~~
  - ~~▪ The Local Government Act 1993;~~
  - ~~▪ The Trade Practices Act 1974;~~
  - ~~▪ Waste Avoidance and Resource Recovery Act 2001.~~

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## Controlled Document Information

### Authorisation Details

Folder No:	F2005/02162	TRIM Record No:	D07480626
Audience:	External - public		
Department:	Financial Services		
Officer:	Procurement Coordinator - Georgina Gillett		
Review Timeframe: Max < 4 years	4 years	Next Scheduled Review Date:	1 September 2019
Authorisation:	Adopted by Council – 13 July 2009		
REPOL Date of Endorsement:	22 June 2009	REPOL Report TRIM Record No:	D01529859
Authorisation - Council Adoption Date:	13 July 2009		

### Related Document Information, Standards & References

Related Legislation:	<p><a href="#">(Legislation Name)</a></p> <p><a href="#">NSW Local Government Act 1993 No 30 Chapter 3 Principles of Local Government</a></p> <p><a href="#">NSW Local Government Act 1993 Section 55 Requirements for Tendering Local Government Act 1993 Section 55</a></p>	<p><a href="#">(Relationship / Context)</a></p> <p><a href="#">NSW LGA 1993 – requirement to council decision making to consider, Sound financial management, investment in responsible and sustainable infrastructure, principles of ecological sustainable development and social justice principles.</a></p> <p><a href="#">NSW LGA 1993 – requirements for council tendering Legislation</a></p>
Related Policies (Council & Internal):	<p><a href="#">Sustainability Policy</a></p> <p><a href="#">Code of Conduct for Staff</a></p> <p><a href="#">Business Ethics</a> Nil</p>	<p><a href="#">The Sustainability Policy outlines the principles under which Council makes its decisions in the course of doing business on behalf of Council.</a></p> <p><a href="#">The Code of Conduct for Staff outlines the conduct required by Council staff to ensure compliance with regulation, consistency with other councils through adoption of the Model Code of Conduct, and ensure ethics, honesty and professionalism among Council staff.</a></p> <p><a href="#">The Business Ethics Policy provides guidance regarding the standard of ethical behaviour that suppliers can expect from Council staff and what is expected of suppliers.</a></p>
Related Procedures, Guidelines, Forms, WHS Forms, WHS Modules/PCD's, Risk Assessments, Work Method Statements:	<p>Procurement Procedure</p> <p>WHS Module 05 - Purchasing</p>	<p>Procedure</p> <p>WHMS</p>
Standards COP's & Other References	Nil	

### Definitions

Term / Abbreviation	Definition
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**Procurement - Council Policy****Version 56 – Draft**

Council	Lake Macquarie City Council
ESD	Ecologically Sustainable Development
Hunter Councils	Corporate entity whose board of management comprises the Mayors of the twelve Councils within the Hunter Region.
Service Provider	All external suppliers (including labour hire), contractors, and consultants engaged to provide goods and services to Council.
Sustainability Advantage	A measure used to compare the merit of various product options with improved environmental and sustainability performance that can also add business value.
WHS	Work Health and Safety

**Consultation (update for each version created)**

<b>Key Departments, Teams, Positions, Meetings:</b>	<a href="#">Shared Decision-Making Portfolio Committee</a> <a href="#">Standing Committee Planning for the Future</a> <a href="#">Sustainable Engagement – Sustainable Engagement Coordinator</a> <a href="#">Environmental Systems - Ecosystem Enhancement Coordinator</a> <a href="#">Communications and Corporate Strategy - Senior Policy Advisor</a>
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**Version History**

Version No	Date Changed	Modified By	Details and Comments
1	14/09/2005	LB	New Policy
2	10/11/2005	JM	Added related legislation.
3	01/06/2009	A Walker	Added sustainability information
4	July 2011	M Gray	Policy format changed to new template. Reference to Quality Policy (rescinded) deleted; Lake Macquarie City Oil Supply Vulnerability Policy added. Naming updates to Hunter Councils (now Regional Procurement Initiative), and Strategic Purchasing (now Procurement Australia)
5	July 2015	G Gillett	New template used. Reference to OHS changed to WHS. Removed reference to rescinded LMCC Supply Vulnerability Policy.
6	January 2020	G Gillett/ <a href="#">S Buckley</a>	<a href="#">Policy wording revised to reflect NSW Local Government Act 1993 No 30 Chapter 3 Principals of Local Government, align with Sustainability Policy, and to reflect formatting and style of current Council policies</a>

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## Council Policy

# *Procurement*

May 2020

Version 6

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## Council Policy - Procurement

**Controlled Document Information****Authorisation Details**

Folder No:		TRIM Record No:	D09671241
Audience:	External		
Department:	Financial Services	Officer:	Procurement Coordinator
Key focus area(s):	Organisational Support		
Review Timeframe: Max < 4 years	4 years	Next Scheduled Review Date:	DD/MM/2024
Authorisation:	Council		
Authorisation - Council Adoption Date:			

**Related Document Information, Standards & References**

Related Legislation:	(Legislation Name) NSW Local Government Act 1993 No 30 Chapter 3 Principles of Local Government	(Relationship/Context) NSW LGA 1993 – requirement to council decision making to consider, Sound financial management, investment in responsible and sustainable infrastructure, principles of ecological sustainable development and social justice principles.
	NSW Local Government Act 1993 Section 55 Requirements for Tendering	NSW LGA 1993 – requirements for council tendering
Related Policies:	(Policy Name) Sustainability Policy	(Relationship/Context) The Sustainability Policy outlines the principles under which Council makes its decisions in the course of doing business on behalf of Council.
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	Business Ethics	The Business Ethics Policy provides guidance regarding the standard of ethical behaviour that suppliers can expect from Council staff and what is expected of suppliers.
Standards, COP's & Other References	(Standard, COP or Other References) Nil.	(Relationship/Context)

**Definitions**

Term / Abbreviation	Definition
Council	Lake Macquarie City Council
ESD	Ecologically Sustainable Development

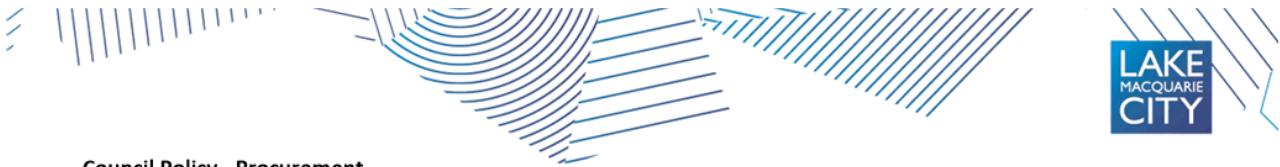
**Consultation (update for each version created)**

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### Council Policy - Procurement

<b>Key Departments, Teams, Positions, Meetings:</b>	Standing Committee Planning for the Future Sustainable Engagement – Sustainable Engagement Coordinator Environmental Systems - Ecosystem Enhancement Coordinator Communications and Corporate Strategy - Senior Policy Advisor
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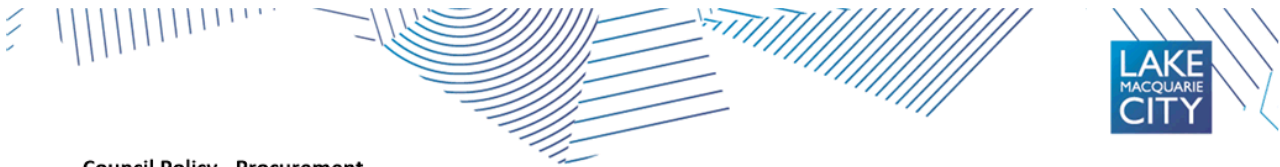
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## Council Policy - Procurement

### **Purpose**

Chapter 3 of the Local Government Act 1993 establishes the principles for Council when exercising its functions and decision making to consider sound financial management, investment in responsible and sustainable infrastructure, principles of ecologically sustainable development and social justice principles.

Council embraces these principles and actively seeks to build on these principles where it can. Accordingly, the purpose of this document is to formalise these principles as a policy of Council.

### **Scope**

This policy applies to anyone conducting or participating in Council procurement activities.

### **Policy statement**

In conducting its procurement activities, Council will:

- comply with the Local Government Act 1993 and all other relevant legislation;
- conduct business in a manner which models best-practice governance and probity;
- seek to work with individuals and organisations that demonstrate ethical conduct and practices;
- consider the impacts of its decisions on:
  - the people – the health and wellbeing of our people (staff, contractors and the public) are of paramount importance;
  - the environment – our community values the long-term wellbeing and unique character of Lake Macquarie City's built and natural environment;
  - the economy – the growth and diversification of our local economy is vital to the long-term prosperity of Lake Macquarie City; and
  - the community – procurement activities need to be consistent with the social fabric of the Lake Macquarie community and should seek to support Lake Macquarie City's community values.
- Strive to deliver best value, considering whole of life costs;
- use a risk-based approach to guide its procurement decisions, and
- promote a culture of continuous learning to improve procurement practices across Council.

### **Objectives**

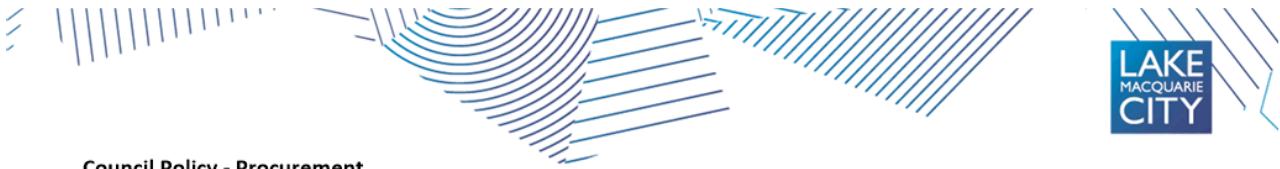
The objective of this policy is to establish Council commitment to managing its procurement practices in a manner that complies with relevant legislation and delivers the very best outcomes for Lake Macquarie City and its people. This means that, beyond achieving quality and cost effectiveness for all goods and services procured, Council will objectively seek the most positive sustainability outcomes possible across the entire life cycle of the goods or services procured.

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**Council Policy - Procurement**

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***Review and Evaluation***

This policy will be reviewed in 4 years unless required sooner.

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