



## Council Policy

# Procurement

Version 7 - 22 April 2024

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## Introduction

### Purpose

Chapter 3 of the *Local Government Act 1993* (NSW) 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, and these are formalised in this document as a policy of Council.

### Scope

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

### Policy statement

The policy will ensure Councils procurement activities are in accordance with best practice, and comply with legislative and contractual requirements contributing to Council's economic, social, governance and environmental sustainability.

### Principles

In conducting its procurement activities, Council will:

- comply with the *Local Government Act 1993* (NSW), the *Local Government (General) Regulation 2021* (NSW) and all other relevant legislation
- conduct business in a manner which models best-practice governance, probity and public interest disclosure requirements
- when using its own contract templates for procurements, ensure that those templates contain terms and conditions that strike a balance between being fair and compliant with relevant unfair contract laws whilst also protecting the legitimate interests of Council
- seek to work with individuals and organisations that demonstrate ethical conduct and practices including compliance with *Modern Slavery Act 2018* (NSW) provisions
- 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 by Council taking these considerations into account to ensure sustainable procurement which reduces environmental impacts
  - the economy – the growth and diversification of our local economy is vital to the long-term prosperity of Lake Macquarie City and where possible gives preference to sourcing from Local suppliers providing there is no burden or increase to overall cost

## Policy - external Procurement

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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 Lake Macquarie City's community values and where possible gives consideration to sourcing from Indigenous and Recognised Social Enterprise businesses
- 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 communicate Council's commitment to managing its procurement practices in a manner that complies with relevant legislation and delivers the very best achievable 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.

## Review and Evaluation

This policy will be reviewed every four years unless required sooner.

## Controlled Document Information

### Authorisation Details

<b>Folder No:</b>	F2005/02162	<b>TRIM Record No:</b>	D11438999
<b>Audience:</b>	External		
<b>Department:</b>	Financial Services	<b>Officer:</b>	Coordinator Procurement and Contract Management - Natalie Nissen
<b>Key focus area(s):</b>	Shared Decision Making		
<b>Review Timeframe:</b> Max < 4 years	4 years	<b>Next Scheduled Review Date:</b>	22 April 2028
<b>Authorisation:</b>	Adopted by Council - 22 April 2024		
<b>Authorisation - Council Adoption Date:</b>	22 April 2024		

### Related Document Information, Standards & References

<b>Related Legislation:</b>	<p>(Legislation Name)</p> <p><i>Local Government Act 1993 (NSW)</i> Chapter 3 Principles of Local Government</p> <p><i>Local Government Act 1993 (NSW)</i> Section 55 Requirements for Tendering</p> <p>Local Government (General) Regulations 2021 (NSW) – Part 7 Tendering</p> <p>Modern Slavery Act 2018 (NSW)</p> <p>Public Interest Disclosures Act 2022 (NSW)</p> <p>Australian Consumer Law (Cth) (Unfair Contract Terms) amendments 2023</p>	<p>(Relationship/Context)</p> <p>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.</p> <p>NSW LGA 1993 – when Council is required to invite tenders</p> <p>NSW LGA Regs 2021 – tendering processes, procedures and requirements</p> <p>Requirements to take reasonable steps to ensure goods and services are not the product of modern slavery</p> <p>PID is designed to encourage “public officials” to report instances of “serious wrongdoing”, to protect “whistle blowers” and allows for public interest disclosures to be made.</p> <p>Requirements for Council’s template procurement contracts to not contain unfair terms, especially in the small and medium enterprise space.</p>
<b>Related Policies:</b>	<p>(Policy Name)</p> <p>Sustainability Policy</p> <p>Code of Conduct for Staff</p>	<p>(Relationship/Context)</p> <p>The Sustainability Policy outlines the principles under which Council makes its decisions in the course of doing business on behalf of Council.</p> <p>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</p>

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## Policy - external Procurement

	Business Ethics	ethics, honesty and professionalism among Council staff.  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 including Modern Slavery compliance.
	Public Interest Disclosure	The Public Interest Disclosure Policy provides guidance regarding reporting suspected or possible wrongdoing in the public sector
<b>Related Procedures, Guidelines, Forms, WHS Modules/PCD's, Risk Assessments, Work Method Statements:</b>	(Document Name) WHS Schedule	(Relationship/Context) WHS Schedules are included in tender documentation and assessed and rated at the time of tender award.
<b>Standards, COP's &amp; Other References</b>	(Standard, COP or Other References)	(Relationship/Context)

### Definitions

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

### Consultation (update for each version created)

<b>Key Departments, Teams, Positions, Meetings:</b>	Standing Committee Planning for the Future Development Planning and Regulation – Legal Counsel CEO's Office Risk and Integrity – Governance and Privacy Lead Environmental Systems - Asset Optimisation Officer – Circular Economy Environmental Systems – Coordinator Asset Optimisation
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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 / S Buckley	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.
7	March 2024	Natalie Nissen	New template. Revised to reflect Modern Slavery Act 2018, inclusion of consideration of Sustainable Procurement, Local / Indigenous / Social Enterprise suppliers. Reference new legislation – Public Interest Disclosure Act 2022 (NSW) and Australian Consumer Law (Unfair Contract Terms 2023.)

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