



Procurement Policy

Reference Number:	2.16
Type:	Council
Category:	Corporate Governance and Finance
Relevant Community Vision Outcome:	<u>Responsible Governance</u> We will manage our city in a sustainable and affordable way with responsible governance.
Responsible Officer(s):	General Manager Corporate Services
First Issued/Approved:	September 2008
Minutes Reference:	CoS 3/11/2025, Item 4.6
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Next Review Due:	October 2027
Applicable Legislation:	Independent Commissioner Against Corruption Act 2012 (SA) Local Government Act 1999 (SA) Local Government (General) Regulations 2013 (SA) Public Sector (Honesty and Accountability) Act 1995 (SA) Work Health and Safety Act 2012 (SA)
Related Policies:	Employee Code of Conduct Policy Credit Cards Policy Digital Communications Policy – Council Agents Disposal of Assets Policy Employee Code of Conduct Policy Plant, Equipment & Fleet Management Policy Prudential Review Policy Risk Management Policy Unsolicited Proposals Policy Work Health and Safety and Return to Work Policy
Related Procedures:	Procurement Procedure

1. Purpose

The Council is responsible for delivering a range of services, facilities and programs. The Council must do so in an effective and efficient manner, that represents value for the community. The Council's focus on delivering excellence in service provision underpins the commitment to deliver value, efficiency, accountability and transparency in procurement responsibilities. Effective procurement is essential to ensure goods and services are provided to the required standard, within the agreed timeframe, and achieve value for money.

This Policy is developed and maintained as required by Section 49 of the Local Government Act 1999 (SA).

2. Scope

This Policy covers all expenditure-related Procurement activities for the provision of goods, works and

services to the Council.

This Policy does not apply to expenditure or revenue related to asset disposals, property acquisitions and other non-procurement expenditure, examples of which include corporate sponsorships; Council sponsorships; donations; employments contracts; funding arrangements; grants; incentive schemes; and strategic partnerships.

3. Policy Statement

All procurement occurs in accordance with the key principles and requirements of this policy and all other applicable Council policies and procedures. This Policy applies to anyone who undertakes or is involved in procurement activities on behalf of the Council. Compliance with this Policy is mandatory unless expressly indicated otherwise.

This Policy is aligned to that of the City of Marion and the City of Port Adelaide Enfield.

Implementation

The Council will procure for the supply of goods, the provision of services or the carrying out of works in line with the Procurement Procedure.

Council may, where appropriate, accede to existing contracts and Strategic Alliances of our collaborative partners to deliver the best value to our organisation including collaborative purchasing contracts (e.g. other local councils', LGA Procurement, Procurement Australia, State Government). Accession must be approved in line with the Procurement Procedure.

Procurement Principles

All of the Council's procurement is underpinned by the following key principles:

Principle 1 Intent to contract

The Council only approaches the market through a formal tender process if it has clear intent to contract. Requisites include:

- budget approval (which is typically approved through the annual business plan and budget process) or project funding is included in the Long Term Financial Plan (LTFP);
- internal approval for proposed expenditure; and
- intent to engage a Contractor, subject to achieving acceptable outcomes in terms of value for money, work health and safety, environmental outcomes, and risk.

This does not preclude the Council from approaching the market to seek prices for budgeting purposes only, provided this intent is made clear to the Market Participants.

Principle 2 Value for Money

The Council strives to achieve the best value for money outcome in procurement. All relevant costs and benefits are considered over the whole product life cycle from the sourcing of raw materials to disposal of goods or services, subject to *Principles 9 and 11 (environment and local jobs)*.

Principle 3 Open and Effective Competition

The Council encourages open and effective competition by providing fair and reasonable access to opportunities to engage in business with Council. Market Participants are offered feedback on unsuccessful tenders to encourage market development and demonstrate transparency of the procurement process.

Principle 4 Risk Management

Risk management is integral to effective procurement. Risk will be managed in line with the risk standard ISO 31000 and Council's Risk Management Policy. Risks will be identified, assessed, and managed at all stages of the procurement lifecycle.

Principle 5 Confidentiality

The Council maintains the confidentiality of information provided by Market Participants during and after the procurement process. Documents are stored, handled and disposed of in accordance with statutory requirements.

Principle 6 Probity, Accountability, and Transparency

The Council demonstrates ethical procurement practices by:

- dealing with Market Participants and Contractors on the basis of mutual trust and respect;
- acting in an open and transparent manner;
- treating Market Participants and Contractors fairly and equitably;
- avoiding and/or managing conflicts of interest; and
- complying with all legislation relevant to the procurement process.

Principle 7 Efficient Procurement Practices

The Council uses standard tender and contract documentation wherever possible to ensure consistency of procurement. Panel arrangements and pre-qualification of Contractors are utilised (where appropriate) to improve the efficiency of the procurement process and reduce the impact of repetitive bidding on Market Participants.

Where other Councils or the State Government have recently undertaken a procurement process, the resulting contract may be used in lieu of running another procurement process for the same products or services.

Principle 8 Work Health and Safety

The Council seeks to engage Market Participants who can demonstrate an appropriate commitment to work health and safety (WHS) and capability as demonstrated by a suitable WHS Management System (WHSMS). As a minimum, Contractors are required to:

- comply with the Work Health and Safety Act, 2012 (and all associated Regulations, Codes of Practice and Standards)
- cooperate with relevant Council WHS policies, procedures, and instructions
- identify hazards associated with goods, services, plant or tasks being undertaken; ensure that all identified hazards are managed in accordance with WHS legislation; and that any risk treatments or control methodologies are documented.

All procurements undertaken for supplies to be provided directly to, or in proximity to, members of the Council community are to include consideration of how the safety and wellbeing of those persons will be ensured.

Principle 9 Environmental Management

The Council requires a minimum standard of environmental management elements to be met from contractors, where appropriate which may include:

- compliance with all applicable environmental laws, protection policies, guidelines, codes of practice, and/or the condition of any licence or approval obtained from the Environment Protection Authority (EPA);
- conducting their operations in an environmentally sensitive manner;
- utilising recycled content in goods and services;
- reducing the use of mains water; and
- committing to reducing greenhouse gas emissions.

Additional environmental requirements specific to the procurement may be included in the Market Document. Market Participants demonstrating a commitment to reducing carbon emissions, including provision of emissions reporting, use of low-emission technologies or processes, and alignment with Council's climate targets may be considered favourably in evaluation. Preference may also be given to Market Participants with verifiable climate transition plans and low life-cycle impacts of products or services.

Principle 10 Information Management

The Council seeks to engage Market Participants who can demonstrate an appropriate commitment to information management and cyber security. Where Contractors are managing any of the Council's information as part of providing a service to Council, they will at a minimum demonstrate a commitment to:

- ensuring that Council's information assets are safeguarded within a secure environment to protect Council's confidentiality, integrity and availability;
- providing a set of minimum cyber security requirements for managing risk to Council's information assets, which is consistent with the Contractor's role with Council; and
- ensuring Council's information is protected within a secure environment that upholds confidentiality, integrity, and availability, and that cyber security measures align with the nature of the information managed.

Principle 11 Use of Local Contractors and Sustainable Social Procurement

The Council includes economic development, sustainability, and social inclusion elements in the Market Documents (where appropriate) to:

- promote economic development within the council region;
- engage Contractors that seek to minimise the impact of their operations on the environment and consider supply chain emissions;
- support state and national efforts to increase workforce participation, skill development and social inclusion through employment of First Nations peoples, trainees and apprentices, or

local people with barriers to employment;

- provide development and social inclusion through employment of First Nations people, trainees and apprentices, or local people with barriers to employment; and
- support national efforts to increase procured goods and services from First Nations owned businesses.

To the extent permitted by law, Council may score favourably the engagement of local Market Participants (i.e. those based within the Council area boundaries) when all other commercial factors are considered equal. The definition of 'local' may vary, depending on the identified geographic market for the relevant procurement activity.

Procurement will evaluate favourably local and regional Market Participants that incorporate sustainability and equity, including support for First Nations businesses, social enterprises, and businesses that demonstrate a strong environmental ethic.

Principle 12 Ethical Practice and Shared Values

The evaluation of Market Participants as part of a Procurement is to include consideration of the Market Participants' commitment to ethical practice including, but not limited to:

- avoidance of cartel behaviour/ abuse of market power;
- ethical sourcing of its own supplies; and
- the extent to which the Market Participants shares Council's values (as set out in the Community Vision).

Principle 13 Circular Economy

The Council seeks to support sustainable practices by boosting circular supply chains through procurement. Council, in the procurement of goods and services, may prioritise solutions that offtake materials from Central Adelaide Waste and Recycling Authority (CAWRA), eliminate waste and pollution, keep products and materials in use at their highest value, regenerate natural systems, and/or innovative business models that have resource-efficient solutions. Market Participants are expected to outline how their offerings contribute to circular outcomes, such as through reuse, take-back schemes, or material recovery.

Principle 14 Climate Risk and Resilience

Council will integrate climate-related financial and operational risk considerations into procurement planning and decision-making. Market Participants may be required to identify climate risks to the delivery of goods or services and demonstrate how these are managed or mitigated. This includes supply chain risks, extreme weather disruptions, or climate vulnerability of products or infrastructure.

4. Definitions

Key Term – Acronym	Definition
Contractor	means an organisation engaged by the Council to undertake defined services, Construction Work, or supply of goods.
Council Members	means the collective elected members of Council.

Market Document	means the document used to invite offers from contractors and includes a specification or brief, conditions of contract and any other information required by contractors to provide sufficient detail for the Council to make an informed decision.
Market Participant	means any individual, business, or organisation that: • is reasonably capable of supplying the goods, services, or works being procured; • operates (or could operate) within the relevant market for the procurement activity; and • may reasonably be expected to express interest, submit a quote, or tender in response to a procurement opportunity.
Procurement	means the acquisition of any goods, services or construction works by any means, including purchasing or leasing.
Value for Money	means the best outcome achievable when all costs and benefits (both qualitative and quantitative) over the procurement lifecycle (acquisition, use, maintenance, and disposal) are considered on a case-by-case basis.