POLICY	ROXBY COUNCIL	Responsible Department	Finance
		Original Adoption Date	27.04.2022
		Current Adoption Date	**27.08.2026**
		Audit Committee Review Date	15.08.2026
		Date of next Review	27.08.2029

PROCUREMENT	
Latest Review Changes	Amendments to strengthen governance controls and improve Council efficiency in a remote context; also, to include flowcharts to help guide users. Updated with feedback from the August 2026 Audit & Risk Committee Meeting around ensuring the policy aligns with the Corporate Credit Card holder Policy.
Previous Council Reviews	29.06. 22 27.04.22, 07.06.17, 04.06.15, 23.02.11, 30.05.09, 21.04.03
Previous Audit Committee Reviews	19.08.22, 20.05.22, 09.06.17, 28.08.15, 22.02.11, 25.11.10, 08.07.10

Applicable Legislation

Local Government Act 1999 (SA)

Related Policies

Code of Conduct for Council Employees

Corporate Credit Card Holder Policy

Disposal of Land & Assets Policy

Financial Internal Control Policy

Prudential Management Policy

Risk Management Policy

Related Procedures

Tendering Procedures Manual

Plant Procedure

Creating Orders in Open Office Guide

Reference Documents

Procurement Glossary

Financial Delegations

LGA Procurement Handbook – latest version from LGA web site

Standard Procurement Templates (various)

Pre-Purchase Checklist

CONTENTS

1. PURPOSE 3
2. SCOPE 3
3. PRINCIPLES 4
4. DEFINITIONS 4
5. OBJECTIVES 5
6. PROCUREMENT PRINCIPLES AND EVALUATION 5
7. PROCUREMENT MODES 10
8. CONSIDERATIONS FOR COUNCIL 14
9. PROJECT PROCUREMENT 15
10. DELEGATIONS AND APPROVALS 16
11. RECORDS 16
12. CONDUCT OF OFFICERS 16
13. PROCUREMENT AUDITS 17
14. PROCUREMENT TRAINING & SUPPORT 17
15. POLICY REVIEW 17
16. ACCESS TO POLICY 17
ANNEXURE 1 - PURCHASES THAT DO NOT REQUIRE A PURCHASE ORDER 18
ANNEXURE 2 - LOCAL ECONOMIC BENEFIT SCORING GUIDE 19
ANNEXURE 3 - PROCUREMENT FLOWCHART 1
ANNEXURE 4 - PROJECT PROCUREMENT FLOWCHARTX 2

1. PURPOSE

This Procurement Policy (the Policy) sets-out the matters to be considered by Roxby Council (the Council) when procuring Goods, Services and Works.

It provides both Council officers and the Market with a Procurement framework that defines the methods by which Council can acquire Goods, Services and Works.

Section 49 of the *Local Government Act 1999 (SA)* (the Act) requires Councils in South Australia to prepare and adopt policies relating to the:

- contracting out of services
- competitive tendering and the use of other measures to ensure that services are delivered cost-effectively
- use of local goods and services

Section 49 of the Act also requires Councils to develop and maintain Procurement policies and procedures directed towards:

- obtaining value in the expenditure of public money
- providing for ethical and fair treatment of participants
- ensuring probity, accountability and transparency in Procurement operations

Procurement undertaken by the Council shall be consistent with and support Council's Strategic Management Plan, Annual Business Plan and Long-Term Financial Plan.

2. SCOPE

This Policy applies to all Procurement activities performed by Council to source Goods, Services or Works from external Suppliers - see Figure 1 below.



Figure 1 - Procurement Process Model

Source
"Procurement Good Practice Guide" South Australian Government

The Policy does not apply to:

- non-procurement expenditures such as sponsorships, grants, funding arrangements, and donations; or
- employment contracts
- disposal of land and other Assets owned by the Council
- purchase of land
- Existing contracted software or ICT renewals. Existing contracted software or ICT renewals may be processed without a new procurement process only where:
    - the renewal is within the original contract terms;
    - the annual value and total cumulative spend remain within approved budget and delegations; and
    - periodic market review occurs at least every three years or earlier where pricing materially changes or functionality requirements shift.

  The procurement of Goods and Services by the Council must:
- only relate to business of the Council and must not be of a personal nature
- be entered into in accordance with the Council's financial delegations and any relevant Council policies

3. PRINCIPLES

The Policy is designed to assist Council in achieving best-practice Procurement outcomes by:

- enhancing value-for-money through fair, competitive, non-discriminatory procurement with a consideration to quality, risk and sustainability.
- promoting the use of resources in an efficient, effective and ethical manner;
- making decisions with probity, accountability and transparency;
- working within Council's economic, social and environmental policies;
- providing reasonable opportunity for competitive local businesses to supply to Council;
- appropriately managing risk; and
- ensuring compliance with all relevant legislation.

In some cases, Council may experience Procurement difficulties as a consequence of its remote location. This may require flexibility in the application of Procurement practices to ensure balance is achieved across the various Objectives and Principles set out in this Policy.

4. DEFINITIONS

TERM	DEFINITION
Business Case	A justification for a proposed project or undertaking on the basis of its expected benefit to the Council and Community
Contractor	A company, organisation or personnel engaged by Council to provide Goods and Services.
Due Diligence	The conduct of a systematic review of a transaction, prior to entering the transaction. It has been defined in landmark legal cases as: "a minimum standard of behaviour involving a system which provides against contravention of relevant regulatory procedures and adequate supervision ensuring the system is carried out" and "indistinguishable from the obligation to exercise reasonable care"
Emergency Situation	A sudden, unforeseen event that requires immediate action, including disaster or threats to public health and safety.
Project	A new and discrete undertaking or activity that would involve the expenditure of money, and/ or deployment of resources, and/or incurring or assuming a liability, accepting an asset or divestment of an asset

Prudential Management	Requires the financial risks or adverse financial consequences of a project to be considered, minimised or offset to ensure that the proposed benefits of a project are achieved.
Prudential Project	A project or commercial activity being undertaken by Council or a subsidiary of Council that requires prudential legislative requirements to be followed.
Purchase Order (PO)	A commercial source document that is issued by a business to a supplier. The document indicates the details on the items that are to be purchased, such as the types of goods, quantity, and price. Legal contract commitment from the buyer when purchasing goods from the seller.
Direct Purchasing (DP)	A procurement strategy that involves an organisation buying goods or services directly from the manufacturer or service provider.
Request for Quotations (RFQ)	Where Council obtains written quotations from prospective contractors.
Requests for Expressions of Interest (REOI)	The Council will issue an open invitation for proposed Goods and Services. This method is often used where there is potentially a large market for the proposed Goods and Services, and the Council would like to be able to prepare a shortlist of Contractors to then invite to participate in a tender process.
Request for Tenders (RFT)	A competitive procurement process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.
Whole of Life Cost	The total cost of owning an asset over its entire life including design and building costs, operating costs, associated financing costs, depreciation, and disposal costs. Whole-life cost also includes environmental impact and social costs.
Local Economic Benefit	The net public value for Roxby Downs and South Australia considered within value-for-money assessments, including local jobs and skills, spend in the regional supply chain, regional capability/investment, delivery-time/reliability advantages that reduce Council's risk or whole-of-life cost, and other community outcomes.
Embedded Specialist (Hybrid Model)	A professional services supplier (e.g., finance, people & culture, engineering/asset renewals) engaged on a recurring or programmatic basis as part of Council's operating model, typically sourced via an approved panel/strategic alliance arrangement.
Strategic Partner	An organisation (e.g., BHP) with which Council enters co-funded or collaborative arrangements to deliver community services, projects or improvements, subject to due diligence, conflicts management and value-for-money tests.
Local Buying Program (LBP)	BHP's supplier program (administered by C-Res) that vets and publishes eligible local small businesses operating in specified regions (including Roxby Downs/Olympic Dam). Council may use LBP as a sourcing/verification channel; Council thresholds, probity and documentation requirements still apply.

5. OBJECTIVES

The primary objective of this Policy is to provide clear direction and a framework for the Council's procurement of Goods and Services which is consistent with the principles outlined within section 49 (a1) of the Act.

This Policy also aims to allow for the expenditure of Council funds on Goods and Services in a manner that is consistent with the objectives of the Council's annual business plan, long term financial plan and strategic direction (as adopted and/or amended from time to time). It also aims to ensure the procurement process is conducted in an efficient manner.

6. PROCUREMENT PRINCIPLES AND EVALUATION

When undertaking its procurement activities, the Council should seek to strike an appropriate balance between the underlying need, timing and specific circumstances relating to the procurement and the following general procurement principles:

6.1. Procurement Pre-requisites

Council will only approach the Market after:

- establishing a clear need for the required Goods, Services or Works
- identifying the scope and expected cost of the project
- complying with Prudential Management Policy requirements
- gaining proper approval for the proposed expenditure

6.2. Competition

Encouragement of open and effective competition.

6.3. Value for Money

Value for money considerations will, where appropriate, take the following into account:

- whole of life costs
- opportunity costs
- available budget
- the materiality of the level of expenditure
- timeframes relevant to the procurement of Goods and Services
- the contribution to Council's annual business plan, long term financial plan and strategic direction
- any relevant direct and indirect benefits to the Council, both tangible and intangible
- efficiency and effectiveness of the proposed procurement activity
- the performance history, quality, and financial capacity of each prospective Contractor of Goods and Services
- fitness for purpose of the proposed Goods and Services
- the Council's internal administration costs
- technical compliance, compatibility and interoperability
- risk exposure
- the value of any associated environmental benefits

6.4. Risk Management

Council will adopt sound risk management principles in its Procurement activities consistent with the Council's Risk Management Policy.

- The following procurement will require a risk assessment
  - All Request For Tenders (RFT's)
  - All Contracts
  - All Projects
  - When a single purchase order is over $40K (ex GST)
  - When a financial year spend is over $100K (ex GST)
- Risk assessment must include actual or perceived conflicts of interest
- Risk Assessment Template located at Doc ID: 262482

6.5. Probity, Ethical Behaviour and Fair Dealing

Council is to behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations, and use its best endeavours to deal with all respondents on the basis of mutual trust and respect.

If Council or the Chief Executive assess that the need for impartiality, fairness or independence will be compromised without the appointment of an independent Probity Officer, then one should be appointed for any specific procurement project.

Council will maintain the confidentiality of commercial information provided by Suppliers. Clauses dealing with the treatment of Confidential Information will be included in all Purchase Agreements.

6.6. Mandatory Independent Review

An independent probity advisor or documented review must be used where:

- the procurement exceeds $200,000 and is not being undertaken through an Open RFT;
- a Strategic Partner proposes or prefers a nominated delivery partner and the procurement exceeds $200,000;
- a direct or limited-market procurement involves a known, ongoing or repeat Supplier outside standard market testing;
- the Chief Executive identifies heightened reputational, probity or conflict risk.

6.7. Accountability, Transparency and Reporting

Records detailing all aspects of a Procurement process are to be maintained and appropriate documentation completed commensurate with the nature and complexity of the transaction.

Council must record written reasons for utilising a specific procurement method in each activity and where it uses a procurement method other than tendering.

All processes are to be auditable where possible.

6.8. Delegated Authority

Prior to the commencement of a procurement activity, with the exception of expressions of interest, the department must ensure that there is sufficient budget for the Goods and Services or have secured appropriate and committed funding through another source (e.g. grant funding) unless written approval has been given by the Chief Executive.

6.9. Compliance with laws

Council will ensure compliance with all relevant legislation.

6.10. Efficient Procurement Practices

Standard processes and documentation will be used wherever possible to ensure efficiency and consistency. Panel arrangements and pre-qualification of Suppliers will be utilised to improve the efficiency of the Procurement process and reduce the impact of repetitive bidding on Respondents.

6.11. Use of Local Suppliers / Local Economic Benefit

Where relevant to the subject matter of the procurement, tender evaluations may include a Local Economic Benefit criterion (refer Annexure 2 - Local Economic Benefit Scoring Guide) addressing regional employment/skills, local subcontracting/SME participation, regional capability/investment, and delivery-time advantages that reduce risk or whole-of-life cost.

This should be used only where genuinely connected to the procurement scope. Measures and evidence sources should be documented in the evaluation note.

The following criteria are to be considered in selecting a local Supplier

- the creation of local employment opportunities;
- increased availability of local servicing support;
- increased convenience in dealing with the Supplier for contract management;

- economic growth within the local area;
- benefit to Council of associated local commercial transaction; and/or
- the short and long term impact of the Procurement on local business.

If a non-local offer is lower, Council may provide an opportunity for a capable local supplier to match price/specifications or demonstrate a delivery-time advantage that reduces risk or whole-of-life cost to Council, provided this approach is disclosed in the procurement documentation where practicable and applied consistently. All decisions, reasoning and evidence must be recorded for transparency and probity.

Where a suitable local area Supplier is not available then preference may be given to South Australian based and then Australia based Suppliers of Goods, Services or Works, in that order.

6.12. Emergency Situations

6.1.1. Emergency Situations

From time to time, Council may have to respond to emergency situations. Under these circumstances the Administrator and Chief Executive must be notified of the situation and verbal approval to proceed to ensure a prompt and effective Procurement is undertaken in the best interests and safety of the Roxby Community. A request for exemption form must be completed as soon as practicable following the emergency procurement. (Doc ID 366516)

See Section 6.15 (*Purchase Outside Procurement Policy Approved Methods (Exemptions)*) for detail.

6.1.2. Operational Continuity (Urgent)

Where there is a credible risk of service interruption, the Chief Executive may authorise a compressed RFQ, with a minimum of two capable quotes where reasonably practicable, or Direct Purchasing with an approved Exemption. Officers must record the criticality of the service, options considered, reasons normal timeframes cannot be met, value-for-money rationale, risk assessment and approval pathway. All such decisions must be included in the quarterly Exemptions Register.

6.13. Purchase Orders

As soon as practical and where necessary a Purchase Order is to be issued to the supplier.

The initiating officer and the approving officer must be different Council employees.

6.14. Special Consideration

Situations may arise which do not meet the definition of an emergency situation but require action within a timeframe which is not achievable using the Request for Tender (RFT) process.

In such cases, the Chief Executive shall seek written authorisation from the Administrator, which shall include:

i) The details of the activity including expected costs.
ii) The reasons why Special Consideration is required to fund a particular project.
iii) How the Special Consideration ensures the best value outcome for the Community

6.15. Purchase Outside Procurement Policy Approved Methods (Exemptions)

Where Council is unable to meet the requirements of the approved procurement methods due to time constraints, emergency circumstances, special consideration, operational continuity risk, or a demonstrated lack of supplier engagement, a request for exemption form must be completed, approved by the Chief Executive and recorded in the Exemptions Register. The exemption must document the

reasons the standard procurement method was not used, the options considered, value-for-money rationale, risk assessment, conflicts of interest and approval pathway.

Officers must record criticality, options considered and value-for-money rationale.

Finance will collate a register of exemptions and will report these back to the Audit and Risk Committee and Council on a quarterly basis.

6.16. Exemption Escalation Trigger

The following must be specifically reported to the Audit & Risk Committee, with commentary as to whether a formal market approach is now required:

- any single exemption exceeding $100,000;
- more than three exemptions involving the same Supplier within a 12-month period;
- cumulative exemption-related spend with the same Supplier exceeding $200,000 in a financial year;
- any exemption that continues for more than 12 months or is renewed more than once.

Repeated use of exemptions for the same service or supplier must not become a substitute for planned procurement.

6.17. Work Health and Safety

Council will only consider Contractors who have appropriate systems to manage Work Health and Safety or who can demonstrate a capability to establish adequate systems relevant to a contract prior to the commencement of a contract.

A condition of each works contract will be a requirement of a Contractor, before the commencement of the works, to prepare and submit proposed specific Work Health and Safety management guidelines based on hazard identification and risk assessment.

Council will ensure that WHS is considered prior to all acquisitions.

Procurement Documentation, which will typically include obtaining insurances and licences and certification relevant to the works, good or services.

6.18. Environmental Management and Sustainability

Council will seek to:

- adopt purchasing practices which conserve natural resources
- align the Council's Procurement activities with principles of ecological sustainability
- purchase recycled and environmentally preferred products where possible
- integrate relevant principles of waste minimisation and energy efficiency
- foster the development of products and services which have a low environmental impact
- provide leadership to business, industry and the community in promoting the use of environmentally sensitive Goods and Services

When engaging Suppliers, Council will require a minimum standard of environmental management which includes compliance with all applicable environmental law, regulations and licences. Additional environmental requirements specific to the Procurement will be advised in the Procurement Documentation.

6.19. Remote and Small-Market Procurement

Council may adopt proportionate procurement where the market is demonstrably limited, logistics materially constrain delivery, or operational continuity is at risk. Officers should seek two quotes where reasonably practicable. Where two quotes cannot be obtained, the procurement file must include a

Remote Market Justification note documenting the market scan undertaken, suppliers considered, reasons competition was limited, risk assessment, value-for-money rationale, approval pathway and any future opportunity for market testing. Direct Purchasing under this clause must be approved in accordance with Table 1 and recorded in the Exemptions Register.

6.20. Supplier Development and Local Readiness

Council may conduct annual local supplier briefings to support local SMEs with registration on SA Tenders and LGA panels, WHS/insurance readiness and quoting to Council templates, to broaden competition and strengthen value-for-money outcomes.

7. PROCUREMENT MODES

7.1. Procurement Methods

The following procurement methods will be engaged in consideration to the monetary values outlined in table 8.1

7.1.1. Direct Purchasing (DP)

- Where the Council purchases from a single source, without first obtaining competing bids.
- This method is typically used for low value, low risk Goods and Services, and generally where the Contractor already has a successful service history with the Council.

7.1.2. Request for Quotations (RFQ)

- This is where the Council obtains written quotations from prospective Contractors.
- A minimum of three (3) written quotations should be sought (two (2) is acceptable where there are not three (3) suitable suppliers).
- A 'Request for Quotation' is generally used for purchases with minimal specifications.
- Received Quotations will be evaluated using the Evaluation Framework.

7.1.3. Requests for Expressions of Interest (REOI)

- The Council will issue an open invitation for proposed Goods and Services.
- This method is often used where there is potentially a large market for the proposed Goods and Services, and the Council would like to be able to prepare a shortlist of Contractors to then invite to participate in a tender process.
- REOI's may be publicly advertised or, where the Council has reasonable grounds for specifically dealing with a select group of potential Contractors or a demonstrated and evidenced limited supply market, to a select range of Contractors.

7.1.4. Request for Tenders (RFT) *(Template Doc ID: 380075)*

- The Council issues a tender for proposed Goods and Services.
- The Council may issue a 'Select' RFT which may be used where there are a limited number of suppliers able to provide the goods or services and where it has reasonable grounds for specifically dealing with a select group of potential Contractors such as a demonstrated and evidenced limited supply market.
- Otherwise, the Council may issue an 'Open' RFT.
- Open RFTs will be advertised on SA Tenders.

Both open tenders and select tenders require:

- Tender Evaluation Team (TET)
- Tender Evaluation Plan (TEP) Doc ID: 298154

- Tender Evaluation Sheet – Doc ID: 359944
- Tender Evaluation Report (TER) Doc ID: 295366.

The process for conducting evaluation is to be in accordance with the Tendering Procedures Manual. Doc ID: 124638

7.1.5. Panel Contracts

This is where the Council establishes panel arrangements with a select group of Contractors. Typically, a tender is undertaken to select a group of Contractors which can provide identified Goods and Services and have the capability to meet the Council's needs, for inclusion on a panel.

Once a panel has been established, the Council may purchase particular Goods and Services through such panel arrangements, including directly from any of the Contractors on the panel at agreed rates; streamlining the quotation process and avoiding the need to seek tenders.

Panel arrangements with selected Contractors usually involve either:

- a standing offer from a pool of Contractors for the provision of Goods and Services on agreed terms such as hourly rates
- the pre-qualification of certain Contractors who may or may not be engaged on terms to be agreed.

A panel agreement will include a short-form approach to request quotation covering scope, price, risk for future goods/services; thus, avoiding the need to re-request extensive documentation such as insurance certificates.

7.1.6. Strategic Alliances

Council may undertake procurement through contract arrangements already established and administered by other organisations where equivalent probity/competition standards have been satisfied. Organisations include, but not limited to:

- LGA Procurement
- Procurement Australia
- a purchasing group of which the Council is a member
- other Councils
- BHP Local Buying Program, where used only as a supplier identification, verification or sourcing channel and not as a Council panel or substitute for Council's procurement thresholds, evaluation, probity and record-keeping requirements.
- State Government contracts

Strategic alliances may result in the Council increasing its purchasing power by partnering with one or more Councils, representative bodies or suppliers.

Strategic alliances may enable the Council to achieve lower costs for standard Goods and Services through collaborative purchasing and achieve efficiencies in procuring the Goods and Services.

The open-market step is satisfied by the establishing entity; however, Council must complete a due-diligence note (scope fit, pricing basis, risk), manage conflicts and maintain records.

7.1.6.1. Strategic Partner - Co-funded Projects & Nominated Delivery

Where a strategic partner such as BHP provides funding or in-kind support, Council may agree a preferred/nominated delivery partner subject to due diligence, conflict-of-interest checks and a documented value-for-money assessment (cost, capability, time, risk). If no prior market test exists, Council will apply proportionate benchmarking or a limited RFQ.

A nominated delivery partner must not be accepted solely on the basis of the strategic partner's preference. Council must independently determine and document that the proposed procurement pathway is consistent with this Policy, provides value for money, appropriately manages risk, addresses any actual or perceived conflicts of interest, and is in the interests of Council and the community.

Where a nominated delivery partner is proposed for a co-funded project, the procurement file must include:

- a documented options analysis;
- a separate conflict of interest assessment;
- value-for-money benchmarking or limited RFQ unless prior market testing clearly exists;
- confirmation of why the nominated pathway is in Council's independent interests; and
- reporting to the Audit & Risk Committee where total value exceeds $100,000.

7.1.6.2. Hybrid Service Model & Embedded Specialists

Council may use embedded specialist consultants as part of its hybrid operating model where this supports service continuity, capability uplift, project delivery, risk management or the efficient delivery of Council services.

Council may directly engage or re-engage embedded specialist consultants where one of the following approved procurement pathways applies:

- the supplier is appointed under an LGA Procurement or equivalent panel/contract and Council purchases in accordance with that arrangement;
- a Select RFQ/Tender is conducted among two or more suppliers on an approved panel, with evaluation notes retained;
- where no panel exists and continuity is critical, Council applies the Remote and Small-Market Procurement or Operational Continuity pathway with an approved Exemption; or
- where the embedded specialist is delivering ongoing services with a material operational, governance, workforce, project delivery or community impact, and a documented assessment demonstrates that continuation is in Council's best interests and provides value for money, having regard to performance, cost benchmarking, service continuity, transition risk, loss of corporate knowledge, and the potential impact on Council operations or community outcomes if the supplier were changed.

For all embedded specialist engagements, Council must apply the following controls:

- prior to commencement, renewal or extension, Council must document a proportionate cost comparison/value-for-money assessment, such as rate comparison, recent market rates or market scan/benchmark, appropriate to the scope and risk;
- any proposed engagement, including extensions, that would result in a total term greater than three years must not proceed unless a documented cost benchmark forms part of the approval decision, demonstrating ongoing value for money and supporting the chosen procurement pathway;
- conflict of interest declarations must be completed for embedded roles and managed in accordance with Council requirements;
- a contract management plan must be established for embedded specialist engagements, proportionate to value and risk, and must include KPIs/service levels and reporting frequency to monitor performance, service quality and efficiency outcomes;

- performance against KPIs must be reviewed at least quarterly, or at another documented frequency appropriate to the engagement, and retained on the procurement/contract file;
- annual rate benchmarking must be undertaken unless superseded by a panel rate card refresh, with results retained;
- a market test must occur at least every three years unless a panel refresh occurs earlier, or earlier where performance issues, scope drift or material rate changes arise; and
- where a contract is entered into other than as a result of a tender process, Council must record the reasons and retain evaluation and approval documentation in accordance with this Policy and applicable legislation.

7.1.6.3. Repeat Engagement Trigger

Where a Supplier is engaged through Direct Purchasing, Operational Continuity, Remote and Small-Market Procurement, Exemption, Strategic Partner nomination or any non-open market method, and either:

- the total cumulative spend exceeds $250,000 over any rolling three-year period, or
- the Supplier has been engaged for a substantially similar scope for more than three years,

Council must either:

- undertake a market test through RFQ or RFT; or
- prepare a documented exception case, including benchmarking, transition risk, continuity rationale and value-for-money analysis, approved by the Chief Executive and reported to the Audit & Risk Committee.

Any such exception should be time-limited and reviewed annually.

7.1.6.4. Using BHP's Local Buying Program (LBP) for Local Supplier Sourcing

Council may use the LBP to identify and verify eligible local small businesses in the Roxby Downs/Olympic Dam region for RFQs or urgent continuity needs.

LBP is a vetted supplier directory and onboarding channel, not a Council panel and not a substitute for Council's own procurement decision-making. Council thresholds, evaluation, conflict management, probity, value-for-money assessment and record-keeping requirements under section 49 of the *Local Government Act 1999 (SA)* continue to apply.

Use cases include:

a) RFQ sourcing/shortlisting (preferably ≥2 quotes) and verification of credentials;

b) Remote/urgent cases – Direct Purchasing with Exemption under 6.19 or 6.12, documenting market limitations, delivery timeframe and value-for-money; or

c) Strategic Partner alignment – where BHP is a co-funder (see 1), officers may prefer LBP suppliers subject to due diligence, conflicts checks and a clear value-for-money test.

7.1.7. Unsolicited Proposals

Council will only consider unsolicited proposals that are unique, strategically aligned and not reasonably deliverable through a competitive process in the available timeframe; otherwise, route via RFQ/RFT. A probity plan may be required for material proposals.

7.1.8. Procurement Obligation

No legal relationship will exist between the Council and the Purchaser unless the Quote is accepted, and a legally binding contract is executed by both parties.

Council reserves the right to remove an RFQ, REOI or RFT if appropriate responses re not received.

8. CONSIDERATIONS FOR COUNCIL

The appropriate method of procurement will be determined by reference to a number of factors, including the Procurement Principles, and the following:

8.1. The procurement method will typically be determined by the monetary value and level of risk to Council.

The table below summarises the minimum procurement requirements:

Expenditure[1,2,]	Requirement[3,4]	Additional Requirement
Up to the purchase order limit $2,000	(DP) - Direct Purchasing of low value & low risk purchases without a purchase order.	Expenditure in Council approved budget. Aligned with Delegations
Up to $15,000	(DP) - Direct Purchasing with appropriate documentation for a purchase order to be raised (including at least one written cost estimate or written quotation).	Expenditure in Council approved budget Aligned with Delegations
$15,001 to $40,000	(RFQ) - Two Written Quotations	Senior Manager approval (within approved budget parameters) for expenditure over $10,000
$40,001 to $200,000	(RFQ) - Three (3) Written Quotations	Senior Manager approval (within approved budget parameters) for expenditure over $10,000. Chief Executive Officer approval for expenditure over $50,000
Over $200,000	(RFT) - Formal tender process for purchases where the total estimated value over the full contract term exceeds $200,000	A formal Tender Evaluation Plan and Tender Evaluation Report with recommendation to Chief Executive Officer for approval and Council Report to endorse recommendation, (Exception where Chief Executive Officer has prior authorisation to approve by Council).

Table 1: Procurement requirements.

[1] The expenditure levels shown in Table 1 are the purchase value excluding GST.

[2] Thresholds apply to cumulative annual spend on the same supplier or category; purchases must not be split to avoid thresholds.

[3] See Annexure 1 for Purchases that do not require a purchase order

[4] Where a Strategic Alliance or Panel is used, the market test is satisfied by the establishing entity; Council retains evaluation, conflict management and full record-keeping duties.

Purchases made using a Corporate Credit Card remain subject to the thresholds and requirements set out in this Table 1. Where a Corporate Credit Card purchase exceeds $2,000, the Card Holder must ensure the requirements applicable to that expenditure band (including written quotations and Senior Manager or Chief Executive Officer approval where applicable) have been met before the purchase is made. Corporate Credit Card use for emergency or operational continuity purchases must follow the Emergency Situations (6.12.1), Operational Continuity (6.12.2) and Purchase Outside Procurement Policy Approved Methods (Exemptions) (6.15) provisions of this Policy, including completion of the required

exemption documentation, where applicable. See the Corporate Credit Card Holder Policy (Doc ID: # 346215) for further requirements specific to card use.

The Chief Executive Officer or Administrator, in accordance with approved delegations, may authorise an alternative method of procurement where permitted by this Policy, provided the reasons for the alternative method, value-for-money rationale, risk assessment, conflict-of-interest considerations and approval pathway are documented and retained on the procurement file

Guidelines for calculating the value of a purchase may be calculated as follows:

i. single one-off purchase - the total amount, or estimated amount, of the purchase (excluding GST)
ii. multiple purchases - the value, or the estimated value, of the purchases (excluding GST)
iii. on-going purchases over a period of time (for example one year) the annual value, or the estimated annual value, of the purchases (excluding GST)
iv. Purchase values should be determined on the basis of a reasonable belief
v. Purchases should not be split for the purpose of bringing them within lower limits
vi. In the case of any uncertainty as to the value of a purchase, the General Managers or the Chief Executive have authority to determine the value
vii. Cost of an open market approach versus the value of the acquisition and the potential benefits
viii. The particular circumstances of the procurement activity
ix. The objectives of the procurement
x. The size of the market and the number of competent Contractors
xi. The Council's leverage in the marketplace
xii. Time constraints
xiii. An assessment of the risks associated with the relevant activity and/or project, including the risk profile of the procurement and any risks associated with the preferred procurement method
xiv. Extending an existing arrangement may provide Council with greater value for money where the extension is modest, consistent with the original intent of the agreement, supported by satisfactory performance, and documented as providing a value-for-money outcome. More substantial extensions must be supported by documented consideration of the procurement methods set out in this Policy, together with cost benchmarking, transition risk, performance history and reasons why the proposed pathway remains consistent with the Procurement Principles.

9. PROJECT PROCUREMENT

Any project with a Low-risk rating and whole of life cost under $100,000 or related to a Work Health or Safety requirement will require approval via an *Implementation Plan Doc ID: 360105*.

9.1. For Projects with whole of life cost over $100,000 or a risk rating of Medium, High or Extreme, will require approval via a Business Case Doc ID: 170992

Despite values being included in the annual business plan, these documents must be executed prior to commitment of funds or commencement of project.

9.2. Prudential Management

A Prudential Report will be prepared for major projects in accordance with Section 48 of the *Local Government Act 1999 (SA)* .

See Prudential Management Policy: Doc ID 116250.

9.3. Confidentiality

Subject to the requirements of the *Freedom of Information Act 1991*, and the *Local Government Act 1999 (SA)* confidentiality with regards to contractual arrangements with suppliers shall be maintained.

10. DELEGATIONS AND APPROVALS

10.1. Financial Delegations

Council Officers can only approve Procurement expenditure in accordance with the Financial Delegation approved for their position - see 'Financial Delegations' reference document.

Officers giving approval for Procurement expenditure are required to review all associated Procurement documentation to ensure they are fully conversant with the Procurement process.

10.2. Separation of Duties

Purchase Orders must be approved by a different person than the originator.

10.3. Timing of Approval

Approval must be obtained from an appropriately Authorised Officer before an offer is accepted;

- in the case of acceptance of an Offer by Purchase Order, prior to forwarding a Purchase Order to a Supplier, or
- in the case of acceptance of an Offer by entering into a Contract, prior to advising the Supplier that its Offer has been accepted.

10.4. Unbudgeted & Over-budget Purchases

No Goods, Services or Works may be procured unless they have been included in an approved budget. Expenditure which does not form part of an approved budget may not be incurred or committed without formal approval of the Administrator.

Where the value of a Procurement is likely to exceed the budget for that activity, formal approval of the Administrator is required before an Offer is accepted.

10.5. Contract Variations

Contract variations costing 5% or more of the original contract value or resulting in a cumulative cost variation of 10% or more of the original contract value must be approved as if the new (varied) total contract value is being approved.

11. RECORDS

Council must record reasons for utilising any procurement method other than those outlined in Section 8.1 and must record reasons for entering into a contract other than as a result of a tender process.

The Council must maintain records of procurement activities in accordance with the State Records Act 1997 and Council's Records Management Policies and Procedures.

At a minimum, documentation which details the Procurement Method, Risk, Evaluation Plan and Evaluation Result, must be prepared and maintained for each relevant procurement.

The method of capturing Procurement Activity records is through use of established templates available to all council employees.

Document requirements and location of all documents for all procurement is detailed in Procedure – Procurement information Management *(Magiq Doc ID: 116248)*

12. CONDUCT OF OFFICERS

Council officers involved in the Procurement process will at all times undertake their duties in an ethical and impartial manner with the highest level of integrity.

- Electronic version on the Intranet is the controlled version.
- Printed copies are considered uncontrolled.

Before using a printed copy, verify that it is the current version.

Officers will not engage in any activity that would create a conflict between personal interests and the interests of the Council.

Council employees are bound by a Code of Conduct which addresses issues such as conflict of interest, gifts and hospitality and improper influence.

Officers with actual or perceived conflicts of interest are required to complete a Conflict of Interest Disclosure Form Doc ID 374418 as evaluated during completion of the Risk Assessment.

13. PROCUREMENT AUDITS

Regular internal review of procurement practices and their alignment with the policy are scheduled to occur. Internal financial self-assessment of internal controls including procurement will occur on a risk basis as per the better practice model. Results of the self-assessment of internal controls will be tabled at Management & Audit & Risk Committee Meetings.

Councils external Auditor will also conduct periodic reviews of Council Procurement as per their audit plan.

14. PROCUREMENT TRAINING & SUPPORT

New Council Officers with Financial Delegation will undertake internal Procurement Policy Training facilitated by Council's Finance Department. Annual refresher training on Procurement Requirements will also be provided.

Ongoing support in procurement best practice will be provided by Council's Finance Department and will include ease of access to the Procurement Policy and other associated required documentation.

15. POLICY REVIEW

This Policy will be reviewed every three (3) years, or earlier if required by legislative or regulatory requirements.

16. ACCESS TO POLICY

Sections 49(4) and 132(1)(a) of the *Local Government Act SA 1999 (SA)* entitle a person to inspect (without charge) this Policy at the principal business office of the Council during ordinary business hours.

Under S 49(5) and S 32(1)(b), a person is entitled, on payment of a fee fixed by the Council, to a copy of this Policy.

Section 132(3)(d) requires that the Council should, so far as is reasonably practicable, make this Policy available for inspection on the Internet within a reasonable time after the Policy is available at the principal office of the Council.

ANNEXURE 1 - PURCHASES THAT DO NOT REQUIRE A PURCHASE ORDER

- Banking Services
- Courier Services
- Credit Card Purchases
- Debt Collection
- Employee Assistance Program Costs
- Insurance Payments
- Labour Hire
- Lease and Rental Payments
- Legal Services
- Licence and Membership Fees
- Medical Treatment and Tests
- Online Services
- Phone Accounts
- Photocopier Services
- Postal Services
- Refunds or reimbursements
- Software Licences and Maintenance
- Statutory Government Charges
- Subscriptions
- Taxi Fares
- Travel and Accommodation
- Utilities
- Vehicle Registrations
- Vehicle Servicing
- Woolworths Card Purchases

Considerations may be formally considered through the use of an Evaluation Matrix. The below table provides an example that Council staff may utilise.

EVALUATION CRITERION	TYPICAL WEIGHTING RANGE
Whole-of-life costs / price	20–40%
Capability and experience	15–30%
Methodology / quality	15–30%
Risk and compliance	5–15%
Local economic benefit[1]	5–20%
Sustainability / social value	5–15%

Criterion and evidence sources should be documented in the evaluation note.

[1] See Annexure 2 – Local Economic Benefit Scoring Guide

ANNEXURE 2 - LOCAL ECONOMIC BENEFIT SCORING GUIDE

This guide operationalises the Local Economic Benefit criterion (6.4) to support consistent, evidence-based evaluation aligned to value-for-money.

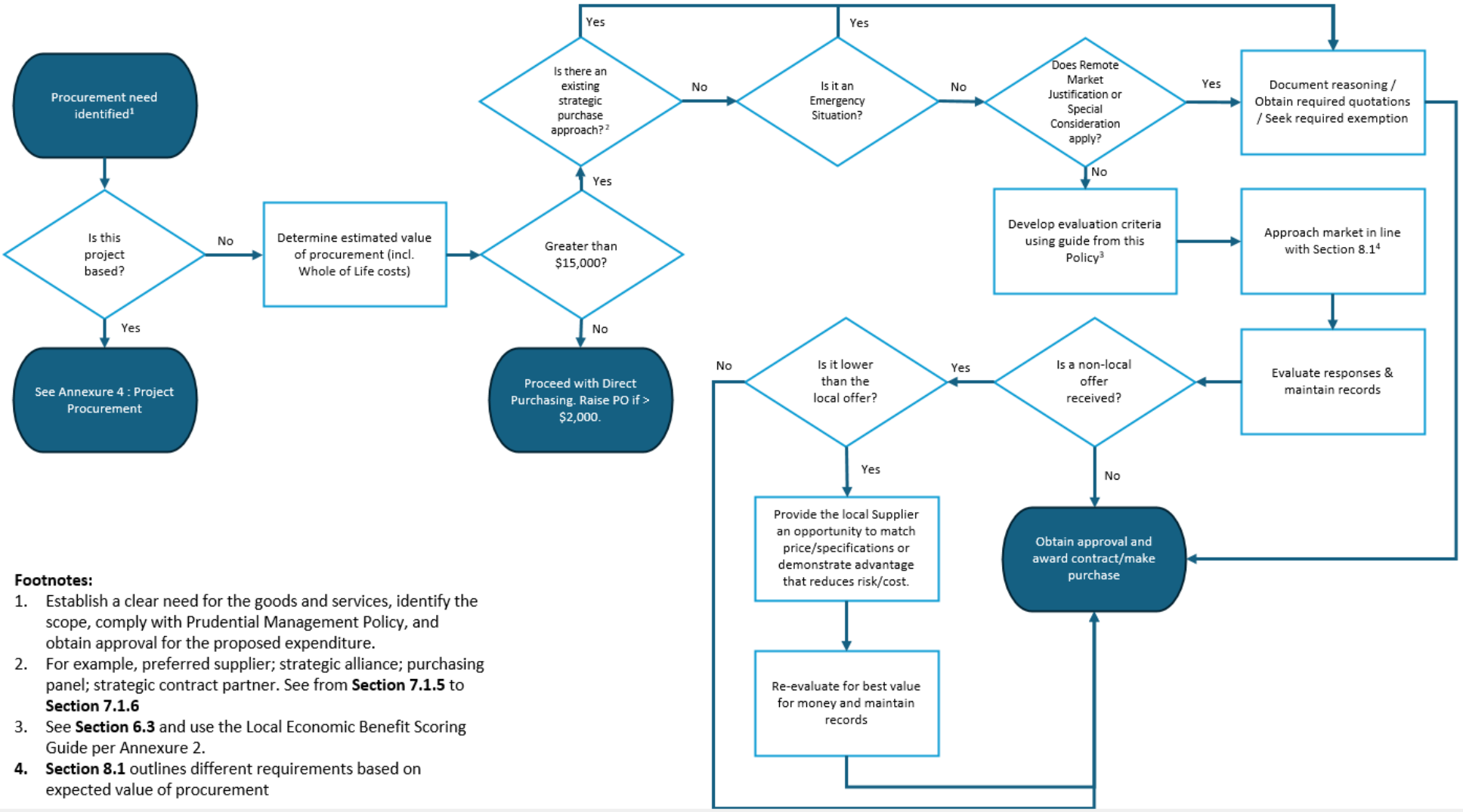
Measures may include, but are not exclusive to the following:

Measures	Detail	Evidence
Regional jobs/skills	Number of SA/region FTEs; apprentices/trainees; training hours tied to the contract.	Staffing plan and addresses (de-identified); training plan;
Local supply chain	Proportion of contract spend with SA/region SMEs; named local subcontractors (incl. Aboriginal businesses where applicable).	Subcontractor lists with ABNs; SA spend breakdown.
Regional capability/investment	Tangible investments (tools, facilities, systems) that leave lasting capacity in the region.	Letters of intent for facility/capability investments;
Delivery-time/reliability	Committed lead times, response times, inventory/freight arrangements that lower downtime or whole-of-life cost.	Lead-time/response SLAs; logistics plans; risk mitigations; benchmarking.
Community outcomes	Specific initiatives aligned to Council/community priorities.	Community initiative plans

Scoring (10–20% weighting suggested): Score proposals against the selected measures using a 0–5 scale (Not Addressed → Excellent).

Measures and evidence sources should be documented in the evaluation note.

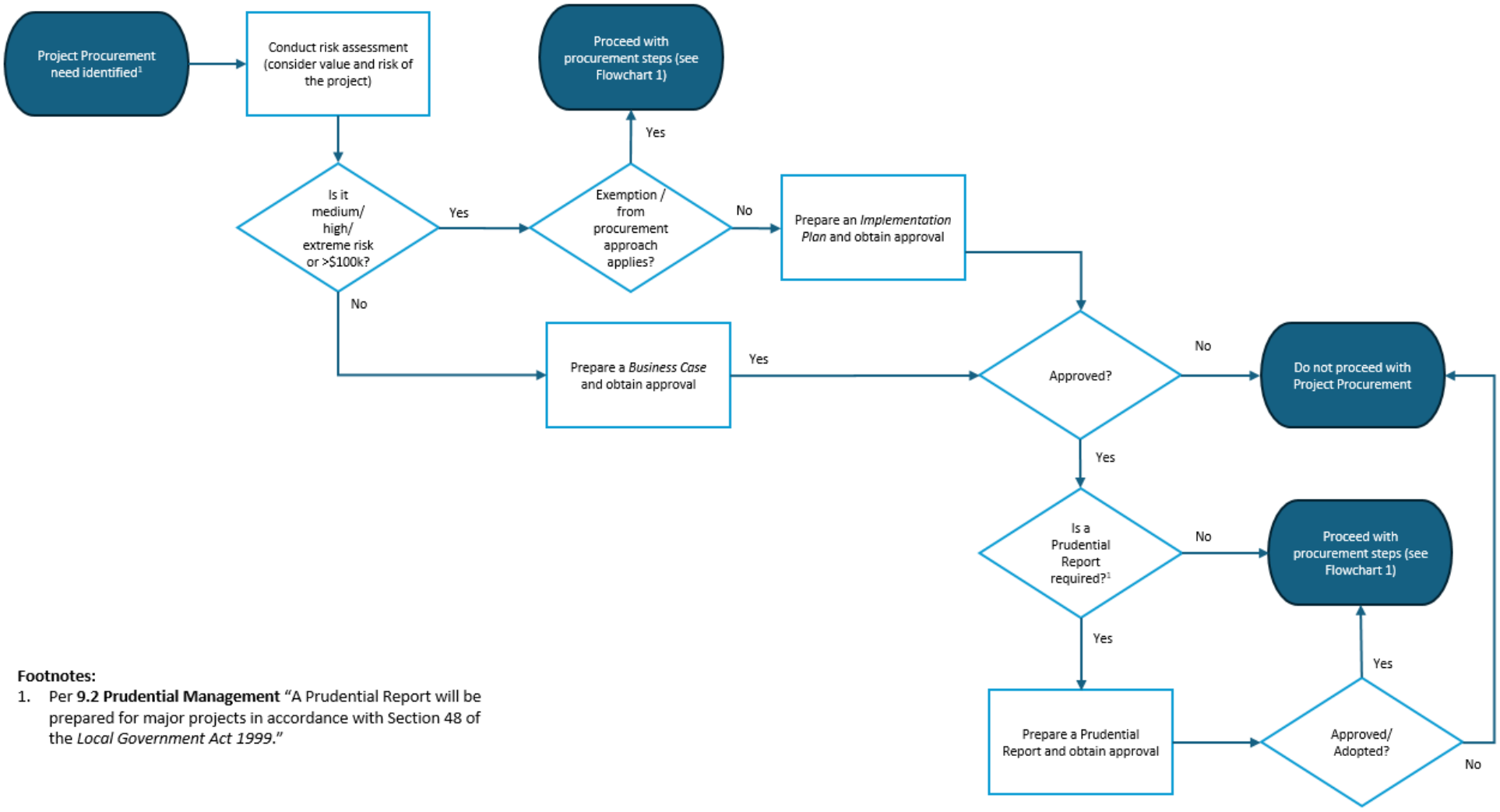
ANNEXURE 3 - PROCUREMENT FLOWCHART



Footnotes:

1. Establish a clear need for the goods and services, identify the scope, comply with Prudential Management Policy, and obtain approval for the proposed expenditure.
2. For example, preferred supplier; strategic alliance; purchasing panel; strategic contract partner. See from **Section 7.1.5** to **Section 7.1.6**
3. See **Section 6.3** and use the Local Economic Benefit Scoring Guide per Annexure 2.
4. **Section 8.1** outlines different requirements based on expected value of procurement

ANNEXURE 4 - PROJECT PROCUREMENT FLOWCHARTX



Footnotes:

1. Per **9.2 Prudential Management** "A Prudential Report will be prepared for major projects in accordance with Section 48 of the *Local Government Act 1999*."