

Procurement Policy

1. PURPOSE

The purpose of this Policy is to establish a framework of principles relating to a procurement activity, where the goods, works or services have been solicited by Council. The application of this Policy will assist to ensure a consistent, fair and transparent approach is maintained.

All service provision and procurement undertaken by Council must occur within the principles stated in this Policy.

Approaches from the private sector (either for-profit or not-for-profit) in the form of an **unsolicited proposal** are considered under Council's [Unsolicited Proposal Policy](#).

2. POLICY

This Policy considers procurement and is supported by Council's procurement procedures and practices.

This Policy is underpinned by the following key procurement principles. Procurement incorporates all purchases of any value.

3. KEY PRINCIPALS

3.1 Value for money

Purpose: To deliver the best overall result for money spent through applying a strategic and cost-effective approach to procurement.

Principles:

- a. Planning purchases within well-defined objectives and methods
- b. Minimising rushed decisions
- c. Researching the market
- d. Maintaining and developing a competitive market
- e. Drafting a careful and detailed specification to reduce the risk of costly variations in the future
- f. Establishing appropriate evaluation criteria such as compliance to the specification and Council's needs, commercial matters, community service obligations, whole-of-life cost (which considers all aspects of cost over time including capital, maintenance, management, disposal and operating costs) and supplier support
- g. Negotiating with suppliers to clarify ambiguities and contractual terms and conditions
- h. Working in partnership with suppliers
- i. Investigating the quality and reliability of supply offered

3.2 Open and Fair Competition

Purpose: To foster and maintain open and fair competition by providing suppliers and contractor's appropriate access to Council procurement opportunities (and thereby also facilitating the achievement of value for money).

Principles:

- a. Conducting all dealings with suppliers in an honest and impartial manner
- b. Following Council's procurement methods
- c. Including evaluation criteria and methodology in request for tenders which will allow suppliers / contractors to understand requirements and offer their best solutions
- d. Ensuring a transparent decision-making process
- e. Promoting internal procurements procedures
- f. Ensuring knowledgeable Employees are available to answer suppliers / contractors' queries
- g. Maintaining a records system for purchases which will satisfy scrutiny
- h. Providing all suppliers / contractors with consistency of information.

3.3 Professional Integrity and Probity

Purpose: To observe the highest standards of integrity, probity and professional conduct in procurement practices.

Principles:

- a. Exercising appropriate levels of delegation and separation in the decision-making process
- b. Ensuring equal treatment of all suppliers
- c. Observing Council procurement procedures
- d. Maintaining confidentiality
- e. Not divulging Commercial-in-Confidence information to actual or potential suppliers or their competitors
- f. Not accepting gifts or favours from actual or potential suppliers which might compromise the integrity of the procurement process
- g. Avoiding conflicts of interest
- h. Employing accredited Employees to manage and coordinate department procurement
- i. Ensuring that the experience and expertise of Employees conducting procurement is commensurate with the nature of the procurement being undertaken;
- j. Providing ongoing procurement skills training
- k. Establishing procedures to ensure ethical practices and avoid conflicts of interest
- l. Compliance with the Fraud and Corruption Policy.

3.4 Client Service

Purpose: To identify the needs of end users and satisfy those needs with goods and services fit for the required purpose, purchased and delivered efficiently and at a competitive price.

Principles:

- a. Identifying the needs of Council
- b. Procurement should assist internal clients to satisfy Council's annual and long-term strategic plans
- c. Purchasing Delegates within Council have appropriate understanding of the client's needs and the skills and experience to purchase on behalf of those clients.

3.5 Risk Management

Purpose: To identify risks, minimise uncertainty, and improve risk profiles thereby contributing to the achievement of better value for money.

Principles:

- a. All procurement practices will consider the risks associated with the procurement and the controls and practices will be implemented to minimise Council's risks to acceptable levels.

3.6 Accountability

Purpose: The CEO is responsible to ensure the overall integrity and efficiency of procurement structures and processes.

Principles:

- a. Employees undertaking procurement for Council must maintain and continue to develop their procurement competencies to satisfy their responsibilities
- b. Purchasing and expenditure delegates will act in a planned manner within the boundaries of their delegations and Council policies and procedures and are responsible for purchasing decisions
- c. Clearly establishing purchasing and expenditure delegations to individual Employees;
- d. Establishing and maintaining internal controls and audit processes;
- e. Accountabilities and processes apply to the procurement of both goods and services
- f. Ensuring that goods and services purchased are delivered, in accordance with the purchase order or contract, and used solely for Council business or in accordance with Council policy.

3.7 Simplicity

Purpose: To ensure procurement processes are clear, straightforward, readily implemented and easily monitored.

Principles:

- a. Purchasing from approved contracts or standing offers, including LGA Procurement or other arrangements, where appropriate
- b. Using standard terms and conditions
- c. Using open and generic specifications
- d. Streamlining business practices
- e. Purchasing practices must be effective and efficient

3.8 Buy Local

Purpose: Council will endeavour to, at its discretion support Local businesses where Local City Tea Tree Gully suppliers can demonstrate capability, capacity and competitiveness.

Principles:

- a. Promoting a buy Local philosophy, where it is competitive and represents value for money
- b. Fostering good relations with Local suppliers and industry bodies
- c. Providing feedback to Local suppliers / contractors where necessary
- d. Implementing an annual education and awareness session for local businesses

- e. For quotation, at least 1 quote is invited from a Local City Tea Tree Gully supplier where a suitable supplier is able to be identified unless sourcing from an approved standing offer panel
- f. Encouraging supplier diversity that supports Aboriginal & Torres Strait Islander's business and/or employment

3.9 Environmental Sustainability

Purpose: To support a sustainable procurement approach within the procurement planning process, Council will seek to:

- a. Align the Council's procurement activities with principles of environmental sustainability
- b. purchase recycled and environmentally preferred products where possible
- c. encourage the purchasing of products that are reusable, recyclable and/or contain recycled content where such products fit the purpose, provide environmental benefits and are of comparable costs and quality to alternative products

4. SCOPE

This Policy applies to all procurement activities for the acquisition of goods, works and services.

This Policy does not apply to expenditure related to:

- sponsorships;
- grants;
- donations;
- employment contracts;
- the disposal of land and other assets; and
- the purchase of land.

A summary of Council's procurement approach, which may be varied at the discretion of the CEO is as follows:

Estimated Value (excl-GST)	Method of Procurement
\$0-\$40,000	Verbal quote(s)
>\$40,000 -\$200,000	At least 3 written quotes
>\$200,000	Tender Process

The above table is to be read in conjunction with the Purchasing Procedures and Quotation Guidelines. If the procurement approach is varied, the reasons for any variations will be recorded in writing.

5. DEFINITIONS

For the purposes of this Policy the following definitions apply:

CEO

Refers to the Chief Executive Officer (including their delegate) of the City of Tea Tree Gully.

Employee

Any person who is employed by the Council, but also includes any contractors, volunteers and consultants undertaking work for, or on behalf of Council.

Local

Includes both definitions:

Local SA

means to take into consideration the surrounds of the City Tea Tree Gully, followed by South Australia, before considering interstate and overseas

Local City Tea Tree Gully

means to take into consideration businesses that reside in the City of Tea Tree Gully unless specifically identified as Local SA or Local City Tea Tree Gully.

Unsolicited Proposal

An innovative commercial proposition from a private entity (either for-profit or not-for-profit), which seeks to assist Council in achieving its strategic objectives or satisfy a community need, and which has not been requested by Council through its regular procurement or land disposal processes.

6. LEGISLATIVE FRAMEWORK

This Policy has been developed and adopted in accordance with section 49 of the *Local Government Act 1999*, which states:

- (a1) *A council must develop and maintain procurement policies, practices and procedures directed towards—*
 - (a) *obtaining value in the expenditure of public money; and*
 - (b) *providing for ethical and fair treatment of participants; and*
 - (c) *ensuring probity, accountability and transparency in procurement operations.*
- (1) *Without limiting subsection (a1), a council must prepare and adopt policies on contracts and tenders, including policies on the following:*
 - (a) *the contracting out of services;*
 - (b) *competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and*
 - (c) *the use of local goods and services; and*
 - (d) *the sale or disposal of land or other assets.*
- (2) *The policies must—*

- (a) *identify circumstances where the council will call for tenders for the supply of goods, the provision of services or the carrying out of works, or the sale or disposal of land or other assets; and*
 - (b) *provide a fair and transparent process for calling tenders and entering into contracts in those circumstances; and*
 - (c) *provide for the recording of reasons for entering into contracts other than those resulting from a tender process; and*
 - (d) *be consistent with any requirement prescribed by the regulations.*
- (3) *A council may at any time alter a policy under this section, or substitute a new policy or policies (but not so as to affect any process that has already commenced).*

6. STRATEGIC PLAN/POLICY

6.1 Strategic Plan

The following strategic objectives in Council's Strategic Plan 2030 are the most relevant to this report:

Objective	Comments
Our Environment	
<i>We are leaders in how we manage and care for our environment and resources</i>	This policy supports a sustainable procurement approach within the procurement planning process.
Our Economy	
<i>Our city is the place to invest, work and do business</i>	This policy provides a fair, consistent and transparent opportunity for the private sector to do business with Council. It also specifically encourages the procurement of goods and services from local businesses.
Our Leadership	
<i>We are trusted to make good decisions that are in the best interest of our community</i>	The principles listed in this policy will be considered in all tender and quotation evaluations.

6.2 Organisation Plan

Our Strategic Plan is supported by an Organisation Plan which focuses on four key themes of customer care, learning & growth, future capability and sustainable operations. The themes most relevant to this report are: customer care; learning & growth; future capability and sustainable operations.

7. POLICY IMPLEMENTATION

This Policy will be implemented by the Chief Executive Officer or relevant portfolio general manager and managed in accordance with Council's scheme of delegations.

Record number	D25/94991
Responsible Manager	Team Leader Procurement & Contract Delivery
Other key internal stakeholders	General Manager City Operations General Manager Corporate Services General Manager Community Services General Manager Strategy and Finance
Last reviewed	24 March 2026
Adoption reference	Council
Resolution number	895
Previous review dates	24/9/24, 10/8/2021, 8/10/2019, 11/4/2017, 14/02/17, 9/2/16 (with amendment 13/09/16), 12/08/14, 12/02/13, 10/08/10
Legal requirement	Local Government Act 1999 - section 49 - Council must prepare and adopt a policy on procurement, contracts and tenders.
Due date next review	2030
Delegations	Y