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| Policy Name | Procurement | | |
| Type | Council Policy | | |
| Owner | Chief Executive Officer | | |
| Responsible Officer | Director Corporate Services | | |
| Decision Number | 22301 | Approval Date | 26/07/2022 |
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1 Purpose

The purpose of this policy is to ensure Council demonstrates responsible management of public funds, fairness and ethical behaviour in procurement activities by implementing a transparent and accountable process in the purchase of goods and services that achieves value for money and benefits to the Alice Springs community.

The primary goal of any Council procurement activity is to achieve the best value outcome. Best value does not just entail the price, but broader considerations such as whole of life costs, past performance, commercial and other risks, compatibilities, and local factors. The lowest price may not be the best overall option.

Council's procurement system is underpinned by the following principles:

- Value for money
- Open and fair competition
- Ethical behaviour and fair dealing
- The enhancement of the capabilities of local enterprises and industries
- Broader benefits to the local economy
- Environmental protection
- Ensuring integrity, consistency and control over procurement activities

2 Definitions

For the purposes of this policy, the following definitions apply:

| Term | Definition |
|---------------------------|---|
| Act | The <i>Local Government Act</i> in-force. |
| Central Australian Region | The geographical area comprising the southern part of the Northern Territory and surrounding rural area Alice Springs. |
| Cost | Cost is defined as the full cost of the procurement of the goods and services and is inclusive of Goods and Services Tax (GST). |

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| Diversity | Diversity encompasses all the differences between people including age, cultural background, abilities, gender, sexual orientation, and socio-economic background. These principles apply to all different groups within society, including Aboriginal and/or Torres Strait Islander people. |
| Local Buy | A contractual arrangement established by the Local Government Association of the Northern Territory as a signatory that enables Council to purchase a variety of goods and services from accredited suppliers without public quotation or tendering, and in compliance with the Act. |
| Local Supplier | A supplier operating in the Northern Territory and more particularly Alice Springs or the Central Australian Region and satisfies elements such as operating in the Northern Territory, significant permanent resources and employs Northern Territory residents |
| Procurement | Procurement shall mean, purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods. Services to Council, or third parties acting as representatives for Council. |
| Purchasing Officer | An officer of Council with financial purchasing delegation as defined in the Delegations Register. |

3 Policy Statement

3.1 Objectives

Council recognises that through a well-governed and consistent procurement approach the community benefits achieved from the provision of works, goods and services are enhanced.

The objective of this policy is to establish a framework for the implementation of Council's purchasing arrangements to encourage:

- 3.1.1 value for money and quality in the acquisition of works, goods and services;
- 3.1.2 support for local enterprises and industries;
- 3.1.3 economic sustainability and development of the local area;
- 3.1.4 climate and environmental protection and improved liveability;
- 3.1.5 social sustainability that promotes diversity and inclusion and for the sustainable employment of Aboriginal people and for persons with disability;
- 3.1.6 ethical behaviour and fair dealings;
- 3.1.7 open and effective competition;
- 3.1.8 strategic and innovative procurement solutions, in particular making use of collaboration and partnership opportunities; and
- 3.1.9 compliance with statutory requirements and delegations.

3.2 Procurement Model

- 3.2.1 Council officers that are responsible for purchasing goods and services must comply with this policy and it is the officer's duty to understand the meaning and intent of this policy.
- 3.2.2 Council officers are required to:
 - Align procurement practices to the *Local Government Act* and corresponding legislations;
 - Act appropriately, with integrity and probity in all procurement dealings; and
 - Abide by Council's Code of Conduct Policy and all applicable policies and directions.

3.3 Local Suppliers

- 3.3.1 Every effort should be made to utilise local suppliers and to ensure locally based businesses and industries are given an opportunity to participate in quotation or tender processes.
- 3.3.2 Local supplier criteria weighting will be applied to the assessment process for the purpose of securing value for Alice Springs, building local capacity, and ensuring locally based businesses and industries have an opportunity to participate in quotation and tender processes.
- 3.3.3 The assessment will consider the following factors when comparing local businesses and industries to non-local businesses and industries for best value;
 - Employment opportunities
 - Up-skilling
 - Local industry participation
 - Local and regional development initiatives
 - Climate and environmental protection awareness
- 3.3.4 Local considers benefits to Alice Springs, the Central Australian Region and the Northern Territory.

3.4 Local Buy

- 3.4.1 Council can make use of collective procurement agreements, such as the Local Buy Procurement arrangement administered by the Local Government Association Northern Territory, consistent with the *Act* and as an alternative where appropriate.

3.5 Sustainability

Considerations will be given to the economic, environmental and social sustainability implications of the procurement. This should include, but not be exclusive to, lifecycle costs, resource use, greenhouse gas emissions, ethical purchasing implications, access and inclusivity, and waste minimisation. These procurement factors should be considered at all stages of the product 'life cycle', including production, purchase, delivery and use.

Council may also consider the following:

- the environmental performance of prospective contractors or suppliers; the selection of products that may have a reduced impact on human health and or the natural environment;
- the environmental impact and performance of a requested product, such as energy and / or water efficiency rating, fuel efficiency, durability, recycled content, toxicity, origin of any components made from wood (e.g. paper products) and end of life disposal;
- the practices of suppliers that benefit their employees, consumers and the wider community; and
- the implications of economic decisions to support long-term economic growth that may impact on social, environmental, and governance outcomes for the community.

4 Related Documents

- *Northern Territory Local Government Act 2019 and subordinate legislation*
- *Code of Conduct*
- *Delegations Register*
- *ASPTC Strategic Plan 2030*

5 Version History

| Version | Date | Action/Description of changes made | By |
|---------|------|------------------------------------|-----------------|
| 1.0 | 2022 | New Policy | Manager Finance |

6 Communication and Training

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| Will this policy be communicated through internal communications? | Yes |
| Where will this policy be available? | Council Website |
| Will training needs arise from this policy? If yes, who will be responsible. | No |