

**POLICY TITLE: PROCUREMENT OF GOODS AND SERVICES  
QUOTATIONS AND TENDERS**

**Policy No. 219**

**POLICY PURPOSE**

To ensure that benefits from public tendering and quotations are consistent with strengthening the local community.

*Other policy purposes include:*

- To be transparent.
- To ensure compliance with statutory requirements.
- To apply Council policy procedures.
- To ensure consistency and fairness to tenderers.

**POLICY STATEMENT**

The Council recognises that tender contracts and quotations are used to obtain works and services of significant value. Council will demonstrate accountable management of public funds, fairness and good ethics in dealings with tenderers with subsequent benefits to the community.

**Refer to attached document "Procurement Policy" that incorporates procedures and delegations that support this policy.**



# Procedural Statement and Directives No: FM001

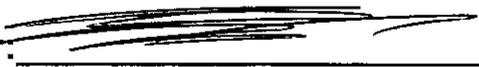
## Procurement

**Related Council Policy:** Policy 219 Procurement of Goods and Services Quotations and Tenders

**Revision Year:** 2015

**Responsible Department:** Finance

**Responsible Position:** Director Finance

**Approved by Chief Executive Officer:** 

**Date:** 31.8.15

**Next Review Date:** 30<sup>th</sup> June 2018

### Strategic Plan Outcomes:

- 1.1.2: Develop policy, guidelines and provide incentives for new industries.
- 1.1.4: Proactively support the growth of existing industries.
- 5.4.1: Provide Council with effective financial services.

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## 1. PURPOSE

The main purposes of these procedures are:

- To facilitate adherence to Council's Policy Statement 219 Procurement of Goods and Services Quotations and Tenders;
- To guide procurement procedures including the calling and assessment of tenders;
- To ensure consistency and fairness to tenderers;
- To articulate the Council's support for Alice Springs' local businesses;
- To ensure transparency; and
- To ensure compliance with statutory requirements.

For easy reference please also refer to the flowcharts for purchases  $\leq$ \$100,000 and  $>$ \$100,000 respectively.

## 2. GUIDING PRINCIPLES

Council uses the following "best value" indicators as a basis for procurement and tender decisions and the assessment of suppliers' capabilities:

- Open and effective competition, within the Municipality of Alice Springs.
- Value for money.
- Enhancing the capabilities of local business and industry.
- Environmental protection.
- Ethical behaviour and fair dealing.
- Goods and services whole of life cycle as it relates to Council.
- Goods and services compliance with Australian Standards and applicable Regulations.
- Compliance with the National Competition Policy.
- Organisational capability.
- Relevant experience.
- Methodology.
- Key personnel.
- Quality assurance.

### 3. DEFINITIONS

“**A/c Regs**” refers to the Local Government (Accounting) Regulations.

“**Act**” refers to the Local Government Act.

“**Advertise**” means print media and on Council’s website, as a minimum requirement.

“**Assets**” consist of physical property and/or rights that have an economical life in excess of one year. The Council’s general policy is to capitalise assets excluding land when the value of the asset exceeds \$5,000, this includes all costs to make the asset available and fit for its purpose eg freight, installation, attachments, modifications etc. All land assets are capitalised irrespective of acquisition cost.

Expenditure on repairs and maintenance would not ordinarily be considered under the definition of an asset where such expenditure cost less than \$10,000 and did not significantly increase the useful life of an existing asset.

For example, an item, expected to last more than 1 year, with a purchase cost of \$4,500 would not be separately classed as an asset. However, should there be an additional cost of \$500 or more to freight the item to Alice Springs, modify and / or install additional parts to the item for it to be fit for the Council’s purpose, then the entire cost of all such modifications and the original purchase cost would become one complete asset.

“**Authorised Officer**” means an Officer of the Council appointed by the CEO or Directors to open and consider tenders and report to Council on tenders, pursuant to *regulation 29(2)(b) of the Local Government (Accounting) Regulations*.

“**Best Price**” means lowest dollar value per conforming quotation or tender, after taking into account the ten (10%) preference.

“**Best Value**” means those goods or services which have a high rating in relation to Council’s best value indicators as outlined in the *guiding principles* on **page 3**. This includes consideration of the ten (10%) preference.

“**Conforming Tender**” A conforming tender is one in which all tender response forms have been noted and certified by the tenderer and that in the opinion of the tender assessment panel the tenderer principally addresses the requirements regarding the contractual and technical specifications of the tender.

“**Council**” means the Alice Springs Town Council.

“**Goods or services**” mean all items of expenditure including related expenditure to put those goods or services into service eg freight, installation costs etc. Exceptions apply in regard to the purchase of land, a consultancy, other professional service or travel and accommodation.

“**GST**” has the same meaning as in the *A New Tax System (Goods and Services Tax) Act*.

“**Local**” means a business operating from premises within the Municipality of Alice Springs.

“**Procurement PSD**” refers to this document the Procurement Procedural Statements and Directives.

(Continued...)

**“Public Notice”** meaning a notice published in a local newspaper circulating in Alice Springs.

**“Regulations”** means any Northern Territory or Commonwealth Act or Regulation, whichever is applicable to the situation.

**“Responsible Officer”** means an Officer of Council delegated the responsibility for authorising financial transactions against a relevant budget, pursuant to *section 102* of the *Local Government Act*.

**“Ten percent preference”** means the deduction of ten percent (10%) from local quotations and tenders when comparing best price relative to non-local suppliers’ best price.

**“Tender Assessment Panel (TAP)”** persons appointed, via the agency of *regulation 29(2)(a)* of the *Local Government (Accounting) Regulations*, ie a panel not restricted to three (3) staff members or a panel as prescribed by *regulation 29(2)(b)*, ie a panel of three (3) staff members.

**“Tender Assessment Panel Report (TAPR)”** the report of the panel appointed to assess the tender that is submitted to the Chief Executive Officer, either for his/her or Council’s approval of the recommendation(s) contained therein.

**“Tender – Conforming”** A conforming tender is one in which all tender response forms have been noted and certified by the tenderer and that in the opinion of the tender assessment panel the tenderer principally addresses the requirements regarding the contractual and technical specifications of the tender.

#### **4. APPLICABILITY**

This Procurement PSD applies to all purchases made by Council excluding those identified in ***clause 10 Exceptions*** on ***page 7*** of this document.

#### **5. STATEMENT OF INTENT**

It is Council’s intent to support local business wherever possible. These procedures support this intention in the following ways:

- A ten percent (10%) local preference is to be deducted from local suppliers’ best price when comparing best prices within the procurement process.
- Quotations and tenders are to be requested from local suppliers for all goods or services.

#### **6. CONFIDENTIALITY – REFER TO SECTION 108 OF THE ACT**

Employees are reminded of their responsibilities under the Council’s Code of Conduct in relation to confidential information. Information obtained during the procurement process is to be treated confidentially by those receiving that information and only disclosed as required, in proper performance of the procedures contained in this Procurement PSD, or by law.

This provision also applies to contractors / consultants, labour hire agency arrangements and persons empowered via delegation from Council.

## **7. CONFLICT OF INTEREST – REFER TO SECTION 107 OF THE ACT**

Where a member of staff is involved within the contracting or purchasing procedure, either in awarding, evaluating or administering a contract, and has or could have a direct or indirect personal interest in the outcome of the decision making process, the staff member shall disclose that interest prior to any involvement with the process beginning. Responsibility for notifying a potential conflict of interest rests with each individual involved in the process and shall be made in writing to the Chief Executive Officer. A conflict of interest form is available from Council's intranet. Further information on employee's responsibilities in relation to potential conflicts on interest can be found in the Council's Code of Conduct.

This provision also applies to contractors / consultants, labour hire agency arrangements and persons empowered via delegation from Council

## **8. GIFTS**

Any gifts, gratuities and hospitality received as a result of the procurement process must be disclosed in writing to the Chief Executive Officer.

Gifts, gratuities and hospitality must not be solicited. The Council's Code of Conduct must be adhered to at all times in relation to these items.

## **9. COMPLAINTS**

All complaints regarding the procurement process are to be submitted in writing to the Chief Executive Officer, who is to investigate, seek external assistance where appropriate and report to Council, if deemed appropriate. The complainant is to be notified of the resulting action.

## 10. EXCEPTIONS

Regardless of these exceptions certain procedures are required in relation to purchases made. **Clause 11.1 Step by Step Procedures**, on **page 9** of this Procurement PSD, provides a step by step guide to aid the process.

- In the case of an emergency, where it is considered necessary to override the procedures relating to obtaining quotes or calling tenders, noted at **step 4)** of **clause 11.1**, on **page 9**, the Responsible Officer must first obtain the authority of the Chief Executive Officer or a Director.

In this instance, pursuant to *regulation 28(3)* of the *A/c Regs*, a record must be made in writing, on the **Quotation Exemption Form**, completed in **step 7)** of **clause 11.1**, on **page 10**, for the reasons for overriding these procedures.

- Pursuant to *regulation 30* of the *A/c Regs*, the procedures in this Procurement PSD relating to obtaining quotes or calling tenders, noted at **step 4)** and **step 5)** to **clause 11.1**, on **page 9**, may not be required for the following purchases. However, the Responsible Officer must first obtain the written authority of the Chief Executive Officer to override these steps:
  - The purchase and sale of land (only by resolution of Council); or
  - A consultancy or other professional service\* (where the value is below \$50,000, or if the value is over \$50,000 the written approval of the Chief Executive Officer must be obtained); or
  - Travel and accommodation; or
  - If the Minister dispenses, in a particular case, with the requirement to call for quotations or tenders.

The ten percent (%) local preference rule is applicable when comparing best price and best value of these purchases, except for travel and accommodation outside Alice Springs, where the arrangements can not be made locally.

- Fuel & Oil purchased with an authorised Fuel Card.
- Purchases under a "Local Buy" arrangement as per Council's resolution on this matter.

\*A consultancy or other professional service means a one off non-continuous supply of a professional service where the supply agreement is for a particular activity, generally with a set start and finish date or for a set length of time (usually no more than six months).

A consultancy is professional practice that provides advice within a particular professional service field. A professional service is usually provided by a tertiary trained person who may be required to hold a professional

## 11. PROCEDURAL STATEMENTS

### 11.1 STEP BY STEP PROCEDURES

Note: All values quoted in this document include GST.

- 1) Review **clause 4 Exceptions** on **page 7**, of these procedures. If the item to be purchased falls into a category of an exception, then complete **step 2) and 3) below**, before skipping to **step 6)** and continuing from there.
- 2) Estimate the cost of the purchase.
  - (i) This estimate should take into account the fact that decisions on purchases should be made, not on “best price” alone, but also consider “best value” as defined in this document at **clause 3 Definitions** on **page 4**.
  - (ii) If the cost estimate is greater than \$500,000 the Chief Executive Officer or a Director shall consider whether to engage an independent Quantity Surveyor to quantify and determine an estimate of cost via detailed plans and specifications of the said project.
- 3) Verify the availability of sufficient funds within Council’s budget.

*(If the purchase falls into one of the exceptions to this Procurement PSD, and the relevant written permission has been received, then proceed to **step 6) below**).*

- 4) Review the cost of the purchase and follow the procedures contained in the relevant clause of this document, as follows:

Note: The Responsible Officer shall seek written authority from the Chief Executive Officer or a Director prior to any commitment being made to purchase a new asset.

- (i) **Clause 11.2.1 Valued \$5,000 or less** on **page 10**.
- (ii) **Clause 11.2.2 Valued between \$5,001 and \$10,000** detailing the requirement for 3 “local” verbal quotes on **page 10** and complete a Quotation Form
- (iii) **Clause 11.2.3 Valued between \$10,001 and \$100,000** detailing the requirement for 3 “local” written quotes on **page 11** and complete a Written Quotation Pro-forma.
- (iv) **Clause 11.3.1 Valued between \$100,001 and \$500,000** on tendering on **page 12** and complete a Tender Pro-forma – Pre Tender and a Tender Pro-forma – Post Tender.
- (v) **Clause 11.3.2 Valued more than \$500,000** on tendering on **page 19** and complete a Tender Pro-forma – Pre Tender and a Tender Pro-forma – Post Tender.

*(Continued...)*

- 5) Review which clause was followed at **step 4)** above, if a different clause would be required under this step due to the actual cost obtained being higher than the estimate made under **step 2)**, then the corrected clause of **step 4)** should now be followed, unless written approval is first obtained from the Chief Executive Officer.
- 6) Complete either a **Purchase Order Request Asset** or a **Purchase Order Request Non Asset** (see Council's Intranet site).
- 7) If the purchase falls into one of the **exceptions**, on **page 7**, of this Procurement PSD and some procedures were overridden, or the necessary number of quotations were unable to be obtained, a written record must be made on the **Quotation Exemption Form**(see Council's intranet site) for the reasons for the non-compliance with these procedures.
- 8) Lodge the completed Procurement Request Form, together with a copy of the **Verbal, Written or Tender Pro-formas** (see Council's intranet site), Quotation Exemption Form, all quotations received, and a copy of the winning tender, with the Purchasing Officer, in order for a Purchase Order to be raised.
- 9) The Assets Officer is to raise a commitment against the identified budget line and provide the Responsible Officer with a Purchase Order number.
- 10) Quote the Purchase Order number when making the order and on all correspondence. The supplier should be asked to quote the number on their invoice.
- 11) When the goods have been received or services performed, the supplier's invoice should be endorsed to this effect, the value of the invoice should be agreed, account number checked and authorised for payment, noting any specific requirements contained in this Procurement PSD. The invoice should then be returned to the Accounts Officer in a timely manner, to ensure sufficient time for the payment to be made by Council within the supplier's payment terms.

## **11.2 USE OF QUOTATIONS – GOODS OR SERVICES VALUED NO MORE THAN \$100,000**

### **11.2.1 Valued \$5,000 or less**

- Where a financial transaction for goods or services is valued at \$5,000 or less the Responsible Officer need not obtain a quotation, unless directed to do so by the Chief Executive Officer or a Director.
- The ten percent (10%) preference rule is to be applied to goods or services sourced from local suppliers.
- The decision on purchase of goods or services shall be made not on “best price” alone, but also consider “best value” as defined in **clause 3 Definitions** on **page 4**.
- Return to **step 5)** of **clause 11.1 Step by Step Procedures** on **page 9**.

### **11.2.2 Valued between \$5,001 and \$10,000**

- Note: The Responsible Officer shall seek written authority from the Chief Executive Officer or a Director prior to any commitment being made to purchase a new asset.
- Where a financial transaction for goods or services is valued at greater than \$5,001 and no more than \$10,000 the Responsible Officer is required to request a minimum of three (3) “local” verbal quotations.
- Where this process fails to attract the required number of quotations, further verbal quotations should be requested from non local suppliers.
- The Responsible Officer is to list the verbal quotations on a Quotation Form.
- Quotations are to clearly identify GST separately.
- The ten percent (10%) preference rule is to be applied to all local quotations.
- Having assessed the quotations received against best value and best price, where the Responsible Officer recommends a supplier’s quotation which is not based on best price the Chief Executive Officer or a Director is required to authorise the procurement request and authorisation for payment.
- Where three (3) local verbal quotations cannot be obtained:
  - A Quotation Exemption Form is to be signed by the Responsible Officer stating the circumstances why the criteria cannot be met.
  - The Chief Executive Officer or a Director is required to authorise the procurement request and authorisation for payment.
- Return to **step 5)** of **clause 11.1 Step by Step Procedures** on **page 9**.

### **11.2.3 Valued between \$10,001 and \$100,000**

- Note: The Responsible Officer shall seek written authority from the Chief Executive Officer or a Director prior to any commitment being made to purchase a new asset.
- Where a financial transaction for goods or services is valued at greater than \$10,001 and no more than \$100,000 the Responsible Officer is required to request a minimum of three (3) "local" written quotations.
- Where this process fails to attract the required number of quotations, further written quotations should be requested from non-local suppliers.
- Quotations not evidenced in writing will not be deemed to be accepted.
- The Responsible Officer is to list the written quotations on a Quotation Form.
- Quotations are to clearly identify GST separately.
- The ten percent (10%) preference rule is to be applied to all local quotations.
- Where three (3) local written quotations cannot be obtained, a Quotation Exemption Form is to be signed by the Responsible Officer stating the circumstances why the criteria cannot be met.
- If the accepted quotation is based on "best value" and not "best price", the Chief Executive Officer or a Director is required to certify that fact on the Quotation Form.
- The Chief Executive Officer or a Director (refer to Delegations Register) is required to authorise the procurement request and authorisation for payment.
- Return to **step 5) of clause 11.1 Step by Step Procedures on page 9.**

### **11.3 USE OF TENDERS – GOODS OR SERVICES VALUED MORE THAN \$100,000**

Where a financial transaction for goods or services is valued greater than \$100,000 the Responsible Officer is required to source suppliers by calling for tenders by public notice.

#### **11.3.1 Valued between \$100,001 and \$500,000**

##### **11.3.1.1 Preparation and Authorisation of Tender Documents**

- Note: The Responsible Officer shall seek written authority from the Chief Executive Officer or a Director prior to any commitment being made to purchase a new asset.
- Prior to the advertising and public availability of tender documents they are to be authorised by the Chief Executive Officer and a Director.
- Prior to advertising a tender a Tender Pro-forma – Pre Tender is to be completed.
- The tender document should comprise, but not be limited to:
  - Details of the goods or services to be delivered under the contract.
  - Undertakings, deeds, warranties, insurances, securities, etc, required to be lodged with the tender.
  - Other particular requirements relating to performance of the works or services.
  - A statement that tenders are to clearly identify GST separately.
  - A statement that all tenders shall be submitted in writing and delivered to the Council's tender box in a sealed envelope clearly marked so as to identify the tender.
  - A statement that the Council will not be bound to accept the lowest or any tender.
  - Notice that a successful tenderer's name, the tender price and details of goods or services supplied under contract will be published, pursuant to *regulation 29(3) of the A/c Regs.*
  - A form of tender and conditions of tendering

*(Continued...)*

- In addition, where tendering for a project in the construction industry, the tender document shall adhere to the principles contained in Australian Standard number AS4120 Code of Tendering or other relevant accredited standard that in the opinion of Council is best applied to a particular project and may comprise, but not be limited to:
  - The specification including plans, drawings, etc.
  - Identification of any Special Conditions required to be included in the tendered contract which are not normally part of the General Conditions of Contract.
  - The form of tender and conditions of tendering must comply with either Australian Standard AS2125 General Conditions of Tendering and Form of Tender or AS4301 General Conditions of Tendering and Tender Form for Design and Construct Contract.

#### **11.3.1.2 Advertising and Availability of Tender Documents**

- This clause will not apply where, by resolution of the Council, a tender is advertised as an Expression of Interest and afterwards tenders invited from respondents, in accordance with that advertisement.
- The tender shall be open for a minimum period of three (3) weeks and shall be advertised each week for the first two (2) weeks in a minimum of one (1) local newspaper and one (1) NT wide newspaper.
- The Chief Executive Officer can decrease the tender period or change the advertising requirements at his/her discretion.
- The tender open period is deemed to commence at the date of the first advertisement appears in the printed media.
- As of the first date the advertisement appears in the print media, tender documents shall be made available at the Civic Centre and on Council's website.

#### **11.3.1.3 Maintaining Tender Register**

- A Tender Register is to be maintained by the Customer Services area of Finance.
- The Tender Register is required to record details of those companies or individuals obtaining the tender documents.
- The sole purpose of the Tender Register is to maintain equity to all prospective tenderers should addendums and clarifications to the tender document be required.
- The Tender Register is to be maintained with a high degree of confidentiality by staff authorised to issue documents to prospective tenderers.

#### **11.3.1.4 Tender Box**

- A Tender Box is to be placed in the front reception area of the Civic Centre.
- The Tender Box is to be secured by a key.

#### **11.3.1.5 Closing of Tenders**

- Tenders shall close in accordance with the guidelines contained in Australian Standard number AS4120 Code of Tendering, as follows:
  - Not earlier than 2.00pm.
  - Not on a Monday or day following a public holiday.
  - At least one clear day after a weekend, building industry holiday or rostered day off. At least one week after the recognised industry Christmas close down.
  - Any tenders received after the closure of tenders will be rejected.
  - The Chief Executive Officer can authorise the submission of a late tender where extreme circumstances is proved by a tenderer in writing. In this instance no tenders are to be opened prior to the expiration of the extension of time.

#### **11.3.1.6 Opening of Tenders – By Council**

- A Tender Pro-forma – Post Tender is to be completed.
- The Chief Executive Officer reserves the right to refer the opening of tenders to an Ordinary Meeting or Special Meeting of Council. This action is accommodated by *regulation 29(2)(a)* of the *A/c Regs*.
- In the instance where tenders are opened in the presence of Council:
  - The Chief Executive Officer or a Director shall be present at the opening of the tender box refer to **clause 11.3.1.4 Tender Box** on **page 14**.
  - The Mayor, Deputy Mayor or any Councillor shall have the authority to physically open all tenders relative to a specific project(s). The Elected Member shall open the tender, verbally state to the meeting, the name of the tenderer, the address of the tenderer and the tender price, specifying whether that price is inclusive or exclusive of GST.

This information shall be recorded in Council's minutes and also by an Authorised Officer in the Tender Received Schedule.
- A quorum of Elected Members, present at the opening of tenders, shall sign the Tender Received Schedule.
- The opening of tenders shall occur in the confidential section of Council's meeting, pursuant to *regulation 8(c)* of the *Local Government (Administration) Regulations*, unless it gives a reason(s) why it should open them in the open section of the meeting.

### **11.3.1.7 Opening of Tenders – By Officers**

- In accordance with *regulation 29(2)* of the *A/c Regs* the three (3) authorised persons who open the tenders shall form the Tender Assessment Panel to consider the tenders and report to Council on the tenders, refer to clause *11.3.1.9 Tender Assessment Panel (TAP)*.
- A Tender Pro-forma – Post Tender is to be completed.
- Tenders shall be opened as soon as practicable after the tender closure time, noting that the time may be delayed by the Chief Executive Officer under **clause 11.3.1.5 Closing of Tenders** on **page 14**.
- The Tender Box and the tender documents shall be opened, pursuant to *regulation 29(2)* of the *A/c Regs*, in the presence of:
  - Three (3) Authorised Officers which must include a minimum of one (1) Director or the Chief Executive Officer.
- An Authorised Officer, shall detail the submitted tenders in a Tender Received Schedule, which shall be endorsed by all persons present at the opening of the tenders. These details are to include the tenderers, name and contact details and the dollar value of their tender (including GST).

### **11.3.1.8 Tender Assessment Criteria**

- Applications shall be assessed using tender assessment criteria, which should include the ten percent (10%) preference rule and other criteria established using the **Guiding Principles** in **clause 2** on **page 3** of this Procurement PSD.
- Each assessment criteria can be:
  - Divided into component parts to assist assessment; and/or
  - Weighted in relation to importance and/or significance.
- Qualitative assessments shall be performed where possible so that a numerical outcome can be obtained, to produce a direct comparison between all tenders.

### **11.3.1.9 Tender Assessment Panel (TAP)**

- A tender assessment shall be undertaken by a panel of three (3) Authorised Officers appointed by the Chief Executive Officer. Tender Assessment Panel (TAP) members are individually responsible to ensure they have disclosed any conflict of interest and where a conflict exists have obtained the Chief Executive Officer's permission to continue any involvement in the process, refer to **clause 7 Conflict Of Interest on page 6**.
- In accordance with *regulation 29(2)* of the *A/c Regs* the three (3) authorised persons who open the tenders shall consider the tenders and report to Council on the tenders.
- The Chief Executive Officer, can authorise in writing the co-opting of persons considered to have relevant expertise to assist the TAP in its deliberations and assessment. However, it shall only be the three (3) authorised persons who's assessment shall be considered by Council in accordance with *regulation 29(2)(b)* of the *A/c Regs*.
- Where Council open tenders pursuant to *regulation 29(2)(a)* of the *A/c Regs*, it shall delegate to its Chief Executive Officer, the authority to appoint a TAP. In this instance Council shall not be constrained by the provisions of *regulation 29(2)(b)* of the *A/c Regs*, ie restricted to staff appointments.
- All persons on the TAP must be made aware of *section 107* of the *Act*, about "Conflict of Interest" and *section 108* of the *Act*, about "Disclosure of Confidential Information".

### **11.3.1.10 Tenders Assessment Panel Report (TAPR)**

- As soon as practicable after the opening of tenders, an Authorised Officer will prepare a written report outlining the tender assessment processes and recommendations.
- The Tender Assessment Panel Report (TAPR) shall contain:
  - Details of works and services invited by tender.
  - Tender period dates and details of advertising, and time of opening.
  - Details of tenders received, showing tender status as conforming, or non-conforming, with details, if applicable, why it is considered to be non-conforming.
  - Additional information sought during the assessment process and why sought.
  - Details of further negotiations by the tender assessment panel with a tenderer(s).
  - Names and positions of all persons involved in the tender assessment process, including any persons co-opted to assist the panel.

(Continued...)

- Details of the tender assessment completed against the selection criteria, and recommendations.
- Details of any reasons for recommending to Council the acceptance of a non-conforming tender, eg any restrictions or timelines etc.
- Details of the funds available, as provided in the budget.
- The persons who comprise the TAP must certify the contents of the TAPR and recommendations contained therein by signature.
- A copy of the Tender Pro-forma – Pre Tender.
- A copy of the Tender Pro-forma – Post Tender.

#### **11.3.1.11 Acceptance of Preferred Tender by Chief Executive Officer**

- Where a recommended tender is for \$500,000 or less, the Chief Executive Officer may accept the preferred tender in accordance with recommendations in the assessment report, provided that:
  - The tender is a conforming tender;
  - The tender is the best value to Council; and
  - The Council's budget contains financial provision for the price of the tender.
- Where the Chief Executive Officer has accepted a tender, a report shall be provided to the Council advising:
  - Details of the goods or services to be supplied, and closing time of tenders;
  - Details of conforming tenders received and tender prices;
  - Details of why a particular tender has been accepted by the Chief Executive Officer;
  - Details of the funds available, as provided in the budget; and
  - If applicable recommendations for signing and sealing the contract agreement.

#### **11.3.1.12 Acceptance of Preferred Tender by Council**

- The assessment report is to be submitted to Council for formal adoption by resolution of Council where:
  - The recommended tender is for \$500,000 or more; or
  - The recommended tender price exceeds the allocated budget.
- Prior to submission to Council, the Chief Executive shall sight the report relating to the preferred tender. This report should include the TAPR prepared under **clause 11.3.1.10 Tenders Assessment Panel Report (TAPR) above**. The TAPR must include the names and signatures of the persons comprising the TAP and their certification of the contents of the TAPR and recommendations contained therein by signature.

#### **11.3.1.13 Awarding of Tenders**

- All tenderers will be notified in writing by the Authorised Officer of the status of their application after acceptance.
- On a quarterly basis, pursuant to *regulation 29(3) of the A/c Regs*, public notice must be given of all tenders awarded by Council, in a minimum of one (1) local newspaper, detailing:
  - The name of the person who submitted the successful tender;
  - The tender price; and
  - The goods or services to be provided under the contract.
- Return to **step 5) of clause 11.1 Step by Step Procedures** on **page 9**.

## **11.3.2 Valued more than \$500,000**

### **11.3.2.1 Preparation and Authorisation of Tender Documents**

- Note: The Responsible Officer shall seek written authority from the Chief Executive Officer or a Director prior to any commitment being made to purchase a new asset.
- Prior to the advertising and public availability of tender documents they are to be authorised by Council.
- Prior to advertising a tender a Tender Pro-forma – Pre Tender is to be completed.
- The tender document should comprise, but not be limited to:
  - Details of the goods or services to be delivered under the contract.
  - Undertakings, deeds, warranties, insurances, securities, etc, required to be lodged with the tender.
  - Other particular requirements relating to performance of the works or services.
  - A statement that tenders are to clearly identify GST separately.
  - A statement that all tenders shall be submitted in writing and delivered to the Council's tender box in a sealed envelope clearly marked so as to identify the tender.
  - A statement that the Council will not be bound to accept the lowest or any tender.
  - Notice that a successful tenderer's name, the tender price and details of goods or services supplied under contract will be published, pursuant to *regulation 29(3)* of the *A/c Regs*.
  - A form of tender and conditions of tendering
  - The conditions of tendering shall include assessment criteria to be used for selection of the successful tender.

The criteria should include the ten percent (10%) preference rule and other criteria established using the ***Guiding Principles*** in ***clause 2*** on ***page 3*** of this Procurement PSD.

*(Continued...)*

- In addition, where tendering for a project in the construction industry, the tender document shall adhere to the principles contained in Australian Standard number AS4120 Code of Tendering or other relevant accredited standard that in the opinion of Council is best applied to a particular project and may comprise, but not be limited to:
  - The specification including plans, drawings, etc.
  - Identification of any Special Conditions required to be included in the tendered contract which are not normally part of the General Conditions of Contract.
  - The form of tender and conditions of tendering must comply with either Australian Standard AS2125 General Conditions of Tendering and Form of Tender or AS4301 General Conditions of Tendering and Tender Form for Design and Construct Contract.

#### **11.3.2.2 Advertising and Availability of Tender Documents**

- This clause will not apply where, by resolution of the Council, a tender is advertised as an Expression of Interest and afterwards tenders invited from respondents, in accordance with that advertisement.
- The tender shall be open for a minimum period of four (4) weeks and shall be advertised each week for the first three (3) weeks in a minimum of one (1) local newspaper, one (1) NT wide newspaper and one (1) national newspaper.
- The Chief Executive Officer can decrease the tender period and change the advertising requirements at his/her discretion.
- The tender open period is deemed to commence at the date of the first advertisement appears in the printed media.
- As of the first date the advertisement appears in the print media, tender documents shall be made available at the Civic Centre and on Council's website.

#### **11.3.2.3 Maintaining Tender Register**

- A Tender Register is to be maintained by the Customer Services area of Finance.
- The Tender Register is required to record details of those companies or individuals obtaining the tender documents.
- The sole purpose of the Tender Register is to maintain equity to all prospective tenderers should addendums and clarifications to the tender document be required.
- The Tender Register is to be maintained with a high degree of confidentiality by staff authorised to issue documents to prospective tenderers.

#### **11.3.2.4 Tender Box**

- A Tender Box is to be placed in the front reception area of the Civic Centre.
- The Tender Box is to be secured by a key.

#### **11.3.2.5 Closing of Tenders**

- Tenders shall close in accordance with the guidelines contained in Australian Standard number AS4120 Code of Tendering, as follows:
  - Not earlier than 2.00pm.
  - Not on a Monday or day following a public holiday.
  - At least one clear day after a weekend, building industry holiday or rostered day off. At least one week after the recognised industry Christmas close down.
  - Any tenders received after the closure of tenders will be rejected.
  - The Chief Executive Officer can authorise the submission of a late tender where extreme circumstances is proved by a tenderer in writing. In this instance no tenders are to be opened prior to the expiration of the extension of time.

#### **11.3.2.6 Opening of Tenders – By Council**

- A Tender Pro-forma – Post Tender is to be completed.
- The Chief Executive Officer reserves the right to refer the opening of tenders to an Ordinary Meeting or Special Meeting of Council. This action is accommodated by *regulation 29(2)(a)* of the *A/c Regs*.
- In the instance where tenders are opened in the presence of Council:
  - The Chief Executive Officer or a Director shall be present at the opening of the tender box refer to **clause 11.3.2.4 Tender Box** on **page 21**.
  - The Mayor, Deputy Mayor or any Councillor shall have the authority to physically open all tenders relative to a specific project(s). The Elected Member shall open the tender, verbally state to the meeting, the name of the tenderer, the address of the tenderer and the tender price, specifying whether that price is inclusive or exclusive of GST.

This information shall be recorded in Council's minutes and also by an Authorised Officer in the Tender Received Schedule.
- A quorum of Elected Members, present at the opening of tenders, shall sign the Tender Received Schedule.
- The opening of tenders shall occur in the confidential section of Council's meeting, pursuant to *regulation 8(c)* of the *Local Government (Administration) Regulations*, unless it gives a reason(s) why it should open them in the open section of the meeting.

### **11.3.2.7 Opening of Tenders – By Officers**

- In accordance with *regulation 29(2)* of the *A/c Regs* the three (3) authorised persons who open the tenders shall form the Tender Assessment Panel to consider the tenders and report to Council on the tenders, refer to clause *11.3.2.9 Tender Assessment Panel (TAP)*.
- A Tender Pro-forma – Post Tender is to be completed.
- Tenders shall be opened as soon as practicable after the tender closure time, noting that the time may be delayed by the Chief Executive Officer under **clause 11.3.2.5 Closing of Tenders on page 21**.
- The Tender Box and the tender documents shall be opened, pursuant to *regulation 29(2)* of the *A/c Regs*, in the presence of:
  - Three (3) Authorised Officers which must include a minimum of one (1) Director or the Chief Executive Officer.
- An Authorised Officer, shall detail the submitted tenders in a Tender Received Schedule, which shall be endorsed by all persons present at the opening of the tenders. These details are to include the tenderers, name and contact details and the dollar value of their tender.

### **11.3.2.8 Tender Assessment Criteria**

- Applications shall be assessed using tender assessment criteria stated in the tender document.
- Each assessment criteria can be:
  - Divided into component parts to assist assessment; and/or
  - Weighted in relation to importance and/or significance.
- Qualitative assessments shall be performed where possible so that a numerical outcome can be obtained, to produce a direct comparison between all tenders.

### **11.3.2.9 Tender Assessment Panel (TAP)**

- A tender assessment shall be undertaken by a panel of three (3) Authorised Officers appointed by the Chief Executive Officer. Tender Assessment Panel (TAP) members are individually responsible to ensure they have disclosed any conflict of interest and where a conflict exists have obtained the Chief Executive Officer's permission to continue any involvement in the process, refer to **clause 7 Conflict Of Interest on page 6**.
- In accordance with *regulation 29(2)* of the *A/c Regs* the three (3) authorised persons who open the tenders shall consider the tenders and report to Council on the tenders.
- The Chief Executive Officer, can authorise in writing the co-opting of persons considered to have relevant expertise to assist the Tender Assessment Panel (TAP) in its deliberations and assessment. However, it shall only be the three (3) authorised persons who's assessment shall be considered by Council in accordance with *regulation 29(2)(b)* of the *A/c Regs*.
- Where Council open tenders pursuant to *regulation 29(2)(a)* of the *A/c Regs*, it shall delegate to its Chief Executive Officer, the authority to appoint a TAP. In this instance Council shall not be constrained by the provisions of *regulation 29(2)(b)* of the *A/c Regs*, ie restricted to staff appointments.
- All persons on the TAP must be made aware of *section 107* of the *Act*, about "Conflict of Interest" and *section 108* of the *Act*, about "Disclosure of Confidential Information".

### **11.3.2.10 Tenders Assessment Panel Report (TAPR)**

- As soon as practicable after the opening of tenders, an Authorised Officer will prepare a written report outlining the tender assessment processes and recommendations.
- The Tender Assessment Panel Report (TAPR) shall contain:
  - Details of works and services invited by tender.
  - Tender period dates and details of advertising, and time of opening.
  - Details of tenders received, showing tender status as conforming, or non-conforming, with details, if applicable, why it is considered to be non-conforming.
  - Additional information sought during the assessment process and why sought.
  - Details of further negotiations by the tender assessment panel with a tenderer(s).
  - Names and positions of all persons involved in the tender assessment process, including any persons co-opted to assist the panel.

(Continued...)

- Details of the tender assessment completed against the selection criteria, and recommendations.
- Details of any reasons for recommending to Council the acceptance of a non-conforming tender, eg any restrictions or timelines etc.
- Details of the funds available, as provided in the budget.
- The persons who comprise the TAP must certify the contents of the TAPR and recommendations contained therein by signature.
- A copy of the Tender Pro-forma– Pre Tender.
- A copy of the Tender Pro-forma – Post Tender.

#### **11.3.2.11 Acceptance of Preferred Tender by Council**

- The assessment report is to be submitted to Council for formal adoption by resolution of Council.
- Prior to submission to Council, the Chief Executive shall sight the report relating to the preferred tender. This report should include the TAPR prepared under **clause 11.3.1.10 Tenders Assessment Panel Report (TAPR) above**. The TAPR must include the names and signatures of the persons comprising the TAP and their certification of the contents of the TAPR and recommendations contained therein by signature.

#### **11.3.2.12 Awarding of Tenders**

- All tenderers will be notified in writing by the Authorised Officer of the status of their application after acceptance.
- On a quarterly basis, pursuant to *regulation 29(3) of the A/c Regs*, public notice must be given of all tenders awarded by Council, on Council's website, detailing:
  - The name of the person who submitted the successful tender;
  - The tender price; and
  - The goods or services to be provided under the contract.

Information on successful tenders awarded by Council must remain on Council's website for 12 months from the first inclusion.

- Return to **step 5) of clause 11.1 Step by Step Procedures on page 9**.

**Please note that the following information as per General Instruction No 4 Procurement issued by the Department of Local Government and Community Services:**

#### **Annual Figure of a Period Contract**

Contracts entered into by Council that span more than one financial year will be treated as separate contiguous amounts for each financial year of service to determine if quotations or tenders should apply. Period Contracts must not span more than three years (including any extension period if there is an option to extend the contract).

**Contract with an option to extend the agreement**

When a supply agreement contains an option by either party to extend the agreement then the agreement is to be treated as if the option will be taken and the contract extended

**Application for an exemption from compliance**

A Council may write to the Department seeking an exemption from tendering and procurement requirements; or enter into a periodic contract longer than three years; or for another matter under the accounting regulations. The exemption application should include details of the proposed activity or matter and Council's reasons.

*Please refer to the General Instruction for further examples and information.*

## 12. PURCHASING DELEGATIONS

- Refer to the Alice Springs Town Council Delegations Register.

## 13. LEGISLATION BASE

- Northern Territory Local Government Act.
- Northern Territory Local Government (Accounting) Regulations.
- Northern Territory Local Government Act Minister's Guidelines.
- Northern Territory Local Government (Administration) Regulations.
- Northern Territory General Instruction No 4. Procurement
- Australian Standards AS4120 Code of Tendering, AS2125 General Conditions of Tendering and Form of Tender and AS4301 General Conditions of Tendering and Tender Form for Design and Construct Contracts.
- A New Tax System (Goods and Services Tax) Act.

## 14. ASSOCIATED DOCUMENTS

- Policy 219 Procurement of Goods and Services Quotations and Tenders

## 15. ASSOCIATED FORMS/RECORD KEEPING

- The forms are an integral part of Council's business practices and provide documentary evidence of staff compliance with Procedural Statements and Directives.
- Completed forms are often source documents for data entry into business systems, and are a part of Council's Record Keeping, and
- The forms listed below are directly related to the Procurement Procedural Statements and Directives

Title	Location	Responsible Officer	Minimum Retention Period
Purchase Order Request Non Asset	Intranet	Finance Manager	7 years
Purchase Order Request Asset	Intranet	Finance Manager	7 years
Quotation Exemption Form	Intranet	Finance Manager	7 years
Quotation Form	Intranet	Finance Manager	7 years
Tender Pro-Forma – Pre Tender	Intranet	Finance Manager	7 years
Tender Pro-Forma – Post Tender	Intranet	Finance Manager	7 years
Payment Authorisation Form	Intranet	Finance Manager	7 years
Request for Tender Form	Intranet	Finance Manager	7 years