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1.0 Policy Objectives

The purpose of this policy is to establish a framework within which the procurement of goods and services will be made to ensure:

- a. that adequate financial controls are exercised over procurement;
- b. efficiency, effectiveness and economy of procurement and the avoidance of waste and extravagance; and
- c. compliance with legislation.

This Policy has been written to establish standard guidelines for the procurement of goods and services, including the use of tenders, preferred suppliers and on-line procurement, to ensure the efficiency, effectiveness, probity and equity of Council's procurement process.

2.0 Policy Statement

Cessnock City Council is committed to providing a Procurement System in support of Council activities which complies with current legislation, industry and internal performance standards, codes of practice and is in accordance with the Mission, Vision and Values of the Organisation. The Policy and associated procedure also meet the requirements of Management System Standards ISO 9001:2000 (Quality), ISO 14001:2004 (Environmental) and AS 4801:2001 (OH&S) and incorporate the principles of AS 4360:2006 – Risk Management.

The key principles which underpin this Policy are:

- Value for money - all purchases are assessed in accordance with 'value for money' guidelines. 'Value for money' assessment incorporates both price and non-price criteria such as ecologically sustainable development and safety.
- Environmental responsibilities – identification of the environmental opportunities, risks and impacts of Council's activities.
- Occupational Health & Safety– identification of potential OHS risks that may be introduced to the work site from supplied plant and materials.
- Efficiency and effectiveness in the procurement process – minimising costs to Council and costs to suppliers and service providers. Acting in the public interest. Ensuring payments are made on time in accordance with agreements or Council policy
- Probity and equity - ensuring probity, fairness, honesty and consistency in the procurement process. Avoiding conflicts of interest, both non-pecuniary and pecuniary. Ensuring sufficient transparency in the process to minimise the risk of fraudulent procurement activity. Not accepting or soliciting financial or other benefits
- Effective competition – encouraging open competition while seeking value for money. Protecting commercial-in-confidence information
- Ecologically Sustainable Development – choice of products, package handling, spoilage, quantity and quality control, sustainable materials and recycling.
- Waste Reduction – procuring products with recycled content and low waste products whenever these are cost and performance competitive particularly in the areas of paper products, office equipment and components, vegetation materials and construction, demolition and excavation materials.

The thresholds for procuring (Goods or Services) are as follows:

Estimated value of goods or services (Inclusive of GST)	Method of Procurement Required
\$0.00 to \$3,000.00	Minimum of one (1) telephone or written quotation
\$3,000.00 to \$10,000	Minimum of two (2) written quotations
\$10,000.01 to \$50,000.00	Minimum of three (3) written quotations
\$50,000.01 to \$149,999.00	Option One(1)- minimum of three (3) written quotations Option Two(2)-open (public) quotations or Expressions of Interest (EOI) <ul style="list-style-type: none"> • Tenderlink used for open quotations or EOI • Assessment Team to be formed to assess quotations • Approval of Tenders Panel required Note: The relevant Director will determine, on a project basis, which option will be utilised.
\$150,000.00 and above	Open (public) tender or Expressions of Interest <ul style="list-style-type: none"> • Tenderlink used for open tenders or EOI • Assessment Team to be formed to assess tenders • Approval of Tenders Panel and Report to Council required

Specific guidelines on Council's Procurement process are contained in the Procurement Procedure.

3.0 Related Documents

- Procurement Procedure
- Clothing Policy
- Code of Conduct
- Statement of Business Ethics
- Credit Card Policy
- Disposal Policy
- Policy Review Committee
- Vehicle Leaseback Policy

4.0 References

- ISO 9001:2000 – Quality Management Systems (I&S)
- ISO 14001:2004 – Environmental Management System (I&S)
- AS 4801:2001 – OH&S Management Systems (I&S)
- Local Government Act 1993
- Local Government General Regulations 2005
- NSW Government – Code of Practice for Procurement
- NSW Government Policy Statement NSW Government Procurement White Paper 1999
- NSW Government Occupational Health and Safety Management System Guidelines
- New South Wales Government Environmental Management System Guidelines
- National Government Waste Reduction and Purchasing Department of Environment and Heritage
- Waste Reduction & Purchasing Policy – A Guide for Agencies, Environment Protection

Authority 1997

5.0 Policy Review

The Procurement Policy shall be reviewed at the minimum rate of once per year by internal audit to ensure:

- Probity
- Corporate Governance
- Continual improvement
- Management review
- Management responsibility and commitment
- Process control
- Product realisation