

Policy Name	Procurement
Policy Number	CS26
Responsible Section	Strategic Procurement
Responsible Department	Corporate Services
Date Last Adopted	13 June 2023
Date of Next Review	June 2026
Applicable Legislation	Local Government Act 1999
Related Governance Documents	Delegations Manual Code of Conduct for Elected Members Code of Conduct for Council Employees Procurement Administrative Procedure City Plan
City Plan Theme	Leadership

1. PURPOSE/OBJECTIVE

Council is responsible for delivering a range of services, facilities and programs. Council must do so in an effective and efficient manner, that represents value for the community. This requires Council to determine which of these services are more appropriately delivered by other parties. Engaging with the private sector is an essential part of Council meeting its responsibilities to the community.

Section 49 of the Local Government Act 1999 (SA) requires Council to develop and maintain procurement policies, procedures, and practices 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.

Council's City Plan focus on being an effective leader underpins the commitment to deliver value, efficiency, accountability and transparency in our procurement and contract management responsibilities. Effective procurement and contract management is essential to ensure goods and services are provided to the required standard, within the agreed timeframe, and achieve value for money.

The Policy aims to ensure that *procurement*:

- responds to strategic priorities and operational needs
- represents value for money in the expenditure of public money
- encourages healthy competition between participants
- results in the engagement of contractors with safe, ethical, socially inclusive, and environmentally responsible goods and services
- complies with legislative requirements

The Policy aims to ensure that *contract management*:

- minimises contract risks and disputes
- achieves contractual outcomes
- obtains value for money.

Council's commitment to supporting the local economy in the City Plan is further facilitated by creating an environment for people to approach Council with their ideas. Council is open to working together with the private and not-for-profit sectors to pursue unique and innovative ideas or partnerships that will create jobs, contribute to the best use of public assets and deliver a high quality of service to communities. To ensure good probity, risk management and transparency in this process, this policy outlines Council's decision making guide for how genuine unsolicited bids may be managed.

2. SCOPE

This policy sets the parameters for an internal control environment to be established to ensure probity, transparency and risk management and applies to all procurement and contract management activity associated with the acquisition of goods; services; consultants; and construction works undertaken by Council and by third parties authorised by Council.

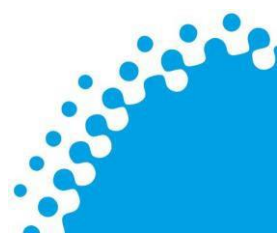
This policy also applies to the unsolicited bids process to support community led ideas or partnership proposals that support the best use of public assets or services.

This policy does not apply to:

- non-procurement expenditure (such as sponsorships, grants, funding arrangements, donations, and employment contracts);
- the disposal of land and other assets owned by the Council;
- the purchase of land by the Council.

3. POLICY

All procurement and contract management occurs in accordance with the key principles and requirements of this policy and all other applicable Council policies and procedures.



Implementation

3.1 Procurement key requirements

Procurement supports strategic priorities and operational needs. Procurement complies with Council policies, procedures, and delegations.

- Procurement methods are determined and applied in accordance with the Procurement Procedure. Council utilises various procurement methods and agreements/contract types to formally engage contractors, including collaborative purchasing contracts (e.g. LGA Procurement, other Council contracts, Procurement Australia, State Government). This ensures best value for money is achieved.
- Procurement activity is based on prudent decision making and underpinned by the key procurement principles.
- Council may where appropriate accede to existing contracts of our collaborative partners to deliver the best value to our organisation. Accession must be approved by the Chief Executive Officer (CEO) or Director.
- There may be emergencies, or purchases where the defined methods of procurement will not necessarily deliver the best outcome for the council and other market approaches may be more appropriate. Exemptions to the requirements of this policy must be approved by the Chief Executive Officer (CEO) or Director.

3.2 Procurement key principles

Principle 1 Intent to contract

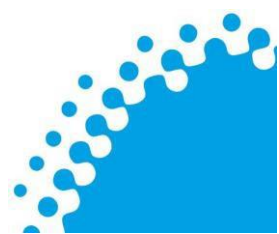
The City of Port Adelaide Enfield only approaches the market through a formal tender process if it has clear intent to contract. Requisites include:

- budget approval (which is typically imbedded through the annual business plan and budget process)
- internal approval for proposed expenditure
- intent to engage a contractor, subject to achieving acceptable outcomes in terms of value for money, work health and safety, environmental outcomes, and risk.

This does not preclude the City of Port Adelaide Enfield from approaching the market to seek prices for budgeting purposes only, provided this intent is made clear to the contractors.

Principle 2 Value for money

The City of Port Adelaide Enfield strives to achieve the best value for money outcome in procurement. All relevant costs and benefits are considered over the whole product life cycle from the sourcing of raw materials to disposal of goods or services, subject to principles – 9 and 11 (environment and local jobs).



Principle 3 Open and effective competition

The City of Port Adelaide Enfield encourages open and effective competition by providing fair and reasonable access to opportunities to engage in business with Council. Suppliers are offered feedback on unsuccessful tenders to encourage market development and demonstrate transparency of the procurement process.

Principle 4 Risk management

The City of Port Adelaide Enfield adopts sound risk management principles in procurement which are consistent with the corporate risk management approach ISO 31000 for risk management and prevailing Codes of Practice instructions emanating from the WHS Act 2012 (SA) or similar. All relevant risks are considered.

Principle 5 Confidentiality

The City of Port Adelaide Enfield maintains the confidentiality of information provided by contractors during and after the procurement process. Documents are stored, handled and disposed of in accordance with statutory requirements.

Principle 6 Probity, accountability, and transparency

The City of Port Adelaide Enfield demonstrates ethical procurement practices by:

- dealing with contractors on the basis of mutual trust and respect
- acting in an open and transparent manner
- treating contractors fairly and equitably
- avoiding and/or managing conflicts of interest
- complying with all legislation relevant to the procurement process.

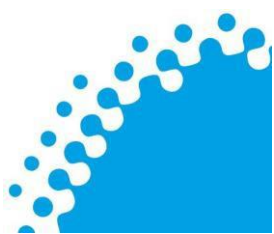
Principle 7 Efficient procurement practices

The City of Port Adelaide Enfield uses standard tender and contract documentation wherever possible to ensure consistency of procurement. Panel arrangements and pre-qualification of contractors are utilised (where appropriate) to improve the efficiency of the procurement process and reduce the impact of repetitive bidding on potential contractors.

Principle 8 Work Health and Safety

The City of Port Adelaide Enfield seeks to engage contractors who can demonstrate an appropriate commitment to work health and safety (WHS) and capability as demonstrated by a suitable WHS Management System (WHSMS). As a minimum, contractors are required to:

- comply with the Work Health and Safety Act, 2012 (and all associated Regulations, Codes of Practice and Standards)
- adhere to all relevant City of Port Adelaide Enfield work health and safety policies, procedures, and instructions



- identify hazards associated with goods, services, plant or tasks being undertaken; ensure that all identified hazards are managed in accordance with WHS legislation; and that any risk treatments or control methodologies are documented.

All procurements undertaken for supplies to be provided directly to, or in proximity to, members of the Port Adelaide Enfield community are to include consideration of how the safety and wellbeing of those persons will be ensured.

The City of Port Adelaide Enfield's contractor management system provides for:

- selection of contractors with appropriate safety controls
- exchange of information between the Council and its contractors to facilitate the identification of hazards and appropriate risk management
- appropriate monitoring of contractor performance throughout the contract.

Principle 9 Environmental management

The City of Port Adelaide Enfield requires a minimum standard of environmental management elements to be met from contractors, which includes:

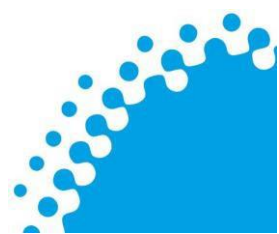
- compliance with all applicable environmental laws, protection policies, guidelines, codes of practice, and/or the condition of any licence or approval obtained from the Environment Protection Authority (EPA)
- conducting their operations in an environmentally sensitive manner
- utilise recycled content in goods and services even if they are more costly.

The evaluation of suppliers is to include consideration of the supplier's commitment to environmental and sustainable practice, including but not limited to promoting sustainable practice among its own supplier and environmental track record and assurance of sustainable practices among their own suppliers.

Principle 10 Information Management

The City of Port Adelaide Enfield seeks to engage suppliers who can demonstrate an appropriate commitment to information management and cyber security. Where suppliers are managing any of the City of Port Adelaide Enfield's information as part of providing a service to Council they will at a minimum demonstrate a commitment to:

- Ensuring that City of Port Adelaide Enfield's information assets are safeguarded within a secure environment to protect Council's confidentiality, integrity and availability;
- Providing a set of minimum cyber security requirements for managing risk to City of Port Adelaide Enfield's information assets, which is consistent with the supplier's role with City of Port Adelaide Enfield.



Principle 11 Use of local contractors and sustainable social procurement

The City of Port Adelaide Enfield seeks information from potential suppliers about economic development, sustainability, and social inclusion elements in the Market Document (where appropriate) to:

- promote economic development within the council region
- engage contractors that seek to minimise the impact of their operations on the environment
- support state and national efforts to increase workforce participation, skill development and social inclusion through employment of Aboriginal people, trainees and apprentices, or local people with barriers to employment.
- Support national efforts to increase procured goods and services from Aboriginal and Torres Strait Islander owned businesses.

To the extent permitted by law, Council may give preference to the engagement of local contractors (i.e. those based within the City of Port Adelaide Enfield Council area boundaries, even if they are more costly) when all other commercial factors are considered equal. The definition of 'local' may vary, depending on the identified geographic market for the relevant procurement activity.

Principle 12 Use of Unsolicited Proposals

An unsolicited proposal is a commercially based proposal that may include :

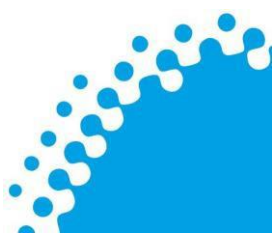
- The purchase, lease or development of Council owned or managed land
- The delivery of goods or services to or on behalf of the Council or
- The provision of infrastructure for the community.
- The introduction of a partnership arrangement to deliver a service or outcome to the community
- Where an unsolicited proposal involves more than one Council, the councils may resolve to adopt any one of those councils' Unsolicited Proposals Policies and/or Guidelines, with any required variations, for the purposes of jointly considering that proposal.

Council will publish guidelines that explain the process for the submission and assessment of Unsolicited Proposals.

Principle 13 Ethical Practice and Shared Values

The evaluation of Suppliers as part of a Procurement is to include consideration of the Supplier's commitment to ethical practice including, but not limited to:

- avoidance of cartel behaviour/ abuse of market power
- ethical sourcing of its own supplies
- as appropriate to the nature of the Supplier and the Supplies, compliance with United Nations declarations, covenants and treaties, International Labour Organization Conventions, and Social Accountability International Standard SA8000; and



- the extent to which the Supplier shares Council's values (asset out in the City Plan 2030).

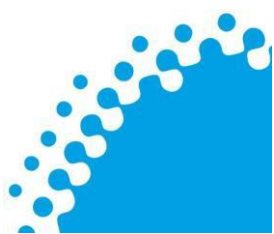
Principle 14 Circular Economy

The City Port Adelaide Enfield seeks to support sustainable practices by boosting circular supply chains through procurement. Council in the procurement of goods and services will include in the evaluation of potential suppliers the use of circular products, materials and services and/or innovative business models that have resource-efficient solutions.

3.3 Contract management

Contract management key requirements

- Contract administration complies with City of Port Adelaide Enfield policies, procedures, and delegations.
- Foreseeable WHS risks relevant to contract work (including any specific WHS requirements of the contract) are identified and communicated to the Contractor.
- Technical aspects of the work (including risk assessments, job safety environmental analysis, and safe work method statements) are reviewed and confirmed.
- Key environmental aspects are identified prior to construction activity and communicated to the Contractor.
- Contractor training and/or induction is completed prior to work commencing.
- Appropriate monitoring is undertaken of WHS and environmental management systems and work practices undertaken by Contractors.
- Contractor and Council obligations are met under the contract.
- Contract variations or extensions are authorised strictly in accordance with the relevant delegated authority process. Approval is gained for contract variations that are outside of the original scope; have the effect of varying the contract sum; or alter the terms and conditions of the contract.
- Claims for payment are in accordance with the contract.
- Approved budget funds are available to authorise payment of invoices.



ROLES AND RESPONSIBILITIES

Contract Administrator

A suitably competent and experienced Council staff member is appointed as Contract Administrator and is responsible for the management of the contract in accordance with the policy and procedures.

Contract Administrators receive adequate training and instruction to enable them to fulfil their responsibilities and understand the rights and obligations conferred by the contract.

Council staff responsible for procurement activity

Comply with the procurement principles and requirements of this Policy and all other applicable policies and procedures.

Elected body

Consider tender recommendations put forward by staff through Council which are strategic in nature, represent a strategic risk or are above the delegated decision making powers of the administration.

Manager Strategic Procurement Services

Ensure all procurement and contract management activities adhere to the principles and requirements of this Policy and all other applicable policies and procedures.

3.4 Public Issue of Policy

This policy will be made available free of charge on Council's website at:

www.cityofpae.sa.gov.au

3.5 Review

The Manager Strategic Procurement Services reviews this Policy every three years (or earlier if required) in accordance with the City of Port Adelaide Enfield Policy Framework. Council approves this Policy.

4. DEFINITIONS

Contract Administrator - Means the Council officer responsible for the management and administration of a contract.

Contractor - Means an organisation engaged by the City of Port Adelaide Enfield to undertake defined services, construction Work, or supply of goods.

Contract Management - Contract management includes ensuring compliance with the terms and conditions, as well as documenting and agreeing on any changes or amendments that may arise during its defined term. It can be summarised as the process of systematically and efficiently managing contract delivery.

Contractor Management - Contractor management is the process of managing a contractual relationship between a contractor and the City of Port Adelaide Enfield to achieve agreed contractual outcomes. This includes addressing risks and disputes that arise.

Market Document - Means the document used to invite offers from contractors and includes a specification or brief, conditions of contract and any other information required by contractors to provide sufficient detail for the City of Port Adelaide Enfield to make an informed decision.

Procurement - Means the acquisition of any goods, services or construction works by any means, including purchasing or leasing.

Value - Means the best outcome achievable when all costs and benefits (both qualitative and quantitative) over the procurement lifecycle (acquisition, use, maintenance, and disposal) are considered on a case-by-case basis.

