

# Sustainable Procurement Policy

## Policy administration

<b>Dates</b>	Policy approved 28/08/2023 This Policy is effective upon its approval. Policy is due for review 08/2026
<b>Approved by</b>	Council Meeting 28/08/2023 Council Resolution FIN033-23
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<b>Policy Owner</b>	Chief Financial Officer, Business and Corporate Services
<b>Related Documents/Policies</b>	Code of Conduct Evaluation Plan Purchase Card Policy Contract Management Policy Statement of Business Ethics Fraud and Corruption Control Policy Environmental Resilience Action Plan 2022-2040 Budget Management Policy Project Governance Policy Interactions with Children and Young People Policy Child Safe Code of Conduct Records and Information Management Policy
<b>References &amp; Legislation</b>	<a href="#">Local Government Act 1993</a> - s55, 55A, 23A, 355 <a href="#">Local Government (General) Regulation 2021</a> - Part 7, Tendering <a href="#">Tendering Guidelines for NSW Local Government</a> <a href="#">Government Information (Public Access) Act 2009</a> <a href="#">Plastic Reduction and Circular Economy Act 2021</a> <a href="#">Modern Slavery Act 2018</a> <a href="#">State Records Act 1998 (NSW)</a> <a href="#">Child Protection (Working with Children) Act 2012</a> <a href="#">Child Protection (Working with Children) Regulation 2013</a> <a href="#">Children and Young Persons (Care and Protection) (Child Employment) Regulation 2015</a> <a href="#">Children's Guardian Act 2019</a> <a href="#">Children and Young Persons (Care and Protection) Act 1988</a>
<b>Document Identifier</b>	Policy #: Pol-046.05 Doc #: D23/303388

<b>Breaches of Policy</b>	Breaches of any Policy will be dealt with and responded to in accordance with adopted codes and/or relevant legislation.
<b>Record Keeping</b>	All documents and information obtained in relation to the implementation of this Policy will be kept in accordance with the NSW State Records Act 1998, Georges River Council's Corporate Records Policy and adopted internal procedures.






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## Purpose

The purpose of this Policy is to provide direction and guidance to Council and staff to ensure a consistent and controlled approach towards all procurement activities and demonstrate fairness and accountability to the community.

Adoption of this Policy will support Council’s corporate strategic direction whilst ensuring best value for money is achieved in an environmental, social and sustainable. The objectives of the Sustainable Procurement Policy are:

				
Meet Business Needs – Alignment with Corporate Strategic Direction	Value for Money	Ethically done every time Probity and Fairness	Sustainability – Financial, Environmental and Social	Best Practice and Compliance

## Scope

This Policy applies to all Council Officials and all procurement activities regardless of the value.

## Definition of Terms

Term	Meaning
Council	Georges River Council
Financial Delegation	An appropriate level of authority to incur and / or approve expenditure of Council funds.
Procurement	Activities involved in acquisition of goods or services (including disposal). This includes the acquisition of consumables, plant and equipment, capital infrastructure, operational requirements, consultancies, other professional services, facilities management and construction.

Procurement Threshold Value	The expected value or estimated expenditure of a procurement. The Procurement Threshold Value contributes to determining the most appropriate procurement method.
Request for Tender (RFT)	A formal and competitive process in which an invitation to potential suppliers to submit offers for specifically described goods, works or services is publicly advertised.
Request for Quotation / Proposal (RFQ / RFP)	A process inviting quotations or proposals from potential suppliers for goods, works or services required to achieve a specific outcome.
Value for Money	Value for money is determined by considering all the factors that are relevant to the proposed contract to achieve the most efficient and effective outcome/s for Council. These may include: experience, quality, sustainability, risk and all total costs (ie. initial, ongoing and disposal costs, including any relevant CPI). Value for money does not mean the 'lowest price'.

## Policy Statement

### 1. Responsible Financial Management and Authority to Procure

- 1.1. Procurement activities must be carried out in accordance with Council's Financial Delegations and within budgetary requirements.
- 1.2. The availability of approved and adopted budget and funding source/s must be established prior to commencing any procurement process.
- 1.3. Council staff must not authorise expenditure that exceeds their Financial Delegation or the approved budget.

### 2. Value for Money

- 2.1. Council will achieve value for money through a balanced application of the following:
  - Relevant non-cost factors including quality, fit-for-purpose, capacity and capability of suppliers, timeliness, environmental and social factors and any other non-cost cost associated risks; and
  - All relevant cost factors such as whole of life costs from acquisition to disposal and any other cost related risks.

### 3. Best Practice

- 3.1. A best practice approach to all procurement activities must be undertaken. This includes the application of the principles in this Policy including the following key elements:

- Consistency – must apply in all stages of a procurement process in accordance with this Policy and Procurement Guidelines;
- Conflicts of Interest – where a Council official or staff member with an actual, perceived or potential conflict of interest must be declared and managed without delay;
- Intention to proceed – invitations to tender, quote, or otherwise must not be issued without a firm intention and capacity to proceed with a contract, including the availability of funds; and
- Anti-competitive practices – Council must not engage in practices that are anti-competitive or collusive.

#### **4. Fair and Ethical Practices**

- 4.1. Honesty and fairness – all procurement activities must be conducted in a fair, open and honest manner with the highest levels of probity and integrity, all within the context of public interest.
- 4.2. Accountability and transparency – Accountability in procurement activities means being able to explain, be responsible for and provide evidence on the process undertaken. When responding to independent enquiries our processes must clearly demonstrate they have been followed and have been fair and reasonable.
- 4.3. Risk Management – to be planned and applied appropriately at all stages of the procurement process to protect and enhance Council’s capability to minimise, prevent, and mitigate its exposure to risk.
- 4.4. Governance - in order to achieve the principles of probity including fairness, honesty integrity and professionalism, Council Officials must:
- respect and comply with Council’s Code of Conduct, Statement of Business Ethics and other policies and procedures;
  - abide by all legislation;
  - act in the public interest;
  - only conduct procurement activities for Council-related business;
  - comply strictly with the Gifts and Benefits Policy by not soliciting or accepting any gift or benefit from suppliers;
  - use Council resources effectively and efficiently; and
  - identify and declare any Conflicts of Interest (pecuniary and non-pecuniary) without delay.

#### **5. Sustainable Procurement**

- 5.1. Council is committed to adopting sustainable procurement principles and incorporating them into all procurement activities. Sustainable procurement is the act of adopting a combination of social, environmental and economic factors into procurement processes and decisions that meet the requirements of the business and community
- 5.2. When procuring goods and services, appropriate evaluation criteria must be incorporated to enable suppliers to provide details and demonstrate their commitment to meeting Council's sustainable procurement principles,
- 5.3. Sustainable Procurement involves Council meeting the need for goods and services in a way that achieves value for money and generates benefits not only to Council, but also playing a role in advancing long-term social and environmental sustainability.
- 5.4. When Council procures goods and services, appropriate evaluation criteria shall be implemented to allow suppliers to demonstrate their commitment to sustainability, with consideration to the following:
  - strategies and opportunities to avoid unnecessary consumption, waste and expenditure;
  - activities for minimising environmental impacts of the goods and services over the whole of life of the goods and services;
  - assessing suppliers socially responsible practices including compliance with legislative obligations; and
  - supporting local businesses and organisations.

## 6. Local Economic Development

- 6.1. In addition to value for money, procurement must be aimed at delivering social and economic benefits for the long-term wellbeing of the community wherever possible. Consideration must be given to:
  - supporting local businesses and social enterprise organisations;
  - working with ethically and socially responsible suppliers and their products to achieve mutual benefits; and
  - balancing the drive to achieve savings with community and local supplier impacts.
- 6.2. Council endeavours to support local economic development through all its procurement activities and shall incorporate mandatory scoring criterion aimed to assist local businesses to take advantage of opportunities to do business with Council, as follows:
  - **Request for Quotation** – where all selection criteria and scores are equal, preference will be given to local supplier/s.



- **Request for Tender** – additional maximum weighted criteria of 5% shall be included for local businesses (definitions to be included in the documents).

## **7. Modern Slavery**

7.1. Council is committed to ensuring that goods and services it procures are not the product of modern slavery, in accordance with the relevant legislative requirements. This includes any suppliers working with Council understand, respect and share our commitment.

7.2. Suppliers that are required to comply with the legislation must provide relevant details as part of any procurement process, including any known occurrences of modern slavery or human rights violations identified and the remedial actions taken. Failure to notify, take appropriate actions and demonstrate steps to prevent future occurrences may result in termination of any business with Council.

7.3. Council will:

- Identify where modern slavery risks may be occurring in our supply chain and determine appropriate degree of the risk/s;
- Include modern slavery criteria in RFP, RFQ and RFT documentation and contracts; and
- Identify suppliers that have demonstrated a commitment to modern slavery.

## **8. Interactions with Children and Young People**

8.1. Council is committed to championing child safety within our community. To ensure this commitment is upheld, suppliers and providers to Council will be required to:

- Read and acknowledge they understand and comply with Council's Interactions with Children and Young People Policy and Child Safe Code of Conduct documents;
- Acknowledge they are aware of relevant legislation including Child Protection (Working with Children) Act 2012, Child Protection (Working with Children) Regulation 2013, Children and Young Persons (Care and Protection) (Child Employment) Regulation 2015, Children's Guardian Act 2019 and Children and Young Persons (Care and Protection) Act 1988; and
- Ensure appropriate Working with Children Check compliance is in place.

8.2. Council will:

- Identify where risks may be occurring or have potential of occurring in our new and existing contracts;
- Include relevant requests for information in RFP, RFQ and RFT documentation and contracts; and

- Incorporate provisions and information provided by suppliers into relevant contract documentation.

## **9. Order Splitting**

9.1. The splitting of purchase requirements into components and/or successive orders for the same or similar works, goods or services, for the purpose of avoiding a Policy requirement is not permitted.

## **10. Single Sourcing**

10.1. Single sourcing is only permitted in exceptional circumstances. All proposed procurements via single sourcing (with a Procurement Threshold Value between \$10,000 to \$250,000 including GST) are to be formally approved by a Director. Procurements of this type that are greater than \$250,000 (inc GST) are to be formally approved by the General Manager.

10.2. Approval must be gained prior to approaching the market.

10.3. Approval is to be sought via completion of an Exemption from Procurement Form.

## **11. Application of Legislative Requirements**

11.1. All procurement activities must be undertaken in accordance with, but not limited to, the following Legislations:

- *Local Government Act 1993*;
- *Local Government (General) Regulation 2021*;
- Tendering Guidelines for NSW Local Government;
- *Plastic Reduction and Circular Economy Act 2021*;
- *NSW Modern Slavery Amendment Act 2021*;
- *State Records Act 1998 (NSW)*; and
- *Government Information (Public Access) Act 2009*.

## **12. Documentation and Record Keeping**

12.1. Appropriate documentation and record keeping must be maintained throughout the whole procurement cycle to provide an understanding of the reasons for procurement, the process that was followed, all relevant decisions and the reasons supporting those decisions.

## **13. Reporting and Monitoring**

13.1. Procurement and purchasing activities will be subject to audit and/or review on a timeframe to be determined by Council's Audit, Risk and Improvement Committee,

based on a risk-based Audit Program. The NSW Audit Office may also undertake separate performance audits as part of the annual interim/final financial audit.

13.2. Both scheduled and ad-hoc exception reporting will be undertaken by the Team Leader Procurement and Contracts or other delegated employees.

## Responsibilities

Position	Responsibility
Council	In accordance with the Local Government Act 1993 the Council is responsible for accepting or declining tenders. Council may elect to delegate the authority to accept tenders in certain circumstances.
General Manager	If delegated the authority by Council, the General Manager has the authority to accept, but not decline, tenders. The General Manager is responsible for the authorisations of delegations to employees for the acquisition of goods and services and awarding of contracts to the value/s specified.
Directors	Directors are responsible for ensuring their Directorate adheres to the requirements of this policy and provide guidance on the strategic procurement goals of the Directorate and organisation.
Staff	All staff must adhere to the requirements of this policy and operate within the authorities of any financial or other delegation granted them by the General Manager.
Responsible Officer	The Team Leader Procurement and Contracts is the responsible officer for this policy and is responsible for management of the tender process and providing procurement advice, guidance and education to ensure Council meets its obligations under the Act.

## Version Control and Change History

Version	Amendment Details	Policy Owner	Period Active
1.0	Complete new Georges River Council Procurement Policy	Manager Community and Early Learning Services	22/03/2018 – 29/10/2019
2.0	Review of policy, including introduction of a Value and Risk Matrix methodology and changes to the Procurement Threshold Values to align with new	Manager Governance and Risk Management	29/10/2019 – 30 June 2020

	local government tendering threshold of \$250,000. Appendices removed and created as separate procedures documents.		
3.0	Inclusion of a new Interim Direction to support enactment of Council's Economic and Social Recovery Plan.	Manager Governance and Risk Management	30 June 2020 – 29 June 2021
4.0	Extension of Interim Direction (Appendix 2) for further 12 months, until 30 June 2022, which was also approved by the Council 27/9/21 FIN044-21. In addition, adjustment to no. of quotes required for Non LGA purchases off Panel / Pre-Qualified Contracts & Schemes to reflect best practice and adjustment of single sourcing threshold.	Manager Governance and Risk Management	29 June 2021 – 30 June 2022
5.0	Renaming of Policy to Sustainable Procurement Policy.  Removed process related items and developed accompanying procedures.  Rationalising principles for ease read and additional content modern	Chief Financial Officer, Business and Corporate Services	28 August 2023 – August 2026

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slavery, sustainable  
procurement, etc.

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