



TATIARA DISTRICT COUNCIL

PROCUREMENT AND TENDERS POLICY

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Related Procedures:	7.1.2 Direct Purchasing Procedure
Other relevant documentation:	Not applicable

1. **INTRODUCTION**

- 1.1 In compliance with Section 49 of the Local Government Act 1999 (**Act**), Council should refer to this policy (**Policy**) when acquiring goods and services.
- 1.2 Section 49 of the Act requires Council to prepare and adopt policies on contracts and tenders on:
 - 1.2.1 the contracting out of services; and
 - 1.2.2 competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
 - 1.2.3 the use of local goods and services.
- 1.3 Furthermore, Section 49 (a1) of the Act requires Council to develop and maintain policies, practices and procedures directed towards:
 - 1.3.1 obtaining value in the expenditure of public money; and
 - 1.3.2 providing for ethical and fair treatment of participants; and
 - 1.3.3 ensuring probity, accountability and transparency in all operations.
- 1.4 This Policy seeks to:
 - 1.4.1 define the methods by which Council can acquire goods and services;
 - 1.4.2 demonstrate accountability and responsibility of Council to ratepayers;
 - 1.4.3 be fair and equitable to all parties involved;
 - 1.4.4 enable all processes to be monitored and recorded; and
 - 1.4.5 ensure that the best possible outcome is achieved for the Council.
- 1.5 However, this Policy does not cover:
 - 1.5.1 non-procurement expenditure such as sponsorships, grants, funding arrangements, donations and employment contracts; or
 - 1.5.2 the disposal of land and other assets owned by the Council; or
 - 1.5.3 the purchase of land by the Council.
- 1.6 This policy should be read in conjunction with and must be consistent with the Council's policy for assessment of projects, under Section 48 (aa1) of [the Act](#).

2. **POLICY OBJECTIVE**

- 2.1 Council aims to achieve advantageous procurement outcomes by:

- 2.1.1 enhancing value for money through fair, competitive, non-discriminatory procurement;
- 2.1.2 promoting the use of resources in an efficient, effective and ethical manner;
- 2.1.3 making decisions with probity, accountability and transparency.
- 2.1.4 advancing and/or working within Council's economic, social and environmental policies; providing reasonable opportunity for competitive local businesses to supply to Council;
- 2.1.5 appropriately managing risk; and
- 2.1.6 ensuring compliance with all relevant legislation.
- 2.2 Council also recognises that it has an important role to play in the local economy and hence is committed to assisting local industry to engage in business with Council. To assist local industry and local economic development, Council will apply a price preference discount in favour of local suppliers, as set out in this policy

3. **SCOPE**

This policy applies to all procurement processes and activities undertaken by Council, including ordering, purchasing, tendering and contracting. It does not apply to real property acquisitions, funding agreements and other non-procurement expenditure, such as sponsorships, grants, donations and employment contracts.

This policy covers the whole procurement process from identification of the need to contract management. It applies to anyone who undertakes or is involved in procurement activities on behalf of the Council, including Elected Members, staff, subcontractors and volunteers.

4. **PROCUREMENT PRINCIPLES**

Council must have regard to the following principles in its acquisition of goods and services:

4.1 **Encouragement of open and effective competition**

- 4.1.1 Council recognises the commercial and economic benefits of open and effective competition and must give fair and equitable consideration to all prospective suppliers.

4.2 **Obtaining Value for Money**

- 4.2.1 This is not restricted to price alone.
- 4.2.2 An assessment of value for money must include, where possible, consideration of:
 - the contribution to Council's long term plan and strategic direction;
 - any relevant direct and indirect benefits to Council and the district, both tangible and intangible;
 - timeliness, efficiency and effectiveness of the proposed procurement activity;
 - the performance history, and quality, scope of services and support of each prospective supplier;

- fitness for purpose of the proposed goods or service;
- whole of life costs;
- Council's internal administration costs;
- technical compliance issues;
- risk exposure;
- the value of any associated environmental benefits; and
- the value of dealing with local businesses:
 - (a) local knowledge, networks and relationships, and access to after sales service and maintenance;
 - (b) support for other local businesses through subcontracting and supplier arrangements;
 - (c) economic benefits of an ongoing, innovative and competitive local business environment.

4.3 Ethical Behaviour and Fair Dealing

- 4.3.1 Council employees involved in purchasing are to:
- 4.3.2 Behave with impartiality, fairness, independence, openness, integrity, and professionalism in their discussions and negotiations with suppliers and their representatives particularly through open and competitive tendering where practical and appropriate;
- 4.3.3 Provide all suppliers with equal opportunity to supply to Council;
- 4.3.4 Use straight forward and user friendly tender requests;
- 4.3.5 Use clear and easy to understand evaluation criteria and methodology;
- 4.3.6 Provide consistent processes and feedback on decisions;
- 4.3.7 Provide access to a timely and effective complaints procedure; and
- 4.3.8 Use effective communication and provision of information to all suppliers.

4.4 Accountability, Transparency and Reporting

All procurement shall be undertaken in a manner that ensures:

- 4.4.1 Clearly established roles and responsibilities;
- 4.4.2 Appropriate record keeping and documentation;
- 4.4.3 Transparency of decisions made;
- 4.4.4 Adherence to all statutory legislation and local codes of conduct;
- 4.4.5 The identification and management of actual or potential conflicts of interest;
- 4.4.6 The confidentiality of all commercial information.

4.5 Ensuring compliance with all relevant legislation

4.6 Encouragement of the development of competitive local business and industry

Where the evaluation criteria are comparable, Council may consider the following:

- 4.6.1 the creation of local employment opportunities;
- 4.6.2 increased availability of local servicing support;
- 4.6.3 increased convenience with communications with the supplier for contract management;
- 4.6.4 economic growth within the local area;
- 4.6.5 benefit to Council of associated local commercial transaction; and/or
- 4.6.6 the short and long term impact of the procurement on local business.

4.7 Environmental protection

Council will seek to:

- 4.7.1 adopt purchasing practices which conserve natural resources;
- 4.7.2 align the Council's procurement activities with principles of ecological sustainability;
- 4.7.3 purchase recycled and environmentally preferred products where possible;
- 4.7.4 integrate relevant principles of waste minimisation and energy;
- 4.7.5 foster the development of products and services which have a low environmental impact;
- 4.7.6 provide leadership to business, industry and the community in promoting the use of environmentally sensitive goods and services.

4.8 Industry Participation

- 4.8.1 Council recognises the importance of local suppliers, businesses and industries to the Tatiara District. Benefits include:
 - creation of local employment opportunities;
 - more readily available servicing support;
 - more convenient communications for contract management;
 - economic growth within the local area;
 - benefit to Council of associated local commercial transaction;
 - the short and long term impact of the procurement on local business.
- 4.8.2 “*Local supplier*” means a business, contractor or industry which:
 - is beneficially owned by persons who are residents or rate payers of Tatiara Council; or
 - has its principal place of business within the Tatiara Council; or
 - otherwise has a place of business within the Tatiara Council which solely or primarily employs persons who are residents or rate payers of Tatiara Council.
- 4.8.3 To assist local industry and local economic development, Council will:
 - Encourage a ‘buy local’ culture within the Council;

- Encourage local suppliers to participate in Council business by advertising in local newspapers and other means considered appropriate;
 - Make all tenders, contracts and expressions of interest available on Council's website;
 - Disseminate contract and tender information to local industry, in a manner deemed appropriate;
 - Package requirements in appropriately sized contracts to suit market capacity and encourage competition;
 - Ensure that buying practices, procedures and specifications do not disadvantage local suppliers
 - Ensure transparency in quotation, tendering and contract management practices;
 - Encourage local businesses to promote their goods and services to Council;
 - Encourage use of local suppliers by contractors, whenever goods or services have to be sourced from outside the Council boundary;
 - Consider the non-price value-for-money considerations set out in this Policy; and
 - Apply a price preference discount in favour of local suppliers, as set out in this policy.
- 4.8.4 For the purposes of comparing the price tendered by local and non-local suppliers, the price preference discounts set out below will be applied and given to Local Suppliers:
- Where the Procurement is primarily for the Purchase of Goods:
 - (a) 5% on purchases up to a value of \$50,000 with a maximum discount of \$2,500
 - (b) 2.5% on purchases over a value of \$50,000 with a maximum discount of \$5,000
 - Where the Procurement is primarily for Provision of Services or for Works:
 - (a) 5% on purchases up to a value of \$50,000 with a maximum discount of \$2,500
 - (b) 2.5% on purchases over a value of \$50,000 with a maximum discount of \$10,000
- 4.8.5 Normal processes of assessment of non-price considerations, as outlined in clause 4.2 "Obtaining Value for Money", still apply, and this policy does not necessarily mean that the lowest tender will be successful. The purpose of the policy is to give preference to local suppliers compared to non-local suppliers, where all else is equal.
- 4.8.6 Australian Steel
- Council will wherever possible:
- Source steel from mills with Australasian Certification Authority for Reinforcing and Structural steel (ACRS) third party certification;

- Source steelwork from steel fabricators independently certified to the recently created National Structural Steelwork Compliance Scheme (NCS).

5. PROCUREMENT METHODS

Generally, open and fair competition is best achieved by undertaking a tender process so that all interested parties have an opportunity to bid. However, there may be procurements in which a tender process will not necessarily deliver the most advantageous outcome for the Council – in such instances, other market approaches may be more appropriate.

The Council may, having regard to its Procurement Principles and any other factors considered relevant by the Council, in its absolute discretion determine to utilise one or more of the following procurement methods:

5.1 Direct Purchasing

- 5.1.1 This is where Council purchases from a single source, without first obtaining competing bids.
- 5.1.2 This method may be suitable for low value, low risk goods and services, and where the supplier already has a successful service history with the Council.
- 5.1.3 Payment options available to the Council for direct purchasing include use of petty cash, credit cards and issuing of purchase orders.

5.2 Quotations (Informal)

- 5.2.1 This is where Council obtains quotations from prospective suppliers.
- 5.2.2 Generally, a minimum of two quotations are sought.
- 5.2.3 Where possible, the Council must insist on written quotes.
 - If a written quote cannot be obtained, the Council **must** keep detailed written records of the oral quote obtained, including details of the commercial terms of the quote.
- 5.2.4 This method may be suitable for low value, low risk goods and services.

5.3 Purchase Orders

- 5.3.1 This is where Council is purchasing routine, low value and low risk goods and services.
- 5.3.2 Generally, Purchase Orders have limited terms and conditions and should not be used for non-routine, high value and high risk goods and services.

5.4 Request for Quotations (RFQ)

- 5.4.1 This is where Council obtains written quotations from prospective suppliers.
- 5.4.2 A minimum of three written quotations are sought.
- 5.4.3 This method may be suitable for simple, largely price-based purchases.
- 5.4.4 A “Short Form Request for Quotation” can be used for purchases with minimal specifications.
- 5.4.5 A “Long Form Request for Quotation” can be used for purchases with detailed specifications.

5.5 Requests for Expressions of Interest (REOI)

- 5.5.1 This is where Council issues an open invitation for a proposed goods and/or service.
- 5.5.2 This method may be used where there is potentially a large market for the proposed goods and/or service, and the Council would like to be able to prepare a short list of suppliers to then invite to participate in a tender process.

5.6 Request for Tenders (RFT)

- 5.6.1 This is where the Council issues a tender for a proposed goods and/or service.
- 5.6.2 Council may issue a “Select” Request for Tender where it has already issued a REOI, or where it has reasonable grounds for only dealing with a select group of potential suppliers.
- 5.6.3 Otherwise, Council may issue an “Open” Request for Tender.

5.7 Panel Contracts

- 5.7.1 This is where the Council establishes panel arrangements with a select group of suppliers – generally, this occurs once the Council has completed its appointment of such suppliers in accordance with this Policy, and can include either:
 - a standing offer from a pool of suppliers for the provision of goods and services on agreed terms; or
 - the prequalification of certain suppliers who may or may not be engaged on terms to be agreed.
- 5.7.2 Once a panel has been established, the Council may purchase the particular goods and/or service through such panel arrangements.

5.8 Strategic Alliances

- 5.8.1 This is where the Council undertakes procurement through contract arrangements already established and administered by other organisations, including:
 - LGA Procurement;
 - a purchasing group of which the Council is a member;
 - Procurement Australia;
 - State Government contracts.

5.9 Preferred Contractors

Council undertakes works that require ongoing use of services that are repetitive by nature. Examples include minor works such as electrical, plumbing, welding etc.

To achieve this supply process a registration of interest with conditions of contract is available on Council’s website for service providers to register an interest in provision of the service. To be eligible contractors /suppliers must:

- Provide proof that they are adequately insured;
- Provide proof that they are registered with WorkCover and have a WHS Policy
- Provide proof that they have the required licences, tickets to operate machinery etc.;

- Sign the Minor Services Agreement;
- Undertake a Council induction.

Once assessed by Council's WHS Officer as eligible, the provider can be given work upon meeting the requirements of Clause 6. Council shall have a list of preferred contractors that is kept up to date.

Staff engaging contractors/suppliers under this system:

- Still need to ensure that the contractor engaged is offering value for money. Where there are two or more contractors on the list offering similar services and who are available, staff should:
 - Obtain quotes and appoint the lowest priced contractor as long as their work record is satisfactory;
 - Where the service provided and the costs are similar, spread the work amongst those contractors.
- Cannot use this system to get around other aspects of this policy, e.g. issue two or more orders for the same job that are under a value outlined in Clause 6 that requires different action but when combined are over that value.

5.10 Market Testing

Where less than three quotations are sought, professional discretion will be used and occasional market testing undertaken to ensure best value is being achieved.

6. PURCHASE ORDERS

Except under circumstances listed below, goods and services will be obtained by use of an official order, provided that in urgent cases goods and services may be ordered subject to confirmation by an official order. Before the purchase order is signed/authorised it will include, where possible, an estimate of the cost of the goods and services ordered.

It shall not be necessary to obtain a purchase order for the following:

- Fees or payments imposed under any Act
- Insurance
- Minor Freight charges - e.g. daily parcel freight
- Payments pursuant to any court order binding upon a Council
- Goods purchased from petty cash or with a Council Credit Card
- Renewal of registration and subscriptions
- Payments of utilities
- Purchases under \$2,000
- Services under \$1,000
- Donations & Community Grants
- Services where a signed contract/ agreement has been entered into with the provider.

If the goods or service is exempt, but the Supplier requests a Purchase Order, and/or if a quote is provided, a Purchase Order must be issued.

7. CONSIDERATIONS FOR THE COUNCIL

The appropriate method of procurement will be determined by reference to a number of factors, including:

7.1 Value of the Purchase

Value of Purchase (\$)	Possible Method of Procurement (Minimum Requirements)
Less than \$2,000	Direct purchase
Between \$2,000 to \$8,000	1 quotation required
Between \$8,001 - \$25,000	2 quotations required
Between \$25,001 and \$100,000	Request for Quotation (RFQ) (3 quotations)
Purchases above \$100,000	Request for Tender (RFT)

The value of the purchase will be calculated as follows:

- *single one-off purchase* – the total amount, or estimated amount, of the purchase (excluding GST);
- *multiple purchases* – the gross value, or the estimated gross value, of the purchases (excluding GST); or
- *ongoing purchases over a period of time* – the annual gross value, or the estimated annual gross value, where “annual” refers to the current financial year, of the purchases (excluding GST).

For recurrent service delivery or supply requirements, where multiple engagements of an uncontracted supplier or multiple uncontracted suppliers of the same service delivery or supply type exceed an in cumulative value of \$100,000 within a financial year, and Council has not previously issued an RFQ, Council will call for tenders in that service delivery or supply type with a view to executing an ongoing contract for supply.

The Contract type may be:

- Sole Supply (Single Provider); or
- Panel (Multiple Providers).

- 7.2 cost of an open market approach versus the value of the acquisition and the potential benefits;
- 7.3 the particular circumstances of the procurement activity;
- 7.4 the objectives of the procurement;
- 7.5 the size of the market and the number of competent suppliers;
- 7.6 the Council's leverage in the marketplace;
- 7.7 time constraints;
- 7.8 a global assessment of the risks associated with the relevant activity and /or project, including the risk profile of the procurement and any risks associated with the preferred procurement method.

8. RECORDS

The Council must record written reasons for utilising a specific procurement method in each activity and where it uses a procurement method other than tendering.

9. **EXEMPTIONS FROM THIS POLICY**

- 9.1 This Policy contains general guidelines to be followed by the Council in its procurement activities. There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for the Council, and other market approaches may be more appropriate.

In certain circumstances, the Council may, after approval from its CEO or the elected Council, waive application of this Policy and pursue a method which will bring the best outcome for the Council. The Council must record its reasons in writing for waiving application of this Policy.

Examples of when it may be appropriate for the Council to waive application of this Policy are:

- 9.1.1 there may be significant public risk if the procurement is delayed by process requirements, such as emergency situations threatening life and property, or
- 9.1.2 a small, stable and well documented supply market exists such that the council can ensure that all potential suppliers are invited to participate; or
- 9.1.3 the pressures of time are such that an open call is not feasible, such as where there has been an unanticipated Council or Government policy decision; or
- 9.1.4 Council purchases goods at an auction; or
- 9.1.5 Council purchases second-hand goods; or
- 9.1.6 the contract is made with, or under an arrangement with or made by:
 - the State, a government entity, a local government owned corporation, another local government, [Local Government Corporate Services](#) (LGCS Pty Ltd) or [Procurement Australia](#); or
 - another Australian Government, an entity of another Australian Government or a local government of another State or a Territory; or
- 9.1.7 Council resolves to enter into a contract using a significant purchasing activity plan which must state:
 - the objectives of the purchase and how they will be achieved; and
 - any alternative ways of achieving the objectives, and why the alternative ways were not adopted; and
 - a risk analysis of the market from which the goods or services are to be procured.

- 9.2 If it is deemed that the purchase is exempt from the tendering/contract process, the form "Waiver of Minimum Requirements" should be completed and filed in the Council's Records Management System against the Creditor. (Appendix B).

10. **TENDERING PRINCIPLES**

All tendering processes conducted by Council will be based on the following principles:

- 10.1 Tendering at all levels shall be conducted honestly and in a manner that is fair to all parties involved;

- 10.2 Parties shall comply with all legislative obligations including those required by trade practices and consumer affairs legislation;
- 10.3 Council shall only call tenders after they have made a firm commitment to proceed with the project;
- 10.4 The conditions of tendering shall be the same for each tenderer.
- 10.5 Parties shall not engage in practices such as collusion on tenders, inflation of prices to compensate unsuccessful tenderers, hidden commissions, or any other such secret arrangements;
- 10.6 Tender documents shall specify the principal's requirements as clearly and precisely as possible and, when documents are altered, sufficient time shall be allowed for all tenderers to review and revise their tenders;
- 10.7 Any party with a conflict of interest shall declare those interests; and
- 10.8 Tenderers shall retain the right to intellectual property submitted with tenders, including title thereto.

11. TENDER OPTIONS

The tender process can be initiated by one of the four tender procedures as detailed:

- 11.1 **Open Tenders** – All interested parties are invited through open public advertisement to tender on a common basis.
- 11.2 **Selected Tenders** – A limited number of organisations are directly invited to tender because of their proven experience or recognised ability to undertake particular work. A minimum of three organisations must be invited to tender.
- 11.3 **Negotiated Tenders** – A firm tender is arrived at by negotiation with a single prospective organisation. The negotiations must be carried out in good faith.
- 11.4 **Pre-registered Tenders** – Expressions of Interest are invited for a project. Applicants are evaluated with a small number meeting the required criteria then being invited to tender.

12. TENDER PROCESS

12.1 Advertising

Invitations to tender shall be advertised on at least one occasion. The advertisements shall direct tenderers to identify the tender by placing the advertised tender reference on the outside of the sealed envelope or package in which the tender must be enclosed.

All invitations to tender for the provision of goods or services to Council shall specify a closing date, and Council may, at its discretion, extend a closing date.

All advertisements or invitations to tender will indicate "No tender nor the lowest tender necessarily accepted".

12.2 SA Tenders & Contracts Website

Staff may use a manual process of calling tenders or an electronic process as used by the SA Tenders and Contracts website.

The SA Tenders & Contracts website provides a consolidated listing of South Australian Public Sector tendering and bidding opportunities on one convenient website. The site also offers secure electronic lodgement of responses to selected tenders.

Upon receipt at the SA Tenders & Contracts server the response is time and date logged, re-encrypted (PGP - up to 2048bits) then stored in a tender specific electronic tender box that is time and date locked.

Each tender has a separate electronic tender box and none of the responses submitted can be accessed until after the closing date and time of the tender.

At the expiration of the time and date lock, the relevant agency authorised officer can open their electronic tender box in accordance with clause 12.5.1, "Opening Tenders".

12.3 Tender Register

A register shall be maintained for the duration of the tender period. The register shall record the names, contact addresses and telephone and facsimile numbers of all persons collecting tender documents. The register shall be used for the forwarding of tender addenda to contractors as the need arises.

12.3.1 *Addendum* - A written addendum notification shall be given to all proposed tenderers of any change to documentation or additional information.

An addendum shall not be issued any later than five days prior to the closing date of tenders unless the closing date is extended.

12.4 Tender Submission

12.4.1 *Tender Box*

A lockable tender box shall be located in the Bordertown Offices reception area and shall be clearly marked "TENDER BOX". The box shall be locked with the key located in the Council safe. An electronic website tender box as outlined above in 10.2 may also be used.

12.4.2 *Receiving of Tenders*

Tenders received are to be:

- Clearly marked as to the time of receipt by council staff
- Placed unopened into the locked tender box.
- If received after the closing time, then the time and date received shall be marked on the document together with LATE TENDER

The SA Tenders & Contracts website process can also be used.

12.5 Tender Opening

12.5.1 *Opening Tenders.*

As soon as practicable after the closing date the tender box shall be opened by three persons consisting of:

- Any two of the senior executive team comprising of either:
 - (a) Chief Executive Officer
 - (b) Director Infrastructure & Operations
 - (c) Director Corporate & Community Services
 - (d) Director Development & Environmental Services
- And one other staff member.

The date and time of opening the tenders will be marked in the tender book and all persons present will sign the book

Information contained in the tenders shall be treated as confidential.

12.5.2 Late Tenders

- Tenders received after the closing time and date **may not** be considered. Tenders received after other tenders have been opened **will not** be received.
- Reasons for acceptance or non-acceptance must be documented.

12.5.3 Tenders Received by Email.

Tenders received by e-mail shall be accepted as long as the original documents are received within 2 days.

12.5.4 Accidental Opening

When an envelope containing a tender is not marked as required, and is opened in the normal process of mail handling, the tender and the envelope are to be sealed into another envelope by the person dealing with the mail, correctly endorsed with the tender number and signed by the Officer, and immediately placed into the Tender Box. The contents of the tender must not be divulged to any other person by the said Officer.

12.6 Clarifications and Variations

Council shall include the following in its standard tender documents:

After the Closing Time, the Principal may (without limiting its options):

- 12.6.1 *request clarification or further information from any Tenderer; and*
- 12.6.2 *invite all Tenderers to change their Tenders in response to an alteration to the Specification or any of the terms and conditions of the Contract; and*
- 12.6.3 *negotiate with one or more Tenderers upon any aspect of their Tenders*

12.7 Evaluation of Tenders

12.7.1 General

The Council recognises that the lowest priced tender does not necessarily represent the best solution or best value for the purchase of a particular good or service.

Other factors must be taken into account, namely:

- Relevant experience;
- Past performance history;
- Technical, management, physical and financial capacity;
- Current commitments;
- Ecological impact of product production or disposal;
- Environmental impact of service provision;
- Level and quality of goods or services to be provided;
- Standing within the industry;
- Compliance with tender documentation;
- Occupational health, safety and welfare systems management.

12.7.2 *Qualifications – Formality of Tender*

A tender which does not comply with the tender documents may be rejected. The tenderer will be given reasonable opportunity to comply with the tender documents but only without alterations to the submitted tender price.

12.7.3 *Alternative Offers*

Alternative offers may not be considered unless provision is made for such offers within the tender documents. Where an alternative is offered by a tenderer, such alternative is relevant to that tenderer only and cannot be priced by any other tenderer.

12.7.4 *Selection Panel*

A selection panel will be established for the evaluation of each tender. The panel is to be established prior to the closing of the tenders.

The panel is to comprise a membership of at least three and include at least the following Officers, namely:

- The project officer;
- Department Director.

In some cases, tenders will be considered by a Council subcommittee, e.g. Plant & Machinery subcommittee.

It may be necessary in some tender evaluations to obtain the specialised services of an outside person or advice from another Council Department in the selection of evaluation criteria. In these circumstances an additional person may be invited to be a member of the panel.

All panel participants shall not have a personal interest in the evaluation outcome and all information contained in the process shall remain confidential. Panel participants must complete a "Conflict of Interest Disclosure Form", Appendix C.

The role of the panel is to:

- Select the evaluation criteria that are seen as being appropriate for the tender.
- Ensure consistency of approach and that the tenders are evaluated according to the evaluation criteria and priorities advised to all tenderers through the conditions of tender documentation.

12.7.5 *Comparative Evaluation Matrix*

The evaluation criteria that have been determined by the selection panel shall be rated in accordance with their perceived importance to the project

12.7.6 *Price Comparison*

The weighting that price is given shall reflect the perceived risk associated with the purchase of the good or service. As an example, in purchasing computer software, the panel could decide that technical performance commands a higher rating than price.

12.7.7 *Prudential Issues*

Where the contract value in terms of expected recurrent or capital expenditure:

- Exceeds an amount set by the council for the purposes of Section 48 of [the Act](#); or
- Where the expected expenditure of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or
- Where the expected capital cost of the project over the ensuing five years is likely to exceed \$4,000,000 (indexed).

Council will obtain and consider a report that addresses any potential prudential issues before the final contract, agreement, MOU, Deed or other form of undertaking is executed.

This requirement does not apply to purchases and/or projects funded through grants or where the procurement is for road construction, road maintenance or drainage works.

Refer to section 48 of [the Act](#), and to the Council's Prudential Management Policy.

12.7.8 *Tender Recommendation*

The selection panel will prepare a report to the appropriate Council Committee detailing the recommendation to award a contract.

The selection panel will deal with all tenders received, both conforming and non-conforming, and report on the tenders -

- In writing clearly stating the reasons for preferring one tenderer over another including the following:
 - (a) the tender evaluation matrix.
 - (b) a summary of each tender submission.
 - (c) comments on the evaluation criteria for each tender
- Outlining budget implications.
- Recommending a preferred tender.

Where the value of the tender is within the delegated purchasing authority approved by Council and it is within the approved council budget, the tender may be awarded but a report on the tenders received shall be submitted to the next Council meeting.

Where a tender has been let and additional works of a similar nature are required in the same financial year, the Department Director may utilise the same contractor, without the need to recall tenders, provided the unit rate has a variance of no greater than +5% and the project remains within the budgeted allocation.

12.8 **Council Consideration**

Council may decide to hold its consideration of Tenders "In Camera"

Section 90 (2) of the Local Government Act 1999 states that Council or a Committee may exclude the public to discuss matters listed in part (3). One of these is:

(k) *Tenders for the supply of goods, the provision of services or the carrying out of works;*

It is suggested that discussions about the tender be held in camera but not the actual decision or the amount.

12.9 **Contract Award**

12.9.1 *Awarding of Contract*

The successful tenderer shall be notified as soon as practicable through the issuing of a letter of acceptance.

The letter of acceptance shall contain the following information:

- A confirmation of the contract number and title.
- A statement that the submitted tender with details of post tender negotiations (if any) has been accepted by Council.
- A requirement to execute a formal instrument of agreement.
- A request to provide copies of insurances as required under the contract documentation.
- Confirmation of the Superintendent, if required.

12.10 **Unsuccessful Tenderers**

Once the contract has been signed all unsuccessful tenderers shall be notified in writing on the outcome of their tender.

Information provided shall be as follows:

- A confirmation of the contract number and title.
- Advise the name of the successful tenderer.

12.11 **Debriefing to Unsuccessful Tenderers.**

From time to time unsuccessful tenderers may request further information in order to learn from the tender experience. In these circumstances a member of the evaluating panel may discuss the evaluation process in general terms.

The information supplied shall be sensitive to the general commercial in confidence requirements of the other tenderers.

Council's normal complaints processes and procedures apply. More information can be found in Council's *Complaints Policy and Complaints Handling Procedure* and *Procedure under the Public Interest Disclosure Act 2018*.

13. **DELEGATIONS**

Only the Council officers listed in the attached **Schedule 1** are entitled to sign requisitions, and then only in accordance with their financial delegation limits. By signing a requisition/purchase order all officers are confirming that they have taken full notice of this policy and will comply with all of the requirements of this policy and the appropriate council guidelines and procedures.

Credit Cards – various staff have been provided with corporate credit cards with varying limits. In using those cards staff shall comply with this policy as well as with council's Internal Control Policy – 6.4 Credit Cards.

14. **FURTHER INFORMATION**

14.1 This Policy is available from Council's website www.tatiara.sa.gov.au and Council's Bordertown and Keith offices during ordinary business hours.

14.2 This policy will be formally reviewed by Council at least once every 2 years.

- 14.3 However, Council may revise or review this Policy at any time (but not so as to affect any process that has already commenced).

15. RECORD OF AMENDMENTS

DATE	REVISION NO	REASON FOR AMENDMENT
October 2011	Rev: 00	Draft Policy presented to Council
December 2011	Rev: 01	Revised Draft presented to council
January 2012	Rev:02	Revised Draft presented to council
17-01-2012	Rev:03	Policy adopted by Council
4-06-2013	Rev:04	Draft prepared - Combined with Council's Contracts and Tenders Policy
11-06-2013	Rev: 05	Policy adopted by Council
9-09-2014	Rev: 06	Policy reviewed and adopted by Council
8-03-2016	Rev: 07	Steel from Australian Mills clause added
11-04-2017	Rev: 08	Policy Reviewed and adopted by Council. Changes made to clauses 5, 6 and 11.
13-6-2017	Rev: 09	Policy Reviewed to include Electronic Requisitions and Purchase Orders, Exemptions for Purchase Orders and revised Appendix A
10-10-2017	Rev 10	Policy Reviewed to clarify exemptions for Purchase Orders
1-06-2019	Rev 11	Rewrite of policy
13-04-2021	Rev 12	Clarification of Clause 9.1, update Delegations Table
11-10-2022	Rev 13	Update Delegations Table
14-02-2023	Rev 14	Update Delegations – payment of invoices
13-02-2024	Rev 15	Update Delegations with new roles (Pending)

APPENDIX A – PROCUREMENT DELEGATION TABLE

Various staff are delegated authority to procure goods and services to the limits specified, as listed under conditions of this policy, by the issue of an official purchase order or otherwise, as set out in budgets approved by Council.

POSITION	PROCUREMENT	AMOUNT
Chief Executive Officer	Goods and Services	\$100,000
	Professional Services	\$35,000
Executive Assistant	Goods and Services	\$4,000
Director Corporate & Community Services	Goods and Services	\$50,000
	Professional Services	\$20,000
Finance Manager	Goods and Services	\$10,000
	Professional Services	\$5,000
Library Manager	Goods and Services	\$5,000
Manager People, Risk and Regulatory Services	Goods and Services	\$5,000
Records & Information Officer	Goods and Services	\$3,000
WHS Officer/Senior Library Assistant	Goods and Services	\$2,500
Payroll Officer	Goods and Services	\$2,000
Rates Officer	Goods and Services	\$2,000
Creditors Officer	Goods and Services	\$2,000
Customer Services Officers	Goods and Services	\$2,000
Arts & Community Development Officer	Goods and Services	\$2,000
Information Technology & Communications Officer	Goods and Services	\$2,000
Bordertown Caravan Park Manager	Goods and Services	\$2,000
Communications & Economic Development Officer	Goods and Services	\$2,000
Community Development Officer – Migration	Goods and Services	\$2,000
Director Infrastructure & Operations	Goods and Services	\$50,000
	Professional Services	\$20,000
Infrastructure Delivery Manager	Goods and Services	\$30,000
Works Construction Supervisor	Goods and Services	\$30,000
Works Maintenance Supervisor	Goods and Services	\$30,000
Parks & Gardens Supervisor	Goods and Services	\$10,000
Gardener	Goods and Services	\$5,000
Senior Mechanic	Goods and Services	\$15,000
Mechanic	Goods and Services	\$2,500
Operations Support Officer	Goods and Services	\$10,000
Asset Manager	Goods and Services	\$10,000
Asset Engineer	Goods and Services	\$2,000
Technical Support Officer	Goods and Services	\$2,000
Special Projects	Goods and Services	\$50,000
	Professional Services	\$20,000
General Inspector	Goods and Services	\$3,000
Swimming Pool Manager	Goods and Services	\$2,000

All contracts for the acquisition of goods and services in excess of \$50,000 are to be authorised by the CEO and/or Council.

The financial delegation above extends to the authorisation of the payment of invoices.

On the rare occasion that the payment of an invoice is not the result of a procurement process, the payment of state or federal government levies or taxes for example, the CEO is delegated the authority to pay such invoices to the amount set out in budgets approved by Council. For the avoidance of doubt, this includes such payments exceeding \$100,000.

APPENDIX B – WAIVER OF MINIMUM REQUIREMENTS

TATIARA DISTRICT COUNCIL

WAIVER OF MINIMUM REQUIREMENTS PROCEDURE

Introduction

Council has a *Procurement and Tenders Policy* which sets out guidelines for the purchase of goods and services.

The policy sets out the following minimum requirements for the purchase of goods and services.

Value of Purchase (\$)	Possible Method of Procurement (Minimum Requirements)
Less than \$2,000	Direct purchase
Between \$2,000 to \$8,000	1 quotation required
Between \$8,001 - \$25,000	2 quotations required
Between \$25,001 and \$100,000	Request for Quotation (RFQ) (3 quotations)
Purchases above \$100,000	Request for Tender (RFT)

Exemptions from the *Procurement and Tenders Policy*

There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for the Council, and other market approaches may be more appropriate.

In certain circumstances, the Council may, after approval from its CEO or elected members, waive application of this Policy and pursue a method which will bring the best outcome for the Council. The Council must record its reasons in writing for waiving application of this Policy.

Examples of when it may be appropriate for the Council to waive application of this Policy are:

- there may be significant public risk if the procurement is delayed by process requirements, such as emergency situations threatening life and property, or
- a small, stable and well documented supply market exists such that the council can ensure that all potential suppliers are invited to participate; or
- the pressures of time are such that an open call is not feasible, such as where there has been an unanticipated Council or Government policy decision; or
- Council purchases goods at an auction; or
- Council purchases second-hand goods; or
- the contract is made with, or under an arrangement with or made by:

- the State, a government entity, a local government owned corporation, another local government, [Local Government Corporate Services](#) (LGCS Pty Ltd) or [Procurement Australia](#); or
- another Australian Government, an entity of another Australian Government or a local government of another State or a Territory; or
- Council resolves to enter into a contract using a significant purchasing activity plan which must state:
 - i. the objectives of the purchase and how they will be achieved; and
 - ii. any alternative ways of achieving the objectives, and why the alternative ways were not adopted; and
 - iii. a risk analysis of the market from which the goods or services are to be procured.

Variation of the Existing Policy and Process to be Used

If it is deemed that the purchase is exempt from the tendering/contract process, the following process shall be used before issuing an order for the work to be carried out:

1. The staff member shall consider the following issues re the contractor and the cost of the works;
 - Is the work urgent?
 - Is there sufficient time to obtain additional quotes?
 - Is the work specialised?
 - Are there other available contractors?
 - Does the Contractor comply with Council's WHS requirements?
 - Is the cost of the works competitive/reasonable?
 - Has the contractor worked successfully for Council before?
 - Aggregate spend with the contractor over the current financial year?
2. The staff member shall complete the following form and obtain consent from the Chief Executive Officer prior to any works proceeding.

PROCUREMENT AND TENDERS POLICY			
<u>WAIVER OF MINIMUM REQUIREMENTS</u>			
Date:			
Name of Council Officer:			
Contractor:			
Project:			
Service/Goods to be provided:			
Fixed Cost:			
Estimated Cost:			
Factors considered:	YES	NO	COMMENT
Availability of Resources?			
Availability of equipment/service?			
Is the service available locally?			
Does the work have to be undertaken by a specific time?			
Is the work to be undertaken out of normal working hours?			
Provide details of similar works undertaken by Contractor			
Provide details of works undertaken for Council			
Has the contractor had a successful service history with Council?			
Aggregate spend with the contractor over the current financial year?			
Does the contractor comply with all of Councils WHS requirements?			
Do the goods comply with all other relevant legislation ?			
Is the cost competitive and value for money?			

Other comments:	
Signed:	Date:
Name:	Position:
Approved <input type="checkbox"/>	Not approved <input type="checkbox"/>
Signed:	Date:
Name:	Chief Executive Officer / Director

APPENDIX C – CONFLICT OF INTEREST DISCLOSURE FORM

TATIARA DISTRICT COUNCIL CONFLICT OF INTEREST DISCLOSURE FORM

(In accordance with Section 74 & 75 of the Local Government Act 1999)

1. **EVALUATION PANEL PARTICIPANT NAME**

2. **CONTRACT**

3. **DECLARATION**

As a member of the Evaluation Panel for the above Contract I understand my obligations with regards to conflict of interest.

I am fully aware of my obligations under the Local Government Act 1999, Code of Conduct, and Tatiara District Council's Procurement Policy, and the requirement to avoid all conflicts of interest in carrying out my duties, and to disclose any potential conflict of interest if they emerge in the course of the above-mentioned tender evaluation.

I currently have no such conflicts. ☐

I currently have a conflict. ☐

4. **TYPE OF CONFLICT (Select one)**

☐

MATERIAL CONFLICT OF INTERESTS

I consider that I have a material conflict of interest pursuant to section 75 of the Local Government Act 1999 ("the LG Act"). The nature of my material conflict of interest is listed below [ensure sufficient detail is recorded, including the reasons why you (or a person prescribed in section 75 (1) of the LG Act) stands to gain a benefit or suffer a loss depending on the outcome of the consideration of the matter at the meeting of the Council in relation to the Agenda Item described above]:

Required Action: I will leave the meeting room (including any area set aside for the public) such that I cannot view or hear any discussion or vote at the meeting, and will stay out of the meeting room while the matter is being discussed and voted on.

☐

GENERAL CONFLICT OF INTERESTS

The nature of my general conflict of interest (pursuant to section 74 of the Local Government Act 1999) is listed below [ensure sufficient detail is recorded, including the reasons why the conflict between your interest and the public interests might lead to a decision that is contrary to the public interest in relation to the Agenda Item described above]:

Required Action: If a member has a general conflict of interest, the Act requires that the member deal with the interest in a "transparent and accountable way". The member must inform the meeting of their interest in the matter, and, if the member proposes to participate in the meeting in relation to the matter, how the member intends to deal with the general conflict, including whether the member intends to vote on the matter; and the member's reasons for participating (and, if relevant, voting) in relation to the matter.

Description of Conflict of Interest:

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5. DECLARATION

NAME: DATE:

POSITION (if applicable):