

Name:	Procurement		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director Corporate Services		
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### 1 PURPOSE

The purpose of this policy is to ensure Council implements a fair, transparent and accountable process in the purchase of goods and services that achieves value for money and benefits the Palmerston Community.

### 2 PRINCIPLES

The primary goal of any Council procurement activity is to achieve the best value-for-Palmerston outcome. Value-for-Palmerston does not just entail the price, but broader considerations such as whole of life costs, past performance, commercial and other risks, compatibilities and local factors. The lowest price may not be the best overall option.

Council considers the following principles:

- Open and effective competition;
- Value for money;
- Encouraging the development of a competitive local business and industry;
- Quality of Service Provision;
- Environmental benefits; and
- Ethical behaviour and fair dealing.

### 3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	Definition
Procurement	Procurement shall mean, purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods. Services to Council, or third parties acting as representatives for Council.
Cost	Cost is defined as the full cost of the procurement of the goods and services and is inclusive of Goods and Services Tax (GST).
Local Buy	A contractual arrangement established by the Local Government Association Queensland with the Local Government Association of the Northern Territory as a signatory that enables Council to purchase a variety of goods and services from accredited suppliers without tendering.
Local Supplier	A supplier operating in the Northern Territory and more particularly Palmerston or the Top End Region and satisfies elements such as operating in the Northern Territory, significant permanent resources and employs Northern Territory residents.
Purchasing Officer	An officer of Council with financial purchasing delegation as defined in the Delegations Manual.
Top End	The geographical area comprising the northern part of the Northern Territory including Darwin, Palmerston, Litchfield and surrounding rural area south to the township of Adelaide River.

### 4 POLICY OBJECTIVES

The objective of this policy is to establish a framework for the implementation of Council's purchasing arrangements to ensure:

- Compliance with relevant legislation in relation to purchasing;
- That all purchasing procedures, regardless of the size of the transaction, be open and transparent and able to withstand public scrutiny;
- Purchasing processes remain efficient and effective;
- That an appropriate system of internal control is in operation in relation to purchasing;
- All suppliers are given fair and equitable consideration at all times;
- That officers responsible for purchasing have a clear understanding of their responsibilities and authority; and
- Opportunities are provided to local businesses.

### 5 POLICY STATEMENT

The City of Palmerston has a centralised procurement model. Council officers responsible for purchasing goods and services must comply with this policy and it is the officer's duty to understand the meaning and intent of this policy.

Council officers are required to:

- Follow the standards of the Local Government Act and the corresponding regulations;
- Preserve Council's integrity to ensure that Council may be seen to have acted appropriately in all procurement dealings; and
- Abide by Council's Code of Conduct Policy and all applicable policies and instructions.

Any canvassing of Elected Members or Council Staff in relation to Procurement will result in the proposals being automatically disqualified.

#### Local Suppliers

Every effort should be made to utilise local suppliers and to ensure locally based businesses and industries are given an opportunity to participate in quotation or tender processes. Local businesses will still need to be competitive and present value for Palmerston including how they deliver local benefits.

A local supplier criteria weighting of at least 20% will be applied to the assessment process for the purpose of value-for-Palmerston, local development and value adding.

The assessment will consider a local content test. While the local content assessment criteria will vary depending on the procurement, typically it will consider principles such as:

- Employment
- Up-skilling
- Local industry participation
- Local and regional development initiatives

Local considers benefits to Palmerston, the Top End Region and the Northern Territory.

## FIN04

Whilst Council is committed to local suppliers, the reality is that certain types of goods and services cannot be purchased from within the Territory.

### Local Buy

Where appropriate and provides value for money, Council can utilise the Local Buy Procurement arrangement administered by the Local Government Association Queensland which provides an electronic portal to facilitate compliant purchasing for Councils in Queensland and the Northern Territory. While Council is not legally bound to use Local Buy's services, using Local Buy arrangements save significant time and money and are fully compliant with the Local Government Act and the Local Government Accounting Regulations. The local supplier criteria will still be applied when this process is used. Purchasing capacity is unlimited for goods and services through Local Buy.

### Environmental and Social Procurement

Officers must consider the environmental and social implications of procurement including impact on costs.

## 6 LEGISLATION, TERMINOLOGY AND REFERENCES

The procurement of all goods and services must comply with Council's obligation under the:

- Local Government Act
- Local Government (Accounting) Regulations
- Ministerial Guidelines
- Local Government General Instructions

Reference should also be given to the Northern Territory Government Buy Local Plan where appropriate.

## 7 IMPLEMENTATION AND DELEGATION

In accordance with Section 32(2) of the Local Government Act, Council has delegated the authority for implementation to the Chief Executive Officer.

Authorised purchasing limits based on delegated levels of authority are in place.