

# PROCUREMENT

## COUNCIL POLICY

### 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.

### 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's procurement system is underpinned by the following principles:

- Value for money
- Broader benefits to the local economy
- Open and fair competition
- Environmental protection
- Ethical behaviour and fair dealing
- Ensuring Transparency, Integrity, Openness and Accountability

### 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 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.

TERM	DEFINITION
Procurement Entity	An entity approved under Section 39 of the Local Government (General) Regulation 2021
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.
Diverse	Diversity encompasses all the differences between people including age, cultural background, abilities, gender, sexual orientation, and socio-economic background. These principles apply to all different groups within society, including Aboriginal and/or Torres Strait Islander people.

## POLICY STATEMENT

### 1. Objectives

- 1.1. The objective of this policy is to establish a framework for the implementation of Council's purchasing arrangements to encourage:
  - 1.1.1. the enhancement of the capabilities of local enterprises and industries;
  - 1.1.2. the employment of Aboriginal people;
  - 1.1.3. ethical behaviour and fair dealings;
  - 1.1.4. environmental protection and sustainability;
  - 1.1.5. open and effective competition;
  - 1.1.6. value for money;
  - 1.1.7. the sustainable employment of diverse people;
  - 1.1.8. social sustainability.

### 2. Procurement Model

- 2.1. 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.
- 2.2. Council officers are required to:
  - Follow the standards of the Local Government Act and the corresponding legislations;
  - 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.

### 3. Local Suppliers

- 3.1. 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.
- 3.2. Local supplier criteria weighing of at least 20% will be applied to the assessment process for the purpose of value-for-Palmerston, local development and value adding.
- 3.3. The assessment will consider a local content test. Local content assessment will consider principles such as, but not limited to;
  - Employment
  - Up-skilling
  - Local industry participation
  - Local and regional development initiatives
- 3.4. Local considers benefits to Palmerston, the Top End Region and the Northern Territory.
- 3.5. Whilst Council is committed to local suppliers, the reality is that certain types of goods and services cannot be purchased from within the Territory.

### 4. Procurement Entity

Council may procure under a contract that is facilitated by a procurement entity established under Section 39(2) of the Local Government Act (NT) 2019.

### 5. Sustainability

- 5.1. Considerations will be given to the environmental and social sustainability implications of the procurement. This should include, but not be exclusive to, lifecycle costs, resource use, greenhouse gas emissions, ethical purchasing implications, access and inclusivity and waste minimisation. These procurement factors should be considered at all stages of the product 'life cycle', including production, purchase, delivery and use.
- 5.2. Council may also consider the following:
  - the environmental performance of prospective contractors or suppliers;
  - the selection of products that may have a reduced impact on human health and or the natural environment; and
  - the environmental impact and performance of a requested product, such as energy and / or water efficiency rating, fuel efficiency, durability, recycled content, toxicity, origin of any components made from wood (e.g. paper products) and end of life disposal.

## ASSOCIATED DOCUMENTS

## REFERENCES AND RELATED LEGISLATION

- Local Government Act





# POLICY DETAILS

OWNER	CEO	RESPONSIBLE OFFICER	Director Finance and Governance
APPROVAL DATE	4 October 2022	NEXT REVIEW DUE	4 October 2024
RECORDS NUMBER	518759	COUNCIL DECISION	10/546