



Light
Regional
Council

Procurement Policy

Reference Number:
Responsible Department:
Related Policy/Procedure:

Section 1 No. 13
Infrastructure & Environment
1.05 Procurement Procedures
1.16 Corporate Purchasing Card Procedures
Work Health and Safety Policies and Procedures
26 May 2015
26 March 2024
OCM-2023/034
Amendment No 8
Competition and Consumer Act 2010 (Cth)
Environmental Protection Act 1993
Freedom of Information Act 1991
Work Health and Safety Act 2012
Independent Commission Against Corruption Act 2012
Local Government Act 1999
November 2025
Every 4 years, or earlier if required

Date of Adoption:
Current Review Date:
Council Resolution Number:
Version Number:
Applicable Legislation:

Next Review Date:
Review Frequency:

1. Purpose

This policy has been developed to provide clear direction to ensure consistency and control and to encourage best practice in procurement pursuant to the requirements of Section 49 of the Local Government Act 1999 (SA).

2. Scope

2.1 In Scope

This policy informs all procurement activities associated with the acquisition of Goods and Services of any value and applies to anyone who undertakes or is involved in procurement on behalf of Council.

2.3 Out of Scope

This policy does not cover:

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

3. Definitions

- **Goods** a physical or tangible item that does not include a labour component.
- **Local Suppliers** depending on the goods or services being procured, may include a supplier:
 - that has a physical business location from which the business operates, or is owned or employs or subcontracts to persons, who are residents or ratepayers of the Council area
 - that has a physical business location, or is owned or employs or subcontracts to persons, who are residents or ratepayers within a 50km radius of the Council boundary or

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- that has a physical business location, or is owned or employs or subcontracts to persons, who are residents or ratepayers in the state of South Australia.
- **Procurement** a series of activities undertaken when purchasing goods and services based on three key phases: planning, purchasing and contract management.
- **Services** the performance of a task, duties or work for another, by an individual or organisation which normally involves the provision of labour or consultancy.
- **Supplier** a person or entity that provides goods or services to the Council.

4. Procurement Principles

All of Council's procurement is underpinned by the following key principles.

Principle 1 - Open, fair and effective competition

To ensure open, fair and effective competition by providing suppliers with appropriate access to Council's procurement opportunities.

Principle 2 - Value for money

To ensure the best overall value and result is obtained by applying a strategic and cost effective approach which includes consideration of fitness for purpose, whole of life cost, timeliness, intangible costs/benefits, quality, service, support, warranty and sustainability.

Principle 3 - Professional behaviour and ethical conduct

To behave in a professional, ethical and impartial manner, act responsibly and exercise sound judgement by observing the highest standards of integrity in line with the Code of Conduct.

Principle 4 - Accountability, transparency and probity

To ensure that responsibilities are clearly defined, and that decisions are made in an open and transparent manner. This includes ensuring appropriate records are kept of the procurement process.

Principle 5 – Compliance with statutory obligations

To ensure purchasing activities are conducted in accordance with legislative and common law responsibilities. This includes but is not limited to the Local Government Act 1999 (SA), Competition and Consumer Act 2010 (Cth) and other relevant legislation, industrial awards and agreements.

Principle 6 - Local industry sourcing and employment

To give preference to Local Suppliers, where appropriate and when all other commercial considerations are equal (e.g., capability, capacity, and competitiveness), to support the development of local industry and maximise the skills and employment opportunities available in the local area.

Principle 7 –Risk management

To ensure that appropriate risk management practices and procedures are in place for purchasing activities including risk identification, assessment, and implementation of controls in line with Council's Risk Management Policy.

Principle 8 – Work health and safety

To ensure that suppliers demonstrate appropriate work health and safety management systems and capabilities which at a minimum meet legislative requirements and Council's WHS standards.

Principle 9 - Environmental sustainability

To promote and adopt purchasing practices that conserve resources, save energy, minimise waste, protect the environment and are generally consistent with principles of ecological sustainability, to the greatest extent practicable. This includes promoting the use of products containing recycled content where applicable.

Principle 10 - Social sustainability

To give consideration, where practicable, to the inclusion of not-for-profit organisations (social enterprises) that benefit the community (engaging the disadvantaged).

5. Purchasing Approach

The method of purchase will be determined by reference to the level of expenditure and the most appropriate procurement approach, as determined by Schedule 1 and consideration of the following factors:

- the circumstances of the procurement activity
- the objectives of the procurement
- the size of the market and the number of competent suppliers
- Council's leverage in the marketplace
- time constraints
- the cost of an open market approach versus the value of the acquisition and the potential benefits
- an assessment of the risks associated with the relevant activity, including the risk profile of the procurement and any risks associated with the preferred procurement method
- for multiple or ongoing purchases, the total expenditure with a supplier or several suppliers over a set period (Total Cumulative Spend).

6. Procurement Methods

Council will purchase Goods and Services through the following methods:

- Existing Arrangements
- Direct Sourcing
- Quotations
- Tenders
- Emergency Purchases.

These methods of procurement may be undertaken in accordance with Schedule 1.

6.1 Existing Arrangements**6.1.1 Single Contracts**

This is where an agreement has been entered into with only one supplier to provide or supply specified Goods or Services to Council.

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6.1.2 Panel Contracts

This is where agreements have been entered into with more than one supplier to provide specified Goods or Services to Council. Panel contracts are standing offers to provide agreed goods or services at a fixed price for a set term. They do not commit Council to any minimum spend.

6.1.3 Prequalified Suppliers

Where a supplier has been assessed and a process undertaken to prequalify the preliminaries for a specific scope or purpose. Prequalified suppliers may include businesses which have the necessary insurances and/or compliance documentation up to date within Council's Business Management System.

6.1.4 Strategic Alliances

This is where Council is part of a collective group, and a contract has been put in place that Council may access. Strategic alliances include LGA Procurement (VendorPanel), Barossa Regional Procurement Group (or successor), Procurement Australia, and Australia State or Federal Government contracts.

6.2 Direct Sourcing

This is where purchasing is made from a single source without obtaining competitive bids. This method may be appropriate where the market is limited, for low value / low risk purchases, or where the costs outweigh the benefits of alternative methods.

Direct Sourcing may be undertaken in accordance with Schedule 1.

6.3 Quotations

This is where suppliers are invited to participate in a process to bid on specified Goods or Services.

6.3.1 Informal Quotations

Simple price quotes that can be verbal, email, or short form. This method may be suitable for one off, simple, low value / low risk purchases, often of a retail nature.

6.3.2 Formal Quotations

Detailed written quotes using an approved template. This method may be suitable for more complex, one off purchases, which are largely priced based, and of low to medium value / low to medium risk.

6.4 Tenders

This is a formal and structured invitation to suppliers to participate in a process to bid on specified Goods or Services.

6.4.1 Open Tender

Seeking tenders from the marketplace via an open invitation process.

6.4.2 Select Tender

Seeking tenders from a limited number of suppliers where there are reasonable grounds for only dealing with a select group of potential suppliers.

6.4.3 Expressions of Interest

An open invitation allowing market responses to be assessed to identify and short list potential suppliers for future procurement methods. Price is not evaluated.

6.5 Emergency Purchases

Emergency Situations are restricted to:

- Community – there is a genuine concern for public safety; or activation of the Emergency Response Plan.
- Council assets – ensuring that residents or occupants of Council-owned buildings are not subject to undue discomfort or hardship due to breakdown of building facilities or equipment; or the security of council assets; or activation of the Business Continuity Plan.

Purchases can be made without the need to initially follow policy in Emergency Situations. Determination of whether these situations apply will be at the discretion of the CEO and/or General Managers. Expenditure must be within delegated authority and limited to that required to alleviate the emergency only. Normal methods of purchase, as stipulated within this procurement policy, must be resumed as soon as practicable.

7. Exemptions

There may be 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. Examples include a request for proposal, or where funding agreements specify Council follow prescribed tendering processes which differ from this policy.

Exemptions to the requirements of this policy must be approved by the CEO or relevant General Manager.

8. Record Keeping

Record must be kept of all procurement activities in accordance with Schedule 1 and Council's Procurement Procedures.

9. GST

All figures expressed in this policy are GST exclusive.

10. Delegations

Delegation and sub delegation for expenditure and entry into any kind of contractual arrangement is provided for in Schedule 2, subject to Council's Delegations Register.

History

Policy 1.13 Accounting Policies & Guidelines Procurement Policy, Version 8, rescinded by Council with Original 1.13 Procurement Policy adopted at its Meeting 26 May 2015 Refer item AUD 9.2.2/2015, page 2015/174.

1. Amendment 1 adopted at Council meeting 8 December 2015, Minute Reference AUD9.2.4/2015, Page 2015/423
2. Amendment 2 adopted at Council meeting 23 August 2016, Minute Reference AUD9.2.6/2016 Page 2016/307.
3. Amendment 3 adopted at Council meeting 27 June 2017, Minute Reference AUD9.2.1/2017 Page 2017/205 and revised at Council Meeting 22 August 2017, Minute Reference 12.2.2 Page 2017/307.
4. Amendment 4 adopted at Council meeting 23 June 2020, Minute Reference AUD9.2.5/2020, Page Reference 2020/110.
5. Amendment 5 adopted at Council meeting 25 August 2020, Minute Reference AUD9.2.3/2020, Page Reference 2020/143.
6. Amendment 6 adopted at Council meeting 23 November 2021, Page Reference 2021/243 Minute Reference ARC10.4/2021.
7. Amendment 7 adopted by Council 28 February 2023 Resolution No: OCM-2023/034

SCHEDULE 1: METHOD OF PROCUREMENT

Table 1: EXISTING ARRANGEMENTS					
Method	Value	Justification / Process	Documents	Delegate Signing	Engagement Terms & Conditions
Direct from Prequalified Supplier or Strategic Alliance	Up to \$50,000	Reasons to be noted on Requisition Form	Requisition Form	Purchase Order	Purchase Order terms and conditions* or Strategic Alliance contractual arrangements; letter of engagement
Quotation from Council Prequalified Supplier list or Strategic Alliance	\$50,000 to \$100,000	Quotation (informal or formal) from minimum 3 prequalified contractors	Quote Comparison Form, Requisition Form	Purchase Order	Purchase Order terms and conditions* or Strategic Alliance contractual arrangements; letter of engagement
Direct from Panel Contract	Up to \$100,000	Reasons to be noted on Requisition Form	Requisition Form	Purchase Order	Panel Contract terms and conditions
Quotation from Panel Contract	Over \$100,000	Quotation (informal or formal) from minimum 3 panel contractors	Quote Comparison Form, Requisition Form	Purchase Order	Panel Contract terms and conditions
* Risk assessment - Consideration to be given to use of Contract in lieu of purchase order terms and conditions for procurements above \$15,000, especially where terms and conditions are required beyond the normal terms attached to a purchase order.					

Table 2: NEW ARRANGEMENTS

Method	Value	Justification / Process	Documents	Delegate Signing	Engagement Terms & Conditions
Direct Sourcing	\$0 to \$10,000	Reasons to be noted on Requisition Form	Requisition Form	Purchase Order	Purchase Order terms and conditions
Informal Quotations x3	\$0 to \$30,000	Online research and comparison, emails or phone calls to suppliers; completion of the Quote Comparison Form	Quote Comparison Form, Requisition Form	Purchase Order*	Purchase Order terms and conditions*
Formal Quotations x3	Up to \$100,000	Acquisition Plan approved by Manager, completion of Quote Comparison Form	Acquisition Plan, RFQ Template, Quote Comparison Form, Requisition Form	Acquisition Plan, Purchase Order*	Purchase Order terms and conditions*
Direct Sourcing	\$10,000 to \$100,000	Acquisition Plan Approved by GM	Acquisition Plan, Requisition Form	Acquisition Plan, Purchase Order*	Purchase Order terms and conditions*
Open Tender	Over \$100,000	Acquisition Plan approved by GM and Procurement Delegate	Acquisition Plan, RFT Template, RFT Evaluation, RFT Panel Report, Contract, Requisition Form	Acquisition Plan, RFT Panel Report, Contract, Purchase Order	Contract
Direct Sourcing or Select Tender	Over \$100,000	Acquisition Plan approved by CEO and Endorsed by GMG	Acquisition Plan, RFT Template, RFT Evaluation, RFT Panel Report, Contract, Requisition Form	Acquisition Plan, RFT Panel Report, Contract, Purchase Order	Contract
* Risk assessment - consideration to be given to use of a Contract in lieu Purchase Order terms and conditions for procurements above \$15,000, especially where terms and conditions are required beyond the normal terms attached to a Purchase Order.					

Schedule 2 – DELEGATION OF AUTHORITY TO COMMIT FUNDS AND APPROVE INVOICES FOR PAYMENT

Ability to commit funds and authorise payment as per Schedule 2 is subject to the delegation and sub delegations provided for in Council's Delegations Register under Section 36(1)(a), Section 37(b) and Section 137 of the *Local Government Act 1999 (SA)*. *Position holders are responsible for confirming necessary delegation and/or sub delegations are in place prior to the exercise of powers and functions.*

<i>Position Held</i>	<i><u>Value</u> (GST exclusive)</i>
<i>Chief Executive Officer</i>	<i>Within adopted budget</i>
<i>Deputy CEO</i>	<i>\$500,000</i>
<i>General Manager</i>	<i>\$250,000</i>
<i>Manager, Information Services</i>	<i>\$50,000</i>
<i>Operations Manager</i>	<i>\$50,000</i>
<i>Asset and Engineering Manager</i>	<i>\$50,000</i>
<i>Manager, Strategic Projects</i>	<i>\$50,000</i>
<i>Capital Projects Manager</i>	<i>\$50,000</i>
<i>Project Officer</i>	<i>\$50,000</i>
<i>Managers, Other</i>	<i>\$10,000</i>
<i>Coordinator / Supervisor</i>	<i>\$5,000</i>
<i>Team Leader, and other staff with relevant sub delegation</i>	<i>\$200</i>