



## TATIARA DISTRICT COUNCIL

# PROCUREMENT AND TENDERS POLICY

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## 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's purchasing activities aim to achieve advantageous procurement outcomes by:
  - a) enhancing value for money by encouraging competition by ensuring non-

discrimination in procurement and using competitive procurement processes;

- b) promoting the use of resources in an efficient, effective and ethical manner;
- c) making decisions with probity, accountability and transparency.
- d) advancing and/or working within Council's economic, social and environmental policies and/or Agreements in accord with Council's Strategic Management Plan;
- e) providing reasonable opportunity for competitive local businesses to supply to Council;
- f) appropriately managing risk; and
- g) promoting 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. RESPONSIBILITY

3.1 Council employees responsible for purchasing goods and services must comply with this policy. It is the responsibility of Council employees involved in the procurement process to understand the meaning and intent of this policy.

### 4. PROCUREMENT PRINCIPLES

4.1 Council employees must have regard to the following procurement principles in all purchasing activities:

**(a). Open and effective competition**

Purchasing should be open and result in effective competition in the provision of goods and services. Council must give fair and equitable consideration to all prospective suppliers subject to a price preference discount in favour of local suppliers (as per sub clause (e))

**(b). Value for money**

Council must harness its purchasing power to achieve the best possible outcome for the amount of money spent. Value for money does not necessarily mean selecting the bid that offers the lowest initial price. It represents the best return and performance from the money spent over the entire life of the product or service. The value for money assessment must include consideration, as applicable, of:

- (i) The performance history of each prospective supplier;
- (ii) Compliance with specifications, guidelines and requirements
- (iii) The supplier's knowledge, experience and ability to fulfill the requirements of Council
- (iv) The advantages of dealing with local businesses including local knowledge, networks and relationships, administrative and operational efficiencies, availability and access to after sales service and maintenance
- (v) Financial considerations including all relevant direct and indirect benefits both tangible and intangible;
- (vi) Efficiency and effectiveness;

- (vii) Costs over the whole procurement cycle whole-of-life costs including costs of acquiring, using, maintaining and disposal;
- (viii) Delivery and/or timeliness;
- (ix) The flexibility to adapt to possible change over the lifecycle of the property or service;
- (x) Internal administration costs;
- (xi) Compliance with and capability to satisfy technical specifications, guidelines and other requirements such as financial capacity, industry reputation, and quality and safety systems;
- (xii) The supplier's commitment to supporting other local businesses through their subcontracting and supplier arrangements;
- (xiii) Net benefits to Council including the benefits of maintaining an ongoing, innovative and competitive local business environment, including economic benefits and employment
- (xiv) The value of any associated environmental benefits; and
- (xv) The evaluation of contract options (for example, contract extension options)

Overall, the value for money assessment must deliver quality outcomes at competitive prices, whilst recognising the impact of procurement decisions by Council on local industry and economic development. Notwithstanding this policy, assessments in the selection criteria must also consider all of the above factors in conjunction with price and locality considerations.

**(c). Ethical Behaviour and Fair Dealing**

Council employees involved in purchasing are to:

- (i) 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;
- (ii) Provide all suppliers with equal opportunity to supply to Council;
- (iii) Use straight forward and user friendly tender requests;
- (iv) Use clear and easy to understand evaluation criteria and methodology;
- (v) Provide consistent processes and feedback on decisions;
- (vi) Provide access to a timely and effective complaints procedure; and
- (vii) Use effective communication and provision of information to all suppliers.

**(d). Probity, Accountability, Transparency and Reporting**

Council requires that all its employees be answerable for their plans and actions and for the outcomes. All procurement shall be undertaken in a manner that ensures:

- (i) Clearly established roles and responsibilities;
- (ii) Appropriate record keeping and documentation;
- (iii) Transparency of decisions made;
- (iv) Adherence to all statutory legislation and local codes of conduct;
- (v) The identification and management of actual or potential conflicts of interest;
- (vi) The confidentiality of all commercial information;

**(e). Preference to Local Suppliers and Businesses**

Council recognizes the importance of local suppliers, businesses and industries to the Tatiara District. Benefits include:

- (i) creation of local employment opportunities;

- (ii) more readily available servicing support;
- (iii) more convenient communications for contract management;
- (iv) economic growth within the local area;
- (v) benefit to Council of associated local commercial transaction;
- (vi) the short and long term impact of the procurement on local business.

**local supplier** means a business, contractor or industry which:

- a) is beneficially owned by persons who are residents or rate payers of Tatiara Council; or
- b) has its principal place of business within the Tatiara Council; or
- c) 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.

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.

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:

- (a) Where the Procurement is primarily for the Purchase of Goods:
  - i. 5% on purchases up to a value of \$50,000 with a maximum discount of \$2,500
  - ii. 2.5% on purchases over a value of \$50,000 with a maximum discount of \$5,000
- (b) Where the Procurement is primarily for Provision of Services or for Works:
  - i. 5% on purchases up to a value of \$50,000 with a maximum discount of \$2,500
  - ii. 2.5% on purchases over a value of \$50,000 with a maximum discount of \$10,000

Normal processes of assessment of non-price considerations (as outlined in part (b) 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.

#### 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)

#### **(f). Environmental protection**

Council promotes environmental protection through its purchasing procedures. In undertaking any purchasing activities Council will:

- (i) promote the purchase of environmentally friendly goods and services that satisfy value for money criteria; and
- (ii) foster the development of products and processes of low environmental and climatic impact; and
- (iii) provide an example to business, industry and the community by promoting the use of climatically and environmentally friendly goods and services; and
- (iv) encourage environmentally responsible activities.

#### **(g). Contractors**

Council will provide services to the community in the most efficient, effective manner and economical manner possible. This may require the use of contractors. Contractors must comply with Council's policies on OH&S and environmental protection.

## **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. If it is deemed that the purchase is exempt from the tendering/contract process, the form "Direct Purchasing Procedure" should be completed and filed in the Council's Records Management System against the Creditor. (Appendix B)

- 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 Council Orders.

## 5.2 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 providers 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 2 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
- Can not use this system to get around other aspects of this policy. Eg. Issue 2 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.

## 5.3 Request for Quotations (RFQ)

- 5.3.1 This is where Council obtains written quotations from prospective suppliers.
- 5.3.2 Generally, a minimum of three written quotations are sought. 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.
- 5.3.3 This method may be suitable for simple, largely price-based purchases.
- 5.3.4 A "Short Form Request for Quotation" can be used for purchases with minimal specifications.
- 5.3.5 A "Long Form Request for Quotation" can be used for purchases with detailed specifications.

#### 5.4 Requests for Expressions of Interest (REOI)

- 5.4.1 This is where Council issues an open invitation for a proposed goods and/or service.
- 5.4.2 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.

#### 5.5 Request for Tenders (RFT)

- 5.5.1 This is where the Council issues a tender for a proposed goods and/or service.
- 5.5.2 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.
- 5.5.3 Otherwise, Council may issue an “Open” Request for Tender.

#### 5.6 Panel Contracts

- 5.6.1 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:
  - 5.6.1.1 a standing offer from a pool of suppliers for the provision of goods and services on agreed terms; or
  - 5.6.1.2 the prequalification of certain suppliers who may or may not be engaged on terms to be agreed.
- 5.6.2 Once a panel has been established, the Council may purchase the particular goods and/or service through such panel arrangements.

#### 5.7 Strategic Alliances

- 5.7.1 This is where the Council undertakes procurement through contract arrangements already established and administered by other organisations, including:
  - 5.7.1.1 LGA Procurement;
  - 5.7.1.2 a purchasing group of which the Council is a member;
  - 5.7.1.3 G6 Procurement Group;
  - 5.7.1.4 Procurement Australia;
  - 5.7.1.5 State Government contracts.

### 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/authorized 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 - eg 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 \$500
- 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 done.

## 7. **METHOD OF PURCHASE**

There are no fixed rules for determining the method used to undertake any particular purchase. Council officers must exercise judgment and common sense in determining how the purchase should be undertaken. However the following does provide a general framework based on the value of the purchase with expenditure control maintained through council's delegation framework.

### **A. Individual Purchases Under \$10,000.00**

The following are the "minimum requirements" for the purchase of **Goods and Services**. Additional criteria can be applied.

#### (1) UP TO \$2,000

Where the value of procurement of goods or services does not exceed \$2,000, a quotation or purchase order is not required. However it is recommended to use professional discretion and occasionally undertake market testing to ensure best value is being achieved. However, if a quote is provided, a purchase order must be completed.

May use Procurement methods outlined in:

- Clause 5.1 for Direct Purchases
- Clause 5.2 For Preferred Contractors
- Clause 5.3 for Request for Quotations
- Clause 5.6 for Panel Contracts
- Clause 5.7 for Strategic Alliances

#### (2) BETWEEN \$2,000 TO \$5,000 - 1 QUOTATION REQUIRED

Where the value of procurement of goods or services does not exceed \$5,000, one verbal quotation is required. A "Record of Verbal Quotation" must be completed. (Appendix C).

However it is recommended to use professional discretion and occasionally undertake market testing with a greater number of quotations to ensure best value is being achieved

May use Procurement methods outlined in:

- Clause 5.1 for Direct Purchases
- Clause 5.2 For Preferred Contractors
- Clause 5.3 for Request for Quotations
- Clause 5.6 for Panel Contracts
- Clause 5.7 for Strategic Alliances

(3) \$5,001 - \$10,000 – 2 QUOTATIONS REQUIRED

Council administration will not necessarily seek written **quotations** providing that:-

- Officer records the details of any verbal quotations obtained including company, contact, date received, price and any other relevant detail.
- Rates are considered reasonable and consistent with normal market rates for items of a like manner. The selection process and reasoning is to be documented.
- Requirements are not being split into components or a succession of orders for the same goods or services.
- Before the purchase order is signed it will include, where possible, an estimate of the cost of the goods and services so ordered.

Where there is only 1 supplier and it is not appropriate to obtain 2 quotes, purchases can be made on a discretionary basis as long as the Officer is satisfied that the purchase price is reasonable and competitive and that the circumstances are recorded.

May use Procurement methods outlined in:

- Clause 5.2 For Preferred Contractors
- Clause 5.3 for Request for Quotations
- Clause 5.6 for Panel Contracts
- Clause 5.7 for Strategic Alliances

(4) EMERGENCY WORKS:

e.g. an event that may impact on Life/property/or the environment. Should emergency works be required, council staff shall be able to use preferred suppliers to undertake such work. The event details shall be forwarded to the council CEO as soon as possible after the event for ratification.

**B. Purchases Between \$10,000.00 and \$100,000.00**

(1) INDIVIDUAL PURCHASES

Council Policy requires that Council invite written quotations before making a contract for the carrying out of work or the supply of goods or services involving a cost of

between \$10,000.00 and \$100,000.00. The invitation must be given to at least three persons/organisations who Council considers can meet its requirements at competitive prices.

Records of offers received must be kept on file.

May use Procurement methods outlined in:

- Clause 5.3 for Request for Quotations
- Clause 5.4 for Requests for expressions of Interest
- Clause 5.5 for Request for tenders
- Clause 5.6 for Panel Contracts
- Clause 5.7 for Strategic Alliances

## (2) SUMMATION OF PURCHASES

It is recognized that in the course of a 12 month period that the total cost of engaging a Contractor and/or a Supplier on a number of different occasions for different low value jobs could exceed \$10,000. In these cases the requirements for engaging those contractors/suppliers is governed by the requirements of Clause 6 A rather than by this clause (6 B).

Council's management shall monitor and report to Council's Audit Committee on a yearly basis contractors/suppliers who fall into this category to ensure the intent of this policy is not being abused.

### C. Purchases Above \$100,000.00

Council Policy requires that Council invite tenders before making a contract for the carrying out of work, or the supply of goods or services involving a cost of more than \$100,000.00.

The invitation must be via Tenders SA online tendering system; another electronic method nominated by the Council; or an appropriate manual system. All to be advertised in the Advertiser newspaper and local media allowing at least 21 days from the day of the advertisement for the submission of tenders.

Records that relate to the procurement from the establishment of the business case, any acquisition planning, records of relevant conversations, all tender documentation, tenders received, the evaluation, successful and unsuccessful letters, copies of the resultant order must be kept on file electronically or in hard copy.

May use Procurement methods outlined in:

- Clause 5.4 for Requests for expressions of Interest
- Clause 5.5 for Request for tenders

## 8. EXCEPTIONS

- 8.1 Generally, open and fair competition is best achieved by undertaking a full public tender call so all interested parties have an opportunity to bid on the call. However, there may be procurements in which a full public tender will not necessarily deliver best value for money and other market approaches may be more appropriate.

Council may be exempt from the requirement to seek tenders or quotations, if:

- (a) there may be significant public risk if the procurement is delayed by process requirements, such as emergency situations threatening life and property, or
- (b) a small, stable and well documented supply market exists such that the council can ensure that all potential suppliers are invited to participate; or
- (c) 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
- (d) Council purchases goods at an auction; or
- (e) Council purchases second-hand goods; or
- (f) the contract is made with, or under an arrangement with or made by:
  - (i) the State, a government entity, a local government owned corporation, another local government, [Local Government Corporate Services](#) (LGCS Pty Ltd) or [Procurement Australia](#); or
  - (ii) another Australian Government, an entity of another Australian Government or a local government of another State or a Territory; or
- (g) 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.

8.2 When assessing the most effective method of obtaining goods and/or services, Council officers should consider the administrative and price costs to Council of seeking tenders or quotations independently, and the reduction of these costs which can be achieved by use of approved alternative arrangements outlined above.

8.3 A request for waiver of competitive process should not be viewed as a mechanism to speed processes in a way that will not stand up to rigorous scrutiny nor as a mechanism to obviate the need for careful forward planning. The granting of waiver of competitive process must be appropriately documented and approved by the CEO or a Senior Manager.

8.4 If it is deemed that the purchase is exempt from the tendering/contract process, the form "Direct Purchasing Procedure" should be completed and filed in the Council's Records Management System against the Creditor. (Appendix B)

## 9. TENDERING PRINCIPALS

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

- (a) Tendering at all levels shall be conducted honestly and in a manner that is fair to all parties involved;
- (b) Parties shall comply with all legislative obligations including those required by trade practices and consumer affairs legislation;
- (c) Council shall only call tenders after they have made a firm commitment to proceed with the project;

- (d) The conditions of tendering shall be the same for each tenderer.
- (e) 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;
- (f) 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;
- (g) Any party with a conflict of interest shall declare those interests; and
- (h) Tenderers shall retain the right to intellectual property submitted with tenders, including title thereto.

## 10. **TENDER OPTIONS**

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

- Open Tenders – All interested parties are invited through open public advertisement to tender on a common basis.
- 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.
- Negotiated Tenders – A firm tender is arrived at by negotiation with a single prospective organisation. The negotiations must be carried out in good faith.
- 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.

## 11. **TENDER PROCESS**

### 11.1 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".

### 11.2 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.

### 11.3 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.

11.3.1 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.

### 11.4 Tender Submission

#### **(a) 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

#### **(b) 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.

### 11.5 Tender Opening

#### **(a) Opening Tenders.**

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

- 1) Chief Executive Officer or if he/she is not available, the relevant Department Manager, plus

- 2) The Chairman of the relevant Council Committee or any member of the Council, plus either
- 3) Another Councillor or one of the following officers:
  - Manager Technical Services
  - Manager Corporate & Community Services
  - Manager Development & Inspectorial Services

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.

**(b) 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.

**(c) Tenders Received by Fax/Email.**

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

**(a) 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.

**11.6 Clarifications and Variations**

Council shall include the following in its standard tender documents:

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

- *request clarification or further information from any Tenderer; and*
- *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*
- *negotiate with one or more Tenderers upon any aspect of their Tenders*

**11.7 Evaluation of Tenders**

**(a) 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

**(b) 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.

**(c) 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.

**(d) Selection Panel**

A selection panel may 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 of at least the following Officers, namely:

- The project officer.
- Department Manager

In some cases tenders will be considered by a Council Sub Committee. Eg Plant & Machinery sub committee.

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.

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.

**(e) 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

**(f) 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.

**(g) Prudential Issues**

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

- (i) Exceeds an amount set by the council for the purposes of Section 48 of [the Act](#); or
- (ii) 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
- (iii) 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.

**(h) Tender Recommendation**

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

The selection panel should 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:
  - the tender evaluation matrix.
  - a summary of each tender submission.
  - 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 Manager may utilize 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.

#### 11.8 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.

#### 11.9 Contract Award

##### (a) **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.

##### (b) **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.

##### (c) **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.

**12. 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.

**13. AVAILABILITY OF THE POLICY**

The Policy is available on Council’s website [www.tatiara.sa.gov.au](http://www.tatiara.sa.gov.au). Also can be viewed at Council’s Bordertown and Keith offices during ordinary business hours.

Copies will be provided to interested parties upon request for a fee to cover photocopying.

**14. REVIEW**

It is the responsibility of the CEO to monitor the adequacy of this policy and recommend appropriate changes. This policy will be formally reviewed by Council at least once every 2 years.

**15. RECORD OF AMENDMENTS**

<b>DATE</b>	<b>REVISION NO</b>	<b>REASON FOR AMENDMENT</b>
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

**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.

<b>POSITION</b>	<b>PROCUREMENT</b>	<b>AMOUNT</b>
Chief Executive Officer	Goods and Services	\$100,000
	Professional Services	\$35,000
Manager Corporate & Community Services	Goods and Services	\$50,000
	Professional Services	\$20,000
Manager Technical Services	Goods and Services	\$50,000
	Professional Services	\$20,000
Manager Development & Inspectorial Services	Goods and Services	\$50,000
	Professional Services	\$20,000
Operations Supervisor	Goods and Services	\$30,000
Works Construction Supervisor	Goods and Services	\$30,000
Works Maintenance Supervisor	Goods and Services	\$30,000
Finance Manager	Goods and Services	\$10,000
	Professional Services	\$5,000
General Inspector	Goods and Services	\$3,000
Library Manager	Goods and Services	\$5,000
Parks & Gardens Supervisor	Goods and Services	\$10,000
Bordertown Gardener	Goods and Services	\$5,000
Keith Gardener	Goods and Services	\$2,000
Senior Technical Officer	Goods and Services	\$20,000
Asset Systems Co-Ordinator	Goods and Services	\$10,000
Senior Mechanic	Goods and Services	\$15,000
Mechanic	Goods and Services	\$2,500
Depot Storeman	Goods and Services	\$10,000
Records & Information Officer	Goods and Services	\$3,000
Executive Assistant	Goods and Services	\$4,000
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
Swimming Pool Mngrs – Btwn & K'th	Goods and Services	\$2,000
Technical Support Officer	Goods and Services	\$2,000
WHS Officer/Senior Library Assistant	Goods and Services	\$2,500

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

## **APPENDIX B – DIRECT PURCHASING PROCEDURE**

### **Direct Purchase of Goods and Services from a Single Source**

#### Introduction

- Council has a Procurement and Tenders Policy which sets out guidelines to Council employees when purchasing goods and services.
- Direct purchasing is where Council purchases from a single source without first obtaining competing quotes. Normally this method is used for low value, low risk goods and services and where the supplier has a successful service history with the Council.

#### Current Policy

- The current policy has the following “minimum requirements” for the purchase of Goods and Services.
  - Where the value of procurement of goods or services does not exceed \$5,000, one verbal quotation is required.
  - Where the value of procurement of goods or services is between \$5,001 - \$10,000 – 2 quotations are required.
  - Council shall invite written quotations before making a contract for the carrying out of work or the supply of goods or services involving a cost of between \$10,000.00 and \$100,000.00.
  - Council shall invite tenders before making a contract for the carrying out of work, or the supply of goods or services involving a cost of more than \$100,000.00.

#### Variation of the Existing Policy and Process to be Used

- There may be occasions when Council staff are required to engage Contractors for goods and services from a single source without obtaining other quotes. Eg. Work is urgent and there is insufficient time to obtain quotes. In these circumstances the cost of the goods or services may exceed the amounts stipulated in the existing policy.
- If the above situation arises then 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?
  2. The staff member shall complete the following form and obtain consent from the Chief Executive Officer prior to any works proceeding.

**Direct Purchasing of Goods and Services from a single source which exceeds \$5,000.**

Date:	
Name of Council Officer:	
Contractor:	
Project:	
Service/Goods to be provided:	
Fixed Cost:	
Estimated Cost:	

<b>Factors considered:</b>	<b>YES</b>	<b>NO</b>	<b>COMMENT</b>
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 ?			
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: \_\_\_\_\_  
Staff Member

Date: \_\_\_\_\_

CEO/Senior Manager Approved/Not Approved

Signed: \_\_\_\_\_  
Chief Executive Officer / Senior Manager

Date: \_\_\_\_\_

**APPENDIX C – RECORD OF VERBAL QUOTATION**



**RECORD OF VERBAL QUOTATION**

**Bordertown Office**  
43 Woolshed Street (PO Box 346)  
Bordertown SA 5268  
Ph: (08) 8752 1044  
Fax: (08) 8752 1442  
Email: office@tatiara.sa.gov.au

**Keith Office**  
34 Hender Street (PO Box 65)  
Keith SA 5267  
Ph: (08) 8755 3347  
Fax: (08) 8755 3354  
Website: www.tatiara.sa.gov.au

**ORIGINAL:** Attach to purchase requisition as required  
**COPY:** Register to file as required

**File Reference** *[if applicable]*

<b>DESCRIPTION OF GOODS/SERVICES/WORKS</b> <i>[insert brief description and quantity of goods/services/works required]</i>

<b>SUPPLIER DETAILS</b> <i>[insert details of suppliers from whom you requested quotes]</i>			
	Supplier 1	Supplier 2	Supplier 3
Name			
Address			
Telephone			
Email			
Contact Person			
Date Quote Requested			
Specification Provided to Supplier	Yes / No	Yes / No	Yes / No

<b>QUOTE DETAILS</b> <i>[insert details from supplier quotes]</i>			
Date Quote Received			
Price per unit/hour	\$	\$	\$
Total Price <i>[excluding GST]</i>	\$	\$	\$
Comments			

<b>SELECTED SUPPLIER</b> <i>[insert details of successful supplier]</i>			
Supplier Name			
Reason <i>[insert reason eg lowest conforming quote]</i>			
Total Price		Purchase Order No.	

<b>OFFICER'S DETAILS</b> <i>[to be signed by Council Officer who sought quotes]</i>			
Name		Signature	
Position		Date	