



# WEIPA TOWN AUTHORITY PROCUREMENT SYSTEM PROCUREMENT POLICY

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## Intent:

Weipa Town Authority (WTA) is committed to ensuring that it is transparent and accountable in the procurement of all goods and services. This policy establishes a framework to ensure that all WTA procurement activities take into consideration the following factors:

- a. Are carried out in a professional manner, promoting probity and accountability;
- b. Are conducted in a fair, and transparent manner through open and effective competition;
- c. Support local business;
- d. Comply with the WTA's legal and statutory obligations;
- e. Minimise operational costs;
- f. Deliver best quality and value for money;
- g. Support and advance WTA's environmental economic and social responsibilities;
- h. Maintain public confidence in the WTA;
- i. Effectively manage risk; and
- j. Assist in achieving the council's goals as set out in the WTA's Corporate and Operational Plans.

## Principles:

All Weipa Town Authority procurement must be conducted using the procurement principles as follows:

- a. Value for money; and
- b. Open and effective competition; and
- c. The development of competitive local business and industry; and
- d. Environmental protection; and
- e. Ethical behaviour and fair dealing.

## Scope:

This policy applies to all of Weipa Town Authority's procurement activities, within the rates budget.

## Procedure:

### **1. Policy Compliance and Application**

All procurement activities must comply with the *Local Government (Finance, Plans and Reporting) Regulation 2010* Chapter 4 Part 3 Default Contracting Procedures, unless otherwise stated in the WTA-PCP-003 Procurement Procedures.

In applying this policy to the WTA's procurement activities, WTA staff must apply the five procurement principles.

**a. Value for Money**

The WTA will harness its purchasing power to achieve the best value for money. The concept of value for money is not restricted to price alone.

The value for money assessment will include consideration of:

- Contribution to the advancement of the council's priorities;
- Fitness for purpose, quality, services and support;
- Whole-of-life costs including costs of acquiring, using, maintaining and disposal;
- Internal administration costs;
- Technical compliance issues;
- Risk exposure; and
- The value of any associated environmental benefits.

**b. Open and Effective Competition**

The WTA will as far as is reasonably possible conduct purchasing of goods and services through a process of open and effective competition. The WTA will give fair and equitable consideration to all prospective suppliers.

Suppliers wishing to conduct business with the WTA will be given every reasonable opportunity to do so subject to them satisfying the WTA's requirements and relevant evaluation criteria. This may include but not be limited to demonstrated technical ability, environmental impact, company profile, professional references, quality assurance and total acquisition cost.

**c. The Development of Competitive Local Business and Industry**

The WTA encourages the development of competitive local businesses within the Weipa Town Area. It will endeavour to promote and support local industry and efficient competition in the region in all its procurement activities.

The WTA is committed to giving local industry a fair and reasonable opportunity to tender for project work.

When considering quotations and tenders for projects, WTA's evaluation methods should be tailored to suit the specific project and should include appropriate provisions for the consideration of local industry participation.

In addition to price, performance, quality, suitability and other evaluation criteria, the following areas may also be considered in evaluating offers:

- Creation of local employment opportunities;
- Readily available servicing support;
- More convenient communications for contract management;
- Economic growth within the local area; and
- Benefit to the council of associated local commercial transaction.

**d. Environmental Protection**

The WTA promotes environmental protection through its procurement activities.

In undertaking any procurement activities, the WTA will:

- Promote the purchase of environmentally friendly goods and services that satisfy value for money criteria, when considering value for money also include the environmental cost);
- Foster the development of products and processes of low environmental and climatic impact;
- Provide an example to business, industry and the community by promoting the use of climatically and environmentally friendly goods and services; and
- Encourage environmentally responsible activities.

*e. Ethical Behaviour and Fair Dealing*

WTA staff involved in purchasing must behave with impartiality, fairness, independence, openness, integrity, and professionalism in their discussions and negotiations with suppliers and their representatives.

In addition, procurement must be conducted in a way that ensures that expenditure is only for WTA purposes and is adequately documented to provide support for and transparency of recommendations and decisions.

**2. *Financial Delegations and Authorisation***

The Local Government Act gives the Chief Executive Officer (CEO) the role of implementing Council's policies and decisions (eg spending in accordance with the adopted budget and authorisation to enter contracts on behalf of the Council within the expenditure delegation).

No officer, may have procurement delegations exceeding \$150,000.

The Chief Executive Officer will determine the delegations, both for contract delegated authority and financial delegations. These will be recorded in the Register of Delegations (WTA-DR-01) and the Register of Financial Delegations (WTA-PCP-002).

All purchases must be made in accordance with the financial delegation and in accordance with Chapter 4, Part 3 Default contracting procedures of the Local Government (Finance, Plans and Reporting) Regulation 2010, unless otherwise stated in WTA-PCP-003 Procurement Procedures.

**3. *Methods of Procurement***

Procurement may only be made using one of the approved methods.

**4. *Expenditure Ranges***

The Chief Executive Officer approves the different ranges of expenditure stated within WTA-PCP-002 Procurement Procedures.

Procurement activity within a prescribed expenditure range must follow the procedures for that expenditure range.

**5. *Goods and Services Tax (GST)***

All amounts within this policy and associated procedures are exclusive of GST.

**6. *Ethical Practice***

WTA staff undertaking a procurement responsibility must act ethically, in accordance with the RTA Weipa Pty Ltd Code of Conduct for Staff.

All conflicts of interest or material interests must be declared in accordance with procedures.

**7. *Risk Management***

Procurement officers must ensure that appropriate procedures are in place to identify and consider all relevant risks throughout the procurement cycle.

**8. *Responsibility for Record Keeping***

Procurement officers must obtain and maintain appropriate documentation for each procurement, including an assessment against the procurement principles. They must ensure there is sufficient documentation to provide an understanding of the reasons for the procurement, the process that was followed and all relevant decisions, including approvals and authorisations, and the basis of those decisions.

## Definitions

**Contract** - an agreement that is formed when authorised WTA staff and an authorised person, acting on behalf of a supplier organisation, agree to perform or not perform a certain act or acts which is / are enforceable by law. A Contract may be written or verbal.

**Contract delegated authority** - a delegated power by the Chief Executive Officer to WTA staff, subject to limitations detailed in the Register of Delegations, authorising them to enter into a contract on the WTA's behalf.

**Financial delegation** - a delegated power by the Chief Executive Officer to WTA staff, subject to limitations detailed in the Register of Delegations, authorising them to approve expenditure of the WTA's monies, under the WTA's standard purchase order terms and conditions. It does not authorise WTA staff to enter into any form of contract on the WTA's behalf.

**Local business / supplier** - business / supplier of goods or services with an office, branch or employees located within the WTA's area of responsibility.

**Material personal interest** - where a tenderer for a contract with WTA has a business or other association with a WTA Member or WTA staff, such that a WTA Member or WTA staff has or is likely to have a material personal interest (as defined in s.172(2) of the Local Government Act 2009) in the contract being awarded to the tenderer.

**Procurement** - purchasing, supply or the process of entering into contracts for the supply of goods or services. It may extend from the time when the need to procure is identified until the work is performed or the goods or services delivered, and payment is made by Weipa Town Authority.

**Procurement officer** - WTA staff who are responsible for the procurement and any subsequent contract (eg the person requesting goods and services, project manager, requisitioner).

**Significant projects** - projects which have a value of greater than \$5 million, or are of political and / or regional significance.

**WTA** - Weipa Town Authority

**WTA staff** - employees, contractors, volunteers and all others performing work on behalf of the WTA.

**Weipa Town Authority Area of Responsibility** - within the local authority boundaries of Weipa Township.

## Accountabilities:

The Chief Executive Officer, Directors and Executive Managers, are responsible for ensuring the policy contained herein is understood and adhered to by all WTA Members and WTA staff.

The Director of Corporate & Finance is responsible for establishing and providing information and reports to assist in monitoring procurement activity.

## Associated Documents:

RTA Weipa Pty Ltd - Code of Conduct for Staff

Corporate Plan

Operational Plan

WTA - PCP - 002 Register of Financial Delegations

WTA - PCP - 003 Procurement Procedures

Purchase Order Terms and Conditions

WTA - DR - 01 Register of Delegations

## Reference:

*Local Government Act 2009*

*Local Government (Finance, Plans and Reporting) Regulation 2010*