



City of Salisbury Values: Respectful, Accountable, Collaborative, Helpful

Procurement Policy

Adopted by:	Council
Responsible Division:	Finance and Procurement
First Issued/Adopted:	28 August 2017
Last Reviewed:	25 September 2023 (Resolution No. 0471/2023)
Next Review Date:	July 2025

1. Purpose

1.1. The City of Salisbury is continually striving for better outcomes through the application of procurement best practice. The vision for the City of Salisbury is to use strategic procurement to identify and realise real value on a sustainable basis.

This value is measured through whole-of-life costs, supplier performance, contract management and social procurement objectives that benefit our community such as diverse and inclusive use of community spaces, supporting a circular economy, providing opportunities for economic benefits, including

1.2. support for small underdeveloped businesses, to the city and greater northern region, including employment opportunities, and actively seeking to involve Aboriginal businesses in our procurement processes.

1.3. The elements of best practice applicable to Local Government procurement incorporates:

- Community benefit;
- Total value of ownership;
- Governance;
- Key procurement principles (refer to Procurement Framework);
- Supplier Performance and Supplier Relationship Management;
- Roles and Responsibilities (refer to Procurement Framework); and
- Policies, Framework, Procedures and Processes.

2. Scope

2.1. This policy applies to all City of Salisbury employees, contractors and supplementary labour personnel that are engaged in carrying out procurement activities. These activities include, but are not limited to:

- Seeking and receiving tenders and quotations (offers);
- Evaluation and Negotiation of offers;
- Awarding of contracts; and
- Purchasing, vendor payments and use of Corporate Purchase Cards.

2.2. For Goods, Works or Services with a total \$ value greater than \$150,000, Council will undertake an appropriate procurement strategy including open / public, select or direct market approaches.

2.3. This Policy does not cover the disposal of land or other assets (refer separate polies).

3. Legislative Requirements and Corporate Policy Context

3.1. In complying with legislation, Section 49 of the *Local Government Act 1999* requires:

1. *A Council must prepare and adopt policies on contracts and tenders, including policies on the following:*
 - *The contracting out of services; and*
 - *Competitive tendering and the use of other measures to ensure that services are delivered cost effectively; and*
 - *The use of local goods and services; and*
 - *The sale or disposal of land or other assets.*
2. *The policies must:*
 - a) *Identify circumstances where the council will call for tenders for the supply of goods, the provision of services or the carrying out of works, or the sale or disposal of land or other assets; and*

- b) *Provide a fair and transparent process for calling tenders and entering into contracts in those circumstances; and*
- c) *Provide for the recording of reasons for entering into contracts other than those resulting from a tender process; and*
- d) *Be consistent with any requirement prescribed by the regulations.*

3.2. Other Legislative References

Trade Practices Act 1974 (Commonwealth)

National Competition Policy

Modern Slavery Act 2018

Freedom of Information Act 1991

Independent Commission Against Corruption Act 2012

Work Health and Safety Act 2012 (South Australia)

Work Health and Safety Regulations 2012 (South Australia)

4. Interpretations / Definitions

- **Contract:**

A contract is an agreement between the City of Salisbury and a supplier / contractor to perform a specific set of obligations, confirming each parties' respective rights, and is enforceable in law. The form of contract to be used varies with the total \$ value and risk (refer Procurement Matrix).

- **Departments:**

Collectively: CEO & Governance, Business Excellence, City Infrastructure, City Development and Community Development.

- **Key Procurement Principles:**

Procurements key objectives for the City of Salisbury.

- **Procurement Activity:**

The acquisition, hire, lease, purchase of all property, goods and or services.

- **Procurement / Purchasing Matrix:**

The tool used to determine (via the total \$ value), the Procurement Approach, Approver, Form of Engagements, Payment Method and Responsibility.

- **Procurement Framework / Procedures:**

The documents that support the Procurement Policy and outlines the specific steps of Procurement Activity.

- **Risk Assessment:**

The process used to determine the level of risk of a Procurement Activity and identifies the level of controls required to manage the risks. This is determined by following the Corporate Risk Management Procedure.

- **Roles and Responsibilities:**

The key roles, accountabilities and responsibilities of the City of Salisbury's Procurement governance structure.

- **Total \$ Value / Total Value of Ownership:**

The calculation of the direct and indirect costs related to the lifetime costs of the purchase of the particular goods or services. This includes costs associated with the sourcing activity, legal costs, site establishment, preparation costs, the cost of any capital, purchase price, costs related to the operation and maintenance, insurance and ongoing management.

5. Policy Statements

The Procurement Policy supports the City of Salisbury's core values and forms the basis of all supplier / contractor decision making, including the following:

- **Safety:** actively promoting the safety of all employees, suppliers and contractors;
- **Community & Customer Service:** working collaboratively and providing exceptional service to our stakeholders;
- **Environmental Sustainability:** adapting procurement delivery models to enable long lasting environmental outcomes including the use of recycled materials (referred to as the circular economy);
- **Professional Performance:** identifying realisable opportunities and outcomes to deliver superior results;
- **Value for Money:** pursuing the objectives of Value for Money and Total Value Ownership, and being able to demonstrate that these have been obtained;
- **Support local suppliers of services and goods in assessing value for money;**
- **Promote Fair and Effective Competition:** applying the principle of fair and effective competition with all procurement activities undertaken;
- **Probity, Ethics and Accountability:** acting with integrity in identifying sound procurement strategies which mitigate risk and are transparent; and
- **Access, Equity and Inclusion:** incorporating agility and diversity into our procurement approach.

The Procurement Policy, Framework, Procedures, processes and function exist to promote best practise designed to maximise value for money.

The City of Salisbury is committed to developing, implementing and maintaining an industry leading supply management approach that supports the delivery of identified organisation objectives through value enhancing procurement and management of associated risk.

This is achieved by:

- Developing and utilising procurement systems and processes that place the health, safety and welfare of our people, suppliers / contractors and anyone involved with our organisation and community first;
- Developing, implementing and maintaining a Procurement Framework with appropriate systems, processes, procedures, resources and training across the organisation that define the:
 - Assignment of accountability for procurement activities;
 - Clear criteria to be applied for specific levels of procurement; and
 - Implementation of an approval process which ensures due process in the selection, assessment and approval of procurement commitments within approved delegations of authority.
- Communicating the Procurement Framework to all employees and other relevant stakeholders as appropriate;
- Developing and applying innovative procurement strategies that are consistent with delivering the organisation plans and objectives whilst ensuring the Procurement Key Principles;
- Ensuring the procurement management systems and plans are consistent with all CoS policies, systems and procedures as applicable;
- Ensuring that all procurement is managed in accordance with the requirements of the CoS Risk Management Framework;
- Complying with relevant legislation, codes of practice, Australian & New Zealand standards, industry standards, guidelines and other statutory obligations;
- Ensuring that all procurement is conducted in accordance with the CoS Values and the Code of Conduct;
- Supporting the circular economy through working collaboratively with NAWMA and other relevant organisations to identify opportunities for the use of recycled materials;
- Supporting small and underrepresented businesses
- Assessment of Unsolicited Proposals received by CoS (refer Unsolicited Proposals Procedure);

- Providing procurement training and mentoring for key personnel;
- Managing the ongoing performance of procurement outcomes to ensure the expected value is realised by the organisation; and
- Implementing an audit and review function that reports on the performance and effectiveness of the procurement management system.

5.1. Economic Benefits to the Northern Region

City of Salisbury supports the economic development of the city and the broader Northern Adelaide Region through its procurement processes.

We consider accessibility of local providers when planning and designing infrastructure or services that will require external procurement and incorporate this economic benefit assessment - aligning elements of the Industry Participation Policy developed by the Office of the Industry Advocate - within procurement processes, to support maximum usage of northern region labour and business.

This is achieved through:

- Our project scoping and specifications;
- Inclusion of specific evaluation criteria and weightings in our Requests for Tender where higher scoring is given to those suppliers that are:
 - Sourcing materials from suppliers within the City of Salisbury and Northern Region (and Australian made steel);
 - Engaging services from businesses within the City of Salisbury and Northern Region (i.e. subcontractors, consultants, small businesses, professional services and labour hire) and;
 - Providing employment opportunities to people within the City of Salisbury and Northern Region

Tracking and quarterly reporting on spend with businesses that are located within the City of Salisbury and the greater Northern Region.

Working with Council's Polaris Centre on creating and maintaining supplier connections and communication on upcoming procurement opportunities.

5.2. Opportunities for Aboriginal and Torres Strait Islander people and businesses

Through Strategic Procurement actions in our Reconciliation Action Plan combined with other initiatives, we seek opportunities to incorporate Aboriginal and Torres Strait Islander supplier diversity in our procurement activities through:

- Positively evaluating suppliers that are providing employment opportunities to Aboriginal and Torres Strait Islander peoples;
- Providing opportunities for Aboriginal businesses to participate in City of Salisbury procurement and sourcing activities; and
- Connecting with suppliers in innovative ways to provide pathways to employment for Aboriginal and Torres Islander peoples.

6. Related Policies and Procedures

6.1. City of Salisbury City Plan 2035

6.2. City of Salisbury Disposal of Assets Other than Land Policy

6.3. Employee Code of Conduct

6.4. Elected Members Code of Conduct

6.5. Procurement Framework

6.6. Procurement Procedures

6.7. Unsolicited Proposals Procedure

6.8. Disposal of Land Policy

7. Approval and Change History

Version	Approval Date	Approval By	Change
1	28/08/2017	Council 1984/2017	N/A
2	27/05/2019	Council 0001/2019	Additional of clauses concerning the requirement of Section 49 of the <i>Local Government Act 1999</i> and the undertaking of an appropriate procurement strategy for goods, works or services with a total \$ value of greater than \$150,000
3	26/07/2021	Council 0002/2021	References to the City Plan 2035, internal procedures and Federal legislation edited to clarify focus areas of a Strategic Procurement function
4	25/10/2021	Council 1126/2021	Additions to July 2021 version to focus on Economic Benefits to the Northern Region and circular economy
5	25/9/2023	Council 0471/2023	The Responsible Division and Manager has been updated. Addition of a Related Policy and Procedure. Addition of wording in alignment with the Financial Inclusion Action Plan report. Minor formatting changes have been made consistent with the new policy template.

8. Availability

8.1. The Policy is available to be downloaded, free of charge, from Council's website

www.salisbury.sa.gov.au

8.2. The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

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9. Review

This Policy will be reviewed within 12 months of a Council election or as required.

Further Information

For further information on this Policy please contact:

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