



**ATTACHMENT DOCUMENT
FOR
ORDINARY COUNCIL MEETING**

Tuesday 28th June, 2016

Don Ramsland
GENERAL MANAGER

AGENDA

1. IT EQUIPMENT DISPOSAL POLICY/PROCEDURE

2. RECORDS MANAGEMENT POLICY/PROCEDURE

3. PROCUREMENT AND TENDERING POLICY

4. PROCUREMENT AND TENDERING PROCEDURE



Approval Date:

Review Date: July 2018

Responsible Officer: Information Services Coordinator

History of Policy review

Version	Adoption Date	Minute No	Details of Review
1			Council Meeting for consideration and adoption

Objective

1. The objective of this policy is to provide the means for the disposal of non-fixed assets.
2. The best value outcome to Council must be a major consideration when disposing of assets.
3. The policy aims to achieve the best possible outcome for Council by gaining the best available net return when selling and to ensure that the Council is even-handed, open and honest in all dealings.
4. Asset disposal decisions and the reasons for taking them should be documented to assist in audit and other examinations.
5. Non-disposal of obsolete equipment only takes up space and deprives the Council of income without any offsetting benefit.
6. Disposal should be based on a fair market value for each surplus item. The price established will be based on current market value and condition of the equipment.
7. In the interests of promoting probity, fair dealing and openness, units must not sell or otherwise transfer surplus assets to staff (or their relatives or friends) unless arising from a public competitive process i.e. tendering or advertised sale which is open to the public.
8. The sale price must be the best market value and under no circumstances may goods be donated to staff.
9. Many decisions in this policy require as assessment of the market value of an item. Such assessments should be undertaken by the CFO and Management Accountant who will take into consideration the original purchase price, the age of the equipment, usefulness of the equipment and its best possible market value. Consultation with Corporate Services is strongly recommended as the CFO is accountable for asset disposal decisions.
10. This policy is consistent with the requirements of the Local Government Act 1993 and Local Government Tendering Regulations and all relevant regulatory requirements.

Council Policy Reference

New Policy

Statutory Requirements

Local Government Act 1993
Government Information (Public Access) Act 2009
Local Government (General) Regulations 2005

Government References

Local Government Act 1993
Local Government (General) Regulation 2005
Privacy and Data Protection Act 2014
State Records Act 1998
Privacy and Protection of Personal Information Act 1998
Public Finance and Audit Act 1983
Evidence Act 1995
Crimes Act 2000
Fringe Benefits Tax Act 1986
ICAC Act 1988
Trade Practices Act 1974
Ombudsman Act 1974
Trade Practices Act 1974

Related Policy/Procedure

WSC - Procurement and tendering Policy

1. Scope

Assets are the property of the Walgett Shire Council and it is therefore essential that the act of disposing of an asset is in accordance with Council policy and procedures and audit requirements. The proper recording of an asset disposal provides for an accurate account of profit or loss in the Council's financial statements. Any asset purchased using funds under the Council's control including grants, consultancies, sponsorships or awards are deemed to be the property of the Council.

Disposal of an asset may be necessary as the result of either the asset becoming redundant, obsolete or inefficient, replaced by an upgrade, becoming unserviceable or beyond economic repair, damaged, stolen or missing, or surplus to requirements. An asset requiring disposal can be any item of equipment, furniture and fittings and computer software regardless of purchase price.

2. Definitions

Word/Term	Definition
Assets	Applies to the terms 'asset(s)', 'stores', 'item(s)', 'equipment', 'furnishings', and 'goods' as used throughout this policy. It does not include buildings or other forms of fixed assets.
Authorised Officer	Refers to the General Manager, Chief Financial Officer, Information Services Coordinator or any other person specified in the relevant financial delegations.
Market Value	Means the value of an item in the market place and is regardless of its initial purchase price or residual value.

3. Principles

3.1 Reasons for Disposal

1. Items can be available for disposal because they are:
 - a) No longer required due to changed procedures, functions or usage patterns;
 - b) Occupying storage space and not being needed in the foreseeable future;
 - c) Reaching their optimum selling time to maximise returns;
 - d) No longer complying with workplace health and safety standards;
 - e) Found to contain hazardous materials (Disposal of such items should only be carried out after prior discussion with the WHS Co-ordinator)
 - f) Where equipment has limited resale value, consideration should be given to whether it can be donated to any charitable or community project
 - g) That the asset is no longer covered by any warranty or service contracts
 - h) That the asset is not covered by any leasing agreements; and/or
1. Beyond repair but able to be sold for scrap. Managers should be aware that:
 - a) They are accountable for all decisions they take in the disposal process;
 - b) They should take into account the costs of undertaking disposal activities;
 - c) Proper accounting and audit procedures should be observed and all decisions documented;
 - d) Agents engaged to undertake selling activities need clear instructions;
 - e) Special consideration should be given to items of potentially hazardous and pollutant stores likely to have an impact on the environment
 - f) Each unit is responsible for managing the disposal of its surplus assets.

3.2 Recording and Securing of Used and Surplus Items.

Department Director or Manager shall notify the General Manager in writing of all surplus equipment or assets of low value that are to be disposed of in accordance with this policy. Those inventory items then deemed to be surplus to Council's requirements shall be physically removed from the store and placed in the "Surplus items" location. All stock transfers must be issued and accordingly recorded.

The Stores Finance Officer is responsible for the safe storage and custody of all items registered for disposal. All items marked for disposal shall be sorted accordingly to ensure that valuable items are not mixed with, or are contaminated by, assets of a lower value.

3.3 Invitation of Public Quotations/Public Auction

As the policy deals with the disposal of low value assets staff should observe the following quotations procedure:

ESTIMATED VALUE	REQUIREMENT
\$0 to \$100	At the discretion of the General Manager
\$100 to \$1,000	Minimum 2 quotations
\$1,000 to \$100,000	Minimum 3 quotations
Greater than \$100,000	In accordance with Tender Procedure

3.4 Valuation and Approval

To ensure maximum net return of materials the Stores Finance Officer will arrange for the valuation of surplus items, by either independent assessment or estimation by experienced persons. At least once a year the Chief Financial Officer shall provide the General Manager with a list of all surplus items recorded for disposal. The General Manager will determine if a disposal sale is necessary and the appropriate disposal method.

3.5 Donations

Where the Council has determined that an asset has no residual value, and where their disposal is therefore unlikely to produce offsetting revenue, it may authorise the donation of the goods to another organisation. Ideally such donations should be to organisations and not to individuals. Organisations with a community service role are recommended. This includes schools, charities and volunteer organisations. Donations must be approved by a delegated by the General Manager and there must be confirmation by the Chief Financial Officer that the goods have no residual value and no significant market value.

3.6 Data Removal

Security is of the highest importance and sensitive and confidential data must be removed from the machine before sale, transfer or disposal to satisfy the requirements of the Privacy and Personal Information Act 1998. An overriding consideration in any move of equipment must be to ensure that any Council data on the machine, and any software licensed to the Council is removed. It is, of course vital to satisfy the requirements of the Data Protection Act, but it must also be understood that any Council data that is discovered by a later owner may cause controversy, adverse publicity, etc.

Ensuring adequate destruction of data is the responsibility of the Information Services Coordinator, and must not be delegated to any person outside the Council without adequate contractual obligations being imposed.

3.7 Public Notice

Council shall give 28 days' notice of a disposal sale and the advertisement shall include the following information

- Method of disposal (Public Quotations or Auction).
- Date of Auction or Closing date for quotations.
- Major items for disposal.
- Inspection date and time.
- Location of items.
- Agents.
- Council contact.

3.8 Recording of Disposals

All disposals must be accounted for with sales written back to the appropriate asset ledgers and sale results recorded. The Chief Financial Officer shall report to the General Manager and Council on the outcome of the sale.

4. Management Directive Statement

It is the policy of Walgett Shire Council to ensure the disposal of surplus equipment and low value assets is conducted in a best practice manner that provides for the correct and ethical disposal of such assets. Council and Council committees when disposing of assets shall comply with the requirements of the Local Government Act 1993, the Local Government Tendering Regulations and this policy. It is important that Council actively and regularly communicates to staff that all assets purchased by the organisation, or materials associated with a purchase remain the property of Council and shall be disposed of in accordance with the disposals procedure.

5. Delegation

GENERAL MANAGER

That the General Manager be responsible for authorising the disposal of “Surplus Equipment and Low Value Assets” in accordance with section 377 of the Local Government Act 1993 (general power of the Council to delegate).



Approval Date:

Review Date: July 2018

Responsible Officer: Information Services Coordinator

History of Policy review

Version	Adoption Date	Minute No	Details of Review
1			Council Meeting for consideration and adoption

Objective

The objective of this Records Management Policy Procedure in accordance with the State Records Act 1998 is to ensure that full and accurate records of all activities, decisions and transactions of Walgett Shire Council and that they are maintained and managed to meet organization needs and accountable legislative requirements.

Council Policy Reference

Gov – Records Management

Statutory Requirements

Local Government Act 1993
State Records Act 1998
State Records Regulation 2010
Government Information (Public Access) Act 2009
NSW State Records Authority Standard No. 12

Government References

State Records Act 1998
State Records Regulation 2010
Local Government Records Authority – GA39
Local Government Act 1993
NSW State Records Authority Standard No.12
Local Government (General) Regulation 2005
Government Information (Public Access) Act 2009 (GIPA)
Privacy and Protection of Personal Information Act 1998
Evidence Act (NSW) 1995
Public Sector Employment and Management Act 2002
Public Finance and Audit Act 1983
Commonwealth Copyright Act 1968
Limitations Act (NSW) 1969
Privacy and Data Protection Bill 1994
Electronic Transaction Act 2000

Health Records and Information Privacy Act 2002
Workers Compensation Act 1987
Work Health and Safety Act 2011
Work Health and Safety Regulation 2011
Companion Animal Act 1998
Evidence Act 1995
Crimes Act 1995
Environmental Planning and Assessment Act 1979
Roads Act 1993
Swimming Pools Act 1992
State Emergency and Rescue Management Act 1966
Fringe Benefits Tax Act 1986
ICAC Act 1988
Ombudsman Act 1974
Trade Practices Act 1974

Related Policy/Procedure

Gov – Access To Information
Gov – Code of Conduct

1. Scope

This Management Directive applies in full to all employees and details procedures to be used in all records management by Council employees. It is intended to ensure that competition exists in all record keeping activities and that they apply to all formats of records.

The Records Management Policy applies to anyone who undertakes or is involved in Council activities. This includes Councillors, staff and contractors.

2. Definitions

Record –

The State Records Act 1998 defines **records** as
‘...any document or other source of information compiled, recorded or stored in written form or on film, or by electronic process, or in any other manner or by any other means.

A record can be any paper-based, electronic or graphic file that accounts for some aspect of Council’s business.

3. Principles

3.1 Electronic Document Management System (EDMS)

HP TRIM is Council’s official EDMS for the management of its corporate information. All emails, faxes, letters and correspondence classified as a record received or sent must be saved electronically in TRIM. This also applies to record documents created in Word, Excel, PowerPoint and other applications, where they are saved electronically, and in their native format. Use of other non-compliant record systems is strictly prohibited and contravenes this procedure. TRIM is backed up by the IT department systematically at the end of each work day.

3.2 Incoming Mail

All incoming mail received at Council with no privacy markings will be opened and date stamped by Records staff as soon as it is received in the Records office. Slit envelopes across the top to open to ensure the contents of letters are not damaged when opened. Mail considered to be a Record will be registered in TRIM before being assigned to the relevant staff member. Mail with privacy markings is registered in a separate register but forwarded to the staff member unopened. It is then the staff member's responsibility to return any mail that is a record and requires registration in the TRIM record keeping system.

Faxes are registered in TRIM, before being scanned and assigned to the relevant staff member.

Records staff will separate mail into invoices, statements, cheques and other documents. Invoices and statements will be date stamped and forwarded to the Finance department and cheques will be listed on the cheques register and receipted in Authority by Records staff.

Mail containing cheques or money orders or other valuable items must be carefully safeguarded from the time it is received. A written record of all postal remittances received each day must be added to the Remittance Register and signed for by the post opener. Records staff should record the following information in the Remittance Register

- Date Received
- Name of person sending remittance
- Amount
- Cheque number
- Receipt number of processed payment
- Name of officer opening remittance

If the purpose for which a remittance was sent cannot be identified, include it with the daily banking and take action to obtain the necessary information as quickly as possible. In cases in which money apparently has been omitted or differs in amount from that stated on documents received by post, a note must be made on the document jointly by the post-opener and the supervising officer. The person who sent the remittance is then advised at once that there is an error. The cheque will be banked in the meantime.

3.3 Outgoing Mail

Staff should always include a folder and document number as a reference when preparing a correspondence and use corporate templates in TRIM container 09/1479 to ensure that all necessary contextual information is recorded. Outgoing emails, letters, faxes or other outgoing information must be registered in TRIM by the staff member who created the outgoing information. The appropriate communication must be added in TRIM and include the date and time, direction (incoming, outgoing or internal) and medium (post, facsimile, email or in person). Once the information has been signed or approved by the person sending out the information, the record should be marked as final. Any outgoing mail should be forwarded to the Records Department to be listed in the outgoing mail register. Records staff will complete the mail account and take all mail to the post office.

3.4 Internal Information

All internally created information must be registered in TRIM. It is the responsibility of the staff member who created the information to ensure that the record is appropriately

registered. For Example, the staff member who sent an e-mail to another staff member is responsible for registering the e-mail; the staff member who initiated a phone call is responsible for creating a file note and registering it in TRIM.

3.5 Creation and Capture

Capturing or registering records into Council's record management system provides evidence that the record exists. Principles for capturing records are that:

- Capture should be timely, e.g. as soon as possible after the record is sent or received.
- The information should be in a format that can be managed over time.

You need to capture the record and also link it to the appropriate container. Information that should be captured about the record and its context includes:

- Title – ensure it contains as much information as possible and do not use abbreviations. Make sure it relates to the business function and activity to which the message relates.
- Container
- External ID
- Date created and date due (if applicable)
- Date registered (may be the same as date created)
- Author and assignee (if different)

Information that must be captured that is specific to records includes;

- Details of transmission, e.g. date and time sent and/or received
- Details of sender and receiver (name and organisation)
- Attachments or enclosures with the message.

Council staff will automate capture as much as possible. Staff should ensure that they create official records of all decisions and actions made in the course of their official business. For example, if business is transacted by telephone, file notes of the key points in the conversation should be documented in TRIM. Official meetings should include the taking of minutes registered in TRIM.

3.6 Restrictions on Electronic Documents

Only the Information Services Coordinator can approve the removal of documents in TRIM. Any requests for deletion of records must be in writing and must have a reason for why the record should be deleted e.g. duplicate record created. The Information Services Coordinator will then determine if the record can be deleted in accordance with relevant legislation.

Access/security controls and caveats may be imposed on records, folders and classifications restricting access to staff that are not part of the control. Only specified staff will be able to view documents with access controls.

3.7 Container and Folder Creation

The Information Services Coordinator is responsible for the overall management of the EDMS and the creation of new containers and folders. Records staff and the Administrative Officers also have the ability to create new containers and folders into the EDMS.

3.8 Tracking of Files

The movement of all files will be recorded and updated throughout Council to ensure that the current location and status of a folder can be quickly verified. Staff are to follow the procedures and guidelines relating to file movement and transfer when checking paper based documents out from Records department or transferring to another officer. Once the staff member checks the document out it becomes their responsibility until it is returned to the Records department.

Files should not leave Council premises, except where normal administrative practice permits (e.g. building site inspections). Staff should minimise the number of files they keep at their desks and the length of time they keep them.

3.9 Maintenance and Monitoring

The Information Services Coordinator is responsible for ensuring that records and environmental conditions are monitored regularly to protect records with results being reported to the Chief Financial Officer. This will include checking temperature and humidity levels in dedicated records storage areas for paper records and ensuring that digital records are refreshed or replicated when scheduled, when new storage devices and media are being installed or when degradation is detected.

Maintenance of electronic records can also entail the migration of data. Migrations must be authorised by the Chief Financial Officer and must produce authentic, complete, accessible and useable records.

Walgett Shire Council has implemented a number of security and counter disaster measures as part of its Information Security Management System (ISMS) for safeguarding its information assets. Staff should abide by these measures at all times.

3.10 Storage

All records will be stored appropriately in accordance with the General Disposal Authority (State Records NSW) to allow for their retrieval, use and preservation whilst maintaining their security, privacy and confidentiality.

Current hardcopy records should be stored in the Records Room or Records storage rooms with access restricted to Records staff.

Electronic records will be retained in Councils EDMS until they meet disposal status. Records of short term value will be disposed of at suitable intervals by the Information Services Coordinator. Records of long term or archival value should be retained in TRIM wherever possible and managed in accordance with legislative requirements.

Storage of legal documents, Council minutes/agendas and other high importance records shall be kept in Councils Fireproof strongroom at 77 Fox Street Walgett, with restriction limited to delegated staff.

Customer Action Requests (CARS) are stored in the TRIM EDMS database. Authority is utilised for Financial information however information where possible should be stored in TRIM. Records prior to Council's TRIM EDMS were paper based and stored within the records storage rooms, information is accessible but cannot be added to.

3.11 Disposal

The disposal of records is governed by the State Records Act 1998 (NSW). Delegated Records staff are required to use the General Disposal Authority (GA39) for the retention and disposal of records. No records should be destroyed unless approval is granted by the Information Services Coordinator, and in accordance with the disposal authority. Any sentencing of records must be supervised by the Information Services Coordinator.

Approval and signed authorisation for retention, destruction or transfer of records must be sought from the Information Services Coordinator before any disposal takes place.

Council will take all reasonable steps to reduce the cost of storing records through the implementation of an appropriate disposal program. The program will include sentencing and the regular culling, transfer of secondary storage and/or archives and physical destruction of appropriate records in accordance with approved disposal schedules. Disposal must be documented in such a way as to explain the rationale for the decisions made as well as provide sufficient evidence of the ultimate disposition of all records to adequately fulfil administrative and legal requirements. Regardless of any legislative authority to dispose of a record, Council will not destroy records relating to a matter where it has been notified of impending litigation, application under the Freedom of Information Act or other reason for legal discovery proceedings.

3.12 Contractors and outsourced functions

All records created by contractors performing work on behalf of Walgett Shire Council belong to Walgett Shire Council. This includes the records of contract staff working on the premises as well as external service providers.

3.13 Disaster Recovery

All reasonable steps are to be taken to ensure that Council's records are at minimal risk of damage or loss due to accident, threat or disaster. Council will develop and maintain a disaster recovery plan which details all procedures to be followed in the event of a disaster. The plan will include all information necessary to implement the procedures. In the event of an accident or disaster Council will take all reasonable steps to ensure records are conserved according to current best practice. The Walgett Shire Council Business Continuity Plan will also cover the aspects of managing records in a crisis situation.

3.14 Access to Councils Records

Access to Walgett Shire Council records will be in accordance with relevant legislation and Council policy including the Government Information (Public Access) Act 2009 (GIPA) and Privacy and Personal Information Protection Act 1998.

Use by the public of original records will be under direct control of the Council staff member. Any original material must be viewed in a suitable area and must not be removed, destroyed, defaced or damaged by the public for any purpose. Copying of records will be subject to legislative requirements and charged in accordance with the fees and charges schedule. Some records may be restricted to protect the privacy of individuals or because they are fragile and require conservation.

3.15 Normal Administrative Practice (NAP) Guidelines

Working papers and records can be disposed of, so long as they are not required to be retained in order to account for policies, decisions, reasons and actions or not required to function as evidence.

File

- Working papers and records of a project officer or investigative officer that contain substantial and valuable information not found elsewhere

- Papers in an unofficial filing system where a registered file has not been created or kept in the recordkeeping system.

Fling

- Audio recordings of dictated correspondence, conferences and meetings used to prepare correspondence, papers, minutes and transcripts
- Calculations, statistics and figures
- Rough notes (including rough notes of meetings and telephone conversations where a formal record has been made)

Drafts in paper form or electronic form that can be disposed of are draft documents of a routine nature and for which there is no identified recordkeeping requirement to retain them

File

- Drafts containing significant or substantial changes or annotations
- Drafts relating to the formulation of legislation, legislative proposals and amendments
- Drafts relating to the formulation of policy and procedures, where the draft provides evidence of the process involved or contains significantly more information than the final version of the document
- Drafts of legal documents (for example, contracts or tenders).

Fling

- All other drafts

4. Management Directive Statement

Council record keeping practices will comply with the Local Government Act 1993, State Record Regulation 2010, State Records Act 1998 as well as other acts, regulations, codes, policies, practice notes or other documents published by either State or Federal Government Authorities relating to records management practices.

Record procedures will be followed in an endeavour to maximise:

- Accuracy regarding records capture and disposal
- Accountability to Council

5. Accountability, roles and responsibilities

5.1. GENERAL MANAGER

The General Manager is responsible for ensuring that Walgett Shire Council complies with the regulations and requirements of the State Records Act 1998 and any relevant legislation. This policy is issued under the authority of the General Manager and will be reviewed and amended as required in consultation with General Manager, Managers and Staff of Council.

5.2. DIRECTORS AND TEAM LEADERS

Directors and Team Leaders are responsible for ensuring that accurate, timely and complete records are created and managed within their area of supervision to comply with Walgett Shire Council's record management responsibilities.

5.3 INFORMATION SERVICES COORDINATOR

The Information Services Coordinator is responsible for the effective operational management, monitoring and system administration of Walgett Shire Council's Electronic Document Management System (TRIM). The Information Services Coordinator (ISC) will provide advice and training as required. It is the responsibility of the ISC to ensure that all staff that make, keep or manage records are familiar with and understand;

- Council's corporate records management policy
- Record keeping responsibilities of all staff
- The organisational model for records management program
- Staff development and training program for records management
- Records management procedures

5.4 STAFF (GENERAL)

Under the State Records Act 1998 all staff are required to "make and keep full and accurate records of their business activities".

All staff must understand their responsibilities and keep full and accurate records as evidence of business activities. This means registering records into Walgett Shire Council's official Electronic Document Management System (TRIM).

All staff must be aware of the record management procedures.

All Staff must not dispose of records, which record the business activities of Walgett Shire Council, without permission of the Information Services Coordinator.

All staff must protect records from unauthorised access and maintain confidentiality of Walgett Shire Council records.

All staff must only access information required to carry out their day to day duties.

All staff must handle records with care to avoid damaging records with a view to prolonging their life span.

5.5 COUNCILLORS

The Mayor and Councillors are responsible for the adoption of and compliance with the requirements of the Records Management Policy Procedures. Information that is required to be stored as a record must be forwarded to a Records Officer for recording into TRIM.

5.6 CONTRACTORS

Contractors must manage records that they create on behalf of Walgett Shire Council according to the terms of their contract and made accessible to Walgett Shire Council.

COUNCIL POLICY

**Policy Name**

PROCUREMENT AND TENDERING

Purpose

The purpose of the Procurement and Tendering Policy is to document Council's procurement principles and set out the standard by which Council will conduct its procurement activities.

Dates	Policy or amendment approved 25 Nov 2014 Policy or amendment takes effect 25 Nov 2014 Policy is due for review 25 Nov 2016
Approved by	General Manager
Adopted by	Walgett Shire Council, at its Ordinary Meeting of Council held on 25 Nov 2014 Minute number: 15/2014/15
Responsible Officer	Director Corporate Services
Relevant to	Walgett Shire Council Elected Members, Staff and Volunteers. Suppliers and Contractors to Walgett Shire Council and the general public.
Superseded Policies	AMF – Purchasing Policy adopted 15 July 2008 AMF – Quotation & Tender Thresholds adopted 15 Dec 2009
Related documents	Procurement and Tendering Procedures Walgett Shire Council Code of Conduct DLG Tendering Guidelines for NSW Local Government
Related legislation	Local Government Act 1993 Competition Policy Reform (NSW) Act 1995 Independent Commission Against Corruption Act 1988 Local Government (General) Regulation 2005
File number	09/1409/0027

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1. Purpose

The purpose of this Procurement and Tendering Policy is to document Council's principles and set out the standard by which Council will conduct these activities. All activities will be carried out in accordance with the associated legislation, Council Polices, Management Directives, processes and Office of Local Government (OLG) Guidelines and Circulars.

2. Scope

- 2.1 This Procurement and Tendering Policy applies to all procurement processes and activities undertaken by Council, including purchasing, ordering, tendering and the entering of contracts.

The Procurement and Tendering Policy applies to anyone who undertakes or is involved in procurement and tendering activities. This includes Councillors, staff, contractors and delegates.

3. Definitions

Term	Definition
Best Value	Best value in Procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including: <ul style="list-style-type: none">• Considering local availability• Contribution to the advancement of the Council's priorities• Non-cost factors such as fitness for purpose, quality, service and support; and• Cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding maintaining and disposing of the goods, services or works
Probity	Within Local Government, the word 'probity' is used in a general sense to mean 'good process'. A Procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation are established, understood and followed from the outset. These procedures need to ensure that all potential suppliers are treated equitably.
Procurement	Procurement is the whole process of acquisition of external goods, services and works.
Social Procurement	Social Procurement uses Procurement processes and purchasing power to generate positive social outcomes at a local level in addition to the delivery of cost efficient goods, services and works.
Tendering	The process of invitation by Council for the acquisition of goods and services in accordance with the Local Government (General) Regulation 2005

4. Policy Principles

- 4.1 The objective of this policy is to provide clear direction when conducting Procurement and Tendering activities through the application of five key principles;

4.1.1 Probity, Accountability and Transparency

Council values the highest ethical and professional standards in its business dealings. Procurement and tendering activities will be conducted through a transparent process that is verifiable.

Council will employ consistency in all stages of the procurement and tendering process, respecting the rights of tenderers and contractors, including confidentiality and the expectation to be treated fairly at all stages of the procurement process.

4.1.2 Value for Money

Council strives to achieve value for money in its procurement activities. Council will select goods, services and suppliers that represent the best overall value for Council; not necessarily the lowest priced confirming offer.

Value for money includes factors such as risk based approach, promotion of market competitiveness through quoting and tendering, benchmarking suppliers and quality of goods and service procurement co-operatives that can demonstrate high levels of integrity inline with Council's own policies and guidelines.

4.1.3 Open and Effective Competition

Council recognises the commercial and economic benefits of open and effective competition. Council will encourage healthy competition in the markets from which it purchases.

4.1.4 Ethical Behaviour and Fair Treatment

Council officers engaged in procurement and tendering activities will at all times undertake their duties in an ethical and impartial manner.

Council officers must ensure that policy principles are reflected throughout the procurement and tendering process including activities as buying without prejudice, effective communication and provision of information to all suppliers, declaring any conflicts of interest and adhere to the Code of Conduct.

Canvassing of Councillors and Staff during a formal tendering quotation process will automatically disqualify that supplier.

4.1.5 Health and Safety

Council is committed to protecting human health, safety and welfare. Council will ensure that its procurement and tendering activities protect health, safety and welfare of its elected members, staff, volunteers, customers, contractors and the general public.

5. Policy Statement

5.1 Policy Purpose

The Procurement and Tendering activities require accountability for the spend of Council funds which is justified, planned and transparent. Goods and services procured must be 'fit for purpose' and represent value for money while being socially responsible and ensuring probity in the procurement process.

5.1.1 Procurement Strategy

Developing a procurement strategy and adopting appropriate principles, policies and procedures for all goods, services and works of Council, will enhance the achievement of Council objectives such as sustainable and social procurement; bottom-line cost savings, innovation and more effective services for communities.

5.1.2 Corporate Strategy

Support the Council's corporate strategies, aims and objectives including, but not limited to those related to sustainability, protection of the environment, and corporate social responsibility;

- Take a long term strategic view of procurement needs while continually

- assessing, reviewing and auditing its procedures, strategy and objectives;
- Provide a robust and transparent audit trail which ensure that procurement is delivered on time, within cost constraints and that the needs of end users are reasonably met;
- Ensure procurement is conducted in an impartial, fair and ethical manner;
- Achieve value for money and quality in the acquisition of goods and services;
- Ensure that risk is identified, assessed and managed at all stages of the procurement process;
- Use strategic procurement practices and innovative solutions to promote continuous improvement and best value, in particular marking use of collaboration and partnership opportunities;
- Use social procurement to enhance sustainable and strategic procurement to effectively contribute towards building stronger communities and meeting the wider social objectives of the Council;
- Comply with legislation, corporate policies or other requirements, ensuring that all staff responsible for procurement and contract management are made aware of the relevant legislative requirements, Council standards and practices.

6. Accountability, roles and responsibilities

6.1. Authorisation – General Manager

Is responsible for the setting of annual purchasing delegations of staff through official instrument.

6.2. Responsible Officer – Director Corporate Services

Is the officer accountable for managing policy compliance and initiating the policy review process. They will also have the responsibility for all aspects of policy implementation, unless appropriately delegated to another officer.

6.3. Compliance and Reporting – Finance Officer - Stores

Is responsible to provide awareness and training on the policy, monitor policy and related policy procedure and internal control compliance.

7. Acknowledgements

- 7.1 The following acknowledgements are made recognising organisations or documents that have provided a basis, instructive comment or templates that have been used to develop Council's Procurement and Tendering Policy:

(a) Procurement and Tendering Policy – Gunnedah Shire Council

(b) Tendering Guidelines for NSW Local Government, NSW Department of Premier and Cabinet Division of Local Government, October 2009

8. Version control and change history

Date	Version	Approved by & resolution No	Amendment
25 November 2014	1	Council meeting 25 Nov 2014 Minutes No.15/2014/15	Nil

POLICY PROCEDURE



Policy Name	PROCUREMENT AND TENDERING
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<p>Objective</p> <p>To ensure the system of tenders and quotes encourages integrity and established standards of equity and transparency and value for money.</p>
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Dates	Directive or amendment approved 25 Nov 2014 Directive or amendment takes effect 25 Nov 2014 Directive is due for review 25 Nov 2016
Approved by	General Manager
Endorsed by	Walgett Shire Council, at its Ordinary Meeting of Council held on 25 Nov 2014 Minute number: 15/2014/15
Responsible Officer	Finance Officer Stores
Relevant to	All Employees
Superseded Policies	Walgett Shire Council Policy & Procedures AFM Quotation & Tender Thresholds
Related documents	Procurement and Tendering Policy DLG Tendering Guidelines for NSW Local Government
Related legislation	Local Government Act 1993 Competition Policy Reform (NSW) Act 1995 Independent Commission Against Corruption Act 1988 Local Government (General) Regulation 2005
File number	09/1409/0027

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1. Purpose

The purpose of this Procurement and Tendering Directive is to document Council's guidelines and requirements in relation to the conduct of procurement and tendering activities by staff on behalf of and for Council.

2. Scope

This Management Directive applies in full to all employees and details procedures to be used in all purchasing by Council employees. It is intended to ensure that competition exists in all purchasing activities and that they are carried out in an open and transparent manner in accordance with Council policy and legislative requirements.

The Procurement and Tendering Policy applies to anyone who undertakes or is involved in procurement and tendering activities. This includes Councillors, staff, contractors and delegates.

3. Definitions

Employees this Directive applies to - all staff

Tenders – works exceeding the specified amount in Section 55 of the Local Government Act (currently \$150,000).

Quotations – work exceeding \$500 in value but less than that specified as a tender

Quotation Documents – invitation to tender and guidelines, specification, recommendation selection criteria, any other relevant information.

4. Management Directive Principles

4.1 General

An urgent delivery component is included as part of the selection criteria and weighting table which is utilised as a guide in the tender selection process. This component includes distance to suppliers and service providers.

Contracts should be effected only with incorporated companies. Tenders or quotes which are to result in a contract must show the companies ABN, CAN and date of incorporation or make a clear statement of intention to incorporate prior to signing a contract.

It is preferred that this rule be applied to all procurement. However purchase orders, but not contracts, may be placed on unincorporated organisations provided:

- The supplier has an ABN, unless extraordinary circumstances prevail (ie hobby);
- The supplier is registered for GST, unless extraordinary circumstances prevail (ie hobby);
- The total value is less than \$50,000;
- It is a lump sum purchase or project;
- The service to be provided is not primarily labour hire;
- The particular supplier is used intermittently.

The exact procure to be used will depend on value of goods and service to be purchased.

4.2 Tenders

For works with a value exceeding that specified in Section 55 of the Local Government Act (currently \$150,000) an open or selective tendering shall be used in accordance with Local Government (General) Regulation 2005 and including:

- (a) All tenders will be reported to Council for a decision
- (b) The report to Council will be compiled by the relevant Director utilising the services of an evaluation panel and utilising Table 1 recommended selection criteria and weighting.
- (c) A financial evaluation report be obtained for the preferred tender
- (d) The report to Council will be a confidential item to be considered in closed session

4.3 Quotations

For the purpose of effective distribution and maximising opportunity, Council will maintain an up to date register of qualified providers/contractors for the respective trades and industry types. Council will advertise six monthly to invite registration on the Provider/Contractor Register (Pro-forma attached).

4.3.1 **For works exceeding \$50,000 in value but less than that specified as a Tender**, a special quotation process shall be undertaken utilising the following procedure:

- (a) Each quote will be allocated a tender/quote number (RFT/RFQ) by the Information Services Section. The number will be entered into the tender/quote register and is to be quoted on all documentation relating to that quote.
- (b) The officer initiating the purchase shall prepare a brief specification detailing quantity, quality and timing of the works/services/goods to be supplied, include copies of relevant insurance certificates (i.e. public liability and workers compensation).

This document will not be as complex as a tender specification.

- (c) The specification shall be sent directly to:
 - Any person requesting the information
 - By email to all Provider/Contractors on the Register
- (d) A special quote meeting may be arranged where the intended works, goods or services are difficult to define or it is determined that specific clarification will support an enhanced outcome
- (e) Quotes will be received under tender box conditions and suppliers are to be advised of the following procedure:
 - A closing date will be specified, normally 21 days but not less than seven days after the supplier would receive the invitation to quote
 - Quotes are to be sealed in an envelope marked with the tender/quote number and placed in the tender box or mailed in time to be placed in the tender box prior to the specified date. Quotes may also be received by fax.
 - As soon as a tender/quote is received at the Council Offices and recognised as such, it is to be placed in the tender box.
 - Where an envelope containing a quote which is not marked as required above, and is therefore opened in the normal process of mail handling, the quote and the envelope are to be sealed into another envelope by the person dealing with the mail, properly endorsed with the tender/quote number, marked 'Opened in Error', signed and dated and placed immediately in the tender box.
 - In a case where a quote is submitted by fax or email, it is to be sealed in an envelope by the person dealing with the fax or email, endorse with the tender/quote number, marked 'Received by Fax/email' marked with the time and date of receipt, signed and placed in the tender box.
 - Any person likely to open mail or attend to the faxes at any time is to be instructed that the contents of any such opened quotes are to remain absolutely confidential and are not to be divulged to any person whatsoever.
 - All quotes received by the closing time shall be opened at or after closing time by the Information Services representative and two (2) witnesses and recorded in the tender/quote register. Prices will not be publicly disclosed.
 - The custody of the register and the keys to the tender box are to be the responsibility of the Coordinator Information Services and the tender box is located in the public foyer for ready access.

(f) Quotes via internet

For the purposes of this procedure it is acceptable to obtain quotes via the internet including email provided:

- A copy of each quote is retained in Council's records management system
- Each quote contains at least the following information:
 - Name of Supplier
 - Internet address of supplier
 - Specification of equipment to be supplied
 - Make and model of each item of equipment
 - Price

(g) A written assessment will be prepared as to which quote is the most advantageous and purchase will be effected by a purchase order. The 'Recommended Selection Guide' and their respective weightings shown below are to be used as a guide.

Table 1 – Recommended Selection Criteria and Weighting

Criteria	Plant equipment vehicles	Supply of other-materials consumables	Plant equipment hire and other services	Consultancies	Infrastructure construction	Sale of surplus material etc
Capability	70	60	55	55	50	0
Relevant experience	20	15	10	25	20	0
Quality and safety	5	20	30	15	20	0
Urgent service delivery	5	5	5	5	10	0
	100	100	100	100	100	0

The financial benefit is a separate issue to the evaluation of quotations by the selection criteria. All selection criteria are weighted then scored for each quote to arrive at a gross score. The gross score is then divided by the tendered amount to give a score per dollar. The score per dollar and budgetary compliance are in the final items used to compare quotation. The quotation giving Walgett Shire Council the best outcome within budgetary constraints is then selected.

- (h) All records will be retained and available for scrutiny but will not be available to the public as they will contain confidential information.
- (i) Where appropriate, suppliers should be required to provide evidence of relevant insurances including but not limited to Public Liability in sum of \$20m (minimum) and Workers Compensation/Personal Accident.
- (j) As soon as practicable after selecting a supplier and placing an order the ordering officer shall also advise all unsuccessful quoter's of the decision.

The following information may be disclosed:

- The successful quoter's name
- Description of selected goods if applicable
- Reasons for selection

Under no circumstances should any commercial in confidence information be disclosed.

4.3.2 Where the value of goods is less than \$50,000 but exceeds \$5,000, written quotes shall be obtained by emailing the request for quotation and specification to all those recorded on the Provider/Contractor Register. The quotes and the evaluation as the most advantageous to Council must be recorded in Council's Records Management System.

4.3.3 Where the value of goods is greater than \$500 but less than \$5,000, written quotes shall be obtained if possible by emailing the request for quotation and specification to all those recorded on the Provider/Contractor Register. The quotes and the evaluation as the most advantageous to Council must be recorded in Council's Records Management System.

4.3.4 Variations:

- The General Manger has authority to approve variations to contracts during progress of works in accordance within the delegated authority to the General Manager. Any variation exceeding this limit shall be presented to Council for consideration.
- If a variation is made to the works after the order has been placed, an additional order shall be completed and a record of the reasons kept.

4.3.5 In all cases, goods or services purchased under a purchasing scheme approved for Local Government in NSW shall be deemed to comply with these requirements, details of such purchase shall also be recorded (ie State Government contracts, Regional Procurement Initiative, OROC).

4.3.6 In no case shall procurement of works/goods/services be artificially split into smaller purchases in order to reduce procedure requirements specified above.

4.3.7 In cases of emergency, or where it can be demonstrated that there is only one supplier, the General Manager may approve purchases which are not in accordance with the above providing records are written up as soon as practicable explaining the circumstances and the action taken.

4.3.8 The lower limits specified should be considered as guidelines and where appropriate more rigorous standards may be applied. For example, if there is potential benefit in public tendering for works with less than \$150,000 in value, then this document does not preclude that action.

4.3.9 Table 2 summarises the protocol to be followed in all purchasing decisions based on the value of the purchase.

Table 2 – Summary of Purchasing Protocol

ESTIMATED COST OF ITEM/PROJECT	MINIMUM PROCESS	AUTHORITY	COMMENTS
Over \$150,000	Tender	Decision by Council	See Information Services for Registration Number
Over \$50,000 (under \$150,000)	Special Quote	Decision by GM if within budget	See Information Services Registration Number
Over \$5,000 (under \$50,000)	Quote	Decision by GM if within budget	Quotes sought from Provider/Contractor Register
Over \$500 (under \$5,000)	Quote		Quotes sought from Provider/Contractor Register
Under \$500	Common sense		Ensure value for money

4.3.10 All purchases must be made by completing a Council order. Every order must contain the following information:

- Name and address of supplier
- Description of goods and services
- Costing job number
- Price quotes
- Signed and dated by Authorising Officer

5. Management Directive Statement

Council procurement practices will comply with the Local Government Act 1993, the Local Government (General) Regulation 2005, Competition Policy Reform (NSW) Act 199, as well as other acts, regulations, codes, policies, practice notes or other documents published by either State or Federal Government Authorities relating to tenders or quotes (eg Competition Policy).

Any conflict of interest and pecuniary interest is to be disclosed immediately. Any person with a conflict of interest will not take part in the processes of tender specification preparation or evaluation.

Tenders and quotes will be prepared in an endeavour to maximise:

- Competition
- Participation by local and other suppliers
- Value for money, quality goods and services to residents and ratepayers
- Accountability and cost efficiency to Council and respondents

Reports to Council will be confidential and considered in closed session.

6. Accountability, roles and responsibilities

The General Manager, Directors and Managers are to ensure management directive compliance.

6.1. Responsible Officer

Finance Officer Stores

6.2. Responsibility/ Responsible Officer

All employees

7. Acknowledgements

7.1 The following acknowledgements are made recognising organisations or documents that have provided a basis, instructive comment or templates that have been used to develop Council's Management Directive:

(a) Management Directive – Gunnedah Shire Council

(b) Tendering Guidelines for NSW Local Government, NSW Department of Premier and Cabinet Division of Local Government, October 2009

8. Ethical Behaviour and Fair Treatment

8.1 Ethical Behaviour and Fair Treatment

Council officers engaged in procurement and tendering activities will at all times undertake their duties in an ethical and impartial manner.

Council officers must ensure that policy principles are reflected throughout the procurement and tendering process including activities as buying without prejudice, effective communication and provision of information to all suppliers, declaring any conflicts of interest and adhere to the Code of Conduct.

Canvassing of Councillors and staff during a formal tendering quotation process will automatically disqualify that supplier.

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