SUSTAINABLE PROCUREMENT POLICY

Responsible Directorate:	Corporate and Community Services
Responsible Section:	Financial Services
Responsible Officer:	Manager Financial Services

Objective

This policy aims to ensure that procurement within Council complies with the following principles:

- Ethical and legal behaviour;
- Responsible financial management;
- Value for Money;
- Quality Assurance;
- Sustainability; and
- Use of local providers and content.

Introduction

The Policy forms part of the Procurement Framework. This Sustainable Procurement Policy defines Council's sustainable procurement function for consumables, capital works and services. The Policy relates to all purchasing, purchase cards, tendering, contract management, payments and asset disposal.

Sustainable procurement provides great opportunities to deliver goods and service in a financially, environmentally and socially sustainable way. Encouraging whole of life costing and social outcomes.

It is both a legal requirement and good practice for councils to have a policy in place that establishes the framework under which Council Officials engage in procurement.

All Officers must comply with this policy and must be able to demonstrate through training that they can address all the principles within the policy and guidelines that support it.

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Policy

1. Definitions

Term	Meaning
Delegation	The delegation of a function or authority by Council, the General Manager or an Authorised Officer to another Officer in accordance with law or their own delegation
Electronic Procurement Platform	The online system of choice where purchasing activities are coordinated and managed through a single platform, such as Vendor Panel.
GST	Goods and Services Tax – a Commonwealth Tax imposed on the purchase and sale of relevant items - see *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*
Procurement	The acquisition of property, products, or services.
Quadruple Bottom Line	A method of managing sustainability using the four (4) pillars of: 1. Social costs and benefits; 2. Economic costs and benefits; 3. Environmental costs and benefits, and 4. The way we make decisions (governance).
Sustainable Procurement	Sustainable procurement is a process that integrates environmental, governance, and social factors of corporate responsibility into procurement processes and decision-making, while ensuring they still meet the stakeholder requirements. The acquisition of goods and services for the fulfillment of company needs and supply chain—executed in an environmentally-friendly manner.

2. Authority to Procure

2.1. The Council will set the terms and limit of the General Manager's procurement authority.

2.2. The General Manager may determine procurement limits of staff when delegating functions to staff.

2.3. Delegated Officers employed by Council will have authority to authorise procurement as set out in their delegations.

2.4. Procurements are not to be split into smaller portions as a means of avoiding the provisions of the above.

2.5. People without delegation to procure, do not have authority to authorise procurement.

3. Procurement Processes Generally

3.1. Procurement must be carried out in accordance with relevant legislation, Council Policies and any applicable operational protocols.

3.2. Procurement must consider the procurement principles and objectives as established by this Policy.

3.3. Council is to undertake the following procurement methods based on the value of the procurement, in addition to the requirements of the Sustainable Procurement Protocol:

Value of Procurement (Inc. GST)	Procurement Method
Up to and including $50 from Local Suppliers	Check Stores first for stock; If Stores does not hold the item in stock proceed to purchase and obtain an Invoice that meets the requirements of the Sustainable Procurement Protocol.
Up to $5,000.00	At least one (1) written quote accompanied by a Purchase Order.
$5,000.01 to $10,000.00	At least two (2) written quotes accompanied by a Purchase Order.
$10,000.01 to $75,000.00	At least two (2) written quotes obtained through Council's Electronic Procurement Platform and in accordance with the Sustainable Procurement Protocol.
$75,000.01 to $150,000.00	At least three (3) written quotes obtained through Council's Electronic Procurement Platform and in accordance with the Sustainable Procurement Protocol.
$150,000.00.01 to $249,999.99	At least three (3) written quotes obtained through Council's Electronic Procurement Platform and in accordance with the Sustainable Procurement Protocol.
$250,000.00 and above	Request for Tender (RFT) through Council's Electronic Procurement Platform is required
Casual Plant Hire and Casual Trades	Undertaken in accordance with the Sustainable Procurement Protocol.

3.4. The General Manager (or their delegate) shall ensure that:

(a) Purchases comply with legislation;
(b) Purchases comply with Council Policies and Protocols (including any procedural guidelines issued under them);
(c) The intended purchase is not a stock item in the Council's stores;
(d) Purchases up to $50.00 (including GST) within the Local Government Area use the suppliers' monthly purchase order number;
(e) The item purchased is not under a Council contract;
(f) The approving person has the appropriate delegation;
(g) All purchases and contracts over $5,000.00 (including GST) are raised through Council's Electronic Procurement Platform, except where alternate payment methods provide better efficiency (such as overseas purchases), in these instances written approval must be obtained by the General Manager (or their delegate);
(h) All Tenders are advertised and evaluated through Council's electronic procurement platform in accordance with section 55 of the *Local Government Act 1993* (NSW) and NSW Local Government Tendering Guidelines; and
(i) All Contracts over $75,000.00 and Tenders must comply with Council's Protocols.

4. Centralised Purchasing

4.1. Council is to undertake procurement through its Centralised Purchasing System in accordance with the Sustainable Procurement Protocol.

5. Tendering Committee

5.1. Council will establish a Tendering Committee to consider tenders in accordance with current NSW Government Tendering Guidelines for Local Government and Council's Polices and associated documents.

5.2. Members of the Tendering Committee must comply with this Policy and ensure they are free of conflicts of interest. Members must abide by Council's Code of Conduct.

6. Local Government Group Tender Panels

6.1. Council will utilise in local government group tender panels, when in the best interest of Council to do so.

6.2. Council's preferred method is to obtain quotes from Local Government Procurement Panel Contracts for security, lower (and whole of life) costs, risk reduction, increased efficiency, improved quality, greater value for money and strategic sourcing of new products and suppliers. Council Managed Tenders

6.3. Selective tendering can be undertaken by either advertising an expression of interest and then inviting tenders from suitable respondents or by inviting tenders from a pre-prepared list of recognised contractors.

6.4. Open Tender process can be utilised for contracts over $75,000 where council wishes to attract local suppliers.

6 Council Tender Submissions

7.1 Council may submit a competitive tender for works advertised by Council.

7.2 Any tender submitted by Council must meet all the conditions of the relevant Tender and this Policy.

7.3 Any tender submitted by Council for Council works must be considered in accordance with the Tender Evaluation and this Policy.

7.4 Any staff member involved in the preparation of any tender submitted for consideration by the Tendering Committee must not be a member of the tender panel that considers that tender submission.

7 Audit

8.1 The Procurement function will be the subject of routine audits.

8.2 Audits will be undertaken as outlined in the NSC corporate governance guidelines for auditing and may be undertaken by both internal staff and/or external auditors or third-parties..

8.3 Audits will examine:

(a) Adherence to delegated levels of authority;
(b) Adherence to purchasing limit requirements;
(c) Adherence to centralised purchasing provisions;
(d) Adherence to purchasing card provisions;
(e) Variations between ordered values and payment values;
(f) Committal of orders and contracts;
(g) Breaches of Council Policies; and

(h) Other areas as deemed necessary by the General Manager or their delegate.

8 Exempt Procurement

9.1 The following are specifically excluded for the raising of Purchase Orders under this policy:

(a) Financial Institution fees – by virtue of account-keeping fees and justified under terms of arrangement; and
(b) Placement of Investments – deemed to be internal movements of funds.

9 Procurement Principles

10.1 Procurement decisions are to be undertaken in accordance with the following principles:

(a) **Ethical and Legal Behaviour:**

(i) **Legislation:** All procurement must comply with all relevant legal obligations, including Section 55 of the *Local Government Act 1993* (NSW) and Part 7 of the *Local Government (General) Regulation 2021* (NSW).

(b) **Modern-Slavery Avoidance:** All procurement must be conducted in accordance with the provisions of the *Modern Slavery Act 2018* (NSW) and other applicable legislation relating to modern slavery.

(i) **Honesty and Fairness**: All procurement must be conducted honesty, fairly, with probity, while maintaining the confidentiality of confidential information.
(ii) **Accountability and transparency:** All procurement must be undertaken through a process that is open, clear, and documented.
(iii) **Consistency**: all procurement must be conducted in a way that maintains consistency between and within acquisitions.
(iv) **Competitive:** procurement processes should be competitive and not collusive.
(v) **Objective:** procurement processes must be conducted impartially and objectively, without giving favour. All persons involved in procurement processes must manage all real or perceived conflicts of interest in accordance with Council's Code of Conduct.

(c) **Responsible Financial Management:** Council's funds are to be used efficiently and effectively to procure goods, services, and works within the budgets allocated.
(d) **Value for Money:** Value for money involves Council receiving the most suitable product for the whole-of-life costings.

(i) Whole-of-life costing is a practical way to put a dollar value on all aspects of Quadruple Bottom Line considerations. '
(ii) Whole-of-life costing quantifies the full financial benefits by providing complete sustainability details addressing all phases of the life of the product or service including initial cost, the level of risk exposure and contribution to the advancement of council priorities.

(e) **Quality Assurance:** Quality assurance under the relevant Australian Standard, International Standard, or other Standard will be a consideration in procurement.
(f) **Sustainability:** Sustainability in procurement has two facets: financial and environmental:

(i) **Financial Sustainability:** Council seeks to promote financially sustainable procurement that:

a. eliminates unnecessary inefficiency, waste and expenditure;
b. contributes to the combined purchasing power of local government to further stimulate demand for sustainable products;
c. advances sustainability by participating in "closing the life-cycle loop";
d. increasing awareness about the range and quality of products available;
e. delivers councils commitments in relation to Ecologically Sustainable Development (ESD) and other environmental and social objectives;
f. plays a leadership role in advancing long term social and environmental sustainability; and
g. supports local businesses and organisations.

(ii) **Environmental Sustainability:** Wherever practical Narrabri Shire Council will pursue the following goals and adhere to the specified objectives when purchasing products and services:

a. **Minimise Unnecessary Purchasing:** only purchase when a product or service is necessary;
b. **Minimise Waste:** purchase in accordance with avoid, reduce, reuse and recycle strategies;
c. **Save Water and Energy:** purchase products that save energy or water or both;
d. **Minimise Pollution:** avoid purchasing products that pollute soils, air or waterways;
e. **Non-Toxic:** avoid purchasing hazardous chemicals that may be harmful to human health or ecosystems; and
f. **Emissions Reduction:** purchase products that reduce or eliminate greenhouse gas emissions.

(g) **Sustainably and ethically sourced:** purchase products that have production chains that are wholly or partially environmentally and socially sustainable and ethical. The suppliers of these products can display their social impact badges on council's electronic procurement platform.

(h) **Local Content: Council encourages the development and promotion of business and industry within the Shire boundaries and in doing so will assist in creating growth of such business or industry.**

(i) For the purpose of evaluating tenders from eligible local suppliers will be adjusted by applying the following matrix of price preferences:

Price Range (excl. GST)	Maximum Price Preference
Up to $50,000.01	10%
$50,000.00 – $250,000.00	5%
$250,000.01 and above	2%

a. The preference will be applied only for evaluation and ranking of offers ; it will not change the contract price actually payable to the supplier.
b. If two or more suppliers are equal after applying the preference, standard tie-breaking procedures will apply.
c. The preference does not override the requirement to achieve best value for money, quality standards, and compliance with legislative obligations.

(ii) To be considered a Local Supplier, an entity or person must be:

a. Operating within the boundary of the Narrabri Shire Local Government Area;
b. Based or headquartered within the boundary of the Narrabri Shire Local Government Area;
c. Controlled by or be a resident of the Narrabri Shire Local Government Area; and

(iii) To be considered a Local Supplier, the Supplier will complete the Local Supplier Application Form as part of their VendorPanel registration.

(iv) The General Manager, or their delegate, will consider the content of the Form and determine whether the entity or person is a local supplier.

References

- *Local Government Act 1993* (NSW).
- *Local Government (General) Regulation 2021* (NSW).
- Tendering Guidelines for NSW Government 2009.

Review

This policy will be reviewed within 12 months of an Ordinary Council Election or such other time on an as-needs basis.

Revision

Version	Date	Description of Change
1	16 June 2025	Policy underwent strong reform to ensure compliance with updated guidance from Local Government Procurement and internal service providers.
2	10 September 2025	Further revision made by Procurement Specialist and Projects and Contracts Coordinator.

History

Minute Number	Meeting Date	Description of Change
812/2006	21 November 2006	Adopted
568/2009	18 August 2009	Reviewed
26/2012	21 February 2012	Reviewed
210/2013	2 April 2013	Reviewed
812/2006	21 November 2006	Adopted
782/2014	16 December 2014	Adopted
164/2017	15 August 2017	Reviewed
	1 September 2021	Rebranded
336/2022	18 October 2022	Endorsed for Public Exhibition
362/2022	22 November 2022	Adopted
	27 February 2024	Reviewed
155/2025	20 August 2025	Endorsed for Public Exhibition

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