Procurement Policy

Date Adopted:

Version: 4.0

Policy Objectives

Council operates in accordance with the principles of sound financial management under the *Local Government Act 1993* (NSW), including responsible and sustainable spending and the consideration of social justice principles.

The objectives of this Policy are to:

- ensure procurement activities comply with relevant legislative and regulatory requirements;
- promote probity, transparency and accountability in all procurement decisions;
- achieve value for money for the Maitland community over the whole-of-life of goods, works and services;
- establish a consistent, controlled and risk-based approach to procurement across Council; and
- support positive social, environmental and economic outcomes in line with Council's Community Strategic Plan, Delivery Program and Operational Plan.

Council's procurement activities are supported by documented policies, procedures, systems and controls that together form Council's Procurement Framework.

Policy Scope

This Policy applies to all Councillors, employees, agents and delegated officers involved in procurement activities on behalf of Council.

This Policy applies to procurement across the full lifecycle of planning, sourcing and management, including purchasing, ordering, tendering, contracting and supplier management.

Transactional purchasing and payment activities are supported through Council's Procure-to-Pay systems and controls.

This Policy does not apply to:

a. Property - the acquisition, subdivision, purchase, lease, statutory authority changes, mortgages or grants of easement or covenants or disposal of land or property,

b. Human Resources – determination of benefits, wages and salaries of Council employees, or

c. Inhouse Goods and Services – goods or services provided in house and paid for by internal journal/budget.

Policy Statement

Throughout the procurement lifecycle, Council will:

- comply with the *Local Government Act 1993* (NSW), its subordinate Regulation and other applicable legislation, including tendering requirements under section 55 of the *Local Government Act 1993* (NSW);
- ensure procurement processes are open, fair, transparent, consistent and defensible, and conducted in accordance with Council's Code of Conduct and Statement of Business Ethics;
- apply a documented Procurement Framework that defines the end-to-end procurement lifecycle;
- encourage competitive procurement and consider social, environmental and economic benefits for the community throughout the Maitland Local Government Area;
- consider sustainability and circular economy outcomes, including whole-of-life costs and environmental impacts;
- identify, assess and manage procurement risks in accordance with Council's Enterprise Risk Management Framework;
- ensure appropriate segregation of duties and system-based controls across procurement and payment activities;
- require procurement decisions and approvals to be appropriately documented and retained; and
- monitor compliance with this Policy through management oversight, system controls, reporting and assurance activities.
- undertake appropriate due diligence and risk assessment of suppliers and third parties prior to engagement and throughout the contract lifecycle, including consideration of financial viability, capability, work health and safety, insurance, cyber security, information security and privacy risks.

1. Principles for Procurement

Principles for Procurement

Council's procurement activities are underpinned by the following principles, which apply to all procurement decisions and processes and are supported by Council's policies, procedures, and systems.

1.1 Ethics and Compliance

Procurement must be conducted ethically, with integrity and in compliance with legislation, including modern slavery obligations, Council's Codes of Conduct and Council's Statement of Business Ethics. Conflicts of interest must be declared and managed.

1.2 Accountability and Value for Money

Procurement decisions must be documented, approved within delegated authority and demonstrate value for money over the whole-of-life of goods, services and works.

1.3 Risk and Probity

Procurement risks must be identified and managed proportionate to value and complexity. Probity must be maintained throughout all procurement activities.

1.4 Sustainability and Circular Economy

Procurement should support environmental sustainability and circular economy principles.

1.5 Social and Local Outcomes

Council will consider opportunities to support local businesses, Aboriginal enterprises, social enterprises and inclusive employment outcomes through procurement.

2. Roles and Responsibilities

2.1 Elected Body

The Elected Body is responsible for:

- setting the procurement policy framework and delegations;
- approving procurement activities within Council's delegations; and
- providing oversight of procurement performance and governance.

2.2 General Manager

The General Manager is accountable for:

- leading staff in understanding and complying with this Policy, associated procedures, and system-based controls (Technology One).
- approving resources for the development, implementation, monitoring, and continuous improvement of procurement procedures and protocols.
- resolving tenders within delegated authority and ensuring high-value or high-risk procurement is escalated appropriately.
- receiving and reviewing monthly procurement compliance and exceptions reports, including Purchase Orders raised without approvals, overdue invoices, and instances of non-compliance.
- ensuring that breaches, conflicts of interest, or probity concerns are appropriately identified, investigated and escalated, and reported to the Elected Body, Legal Counsel and the Audit, Risk and Improvement Committee, as appropriate.

2.3 Directors, Executive Managers, and Managers

Directors, Executive Managers, and Managers are responsible for:

- ensuring the procurement activities undertaken within their area comply with this Policy and its associated procedures;
- approving procurement within their delegated authority;
- ensuring procurement documentation and records are maintained;
- appointing Contract Owners for contracts; and
- managing procurement risks and escalating issues as required.

2.4 Procurement Services Department

Procurement Services are responsible for providing governance and professional leadership and guidance for the implementation of Council's procurement framework.

This includes:

- ownership and governance of the Procurement Framework (policy, strategy, procedures, manuals, templates and tools);
- providing professional procurement advice across planning, sourcing and management stages;
- supporting risk management, probity and compliance requirements;
- acting as procurement advisor on tenders and complex procurements;
- supporting contract management and supplier performance issues, in collaboration with Legal Counsel or Contracts Manager where appropriate;
- analysing procurement expenditure, patterns and opportunities to improve value for money and aggregation;
- providing procurement training and capability development across Council;
- maintaining corporate procurement systems, workflows and controls;
- maintaining the corporate contract register and framework; and
- reporting on procurement performance, compliance and trends to management, ARIC and Council.

2.6 Business Units

Business Units are responsible for:

- undertaking procurement activities in accordance with the Procurement Framework;
- not splitting orders to circumvent regulatory thresholds;
- preparing business cases for approval prior to commencing procurement activities;
- preparing procurement documentation;
- engage internal subject matter experts (including Procurement Services, Legal Services, Risk, Insurance, IT, Cyber Security and Privacy) where relevant to the nature and risk of the procurement.

- raising requisitions and ensuring valid and authorised purchase orders are in place prior to invoice receipt because invoices will not be paid unless this is completed;

- appointing appropriately skilled Contract Owners;

- liaising with the Contracts Manager with respect to the management of contracts throughout its lifecycle, including working together to actively manage performance monitoring, variations and dispute resolution (with escalation as appropriate);

- monitoring contract expiry dates and prepare for renewal, if appropriate, by contacting Procurement Services;

- maintaining complete and accurate records;

- reporting suspected breaches of this policy and conflicts of interest; and

- maintaining procurement capability through training.

2.7 Legal Services Department

Legal Services are responsible for:

- providing legal advice on procurement, contracts and disputes;

- advising on high-risk or complex procurements and probity arrangements;

- reviewing and drafting contracts and contract terms;

- supporting and advising on contract negotiations;

- advising on dispute resolution; and

- where necessary or appropriate, sourcing external legal advice with respect to the above.

2.8 Council Staff, Agents and Delegated Officers

All staff, agents and delegated officers must:

- comply with this Policy and procurement procedures;

- act within delegated authority;

- maintain complete and accurate records;

- report suspected breaches of this policy or conflicts of interest; and

- not split orders to circumvent regulatory procurement thresholds.

2.9 Suppliers

Suppliers retained by Council are expected to:

- conduct business ethically, in line with Council's Statement of Business Ethics and modern slavery legislation;

- comply with Work Health & Safety requirements;

- not lobby or seek favour with staff or Councillors related to procurement activities.
- report any suspected improper conduct or breaches of this procurement policy.
- support Council's sustainability, supplier and community outcomes.

2.10 Audit, Risk and Improvement Committee (ARIC)

The ARIC provides independent oversight of procurement governance, controls and risk management, and monitors management responses to audit findings.

3. Monitoring, Assurance and Oversight

Council is committed to ensuring procurement activities comply with this Policy, supporting procedures and legislative requirements.

Council's corporate financial systems provide controls over approvals, purchasing, receipting and payment, including segregation of duties and audit trails.

Procurement activities will be monitored through:

- System controls and exception reporting
- Management review
- Internal and external audit
- Reporting to the Executive Leadership Team and Audit, Risk and Improvement Committee, as appropriate

4.Procurement Exemptions

In exceptional circumstances, Council may approve an exemption from prescribed procurement methods or thresholds.

Exemptions may be granted where competitive procurement is not feasible or in the public interest, such as emergencies, sole supplier situations, compatibility requirements, statutory arrangements, or other exceptional circumstances.

All exemptions must be documented, approved in accordance with Council's Delegations, and recorded in Council's procurement systems.

Exemptions will be monitored and reported as part of Council's procurement compliance and assurance framework.

5. Training, Guidance and Capability

Council will ensure employees and Delegated Officers involved in procurement receive appropriate training and guidance relevant to their role.

Training and guidance requirements are detailed in Council's Procurement Framework and Procedures.

Suppliers are expected to comply with Council's procurement requirements and Statement of Business Ethics.

Evidence of compliance, including training completion and system usage, will be retained to support assurance and audit activities.

6. Breaches

Non-compliance with this Policy will be managed in accordance with the relevant Code of Conduct, relevant industrial instrument or employment contract, and relevant laws. Sanctions for breaches will depend on the severity, scale and importance of the breach and may include corrective or disciplinary action up to and including dismissal.

Policy Definitions

TERMS	DEFINITION
Circular Economy	means an economic system aimed at minimising waste and promoting the continual reuse of resources. The circular economy aims to keep products, equipment and infrastructure in use for longer, thus improving the productivity of these resources.
Conflict of Interest	means a situation where a Council Official's private interests, relationships or affiliations conflict with, or could be perceived to conflict with, their duty to act in the best interests of the community.
Contract	means an agreement, whether in writing or oral, between the Council (as the purchaser) and a supplier.
Contracts Manager	Means the Council officer accountable for assisting the Contract Owner to manage the contract, including variations, disputes, tracking deliverables, and tracking renewals.
Contract Owner	means the Council staff accountable for the delivery, performance, risk management, compliance and value-for-money outcomes of a contract over its full term.
Council Official	means the General Manager, Mayor, Councillors, employees and delegates.
Delegated Authority	means the authority formally delegated by Council or the General Manager pursuant to the *Local Government Act 1993* to approve procurement activities and expenditure within prescribed financial limits.

Delegate / Delegated Officer	means a Council staff or other person who has been given written delegated authority by Council or the General Manager, in accordance with Council's adopted Delegations, to make procurement, purchasing or contractual decisions within specified financial and functional limits.
Enterprise Resource Planning (ERP) System	Council's approved corporate system (Technology One CiA) used to manage procurement, purchasing, receipting, invoicing and payment processes.
Exemption (or Variation)	means an approved departure from prescribed procurement processes or thresholds, granted in exceptional circumstances in accordance with Council's Procurement Procedures and delegations.
Modern Slavery	means the use of coercion, threats, violence or deception to exploit or deprive a person of their freedom. Examples include human trafficking; slavery; forced labour; deceptive recruiting; debt bondage; forced marriage; deceptive recruiting; child labour and sexual exploitation.
Purchase Order	means a system-generated authorisation within Council's Procure-to-Pay system approving the commitment of expenditure for specified goods, services or works
Procurement	means the acquisition of works, goods and services and includes the evaluation of suppliers, preparation of purchase orders, receipt of goods / services, approval of payment
Procure-to-Pay	The end-to-end process covering the planning, approval, sourcing, purchasing, receipting, invoicing and payment of goods, services and works.
Procurement Thresholds	Prescribed financial limits that determine the required procurement method, approval pathway and level of competition, as set out in Council's Procurement Procedures and Delegations.
Probity	The evidence of ethical behaviour in procurement, demonstrated through fairness, impartiality, transparency, accountability and defensible decision-making.
Project Manager	The Council staff responsible for planning and delivering a project, including defining procurement requirements and overseeing contract delivery, where applicable.
Risk-Based Approach	The application of procurement controls and oversight proportionate to the value, complexity and risk of the procurement activity.

Statement of Business Ethics	means Council's Statement of Business Ethics available on its website, which is a document that provides guidance as to the values, ethical standards and expectations that apply when working with Council
Supplier	means any person or organisation that provides goods, services or works to Council, including contractors, consultants, panel members and subcontractors.
Value for Money	means the optimum combination of whole-of-life costs and benefits, including price, quality, risk, sustainability, performance and fitness for purpose, in meeting the public interest and Council's requirements.

Policy Administration

Business Group:	Finance
Responsible officer:	Corporate Procurement Coordinator
Council reference:	
Policy review date:	This policy will be reviewed every three (3) years, or earlier if: Legislative changes occur; • Council's Financial Hardship & Fee Waiver Policy or Debt Recovery Policy is amended; or • Council directs an earlier review.
File number:	35/1
Relevant legislation	This Policy is informed by and must be applied in accordance with the following legislation (as amended): • Local Government Act 1993 (NSW) • Local Government (General) Regulation 2021 (NSW) • Government Sector Finance Act 2018 (NSW) • Audit Office of NSW requirements

	• Independent Commission Against Corruption Act 1988 (NSW) • Public Interest Disclosures Act 2022 (NSW) • Code of Conduct for Local Councils in NSW • Competition and Consumer Act 2010 (Cth) • Privacy and Personal Information Protection Act 1998 (NSW) • Health Records and Information Privacy Act 2002 (NSW) • Work Health and Safety Act 2011 (NSW) • Modern Slavery Act 2018 (Cth) • Industrial Relations Act 1996 (NSW) • State Records Act 1998 (NSW)
Related documents	This Policy is to be read in conjunction with the following Council policies, plans and frameworks (as amended from time to time): • Code of Conduct • Delegation framework • Risk Management Framework • Records Management Policy • Privacy Management Policy • Fraud and Corruption Policy • Work Health and Safety Framework • Purchase Cards Policy • Data Governance Policy • Contract Management Framework (draft) • Procure to pay Framework (draft) • Procurement Procedure (draft) • Public Interest Disclosure Policy

Policy History

VERSION	DATE APPROVED	DESCRIPTION OF CHANGES
1.0	14 June 2005	New policy adopted
2.0	25 November 2014	Periodic review
3.0	6 December 2022	Major revision – including updated policy objective, addition of new principles of environmental sustainability and circular economy, local preference and social inclusion and additional responsibilities.
3.1	-	Updated to new branding and alignment to organisation structure. No change to content.
4.0	February 2026	Major revision to strengthen end-to-end procurement governance, clarify roles and responsibilities, and align with audit recommendations, contemporary best-practice and Council's Procure-to-Pay framework, systems and legislative obligations.