



Procurement Policy

September 2022

Policy No: CCC005

Policy owner:	Procurement and Project Management
Approved by:	Central Coast Council
Date of approval:	9/3/2020
Policy category:	Strategic
Content Manager No:	D13888146
Review date:	24 months

Contents

Contents.....	2
Purpose	3
Policy summary.....	3
Background.....	3
Scope.....	3
General	4
Local Supplier Support	5
Definition of Local Supplier.....	6
Modern Slavery Prevention.....	6
Policy Implementation.....	6
Definitions	6
Related resources.....	7
History of revisions	8

Purpose

Policy summary

1. Central Coast Council (Council) procures goods, services and works to effectively deliver services and infrastructure to the community. This policy outlines the key principles, objectives and requirements that must be adhered to by all those conducting the procurement activities of Council.
2. The Central Coast community should have confidence that Council will procure goods and services in a cost effective and appropriate manner. Central Coast Council suppliers should understand the processes by which goods and services are procured and have confidence that procurement processes of Council are applied fairly and consistently.

Background

3. Central Coast Council is required to undertake specified procurement in accordance with:
 - the Local Government Act 1993 (LGA) [in particular section 55]; and
 - the Local Government (General) Regulation 2021 (Regulation) [in particular Part 7 – Tendering].

This legislation applies to all contracts for goods and services, unless a relevant exception in accordance with the act applies. One exception is where the estimated expenditure for a contract is less than \$250,000 (excluding GST).

4. Section 23A of the LGA requires that Council consider the Tender Guidelines for NSW Government (October 2009) as part of any tendering process, whether that process is mandated by the LGA or not.
5. This policy supports the Council's Statement of Business Ethics that outlines the Council's ethical standards and expectation that suppliers will comply with these standards in all dealings with Council.

Scope

6. All Council staff, contractors, consultants, temporary (labour hire) staff, Councillors and Council committees responsible for the procurement or sale of goods, services and works on behalf of Council must comply with this policy and all associated procedures.

7. This policy does not confer any delegations of authority upon any person. All delegations to staff are issued by the Chief Executive Officer.
8. Applications for exemption from this policy must be approved in writing by the Chief Executive Officer.

General

9. The policy scope covers all types of procurement for all spend categories that include but are not limited to:
 - Goods and materials, supplies, parts, plant and equipment, information communications and technology hardware and systems.
 - Services, consultants, labour hire, contractors, information, and communication technology services.
 - Works, asset and facilities construction, repairs and maintenance, and infrastructure, minor and major capital works.
 - Disposal of goods and materials.
10. This policy does not apply to employment contracts, real estate property acquisition or sales, sponsorship, grants, re-imbursments, and donations or where the Council has adopted a specific acquisition or sale strategy.
11. Central Coast Council will:
 - Apply Best Practice procurement processes that comply with all legislative requirements and consider the Tendering Guidelines for NSW Government.
 - Be open, honest, transparent, ethical and accountable in all dealings.
 - Ensure that appropriate protections are afforded to commercially sensitive and confidential material that is provided to Council by suppliers.
 - Utilise Whole of Government and Prescribed Agency contracts when considered the most beneficial outcome for Central Coast Council.
 - Ensure the promotion of fairness and competition.
 - Obtain value for money
 - Promote Sustainable Procurement principles by:
 - Facilitating the achievement of value for money by incorporating total cost of ownership into procurement decisions
 - Minimise our ecological footprint through the procurement of goods and services that can demonstrate zero or reduced environmental impact including but not limited to the use of products made of recycled materials and the

avoidance of single use plastic products where alternatives are available and appropriate.

- Contribute to economic growth in the local economy by supporting local business to compete for procurement contracts
- Encourage ethical trading and protect human rights through dealing with organisations that can demonstrate ethical supply chain practices
- Increase diversity in the workplace through engagement of disability organisations and social enterprises for the provision of goods and services when available and cost effective.

12. The Council will comply with its obligations under the *Government Information (Public) Access Act*.

Local Supplier Support

13. Central Coast Council recognises the economic and social benefits that are derived through supporting Local Businesses to compete and be successful in being awarded contracts for the provision of goods, services and works by Council. Council will support Local Suppliers by:

- Only sourcing goods, services and works for contracts with a value less than \$250,000 from suppliers outside of the Central Coast Region, when the goods, services or works are either not available from Central Coast suppliers or Central Coast Suppliers cannot meet quality, time, or cost requirements.
- Supporting suppliers to understand the requirements for competing for Council procurement contracts.
- Providing all (local and non-local) suppliers with increased visibility of Council’s forward works program.
- When contracts are awarded to non-local suppliers, where practical, encourage them to sub-contract local suppliers and contractors in the delivery of services.
- Providing constructive feedback regarding supplier’s tender and quotation submissions, and detail how they can improve.
- Report on procurement activity with Local Suppliers.
- Applying a Local Preference weighting for tenders. The weighting will be applied to demonstrated Local Supplier content of all tenders and will be capped so the total financial impact per tender does not exceed \$150,000. A discount will be applied to the total value of tender content demonstrated as being sourced by Local Suppliers in accordance with the below table:

% Discount (weighting) applied to local Price Component of Tenders	
20%	Local Supplier

Definition of Local Supplier

14. To be classed as a 'Local Supplier', suppliers must have either:

Registered business address within the Central Coast Local Government Area and permanently employ at least one (1) Full Time Equivalent (FTE) staff member, or

A local business premises or facility such as: distribution centre, depot, warehouse, quarry, office or manufacturing plant located within the Central Coast Local Government Area that employs more than one (1) FTE staff member.

15. To be eligible for the discount the entity must have been in continual operation for a minimum of six (6) months regardless of the registered business location prior to the Tender being advertised.

Modern Slavery Prevention

16. Central Coast Council is committed to ensuring:

- its operations and supply chains do not cause, involve, or contribute to modern slavery; and
- its suppliers, relevant stakeholders, and others with whom we do business respect and share our commitment regarding minimising the risk of modern slavery.

Policy Implementation

17. This Policy should be read in conjunction with the Code of Conduct adopted by Council.

18. This Policy is supported by those procedures listed as related Council procedures.

19. It is the personal responsibility of all Council employees and agents thereof to have knowledge of, and to ensure compliance with this policy.

20. This Policy will be reviewed by the Policy owner every 24 months.

Definitions

21. **Best Practice** means a methodology, technique, set of guidelines, ethics, or ideas that has consistently shown results superior to those achieved with other means, and that is used as a benchmark that represent the most efficient or prudent course of action.

22. **Council** means Central Coast Council.

23. **Prescribed Agency Contract** means an entity prescribed under section 163 (1A) of the Local Government Regulation (General) Regulation 2021.

24. **Procurement** means all activities involved in acquiring goods or services either outright or by lease (including disposal and lease termination). Procurement includes acquiring consumables, capital equipment, real property, infrastructure, and services under consultancies, professional services, facilities management and construction.
25. **Social Enterprise** means a business that trades to intentionally tackle social problems, improve communities, provide people access to employment and training, or help the environment.
26. **Sustainable Procurement** takes a wider view and incorporates the net benefits for both the buying organisation and the wider world. Sustainable procurement considers the total purchase cost and economic, environmental and social impacts within a wider framework of good governance, when acquiring goods and services. These four factors together called the quadruple bottom line.
27. **Tender** means an offer, lodged in response to a public invitation from Council for amounts above \$250K ex GST that are subject to requirements of section 55 of the Local Government Act 1993 and related regulation.
28. **Tendering Guidelines** means the Tendering Guidelines for *NSW Local Government* issued by the (then) Director General of the Division of Local Government, NSW Department of Premier and Cabinet in October 2009.
29. **Value for money** means selecting the supply of goods, services or works, taking into account both cost and non-cost factors including:
- Contribution to the Council Strategic Plan and objectives
 - Fitness for purpose, quality, service and support, risk, and environmental and sustainability factors
 - Whole-of-life costs, transaction costs associated with the purchase, utilisation, maintenance and disposal of the goods, materials or assets
30. **Whole of Government Contract** means a contract or scheme administered by the NSW Procurement Board or the Department of Administrative Services of the Commonwealth,

Related resources

• Legislation

- [Building and Construction Industry Security of Payment Act 1999](#) (NSW)
- [Competition and Consumer Act 2010](#) (Cth)
- [Government Information \(Public\) Access Act 2009](#) (NSW)
- [Local Government Act 1993](#) (NSW)
- [Local Government \(General\) Regulation 2021](#) (NSW)
- [Protection of the Environment Operations Act 1997](#) (NSW)

- [Work Health and Safety Act 2011](#) (NSW)
- [Modern Slavery Amendment Act 2021](#) (NSW)
- **Council policy documents**
 - Code of Conduct
 - Statement of Business Ethics
 - Single Use Plastics Policy
- **Related Council Procedures**
 - Procurement Procedure for Goods and Services Less than \$250K
 - Purchase Card Procedure
 - Tender Procedure for Goods and Services greater than \$250K
- **Related Government Guidelines**
 - Tendering Guidelines for NSW Local Government, October 2009

History of revisions

Amendment history	Date	Details
Version 1.0	9 August 2018	Draft
Version 2.0	18 February 2019	Final for approval
		CM document number D13486931
Version 3.0	11 March 2019	Approved, Gary Murphy, Chief Executive Officer
		CM document number D13492858
Version 4.0	30 January 2020	Amended to include Local Supplier Support, 30/1/2020
		CM document number D13829120
Version 5.0	9 March 2020	Approved, Central Coast Council Meeting, resolutions 218/20 to 221/20
		Amended to reflect Council resolutions above and placed in accessible policy format.
		Updated Sustainable Procurement principles and references to refer to Single Use Plastic Policy.
		CM document number D13888146

Version 6	21 September 2022	Amended to incorporate Modern Slavery Amended Act obligations
-----------	-------------------	---