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POLICY



CENTRAL TABLELANDS WATER

PROCUREMENT POLICY

DOCUMENT CONTROL

Document Title		Procurement Policy			
Policy Number		CTW-PR029			
Responsible Officer		Executive Manager Corporate Services			
Reviewed by		General Manager, Executive Management Accountant			
Date Adopted		xx July 2026			
Adopted by		Council			
Review Due Date		July 2028			
Revision Number		03			
Previous Versions	Date	Description of Amendments	Author	Review/ Sign Off	Minute No: (if relevant)
1	12/10/2016		DFCS		16/079
2	11/12/2024	Updated Policy	DFCS		24/109
3	May 2026	Updated Policy to align with NSW procurement guidelines	EMCS		

PURPOSE

This Policy has been written to standardise and coordinate purchase practices and inform procedures at Central Tablelands Water (Council) and to provide guidance to buyers.

SCOPE

This Policy applies to all Council officers, staff, authorised representatives, and consultants who are formally approved to undertake procurement activities on behalf of Council.

Council staff must not commit Council to the purchase of goods and services except in accordance with this policy, their delegations, and approved budget. Purchase orders are the preferred method for formalising commitments and should be used, wherever practicable, prior to the purchase of goods and services.

Council is required to call tenders for goods or services in accordance with the NSW Local Government Act and Regulations.

This policy does not apply to goods and services purchased:

- In an emergency.

POLICY STATEMENT

Council is committed to implementing best practice procurement policy, principles and procedures for the procurement of goods, services and materials. Council recognises that by conducting its procurement activities in a cost effective, socially responsible, sustainable, accountable and ethical manner we are ensuring value for Council and best possible outcomes for the community and the environment.

The following principles should be observed when purchasing goods and services for Council:

- Compliance with the Local Government Act 1993 and relevant Regulations;
- Ethical behaviour and fair dealing;
- Value for money;
- Open and effective competition;
- Always avoid conflict of interest, and
- Ensure business and operational needs are met.

Legislative Context

The procurement of goods and services by Council must be in accordance with the provisions of Section 55 of the Local Government Act 1993 and the Local Government (General) Regulation 2021.

Responsibilities

Position	Responsibilities
Councillors and Administrators	The role of Councillors or the Administrator(s) is to provide the strategic direction for this policy and ensure it complies with legislative requirements. When determining a tender, a Council decision should be made in the accordance with the objectives of this policy. The General Manager's delegations will influence how this policy is executed.
General Manager	Is responsible for determining the appropriate delegations to Council staff to enable them to administer and perform procurement activities in a way that promotes integrity and value for money.
Executive Manager Corporate Services	<p>The Executive Manager Corporate Services (EMCS) is responsible for the implementation of this policy and will establish internal controls to ensure the execution of this policy is in accordance with its intended outcomes.</p> <p>The EMCS is responsible for regularly reviewing this policy and the Procurement Guidelines, to ensure they are congruent and ensuring the reporting requirements of this policy are completed.</p> <p>The EMCS will provide sound, reliable advice to the Council and General Manager on procurement matters.</p>
Council staff	<p>Council staff (staff) when conducting or participating in a procurement activity:</p> <ul style="list-style-type: none"> • Act in accordance with Council's Code of Conduct and are required to only procure goods and services applicable to their delegated authority for use at Council. • Must ensure that engagement of a supplier is conducted through issuing a formal commitment from Council (or other third parties) by using a Purchase Order or other form of agreement (excluding Credit Card purchases).
Contractors and Suppliers	Suppliers must act in good faith and ethically in accordance with Council's Code of Conduct when participating in a Council led procurement activity. Council's Code of Conduct and Work, Health & Safety provisions are extended to any engaged contractor or supplier delivering a service or providing goods on of behalf of Council.

Definitions

Compliance	Adherence to relevant governance requirements
Conflict of Interest	Any actual, potential, or perceived conflict of interest must be declared and recorded before starting any procurement activity. Staff involved in procurement—such as assessing quotes, preparing tender documents, writing specifications, opening tenders, or evaluating bids—must avoid conflicts between their work responsibilities and personal interests, including those of Council, their family, or close associates. They must confirm that they have no conflict of interest, and if one arises later, they must inform their manager or the chair of the evaluation panel so a decision can be made about their continued involvement. Staff must also follow Council’s Code of Conduct and NSW Government guidelines on managing conflicts of interest and must not misuse any information for personal benefit or any other advantage.
Council official	Staff, board members, contractors, consultants, volunteers.
Emergency	A serious, unexpected, and often dangerous situation requires immediate action.
GST	Goods and Services Tax All amounts listed in the policy include GST.
Modern Slavery	Modern Slavery occurs when individuals are exploited through coercion, threats, or deception and deprived of their freedom. Examples include human trafficking, forced labour, debt bondage and child labour.
Preferred supplier	A supplier appointed as a result of a market appraisal or prequalification assessment.
Procurement	The end-to-end process from identification of a requirement to the disposal of the acquisition at the end of its useful life (in the case of goods) or the completion of obligations (in the case of services).
Procurement Card	Includes credit cards, fuel cards etc.
Prescribed organisation	An organisation prescribed in the Local Government Act (NSW) 1993 under Section 55 (3) (a).
Request for Quotation (RFQ)	Invitation to suppliers that may be publicly advertised or direct invitation to submit priced quotations for defined specifications for goods or services.
Standing offer	A standing offer is an offer from a potential supplier to provide goods and/or services at pre-arranged prices, under set terms and conditions, when and if required.
Tender	As defined in the Local Government Act. May take the form of open or selective tenders.

Value for Council	<p>“Value to Council” means achieving the best overall outcome from procurement by considering whole-of-life cost, quality, risk, and the contractor’s capability, as well as the strength of a trusted, positive working relationship. It recognises that a contractor’s reliability, integrity, and demonstrated performance can materially reduce risk and improve delivery outcomes and therefore form an important component of value.</p> <p>Example: For a \$20,000 water main repair, Council may engage a slightly higher-priced contractor with a strong track record and established working relationship, as their reliability and quality of work reduce the likelihood of rework or service interruptions - delivering better overall value.</p>
Written quote	A written submission from a supplier that specifies the cost of supplying goods or services which may include a record of a published price from a supplier’s website or catalogue.

Principles

1. Conduct of Council staff

Council staff (and all persons engaged in procurement on Council’s behalf) must maintain the principles of integrity, transparency and accountability, good management practices, and prevention of misconduct when undertaking procurement activities for Council.

All staff have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest.

In procurement:

- All Councillors and staff shall treat potential and existing suppliers with equality and fairness;
- All Councillors and staff shall maintain confidentiality of Commercial in Confidence matters and information such as contract prices and other sensitive information;
- Councillors must not improperly direct or improperly influence a member of staff in the exercise of any power on/in the performance of any duty or function;
- Staff must comply with the Code of Conduct;
- All staff engaged in the evaluation of quotation or tender evaluations must adhere to this Policy; and
- All Councillors and staff must adhere to councils Gifts & Benefits Policy in matters of procurement.

2. Value for Money

Maintaining integrity in the procurement process by adhering to principles of transparency and accountability, good management practices, and prevention of misconduct are considered the principles that will provide value for Council.

CTW staff are not required to accept any or the lowest cost submission. Instead, CTW staff are required to take into account issues of fit-for-purpose, quality, whole of life costs, sustainability, the accessibility of the service and other relevant factors when assessing best value for Council as part of their procurement activities.

3. General Provisions

All goods and services are to be purchased using an appropriate purchase order or procurement card, except in the following circumstances:

- Insurances
- Fees imposed under an Act of Parliament
- Corporate credit card purchases
- Fuel card purchases
- Electricity
- Employment contracts
 - Consultants and contractors undertaking their own specialist contracted duties for Council, unless they are specifically engaged to procure goods or services on behalf of Council.

If it is impractical to issue the appropriate purchase order due to an emergency prior to the event, a confirmation order should be issued as soon as practical after the event.

4. Levels of Ordering

4.1 Procurement Panels

Staff are encouraged to seek quotations from suppliers on Council's procurement panels, Local Government Procurement, or State Government panel contracts, as they are pre-qualified (having been through a tendering process). Staff must always demonstrate they are obtaining value for money for Council and follow the purchasing thresholds listed in this policy.

4.2 Cumulative Spend

The likely total cumulative value of a procurement activity, or a category of activity for which there are several suppliers providing similar goods, services or works, must be considered during the planning phase of a procurement. Cumulative spending will be calculated over two (2) financial years, where supply arrangements are ongoing.

Council should, wherever practical, leverage this cumulative spend, rather than treating each discrete arrangement as a separate procurement, to achieve greater value for money. Council must proactively identify opportunities for aggregation.

4.3 Panel Contracts

Council has access to a range of Local Government Contracts including Local Government Procurement, Buy NSW, and NSW Procurement. There may also be local trades panels available. These panel contracts are pre-approved panels of providers and should be used where available. If a panel is available, then an open RFQ or RFT does not need to be undertaken. In this case, the required number of quotes are sought from the panel, rather than through a full and open RFQ or RFT process. Where the panel contract includes fixed pricing, Council may direct purchase from a single supplier, having regard to the price that appears to be the most advantageous. Where the cost is above \$100,000 (including GST), a panel evaluation report is to be completed. If the cost is also above \$250,000 (including GST), a report is to be prepared for Council

4.4 All other Purchasing Requirements

Taking into consideration 4.2 *Cumulative Spend*, in all other situations the following limitations apply:

Value of Expenditure	Council Requirements	Pre-Qualified Panel Contracts
0 - <\$5,000	Direct purchase via credit card or purchase order	Direct purchase via purchase order
\$5,001 - < \$15,000	Minimum 1 documented written or verbal quote	Direct purchase via purchase order
\$15,001 - < \$100,000	Minimum 2 written quotes	Minimum 1 documented written
\$100,001 - < \$249,999	A competitive RFQ process inviting at least 3 submissions must be undertaken, via Vendor Panel or public advertising. A detailed specification must be completed prior to advertising, and a weighted assessment method must be conducted, and documented for all procurements in this range.	A competitive RFQ process inviting at least 3 submissions must be undertaken, via Vendor Panel or public advertising. A detailed specification must be completed prior to advertising, and a weighted assessment method must be conducted, and documented for all procurements in this range.
\$250,000 and over	Tender managed in accordance with the Local Government Act 1993 (Section 55) and the Local Government (General) Regulation 2021 (Part7). General Manager to approve method of Tendering and approval must be sought by General Manager prior to going out to Tender.	Tender managed in accordance with the Local Government Act 1993 (Section 55) and the Local Government (General) Regulation 2021 (Part 7). General Manager to approve method of Tendering and approval must be sought by General Manager prior to going out to Tender.

All purchases are to be approved by Council staff who have appropriate financial and operational authority delegated by the General Manager, and are subject to the following:

- a) The purchase shall be within that employee's responsible area and within budgeted amounts. If a purchase is outside of the employee's usual responsible area, or is of an out of the ordinary, one-off nature – the relevant Manager must authorise the purchase;
- b) Prices/rates being considered are reasonable;
- c) Prices/rates being consistent with comparable, usual or standard market or professional industry scale prices or rates for such goods, services, consultancies, etc.;
- d) Under no circumstances are orders to be split so that the total value of the order falls under the amount of the individual's delegated authority level; and
- e) All prices are GST Inclusive.

The financial delegations of Council staff are specified in the Financial Delegation document.

5. Exemptions to the Requirement to Seek Tenders or Quotations

5.1 Tender Exemption

Section 55(3) of the NSW Local Government Act 1993 specifies the exemptions to the requirement to seek tenders. These are exemptions to tendering only. Council staff are still required to follow the purchasing requirements listed above to demonstrate obtaining value for money. Quotations can be sought from the organisations referenced in Section 55(3)(a) and (b) and staff are encouraged to use them as they negate the need for a full tendering process due to contractors being pre-qualified (i.e. having already been through a tendering process).

5.2 Quotation Exemptions

In exceptional circumstances where the required quotations in line with policy cannot be obtained, for example, there are not any viable alternative products, suppliers, or service providers, or it is in Council's best interests to continue using such a supplier or contractor for ongoing or related services, a Quotation Exemption must be obtained from the General Manager.

6. Modern Slavery

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.

7. Environmental Sustainability

Where applicable, staff shall consider the following environmental principles as part of their procurement activity:

- REFUSE – Choose not to purchase a product/service.
- REDUCE – Choose to purchase less of a given product/service.
- REUSE – Purchase a product of extended life or of multiple uses.
- RECYCLE – Purchase a product that contains amounts of non-virgin materials.
- REPLACE – Choose to replace or offset the resources purchased in a product.

8. Standing Offer Arrangement | Preferred Supplier Arrangement | Pre-Qualified Suppliers

Council may establish a standing offer arrangement, a preferred supplier arrangement, or use pre-qualified suppliers following a tender process if:

- The supply of goods or services is needed in large volumes or frequently.
- It can obtain better value for Council by aggregating demand for the goods or services needed; and
- The requirement for the goods or services can be stated in terms that would be well understood in the industry concerned.
- It would be costly to prepare and evaluate invitations each time the goods or services are needed; or
- the capability or financial capacity of the supplier is critical to Council's operations; or
 - there are significant security considerations; or
 - compliance with defined standards is a pre-condition of offer to contract; or
 - the ability of local business to supply the goods or services required by Council needs to be encouraged.

9. Purchasing Arrangement Durations

It is recommended that Council only enter purchasing arrangement for a period of two (2) years or less to ensure regular review and value for Council.

Council may enter a purchasing arrangement for longer than two (2) years only if it is satisfied that better value will be achieved by entering a longer arrangement.

10. Contractor Performance

Contractor performance shall be monitored and documented at regular intervals throughout the delivery of a project.

11. Business Ethics

Council expects all its staff and Council suppliers to abide by its Statement of Business Ethics.

12. Insurance

Various levels of insurance are required to be held both during the delivery of a project and for a period after completion. Staff will ensure a risk-based process is used to determine the insurance requirements for each tender or quotation while planning for a procurement.

13. Policy Implementation

This policy will be implemented immediately upon adoption. A copy will be available on Council's website and provided to all staff.

There are no specific reporting requirements for this policy.

14. Non-Compliance

Council policies are mandatory. Any departure from this policy is to be documented and approved by the General Manager. A policy review may be conducted out of the review cycle at the request of the General Manager.

Should a departure of policy occur that has not been approved and documented, notification should be made to the General Manager and Executive Manager Corporate Services as a breach of the Code of Conduct 3.1 (b) states that *"You must not conduct yourself in a manner that is contrary to statutory requirements or the council's administrative requirements or policies"*.

REVIEW

This policy will be reviewed each term of Council, or more frequently if needed, with reference to any relevant legislation, best practice guides, or other related factors.

REFERENCES

- Statutory Requirements
 - Local Government Act 1993
 - Local Government (General) Regulation 2005
- Council Related Policies
 - Code of Conduct
 - Procurement Cards
 - Enterprise Risk Management
- Government References
 - NSW Government Procurement Policy and Guidelines
 - Local Government Tendering Guidelines

VARIATION

Council reserves the right to review, vary, or revoke this policy.