

1. Policy Purpose

The purpose of this policy is to provide City of Marion officers, potential suppliers, contractors and the community with a framework detailing how procurement activities and contractor management will be undertaken in the City of Marion.

This policy has been developed to address the requirements of section 49 of the Local Government Act 1999 (SA) which requires council to develop and maintain procurement policies, practices and procedures directed towards

- obtaining value in the expenditure of public money; and
- providing for ethical and fair treatment of participants; and
- ensuring probity, accountability and transparency in procurement operations.

In addition, this policy supports the requirements of section 37 and 137 of the Local Government Act 1999 (SA).

2. Policy Scope

This policy covers all procurement and contractor management activities associated with the acquisition of goods, services, consultants and construction works by the City of Marion.

This policy does not cover:

- non-procurement expenditure such as sponsorships, grants, funding arrangements, donations and employment contracts; or
- the disposal of land and other assets owned by the City of Marion; or
- the purchase of land by the City of Marion

3. Definitions

“Contract Administrator” means the Council officer responsible for the management and administration of a contract.

“Contractor” means an organisation engaged by the City of Marion to undertake defined services, Construction Work, or supply of goods.

“Market Document” means the document used to invite offers from contractors and includes a specification or brief, conditions of contract and any other information required by contractors to provide sufficient detail for the City of Marion to make an informed decision.

“Procurement” means the acquisition of any goods, services or construction works by any means, including purchasing or leasing.

“Value for money” means the best outcome achievable when all costs and benefits (both qualitative and quantitative) over the procurement lifecycle (acquisition, use, maintenance and disposal) are considered on a case by case basis.

4. Policy Statement

With respect to procurement activities within Council:

- all procurement activities are to be undertaken by Council staff in accordance with this Policy and supporting procurement procedures and delegations. Elected Member involvement in procurement activities is to approve policy and consider tender recommendations put forward by staff through Council.
- the procurement method for the acquisition of goods, services, consultants and construction works will be determined in accordance with Council's Procurement Procedure, which incorporates under clause 6.1 that the City of Marion will utilise various agreements/contract types to formally engage contractors, including collaborative purchasing contracts (e.g. Council Solutions, LGA Procurement, Procurement Australia, State Government). This enables best value to be achieved.
- contract variations or extensions are to be authorised strictly in accordance with the relevant delegated authority process.
- the authority to provide an exemption from relevant procurement procedures will be delegated to appropriate senior officers of Council (as defined within the City of Marion Procurement Procedure).
- Procurement and Contractor Management within the City of Marion shall be consistent with and support Council's current Strategic Plan.
- procurement activities will be based on the imbedded accountability of honesty, fairness and prudent decision making, underpinned by the application of the following ten key principles:

4.1. Intent to Contract

The City of Marion will only approach the market through a formal tender process after gaining budget approval, which is typically imbedded through the annual business plan and budget process, and any other internal approval required for the proposed expenditure and with the intent to engage a contractor, subject to achieving acceptable outcomes in terms of value for money, work health safety, environmental outcomes, and risk.

This does not preclude the City of Marion approaching the market at any time to seek prices for budgeting purposes only, provided that the intent is made clear to the contractors.

4.2. Value for Money

The City of Marion will strive to achieve the best value for money outcome in its procurement activities, with consideration to all relevant costs and benefits over the whole product life cycle from the sourcing of raw materials to disposal of goods or services being procured.

4.3. Open and Effective Competition

The City of Marion will seek to provide open and effective competition by providing contractors with fair and reasonable access to opportunities to do business with Council, in line with relevant procurement procedures. Contractors will be offered feedback on unsuccessful tenders to demonstrate transparency of the procurement process.

4.4. Risk Management

The City of Marion will adopt sound risk management principles in its procurement activities consistent with the corporate risk management approach. All relevant risks will be taken into consideration.

4.5. Confidentiality

The City of Marion will maintain the confidentiality of information provided by contractors in any procurement process both during the process and for the period after until documents are destroyed in accordance with statutory requirements.

4.6. Probity, Accountability and Transparency

The City of Marion will deal with all contractors and potential contractors on the basis of mutual trust and respect. To facilitate this, the City of Marion will act in an open and transparent manner in its procurement activities. Contractors will be treated fairly and equitably in any procurement process. The City of Marion will comply with all legislation relevant to the procurement process.

4.7. Efficient Procurement Practices

Standard tender and contract documentation will be used wherever possible to ensure consistency. Panel arrangements and pre-qualification of contractors will be utilised where appropriate, to improve the efficiency of the procurement process and reduce the impact of repetitive bidding on potential contractors.

4.8. Work Health and Safety

The City of Marion is committed to achieving a high level of pro-active Work Health and Safety (WHS) management during its procurement processes and on-going management of contracts. The City of Marion seeks to engage contractors who can demonstrate an appropriate WHS Management System (WHSMS) capability that, at a minimum, meets the City of Marion's WHS standards which will optimise safety management for workers contracted by the City of Marion. As a minimum, this will be:

- compliance to the Work Health, Safety Act, 2012 (and all associated Regulations, Codes of Practice and Standards),
- cooperating with any safety policies, procedures and information provided by the City of Marion, and

- identifying hazards associated with work being undertaken and ensuring all identified hazards are managed in accordance with the WHS legislation.

Additional work health and safety requirements specific to the procurement and contractor management will be advised in the Market Document.

The City of Marion's contractor management system will provide for the

- selection of contractors with appropriate safety controls,
- the exchange of information between the City of Marion and its contractors to facilitate the identification of hazards and appropriate risk management, and
- the appropriate monitoring of the on-going performance of the contractors engaged.

4.9. Environmental Management

The City of Marion recognises it has an important role in environmental management, through its procurement activities and contractor management.

When engaging contractors, the City of Marion requires a minimum standard of environmental management which includes:

- compliance with all applicable environmental laws, protection policies, guidelines, codes of practice, and/or the condition of any licence or approval obtained from the Environment Protection Authority (EPA); and
- requirements to conduct their operations in an environmentally sensitive manner.

Additional environmental requirements specific to the procurement will be advised in the Market Document.

4.10. Use of Local Contractors and Sustainable Procurement

Where appropriate, economic development, sustainability, or social inclusion elements specific to the procurement may be advised in the Market Document to reflect the City of Marion's desire to:

- promote economic development within the Southern Region of Adelaide; or
- engage contractors that seek to minimise the impact of their operations on the environment; or
- support state and national efforts to increase workforce participation, skill development and social inclusion through employment of Aboriginal people, trainees and apprentices, or local people with barriers to employment

To the extent permitted by law, the City of Marion may give preference to the engagement of local contractors (that is those operating within the City of Marion Council area boundaries) when all other commercial factors are considered equal. The definition of 'local' may vary, depending on the identified geographic market for the relevant procurement activity.

5. Contract Management

5.1. Competence of Contract Administrators

Officers required to manage contracts will be adequately trained to carry out those duties and understand the rights and obligations conferred by the contract.

5.2. Responsibilities of Contract Administrators

City of Marion officers responsible for the management of contracts shall ensure that:

- the administration of contracts complies with the City of Marion's Policies and Procedures
- foreseeable WHS risks relevant to contract work, including any specific WHS requirements of the contract, are identified and communicated to the Contractor
- any technical aspects of the work including risk assessments/ job safety environmental analysis/ safe work method statements are reviewed and confirmed
- key environmental aspects are identified prior to construction activities and communicated to the Contractor
- any training or induction required to be undertaken by the Contractor prior to commencing work is completed
- appropriate monitoring is undertaken of WHS and environmental management systems and work practices undertaken by Contractors
- the Contractor and the City of Marion comply with their respective obligations under the contract
- approval is gained for variations to the contract which are outside of the original scope, have the effect of varying the contract sum or alter the terms and conditions of the contract
- any claims for payment are in accordance with the contract
- approved budget funds are available to authorise payment of invoices

6. Supporting Documentation

6.1. Delegations

The levels of authority of officers involved in the procurement process are outlined within the City of Marion Schedule of Delegations and Sub-delegation. Delegated officers will be required to sign off the procurement process at various stages. Any commitment will be confirmed in writing by either a purchase order or contract document.

6.2. Procedures

The Policy will be underpinned by documented procedures that set out how City of Marion officers will undertake any procurement and contractor management activities.

7. Conduct of Officers

City of Marion officers involved in the procurement process will at all times undertake their duties in an ethical and impartial manner with the highest level of integrity.

Officers will not engage in any activity that would create a conflict between personal interests and the interests of the Council. City of Marion employees are bound by a Code of Conduct which addresses issues such as conflict of interest, gifts and hospitality and improper influence.

8. Complaints

Any complaint about the way in which a procurement process was undertaken can be made in accordance with Council's Complaints and Grievance Policy.

9. References

9.1. Procedure References

City of Marion Procurement Procedure
City of Marion Tender Evaluation Procedure
City of Marion Contract Management Procedure
City of Marion Use of Purchase Orders Procedure

9.2. Other Related References

City of Marion Risk Management Policy
City of Marion Complaints and Grievance Policy
WHS Act 2012
Environment Protection Act 1993
Local Government Act 1999 (SA)

AUTHOR

Manager Contracts & Operational Support