

1. RATIONALE

Section 49 of the *Local Government Act 1999 (SA)* requires Council to develop and maintain procurement policies, procedures, and practices directed towards:

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

Effective contractor management is essential to ensure goods and services are provided to the required standard, within the agreed timeframe, and achieve value for money.

2. POLICY STATEMENT

All procurement and contract management occurs in accordance with the key principles and requirements of this Policy and all other applicable City of Marion policies and procedures.

3. OBJECTIVES

The primary objective of this Policy is to ensure:

- procurement:
 - responds to strategic priorities and operational needs
 - represents value for money in the expenditure of public money
 - encourages healthy competition between participants
 - results in the engagement of contractors with safe, ethical, socially inclusive, and environmentally responsible goods and services
 - complies with legislative requirements
- contractor management:
 - minimises contract risks and disputes
 - achieves contractual outcomes
 - obtains value for money.

4. POLICY SCOPE AND IMPLEMENTATION

Scope

This Policy applies to all procurement and contract management activity associated with the acquisition of goods, services, consultants, and construction works for the City of Marion.

This Policy does not apply to:

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

Implementation

4.1 Procurement key requirements

- Procurement supports strategic priorities and operational needs.
- Procurement complies with City of Marion policies, procedures, and delegations.
- Procurement methods are determined and applied in accordance with the Procurement Procedure. The City of Marion utilises various procurement methods and agreements/contract types to formally engage contractors, including collaborative purchasing contracts (e.g. LGA Procurement, Procurement Australia, State Government). This ensures best value for money is achieved.
- Authority to provide an exemption from relevant procurement procedures is delegated to officers of Council.
- Procurement activity is based on prudent decision making and underpinned by the ten key procurement principles.

4.2 Procurement key principles

Principle 1 Intent to contract

The City of Marion only approaches the market through a formal tender process if it has clear intent to contract. Requisites include:

- budget approval (which is typically imbedded through the annual business plan and budget process)
- internal approval for proposed expenditure
- intent to engage a contractor, subject to achieving acceptable outcomes in terms of value for money, work health and safety, environmental outcomes, and risk.

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

Principle 2 Value for money

The City of Marion strives to achieve the best value for money outcome in procurement. All relevant costs and benefits are considered over the whole product life cycle from the sourcing of raw materials to disposal of goods or services, subject to principles – 9 and 10 (environment and local jobs).

Principle 3 Open and effective competition

The City of Marion encourages open and effective competition by providing fair and reasonable access to opportunities to do business with Council. Contractors are offered feedback on unsuccessful tenders to encourage market development and demonstrate transparency of the procurement process.

This requires consideration of how to publicise opportunities appropriate to the type and volume of goods or services sought, in addition to the Tenders SA website.

Principle 4 Risk management

The City of Marion adopts sound risk management principles in procurement which are consistent with the corporate risk management approach. All relevant risks are considered.

Principle 5 Confidentiality

The City of Marion maintains the confidentiality of information provided by contractors during and after the procurement process. Documents are stored, handled, and disposed of in accordance with statutory requirements.

Principle 6 Probity, accountability, and transparency

The City of Marion demonstrates ethical procurement practices by:

- dealing with contractors on the basis of mutual trust and respect
- acting in an open and transparent manner
- treating contractors fairly and equitably
- avoiding and/or managing conflicts of interest
- complying with all legislation relevant to the procurement process.

Principle 7 Efficient procurement practices

The City of Marion uses standard tender and contract documentation wherever possible to ensure consistency of procurement. Panel arrangements and pre-qualification of contractors are utilised (where appropriate) to improve the efficiency of the procurement process and reduce the impact of repetitive bidding on potential contractors.

Principle 8 Work health and safety

The City of Marion seeks to engage contractors who can demonstrate an appropriate commitment to work health and safety (WHS) and capability as demonstrated by a suitable WHS Management System (WHSMS). As a minimum, contractors are required to:

- comply with the Work Health and Safety Act, 2012 (and all associated Regulations, Codes of Practice and Standards)
- cooperate with City of Marion work health and safety policies, procedures, and instructions
- identify hazards associated with work being undertaken and ensure all identified hazards are managed in accordance with WHS legislation.

Additional work health and safety requirements specific to the procurement may be included in the Market Document.

The City of Marion's contractor management system provides for:

- selection of contractors with appropriate safety controls
- exchange of information between the City of Marion and its contractors to facilitate the identification of hazards and appropriate risk management
- appropriate monitoring of contractor performance throughout the contract.

Principle 9 Environmental management

The City of Marion requires a minimum standard of environmental management from contractors, 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)
- conducting their operations in an environmentally sensitive manner
- utilise recycled content in good and services even if they are more costly (>5%)

Additional environmental requirements specific to the procurement may be included in the Market Document.

Principle 10 Use of local contractors and sustainable procurement

The City of Marion includes economic development, sustainability, and social inclusion elements in the Market Document (where appropriate) to:

- promote economic development within the Southern Region of Adelaide
- engage contractors that seek to minimise the impact of their operations on the environment
- 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
- support national efforts to increase procured goods and services from Aboriginal and Torres Strait Islander owned businesses.

To the extent permitted by law, the City of Marion may give preference to the engagement of local contractors (i.e. those operating within the City of Marion Council area boundaries, even if they are more costly >5%) 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.

4.3 Contractor management

Contract administrators

A suitably competent and experienced Council staff member is appointed as Contract Administrator and is responsible for the management of the contract.

Contract Administrators receive adequate training and instruction to enable them to fulfil their responsibilities and understand the rights and obligations conferred by the contract.

Contractor management key requirements

- Contract administration complies with City of Marion policies, procedures, and delegations.
- Foreseeable WHS risks relevant to contract work (including any specific WHS requirements of the contract) are identified and communicated to the Contractor.
- Technical aspects of the work (including risk assessments, job safety environmental analysis, and safe work method statements) are reviewed and confirmed.
- Key environmental aspects are identified prior to construction activity and communicated to the Contractor.
- Contractor training and/or induction is completed prior to work commencing.
- Appropriate monitoring is undertaken of WHS and environmental management systems and work practices undertaken by Contractors.
- Contractor and City of Marion obligations are met under the contract.
- Contract variations or extensions are authorised strictly in accordance with the relevant delegated authority process. Approval is gained for contract variations that are outside of the original scope; have the effect of varying the contract sum; or alter the terms and conditions of the contract.
- Claims for payment are in accordance with the contract.
- Approved budget funds are available to authorise payment of invoices.

4.4 Corporate Purchase Cards

Council seeks to improve the efficiency and cost effectiveness of its operations by using corporate credit cards (**'Purchase Cards'**) to purchase goods and services of low monetary value that are needed immediately.

Purchase cards are used in accordance with the Corporate Purchase Card Policy and all other applicable City of Marion policies and procedures.

In accordance with legislative requirements under the *Local Government (General) (Annual Reports) Variation Regulations 2021*, a statement of the total amount of expenditure incurred using credit cards will be included in the City of Marion Annual Report.

Procurement and Contract Management Policy

5. DEFINITIONS

<i>Term</i>	<i>Definition</i>
<i>Contract Administrator</i>	Means the Council officer responsible for the management and administration of a contract.
<i>Contractor</i>	Means an organisation engaged by the City of Marion to undertake defined services, Construction Work, or supply of goods.
<i>Contractor management</i>	Contractor management is the process of managing a contractual relationship between a contractor and the City of Marion to achieve agreed contractual outcomes. This includes addressing risks and disputes that arise.
<i>Market document</i>	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.
<i>Procurement</i>	Means the acquisition of any goods, services or construction works by any means, including purchasing or leasing.
<i>Value for money</i>	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.

Procurement and Contract Management Policy

6. ROLES AND RESPONSIBILITIES

<i>Role</i>	<i>Responsibility</i>
<i>Contract Administrator</i>	<ul style="list-style-type: none">• Comply with the contract management requirements of this Policy and all other applicable policy and procedure.
<i>Council staff responsible for procurement activity</i>	<ul style="list-style-type: none">• Comply with the procurement principles and requirements of this Policy and all other applicable policy and procedure.
<i>Council Member</i>	<ul style="list-style-type: none">• Consider tender recommendations put forward by staff through Council.
<i>Manager Strategic Procurement Services</i>	<ul style="list-style-type: none">• Ensure all procurement and contractor management activities adhere to the principles and requirements of this Policy and all other applicable policy and procedure.

7. REFERENCES

City of Marion

Complaints and Grievance Policy

Contract Management Procedure

Procurement Procedure

Purchase Card Policy

Purchase Card Procedure

Risk Management Policy

Tender Evaluation Procedure

Use of Purchase Orders Procedure

Other

Environment Protection Act 1993

Work Health and Safety Act 2012 (SA)

8. REVIEW AND EVALUATION

The Manager Strategic Procurement Services reviews this Policy every four years (or earlier if required) in accordance with the City of Marion Policy Framework. Council approves this Policy.