

PROCUREMENT POLICY



TITLE: PROCUREMENT POLICY

ADOPTED BY: COUNCIL

RESPONSIBILITY: CHIEF EXECUTIVE OFFICER

NEXT REVIEW DATE: 23/11/2017

Version	Decision Number	Adoption Date	History
1	1	July 2008	Initial Policy
2		May 2015	Draft Policy
3		May 2016	
4		November 2016	

PROCUREMENT, CONTRACTS & TENDERS POLICY

1. PROCUREMENT, CONTRACTS & TENDERS POLICY

- 1.1. The Procurement, Contracts & Tenders Policy (Policy) relates to Katherine Town Council (Katherine Town Council) and, where relevant, operates in conjunction with other related procurement, contract and tender policies and procedures that include, but are not limited to procurement, quotes, contracts and tenders.

2. COMMENCEMENT OF POLICY

- 2.1 This Policy will commence from 22/11/2016. It replaces all other policies, if any, relating to procurement, contracts & tenders (whether written or not).

3. SCOPE

- 3.1 The Policy relates to all full-time, part-time and casual employees of Katherine Town Council (Employees), as well as Elected Members, in the Katherine Town Council workplace.
- 3.2 The Policy relates to all contractors, consultants, preferred contractors and service provided in Katherine Town Council workplaces.
- 3.3 The Policy does not form part of any contract of employment with Katherine Town Council. Nor does it form part of any contract for service with Katherine Town Council.

4. DEFINITIONS

Term	Definition
Act	<i>Local Government Act</i>
Agency	The Department of Local Government and Community Services
Commercial in Confidence	Information that, if released, may prejudice the business dealings of the party (e.g. discounts, rebates, profits, methodologies and process information). It is information provided for a specific purpose that is not to be used for any other purpose than set out in the initial document.
Conditions of Tendering	Rules governing the content and submission of tenders and the conduct of the tendering process.
Contract Management	The process that ensures both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the business and operational objectives required from the contract and in particular, to provide value for money.

Council staff (Council Representative/Contracts Manager)	Includes full time and part-time Council officers, and temporary employees, contractors and consultants while engaged by the Council.
Delegation	A power handed down by the Council or Chief Executive Officer in an instrument to enable a delegate to act on Council's behalf.
Emergency	Sudden or unexpected occurrence requiring immediate action.
e-Procurement	e-Procurement is integral to the overall development of procurement process and involves the use of electronic systems to acquire goods, works and services.
Evaluation Panel	A panel of Council staff members appropriate for determining and undertaking the evaluation of a supplier.
Expression of Interest (EOI)	An invitation for persons to submit an EOI for the provision of the goods, works and services which generally set out the overview of requirements contained in the document. This invitation is not an offer or a contract.
Panel Contract Arrangements	A contract that sets rates for good and services which are available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quality of goods or services.
Policy	Refers to this specific policy document.
Probity	The dictionary definition of probity refers to uprightness, honesty, proper and ethical conduct and propriety in dealings. Within Government, the work %probity+is often used in a general sense to mean %good process.+ A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation are established, understood and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.
Probity Advisor	Commonly an observer in dealings with tenderers and the evaluation panel at presentations and interviews. The probity advisors would be available to answer questions and provide advice to the evaluation team and/or steering committee.
Probity Auditor	Primarily reviews all processes and documentation throughout the procurement process and provides a report on their findings at the conclusion of the process.
Procurement	Procurement is the whole process of acquisition of external goods, works and services. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.
Principal	Refers to the Council as an entity that engages external resources and therefore enters into a principal/client relationship with a contractor.

Sustainability	Activities that meet the need for goods, works and services in a way that achieves value for money on a whole of life basis in terms of generating benefits not only to Council, but also to society and the economy, while minimising damage or enhancing the environment.
Tender Process	The process of inviting parties to submit a tender by public advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.
Thresholds	The value above which a procurement, unless exempt, is subject to the mandatory procurement process.
Quotation Process	The process of inviting parties to submit a quotation followed by evaluation of submissions and selection of a successful respondent.
Value for Money	Value for Money in procurement is about selecting the supply of goods, works and services taking into account both cost and non-cost factors including; <ul style="list-style-type: none"> • contribution to the advancement of the Council's priorities; • non-cost factors such as fitness for purpose, quality service and support, project delivery, risk, economic contribution to the municipality, financial capacity; and • cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.

5. PRINCIPLE

5.1 Background

Katherine Town Council recognises that:

Developing a procurement strategy and adopting appropriate best practice contracting and procurement principles, policies, processes and procedures for all goods, works and services by Council, will enhance achievement of Council objectives. The elements of best practice applicable to local government procurement incorporate;

- Broad principles covering ethics, value for money, responsibilities and accountabilities;
- Open and effective competition;
- Guidelines giving effect to those principles;
- A system of delegations. (i.e. The authorisation of officers to approve a range of functions in the procurement process);
- Procurement processes, with appropriate procedures covering minor simple procurement to high value complex procurement;
- A professional approach to all tenders undertaken;
- Support Council's corporate strategy and objectives;
- Take a long term strategic view of procurement needs while continually assessing reviewing and auditing procedures, strategy and objectives;

- Provide a robust and transparent audit trail which ensures that procurement projects are delivered on time, within cost constraints and that the needs of end users are fully met;
- Are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
- Achieve value for money and quality in the acquisition of goods, works and services;
- Ensure that risk is identified, assessed and managed at all stages of the procurement process;
- Use strategic procurement practices and innovative procurement solutions, in particular making use of collaboration and partnership opportunities;
- Comply with legislation;
- Support business in the local community where possible; and
- Support skills and training of apprentices where possible.

5.2 Scope

This Procurement Policy is made under the Local Government (Accounting) Regulations and the Act.

The Regulations requires Council to prepare, approve and comply with a procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, works and services by Council.

This policy applies to all contracting and procurement activities at Council and is binding upon all of those noted in the section three (3).

5.3 Purpose

The purpose of this Policy is to:

- provide policy and guidance to Council to allow consistency and control over procurement activities;
- demonstrate accountability to rate payers;
- provide guidance on ethical behaviour in public sector purchasing;
- demonstrate the application of elements of best practice in purchasing; and
- increase the probability of obtaining the right outcome when purchasing goods and services.

5.4 Treatment of GST

All monetary values related to this policy **include GST** except, where specifically stated otherwise.

6. EFFECTIVE LEGISLATIVE AND POLICY COMPLIANCE CONTROL

6.1 Ethics and Probity

6.1.1 Requirement

The Council's procurement activities shall be performed with integrity and in a manner able to withstand the closest possible scrutiny.

6.1.2 Conduct of Elected Members and Council staff

6.1.2.1 Elected Members and Council staff shall at all times conduct themselves in ways that are ethical and will;

- Treat potential and existing suppliers with equality and fairness;
- Not seek or receive personal gain;
- Maintain confidentiality of competing companies information, such as pricing, specifications, quotations, tender, bid or any other commercial proprietary information;
- Present a high standard of professionalism and probity;
- Deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- Provide all suppliers and tenderers with the same information and equal opportunity;
- Be able to account for all decisions and provide feedback on them, and
- Maintain fair, equitable and non-discriminatory procedures for addressing complaints and concerns raised by suppliers or members of the community regarding Council's procurement activities.

6.1.2.2 Members of Professional Bodies

Elected Members and Council staff belonging to professional organisations shall, in addition to the obligations detailed in this policy, ensure that they adhere to any code of ethics or professional standards required by that body.

6.1.3 Tender and Quotation Processes

All tender and quotation processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and the Act including the possibility of obtaining a quotation or tender exemption as per Regulation 31 of the Local Government (Accounting) Regulations or the general exemptions issued by the Department of Local Government.

6.1.4 Market Testing

Council may need to conduct a market analysis in order to define the required goods and services in more detail in order to determine the best way to procure the goods and services. As a rule of thumb, the amount of time and effort taken on deciding on how goods and services will be purchased should be comparative to the value of the goods and services Council is purchasing.

6.1.5 Conflict of Interest

Elected Members and Council staff shall at all times avoid situations in which private interests or conflict might reasonably be deemed to have the potential to conflict, with their Council duties.

Elected Members and Council staff shall not participate in any action or matter associated with the arrangement of a contract (i.e. evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a direct or indirect interest, or holds a position of influence or power in a business undertaking tendering for the work. The onus is on the Elected Member and Council staff involved, to promptly declare a direct or indirect, actual or potential, conflict of interest to Council or to the CEO in the case of staff members (as per Council's Code of Conduct for Employees and Elected Members).

6.1.6 Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote. Impartiality must be maintained in selecting contractors and suppliers so that it can withstand public scrutiny. The commercial interests of existing and potential suppliers must be protected. Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices (other than the price of the successful tenderers own fixed price lump sum contract), discounts, rebates, profit, manufacturing and product information.

6.1.7 Accountability and Transparency

Accountability in procurement means being able to explain and provide evidence on the process followed. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable. Therefore, the processes by which all procurement activities are conducted will be in accordance with this Procurement Policy and related Council policies and procedures.

Additionally, all Council staff are required to comply with the Code of Conduct for Council staff, accordingly they must be able to account for all procurement decisions made over the lifecycle of all goods, works and services purchased by the Council and provide feedback on them; and all procurement activities are to leave an audit trail for monitoring and reporting purposes. Elected Members must not direct or influence a member of Council staff in the exercise of any power in the performance of any duty or function.

6.1.8 Disclosure of Information

Information received by the Council that is Commercial in Confidence must not be disclosed and is to be stored in a secure location. Elected Members and Council staff are to protect, by refusing to release or discuss the following;

- Information disclosed by organisations in tenders, quotation or during tender negotiations;
- All information that is commercial in confidence; and
- Pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Elected Members and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests. Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt or clarify on what is being offered by that supplier. At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised.

Tenderers are however advised that a report on a tender process may be presented at an open meeting of Council, and some information arising from the tender will be publically available for 3 years from the date of the awarded tender.

Only successful tendering should be presented in open meetings of Council and only successful tenders will be published as per the Regulations. Otherwise tendering reports are dealt with in closed meeting as per the Local Government (Administration) Regulations.

6.2 Governance

6.2.1 Structure

The Council has a procurement management responsibility structure and delegations that ensures-

- Accountability, traceability and auditable procurement decisions;
- That it is flexible enough to purchase in a timely manner the diverse range of goods, works and services required by Council;
- Ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
- Encourages competition; and
- Ensures that policies that impinge on the purchasing policies and practices are communicated and implemented.

6.2.2 Standards

The Council's procurement activities shall be carried out to the professional standards required by best practice and in compliance with;

- The Act;
- Council's policies and procedures;
- Elected Members and Staff Code of Conduct; and
- Other relevant legislative and policy requirements.

6.2.3 Methods

The Council's standard methods for purchasing goods, works and services shall be by;

- costed purchase order for goods under \$10,000;
- costed purchase order following a quotation process for items of a value higher than \$10,000 but less than \$100,000;
- under contract following a tender;
- petty cash;
- credit card; or
- under purchasing schemes including collaborative purchasing arrangements with other Councils, Local Buy and commercial schemes such as provided by Territory Purchase Contracts.

Typically a multi-stage tender process may commence with a registration/expression of interest stage followed by a tender process involving the organisations selected as a result of the registration of interest stage. Expressions of Interest (EOI) may be appropriate where;

- Council wishes to consider ahead of the formal tender process such issues as whether those tendering possess the necessary technical, managerial and financial resources to successfully complete the project;
- Tendering costs are likely to be high and Council seeks to ensure that companies incapable of supplying the requirement do not incur unnecessary expense;
- Council wishes to determine the level of interest of suppliers or vendors tendering for the provision of goods, services or works;
- It is necessary to pre-qualify suppliers and goods to meet defined standards; and
- Council is required to gain a greater understanding of its needs, the availability of relevant goods and services and the likely costs on the open market.

6.2.4 Responsible Financial Management

The principles of responsible financial management in accordance with the Act and its Regulations shall be applied to all procurement activities. Where the tender sum exceeds budget allocation, Council shall review the project scope and submit a report for expenditure variation to the allocated budget for further consideration. Council staff must not authorise the expenditure of funds in excess of their financial delegations. Council funds must be used efficiently and effectively to procure goods, works and services and every attempt must be made to contain the costs of the procurement process without comprising any of the procurement principles set out in this Policy.

6.2.5 Probity Advisor/Auditor

Council will consider the appointment of a probity advisor or probity auditor for tender requests based on the nature and complexity of the proposed procurement.

6.3 Procurement Thresholds and Competition

6.3.1 Quotations

When procuring goods and services and/or works the following requirements must be observed in accordance with the Local Government (Accounting) Regulations.

- Subject to Council's policies, a Council need not obtain quotations for the provision of supplies or services if the cost of the suppliers or services is \$10,000 or less.
- If a Council proposes to obtain supplies or services at a cost more than \$10,000 but less than \$100,000; the Council must obtain written quotations from at least three (3) possible suppliers and the Council must choose a supplier from amongst those submitting written quotations.
- If it is not practicable to obtain quotations from three (3) possible suppliers under the Regulations, Council must obtain as many as practicable and must record in writing its reasons for not obtaining the three (3) quotations.

6.3.2 Minimum Spend Competition Thresholds

6.3.2.1 Tenders

The Local Government (Accounting) Regulations provides that Council must not enter into a contract for the provision of supplies to the Council at a cost of more than \$100,000, unless it has first called for tenders for that contract by public notice published in a newspaper circulating the Council's area. A contract is limited under the Regulations to a maximum of three (3) years and this includes options to extend. Council will determine the optimum period for the contract, on the basis of value for money and the efficiency and effectiveness of the procurement and then assess the value of the contract.

Council may undertake a public tender where the value of goods, works and services does not reach the threshold sums. These may be situations where a public tender is preferred or prudent, managing risk considerations are paramount, or there is a desire for greater transparency of the procurement.

As a general rule Council will not accept late tenders, the exception being where it can be substantiated that;

- There was a Council related system failure/interruption in the case of submission of an electronic tender, or
- Access was denied or hindered in relation to the physical tender box.

The Chief Executive Officer can accept a late tender where it can be determined the above circumstances prevailed at the time of attempted lodgement.

6.4 Delegation of Authority

6.4.1 Requirement

Delegations define the limitations within which Council staff are permitted to work. Delegation of procurement authority allows specified Council staff member/s to approve certain purchases, quotations, tender and contractual processes without prior referral to the Council. This enables Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity. Procurement delegations ensure accountability and provide confidence to Council and the public that purchasing activities are dealt with at the appropriate level. As such, Council has delegated responsibilities as detailed below relating to the expenditure of funds for the purchase of goods, works and services, the acceptance of quotes and tenders and for contract management activities.

6.4.2 Delegations

6.4.2.1 Council staff

Council maintains a documented record of authorised procurement delegations, identifying Council officers authorised to make such procurement commitments in respect of goods, works and services on behalf of Council, including but not limited to the following:

- power to authorise and issue order forms for goods and services;
- power to enter into contracts within approved budgets;
- sign letters of acceptance on behalf of Council to enter into contracts; and
- contract term extensions and contract variations.

6.4.2.2 Delegations Reserved for the Council

Tender recommendations where the expenditure is over the Chief Executive Officers delegations (\$100, 000) must be approved by Council as per the Local Government (Accounting) Regulations.

6.5 Internal Controls

The Council will establish and maintain procurement processes that will ensure:

- more than one person is involved in and responsible for a transaction end to end;
- transparency in the procurement process;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and
- systems are in place for appropriate monitoring and performance measurement.

6.6 Commercial Information

Procurement activities will be carried out in a way that supports Council staff in meeting their obligations to ensure information of a commercially sensitive or confidential nature is obtained, stored, processed, published (where applicable) in an appropriate manner in accordance with the relevant Council guidelines.

6.7 Risk Management

6.7.1 General

Risk Management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance the Council's capabilities to prevent, withstand and recover from interruption to the supply of goods, service and works. Risk Management will be carried out in accordance with the stated requirements in Council and Territory regulatory requirements.

6.7.2 Supply by Contract

The provision of goods, works and services by contract potentially exposes the Council to risk. The Council will minimise its risk exposure by measure such as:

- Standardising contracts to include current, relevant clauses;
- Requiring security deposits where appropriate;
- Referring specifications to relevant experts;
- Requiring contractual agreement before commencement;
- Use of or reference to relevant Australian standards (or equivalent); and
- Effectively managing the contract including monitoring and enforcing performance.

6.7.3 Work Health and Safety and Other Mandatory Requirements

Council undertakes due diligence activities on all suppliers to ensure compliance to legislative and business requirements. Council requires all contractors to meet safety legislative requirements. These are mandatory requirements and non-compliance will disqualify prospective suppliers. Suppliers must provide evidence of insurance, when requested, for the provision of goods, services or works.

6.8 Contract Terms

All contractual relationships must be documented in writing based on standard terms and conditions. Where this is not possible, approval must be sought from the appropriate member of Council staff listed in the instrument of Delegations Policy. A request for such an approval should be supported with procurement and legal advice as relevant. All contractors must obey and ensure that its employees, sub-contractors and agents obey any Acts, regulations, local laws and by-laws in any way applicable to the performance of a contract. All contractors must also comply with the terms of any relevant Commonwealth and State industrial instruments in respect to its employees and ensure that any agents and sub-contractors of the contractor also comply with these obligations. To protect the best interests of the Council, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions in this process will expose the Council to risk and thus must be authorised by the appropriate member of Council staff.

6.9 Endorsement

In the interests of fair market share and transparency, Council staff must not endorse any one specific product or service above another brand or company.

6.10 Freedom of Association

All parties have the right to freedom of association. This means that parties are free to join or not to join industrial associations of their choice and not be discriminated against or victimised on the grounds of membership or non-membership of an industrial association.

6.11 Dispute Resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the potential for legal action.

6.12 Contract Management

The purpose of contract management is to ensure that the Council, and where applicable its clients, receive the goods, services or works delivered as per the required Australian Standards of quality and quantity and as stipulated in the contract by:

- establishing a system reinforcing the performance of both parties responsibilities and obligations under the contract;
- ensuring adherence with Council's Risk Management framework and compliance with applicable Work Health & Safety procedures; and
- providing a means for the early recognition of issues and performance problems and the identification of solutions.

Contracts are to be proactively managed by the member of Council staff responsible for the delivery of the contracted goods, services or works to ensure the Council received Value for Money.

6.13 e-Tendering

e-Tendering is integral to the overall development of procurement processes and involves the use of an electronic system to acquire goods, service and works; and online portal which manages all tender interactions between a prospective tenderer and the organisation, adding greater transparency and accountability to our systematic obligations.

By utilising e-Tendering the aim is to:

- reduce transaction costs
- make processes more efficient;
- improve management information and visibility of spend;
- increasing control and consistency of processes; and
- improve spend compliance.

7. DEMONSTRATE SUSTAINED VALUE

7.1 Integration with Council Strategy

Council's procurement strategy supports its corporate strategies aims and objectives (as outlined in the Katherine Town Council's Municipal Plan), including but not limited to:

- Community Wellbeing
- Growing the Economy
- Sustainable Built and Natural Environment
- How we do Business

Council will set the appropriate decision criteria and weighting prior to seeking quotes, expressions of interest or a tender.

7.2 Achieving Value for Money

7.2.1 Requirement

The Council's procurement activities will be carried out on the basis of obtaining Best Value for Money. Lowest price is not necessarily an indicator of value for money and cost is not the only factor for assessing value for money. When evaluating competing company's submissions, a comparative analysis or a weighting score system shall be used. Key tools used in the assessment criteria include but are not limited to:

- Local Development and Value Adding
- Past Performance
- Timelines
- Capacity
- Innovation
- Scope Specific
- Price

7.2.2 Approach

This will be facilitated by:

- Developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout the entire procurement process;
- Effective use of competition;
- Using schedule of rates and panel contract arrangements where appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- More emphasis placed on procurement planning process;
- Developing a more cost efficient tender process including appropriate use of e-solutions;
- Council staff responsible for providing procurement services or assistance within the Council providing competent advice in terms of available products and agreements;
- Working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, works and services being acquired;
- Undertaking analysis of Council's category spending patterns; and
- Ensuring procurement effort corresponds with risk and expected return.

7.2.3 Role of Specifications

Specifications used in expressions of interest, quotations, tenders and contracts are to support and contribute to the Council's Value for Money objectives through being written in a manner that;

- ensures impartiality and objectivity whilst remaining reasonably practicable;
- encourages the use of standard products;
- encourages sustainability; and
- eliminates unnecessary stringent requirements.

7.3 Performance Measures and Continuous Improvement

Council will establish an appropriate management and reporting system to monitor performance against targets and compliance with procurement policies, procedures and controls. Procurement will use the performance measurements developed to:

- highlight trend and exceptions where necessary to enhance performance;
- improve the internal efficiency of the procurement process and where relevant the performance of suppliers; and
- facilitate relevant programs to drive improvement in procurement to eliminate waste and inefficiencies across key spend categories.

7.4 Sustainable Procurement

Council is committed to reducing its environment impacts and operating in a socially, financially and environmentally responsible manner. Council will encourage the design and use of products and services which have minimal impact on the environment and human health. This includes, but is not limited to:

- Recycling
- Waste Management
- Emissions Management
- Habitat Destruction
- Toxicity
- Soil Degradation
- Water Conservation
- Energy Management
- Green Build Design

Council shall encourage suppliers to adopt good environmental practices. Council will actively promote green procurement throughout its supply chain and where possible consider selection which has minimum environmental impact.

7.5 Support of Local Business and Apprentices

Council is committed to buying from local businesses where such purchases may be justified on Value for Money grounds, whilst remaining compliant with the legislation requirements. Wherever practicable, Council will give effective and substantial preference to contracts for the purchases of goods, machinery or materials/contractors within the Municipality. Council will also seek from prospective suppliers/contractors, where applicable, what economic contribution they will make to the Municipality. The percentage applied to any procurement will be determined by the quotation or tender evaluation panel.

Such examples may include:

- Engaging and contracting with local suppliers;
- Engaging local sub-contractors;
- Suppliers/contractors participation in any apprenticeship schemes or employment of apprentices;
- Contributing to the financial, social and environmental well-being of the region;
- Enable the business expansion, growth and servicing of local business and contractors;
- Existing local business.

8. APPLY A CONSISTENT AND STANDARD APPROACH

8.1 Standard Processes

The Council will provide effective commercial arrangements covering standard products and standard service provisions across the Council to enable employees to source requirements in an efficient manner. This will be achieved via a combination of the following areas:

- Use of preferred supplier based system;
- Pricing where relevant;
- Processes, procedures and techniques;
- Tools and business systems e.g. e-tendering, e-quotation sourcing arrangements;
- Reporting requirements; and
- Application of standard contract terms and conditions.

8.2 Performance Indicators and Management Information

Performance indicators and management information will include criteria such as:

- the proportion of spend against corporate contracts;
- user and supplier satisfaction levels measuring the success of procurement initiatives;
- the proportion of eco-friendly spends.

9. BUILD AND MAINTAIN SUPPLY RELATIONSHIPS

Council recognises the importance of effective and open working relationships with its suppliers, and is committed to the following:

9.1 Developing and Managing Suppliers

Council recognises the importance of effective and open working relationships with its suppliers, and is committed to the following:

- Managing existing suppliers, to ensure the benefits are delivered;
- Maintaining approved preferred supplier lists and compliance with Council's requirements for insurances, work health and safety etc.; and
- Developing new suppliers and improving the capability of existing suppliers where appropriate.

9.2 Supply Market Development

A wide range of contractors and suppliers will be encouraged to compete for Council work. This will be achieved through a Panel of Preferred Contractors, advertising through newspapers and utilising the electronic media i.e. e-Tendering portal.

9.3 Relationship Management

Council is committed to developing constructive long-term relationships with suppliers. It is important that the Council identifies its key suppliers so that its efforts are focussed to best effect. Such areas may include:

- Size of spend across the Council;
- Criticality of goods/services supplier, to the delivery of authorised services;
- Availability of substitutes; and
- Market share and strategic share of suppliers.

9.4 Communication

External communication is critical in ensuring a healthy interest from a broad spectrum of potential suppliers and partners to Council. The e-Tendering portal will play a key role in achieving this outcome by making available to local, regional and national entities, outline information and industry best practice and directions . data shall include:

- information about Council and how to become an approved supplier;
- guidelines for doing business with Council;
- standard documentation used in the procurement process; and
- links to other relevant sites.

10. **CONTINUAL IMPROVEMENT**

Council will focus on developing and maintaining effective working relationships with external and internal stakeholders, to assist in delivery of Council's strategic objectives. Council's procurement strategy aims to support Council's objectives by implementing continuous improvement and value for money opportunities in the following areas:

- Technology
- Process and Governance
- People and Skills
- Strategy and Organisation
- Leadership and Influence
- Sourcing and Collaboration
- Supplier Management
- Sustainability

VARIATIONS

Katherine Town Council reserves the right vary, replace or terminate this Policy from time to time.

ASSOCIATED DOCUMENTS

- *Local Government Act*
- Local Government (Financial) Regulations
- Local Government (Administration) Regulations
- Katherine Town Council Employee and Elected Member Code of Conduct Policies
- Instrument of Delegation
- Conflict of Interest Policy
- Credit Card Policy

POLICY VERSION AND REVISION INFORMATION

Policy Authorised by: Robert Jennings
Title: Chief Executive Officer
Policy Maintained by: David Moore
Title: Operations Manager
Review date: 23/11/2017

Original issue: 01/07/2008

Current version: 4