



AGENDA

CORPORATE SERVICES COMMITTEE

14 APRIL 2022

MEMBERSHIP: Councillors J Black, L Burns, S Chowdhury, M Dickerson, V Etheridge, J Gough, R Ivey, D Mahon, P Wells and M Wright.

The meeting is scheduled to commence at pm.

	Page
CSC22/12 LEAVE OF ABSENCE (ID22/650)	
CSC22/13 CONFLICTS OF INTEREST (ID22/653)	
CSC22/14 QUARTERLY REPORT ON CODE OF CONDUCT COMPLAINT STATISTICS (ID22/390)	2
The Committee had before it the report dated 5 April 2022 from the Executive Manager Governance and Internal Control regarding Quarterly Report on Code of Conduct Complaint Statistics.	
CSC22/15 QUARTERLY REPORT ON DOCUMENTS EXECUTED UNDER POWER OF ATTORNEY (ID22/644)	6
The Committee had before it the report dated 4 April 2022 from the Governance Team Leader regarding Quarterly Report on Documents Executed Under Power of Attorney.	
CSC22/16 INVESTMENT UNDER SECTION 625 OF THE LOCAL GOVERNMENT ACT - MARCH 2022 (ID22/655)	8
The Committee had before it the report dated 1 April 2022 from the Chief Financial Officer regarding Investment Under Section 625 of the Local Government Act - March 2022.	
CSC22/17 NEW PROCUREMENT POLICY (ID22/654)	15
The Committee had before it the report dated 31 March 2022 from the Manager Procurement regarding New Procurement Policy.	



DUBBO REGIONAL
COUNCIL

REPORT: Quarterly Report on Code of Conduct Complaint Statistics

DIVISION: Executive Services
REPORT DATE: 5 April 2022
TRIM REFERENCE: ID22/390

EXECUTIVE SUMMARY

Purpose	Provide review or update	
Issue	<ul style="list-style-type: none">Code of Conduct complaint statistics for the quarter beginning 1 January 2022 and ending 31 March 2022.No new complaints received during the quarter.	
Reasoning	<ul style="list-style-type: none">Part 11.1 of the Procedures for the Administration of the Model Code of Conduct, as issued by the NSW Office of Local Government, requires statistics to be reported to Council annually.During the induction process, as a way to increase transparency, Councillors requested a quarterly update on this topic.	
Financial Implications	Budget Area	Governance and Internal Control
	Funding Source	Members' Expenses – current expenditure this financial year exceeds budgeted amounts for the 2021/2022 Financial Year.
	Proposed Cost	\$7,260 additional expenditure for the quarter.
	Ongoing Costs	Unknown.
Policy Implications	Policy Title	There are no policy implications arising from this report.

STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 4 Community Leadership
CSP Objective: 4.2 Our civic leaders represent the community
Delivery Program Strategy: 4.2.1 The community acknowledges that Dubbo Regional Council is a representative and responsive Council

RECOMMENDATION

That the information contained in the report of the Executive Manager Governance and Internal Control, dated 5 May 2022, be noted.

Abbey Rouse
Executive Manager Governance and Internal Control

AR
Executive Manager
Governance and Internal
Control

BACKGROUND

In addition to legislative requirements to report annually, a quarterly report on complaint statistics is provided to Council for notation to encourage transparency within the organisation and within the community.

REPORT

Consultation

- Reporting complaint statistics regularly allows for transparency both within Council and in the broader community, providing the first source of consultation regarding this matter.
- Council is required to report its annual Code of Conduct statistics to the Office of Local Government each December.
- As part of the on boarding program, Councillors undertook Code of Conduct training on 14 January 2022, delivered by Kath Roach of Sinc Solutions.

Resourcing Implications

- Staffing resources have been higher than usual, managing complaints that were received prior to this reporting period.
- Although no new complaints were received during the reporting period (January 2022 to March 2022), new expenses were incurred in the continued resolution of previously submitted complaints, amounting to \$7,260 (GST incl.).

Total Financial Implications	Current year (\$)	Current year + 1 (\$)	Current year + 2 (\$)	Current year + 3 (\$)	Current year + 4 (\$)	Ongoing (\$)
a. Operating revenue	0	0	0	0	0	0
b. Operating expenses	146,313	28,000	28,000	28,000	28,000	28,000
c. Operating budget impact (a – b)	-146,313	-28,000	-28,000	-28,000	-28,000	-28,000
d. Capital Expenditure	0	0	0	0	0	0
e. Total net impact (c – d)	-146,313	-28,000	-28,000	-28,000	-28,000	-28,000
Does the proposal require ongoing funding?	Yes					
What is the source of this funding?	Governance and Internal Control – members' Expenses annual budget requirements					

Table 1. Ongoing Financial Implications

As the first quarterly report, comparison is not available to the previous quarter. However, subsequent reports will compare the total number of complaints made against Councillors, as well as the costs incurred with those of the previous quarter.



DUBBO REGIONAL
COUNCIL

REPORT: Quarterly Report on Documents Executed Under Power of Attorney

DIVISION: Executive Services
REPORT DATE: 4 April 2022
TRIM REFERENCE: ID22/644

EXECUTIVE SUMMARY

Purpose	Addressing Council resolution Provide review or update	
Issue	<ul style="list-style-type: none">Provide a list of all documents endorsed by the CEO under Power of Attorney in the previous quarter from 1 January 2022 through 31 March 2022.	
Reasoning	<ul style="list-style-type: none">When Chief Executive Officer was granted Power of Attorney, Council also resolved that a quarterly report on all documents signed under power of attorney be provided for notation to ensure transparency.	
Financial Implications	Budget Area	There are no financial implications arising from this report.
Policy Implications	Policy Title	There are no policy implications arising from this report.

STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 4 Community Leadership
CSP Objective: 4.3 The resources of Council are appropriately managed
Delivery Program Strategy: 4.3.1 The organisation displays the elements of sound management and strategic planning

RECOMMENDATION

That the information contained within the report of the Governance Team Leader, dated 4 April 2022, be noted.

Abbey Rouse
Executive Manager Governance and Internal Control

SW
Governance Team Leader

BACKGROUND

Previous Resolutions of Council

3 June 2021 (in part)	6. That the Chief Executive Officer report to Council every three months on all documents signed under the prescribed Power of Attorney.
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REPORT

Consultation

- This report provides a listing of documents for the information of Council and members of the public of documents signed under the Power of Attorney delegated to the CEO from 1 January 2022 to 31 March 2022.

Resourcing Implications

- Nil

Date Sealed	Details of Document
11/02/2022	Tender Contract - T21-038 Construction of Asphaltic Concrete Surface Boundary Road Stage 2 Project - Civil Independence Industries.
15/02/2022	Plan of Subdivision - Re-executed. Sale to Berakah Christian Education - Lot 3 DP 1272474, Lot 101 DP 1220591, Lot 2 DP 730977.
15/02/2022	T21-045 Tender Contract - T21-045 Construction of Wellington Pedestrian Bridge Cameron Park, Wellington - TELEO DESIGNS PTY LTD.



REPORT: Investment Under Section 625 of the Local Government Act - March 2022

DIVISION: Organisational Performance
REPORT DATE: 1 April 2022
TRIM REFERENCE: ID22/655

EXECUTIVE SUMMARY

Purpose	Provide review or update	Fulfil legislative requirement/compliance
Issue	<ul style="list-style-type: none"> Investment Under Section 625 of the Local Government Act 1993 	
Reasoning	<ul style="list-style-type: none"> Section 212 of the Local Government (General) Regulation 2021 Section 625 of the Local Government Act 1993 Council's Investment Policy and Strategy 	
Financial Implications	Budget Area	Organisational Performance
	Funding Source	Interest Earned on Investment
Policy Implications	Policy Title	Investment Policy 2021
	Impact on Policy	There are no policy implications arising from this report

STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 4 Community Leadership
 CSP Objective: 4.3 The resources of Council are appropriately managed
 Delivery Program Strategy: 4.3.2 The system of raising revenue is regarded as equitable and revenue from grants and other income sources is maximised

RECOMMENDATION

That the information contained within the Investment under Section 625 of the Local Government Act report, dated 1 April 2022, be noted.

Dean Frost
Director Organisational Performance

MH
Chief Financial Officer

BACKGROUND

As required by Section 212 of the Local Government (General) Regulation 2021, set out below are the details of all monies that Council has invested under Section 625 of the Local Government Act as at 31 March 2022.

Investments, when placed, have been done so in accordance with the Local Government Act, Local Government (General) Regulations 2021 and Council's Investment Policy and Strategy. Interest on investments for the month of March 2022 has been accounted for on an accrual basis. This report details investments and annualised returns for the month of March 2022.

Interest earned on investments has been included within Council's 2021/2022 Operational Plan, with total income generated from the Investment Portfolio forecast to be in excess of \$2,554,280.00.

REPORT

Consultation

- Laminar Capital Pty Ltd appointed on 11 January 2021 provides advisory services to Council on any investment related decision.

Resourcing Implications

- The management of Council's investment portfolio is a primary activity of a staff member within Council's Financial Operations branch.

Portfolio Overview

The below table details Council’s current investment portfolio:

Issuer	Market Value	% Total Value
AMP Bank Ltd	25,144,891.63	11.57%
Australian Unity Bank	4,010,257.52	1.85%
Auswide Bank Limited	4,998,350.00	2.30%
Bank of China (Australia) Limited	4,506,027.84	2.07%
Bank of China Limited, Sydney Branch	2,990,760.00	1.38%
Bank of Communications Co. Ltd. Sydney Branch	3,755,700.00	1.73%
Bank of Queensland Ltd	15,030,280.16	6.92%
Bank of Sydney Ltd	9,038,465.75	4.16%
Bendigo & Adelaide Bank Ltd	3,016,795.89	1.39%
Illawarra Credit Union Ltd	2,005,937.54	0.92%
Judo Bank	13,027,838.41	6.00%
Macquarie Bank	7,658,640.00	3.53%
Macquarie Credit Union Limited	2,002,021.92	0.92%
MyState Bank Ltd	7,941,600.00	3.66%
National Australia Bank Ltd	49,337,144.01	22.71%
Northern Territory Treasury Corporation	13,090,290.00	6.03%
Rabobank Nederland Australia Branch	5,209,550.00	2.40%
Suncorp Bank	4,963,300.00	2.28%
UBS Australia Ltd	4,425,480.00	2.04%
Westpac Banking Corporation Ltd	35,083,481.91	16.15%
Portfolio Total	217,236,812.58	100.00%

^Portfolio overview represents total market value. Investment face value is \$217,191,389.84
Market Value by Issuer

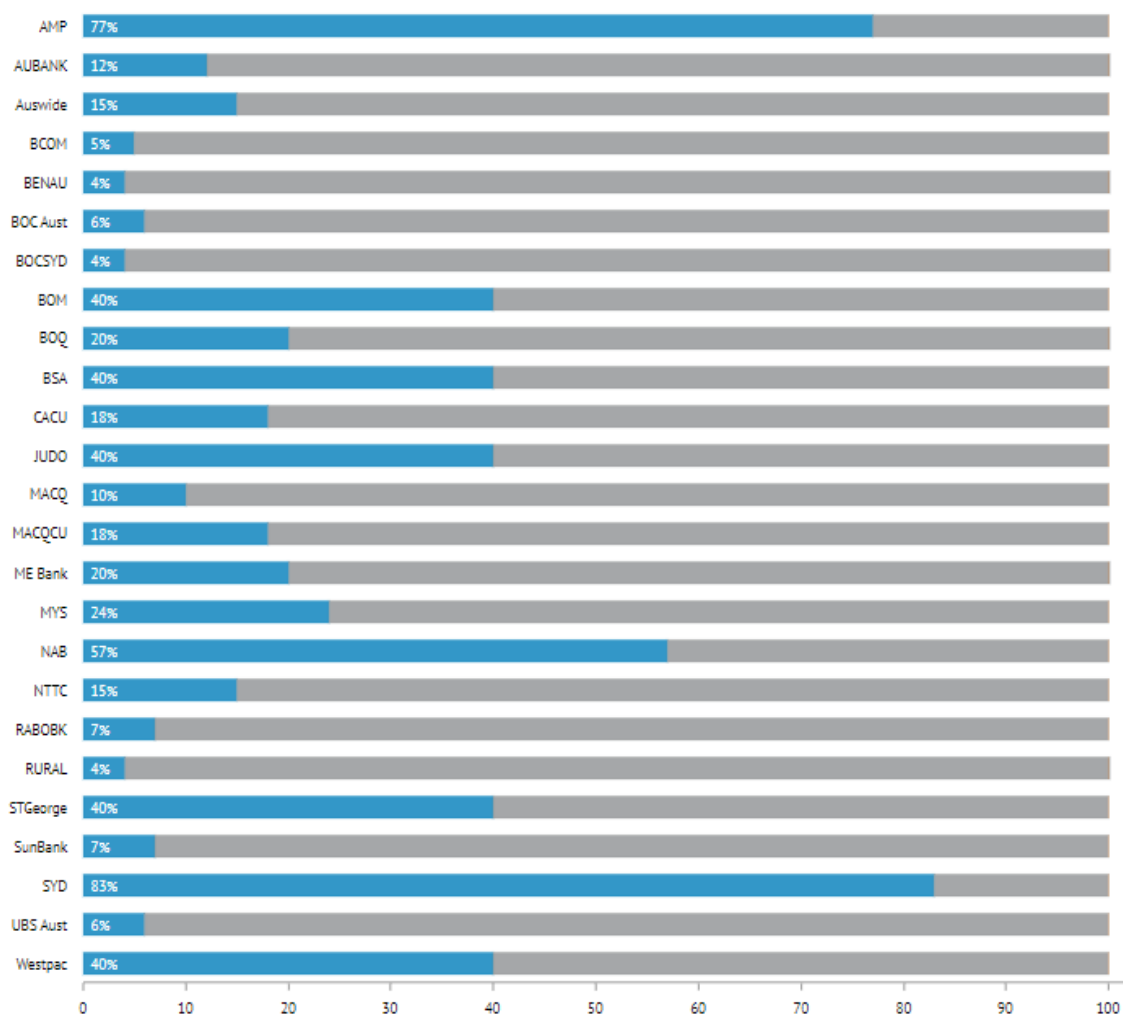


*^ NAB is inclusive of Councils cash account.
^AMP is inclusive of Councils 31 day notice saver account.*

Investment Compliance

The following table shows that Councils investments are compliant with the revised Investment Policy that was adopted at the Ordinary Council meeting held 22 March 2021.

Issuer Limits As At Thursday, 31 March 2022



Interest Income

The below table details payments of interest paid to Council between 1 March 2022 to 31 March 2022.

Security	Issuer	Income Expense Code	Settlement Date	Face Value (Basis of Interest Calculation)	Consideration Notional
AMP 0.75 01 Mar 2022 365DAY TD	AMP Bank Ltd	IEI202422	1 Mar 2022	3,000,000.00	22,500.00
Westpac 3.15 08 Jun 2022 1826DAY TD	Westpac Banking Corporation Ltd	IEI203844	8 Mar 2022	2,000,000.00	15,534.25
Westpac 3.15 09 Jun 2022 1826DAY TD	Westpac Banking Corporation Ltd	IEI203959	9 Mar 2022	3,000,000.00	23,301.37
MYS 0.65 16 Jun 2025 FRN	MyState Bank Ltd	IEI206275	16 Mar 2022	8,000,000.00	14,104.11
Westpac 3.15 20 Sep 2022 1461DAY TD	Westpac Banking Corporation Ltd	IEI211718	20 Mar 2022	5,000,000.00	38,835.62
Westpac 3.3 20 Dec 2022 1826DAY TD	Westpac Banking Corporation Ltd	IEI211719	20 Mar 2022	3,000,000.00	24,410.96
BCOM 0.83 29 Sep 2023 FloatTCD	Bank of Communications Co. Ltd. Sydney Branch	IEI213509	29 Mar 2022	3,750,000.00	8,246.10
JUDO 0.87 30 Mar 2022 365DAY TD	Judo Bank	IEI213600	30 Mar 2022	7,000,000.00	60,900.00
JUDO 0.87 30 Mar 2022 365DAY TD	Judo Bank	IEI213601	30 Mar 2022	3,000,000.00	26,100.00
NAB At Call In	National Australia Bank Ltd	IEI213656	31 Mar 2022		20,195.04
					254,127.45

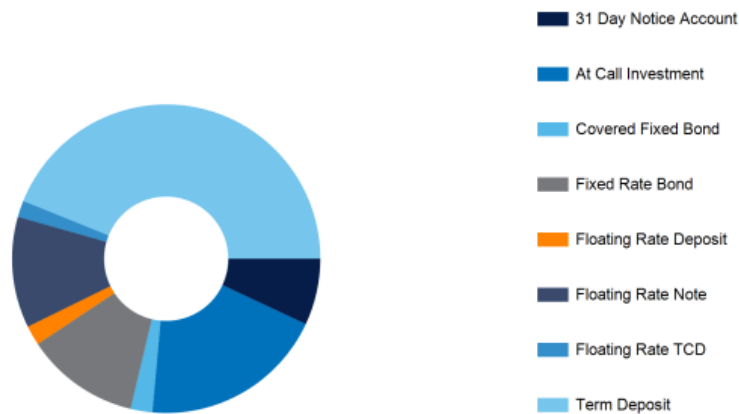
^ Interest received consists of payments made to Council's allocated bank account and are exclusive of accruing interest.

Investment by Asset Class

The following table details Councils investment holdings by investment type:

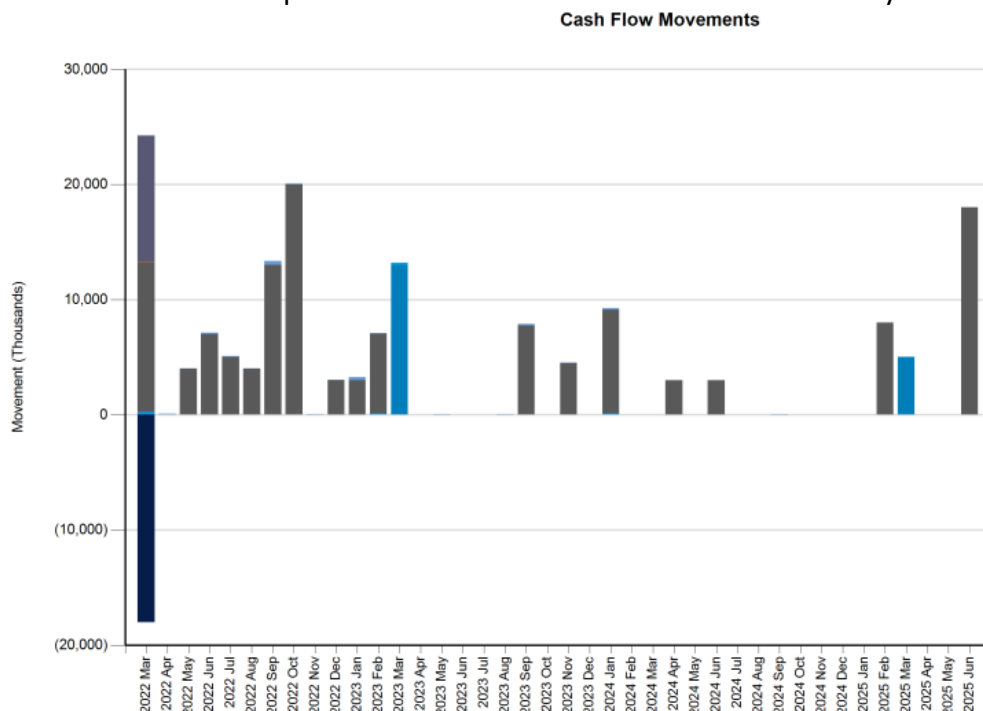
Security Type	Market Value	% Total Value
31 Day Notice Account	15,129,261.47	6.96%
At Call Investment	42,292,911.14	19.47%
Covered Fixed Bond	4,963,300.00	2.28%
Fixed Rate Bond	25,958,480.00	11.95%
Floating Rate Deposit	4,506,027.84	2.07%
Floating Rate Note	25,278,240.00	11.64%
Floating Rate TCD	3,755,700.00	1.73%
Term Deposit	95,352,892.13	43.89%
Portfolio Total	217,236,812.58	100.00%

Market Value by Security Type



Future Maturity Cash flow

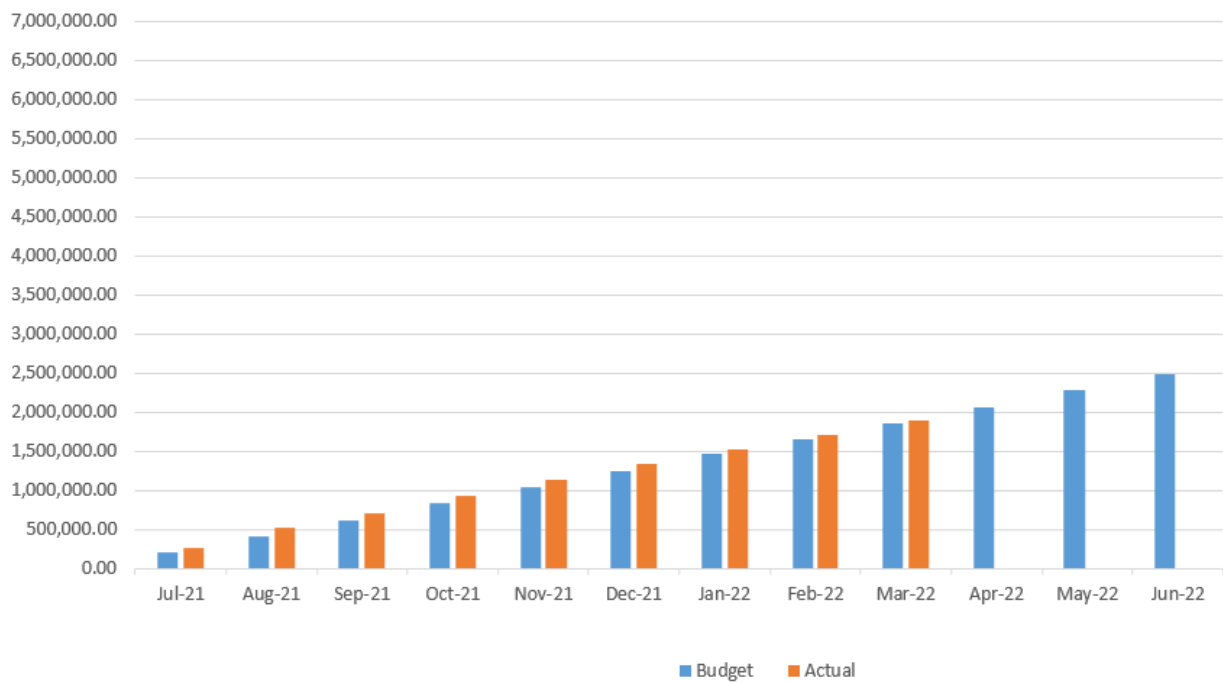
The below table details the expected cash flow of future investment maturity:



- Forecast Interest Income
- FI Disposal
- Bank Interest Received
- Investment Maturity
- Security Coupon Interest Received
- Investment Maturity (Adjustment)
- FI Acquisition

Budget to Actual – Interest on Investments

Budget to Actual - Interest on Investments



Summary

Cash Account

Council outperformed the 11.00 am Official Cash Rate market benchmark for one month annualised return of 0.10%, achieving a return of 0.50% for its At Call investments for the month of March 2022.

Investment Portfolio

Council outperformed the one month annualised Bloomberg AusBond Bank Bill Index of 0.00%, with an average return of 1.2927% for its overall portfolio return.



REPORT: New Procurement Policy

DIVISION: Organisational Performance
REPORT DATE: 31 March 2022
TRIM REFERENCE: ID22/654

EXECUTIVE SUMMARY

Purpose	Adopt a policy	
Issue	<ul style="list-style-type: none"> Current Purchasing and Procurement Policy does not give opportunity for best practice in procurement. 	
Reasoning	<ul style="list-style-type: none"> To streamline procurement procedures and reduce risk to the organisation. To comply with the Local Government Act 1993 – Division 1 Tendering Section 55. To comply with the Local Government (General) Regulation – Part 7 Tendering 	
Financial Implications	Budget Area	There are no financial implications arising from this report.
Policy Implications	Policy Title	Purchasing and Procurement Policy Procurement Policy.
	Impact on Policy	The new Procurement Policy will replace the current Purchasing and Procurement Policy.

STRATEGIC DIRECTION

The 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes five principle themes and a number of strategies and outcomes. This report is aligned to:

Theme: 4 Community Leadership
 CSP Objective: 4.3 The resources of Council are appropriately managed
 Delivery Program Strategy: 4.3.8 Council is financially sustainable and has the ability to maintain infrastructure and deliver services at the adopted service levels as agreed with the community

RECOMMENDATION

That the Draft Procurement Policy, as attached at Appendix 1, be adopted.

Dean Frost
Director Organisational Performance

PM
Manager Procurement

BACKGROUND

Presently council has decentralised procurement, this creates a risk to the organisation without robust Policies and Procedures that meet Legislation the Act and best practice.

To reduce this risk and achieve other benefits a new overarching Procurement Policy has been developed, below this will be a new Procurement Procedure and a new Tender and Evaluation Procedure.

The procedures will include changes to purchasing thresholds, current procedures and responsibilities. New documents will be implemented for Tendering and Evaluation and a new suite of Contracts has been developed.

The new Policy will streamline the current procurement and purchasing processes and include council's obligations under the Modern Slavery Act and Work Health and Safety.

REPORT

Consultation

- Consultation was done with an external probity advisor to review the proposed new policy and procedures and other documents. The Policy and Procedures were then circulated to the Senior Leadership Team for comment and were endorsed by the Executive Leadership Team on the 23 March 2022. The comments were positive and updates have been made to the documents.

Resourcing Implications

- Nil

Planned Communications

- Training for staff in procurement, tenders and contracts.

APPENDICES:

- 1 [↓](#) Draft Council Policy - Procurement
- 2 [↓](#) Council Policy - Purchasing and Procurement - To be Replaced



Council Policy

Procurement Policy

Date

Council Resolution Date

Clause Number

Responsible Position Manager Procurement
Branch Procurement
Division Organisational Performance
Version 1
TRIM Reference Number ED21/201115
Review Period 12 Months
Review Date
Consultation Senior Leadership Team and Executive Leadership Team

Document Revision History	
Description	Date
Notes	
Policy replaces previous versions of Dubbo City Council and Dubbo Regional Council policies;	
Council Policy – Purchasing and Procurement	

1. Background and Related Legislation

Council procurement activities are governed by a regulatory framework, particularly Section 55 of the Local Government Act (1993) and Part 7 of the Local Government (General) Regulations 2005. Principles and practices are outlined in documents such as the Department of Local Government' Tendering Guidelines for NSW Local Government (October 2009).

There are many stages in the procurement cycle, ranging from the initial identification of need and the subsequent planning phase, right through to the long term contract management. Tendering and Evaluation is viewed as critical parts of the broader procurement activity, requiring specific activities and considerations.



2. Scope

This policy applies to all procurement activities at Dubbo Regional Council and is binding upon all Councillors, staff and temporary employees, contractors, and consultants while engaged by Council.

3. Purpose

The purpose of the Policy is to define the overarching procurement principles to be followed in all procurement activities undertaken by Council.

Through the implementation of this policy Council will ensure procurement is in accordance with best practice and quality principles, complies with financial delegations, complies with contractual, legislative and regulatory requirements and maximises value for money.

Treatment of GST

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

Approved Methods of Procurement

All goods and services must be procured in accordance with relevant Council procedures including:

- Purchasing Procedures
- Code of conduct
- Corporate Purchase Card Policy
- Delegations of authority
- Petty Cash Procedure
- Statement of business ethics
- Tender and Evaluation Procedure

An official Council Purchase Order must be raised and approved in Council's finance system prior to entering into an agreement to purchase goods or services (other than via petty cash or credit card or when other exceptions apply.) In the absence of a formal contract, the Purchase Order will act as the formal instrument between Council and the supplier. This will also ensure that approval to procure is in accordance with purchasing delegations and that financial commitments are recorded in Council's finance system.

4. Effective legislative and policy compliance

Ethics and Probity

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

Councillors 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, quotation, tender, bid, or any other commercial or proprietary information;
- present a high standard of professionalism and probity;
- deal with suppliers in an honest and impartial manner and appropriately manage any 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.

Members of Professional Bodies

Councillors 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. (for example IPWEA Tendering code of practice)

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 Local Government Act, 1993.

Conflict of Interest

Councillors and Council Staff shall at all times avoid or appropriately manage situations in which private interests might reasonably be deemed to have the potential to conflict, with their Council duties. All conflicts of interest must be managed in accordance with Council's Code of Conduct.

Councillors and Council staff involved in the procurement process, in particular preparing tender documentation, including writing tender specifications, opening and downloading of tenders and evaluation of tenders MUST identify, declare and manage any potential conflicts of interest in accordance with Council's Code of Conduct.

The onus is on the Councillor and Council Staff involved, to promptly declare a pecuniary or non-pecuniary, actual or potential, conflict of interest to Council in accordance with the Code of Conduct.

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 the process can withstand public scrutiny.

The commercial interests of existing and potential suppliers must be protected subject to legislative requirements.

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 tenderer's own fixed price lump sum contract), discounts, rebates, profit, manufacturing and product information.

Gifts and Hospitality

All Councillors and Council Staff must adhere to Council's Code of Conduct and Gifts and Hospitality Policy.

Staff must avoid situations that would give rise to the appearance that a person or body is attempting to secure favourable treatment from them or from the Council, through the

provision of gifts, benefits or hospitality of any kind to staff or someone personally associated with a staff member.

Disclosure of Information

Information received by the Council that is Commercial in Confidence must not be disclosed unless required by law.

Councillors and Council Staff are to protect the integrity of the procurement process by maintaining confidentiality over 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.

Councillors 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 or quotation evaluations should only be undertaken by an authorised officer (usually the staff member managing the quotation or tender process) and not go beyond the extent necessary to resolve doubt or clarify 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 should be 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 publicly available.

Council's Expectations of Suppliers

It is Council's expectation that whilst participating in tendering or quotation processes suppliers must comply with the Councils Statement of Business Ethics.

Probity Advisor

Council will consider the appointment of a probity advisor for tender requests based on the nature and complexity of the proposed procurement having regard to the level of risk involved. As a guideline, procurements which are greater than \$5 million should include a report from a probity advisor. Councils contract initiation forms provide for the relevant Director to review and recommend the appointment of a probity advisor where deemed necessary.

Modern Slavery Act

Council is committed to doing all that it can to prevent slavery and human trafficking in its corporate activities and to ensuring as far as is practicable that its supply chains are free from slavery and/or human trafficking.

Council will ensure all tenders take into consideration all relevant ethical supply chain provisions identified in the Modern Slavery Act 2018, by introducing a schedule for Contractors to complete.

Risk Management

Council staff involved in procuring goods and services must identify, analyse and manage any risks which may impact on Council meeting its procurement objectives or obtaining best value for money. 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 Council's interests.

Risk management will be carried out in accordance with the stated requirements in the Risk Management Policy and the Guidelines for WH&S Management of Contractors and any Federal or State regulatory requirements.

Endorsement

Council Staff must not endorse any products or services. This clause should not be read to preclude Council staff from providing references to other agencies on Council's experience with contractors or suppliers or from presenting to industry forums on similar matters.

5. Demonstrate sustained value

Achieving Value for Money

Requirement

The Council's procurement activities will be carried out on the basis of obtaining 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. Other factors such as technical capability to meet specification, risk management, environment and work health and safety, financial capacity, economic contribution to the council, sustainability, quality, customer service, resource management, continuous improvement, fitness for purpose and social considerations may be considered in assessing competing companies' submissions.

Approach

This will be facilitated by:

- developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout;
- effective use of competition;
- using schedule of rates and panel contract arrangements where appropriate;
- identifying and rectifying inefficiencies in procurement processes;
- pursuing innovative practices

- more emphasis placed on procurement planning processes;
- developing a more cost efficient tender process including appropriate use of e-solutions;
- 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, services and works being acquired;
- undertaking analysis of Council's category spending patterns; and
- ensuring procurement effort corresponds with risk and expected return.

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
- Water Conservation
- Energy Management, and
- Green Building Design

Council shall encourage suppliers to adopt good environmental practices and requires suppliers, where relevant, to have an Environmental Management System.

Council will actively promote green procurement throughout its supply chain and where possible consider selection which has minimum environmental impact. The Council aims to achieve this by:

- Taking into account the need to minimise emissions and reducing the negative impacts of transportation when purchasing goods and services;
- Taking steps to minimise carbon dioxide and other greenhouse gas emissions through the detailed consideration of products and services procured;
- Considering the environmental performance of all suppliers and contractors and encouraging them to conduct their operations in an environmentally sensitive manner;
- Selecting products/services that have a minimal effect on the depletion of natural resources and biodiversity;
- Giving a preference to Fairtrade, or equivalent and ethically sourced and produced goods and services;
- Ensuring all relevant procurement contracts and tenders contain sustainability specifications as appropriate to the product and service being procured.
- Training Council staff with procurement responsibilities on sustainability considerations within the procurement process.
- Reducing and eliminating as far as is practicable the use and consumption of single use and soft plastics across its corporate operations including festivals, events and applicable activities on any land or building owned and managed by Council.

Supporting Local Businesses

Council is committed to buying from local businesses where such purchases may be justified on value for money grounds.

Wherever practicable, Council will fully examine the benefits available through purchasing goods, services or works from suppliers/contractors within the Dubbo LGA.

For all Tenders where a non-local supplier has provided a proposal for goods or services all local supplier proposals for the same request will have, for evaluation purposes, a nominal 10% deduction to their quoted price up to a maximum of 50K.

Where a non-local supplier has provided a proposal and has demonstrated in their proposal they are using local businesses and / or contractors they are to list the value of local content and the local content, for evaluation purposes they will have a nominal 10% deduction to the local content price up to a maximum of 50k.

A statement indicating Council's policy for supporting local businesses, is to be provided to any potential suppliers prior to their decision to submit a proposal.

When reporting the result of a tender evaluation process, the application of the policy should be clearly referred to and details provided regarding any additional costs to be incurred by Council if it accepts a tender, other than the lowest tender, as a result of the implementation of the policy.

Indigenous Business and Recognised Social Enterprises

Council is to maintain formal membership of an Indigenous sourcing panel. This specialised procurement sourcing panel allows Council to direct work offers to Certified and Registered Indigenous businesses.

WH&S and Other Mandatory Requirements

Council undertakes due diligence activities on all suppliers to ensure compliance to legislative and business requirements. Council requires all contractors, service providers and volunteers to comply with all WH&S legislative requirements. These are mandatory requirements and non-compliance will disqualify prospective suppliers. Suppliers must provide the following:

- Evidence of certification that plant equipment and substances have been tested or examined to comply with prescribed Australian or International Standards where applicable
- Evidence of conformance of any product, item of Plant or Equipment with WHS Legislation, Regulations and approved Codes of Practice,
- Safety Data Sheets are to be provided for all substances.
- Evidence of appropriate current insurances in providing goods, services or works.



COUNCIL POLICY

Purchasing and Procurement

Date	1 September 2021
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Branch	Procurement
Division	Organisational Performance
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Document Revision History	
Description	Date
Notes	
Policy replaces previous versions of Dubbo City Council and Dubbo Regional Council policies;	
Council Policy – Local Purchasing Policy (ED20/142596)	
Management Policy - On Time Payments (ED15/127187);	
Management Policy – Preferred Supplier (ED17/147718)	
Management Policy – Purchasing and Procurement (ED20/210269)	
Management Policy – Quotations (ED15/99909)	
Management Policy – Tenders (ED15/99927)	

POLICY

PURPOSE

Dubbo Regional Council is committed to purchasing and procurement that meets probity requirements, achieves operational requirements, is efficient, fair and transparent while achieving financial, environmental and positive social outcomes in the interests of the community.

This policy also aims to strengthen council’s commitment to buying local and in turn support the local economy. Council will actively procure suitable services, goods and materials locally where possible whilst ensuring the achievement of best value, while adhering to financial and legislative responsibilities.

BACKGROUND AND RELATED LEGISLATION

- Australian Competition and Consumer Commission
- Australian Consumer Law 2011
- Competition and Consumer Act 2010
- Government Information (Public Access) Act 2009
- Independent Commission against Corruption (ICAC) publication “Contracting for Services: The Probity Perspective”
- Industrial Relations Act 1996
- Local Government Act 1993
- Local Government (General) Regulation 2005
- NSW Local Government Tendering Guidelines
- Payroll Tax Act 2007
- Sustainable Procurement Guidelines – ISO 20400:2017
- Workers Compensation Act 1987

Relevant Council Policies and Procedures:

- Code of conduct
- Corporate Purchase Card Policy
- Delegations of authority
- Expressions of Interest
- Petty Cash Procedure
- Statement of business ethics
- Tender and Quotation Procedure

SCOPE

This Policy applies to all employees, consultants and contractors that procure goods and/or services for or on behalf of Dubbo Regional Council.

DEFINITIONS

To assist in interpretation, the following definitions apply:

Term	Definition
Act	Local Government Act 1993
Best Value	Overall value for money including quality and expertise, having regard

	to all the circumstances, including being fit for purpose, appears to be the most advantageous.
CEO	Chief Executive Officer of Dubbo Regional Council
Council	Dubbo Regional Council
Council Order, Order or Purchase Order	An official request to a supplier to supply goods and or services to Council, which is generated from the Authority Purchasing system. The Council order number must be quoted on all invoices from suppliers.
Evaluation Criteria	The standards by which the Evaluation Panel will assess best value/suitability for a Council Order
Evaluation Panel	A set group of people to evaluate and make decisions regarding tenders; composed of a Chair, Members and, at times, an Independent council staff member.
GIPA	Government Information (Public Access) Act 2009 A GIPA provides the public with a right to access government information held by agencies
Indigenous sourcing panel	A specialised procurement sourcing panel that allows Council direct provision of requests to Certified and Registered Indigenous business (not direct engagement of one supplier).
Internal Supplier List	Category of suppliers accessible through VendorPanel that have been pre-approved against pre-selected compliance requirements
LGA	Dubbo Regional Council Local Government Area
Local Supplier	A business that has a physical presence and operates from a permanently staffed address within the boundaries of the Dubbo Regional Council Local Government Area (LGA) for a minimum period of three (3) months before submitting the quotation or tender. Council reserves the right to maintain flexibility in their consideration to this definition including the ability to exclude a pop up shop or basic shop front from qualifying as a local supplier.
Online Requisition or Requisition	An internal request to purchase goods or services which on approval by the authorised approver creates an Order.
Preferred Supplier	A preferred supplier is one that has gone through a competitive process and met qualification criteria for supply of goods and services for a defined period (of up to 3 years)
Probity	Evidence of ethical behaviour integrity, uprightness and honesty in a particular process.
Purchasing officer	Council staff member that has the authority to make purchases on behalf of Council
Qualified local supplier	A supplier that is suitably qualified, staffed, experienced with all WHS and compliance requirements or can provide a product that is suitable or superior in quality for purpose.

Supplier by Preference	Direct appointment of a supplier that by-passes usual processes by director or CEO approval
Total value	Includes GST
VendorPanel	Council's preferred sourcing platform

POLICY

Council has a responsibility through its expenditure of public funds to achieve best value in procurement while recognising the broad benefits to the Local Government Area (LGA) that flow from purchasing locally. Council will seek to maximise opportunities for local suppliers to compete for Council's business while also promoting opportunity for smaller business, social enterprises, disability groups and Indigenous businesses.

This policy requires staff to exercise responsible financial management and accountability for procurement actions. Staff must ensure value for money through a balanced whole-of-life evaluation that includes consideration of financial, social, ethical, local economic and environmental factors.

This Policy is to be referenced in all publicly advertised Quotations, Expressions of Interest and Tenders

All Procurement activities will be performed with integrity and in a manner able to withstand the closest possible scrutiny as per councils Code of Conduct and Statement of Business Ethics. Failure of contractors to comply can result in the contract being terminated. Failure of staff to comply will result in disciplinary action.

Risk will be minimised at all stages of procurement activities by using standardised documents, obtaining security deposits, holding relevant insurances and standard operating procedures, by having contract arrangements in place before work commences and by effectively managing contract performance.

CANVASSING OF COUNCILLORS

The canvassing or lobbying of Councillors for the purpose of attempting to influence Councillors in procurement matters may result in disqualification, for a period of one (1) year from the procurement process and must be reported to the Chief Executive Officer.

Any offer of a bribe or other inducement constitutes corrupt conduct and will be reported to the Independent Commission Against Corruption (ICAC) for appropriate action to be taken.

METHODS AVAILABLE TO PROCURE GOODS FOR OR ON BEHALF OF COUNCIL

Petty Cash	For purchases less than \$200 (See Petty Cash Policy and Procedure)
Purchase Cards	For low risk/low value purchases (See Purchase Cards Policy)
Utilising an existing contract	Preferred Supplier

Create a new contract Direct Order type
 Contract Order type
 Publically Advertised Quotations (Q)
 Publically Advertised Tenders (T)
 Supplier by Preference

VendorPanel is Councils preferred sourcing platform.

PURCHASES UP TO \$10,000

Local suppliers are to be offered works in the first instance. There is no requirement to obtain quotes for the supply of low risk services, goods and materials, however it must be satisfied that best value can be achieved up to \$10,000 total value.

PURCHASES ABOVE \$10,000 AND BELOW \$150,000

Requests for quotes are to be invited from suppliers through Council's preferred sourcing platform. If the Internal Supplier list is utilised, there are to be no exclusions from the list.

Where quotes are requested from VendorPanel's Public Marketplace, at least three (3) suppliers are to be invited to quote with at least two (2) of these to be local suppliers where this exists.

Where a non-local supplier has provided a proposal for works all local supplier proposals for the same request will have, for comparative purposes, a nominal 10% deduction to their quoted price.

The length of notice to suppliers for the opportunity to provide a response shall be at the discretion of the purchasing officer.

Quotations are to be awarded based on best value. If best value is determined not to be the lowest monetary value quote received, the supplier can be engaged through the Supplier by Preference process after the competitive quotation process has been undertaken.

PURCHASES ABOVE \$150,000 (OR FOR CONTINUED ENGAGEMENT FOR 2 YEARS OR MORE AT ANY VALUE)

The publically advertised Quotations, Expressions of Interest and Tender processes must be followed and all legislative requirements must be adhered to.

The minimum period to publically advertise shall be 21 days. Council may, under certain circumstances shorten or extend the tender period.

Receipt of responses to publically advertised Quotations, Expressions of Interest and Tenders must be in writing, and should be submitted via Council's preferred sourcing platform by the time and date as nominated on the request. Hard copies may be received, but must be enclosed in a sealed envelope and shall be placed by or on behalf of the tenderer in a box provided by Council. The tender box is located in the foyer of Council's Administration Building, Church Street, Dubbo.

Late submissions in response to publically advertised Quotations, Expressions of Interest and Tenders will not be considered unless prescribed under legislation.

Where a non-local supplier has provided a proposal for works all local supplier proposals for the same request will have, for comparative purposes, a nominal 5% deduction to their quoted price (up to a maximum of \$50,000). Additionally, 5 points will be nominally added to the selection criteria total scoring based on the maximum score being 100, provided at least 50% of the total work is performed by Local Suppliers after considering any sub-contractors used.

Where the evaluation criteria shows the same score for a non-local supplier and local supplier, preference is to be awarded to the local supplier.

SOCIAL PROCUREMENT

Disability Providers

Under Section 55 of the Local Government Act 1993, Council can directly engage disability service providers without the need to go to quotation or tender. To ensure probity and transparency other processes as listed in this Policy should be applied including those to ensure best value is being achieved.

Indigenous Business and Recognised Social Enterprises

Council is to maintain formal membership of an Indigenous sourcing panel. This specialised procurement sourcing panel allows Council to direct work offers to Certified and Registered Indigenous businesses.

PREFERRED SUPPLIER PANEL

Arrangements will normally result in a panel of suppliers that are qualified to supply certain goods or services, for a term of three (3) years. These arrangements will follow the procedures for publically advertised Tenders if goods or services are for continued engagement for two (2) years or more.

Once a preferred supplier panel has been awarded, and supply agreements are in place with a number of pre-approved qualified suppliers, Council can engage these suppliers through either; a schedule of rates ready to engage following agreed rotation, or; an arrangement after a contract for equipment to provide ongoing warranty, maintenance, servicing or repair of that equipment.

Preferred supplier arrangements should be used for supply of goods and services where possible up to \$150,000 total value.

SUPPLIER BY PREFERENCE

It is permissible to engage a supplier which bypasses other methods to procure goods and services through written approval of the Director, or CEO, subject to financial delegations.

This request is considered a "Supplier by Preference", and each engagement must obtain prior approval and be accompanied with an explanation as to why that supplier should be engaged.

The request should advise:

- What other suppliers exist and / or what steps were taken to determine no other suppliers exist
- Why it is impractical to engage a supplier through the other methods
- How it has been determined that the proposal represents the best value that can be achieved.

EMERGENCY PROCUREMENT EXEMPTION

Emergency purchases are made to fill an immediate, unexpected need of a serious nature relating to health, safety or protection of property where insufficient time to procure by the normal means under this policy is available. The work must be performed and at the earliest business opportunity, a purchase order raised for the appropriate approval process. Where a Purchase Order is raised in response to an emergency the Director should be notified in writing, as soon as practicable after the event, and any documents relating to this purchase attached to the requisition request and recorded in Council's record management system.

The notification should advise:

- What the emergency situation was
- Why the matter could not be dealt with under normal circumstances
- What the scope of works were requested from the supplier

GOVERNMENT CONTRACTS

Government Contracts and Local Government Panels can be accessed by Council through Local Government Procurement (VendorPanel) and Procurement Australia (Direct).

Where suppliers on any Government Contract have provided unit rates (pricing given) or schedule of rates (e.g. rate per tonne) the supplier can be engaged directly, without the need to request quotes for those goods and services as listed.

Where Government Contracts are utilised, the Contract identifier, or panel number must be referenced in requisition requests. There is no obligation on Council to utilise these contracts but they are available for consideration when making purchasing decisions and local supply is not available.

For quotation requests up to \$150,000 total value, a minimum of three (3) panel providers are to be selected.

For quotation requests above \$150,000 total value, no panel provider should be excluded, and the LGP quotation template and contract must be utilised unless justification of non-conformance expectations can be provided and pre-approved by the Divisional Director and Procurement Branch.

PAYMENTS TO SUPPLIERS

Prompt actioning and approval to pay invoices should occur unless:

- the invoice is technically / legally invalid (e.g. does not comply with GST legal requirements), or
- the work has not been done or the goods not received or we cannot determine if the work is done or good received, or
- the quality is unacceptable, or
- there is a dispute over the invoice/supply

Contracts that have been arranged through the publically advertised Quotations, Expressions of Interest and Tender processes, any other contract expected to lead to total payments above \$150,000 (including GST) over the life of the contract, (or for continued engagement for two (2) years or more at any value) must be recorded in Council's register of contracts as prescribed in the Government Information (Public Access) Act 2009 (GIPA Act).

Where payment by progress claims is contracted, the progress claim must be accompanied by a Progress Claim Cover Memo and where a claim for payment is made under the Building and Construction Industry Security of Payment Act 1999, each invoice must be accompanied by a Sub-contractors Statement Form.

ENGAGING CONSULTANTS

Consultancy is a service provided by a type of contractor where the output is a recommendation, or the provision of information that is unable to be produced by staff. There is a requirement to capture consultancy costs for quarterly reporting to Council, also in the Financial Statements each year.

RESPONSIBILITIES

All purchasing officers are responsible for the adherence to this Policy and be familiar with related legislation, policies and procedures. All approvers are responsible for enforcing this policy.

Any role can raise a requisition for any value, the maximum amount an approver can approve is based on financial delegations.

*Note: The below is an extract from the Financial Delegations, this table does not form part of the Purchasing and Procurement Policy. The data shown in the below extract is accurate as at 1 October 2021. Financial delegations may be approved and updated by the CEO from time to time. The below extract as it does not form a part of the Policy, will be updated accordingly.

Role	Maximum Total Value Amount approval	Supplier by Preference
Supervisor/Team Leader/Coordinator	Up to \$50,000	-
Manager	Up to \$150,000	-
Director	Up to \$250,000	Up to \$50,000

Chief Executive Officer	Over \$250,000	Over \$50,000
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APPENDICES

Pre-Purchasing – Safety Checklist (ED14/141448)

Progress claim cover memo (ED15/98134)

Subcontractor Statement form (ED21/148653)

CEO Delegations (Financial)