



EYRE PENINSULA

Local Government Association

PURCHASING & TENDERING POLICY

This document sets out the EPLGA's policy for the acquisition of goods and services and carrying out of the procurement principles. This policy applies to the procurement of all goods, equipment and related services and contracts.

INTRODUCTION

Through the promotion of fair and open competition, the EPLGA is committed to achieving quality services and best value for money and will:

- Implement competitive procurement to help ensure value for money without compromising quality or responsiveness;
- Provide services at the highest standard in the most cost effective manner;
- Monitor and fulfil the needs and expectations of the constituent Councils within the limits of the budget provided;
- Provide an environment which gives the opportunity to be innovative;
- Monitor contracts to ensure they meet legislative requirements and focus on improving the efficiency and effectiveness of services;
- To ensure the integrity of all procurement processes conducted by the EPLGA;

GENERAL PRINCIPALS

All tendering processes conducted by the EPLGA will be based on the following principles:

- Tendering at all levels shall be conducted honestly and in a manner that is fair to all parties involved;
 - Parties shall comply with all legislative obligations including those required by trade practices and consumer affairs legislation;
 - Shall have regard to the costs of bidding and the number of tenderers;
 - Tenderers shall bid only where they intend to carry out the work if successful;
 - The EPLGA will only call tenders after it has made a firm commitment to proceed with the project;
 - The conditions of tendering shall be the same for each tenderer.
 - Parties shall not engage in practices such as collusion on tenders, inflation of prices to compensate unsuccessful tenderers, hidden commissions, or any other such secret arrangements;
 - The EPLGA is prepared to attest to its probity, if necessary, by statutory declaration or other reasonable means;
 - Tender documents shall specify the EPLGA's requirements as clearly and precisely as possible and, when documents are altered, sufficient time shall be allowed for all tenderers to review and revise their tenders;
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- Any party with a conflict of interest shall declare those interests; and
- Tenderers shall retain the right to intellectual property submitted with tenders, including title thereto.

FUNDING ALLOCATION

Before steps can be taken to purchase goods or services, funds must be available in the approved EPLGA budget. Once the EPLGA has adopted the budget, it becomes a legal document, which must be adhered to. In circumstances where funds are not available for the purpose within the appropriate budget line, an alternative source of funds must be approved by the EPLGA.

UNBUDGETED PROCUREMENT AND EXPENDITURE

The EPLGA Board must approve any unbudgeted procurement and expenditure.

METHOD OF PROCUREMENT OF GOODS & SERVICES

A competitive method of obtaining goods or services for the EPLGA will generally be adopted in relation to the estimated gross value of the expenditure.

Method

Where it is estimated that the cost for the supply of goods or a service will fall outside the limits as detailed, the method of procurement will be:

- \$10,000 or less – informal quotation process to be undertaken
- \$10,001 to \$50,000 – formal quotation process to be undertaken
- >\$50,000 – formal tender process to be undertaken

Tenders for the supply of goods and/or services are to be presented to the EPLGA in the following instances:

- For tenders > \$150,000 to be presented to the EPLGA for decision
- Contracts \$50,000 to \$150,000 to be presented to the EPLGA for information purposes only (provided approved in budget and annual work plan).
- When a tender contains information which has been determined by the Executive Officer to be potentially sensitive or controversial.

The EPLGA Order Forms

All goods or services must be procured by purchase order, with the exception of goods valued at less than \$200 or credit card purchases. Documentation must be provided for reimbursement of expenses paid by staff.

Splitting of amounts and/or purchase orders to bring expenditure within lower limits is not permitted.

Credit Card

The EPLGA has a business credit facility with the Bank of South Australia. This facility entitles the EPLGA to a \$3,000 credit facility. The EPLGA authorises the Executive Officer to use the corporate credit card for EPLGA business only. Main uses will be for travel, accommodation and meal purposes and other minor purchases. At the end of each monthly period, all purchases will be reconciled with evidence of purchase to be attached to reconciliation.

Receipt of Goods

Unfilled orders should be regularly followed up to provide completion of procurement process.

QUOTATIONS

Informal Quotation Process

Where the gross value of goods or services are required which are estimated to cost \$10,000 or less, a reputable trades person or supplier, who has a history of cost effective work or supply for the EPLGA, may be asked to undertake the work or supply the goods which will include an immediate completion requirement.

Formal Quotation Process

Where the estimated gross value of the goods or services is greater than \$10000 but less than \$50,000, the method of procurement will be by formal written quotation. A minimum of three quotations must be sought, with these quotations to be submitted in writing.

Provided that a provision exists within the budget, approval to commit expenditure by formal written quotation can be authorised by the Executive Officer.

The formal quotation process will not apply if:

- It is impracticable to call for quotations in the circumstances of a particular case (i.e. single supplier etc.), or
- The EPLGA resolves for some other good cause that quotations need not be called for in the circumstances of a particular case.

TENDER PROCESS

Monetary Limit

The monetary limit for the provision of goods or services above which tenders must be called is \$50,000 and above.

The monetary limit will not apply if:-

- It is impracticable to call for tenders in the circumstances of a particular case, or
- The EPLGA resolves for some other good cause that tenders need not be called for in the circumstances of a particular case, or
- the goods are second hand/used that would make it impracticable to tender. In this instance a formal quotation process should be undertaken.

Tender Options

The tender process can be initiated by one of the four tender procedures as detailed:

- Open Tenders – All interested parties are invited through open public advertisement to tender on a common basis.
- Selected Tenders – A limited number of organisations are directly invited to tender because of their proven experience or recognised ability to undertake particular work. A minimum of three organisations must be invited to tender.
- Negotiated Tenders – A firm tender is arrived at by negotiation with a single prospective organisation. The negotiations must be carried out in good faith.
- Pre-registered Tenders – Expressions of Interest are invited for a project. Applicants are evaluated with a small number meeting the required criteria then being invited to tender.

Advertising

Invitations to tender shall be advertised on at least one occasion. The advertisements shall direct tenderers to identify the tender by placing the advertised tender reference on the outside of the sealed envelope or package in which the tender must be enclosed.

All invitations to tender for the provision of goods or services to the EPLGA shall specify a closing date, and the EPLGA may, at its discretion, extend a closing date.

All advertisements or invitations to tender will indicate "Tenders by facsimile and E-mail **will not** be accepted".

All advertisements or invitations to tender will indicate neither tender nor the lowest tender necessarily accepted".

Deposit

Tenders may be received through the mail or may be deposited in the locked container provided for the purpose, and designated as the Tender Box. Tenders received through the mail are to be addressed to the Executive Officer and marked "TENDER" and deposited in the Tender Box as soon as practicable.

A late tender submitted through Australia Post services will not be admitted unless it can be clearly established that it was posted before the date and time for the closing of tenders

Accidental Opening

When an envelope containing a tender is not marked as required, and is opened in the normal process of mail handling, the tender and the envelope are to be sealed into another envelope by the person dealing with the mail, correctly endorsed with the tender number and signed by the Officer, and immediately placed into the Tender Box. The contents of the tender must not be divulged to any other person by the said Officer.

Opening

The Tender Box shall be opened in the presence of at least two persons of which one will be the Executive Officer at the time specified in the invitation to tender as the time for the closing of the tender, or at such later times as may be necessary, and the appropriate tenders removed.

Where more than one tender is current at the one time, all tenders in the Tender Box other than the one closing are to be replaced and locked into the Tender Box immediately the tenders have been sorted and identified.

Immediately, after the tender box is opened, the tenders must be opened and initialled by the two persons present at the opening of the tender box.

Details of all tenders received shall be entered in the Register of Tenders.

The Tender Register shall record the following details:-

- a brief description of the item or service to be tendered
- tender number
- date tender called
- date and time tender closes
- date and time tender opened

- name and address of all tenderers
- gross/trade-in/net values and brief details for each tender
- successful tenderer
- central records management file location

EVALUATION OF TENDERS & QUOTATIONS

Qualifications – Formality of Tender

A tender which does not comply with the tender documents may be rejected. The tenderer will be given reasonable opportunity to comply with the tender documents but only without alterations to the submitted tender price.

Alternative Offers

Alternative offers may not be considered unless provision is made for such offers within the tender documents. Where an alternative is offered by a tenderer, such alternative is relevant to that tenderer only and cannot be priced by any other tenderer.

Evaluation should consider tenderers:-

- technical, management, physical and financial capacity;
- current commitments;
- standing within the industry;
- record of performance;
- ability to perform the works;
- occupational health, safety and welfare systems management.
- Tender price
- Level and quality of goods or services to be provided

Acceptance of Other than the Lowest

Where it is intended that the lowest tender will not necessarily be accepted then such information should be provided to all prospective tenderers.

The tender most advantageous to the EPLGA will be the one considered for acceptance. Where it is proposed to pass over a formal tender, the tenderer may be informed of the reasons before the preferred tender is accepted.

Confidentiality

Safeguards will apply to secure the confidentiality of tenderers. All information provided between the tenderers and the EPLGA will be treated as confidential and both the tenderer and the EPLGA will maintain such information as confidential and commercial-in-confidence.

ENVIRONMENTAL PURCHASING POLICY

There is growing public awareness of the need to protect the environment by discontinuing the manufacture of certain products which are harmful to the environment and by the conservation of scarce resources and by recycling used materials where applicable.

The EPLGA is committed to supporting the market for recycled and environmentally sensitive products by increasing both supply and demand where practical and effective, and by encouraging economic growth and development in recycling and related industries.

Those who are responsible for the sourcing and procurement of the EPLGA's materials requirements, are encouraged to protect the environment by discontinuing the purchase of products which are harmful to the environment and to promote the preservation of the environment by increasing recycling activity where practicable.

This can be achieved through promotion of the collection of otherwise reusable or recyclable products for recycling and to purchase these products where it is efficient to do so, to increase market viability by increasing demand.

Therefore, preference is to be given to the purchase of products containing 50% or more of recycled material from Australian waste, provided the product is fit for the purpose and is comparable in price to the new or replacement material alternatives.

BUY LOCAL

Preference for the provision of goods and services will be given to local suppliers only where the price, quality, availability and service provision is comparable to other suppliers or where an economic benefit will accrue to the EPLGA or the region.

This preference will be included in all future tender documents for the provision of the EPLGA goods and services which are contracted out.

OCCUPATIONAL HEALTH, SAFETY & WELFARE POLICY

The EPLGA believes that a bi-partisan approach to workplace health and safety is beneficial to all persons at the workplace. Employees and where appropriate their elected Health & Safety Representatives or Committee have the right both legally and morally to be kept informed of any changes to the workplace which might effect their health or safety.

All purchasing contracts will be endorsed with the requirement that all prescribed standards of the Occupational Health, Safety & Welfare Act are met.

COMPLIANCE WITH ALL AUSTRALIAN STANDARDS

The EPLGA will ensure that the delivery of all goods and materials satisfies all of the requirements of all relevant Australian Standards.

QUALITY ASSURANCE ENDORSED COMPANIES

The EPLGA will ensure that where practical, preference is given to suppliers and manufacturers who are quality endorsed and accredited to the SA 3900/ISO 9000 Quality Standard.

Note: A catalogue of certified companies is available from Quality Assurance Services, a division of Standards Australia.

Strategic Link: Objective 1: ACTIVELY ASSIST MEMBERS BY REPRESENTING THEIR COMBINED INTERESTS

Delegation: The following the EPLGA officers are authorised to procure goods or services within budget area limitations, and with compliance to all parts of this policy:

The Executive Officer

RDAWEP Support Staff Member

Area of Responsibility	Level of Responsibility Per Item
Organisational	
Executive Officer	Unlimited within budget constraints and compliance with Tender & Purchasing Policy
RDAWEP Support Staff Member	Up to \$5,000 Purchases for Board Member & EO travel, meeting, and conference arrangements only, and approved staff training arrangements.

Sub-Delegation: Delegation made to a specific position (including Executive Officer) extends to any person appointed to act in the position.

In the absence of the Executive Officer, delegation extends to the President.

Legislation: Local Government Act 1999, Occupational Health & Safety Act 1986;

Documentation: Australian Standard Code of Tendering (SA4120 (INT)-1993); SA 3900/ISO 9000 Quality Standard

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