

Policy

Title: Procurement Policy

Category: Corporate Governance

Date Last Adopted: 24 August 2020

1. Objectives

The City of Hobart is committed to implementing best practice procurement to achieve maximum sustainable benefit for its community. This policy is the foundation from which detailed procedures will be developed and education for Council Officers provided to ensure the continuous improvement of Council's procurement procedures and honouring of its commitment.

This policy applies to all forms of procurement by the City of Hobart including acquisition, provision and disposal of materials, services and works. The principles in this policy and its implementing procedures must be followed by all employees.

2. Background

This Policy was developed to ensure that the Council's procurement framework is of a sound policy basis for the guidance and control of procurement processes.

3. Policy

Governance and Structure

1. The City of Hobart will ensure that its procurement activities meet the legislative and legal framework within which it operates.
2. Council will establish a procurement management and delegations structure that ensures accountability, transparency and auditability of all procurement decisions made over the lifecycle of all goods, services and works procured by the Council.
3. Procedures for implementation of this Policy and related policies are contained in the City's Integrated Management System.

Principles

4. Council will ensure value for money with a balanced whole-of-life evaluation that includes consideration of financial, social, ethical, risk mitigation, local benefit, economic and environmental factors. To deliver on this commitment to procurement in a way that meets operational requirements and achieves the highest commercial and sustainability outcomes, it is the Council's policy to:
 - (i) comply with applicable legislation and laws;
 - (ii) undertake efficient, effective and sustainable procurement;
 - (iii) establish procedures that ensure fair, transparent and effective competition;
 - (iv) establish procedures aimed at fostering relationships with our suppliers in a manner that is reasonable, ethical, efficient and open;
 - (v) exercise responsible financial management and accountability for actions;
 - (vi) establish and maintain a diverse supply chain, with particular focus on supporting the delivery, or potential to deliver, social, economic and/or environmental benefit to the Hobart region;
 - (vii) support Australian owned suppliers and/or suppliers who manufacture in Australia, where doing so is appropriate and permissible by law, focusing on those in the Hobart region;
 - (viii) consider suppliers and industry groups that develop and/or apply innovative responses in relation to sustainability issues;
 - (ix) actively manage our contracts;
 - (x) engage our suppliers on strategies for achieving our procurement objectives and assist in building market capacity, and
 - (xi) identify and manage the risks associated with procurement.

Tender Threshold

5. For the purposes of calculating the requirement to undertake a public tender as defined by the *Local Government Act 1993 (Tas)* and the *Local Government (General) Regulations 2015 (Tas)*, it is the Council policy to conduct a public tender where:
 - (i) For any procurement that is in the nature of a lump sum contract the value exceeds, or it is reasonably foreseeable that the value will exceed \$250,000; and

- (ii) For any procurement that is in the nature of a periodic supply contract (whether sole provider or panel of providers etc.) where the whole of Council aggregate value will exceed, or is reasonably likely to exceed \$250,000 over a period of two (2) consecutive years, or over the intended length of the contract, whichever is the greater.

4. Legislation, Terminology and References

Local Government Act 1993 (Tas)

Local Government (General) Regulations 2015 (Tas)

Responsible Officer:	Director City Governance
Policy first adopted by the Council:	13/02/2013
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