

Keywords: *Contract, Tendering, Purchasing, Procurement*

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| Classification: | <i>Executive Services – Statutory Policies – “ Procurement Policy (Contracting & Tendering)”</i> |
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| Applicable Legislation: | <i>Sections 49 and 50 – Local Government Act 1999</i> |
| Relevant Policies: | <i>Code of Conduct - Council Employees; Fraud & Corruption Prevention Policy Whistle Blower Protection Policy; Asset Accounting Policy; Credit Card Purchasing Policy</i> |
| Related Procedures: | <i>Public Consultation not required prior to adoption or alteration Procurement Procedures, Credit Card Purchasing Procedures</i> |
| Delegations: | <i>Berri Barmera Council Delegations Register</i> |

Purpose

The Procurement Policy has been developed in accordance with the intent and requirements of Section 49 of the Local Government Act 1999. The policy provides a basis for Council to provide best value to its customers and the community in the manner in which it carries out its duties, functions, responsibilities and obligations in the purchasing and provision of goods and services, and the sale and/or disposal of land, assets etc.

Principles

To outline the principles and procedures that the Berri Barmera Council will follow in addressing competitive tendering processes, contracting, purchasing and the sale/disposal of land and/or assets.

STATEMENT OF COMMITMENT

The Berri Barmera Council is committed to ensuring a fair, transparent and accountable process, in the provision of services, purchasing of goods and services and in the disposal of land and other assets.

The Berri Barmera Council aims to ensure that its methods of:

- * service provision, including the carrying out of works,
- * purchasing goods and

- * the sale and disposal of land and or other assets are cost effective and meet the needs of the community and represent best value for money.

The Berri Barmera Council's Asset Management Policy addresses the key elements of the conduct of Council affairs in these areas and the principles that will guide its decision making processes.

SERVICE PROVISION

The Berri Barmera Council's Charter – The Principles

In fulfilling Council's service provision role, the following principles will apply:

- * Consistency with and relevance to Council's Strategic Management Plans.
- * Determination of service delivery approaches on the basis of best short and long term value (i.e. quality and cost standards will be met, the service will be responsive to the needs of the community and will be accessible to those for whom it is intended).
- * Adoption of efficiency, effectiveness, accountability and transparency measures.
- * Consideration of the impact of service delivery approaches on local businesses.
- * The desire to retain an appropriate level of staffing.
- * Adoption of principles of human resource management and compliance with industrial awards and relevant enterprise agreements has regard to Council's employee relations objectives.
- * The appropriateness and necessity for Council to retain control over the way in which services are provided and its response to emergency situations.
- * Compliance with statutory obligations and the National Competition Policy.
- * Opportunities for creating or maintaining economic development and growth in the area and participation with other spheres of government, community groups and the private sector in service delivery.
- * Other relevant factors.

Service Provision Options

Council has identified the following options for the provision of services:

- * Competitive tendering - exposing the provision of Council services to competition through a formal tendering process irrespective of whether the service has been traditionally provided by Council employees or an external provider. The tendering process may involve "in house" staff tendering with external providers for specific projects, services and activities.
- * Contracting out or outsourcing - to an external provider.
- * Contestability - involving staff in identifying and adopting productivity improvements in service delivery designed to meet service standards determined through performance measurement, benchmarking and market testing.
- * Subsidiaries - where Council establishes an incorporated body for the delivery of services or it co-operates with other Councils to establish such a body. The Local Government Act provides for single Council Subsidiaries or Regional (more than one Council) Subsidiaries.
- * Collaborative ventures - where council joins with another organisation, Local Government authority, State Government authority or private sector company to jointly deliver a service.
- * Commercial activities – projects which may involve the establishment of joint ventures, trusts, or partnerships.

In identifying the circumstances in which to apply the above options Council will consider:

- * Council's Strategic Management Plan goals and objectives.
- * Council's Enterprise Agreement.
- * Maintenance of control of specific services by Council.

- * The risks to Council in adopting the various options.
- * The number of competitors in the market place.
- * The Council's current service delivery arrangements.
- * Council's existing resources.
- * Council's desire to enter into commercial activities or projects.

PURCHASE OF GOODS & SERVICES

The Berri Barmera Council's Charter – The Principles

In fulfilling Council's purchasing role, the following principles will apply:

- * Consistency with and relevance to Council's Strategic Management Plan.
- * Transparency and accountability in purchasing procedures and practices to ensure that Council purchases at the best price and that all potential suppliers are given equal opportunity to provide the required goods and services.
- * Opportunities to enhance local economic development and growth.
- * Compliance with statutory and other obligations.
- * Commercial confidentiality.
- * Other relevant factors.

Purchasing Options

Generally, Council will purchase goods through adoption of the following approaches:

- * Direct purchase - where there is only a single supplier or the particular circumstance means the involvement of only one potential supplier.
- * Quotation – seeking quotations from two or more suppliers.
- * Selected Tender - seeking tenders from a limited number of suppliers on the basis of, for example, location, previous performance, the result of an Expression of Interest process.
- * Open Tender – seeking tenders from the market at large through an open invitation process e.g. advertisement.

The need for selected or open tenders will be determined in the first instance by the value and limits of the purchase as detailed below. Conditions of tendering will be in accordance with Council's Procurement Procedures.

In identifying the circumstances in which to apply these options, Council will consider a number of issues, e.g.

- * The number of known suppliers of the goods or services.
- * The existence of local suppliers of the goods or services and the impact on the local economy if the goods or services were purchased from outside the council area.
- * The total estimated value of the purchase.
- * Organisational capacity and attitude to elected Council/staff roles and responsibilities in purchasing.
- * Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of supply.
- * Previous experience with suppliers.
- * Compliance with statutory obligations.

Goods and services will be obtained by use of an official order. Official Council orders will be authorised by an Officer delegated to sign such orders.

Before the purchase order is authorised it will include, the cost (or reasonable estimation) of the goods and services so ordered

Purchasing Methods and Limits

| Method | Limit |
|--------------------------------|--|
| Petty Cash | Less than \$100 |
| Direct Purchase | Less than \$1,000 |
| 1 Quotation | \$1,001 - \$5,000 |
| Two Quotations | \$5,001 - \$10,000 |
| Three written quotes | \$10,000 – \$50,000 |
| Tender (Select or Open) | Greater than \$50,000 |
| Municipal Purchasing Contract* | No limit |
| **Credit Card | Refer Credit Card Purchasing Policy regarding spending caps and transaction limits |

- * A Municipal Purchasing Contract is an industry or state wide purchasing agreement that has been established by a tender process, example include State Government Contracts, Council purchasing arrangements and regional contracts such as those negotiated under the G3 purchasing group.

The Berri Barmera Council is a member of the G3 Purchasing Group which aims to achieve uniformity in specification of goods, works and services purchased commonly across the G3 Purchasing Group membership. The objectives of this purchasing alliance is to attract more suppliers, improve bargaining power, reduce costs and improve efficiency. Membership of the G3 Purchasing Group includes the Berri Barmera Council, Renmark Paringa Council and the District Council of Loxton Waikerie.

- ** Council operate a corporate credit card purchasing system which permits an appropriate level of cards to be issued to operational staff throughout the organisation. The purpose of the corporate credit card purchasing system is to augment, not replace, existing procurement practices. Credit card transactions are used for minor, frequent purchases or 'one off' purchases or payments where time is of the essence and when obtaining 'sale' prices for goods and services. Credit cards may also be used generally for accommodation, travel, minor library purchases on-line, conference fees, training course fees and hospitality. – Refer to Credit Card Purchasing Policy for register of cardholders and to Credit Card Purchasing Procedures for procedural matters.

Requests to vary the above options, methods or limits must be forwarded in writing to Council's Chief Executive Officer providing sufficient reason and information for variation. Council's Chief Executive Officer may authorise procurement policy variation based on information provided and within delegated authority.

SALE AND DISPOSAL OF LAND AND OTHER ASSETS

The Berri Barmera Council's Charter – The Principles

For the sale and disposal of land and other assets, the following principles will apply regarding decisions of Council:

- * Consistency with and relevance to Council's Strategic Management Plan.
- * Transparency and accountability in sale and disposal procedures and practices to ensure that Council obtains the best price and that all potential purchasers are given equal opportunity to purchase the land or assets.
- * Opportunities to enhance local economic development and growth.

- * Compliance with statutory and other obligations.
- * Commercial confidentiality.
- * Other relevant factors.

Sale and Disposal Options

Generally, Council will sell or dispose of land and other assets through adoption of the following practices:

- * Direct sale - advertisement for sale and the nature of the advertisement i.e. public notice, local paper etc.
- * Quotation - seeking quotations for the sale of land and other assets.
- * Selected Tender - seeking tenders from a selected group of persons/companies etc.
- * Open Tender - openly seeking, through advertisement, tenders, or buyers for Council, land and other assets.
- * Auction - by selecting an Agent to conduct the sale by auction.

In identifying the circumstances in which to apply these options, Council will consider a number of issues, e.g.

- * The number of known potential purchasers of the land or assets.
- * The original intention for the use of the land or asset when purchased, where relevant.
- * The current and possible preferred future use of the land or assets.
- * The existence of local purchasers of the land or asset.
- * The opportunity to promote local economic growth and development.
- * The total estimated value of the sale.
- * Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of the sale.
- * Compliance with statutory and other obligations.

CONSULTATION

The Berri Barmera Council recognises its responsibilities under Section 50 of the Local Government Act 1999 and its Public Consultation Policy.

Council also recognises its Enterprise Agreement, Industrial Awards and other employee relations obligations and, consistent with the requirements of these documents, the CEO will consult with staff on decisions that will significantly impact on their employment with Council.

The Decision Making Process

Council recognises that the community, local businesses and contractors will from time to time have an interest in the manner and approach adopted by Council when determining service delivery, purchasing and disposing of land and other assets.

Council delegates authority to the CEO to make decisions regarding the matters covered in this policy is follows:

- * the budgeted purchase of services or goods is less than \$200,000.
- * the disposal of land is not delegated
- * the disposal of other assets is less than \$50,000.

Where the CEO deems necessary for the Council to be made aware of decisions regarding the above delegations, the CEO will bring the matter before Council for consultation prior to authorisation.

Council or its officers with delegated authority will, when making decisions under this Policy, act in accordance with the Council's budget, relevant policies, plans, industrial awards, agreements, resolutions etc.

Council acknowledges that the CEO may sub-delegate matters related to this policy to staff or other persons employed or engaged by Council.

Council may also delegate matters covered by this policy to its Committees or Subsidiaries.

Contracts and Tenders

When undertaking contract and tender activities Council's decision making process will reflect the following:

- * whether tendering will assist Council to achieve its strategic objectives and strategies.
- * customers of the service will not be disadvantaged.
- * responsibility of Council for the provision of the service will not be adversely affected.
- * it is practical and possible to specify the quality and quantity of the service required to be delivered.
- * it is deemed appropriate for Council to continue to ensure the service is provided.
- * following the completion of a market analysis, there is scope for the provision of the service by an external provider and there is potential to gain savings not currently available to Council.
- * gains (financial and non-financial) are greater than what could be achieved through direct provision of the service by Council.
- * the relationship between the service to be contracted or tendered to other related services in the Council.

Where Council determines it will use a contract or tender arrangement under this Policy, it will decide whether:

- * to adopt a selective or open tender process.
- * prepare appropriate documentation to inform potential providers of the service of the necessary information to formulate their tender and the manner in which to submit an offer.
- * offer an opportunity to "in house" teams to bid for the service and make it known to all external bidders that an "in house" team may be competing for the delivery of the service.
- * form a selection panel to consider offers made for the provision of the service.
- * the selection panel will make a recommendation to the Council or the CEO, depending upon delegations.
- * manage any complaints arising from the decisions taken by Council consistent with its Internal Review of Decisions Procedures required under the Act.
- * Council will make available procedures relevant to specific tendering activities.

Documentation

To assist in demonstrating that its service provision, purchasing and disposal processes are cost effective, fair, transparent and accountable, and meet community needs, Council will document the reasons for entering into contracts other than those resulting from a tender process.

Work Health & Safety

The Berri Barmera Council will only engage suppliers who are able to maintain a level of Work Health and Safety acceptable to the Berri Barmera Council. As a minimum, this will be compliance to the Work Health and Safety Act 2012 (SA) , all associated regulations and all requirements relating to contractors in Council's relevant Work Health and Safety policies, and as specified in terms and conditions of contractual arrangements.

When considering the purchasing, hiring or leasing of plant, equipment and substances a pre-purchase review will be undertaken before the purchase occurs. All reasonably foreseeable hazards are to be identified and assessed and prior to the introduction of plant, equipment and substances into the workplace.

(Refer associated procedures – WHSW002/03 Plant/Equipment Inspection Procedure, WHSW007/12 Hazardous and Dangerous Substances Procedure, WHSW005/02 Contractor Management Procedure.)

Availability of the Policy

The Policy is available for inspection at Council's principal office in Berri and Council's website www.berribarmera.sa.gov.au

Copies will be provided to interested parties upon request at no charge.

***Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that is the current version.***

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| Strategic Plan: | <i>Goal 5 Strong Internal Capability and Capacity</i> |
| Classification: | <i>Internal – Administrative</i> |
| First Issued/Approved: | <i>10 June 2014</i> |
| Review Frequency: | <i>Biennial</i> |
| Last Reviewed: | <i>January 2018</i> |
| Next Review Date: | <i>January 2020</i> |
| Responsible Officer(s): | <i>CEO, MCS</i> |
| Council File Reference: | <i>7.87</i> |
| Applicable Legislation: | <i>Sections 49 and 50 Local Government Act 1999</i> |
| Relevant Policies: | <i>Contracting and Tendering Policy, Credit Card Purchasing Policy</i> |
| Related Procedures: | <i>Internal Financial Controls, Credit Card Purchasing Procedures</i> |
| Delegations: | <i>Berri Barmera Council Delegations Register</i> |

OVERVIEW

This procedure sets out the requirements to be followed when administering a contract tender process or purchasing goods and services. These may be supplemented as necessary by the Chief Executive Officer or Council as any given case may require.

This procedure is to be read in conjunction with the Contracts and Tendering Policy and the purpose and objective of this document is to standardise procurement practices and procedures for the Berri Barmera Council.

SCOPE

This procedure applies to all Council officers required to tender and to all Council officers with a delegated authority to incur and approve expenditure for goods and services on behalf of Council. It further extends to officers of council required to perform the administrative tasks for procurement as directed by their superiors.

PROCUREMENT OPTIONS

The following options will be available to Council officers when conducting procurement activities on behalf of the Berri Barmera Council:

- Direct purchase – where there is a single supplier or a particular circumstance where the involvement means there is only one potential supplier.
- Quotation – seeking quotations from two or more suppliers

- Select Tender – seeking tenders from a limited number of suppliers on the basis of, for example, location, previous performance, the result of an Expression of Interest process.
- Open Tender – seeking tenders from the market at large through an open invitation process e.g. advertisement.

With reference to the Contracting and Tendering Policy the following purchasing methods and limits apply:

| Method | Limit |
|-------------------------|-----------------------|
| Petty Cash | Less than \$100 |
| Direct Purchase | Less than \$1,000 |
| 1 Quotation | \$1,001 to \$5,000 |
| 2 Quotations | \$5,001 to \$10,000 |
| 3 Written Quotations | \$10,001 to \$50,000 |
| Tender (Select or Open) | Greater than \$50,000 |

Note – Official purchase orders, authorised by appropriate delegated Council Officers, must be issued BEFORE any purchases are made by any of the above listed methods.

The use of credit cards are for instances where it is considered more cost effective than traditional methods of purchasing – Refer Credit Card Purchasing Policy and Credit Card Purchasing Procedures.

EXTERNAL PROCUREMENT SERVICES

Where Council undertakes procurement through contract arrangements already established by external procurement services, it will be deemed that all probity matters are satisfied within the practices administered by the external organisation. These external procurement services may include:

- LGA Procurement
- Procurement Australia
- Strategic Purchasing
- State Government Contracts
- G3 Purchasing Group

PROCEDURES

Petty Cash

Petty cash may be used for purchases of or below \$100. Receipts must be retained, documented and approved by the appropriate officer with delegated authority for all purchases made from petty cash.

Direct Purchase

Direct purchases may be made by Council officers with the delegated authority to purchase goods and services up to the value of \$1,000 directly from suppliers if:

- Provision exists in the current annual budget.
- The annual limit for that budget allocation has not been exceeded.
- The Council officer undertaking the direct purchase is satisfied that the price is competitive and that the supplier is the preferred or sole supplier of the goods and/or services.

The value of the direct purchase is to be recorded on the purchase order with the supplier's name, Australian Business Number and contact details and prices.

Quotations

The number of quotations to be sought are with reference to the limits shown above and in accordance with the Contracting and Tendering Policy. Where it is a requirement to obtain 3 quotations and it is not possible to obtain 3 quotations Council's Chief Executive Officer may issue an exemption authorising a variation from this minimum requirement. Such an exemption must be clearly recorded on all documentation relating to the procurement.

Under no circumstances are orders to be split so that the total value of the order falls under the amount of the quotation limit and the Council Officer's delegated authority.

The responsible Council Officer will review all quotations and if not accepting the lowest priced bid, will document the reasons and forward to the appropriate Manager for acceptance and authorisation to proceed with the purchase.

Each Council Section 41 Committee (e.g. Berri Beautification Committee, Barmera Beautification Committee, Martin Bend Recreation Area Committee) has a delegated senior Council Officer who shall be responsible for ensuring quotations and purchases for goods and services are carried out according to these procedures.

Tenders

In accordance with the Contracting and Tendering Policy any purchases greater than \$50,000 will require Council to formally tender for the particular purchase or contract for the supply of goods and services.

Under no circumstances is a contract to be deliberately split into two or more parts in an effort to avoid the requirement for tendering.

It is the responsibility of the delegated Council officer to select the most appropriate tendering method. The choice of tendering method may be that which is best suited to the procurement to be undertaken and can be either by select tender or by open tender as defined above.

Open tenders may be advertised on the Tenders SA website with a link to Council's own website as well as advertised locally in a newspaper distributed throughout the region or advertised in a newspaper more widely distributed throughout the State.

The following principles will apply to all Council tenders –

- Parties must conduct the tendering process with honesty and fairness at all levels.
- Parties must conform to all legal obligations.
- Parties must not seek or submit tenders without a firm intention to proceed.

- Parties must not engage in any practice, including improper inducements, which give one party an improper advantage over another.
- Conditions of tendering must be the same for each tenderer.
- All requirements must be clearly specified within the tender documents and criteria for evaluation must be clearly indicated.
- Evaluation of tenders must be based on the conditions of tendering and section criteria only, as defined in the tender documents.
- All tender documents received by Council will be treated as confidential if the content of the documents contain intellectual property, proprietary, commercial in confidence or other confidential information.
- Any party with a conflict of interest must declare that interest as soon as that party knows of the conflict.
- All dealings between parties are to be transparent and able to withstand public scrutiny.

Tendering Process

Where it is determined that a tendering process will be undertaken the following process will be followed:

- **Relevant Officer**

The Chief Executive Officer or Department Manager with the delegated authority will be responsible for managing the tender call and will be responsible for the supply of all relevant documentation and information to prospective tenderers.

- **Tendering Period**

All invitations to tender must specify a tender period including a closing date, time and the requirement that sealed tenders are to be marked "Tender – (name of tender and reference number)". The tender period must be suitable to allow time for tenderers to visit the site (if necessary), to study the tender documents and prepare an offer.

- **Extension of Tendering Period**

The tender period may be extended where the relevant officer can show sound cause. All tenderers are to be notified of the change in closing date.

- **Clarification of Documents during the Tender Process**

Requests for clarification shall be referred to the relevant officer named on the tender documents. Where considered necessary, all explanations and clarifications given should be confirmed in writing and issued to all prospective tenderers to ensure that all tenders are on a common basis. For this reason, a record should be kept of the names and addresses of those organisations to which tender information is given.

- **Amendments to the Tender Documents**

- Amendments to the tender documents must be avoided at all times. Where matters of significance make it necessary to amend tender documents, the amendments, in the form of addenda must be issued by the relevant officer. Amendments should be limited to essential matters where work involved cannot be covered by a variation to the contract.
- Where the issuing of addendum is essential, all prospective tenderers must be issued with a copy in sufficient time before the closing date for tenders to allow the amendments in their tender for each addendum.

- Tenderers must acknowledge receipt of the addendum in writing with their tender and confirm that allowance has been made in their tender for each addendum.

- Lodgement of Tenders

- Tenders received before the closing date must be placed in a locked tender box under the direction of the responsible officer.
- Where it is not possible to place all tenders and supporting papers in the tender box, separate secured storage facilities under the control of the responsible officer will be provided in advance of the tender closing date. Tender papers not placed in the tender box shall be endorsed by the responsible officer with details of receipt and placed in secure storage.
- All tenders received must be endorsed with the exact time of receipt. When envelopes containing tenders have been opened due to lack of identification, they should be immediately resealed and the envelope suitably endorsed and referred to the responsible officer.
- No tender price offered orally shall be accepted.

- Tender Opening

As soon as practicable after the closing date the tender box shall be opened by the responsible officer together with one of the following officers –

- Chief Executive Officer, or
- Manager Corporate Services, or
- Manager Infrastructure Services, or
- Manager Environmental Services

The date and time of opening the tender document will be marked on the tender and both persons present will sign the document.

- Late Tenders

- A tender received after the closing date that is either hand-delivered 'over the counter' or received through the mail, email or other means must be deemed late and shall be endorsed with the exact time of receipt. A person delivering a tender 'over the counter' will be asked to initial the endorsement.
- A late tender is to be opened and endorsed with the time and the circumstances of receipt. The envelope enclosing a late tender is to be attached to the tender.
- A late tender hand-delivered 'over the counter' is not to be admitted. A late tender submitted through official Australia Post Services of pre paid cost will not be admitted unless it can be clearly established to the satisfaction of the responsible officer that they were posted before the date and time of closing of tenders and in the ordinary course of post would have been received at the place named in the call for tender.
- The onus is on the tenderer to ascertain what is sufficient time, depending on the delivery services selected, to have tender documents delivered before closure date of the tender.
- A tenderer whose tender is rejected as being late must be advised promptly.
- Adequate safeguards should be used to ensure the preservation of the confidentiality of tenders which are received late and are not permitted for consideration.

- Evaluation of Tenders

- Evaluation of tenders should consider:
 - Compliance with the tender documents.
 - Price.
 - Technical, management, physical and financial capacity.
 - Current commitments.
 - Standing within the industry.
 - Record of performance.
 - Ability to perform any works.
 - Work, Health and Safety systems.
- A tender that does not comply with the tender documents is liable to be rejected. The tenderer may be given reasonable opportunity to comply with the tender documents but only without alterations to the submitted tender price. Where a tenderer claims an error has been made calculating the tender or has omitted to include a provisional sum, the tenderer shall not be permitted to amend the tender price. In such situations, the tenderer has the options of adhering to or withdrawing the tender price or being passed over.
- Alternative of non complying tenders are not to be considered unless provision is made for such offers within the tender documents.
- There are occasions where negotiation of a tendered price may have to be considered before a tender is accepted. For example, where significant errors and/or omissions in the documents has affected the prices tendered or where the tender prices received are above the prices anticipated and the Council has insufficient funds to cover them.
- Where negotiations of a tendered price is conducted, such negotiations will be concluded prior to acceptance with the lowest acceptable tenderer only, notwithstanding that the estimate or the price received for the amendment when added to the lowest acceptable tender may exceed other tenders.
- If the value of the amendment in relation to the tender price is significant and a satisfactory price cannot be negotiated with the lowest acceptable tenderer, it may be necessary to recall tenders.
- Where it is intended that the lowest tender will not necessarily be accepted then such information should be provided to all prospective tenderers. Any tender may be rejected provided the Council acts honestly and with probity in doing so.
- The tender most advantageous to the Council should be the one considered for acceptance. The reasons for accepting such a tender shall be recorded in the evaluation report prepared.
- Where the value of the lowest conforming tender exceeds the budget allocation a report on the tenders received shall be submitted to Council in confidence.
- All tenderers will be acknowledged and the outcome of Council's evaluation and decision in writing on conclusion of the tender process
- Council has the right to refuse any or all tenders in relation to a call for tenders.

- Re-Tendering
 - Re-tendering will be avoided unless the tender documents have been amended or a substantial period of time has elapsed since tenders were initially invited.
 - Should it be decided following a calling of open tenders to recall tenders on a select tender basis, opportunity should be given to each original tenderer to submit a price unless there are sound reasons for not doing so.
 - Where a tender has been let and additional works of a similar nature are required in the same financial year, the responsible officer may utilise the same contractor, without the need to recall tenders, provided the unit rate has a variance not greater than +5% and the project remains within the budgeted allocation.

PREFERRED CONTRACTORS AND SUPPLIERS

Council undertakes works that require ongoing use of supplies of goods and services that are repetitive by nature e.g. electrical, parts and hardware supplies etc. Council shall have a list of preferred contractors and suppliers for Council officers to refer to when considering procurement needs of Council.

All preferred contractors and suppliers will be subject to constant performance evaluation to maintain the integrity of the service provision principals as detailed within Council's Contracting and Tendering Policy.

In some instances Council has entered into contractual arrangements with preferred contractors/suppliers. In these instances the terms specific to the contract may alter the processes as detailed within these procedures. The Berri Barmera Council reserves the right to consider renewal of a contract without a call for further tenders. The Council Officer responsible for the contract, and who has delegated authority, may extend the contract for the same period of the initial contract either in part or in full if the Officer is satisfied that the contract represents value for money and that the contractor is providing the required service of the contract.

EMERGENCY PURCHASES

Purchases can be made without the need to initially follow these procedures in emergency situations. Such situations will only be when there is a need to:

- Respond to genuine concerns for public safety
- Avoid major expense
- Ensure the security of Council assets
- Activation of an emergency response plan

Determination of whether these situations apply will be at the discretion of the Council Officer with the relevant authority and the following will apply:

- Expenditure must be within financial delegation
- Expenditure must only be limited to that required to alleviate the emergency situation
- Requirements of these procedures are to be resumed as soon as practicable.
- Details of the purchase will be reported to the Chief Executive Officer.

CONTRACT MANAGEMENT SYSTEM

Where applicable, all processes detailed within this procedure document will comply and be recorded within Council's Contract Management System.

RISK MANAGEMENT

Where practicable, the risk of purchasing goods or services should be assessed prior to purchase to ensure that appropriate controls can be put in place for management of that risk.

Where tenders are used as the method of purchase Council will ensure that appropriate risk management practices and procedures are included in its tender documentation. All successful tenderers will be required to comply with current Work, Health and Safety legislative requirements and regulations and shall effect and maintain appropriate insurance policies.

RECORDS MANAGEMENT

It is important that all tender documents are captured within the Council's records management system. The responsible officer must ensure that all original documentation is lodged with the Records Officer.

GST

All dollar values mentioned throughout this document are GST exclusive.