



Procurement Policy

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Policy refresh – procurement principles, service delivery model, ethical, sustainable and socially responsible procurement, probity statement, responsible officer and related document updates	V03	Executive Lead - Finance and Commercial Operations	30/06/2026	Council	16/07/2026	July 2030

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1. Purpose

The purpose of this Procurement Policy (the Policy) is to establish a framework for the efficient, transparent and ethical procurement of goods, services, and works by Port Macquarie-Hastings Council (Council).

This Policy ensures that Council's procurement practices promote competition, uphold integrity, support sound governance, deliver best value for the community and comply with relevant legal and regulatory requirements.

This Policy also recognises that public procurement can contribute to broader public value, including ethical supply chains, environmental sustainability, local economic participation, social outcomes and First Nations supplier participation, where relevant and proportionate to the value, risk and nature of the procurement.

2. Statement

Council is committed to procurement practices that are fair, transparent, accountable and easy to engage with.

Council recognises its role as a steward of public resources. Procurement decisions must therefore be made in a way that delivers best value for the community, manages risk, supports probity, encourages competition and enables effective service delivery.

Council also recognises that procurement can support broader outcomes for the Port Macquarie-Hastings region, including sustainable local economic activity, responsible environmental outcomes, ethical supply chains, and improved access for local, small, First Nations and social enterprise suppliers.

3. Scope

This Policy applies to all procurement activities conducted by Council, encompassing the acquisition of goods, services and works. It extends to all stages of the procurement lifecycle and applies to all individuals involved in procurement on behalf of Council.

This Policy is binding on all employees, officials, contractors and agents involved in procurement on behalf of Council.

4. Principles

4.1 Understand and apply our five procurement principles

Council's procurement practices are guided by the following principles.

Principle	Desired Outcome	What this looks like in practice
1. Be Fair and Ethical	Procurement activities are conducted with integrity, transparency, accountability and impartiality.	Council will: • apply clear policies, rules, procedures and guidelines; • make impartial, objective and documented decisions;

Principle	Desired Outcome	What this looks like in practice
		• manage actual, potential and perceived conflicts of interest; • protect sensitive, personal and confidential information; • apply the Statement of Business Ethics; • provide timely and appropriate supplier feedback; • ensure timely payment of correctly rendered supplier invoices; • manage supplier obligations; • maintain mechanisms for reporting unethical behaviour, fraud, corruption or probity concerns; and • identify and manage relevant ethical supply chain risks, including Modern Slavery risks.
2. Make it Easy	Procurement processes are clear, efficient and proportionate, reducing unnecessary administrative burden for Council and suppliers.	Council will: • provide clear and accessible information about procurement opportunities, requirements and processes; • simplify documentation where practicable; • use systems and templates that support consistent and efficient procurement activity; • provide guidance to suppliers, particularly small and local businesses where appropriate; • use procurement methods that are proportionate to risk and value; • respond to supplier queries in a timely way; and • use supplier feedback to improve procurement processes.
3. Achieve Best Value	Procurement decisions optimise the use of public resources and deliver value for Council and the community.	Council will: • consider factors beyond price where relevant, including quality, availability, reliability, whole-of-life cost, local content, sustainability and supplier capability; • encourage competition and innovation; • consider opportunities to engage local suppliers, First Nations businesses and social enterprises where consistent with procurement requirements;

Principle	Desired Outcome	What this looks like in practice
		• consider environmental, social and economic impacts where relevant and proportionate; • assess total costs and benefits; • monitor supplier and contract performance; and • use procurement data, reporting and review processes to support continuous improvement.
4. Collaborate for Better Outcomes	Procurement planning and delivery are improved through effective engagement with stakeholders, suppliers and other public sector bodies.	Council will: • engage relevant internal stakeholders during procurement planning; • consider community, operational and service delivery needs when designing procurement activities; • engage with the market where appropriate to improve procurement design and supplier participation; • encourage innovative, sustainable and value-adding supplier solutions; • collaborate with other councils, government agencies and procurement bodies where this improves value, reduces duplication or improves supplier access; and • promote procurement knowledge sharing and capability across Council.
5. Promote Strong Governance	Procurement decisions are lawful, accountable, auditable and consistent with Council's delegations, rules and procedures.	Council will: • comply with this Policy and relevant legislation, regulations, codes, rules, delegations and guidelines; • establish clear roles, responsibilities and authorities; • apply controls to reduce the risk of fraud, corruption, waste or misuse of public funds; • maintain records sufficient to support transparency, accountability and auditability; • review procurement processes to identify improvement opportunities; • engage with internal audit, the Audit, Risk and Improvement Committee and relevant regulatory bodies where appropriate; and • maintain supporting procurement rules, procedures, templates and guidance.

4.2 Council's procurement service delivery model

Council operates a centrally supported procurement service delivery model.

Business Units are accountable for their procurement outcomes and for ensuring procurement activity within their area complies with this Policy, the Procurement Rules, delegations, procedures, templates and relevant guidance.

The Procurement Team provides procurement policy advice, process support, tools, templates, reporting, training and guidance to Business Units.

Procurement Owners within Business Units are responsible for:

- planning and managing procurement activity within their area;
- ensuring procurement activity is consistent with this Policy and the Procurement Rules;
- ensuring procurement activity is proportionate to value, risk and complexity;
- maintaining appropriate records;
- managing supplier and contract performance;
- considering relevant ethical, environmental, social, local economic and First Nations procurement matters where proportionate to the procurement; and
- seeking advice from the Procurement Team where required.

Procurement Owners remain accountable for procurements delivered on their behalf by external providers, shared service providers, panels or other supply arrangements.

4.3 Ethical, sustainable and socially responsible procurement

Council recognises that procurement can contribute to broader public value, including ethical supply chains, environmental sustainability, local economic participation, social outcomes and First Nations supplier participation.

Council will consider these matters where relevant and proportionate to the value, risk, category and supply chain characteristics of the procurement. These considerations must be applied in a way that is transparent, defensible and consistent with probity, competition, best value and statutory procurement requirements.

This includes consideration of:

- Modern Slavery and other ethical supply chain risks;
- environmental sustainability and whole-of-life cost;
- local economic participation;
- opportunities for First Nations businesses;
- opportunities for small businesses and social enterprises; and
- relevant social, economic and environmental benefits.

The General Manager will ensure that procurement rules, procedures, templates, contract clauses, evaluation guidance and reporting arrangements are maintained to give practical effect to these commitments.

4.4 Probity

Council is committed to conducting all procurement activities with integrity, fairness, and transparency. The General Manager will ensure that appropriate probity frameworks, proportionate to the value, complexity, and risk of the procurement, are maintained as part of Council's Procurement Rules and supporting documentation. This may include guidance on the use of Probity Plans and independent probity services for higher-risk procurements.

All staff involved in procurement activities are expected to uphold probity principles throughout the procurement and contract management lifecycle, including the identification and management of conflicts of interest, the equitable treatment of all respondents, and the maintenance of records sufficient to demonstrate that procurement and ongoing contract management decisions can withstand scrutiny.

4.5 Procurement Delegate

In accordance with the *Local Government Act 1993*, the General Manager may delegate procurement and contract management responsibilities to nominated positions or officers.

Procurement decisions must be made by staff with appropriate authority under Council's delegations framework.

Procurement Delegates are responsible for ensuring that procurement activity within their authority complies with this Policy, the Procurement Rules, Council's delegations, applicable procedures and relevant legislative requirements.

Financial thresholds, approval limits and delegated procurement and contract management responsibilities are detailed in Council's delegations register.

4.6 Exemptions from Tendering Requirements

Council will conduct procurement in accordance with applicable tendering requirements under the *Local Government Act 1993* and related regulations.

Where an exemption from tendering is sought under section 55 of the *Local Government Act 1993*, the exemption must be supported by clear reasons, appropriate records and compliance with applicable legislative requirements.

Where Council approval is required, the exemption must be approved by Council resolution before the relevant procurement proceeds.

Operational requirements for assessing, documenting and approving exemptions are to be addressed in the Procurement Rules and related procedures.

4.7 Roles and Responsibilities of the Procurement Manager

The Procurement Manager, supported by the Procurement Team, is responsible for:

- maintaining this Policy, the Procurement Rules and related procurement procedures, templates and guidance;
- providing procurement advice and support to Business Units;
- supporting a consistent approach to procurement methodology, process and practice across Council;
- facilitating collaboration across Business Units;

- providing guidance to Business Units on value for money, probity, risk, ethical supply chains, environmental sustainability, local economic participation, First Nations procurement and broader public value;
- engaging with other councils, government agencies, procurement bodies and external stakeholders on procurement matters of strategic importance;
- coordinating procurement capability-building and training initiatives for Council staff;
- supporting procurement performance monitoring, reporting and continuous improvement;
- reducing unnecessary procurement process costs for Council and suppliers; and
- supporting any procurement-related statutory, governance or performance reporting required by Council, the Executive Team or applicable legislation.

5. References and Related Documents

The following legislation, guidelines, policies, procedures and guidance support this Policy.

Legislation:

- Building and Construction Industry Security of Payment Act 1999 (NSW)
- Civil Liability Act 2002 (NSW)
- Competition and Consumer Act 2010 (Cth)
- Copyright Act 1968 (Cth)
- Corporations Act 2001 (Cth)
- Electronic Transactions Act 2000 (NSW)
- Environment Protection and Biodiversity Conservation Act 1999 (Cth)
- Fair Work Act 2009 (Cth)
- Government Information (Public Access) Act 2009 (NSW)
- Government Sector Finance Act 2018 (NSW)
- Independent Commission Against Corruption Act 1988 (NSW)
- Local Government Act 1993 (NSW)
- Modern Slavery Act 2018 (Cth)
- Modern Slavery Act 2018 (NSW)
- Privacy Act 1988 (Cth)
- Privacy and Personal Information Protection Act 1998 (NSW)
- Protection of the Environment Operations Act 1997 (NSW)
- Public Interest Disclosures Act 2022 (NSW)
- State Records Act 1998 (NSW)
- Work Health and Safety Act 2011 (NSW)

Regulations, Guidelines, Codes:

- Local Government (General) Regulation 2021 (NSW)
- NSW Government Code of Practice for Procurement (January 2005)
- Official Modern Slavery Act Guidance (Attorney-General's Department)
- Personal Property Securities Register guidance (Australian Financial Security Authority)
- Shared Implementation Framework (NSW Anti-slavery Commissioner)
- Supply Nation supplier verification and directory guidance

- Procurement Guidelines for NSW Local Government (July 2026)

Council Policies, Procedures, Strategies, Codes:

- Asset Capitalisation and Disposal Policy and Procedure
- Code of Conduct
- Environmental Sustainability Strategy
- Fraud and Corruption Prevention Policy
- GIPA Contracts Register Procedure and Workflow
- NSW Supplier Code of Conduct
- Procurement Rules
- Procurement Strategy 2025–2028
- Public Interest Disclosure Policy
- Purchase Card Procedure
- Reconciliation Action Plan
- Statement of Business Ethics Policy

6. Definitions

Word or Phrase	Definition
Best Value	Best Value means the best available result for Council for the money spent. It includes using resources effectively, economically and responsibly, and considering the procurement's contribution to Council's objectives, any relevant broader benefits, and the total costs and benefits of the procurement.
Broader Benefits	Broader Benefits are additional benefits generated by the way goods, services or works are procured and delivered. They may include benefits to the community, local economy, environment, social outcomes or supplier market, alongside traditional procurement considerations.
Business Units	Business Units means the teams, functions or service areas within Council that undertake or require procurement activity.
Modern Slavery	Modern Slavery refers to serious exploitation including forced labour, debt bondage, human trafficking, slavery, servitude, forced marriage, and the worst forms of child labour, as defined in the Modern Slavery Act 2018 (Cth).
Probity	Probity means complete honesty and integrity in the conduct of procurement. It requires Council's procurement activities and decisions to be lawful, fair, impartial, transparent, accountable and properly documented; to treat suppliers equitably; to appropriately manage actual, potential and perceived conflicts of interest; to protect confidential information; and to prevent favouritism, bias, improper influence or unfair advantage. Probity requires both the process and the outcome to be capable of withstanding independent and public scrutiny. Probity applies throughout the entire procurement lifecycle, including procurement planning, market engagement, specification development,

Word or Phrase	Definition
	evaluation, negotiation, approval, contract award, contract management, variations and extensions.
Procurement Delegate	Procurement Delegate means a staff member or position authorised under Council's delegations to approve or make procurement and contract management decisions.
Procurement Lifecycle	Procurement Lifecycle means all stages of procurement, including planning, sourcing, evaluation, contract award, contract management, supplier performance management and close-out.
Procurement Rules	Procurement Rules means the operational procurement rules approved or maintained to give practical effect to this Policy.
Procurement Team	Procurement Team means the Council team responsible for providing procurement policy advice, support, systems, templates, reporting, training and guidance.
Supplier	Supplier means a person, business, company or organisation that supplies, or may supply, goods, services or works to Council.
Supply Arrangement	Supply Arrangement means an arrangement, including a panel contract or approved procurement list, that sets out terms and conditions under which Council may procure covered goods, services or works from pre-qualified or contracted suppliers.

7. Responsible Officer

For more information on the Procurement Policy and its associated documents please contact the Procurement Manager.