

8.3 PROCUREMENT POLICY REVIEW

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Attachments: Nil

SUMMARY

This report recommends that Council adopt a revision to the Mitchell Shire Council Procurement Policy as a temporary measure during the state of emergency related to COVID-19. This measure is necessary to enable minor works and services to be procured where it is not possible to obtain 3 quotes due to business shutdowns.

RECOMMENDATION

THAT Council:

1. Endorse an amendment to the Procurement Policy to extend the limit for officers being required to obtain 3 quotes from \$5,000 to \$10,000 due to COVID-19 restrictions for an initial period of six months.
2. Officers undertake a review of this extension at the end of the six-month period.

BACKGROUND

The Procurement Policy was previously endorsed by Council in accordance with Section 186A of the *Local Government Act 1989* (the Act) and encompasses the principles, processes and procedures applying to all purchases of goods, services and works by Council.

In accordance with Section 186A (7) of the Act the Council must, at least once in each financial year, review the current procurement policy and may, in accordance with this section, amend the procurement policy. The change to the policy recommended in this report is a temporary measure to assist with procurement during the current state of emergency.

ISSUES AND DISCUSSION

The Procurement Policy requires officers to obtain 3 quotes for all work between \$5,000-\$10,000. Officers have found that as suppliers are shutting down, it is becoming harder to obtain 3 quotes. This has necessitated an increase in paperwork causing delays in obtaining minor works goods and services. To avoid this increasing need for exemption forms to be approved, it is proposed that during this state of emergency period, Council allow this limit to be extended to \$10,000.

This change would amend Section 7.0 'Expenditure Thresholds' (p13) of the Procurement Policy which currently requires three (3) written quotes for purchases

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between \$5,000 - \$10,000 (including GST) to require three (3) written quotes for purchases over \$10,000 (including GST).

CONSULTATION

The Senior Management Team has been consulted.

FINANCIAL, RESOURCE AND ASSET MANAGEMENT IMPLICATIONS

There are no financial implications related to this change.

POLICY AND LEGISLATIVE IMPLICATIONS

The changes to the Procurement Policy are in compliance with relevant legislation.

SUSTAINABILITY IMPLICATIONS (SOCIAL AND ENVIRONMENTAL)

Mitchell Shire is committed to considering all environmental factors in the procurement of goods, services and works where possible. The Procurement Advisor is a member of the Mitchell Shire Council Sustainability Taskforce.

CHARTER OF HUMAN RIGHTS IMPLICATIONS

The rights protected in the *Charter of Human Rights and Responsibilities Act 2006* were considered in preparing this report and it's determined that the subject matter does not raise any human rights issues.

OFFICER DECLARATION OF CONFLICT OF INTEREST

No Officers involved in the preparation of this report have any direct or indirect interest in this matter.

CONCLUSION

The Procurement Policy needs to be amended during the current state of emergency to allow officers to extend the limit for obtaining 3 quotes from over \$5,000 to over \$10,000. This is due to the increased number of suppliers who are shutting down due to COVID-19 restrictions and measures.