



**CANBERRA REGION  
JOINT ORGANISATION**

*Regional leadership connecting our communities*

---

# PROCUREMENT POLICY

---



## CRJO Procurement Policy

---

### Purpose

Canberra Regional Joint Organisation (CRJO) is committed to procurement practices that achieve the best possible value for money, employ highly transparent, accountable and ethically-sound processes. This is realised by conducting thorough evaluations of the whole-of-life cost of purchases, and ensuring that best practice procurement processes are communicated, understood and adhered to by all parties.

This Policy applies to CRJO's procurement functions including purchasing, tendering, contract management, payments and asset disposal. Through observing this Policy, CRJO will be able to use procurement as an opportunity to manage the company's money wisely and to deliver much needed goods and services in a financially, environmentally and socially sustainable way.

### Objective

The objective of this Policy is to state CRJO's protocols in relation to its commitment to procurement practices that deliver the highest commercial and ethical outcomes.

### Policy Aims

- Ensure compliance with the *NSW Local Government Act 1993* and the *NSW Local Government (General) Regulations 2021* in relation to the procurement of goods and services;
- Achieve the best value for money and purchasing conditions through the effective and efficient use of resources;
- Clearly define a procurement framework including responsibilities and procedures for guidance of CRJO staff;
- Develop consistent and regular procurement practices to assist in streamlining processes for CRJO staff, whilst creating certainty of process for contractors and suppliers;
- Ensure that CRJO's procurement policies, practices and procedures demonstrate best practice, promote corporate responsibility and meet the highest level of public accountability;
- Ensure that acquisition planning and supplier evaluation is clearly linked to CRJO's strategic directions, and supported by efficient and effective contract management and evaluation;
- Use procurement practices that encourage sustainable competition;
- Manage risk and provide for the safety of CRJO staff, businesses and their member Councils; and,
- Mitigate and manage the exposure to all risks associated with procurement.

### Policy Details

#### Application

This Policy applies to all CRJO staff, businesses, organisations, members of the public and any other parties involved in procurement and tendering activities in relation to the operational requirements of CRJO.

#### Legislation

All activities subject to this policy are to be undertaken in accord with the *Local Government Act 1993* and CRJO's finance/procurement delegation framework, *Local Government (General) Regulation 2021*, Office of Local Government (OLG) Tendering Guidelines for NSW Local Government, and all applicable Local, Federal and State legislation.



## CRJO Procurement Policy

---

CRJO will comply with the *Local Government Act 1993* (the Act). Section 55 of the Act sets out the circumstances where tendering is required. When conducting tendering exercises, CRJO must adhere to the *Office of Local Government (OLG) Tendering Guidelines for NSW Local Government* including:

- Adhering to the open tendering threshold as mandated by Section 55 of the *Local Government Act 1993*;
- Developing tender specifications that discourage bias, encourage innovation and alternative solutions, reduce administrative burden, minimise market pressure on suppliers and improve environmental performance;
- Developing a sound evaluation criterion that is clearly communicated within the tender documents; and
- In the event of goods or services being required in an emergency, application should be made to fast-track or bypass competitive pricing or any other regulative procedures that may exacerbate the situation (noting the provisions of section 55 (3) (k) of *the Local Government Act 1993*);
- CRJO shall publish a copy of the contract register on CRJO's website as required under Section 35 of the *Government Information Public Access Act 2009 (GIPA Act)*.

### Terms and Conditions

This policy should be read in conjunction with CRJO's Terms and Conditions. CRJO has developed specific terms and conditions which apply to all purchasing. Contractual arrangements must be documented in writing based on standard terms and conditions. All terms and conditions relating to a purchase must be settled in advance of any commitment being made with a supplier.

### High Level of Customer Service

A primary goal of all CRJO activities is to deliver a high level of customer service to both external and internal stakeholders. Adequate consideration shall be given to the provision of customer service in the procurement of goods, services and projects.

### Accurate Determination of the Requirements

Before commencing a procurement activity, consideration should be given to

- Fit for purpose;
- Minimisation and mitigation of risks;
- The estimated cost of the requirement;
- Environmental sustainability; and
- Social impacts.

### Minimisation and Mitigation of Risks

To reduce risk associated with procurement activities, CRJO staff must:

- Determine the level of risk associated with the method of procurement to be used;
- Undertake a documented risk assessment for all procurement requiring tenders to be issued, and for other procurements at the discretion of the delegated purchasing officer;
- Only approve the expenditure up to the delegated monetary level and within budgetary limits;
- Obtain approval for the commitment of money from an identified budgetary source prior to

## CRJO Procurement Policy

---

commencing a procurement process;

- Ensure all contractors or suppliers are registered and contracted with CRJO through a process which confirms compliance with WHS requirements, environmental obligations and insurances are in place;
- Take reasonable steps to ensure that goods and services procured by and for CRJO are not the product of modern slavery within the meaning of the *Modern Slavery Act 2018 (NSW)*.
- Provide contractors or suppliers with CRJO's contract documentation prior to supply;
- Maintain a contract register and procedures for contract variation and contractor evaluation;
- Ensure CRJO's purchasing and procedures align with the Independent Commission Against Corruption (ICAC) Procurement Policies and the Office of Local Government Guidelines;
- Using, where possible, CRJO's standard terms and conditions; and undertake available training on CRJO's policies, procedures and systems relating to procurement.

### Efficient Use of CRJO's Resources

Before commencing any procurement activity, consideration should be made to:

- Availability and source of funding;
- Any alternative source of funding (e.g. grants and partnerships) that may be available;
- Where possible, existing agreements or prescribed panel contracts will be used. Based on the estimated costs the procurement process may require selective quotations or a public tender;
- Seeking strategic alliances in the delivery of services, where appropriate and forming partnerships with other Local Governments, Government agencies and the private sector;
- Whole-of-life (WOL) cost factors associated with goods including maintainability, commonality of spares, technical support, operating costs, Net Present Value (NPV) and estimates income from sale; and
- Method and risks associated with disposal.

### Open and Effective Competition

It is imperative that the best possible outcomes are available to CRJO, and that contractors or suppliers wishing to do business with CRJO are given a reasonable opportunity to do so.

This is achieved by ensuring that:

- All suppliers are provided equal access to open and fair competition to compete for CRJO's business;
- Procurement procedures are prescribed and straightforward, and are communicated effectively to CRJO staff, contractors, suppliers, and the public;
- Contractors and suppliers have equal opportunity to clarify what is being sought;
- CRJO effectively engages a range of suppliers to encourage and maintain competition and minimise reliance on a single source; and
- Invitations to contractors or suppliers are extended to encourage competition among contractors and suppliers.

## CRJO Procurement Policy

---

### Social and Environmental Sustainability

CRJO aims to conduct procurement in a sustainable manner that is underpinned by the following principles:

**Social Sustainability** refers to procurement practices that support the generation of social value beyond the goods or services being purchased. Where reasonably practicable, CRJO will endeavour to:

- support businesses and organisations with policies and practices that ensure social inclusion;
- support businesses and organisations that provide opportunities for people who are vulnerable or disadvantaged;
- support the Local Economy;
- support businesses developed by Indigenous Australians to stimulate Indigenous entrepreneurship, business and economic opportunities. Where all other considerations are equal, CRJO may prefer to engage an Indigenous enterprise where appropriate;
- advocate for the development of products and services which generate social value; and
- provide leadership to business, industry and the community in promoting the use of goods and services which generate social value.

**Environmental Sustainability** refers to CRJO's commitment to resource conservation and healthy habitats. Where reasonably practicable, CRJO will endeavour to:

- adopt purchasing practices which minimise waste and pollution and conserve natural resources prioritising net zero;
- purchase products with recycled content, with weighting assigned to Circular Procurement in performance assessments of products that can include recycled content;
- support businesses and organisations with policies and practices that ensure environmental protection and conservation of resources;
- advocate for the development of products and services which have a low environmental impact;
- consider whole of life cycle in procurement costs; and
- provide leadership to business, industry and the community in promoting the use of environmentally appropriate goods and services.
- products that meet these criteria may be described as 'environmentally responsible'. The flow-on impacts of purchasing environmentally responsible products extend beyond environmental benefits into financial and social benefits. "

### Ethics and Fair Trading

CRJO staff must always act with integrity and proper concern for the public interest, and ensure that the following ethical obligations are met;

- Maintain principles of probity including fairness, honesty, integrity and professionalism;
- Insist on suppliers meeting the same level of ethical standards as its own;
- Ensure an appropriate number of sources are chosen relative to the value of the purchase and the size and nature of the industry;
- Do not split requirements for the purpose of avoiding statutory or other mandatory government purchasing requirements;
- Not conduct procurement activities for any requirements other than those relating to CRJO business;



## CRJO Procurement Policy

---

- Identify and report any pecuniary or non-pecuniary interests without delay, in accordance with the Model Code of Conduct;
- Maintain the confidentiality of commercially sensitive information, unless agreed to under terms and conditions with the supplier/provider;
- Approach potential market sources with consistent information;
- Foster and encourage equal opportunity and diversity.
- Comply with CRJO's Statement of Business Ethics.

### Transparency and Accountability

When evaluating a proposal from a contractor or supplier for a procurement, CRJO staff must ensure that:

- Responsibilities and accountabilities of CRJO staff are acknowledged and accepted;
- All documentation provided to contractors or suppliers is clear and concise, and does not contain inconsistencies or ambiguity;
- The performance of prospective contractors or suppliers is investigated to ensure that they can provide a service that represents value for money;
- Criteria are established for assessing quotations/tenders before awarding a purchase;
- Clear and consistent communication is maintained with contractors/suppliers on their performance and obligations, with improvements encouraged; and
- Records are completed in accordance with relevant requirements, and are available for internal review for probity purposes.

### Conflict of Interest

CRJO staff must avoid situations where private interests conflict with their procurement duties. A conflict of interest includes, but is not limited to, any pecuniary or non-pecuniary interests held by CRJO staff which may influence, or be seen to influence, the outcome of a procurement process.

For example, CRJO staff may not participate in any contract or purchase agreement with family members, or with a firm in which a material interest is held. CRJO staff must complete all appropriate forms and submit to the relevant parties as soon as practicably possible when disclosing an identified actual or perceived conflict of interest.

CRJO staff finding themselves in a situation where a conflict of interest may exist are required to immediately disclose the details to the Chief Executive Officer.

### Audit

Procurement activities undertaken by CRJO are subject to internal and external audits, and as such CRJO staff must ensure that all documentation is complete and available for review.

### Responsibilities

Where the instructions set out in this Policy are not adhered to, the matter will be brought to the attention of the Chief Executive Officer. Breaches of this Policy will be dealt with in accordance with CRJO's Model Code of Conduct.



## CRJO Procurement Policy

---

### Value for Money

CRJO makes procurement decisions on the value for money of proposals, based on costs over the life cycle of a project. It is important to understand the lowest quoted price is not necessarily the best value for money. Price alone is not a sufficiently reliable indicator of value.

Instead, value for money is determined through comparative analysis of all the costs and benefits of each proposal over the 'whole of life', from sourcing raw materials to operating and eventual disposal. This costing is to be carried out as early as possible in the procurement process, and may be refined during planning stages prior to the commitment of funds.

Whole of life evaluation considers commercial, technical, financial, social, ethical, local economic, and environmental factors, and includes issues such as;

- Purchase price and consistency with standard market prices/rates;
- The ability to perform to required standards or capabilities and to a reasonable level of service; and
- Acquisition, maintenance, disposal and decommissioning, training, insurances, data management, staff and operating costs.

The principle of value for money does not mean that CRJO will automatically select goods and services with the lowest price. CRJO will balance all relevant factors as stated in its policy position, being capacity and capability, safety, quality, delivery, service and sustainability. Consideration of sustainability in this policy refers to social and environmental sustainability.

### Quality Assurance

Quality is a core element in the provision of all goods, services and works, and as such CRJO encourages contractors and suppliers to hold the relevant Australian Standards and International Standards pertaining to their business functions.

At the discretion of the actioning member of CRJO staff, quality assurance may be a mandatory condition of the procurement of a good or service.

### Local Preference

CRJO supports the strengthening of local economic capacity and will give preference to a local supplier where the assessment of all selection criteria is equal.

### Sole Source of Supply

Where a purchasing requirement is of a specific nature that can only be reasonably obtained from one supplier, a procurement may be permitted without undertaking a tender or quotation process where:

- There is a genuine need for a proprietary product to ensure compatibility with existing equipment and there is a sole source of supply for the proprietary product;
- A genuine emergency situation arises that seriously threatens employees, customers, assets or corporate reputation;
- An urgent and important operational need where the welfare of customers or employees faces an impending and serious threat; or,
- There is a need for unique intellectual property or expertise that is available from only one supplier.



## CRJO Procurement Policy

---

This approach may only be used for non-complex, low risk procurements with a value under the tendering threshold. Using a sole source of supply is only permitted under circumstances where CRJO is satisfied and can provide evidence that there is only one source of supply for those goods, services or works. CRJO must regularly assess the market to determine that one sole source of supply genuinely exists with no alternative suppliers. Once determined, justification for the use of a sole supplier must be recorded in writing and approved by a member of CRJO staff with sufficient delegation.

CRJO may also, at its discretion, invite expressions of interest to effectively and publicly determine that one sole source of supply exists.

### **Work Health & Safety**

When undertaking purchases for goods and services, Officers need to comply with the requirements of the *WHS Act (2011)* and *WHS Regulation (2017)*.

CRJO is committed to providing a safe working environment for all CRJO staff, suppliers, contractors, volunteers and visitors where materials and equipment purchased are fit for purpose and comply with legislative and workplace requirements.

### **Procurement Procedures**

The Procurement Procedures are contained in a separate document which sets out the required actions for Officers undertaking any procurement.

### **Delegations**

Officers must, prior to undertaking any procurement activities, establish an estimated total cost over the life of the procurement. Approval to commit the estimated expenditure must also be sought from the appropriate delegate. A list of delegates and their thresholds for the commitment of public money can be found in the Procurement Procedures.

### **Segregation of Duties**

Approvers of procurement documentation at all stages of the procurement process should be different to that of submitters of procurement documentation.

### **Disposal of Assets**

The disposal of plant, equipment and goods must be carried out in a manner consistent with relevant CRJO policies and procedures.

### **Governance**

This policy should be read in conjunction with any related legislation, codes of practice, relevant internal policies, and guidelines.





## CRJO Procurement Policy

### Related Legislation

[Local Government Act 1993](#)

[Local Government \(General\) Regulation 2021](#)

[Tendering Guidelines for NSW Local Government](#)

[Modern Slavery Act 2018](#)

[State Records Act 1998](#)

[Government Information \(Public Access\) Act 2009](#)

[Work Health & Safety Act 2011](#)

### Definitions

<b>Contractors and Suppliers</b>	Individuals, organisations or companies, other than employees of CRJO, that provide goods or services to CRJO.
<b>CRJO Contract Register</b>	The <i>NSW Government Information (Public Access) Act 2009</i> requires that CRJO maintain a publicly available register of contracts. This register must be published on CRJO's website.
<b>CRJO Staff</b>	Includes CRJO CEO, Directors, Managers and general staff.
<b>Emergency Orders</b>	A procurement made to fill an urgent, unexpected need when there is insufficient time to undertake competitive bidding.
<b>Indigenous Business</b>	A business that is 51% or more owned by Aboriginal or Torres Strait Islander people AND majority controlled and managed by Aboriginal or Torres Strait Islander People.
<b>Local Suppliers</b>	Individuals, organisations or companies whose main business functions are based within the geographical ACT Local Government Area.
<b>Non-Pecuniary Interest</b>	A private or personal interest held by a member of CRJO Staff that does not amount to a pecuniary interest, for example a friendship, or membership of an association, society or trade union.
<b>Pecuniary Interest</b>	An interest held by a member of CRJO Staff that represents the reasonable likelihood or expectation of financial gain or loss.
<b>Procurement Procedures</b>	A document produced by CRJO which outlines the correct procedure for undertaking and managing the procurement process.
<b>Social Enterprise</b>	Businesses that trade to intentionally tackle social problems, improve communities, provide people access to employment and training, or help the environment.

### Version History

Version	Board Meeting Date	Resolution	Adoption	Effective From	Review Period
2	16 May 2024	05/24-06	16 May 2024	1 July 2024	Annually

**All policies can be reviewed or revoked by resolution of CRJO Board at any time.**