Procurement Policy

Adopted: 22 May 2026

TRIM: 153425.2026

Contents

Procurement Policy

DIRECTORATE: **Corporate Services**

BUSINESS UNIT: **Procurement and Contracts**

1. PURPOSE

This Procurement Policy (**Policy**) outlines the general principles and Framework that need to be applied when procuring on behalf of Liverpool City Council (**Council**).

This Procurement Framework (**Framework**) consists of two components, this Policy document, and the -Procurement and Contracts Standard (**Standard**) document. To be compliant with the Procurement Framework, compliance with both this Policy and the Standards are required.

The Procurement Policy and Standard aims to achieve value for money in the procurement of goods and services and ensure public accountability, transparency, and probity.

It ensures that Council's procurement activities comply with Council's objectives, legislation, regulatory requirements and delegations, and that Council resources are used efficiently and effectively.

Nothing in this Policy document or Standard is intended to conflict with the legislative requirements applicable to Council.

Overview

Procurement includes all activities involved in procuring goods and services. Its role is pivotal to planning, design, finance, implementation, and other related functions that enable the management and delivery of organisation outcomes. It is an integral component of, and a key contributor to the business of the Council.

Council's procurement process is supported by the Standard, the Procurement Threshold Matrix (Matrix), and consideration of the use of designated prequalified panels, to ensure the most effective and efficient process is used for all procurement activities.

Having regard to the requirements of the *Local Government Act 1993* (Act) and the *Local Government (General) Regulations 2021* (Regulations). Council is committed to:

- Ensuring its goods and services procurement activities deliver value for money outcomes and fall within the budget and Council's risk tolerance.
- Delivering high standards of probity, transparency, integrity, and equity in its procurement activities.
- Using processes that facilitate open and fair competition, including procedures that will advise contractors and suppliers of opportunities to bid for Council contracts, via open Tenders and Expression of Interest (EOI).

- Compliance with the Act and Regulations in all procurement activities.

Whilst exemptions regarding tendering are addressed in s55(3) of the Act, Councils' procedures will nevertheless support the principle of obtaining value for money via market testing, where appropriate.

In addition to this Policy, the Council's Standard provides clear procedures on how to undertake Procurement processes and activities for Council, in accordance with best practice standards.

Scope

This Policy applies to all members of Council Staff regardless of their financial delegations, including Councillors, Consultants, contractors, temporary or casual employees of Council who engage in any Council Procurement activity on behalf of Council.

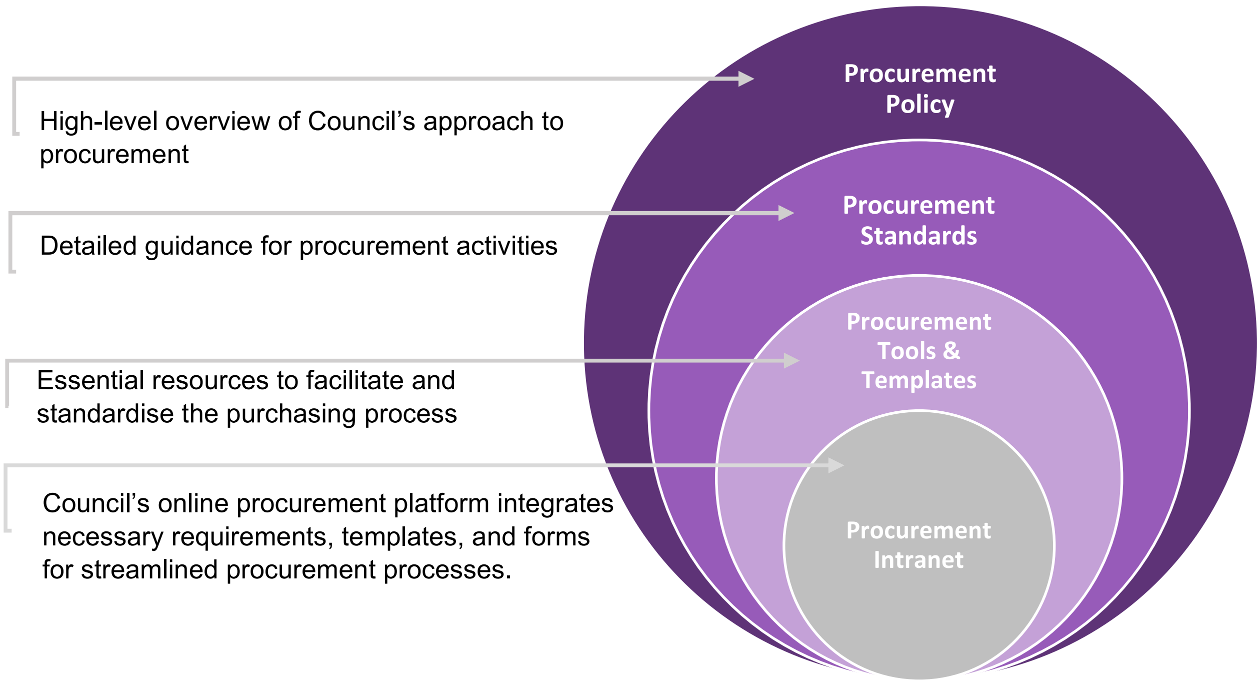
This Policy does not apply to the disposal of assets.

Breach of Policy

Failure to comply with this Policy may result in a breach of Council's legislative requirements and can lead to disciplinary action in line with Council's policies and procedures, including but not limited to the Code of Conduct and/or reporting serious breaches to relevant external authorities/bodies.

2. PROCUREMENT FRAMEWORK

The Council Procurement Framework establishes a foundation for procurement operations across the Council for the procurement of goods and services.



3. PROCUREMENT GOVERNANCE

Council has established a procurement governance framework to oversee the function of procurement undertaken across the organisation. The purpose of this procurement governance framework is to drive behaviour towards achieving the procurement objectives of the organisation, while upholding and maintaining government procurement policies and procedures.

Roles and responsibilities

The Council Procurement Governance Framework defines and allocates accountabilities, direct and indirect communications, standards, responsibilities, and oversight for Councils procurement.

Role	Responsibilities
Chief Executive Officer and Executive Leadership Team	• Responsible for providing strategic leadership ensuring efficient and transparent procurement processes. They oversee policy development, foster competition, and drive cost-saving initiatives while promoting integrity and accountability in procurement activities.
Procurement Manager	• Responsible for ensuring members of the Procurement Team and Business Units involved in any procurement activity are made aware of the guidelines and procedures outlined in the Policy and Standards and provided with adequate training to support the procurement activities they are engaged in. • Oversee Council procurement operations, compliance, performance, risk management and improvement. • Set policies, procedural guidance and templates for procurement.
Procurement Team	• Maintain procurement policies and associated procedural guidance and templates. • Provide advice, support and management services for individual procurements in line with the provisions of procurement policies and associated procedural guidance and templates. • Responsible for ensuring appropriate probity oversight is provided for low probity risk assessed procurement
Legal	• Ensuring legal compliance with relevant laws and regulations in procurement activities. • Reviewing and negotiating contracts to mitigate legal risks and ensure favorable terms. • Providing guidance on policy development, dispute resolution, and risk management to promote transparency and accountability.
Governance	• Responsible for signing off Probity Risk assessments as low, medium or high. • Responsible for ensuring appropriate probity oversight is provided for medium and high-risk projects. • Provide guidance on conflicts of interest and probity principles
Project Managers	• Responsible for managing and coordinating the delivery of individual projects and programs as directed, ensuring that time, cost, quality, safety and regulatory compliance

Role	Responsibilities
	and stakeholders' expectations are met. Project managers must: o Comply with all legislative, policy and procedural requirements associated with procurement operations. o Demonstrate care and due diligence at all times, including when exercising procurement delegations where these are granted. o Work collaboratively with other stakeholders to achieve procurement outcomes. o Seek advice and guidance from the Procurement team.

Delegations

All procurement processes and activities must be approved by Council staff with appropriate financial delegation in accordance with their instrument of delegation and any specific delegations resolved by Council.

Where internal controls are purpose built to reduce risk, including segregation of duty, these controls override delegated authority.

All Council staff engaged in Procurement activities must:

1) Have a copy of their current Instrument of Delegation.
2) Ensure that they understand the scope of their delegation including the financial limitations.
3) Act within the parameters of their delegation.

4. PROCUREMENT PRINCIPLES

The following core principles capture Council's approach to the procurement of goods and services. Council will apply these principles and criteria to its procurement activities:

- Achieving value for money – ensuring best value for money in the procurement of goods, works and services by evaluation through a balanced assessment of financial and non-financial criterion.
- Compliance – meeting all requirements of the Local Government Act 1993 and Local Government Regulations 2021.
- Probity and Ethical Behaviour.
- Fairness and Impartiality – Council aims to prevent corruption, maladministration and substantial waste of public resources, increasing supplier confidence, integrity of its procurement process and conducting fair and open competition.
- Sustainable and Social Procurement.

Value for Money (VFM)VFM is defined as the best possible outcome for the total cost over the life of the contract. VFM does not necessarily mean selecting the lowest value for price, but rather, the right combination of quality, quantity and price at the right place and time, and where possible, having considered sustainability, local content and social/ethical considerations.

Council considers a combination of factors relevant to the proposed contract, including but not limited to:

1) Mandatory criteria which include work health and safety, insurances, accreditations, qualifications and licences.
2) Non-financial factors such as capability, experience, specifications, service support, fit for purpose, innovation, quality, risk profile, service, support, timeliness, reliability, locality, community, sustainability and physical requirements.
3) Contribution to the advancement of Council priorities, especially those set out in Council's current Community Strategic Plan and Delivery Program and including local content, sustainable, social and ethical considerations.

Probity Requirements

Probity aims to prevent corruption, maladministration, and substantial waste of public resources, while increasing supplier confidence in council and the integrity of its procurement processes.

Probity is defined as complete integrity, honesty and uprightness in processes.

The core principles of probity are:

- Accountability – Individuals are responsible for their actions and decisions, ensuring they comply with the code of conduct.
- Confidentiality and Security- Protecting sensitive information, especially regarding tenderers and commercial details.
- Fairness and Impartiality – Treating all parties fairly, without bias or undue influence.
- Transparency – Processes must be open, auditable and clearly documented to withstand scrutiny.
- Conflict of Interest Management – Identifying and managing actual, potential or perceived conflicts of interest immediately.

Confidentiality

Council staff are required to take all reasonable steps to ensure procurement information remains confidential and is stored securely and in accordance with policy and legislative requirements. This includes the content of offers, details of a tendering process, any information disclosed or discussed in any interaction throughout the procurement process, any supporting information provided by Council or third parties, and the outcome of the procurement evaluation.

Conflict of interest

Council officers, employees, contractors and elected representatives involved in procurement activities must identify, declare and appropriately manage any actual, potential or perceived conflicts of interest. All procurement processes must be conducted with integrity, transparency and impartiality to ensure decisions are made in the best interest of Council and the community.

Conflict of interest must be managed in accordance with Council's Conflict of Interest Policy Failure to disclose or appropriately manage a conflict of interest may result in disciplinary action and exclusion from procurement activities.

Prohibition of Gifts and Benefits

Under no circumstance can a member of Council staff who participate in the procurement process accept a gift or benefit from a supplier, contractor or their agents.

All offers of gifts and benefits must be declared in accordance with Councils Gifts and benefits Policy.

Local Preference

Where suppliers/contractors offer goods and services of equal quality and value for money, and the benefit is identifiable, Council will support a preference for the selection of local, state and Australian providers.

Council is committed to promoting high-value local business content within its supply chain.

To this end, and in cases where evaluation demonstrates the capacity for local business to deliver a competitive supply, Council will take proactive steps to provide opportunities for local businesses and suppliers to overcome a narrow deficit over a non-local supplier.

Council aims to secure increased local content in its supply chain by:

(a) Defining local suppliers within the Standards.
(b) Setting out a loaded allowance for local content within the Standards.
(c) Establishing a process for applying this loaded allowance within the procurement evaluation process.
(d) Establishing circumstances when this loaded allowance will change an outcome in favour of a local supplier.

Modern Slavery Requirement

Council is committed to protecting human rights and minimising Modern Slavery Risks within its supply chain.

The Council will ensure Modern Slavery reporting obligations are met annually.

Section 438ZE of the Local Government Act 1993 requires that councils take reasonable steps to ensure that goods and services procured by and for the council are not the product of modern slavery within the meaning of the Modern Slavery Act 2018 (NSW).

Sustainable and Social Procurement

Council is committed to taking positive action to minimise the negative impact of the products and services procured and maximise the benefits. This includes minimising unnecessary purchasing of goods and services that contribute to a more sustainable future that is ethical and supportive of fair trade.

Sustainability

Sustainable procurement achieves the Council's commitment to spend public money efficiently, economically, and ethically. Council will aim to incorporate sustainability practices into our procurement strategies from planning through the procurement process to measurement of results. By assessing the level of environmental risk, our procurements can have reduced impacts on the environment.

Aboriginal Participation / Indigenous Procurement

The Council is committed to respecting and supporting Aboriginal and Torres Strait Islander culture and increasing business and employment opportunities for Aboriginal and Torres Strait Islander people.

Sustainable and social procurement is conducted through (where reasonably practicable and appropriate in the circumstances):

1) Applying sustainability and social responsibility evaluation criteria during formal quotations and tenders.
2) Minimising unnecessary purchasing by only purchasing when a product or service is necessary.
3) Considering the environmental performance of all suppliers and contractors and encouraging them to conduct their operations in an environmentally sensitive manner.
4) Selecting products/services where possible, that have minimal effect on the depletion of natural resources and biodiversity. E.g purchasing products that save energy and/or water.
5) Avoid purchasing products that contain hazardous chemicals or can potentially pollute soil, air or waterways.
6) Choosing environmental preferred "green" or recycled products and services and purchasing products that reduce greenhouse emissions.
7) Purchasing ethically sourced and fair-trade goods and services where appropriate.
8) Exploring opportunities to engage with social enterprises for the procurement of goods and services.

Contract Management

Contracts will be managed in a manner that identifies and mitigates risk and delivers outcomes in accordance with the agreed terms and conditions. Ongoing contract management is the responsibility of the designated project manager or relevant business unit. Contract management performance will be subject to periodic audit. Upon contract completion, significant contracts will be debriefed, and details recorded in Council's internal contract management system.

A contract register is maintained in line with requirements of the Government Information (Public Access) (GIPA) Act 2009 (NSW) and is publicly available on Council's website to support transparency and accountability.

Information Management

All documents related to procurement related activities are recorded, stored and managed in Council's electronic document management system, and done so in accordance with the State Records Act 1998 (NSW) and other policy and legislative requirements. This will ensure an audit trail is available for monitoring compliance and reporting purposes. Members of the public can request access to Council's documents in accordance with the Government Information (Public Access) (GIPA) Act 2009 (NSW).

5. PROCUREMENT CONSIDERATIONS AND REQUIREMENTS

Staff and individuals involved in procurement activities should give consideration to the following policies and arrangements in procurement in order to maintain the core principle of value for money and support Government initiatives.

Enterprise Risk Management

Procurement practices have inherent risks for Council. When procuring goods and services, Council will apply its Enterprise Risk Management Framework (ERM). The ERM framework provides a systematic process to identify, analyse and manage risks via effective governance, risk principles and processes. This framework will assess the financial, workforce, reputational, business, environmental and compliance risks. This document can be found on the intranet.

Financial Management

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the Procurement process without compromising any of the Procurement principles set out in this Policy.

Irrespective of the procurement value, prior to the commencement of a Procurement process, the Chief Finance Officer and responsible project manager must confirm budget and available funds.

Corporate Purchase Cards

The Finance team is responsible for implementation, control and procedures for purchasing cards through the Corporate Purchase Card Procedure.

Corporate purchasing cards will be issued, administered and managed in accordance with the Council's Corporate Purchase Card Procedure.

Relevant Legislative Requirements

- Local Government Act 1993 (NSW)
- Local Government (General) Regulations 2021 (NSW)
- Competition and Consumer Act 2010 (Cth)
- Government Information (Public Access) Act 2009 (NSW)
- State Records Act 1998 (NSW)
- Modern Slavery Act 2018 (NSW)
- Treasure Legislation Amendment (Small Business and Unfair Contract Terms) Act 2015 (NSW)
- Public Interest Disclosure Act 2022 (NSW)
- Public Works and Procurement Act 1912 (NSW)
- Public Finance and Audit Act 1983 (NSW)
- Independent Commission Against Corruption Act 1988 (NSW)
- A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth)
- Electronic Transaction Act 2000 no 8 (NSW)
- The Ombudsman Act 1974 No 68 (NSW)
- Privacy and Personal Information Protection Act 1998 (NSW)
- Copyright Act 1968 (Cth)

6. POLICY DOCUMENT INFORMATION

Authorised By	Council (Chief Executive Officer)
Effective From	This date is the date the policy is adopted by the CEO
Review Date	The policy must be reviewed every two years or more frequently depending on its category or if legislative or policy changes occur.
Department	Procurement
Trim Reference	222386.2024

Related Policies & Procedure References

- Independent Commission Against Corruption (ICAC) Guidelines for Tendering & Negotiations
- Tendering Guidelines for NSW Local Government (2009)
- Code of Conduct
- Code of Conduct Procedures
- Corporate Purchase Card Procedure
- Conflicts of Interest Policy
- Gifts and Benefits Policy
- Procurement and Contracts Standard
- Records Management Policy
- Delegation Standard
- NSW Anti-slavery Commissioner Guidance on Reasonable Steps (GRS)
- Probity Standard
- Probity Risk Assessment Checklist
- Doing Business with Liverpool City Council A Guide for Consultants, Contractors and Suppliers
- Child Safety Policy
- Behavioral Standards for Keeping Children Safe
- NSW Government Procurement Policy Framework 2024
- Enterprise Risk Management Strategy

- Agency Information Guide 2026

Policy Consultation

- Legal, Governance & Insurance
- Executive Leadership Team
- Managers
- ICAC
- Finance
- Work Health and Safety

Versions

Version	Amended by	Changes made	Date	TRIM Number
1	Chief Executive Officer	Original adoption	2 October 2013	229935.2013
2	Chief Executive Officer	Minor changes	3 March 2015	053017.2015
3	Chief Executive Officer	Minor changes	6 January 2017	333462.2016
4	Chief Executive Officer	Minor changes	20 November 2019	333462.2016-09
5	Chief Executive Officer	Minor changes	29 July 2022	333462.2016-13
6	Chief Executive Officer	Reviewed and updated	16 August 2024	222386.2024
7	Chief Executive Officer	Minor changes	October 2024	222386.2024
8	Chief Executive Officer	Review with minor changes	22 May 2026	153425.2026

Attachment A – Definitions

Term	Definition
Employee/Staff	A person who is directly or indirectly employed by the Council on a full time, part time, temporary, or casual basis.
Modern Slavery	Refers to a violation and crime of fundamental human rights, it takes many forms. Such as slavery, forced and compulsory labour, servitude, and human trafficking, all of which have in common the deprivation of a persons' liberty by another, in order to exploit them for personal or commercial gains.
Procurement	All activities involved in acquiring goods and services either outright or by lease (including disposal and lease termination), acquiring consumables, capital equipment, infrastructure, and services under consultancies, professional services, facilities management and construction.
Supplier/Contractor	means the Tenderer/Offeror accepted and awarded the contract by Council, to provide the goods or services.
Tender/Offer	Includes a price, bid, offer, quotation, consultant proposal or expression of interest lodged in response to an invitation or request for quote or request for tender.
Tenderer/Offeror	means a person or entity that lodges a Tender/Offer in response to a Request for Tender
Whole of Life Costs	Includes the term of a contract, renewal options and variations.