

Procurement Policy

1. Introduction

- 1.1. This Policy establishes the overarching framework for how procurement activities are conducted at East Waste. It reflects East Waste's commitment to:
- Ensuring procurement is undertaken with integrity, transparency, and accountability to all stakeholders.
 - Promoting a consistent, fair, and equitable approach to procurement across the organisation.
 - Achieving best value outcomes that support East Waste's operational needs and strategic objectives.
 - Engaging suppliers and contractors in a manner that fosters trust, competition, and collaboration.

The Policy guides all staff involved in procurement to uphold high standards of probity and professionalism while enabling East Waste to make informed, responsible, and value-driven purchasing decisions.

2. Scope

- 2.1. This Policy applies to all procurement activities undertaken in the acquisition of goods or services on behalf of East Waste, while giving due regard to financial thresholds, whether solicited by East Waste or the result of an unsolicited proposal and whether transacted via a trading account or East Waste expense card.
- 2.2. This Policy does not cover:
- non-procurement expenditures such as sponsorship, grants, funding arrangements, donations and employment agreements.
 - real property acquisitions of land, buildings or structures.
 - the disposal of land and other assets.

3. Procurement Glossary

In this Policy, unless a contrary intention appears, definitions have the following meaning:

Agreement	An agreement between two or more authorised persons on behalf of their organisations to perform or not perform a specific act that is
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	enforceable in law. An agreement may be verbal, written or inferred by conduct.
Approach to market	A general collective term used to describe an invitation to suppliers to provide quotes, proposals, expressions or registrations of interest or tender responses
Contractor	Is an individual or organisation that is formally engaged to provide goods or services for or on behalf of an entity. This definition does not apply to casual, fixed-term or temporary employees directly employed by the entity.
Direct purchase	Procurement process undertaken by directly approaching and negotiating with one supplier or contractor without testing the market. This method is generally only appropriate for low value and low risk goods and services.
Emergency situation	A situation where East Waste is required to remedy or make good damage incurred to property from a natural or man-made incident. The General Manager has the authority to act in an Emergency Situation. Goods and services in these instances may be purchased from a supplier or contractor without reference to the financial limitations provided in this Policy.
Expression of Interest (EOI)	Used to identify suppliers and contractors interested in, and capable of, delivering the required goods or services. Potential suppliers and contractors are asked to provide information on their capability and capacity to do the work. It is usually the first stage of a multi-stage procurement process.
Goods	A physical or tangible item that does not include a labour component
Lifecycle cost	The total cost of an item or system over its full life. It includes the cost of development, production, ownership (operation, maintenance, support), and disposal, if applicable. Also referred to as whole of life cycle cost or total cost of ownership.
Local supplier	A supplier or contractor which is beneficially owned by persons who are residents or ratepayers of a Constituent Council, or has its principal business within the Constituent Council's area, or a business that substantially employs persons who are residents or ratepayers.
Probity	Uprightness, honesty, proper and ethical conduct and propriety in dealings. It is often also used in government in a general sense to mean good process.
Procurement	A series of activities that are undertaken when purchasing goods and services, based on three key phases: planning, purchasing and contract management

Procurement process	The step-by-step process for the planning, establishment and contract management of small and large acquisitions.
Purchase order	The official document used by East Waste to record its commitment to purchase goods and/or services. It contains advice to the supplier of East Waste's standard terms and conditions for the purchase
Purchasing	The process by which an organisation contracts with another party to obtain the goods and services required to fulfil its business objectives.
Quotation/quote	An offer to supply goods and/or services, usually in response to an invitation to supply known as a request for quotation. Often used interchangeably with proposal, tender, bid and offer.
Request For Quote (RFQ)	A written process of inviting quotes to supply goods and/or services involving simple documentation and a limited number of potential suppliers or contractors.
Request For Tender (RFT)	An invitation to supply or a request for tender against a set of clearly defined and specified requirements. Invitees are advised of all requirements involved including the conditions of participation and proposed contract conditions.
Services	The performance of a task, duties or work for another, by an individual or an organisation, which normally involves the provision of labour and/or professional services.
Strategic Alliance	This is where East Waste undertakes procurement through contract arrangements already established and administered by other organisations, which may include: <ul style="list-style-type: none"> • 6.6.1.1 LGA Procurement; • 6.6.1.2 Procurement Australia; • 6.6.1.3 State Government Contracts; • 6.6.1.4 an East Waste Member Council.
Supplier	A person or entity that provides goods or service to East Waste.
Total cumulative spend	The total expenditure with a supplier or contractor or a number of suppliers or contractors over a set time period providing similar goods or services of an ongoing nature
Value for money	Achieved in procurement by finding the optimum balance of financial and non-financial factors including whole of life cost (lifecycle cost).

4. Policy Principle

- 4.1. East Waste is committed to maintaining fair, transparent and competitive purchasing and contracting practices achieving optimum value for money outcomes aligned to East Waste's strategic objectives, expectations of the community and the requirements of any funding sources.

5. Procurement objectives

5.1. Objective 1 – Open and fair competition

East Waste is committed to achieving value for money through its procurement processes, while also supporting a range of broader objectives, including environmental sustainability, social responsibility, local economic development, innovation, and ethical conduct. These objectives will be clearly defined and, where relevant, incorporated into procurement activities through appropriate evaluation criteria and weightings to ensure a transparent, equitable, and outcomes-focused approach.

- 5.1.1 There is reasonable access for all suitable and competitive suppliers and contractors to East Waste's business.
- 5.1.2 Where market circumstances limit competition, procurement activities recognise this, and associated methodology takes account of it.
- 5.1.3 Adequate, identical, and timely information is provided to all suppliers and contractors to enable them to quote or tender.

5.2. Objective 2 - Value for money

Value for money outcomes can be achieved through balanced consideration of financial and non-financial factors relevant to the procurement.

The following factors should be considered:

- The contribution to East Waste's long-term plan and strategic direction.
- Any relevant direct and indirect benefits to East Waste, both tangible and intangible.
- The performance history, quality and scope of services, and support of each prospective supplier and contractor.
- Fit for purpose of the proposed goods or service.
- Whole of life costs including acquiring, using, maintaining and disposal.
- East Waste's internal administration costs.
- Technical compliance issues and costs.
- Risk exposure and WHS considerations.
- Prevailing market forces and trends.
- The value of any associated environmental benefits.
- Local economic development and social inclusion.
- Trade-in values.
- Other relevant matters identified in specific procurement process documentation.

5.3. Objective 3 - Probity, accountability and transparency

All procurement shall be undertaken in a manner that ensures:

- Clearly established roles and responsibilities.

- Appropriate record keeping and documentation.
- Interests in matters are disclosed and managed appropriately.
- Integrity through transparency of process and documentation of decisions made.
- Adherence to relevant legislation, policy, and procedure.
- Identification and management of actual or potential conflicts of interest. and
- Confidentiality of all commercial information.

5.4. **Objective 4 – Ethical behaviour and fair dealing**

All employees involved in procurement activities are to:

- Behave with impartiality, fairness, openness, integrity, and professionalism.
- Provide all suppliers and contractors with equal opportunity to supply to East Waste.
- Establish clear and easy to understand documentation requirements, evaluation criteria and methodology.
- Provide consistent processes and constructive feedback on decisions upon request from suppliers and contractors. and
- Ensure effective communication and provision of information to all suppliers and contractors.

5.5. **Objective 5 – Identification and management of risk**

The Risk Assessment process should consider financial, supply, business, legal, management, reputations, probity, work health and safety, environmental, public safety, political and sensitive risks.

Risks relating to the procurement process may include:

- Procurement of unsuitable product or service.
- Funding (e.g. internal & external, impact on long term financial plan).
- Probity failure.
- Inappropriate or inadequate specification.
- Negotiation of agreement terms/failure to agree to terms.
- Actual or perceived breach of probity/confidentiality.
- Lack of responses/limited supplier participation. and
- Evaluation processes.

Risks relating to the engagement of the product/service provider may include:

- Supplier capability/capacity/availability.
- Agreement management/supervision.
- Price variations.
- Agreement disputes.
- Unauthorised change in scope of work.

5.5.1 **Risk Assessment**

East Waste employees will ensure that appropriate practices and procedures of internal control and risk management are in place for its procurement activities,

including risk identification, assessment, and implementation of controls in accordance with East Waste's Risk Management Framework.

5.6. Environmental Sustainability

East Waste promotes environmental sustainability through its procurement activities and will consider the purchase of environmentally sustainable goods and services that satisfy the value for money criteria by:

- Purchasing recycled and environmentally preferred products where appropriate.
- Adopting purchasing practices which conserve natural resources.
- Aligning the East Waste's procurement activities with principles of environmental sustainability.
- Selecting products and services which have lower environmental impacts across their life cycle compared with competing products and services.
- Integrating relevant principles of waste minimisation and conservation of energy.
- Provide leadership to business, industry, and the community in promoting the use of environmentally sensitive goods and services.
- Fostering the development of products and services which have a low environmental impact.

5.7. Local Economic Benefit

East Waste will endeavour to, at its discretion and to the full extent permitted by law, support local suppliers by:

- Promoting to local and regional businesses opportunities to supply to East Waste.
- Giving preference to local suppliers where they provide a comparable offer on assessment of all other evaluation criteria.
- Considering economic and social inclusion elements such as employment creation and training opportunities specifically within the East Waste service area.

5.8. Effective management of the end-to-end- procurement lifecycle

The procurement lifecycle includes all of the steps and tasks within the procurement process, from needs identification and data gathering to contract management, delivery of goods or services and relationships with suppliers and contractors.

East Waste employees will determine appropriate methodology within the various steps of the procurement lifecycle including planning, risk management, tendering, purchasing, contracting and financial control with regard to the scale, complexity and importance of the goods or services being acquired.

6. Procurement thresholds

- 6.1. Clause 63 of the Charter provides for East Waste to acquire such assets (real or personal) as its Business Plan provides or otherwise pursuant to a Unanimous Decision of the Constituent Councils.
- 6.2. Procurements are to be in accordance with East Waste's financial thresholds outlined in East Waste's Register of Delegations and this Policy.
- 6.3. The value of the procurement is calculated as follows:
 - Single one-off procurement – the total amount, or estimated amount, of the procurement (excluding GST).
 - Multiple procurements with the same supplier or contractor – the gross value, or the estimated gross value, of the procurements (excluding GST).
 - Ongoing procurements over time – the annual gross value, or the estimated annual gross value, of the procurements (excluding GST).
- 6.4. The value of a procurement or transaction is calculated across all elements of the procurement process including any agreement options, extensions, renewals, and contingencies (exclusive of GST) and should be considered in the planning phase of the project.
- 6.5. Splitting the value of the purchase into individual components to meet with lower value of purchase thresholds is not permitted.
- 6.6. If East Waste enters into a strategic alliances procurement process under this policy (Strategic Alliances) then there will be no requirement for East Waste to approach the wider market or enter into a separate RFT/RFQ as an open procurement process has already been undertaken.

East Waste can meet its procurement requirements through contractual arrangements established and administered by other organisations that demonstrate adherence to the requirements of this policy. The use by East Waste of Strategic Alliances means that the methods of procurement set out in this policy will be undertaken pursuant to and in accordance with the arrangements set out under the Strategic Alliances.

- 6.7. Procurements are to be made in accordance with the financial thresholds set out in Appendix 1 – Approach to Market.

7. Cumulative spend

- 7.1. Cumulative spend is identified as the estimated value of the total proposed purchase(s), including any agreement options, extensions and renewals (exclusive of GST), and potential cumulative value of the goods or services supplied over a period of time e.g. twelve (12) months against a supplier and contractor.

- 7.2. Cumulative spend shall be monitored by East Waste to determine whether the appropriate procurement process has been undertaken and/or an alternative procurement method is required to be undertaken to comply with this policy.

8. Procurement method

- 8.1. The appropriate procurement method will be determined on a case by case basis. Consideration needs to be given to the aggregate spend for the life of the contract/agreement with each supplier to ensure that the aggregate amount remains within the appropriate procurement category.
- 8.2. **Appendix 1** provides direction to Employees (unless as otherwise approved within the General Manager's delegated purchasing authority) regarding the approach to market selection options available and decision making responsibility for procurements.
- 8.3. For agreements that span multiple years, the dollar ranges referred to in Appendix 1 relate to the value of the goods/services purchased for the potential life of the contract (including renewal options).

9. Exemptions from this Policy

- 9.1. This Policy contains general guidelines to be followed by East Waste in its procurement activities. There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for East Waste and other market approaches may be more appropriate. This includes when there are timing constraints and where the supply market is known.
- 9.2. The authority to approve an exemption from using the required method of procurement is delegated to the General Manager in accordance with expenditure delegations as listed in East Waste's Register of Delegations. Exemptions to this Policy shall be reported to the Board through the Information Report.
- 9.3. The General Manager, on approving an exempt method, will consider the scale, scope and relative risk of the purchase, including the principles defined in this Policy.
- 9.4. A request for waiver of a competitive process should not be viewed as a mechanism to remove the need for rigorous procurement planning.
- 9.5. Unforeseeable situations where it may be appropriate to waive application of this Policy, including, but not limited to situations where:
- There may be a public risk if the procurement is delayed by process requirements, such as emergency situations threatening life and/ or property.
 - The pressures of time are such that an open tender call is not feasible, such as where there has been an unanticipated Board or Government policy decision.
 - East Waste purchases assets or goods at an auction up to \$100,000.
 - East Waste purchases second hand goods or assets up to \$100,000.

- A supplier or contractor is evidenced to be a 'sole supplier or contractor' in the market and effectively a niche specialist or monopoly, rendering the tender process redundant.
- A supplier or contractor who has considerable background knowledge and experience, or specialist expertise on that particular East Waste project or asset e.g. an extension of a previous project. In such circumstances, the procurement of assets, goods or services on negotiated fees and terms through that supplier or contractor alone may be deemed sound and advantageous to the project. This could include engaging the supplier or contractor on a retainer basis for a specialised period of time.
- Continuation of services under an existing purchasing arrangement (i.e. variations/ extensions to existing purchase orders or agreements).
- Good or services are being provided under an existing purchasing arrangement (i.e. warranty, servicing, maintenance or defects liability).
- Where knowledge, design and/ or intellectual property is being retained to secure continuity of a staged initiative which may be disadvantaged (e.g. time, objective, financially) if subjected to a further competitive engagement process.

9.6. A list of items which are exempt from this Policy are included at **Appendix 2**.

10. Legislation

Competition and Consumer Act (Cth) 2010

Competition Policy Reform (SA) Act 1996

Criminal Law Consolidation Act 1935

Disability Inclusion Act 2018

Environment Protection Act 1993

Freedom of Information Act 1991

Independent Commission Against Corruption Act 2012

Industry Advocate Act 2017

Local Government (Elections) Act 1999 – Caretaker Provision

Local Government Act 1999 (SA)

Local Government (Financial Management) Regulations 2011

Modern Slavery Act (Cth) 2018

Ombudsman Act 1972

State Records Act 1997

Trades Practices Act (Cth) 1974

Work Health and Safety Act (SA) 2012 and Regulations 2012

11. Related Documents

Annual Budget/Business Plan
Contractor Management Policy
Corporate Credit Card Policy
Delegation Register
Eastern Waste Management Authority Charter
Financial Management Policy
Fraud and Corruption Prevention Policy
Internal Audit Policy
Internal Controls
National Competition Policy (Federal)
Prudential Management Policy
Risk Management Policy

12. Review

This Procurement Policy shall be reviewed by East Waste Board at minimum within three (3) years of issued date or more frequently if legislation or organisational needs change.

Signed



Acting General Manager

Date 26 June 2025

Signed



Chair East Waste Board

Date 26 June 2025

13. Document History

Version No:	Issue Date:	Description of Change:
1.0	February 2018	New Document, (superseded Purchase of Goods and Service Policy)
2.0	25/06/2020	Amendments made in accordance with Agenda Item 7.4 East Waste Board Meeting 25 June 2020. Endorsed by Board with Amendments.
3.0	May 2022	Minimum value of Purchases updated and other minor amendments.
4.0	April 2025	Aligned with LGA model Procurement Policy

Appendix 1 – Approach to Market

Procurement Category	Estimated Value Range (ex GST)	Acceptable Approaches to Market	Decision Making Responsibility
1	\$1 to \$10,000	<ul style="list-style-type: none"> • Direct sourcing / negotiation • Use of existing third party contracts • Panel arrangements / arrangements with prequalified suppliers • Strategic alliances 	Employees – within the limit of their delegated purchasing authority and the approved budget.
2	\$10,001 to \$25,000	<ul style="list-style-type: none"> • Direct negotiation with preferred supplier(s) where market is known to be limited • Use of existing third party contracts • Extending existing contractual arrangements • Panel arrangements / arrangements with prequalified suppliers • Written quote from at least two (2) suppliers. • Strategic alliances. 	Employees – within the limit of their delegated purchasing authority and the approved budget.
3	\$25,001 to \$100,000	<ul style="list-style-type: none"> • Direct negotiation with preferred supplier(s) where market is known to be limited • Use of existing third party contracts • Extending existing contractual arrangements • Panel arrangements / arrangements with prequalified suppliers • Joint procurement arrangements with other Councils • Written quotes from at least three (3) suppliers 	Employees – within the limit of their delegated purchasing authority and the approved budget.

		<ul style="list-style-type: none"> • Strategic alliance • Open / Select / Limited / Staged Tender 	
4	\$100,001 to \$250,000	<ul style="list-style-type: none"> • Direct negotiation with preferred supplier(s) where market is known to be limited • Use of existing third party contracts • Extending existing contractual arrangements • Panel arrangements / arrangements with prequalified suppliers • Written quotes from at least three (3) suppliers • Strategic alliances • Open / Select / Limited / Staged Tender 	Executive Leadership Team within the approved budget and limit of their delegated purchasing authority.
5	Greater than \$250,000	<ul style="list-style-type: none"> • Use of existing third party contracts • Extending existing contractual arrangements • Panel arrangements / arrangements with prequalified suppliers • Strategic alliances • Open / Select / Limited / Staged Tender 	East Waste Board having taken into account recommendations from the General Manager.

Appendix 2 – Exemptions from Procurement Policy

The items listed below have been identified as being exempt from the requirements of this Policy and may be directly sourced:

- Legal and HR advice
- Debt collection services
- Software licensing
- Vehicle registrations
- Refunds or reimbursement of expenses (including Petty Cash)
- Banking and cash collection services
- Borrowing and lease costs (principal and interest
- Auditor's fees
- Statutory Government charges
- Courier services
- Insurance premiums and excess payments
- Leases and rentals
- Postal services
- Subscriptions and memberships
- Travel and accommodation (i.e. taxi fares)
- Utilities (water, electricity, gas, telephone, fuels)
- Independent Member allowances and payments.