



Procurement and Credit Card Policy

Application	All Council procurement activities
Responsible Officer	General Manager
File No	CM:POL:CWP
Authorised by	Council
Effective Date	0107/15.03.22
Distribution	Internet / Intranet / Public Exhibition

Purpose

Carrathool Shire Council is committed to effective, efficient, economical and sustainable procurement to ensure that goods and services are of high quality, sufficient and fit for purpose.

The goal of this policy is to provide clear guiding principles for the procurement of goods and/or services through quotations and tendering, credit and fuel card use. The implementation of this policy will assist in meeting the needs of the community while ensuring best value for money, good management practices, transparency, probity, environmental performance and the sustainable use of resources.

Objective

The objectives of this policy are to:

1. ensure that procurement delivers value for money and that all transactions are conducted in an honest, fair and equitable way
2. ensure that the procurement is sustainable
3. comply with work health and safety good practice with regard to the procurement of goods and/or services
4. encourage the development and promotion of business and industry within the local economy
5. establish rules for the use of corporate cards (credit and fuel) issued by Council
6. ensure that organisational transactions are carried out as efficiently as possible through the use of corporate cards when appropriate
7. provide an alternative mechanism for the purchase of fuel for Council supplied vehicles
8. guard against possible misuse of corporate cards (credit and fuel) issued by Council
9. ensure the use of corporate cards (credit and fuel) is in accordance with relevant legislation

Definitions

Procurement: Deals with the identification of needs, sourcing activities, negotiation and the strategic selection of goods and/or services that are of importance to an organisation. It involves selecting vendors, establishing payment terms, strategic vetting, selection, negotiation of contracts, the actual purchasing of goods and/or services and post contract activities such as contract and supplier management. Procurement covers all activities involved in acquiring goods and/or services that are vital to Council.

Purchasing: A subset of procurement. Refers simply to the transactional processes of buying goods and/or services, including receiving and payment.

	Effective Date:	15/03/22
Uncontrolled document when printed. Please refer to website or intranet for controlled document	Version No.:	1



Reference

This policy complements other legislation and where it is silent on matters referred to in the following legislation such matters must be followed in accordance with the legislation.

- *Local Government Act 1993*
- *Local Government (General) 2021 Part 7 Tendering*
- *Work Health & Safety Act 2011*
- OLG Tendering Guidelines for NSW Local Government October 2009
- Policy 088 - Statement of Business Ethics
- Policy 090 – Work Health & Safety
- Code of Conduct
- Delegations Register

Policy Statements

Procurement Principles

Council's procurement related activities shall be conducted in a manner that complies with these general procurement policies:

1. obtaining value for money in the procurement of goods and/or services, using open and effective competition wherever practicable.
2. Quality, price, delivery and service along with local benefit shall generally be considered the main criteria in assessing Council's procurement of goods and/or services together with experience, conformance with specifications, WHS record and systems/project specific matters.
3. Council expects its contractors and suppliers to comply with ethical business standards and practices in all procurement activities.
4. Council will strictly implement its Code of Conduct, guidelines and other relevant policies on matters relating to all procurement activities.
5. All staff are required to consistently apply and implement Council's procurement policies and procedures. Appropriate remedial action will be taken for non-compliance.
6. Elimination of unnecessary purchasing reduces costs and waste.

Procurement Delegations

Purchases valued at less than \$250,000 inclusive of GST will be authorised by appropriate council officers in accordance with the criteria listed below. Appropriate council officers will be delegated authority by the General Manager to approve the purchase of goods and/or services within specified limits. These limits will be strictly adhered to and will be monitored regularly. The onus will be on the individual employee to ensure that they do not abuse their authority level. At no time are orders to be split so that the total value of the order falls under an employee's delegated authority level.



Value (incl GST)	Quotations	Details
< \$5,000	1	Supplier may be selected directly by a Council Officer with the appropriate level of authority
\$5,000 - \$29,999	3	At least 3 verbal quotations sought and documented Where 3 quotations are not available the reason should be documented Where the lowest quotation is not accepted, supporting documentation must be provided to the relevant supervisor Where a supplier other than the recommended is accepted, justification for this decision must be documented
\$30,000 - \$249,999	3	At least 3 written quotations sought and documented with written specifications provided Where the lowest quotation is not accepted, supporting documentation must be provided to the relevant supervisor Where a supplier other than the recommended is accepted, justification for this decision must be documented
\$250,000 +	Tender	Complete tender suite of documentation
Annual Schedule of Rates	EOI	Must be publicly advertised annually calling for fixed rates for work, plant hire and projects (<\$250k) on an as required basis Selections must be approved by Council's Tender Panel

Tendering

Council will seek tenders where required by the Act and when deemed appropriate by the General Manager. Tendering selection criteria may be modified with the approval of the General Manager. Value for public money to achieve positive outcomes for the community is the core principle underpinning Council's procurement system. This will involve a comparative analysis of all relevant costs and benefits of each proposal throughout the whole procurement cycle. To carry out the comparative analysis, Council will use appropriate evaluation criteria. A weighting will be applied to each evaluation criterion. Evaluation criteria and weighting will be set by the responsible officer with the exception of Local Benefit which will have a maximum weighting of 10%.

Compliance and Fraud

Areas of non-compliance will be dealt with by the General Manager. All suspected fraudulent activity will be dealt with in accordance with Council's Fraud and Corruption Prevention Strategy.

CASH, CREDIT CARDS & FUEL PURCHASES

All supporting vouchers and tax invoices must be obtained for all purchases.

Petty Cash

Council's petty cash limit is \$50. Cash purchases must be supported by receipts. Only the General Manager or the relevant Director may approve reimbursements of expenditure without the production of a receipt in certain circumstances.

Credit Cards

Council credit cards may be issued only to approved persons on the authority of the General Manager in accordance with Council policy. Requests for a Council credit card will be assessed by the General Manager on a needs basis, i.e.:



- officers who are required to make transactions in a timely manner; and
- purchases unable to be made through Council's procurement system (eg flights, accommodation)

Council credit cards must not be used to incur personal expenditure or expenditure on behalf of other organisations. Misuse of a Council credit card may lead to the cancellation of the card together with a requirement for the cardholder to pay restitution to Council. Cardholders must certify their monthly credit card expenses, confirming that the costs incurred were for official purposes. The General Manager must authorise all credit card expenditure with the Director Corporate & Community Services authorising the General Manager's credit card expenditure. Each corporate credit card will be issued to a specific person who will remain personally responsible for the use of the card.

Cardholder Responsibilities

It will be the responsibility of the cardholder to –

1. obtain and retain sufficient supporting documentation (tax invoices) to validate the expense and attach these to the monthly statement from the bank
2. review the monthly statement and verify that the goods and/or services listed were received and report any inaccuracies to the Director Corporate & Community Services
3. sign the monthly statement to verify that the transactions have been made for official purposes
4. take adequate measures to ensure the security of the credit card
5. notify the bank and the Director Corporate & Community Services immediately if the card is lost or stolen or if any unauthorised transaction is detected or suspected
6. The credit card is not to be attached to any reward system offered by the provider
7. return the card to the Director Corporate & Community Services where the card has been withdrawn as detailed below

Withdrawal of Corporate Credit Cards

A corporate Credit card may be withdrawn or cancelled for the following reason –

1. the cardholder ceases to be an employee of Council
2. it is determined that there is no longer a need for the existing cardholder to utilise a credit card facility
3. misuse of the credit card by the cardholder including inappropriate expenditure or non-compliance with the conditions of use set out in this Policy

Fuel Cards

Issue of Fuel Cards

1. The Manager Town Services & Fleet will be responsible for issuing fuel cards to employees who are provided with a council vehicle in the course of their employment
2. The recipient of the fuel card will be required to sign a document acknowledging and agreeing to the conditions of use outlined in this Policy
3. The Manager Town Services & Fleet will maintain a register of all employees who have been issued with a council fuel card

Fuel Card Usage

1. The fuel card must only be used for the vehicle it is assigned to and must not be utilised to refuel another vehicle
2. The fuel card must be retained with the associated vehicle at all times
3. The fuel card is not to be attached to any reward system offered by the fuel provider

Cardholder Responsibilities

It will be the responsibility of the cardholder to –

1. Sign the fuel receipt issued at the fuel outlet



2. Forward all fuel receipts to the Creditors Officer in a timely manner (fortnightly, at the end of each payroll period)
3. Take adequate measures to ensure the security of the fuel card
4. Notify the Manager Town Services & Fleet immediately if the fuel card is lost or stolen
5. Return the fuel card to the Manager Town Services & Fleet on request

Withdrawal of Fuel Cards

A fuel card may be withdrawn or cancelled for the following reasons –

1. The cardholder ceases to be an employee of the Council
2. It is determined that there is no longer a need for the cardholder to have a fuel card
3. Misuse of the fuel card by the cardholder including non-compliance with the conditions of use set out in this Policy

Revision Table

Minute /Date	Amendment Summary (Reason or Reference)
0107/15.03.22	New Council policy to incorporate and supersede Council Policy 137 Procurement and Tendering and Management Policy CM-001 Corporate Credit Cards Policy and fuel cards.

Review

This policy may be amended from time to time and will be reviewed within four years of its adoption (or latest amendment) with reference to any relevant legislation and best practice guides.



CORPORATE CREDIT CARD

CARDHOLDER APPROVAL AND ACKNOWLEDGEMENT

Approval

Cardholders Name:
Position:
Credit Limit (Monthly):
General Manager Signature:
Date:

Acknowledgement

<p>I acknowledge receipt of the Carrathool Shire Council Corporate Credit Card and agree that:</p> <ol style="list-style-type: none">1. I will not use the corporate credit card, nor permit it to be used, other than for official Council purposes2. I will not use the credit card to withdraw cash3. I will not use the credit card for prohibited or illegal purchases that may bring the name of Council into disrepute4. I will ensure the security of the credit card at all times5. If the corporate credit card is lost or stolen, I will immediately report it to both Council's bank and the Director Corporate & Community Services6. If my position with Carrathool Shire Council changes or my employment ceases, or I am asked to surrender the card for any other reason, I will immediately return the card7. I will retain all original supporting documentation that meets the requirements of a tax invoice for presentation to the relevant authorising officer.
--

Cardholders Signature

Card No:	Expiry:
Cardholders Signature:	Date:
Witness Name:	Signed:



FUEL CARD

CARDHOLDER APPROVAL AND ACKNOWLEDGEMENT

Approval

Cardholders Name:
Position:
Credit Limit (Monthly):
General Manager Signature:
Date:

Acknowledgement

I acknowledge receipt of the Carrathool Shire Council Fuel Card and agree that: <ol style="list-style-type: none">1. I will not use the fuel card, nor permit it to be used, other than for refilling the Council vehicle for which it has been issued2. I will ensure the security of the fuel card at all times3. If the fuel card is lost or stolen, I will immediately report it missing to the Director Corporate & Community Services4. If my position with Carrathool Shire Council changes or my employment ceases, or I am asked to surrender the card for any other reason, I will immediately return the card5. I will retain all fuel receipts and forward them to the Creditors Officer as required under this Policy

Cardholders Signature

Fuel Company Name:	
Card No:	Expiry:
Cardholders Signature:	Date:
Witness Name:	Signed: