

**DISTRICT COUNCIL OF KAROONDA EAST MURRAY**  
**Competitive Tendering, Purchasing,**  
**Sale and Disposal of Land and Other Assets Policy**

Policy No	04
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Next Review	2010

**Introduction**

Council has chosen to adopt one policy which covers competitive tendering, contracting, purchasing, sale and disposal of land and other assets.

**1. Competitive Tendering, Contracting and Disposal of Land and Other Assets Policy Framework**

The District Council of Karoonda East Murray is committed to ensuring a fair, transparent and accountable process, in the provision of services, purchasing of goods and services and in the disposal of land and other assets.

Council aims to ensure that its methods of:

- service provision, including the carrying out of works,
- purchasing goods and
- the sale and disposal of land and or other assets

are cost effective and meet the needs of the community and represent best value for money.

This Policy addresses the key elements of the conduct of Council affairs in these areas and the principles that will guide Council's decision making processes.

**The Local Government Act 1999 ("the Act")**

This policy has been developed and adopted in accordance with Section 49 of the Local Government Act and applies to the provision of all services, the purchase of goods and services and the disposal of land and other assets.

**SERVICE PROVISION**

**District Council of Karoonda East Murray's Charter – The Principles**

In fulfilling Council's service provision role, the following principles will apply:

- The Policy will be reviewed to ensure consistency with and relevant to Council's Management Plan.
- Determination of service delivery approaches shall be made on the basis of best short and long term value taking into account quality, cost standards and service responsiveness to the needs of the community and accessibility.
- Measures determined by Council shall be adopted to determine efficiency, effectiveness, accountability and transparency.
- Consideration shall be given to the impact of service delivery approaches on local businesses.
- It is the desire of Council to retain an appropriate level of staffing to ensure the effective and efficient operation of Council.

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- Adoption of principles of human resource management and compliance with industrial awards and relevant enterprise agreements having regard to Council's employee relation objectives.
- Council considers that there it is a necessity to retain control over the way in which services are provided and its response to emergency situations.
- Compliance with statutory obligations and the National Competition Policy.
- Opportunities for creating or maintaining economic development and growth in the area and participation with other spheres of government, community groups and the private sector in service delivery.
- Council will give consideration to all services presently being provided by Council to determine whether the Services should be exposed to the tender process

### **Service Provision Options**

Council has identified the following options for the provision of services identifying a range of options so as to not constrain Council in the future:

- Competitive tendering – It will be the decision of Council where there is an alternative Service Provider whether to expose the provision of Council services to competition through a formal tendering process. An “in house“ staff tendering process may occur for specific projects, services and activities.
- Contracting out or outsourcing to an external provider shall be considered by Council where it deems appropriate.
- Contestability – Where possible staff will be involved in identifying and adopting productivity improvements in service delivery designed to meet service standards determined through performance measurement, benchmarking and market testing
- Consideration will be given to local circumstances recognising that it may not always be possible to benchmark or to have an alternative service provider.

In identifying the circumstances in which to apply the above options Council will consider:

- Council's Strategic Management Plan's goals and objectives when adopted. Council is committed to performance improvement strategies.
- Council's Enterprise Agreement – Council has made a commitment to internal service provision and continuous improvement.
- Maintenance of control of specific services by Council – Contracting out of activities where they cannot be provided internally.
- It is the intention of Council to continue to meet all its legal obligations and not put services at risk to the detriment of the Community and the area.
- Recognition is made that due to the geography of the area this may impact on the number of competitors in the market place. At the same time Council will be mindful that a monopoly situation does not arise.
- Consideration will be given to Council's current service delivery arrangements.
- Council's existing resources will be considered when determining service delivery.
- It is the desire of Council to enter into commercial activities or projects where it is deemed to be to the benefit of the Council and the Community.

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**PURCHASE OF GOODS & SERVICES**

**(Council's) Charter – The Principles**

In fulfilling Council's purchasing role, the following principles will apply:

- Consistency with and relevance to Council's Strategic Management Plan.
- Purchasing procedures and practices shall be transparent and accountable to ensure that Council purchases at the best price and that all potential suppliers are given equal opportunity to provide the required goods and services.
- Where possible opportunities to enhance local economic development and growth shall be taken.
- Compliance with statutory and other obligations.
- Commercial confidentiality.

**Purchasing Options**

Generally, Council will purchase goods through adoption of the following approaches:

- Direct purchases – where there is only a single supplier or the particular circumstances involve only one potential supplier.
- Quotation – seeking quotations from two or more suppliers.
- Selected Tender – seeking tenders from a limited number of suppliers on the basis of, location, previous performance, the result of an Expression of Interest process when called.
- Open Tender – seeking tenders from the market at large through an open invitation process e.g. advertisement
- Any other process in accordance with the above principles

In identifying the circumstances in which to apply these options, Council will consider the following issues-:

- The number of known suppliers of the goods or services.
- The existence of local suppliers of the goods or services and the impact on the local economy if the goods or services were purchased from outside the Council area.
- The total estimated value of the purchase.
- Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of supply.
- Previous experience with suppliers.
- Compliance with statutory obligations.

**SALE AND DISPOSAL OF LAND AND OTHER ASSETS**

**(Council's) Charter – The Principles**

For the sale and disposal of land and other assets, the following principles will apply regarding decisions of Council:

- Consistency with and relevance to Council's Strategic Management Plan.
- Transparency and accountability in sale and disposal procedures and practices to ensure that Council obtains the best price and that all potential purchasers are given equal opportunity to purchase the land or assets.
- Opportunities to enhance local economic development and growth.
- Compliance with statutory and other obligations.
- Commercial confidentiality

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**Sale and Disposal Options**

Council will sell or dispose of land and other assets through adoption of one of the following practices and in so doing reserves the right to seek an independent value on any land or asset prior to the sale:

- Direct sale – advertisement for sale and the nature of the advertisement i.e. public notice, local paper etc.
- Selected Tender – seeking tenders from a selected group of person/companies etc.
- Open Tender – openly seeking, through advertisement, tenders, or buyers for Council land and other assets.

In identifying the circumstances in which to apply these options, Council will consider the following-:

- The number of known potential purchasers of the land or assets.
- The original intention for the use of the land or asset when purchased, where relevant.
- The current and possible preferred future use of the land or assets.
- The opportunity to promote local economic growth and development.
- Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of sale.

**CONSULTATION**

The District Council of Karoonda East Murray recognises its responsibilities under Section 50 of the Local Government Act 1999 and Council's Public Consultation Policy.

**The Decision Making Process**

Council recognises that the Community, local businesses and contractors will from time to time have an interest in the manner and approach adopted by Council when determining service delivery, purchasing and disposing of land and other assets.

The following level of delegated authority will apply to the CEO (Chief Executive Officer) in making decisions regarding matters covered in this policy-:

- The purchase of services or goods is less than \$5,000.
- The disposal of others assets is less than \$5,000.

Council or its Officers with delegated authority will, when making decisions under this Policy, act in accordance with the Council's budget, relevant policies, plans, industrial awards, agreements, resolutions etc.

Council acknowledges that the CEO may sub-delegate matters related to this policy to staff or other persons employed or engaged by Council.

Council may also delegate matters covered by this policy to its Committees or Subsidiaries.

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**Contracts and Tenders**

When undertaking contract and tender activities Council's decision making process will be open and transparent. In so doing -:

- Tendering will assist Council to achieve its strategic objectives and strategies.
- Customers of the service will not be disadvantaged.
- Responsibility of Council for the provision of the service will not be adversely affected.
- It is practical and possible the quality and quantity of the service required to be delivered shall be specified.
- A decision of Council shall be made as to whether it is deemed appropriate for Council to continue to ensure the service is provided.
- Council shall consider whether the gains (financial and non-financial) are greater than what could be achieved through the direct provision of the service by Council and the impact of such a decision on existing services.
- Consideration will be given to the relationship between the service to be contracted or tendered to other related services in the Council.

Where Council determines it will use a contract or tender arrangement under this Policy, it will:

- Be a decision of Council to adopt either a selective or open tender process.
- Prepare appropriate documentation to inform potential providers of the service of the necessary information to formulate their tender and the manner in which to submit an offer.
- Form a selection panel consisting of Council or a sub Committee of Council to consider offers made for the provision of the service.
- Manage any complaints arising from the decisions taken by Council which will be consistent with Council's Internal Review of Decisions Procedures under the Act.
- Procedures relevant to specific tendering activities will be made available by Council.

**Documentation**

To assist in demonstrating that Council's service provision, purchasing and disposal processes are cost effective, fair, transparent and accountable, and meet community needs, Council will document the reasons for entering into contracts other than those resulting from a tender process.

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**Council Endorsement of the Policy**

This Policy was first endorsed by Council on 13<sup>th</sup> June, 2000.

**Review and Evaluation**

The effectiveness of this Policy will be reviewed and evaluated annually within Council's strategic management planning framework. The Chief Executive Officer will report to Council on the outcome of the evaluation, and make recommendations for amendments, alteration or substitution of a new Policy, if relevant.

The Policy will not be altered or substituted so as to affect a process already commenced.

**Availability of the Policy**

The Policy is available for inspection at Council's Office, Railway Terrace, Karoonda during ordinary business hours.