

# PROCUREMENT POLICY



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## PROCUREMENT POLICY

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## PROCUREMENT POLICY

### 1. POLICY OBJECTIVES

The objectives of this Procurement Policy are to:

- 1) ensure the efficient and cost-effective procurement of goods and services that are needed by the Authority;
- 2) get good value for money for the goods and services the Authority purchases; and
- 3) ensure that the Authority's procurement activities are conducted in a manner that is fair and equitable to all suppliers, transparent and competitive.

The Policy states the rules and regulations set in place to govern the process of acquiring goods and services required by the Authority to function efficiently.

The Policy commits the Authority, and every individual involved in purchasing and supplier management, to use their best endeavours to ensure that the purchasing and contracting activities are:

- Justified and authorised;
- legal;
- accountable and auditable;
- ethically, environmentally and socially responsible; and
- open to continuous improvement and development, in particular by the training, development and support of staff.

### 2. SCOPE

This Policy applies to

- (a) the acquisition of all goods and services, except for
  - (i) utility services that the Authority is obligated to pay under a signed lease agreement;
  - (ii) taxes that the Authority is obligated to pay by law or under the terms and conditions of a signed lease agreement; and
  - (iii) employee travel advances - these are covered by Authority's Overseas Travel and Subsistence Policy and Procedures;
- (b) any employee who is undertaking the procurement of, or is responsible for and aims to provide appropriate procedures for the procurement of goods, works or services.

### 3. POLICY STATEMENTS

- a) No commitments are to be made to suppliers to acquire goods and services unless there is a demonstrated need and the proposed purchase is properly authorised.
- b) Only reputable suppliers of goods and services who are able to provide the required quality of goods or service are to be used.

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- c) Goods and services are to be purchased from local providers unless they are not available locally or there are distinct and substantial benefits to using overseas providers.
- d) Purchases are to be economically priced and consistent with their desired quality.
- e) Purchased materials, equipment and supplies are to be safeguarded against unauthorized use or disposal.
- f) A tendering process will be required for the acquisition of goods and services in excess of \$50,000.
- g) Approval by the Board (or the relevant committee of the Board) is to be obtained prior to committing the Authority to:
  - the engagement of outside legal services to defend the Authority against possible and/or pending litigation;
  - any expenditure in excess of \$50,000; and
  - any expenditure that will exceed a previously approved expenditure by the greater of:
    - a. \$10,000 or
    - b. 10%.
- h) Written contracts are to be used for proposed acquisitions that will commit the Authority to an expenditure of over \$50,000 and are to set out the key terms and conditions of the acquisition and mitigate against operating, business and legal risk to the Authority.
- i) Payments for acquired goods and services are only to be made
  - a. if their acquisition has been authorized in accordance with the Procurement Policy and Procedures, and
  - b. for the quality and quantity of goods ordered and received.
- j) All payment requests are to be supported by the necessary documentation to enable the proposed payment to be properly reviewed, approved, processed and recorded in the Authority's accounts.
- k) To ensure adequate segregation of duties are in place within the procurement process, staff members involved in the preparation of payments are not allowed to also approve payments. In addition, staff members involved in the handling of assets (i.e. managing petty cash, ordering supplies, raising POs etc.) are not to be involved in the recording of transactions to the general ledger and vice versa.

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- l) Access to bank accounts will be restricted to certain employees in accordance with the lines of authority set out within the Authority' procurement procedures to maintain adequate segregation of duties.
- m) The purchase of goods and services are to be properly recorded in the accounts of the Authority.

### 4. PROCEDURES

Written procedures that describe how the procurement functions are to be carried out must be implemented by Management and must comply with the Procurement Policies and good internal control practises.

### 5. RESPONSIBILITIES

The Chief Financial Officer ("CFO") is responsible for administering this Policy. The Policy shall be reviewed annually by the CFO and all recommended changes and updates must be submitted to the CE for review and approval for submission to the Board for its review and approval.

It is the responsibility of the CE to review operations and activities on a periodic basis and is responsible to implement this Policy. The CE delegates this oversight responsibility to the CFO. The CFO has the day-to-day operations responsibility for ensuring that the Authority complies with this Policy.

### 6. REVIEW DATE

This revised Policy will be regularly reviewed.

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### 7. AMENDMENT HISTORY

<i>Date Policy was Issued</i>	<i>Date of Review</i>	<i>Version</i>	<i>Reason for Review</i>	<i>Lead Reviewer</i>	<i>Approved by</i>	<i>Date approved</i>
Jan 28, 2013	Feb 2, 2015	Version 2	Updating the policies and procedures	Paull Davis		
	Apr 16, 2015	Version 3	Updating the policies and procedures	Paull Davis		
	May 26, 2015	Version 4	Updating the policies and procedures	Paull Davis		
	Jun 8, 2015	Version 5	Updating the policies and procedures	Paull Davis		
	Jun 26, 2015	Version 6	Updating the policies and procedures	Paull Davis		
	Jul 7, 2015	Version 7	Updating the policies and procedures	Paull Davis		
	Jul 21, 2015	Version 8	Updating the policies and procedures	Paull Davis	Board of Commissioners	Jul 21, 2015
	June 22, 2017	Version 9	Annual Review	Paull Davis	Board of Commissioners	June 27, 2017