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TENDERING GUIDELINES FOR NSW LOCAL GOVERNMENT

Following consultation with the local government sector, the Division of Local Government, Department of Premier and Cabinet has developed the *Tendering Guidelines for NSW Local Government*.

Copies of the Guidelines can be found on the 'Publications' page of the Division's website at www.dlg.nsw.gov.au.

The Guidelines have been adopted by the Deputy Director General (Local Government), Department of Premier and Cabinet under section 23A of the *Local Government Act 1993*. Accordingly, the Guidelines must be taken into consideration by all councils when exercising their tendering functions.

The Guidelines have been prepared to encourage and support best practice procurement within the local government sector.

Council procurement and disposal activities are governed by strict considerations of probity, transparency and accountability, as they involve expenditure of public funds for public purposes.

The Guidelines will assist councils in applying clear policies, consistent procedures and effective risk management strategies in accordance with the Act, the Regulation and other relevant legislation.

The key principles that should be observed when tendering include:

- councils are generally required to call tenders where the estimated expenditure or receipt exceeds \$150,000
- councils are encouraged to consider using tendering processes when a lesser amount is involved to ensure they obtain best value
- councils must not adopt practices, such as contract splitting, to avoid their obligations under the Act
- tendering processes should involve councillors, managers and those responsible for the on-ground delivery of services.

The *Tendering Guidelines for NSW Local Government* are divided into four parts, comprising:

- Section One – Guiding Principles – sets out the overall principles that apply to the tendering process used by NSW local government
- Section Two – Procurement Management – outlines processes necessary to effectively manage the tendering process
- Section Three – The Tendering Process – outlines the stages involved in the tendering process with reference to specific legislative requirements and recommended practices
- Section Four – Resources – provides useful publications, websites and contacts, as well as a tendering checklist and list of commonly used terms in tendering, purchasing goods and services and disposal of property.

The Guidelines do not affect public-private partnerships and councils should refer to the *Guidelines on the Procedures and Processes to be followed by Local Government in Public-Private Partnerships* in relation to such projects.

All councils must implement the Guidelines as soon as practicable and review their current procurement policies, processes and procedures to ensure they comply.

The Division intends undertaking random audits later this year to ensure councils are meeting their obligations under the Act and are adopting best practices.



Ross Woodward
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