



COUNCIL POLICY

COMPETITIVE TENDERING POLICY

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1. INTRODUCTION

1.1 Scope

This policy applies to all employees in the Corporation and will be of significant interest to external contractors intending to bid for works or services tendered by the Corporation.

More specifically the policy applies when works or services currently performed by Corporation employees are publicly tendered.

1.2 Purpose

To ensure that the Corporation's works and services provided to the community and internal customers are best practice quality, timely and efficient.

To ensure all Council's activities continue to comply with all relevant legislation and competitive neutrality principles.

1.3 Definitions

Competitive Tendering

Exposing the provision of Council Capital Works or services to competition through a public tender process, including services provided by Council employees.

Contestability Process

Comparing the efficiency of in-house service providers with external providers by; service definition, performance measurement and benchmarking.

In-House Bids

Tender bids submitted by Council staff to the Corporation in a public tendering process.

1.4 Legislative Requirements

The New Local Government Bill 1999 – Clause 50 states –

“A Council must prepare and adopt policies on contracts and tenders including policies on the following –

- (a) The contracting out of services.
- (b) Competitive tendering and the use of other measures to ensure that services are delivered cost effectively.”

Policies must –

- Identify circumstances where to call for tenders
- Provide a fair and transparent process for calling tenders and entering into contracts
- Provide for the recording of reasons for selection of successful tenders.

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- Provide for recording of reasons for entering into contracts if not arising out of tender process.

2. PRINCIPLES OF COMPETITIVE TENDERING

Council's decisions in relation to service provision, including decisions to competitively tender services, will be guided by the following principles –

- The needs of the community and Council's community service obligations will be the primary driving force in service provision.
- All statutory obligations will be met, including National Competition Policy reporting requirements.
- Council will maintain sufficient control over the provision of services to ensure their quality and relevance to community needs.
- Council will always maintain an in-house capacity to respond to emergencies.
- The chosen model of service delivery will minimise risks to Council.
- Council's corporate goals will be supported by the most appropriate model of service provision.
- Council will adopt service provision models which ensure services are provided in the most effective and efficient manner.
- All competitive tendering processes will be conducted in an ethical, fair and transparent manner, will meet all legislative requirements and comply with Council's Purchasing Policy.
- In-house bids and external tenderers will compete on a fair and equal basis, all competitive neutrality principles will be observed.

3. CRITERIA FOR DETERMINING WHEN TO COMPETITIVELY TENDER CAPITAL WORKS OR SERVICES

The following criteria will be applied when determining whether to tender works or services –

- Facilitation of the achievement of Council's strategic outcomes as identified in the Corporate Plan.
- There will be no disadvantage to the customers of the service.
- Council's relationship with the public, residents and rate payers will not be detrimentally affected by competitively tendering the service.
- It is practical to specify the quality and quantity of the service.
- It has been determined appropriate for Council to ensure the continued provision of the service.
- Council will maintain the capacity to respond to emergencies.
- Market analysis has determined there is a competitive market in Adelaide for the provision of the service.
- The potential financial savings gained from competitively tendering the service are greater than the costs involved in the competitive tendering process, including the costs of contract monitoring for both quality and cost and other administrative expenses.
- Synergies with other Council services will not be compromised.
- The current in-house service providers have completed a contestability process and are not commercially competitive.

4. A FAIR AND TRANSPARENT TENDER PROCESS

Competitive tendering will be undertaken utilising a fair and transparent process and all Competitive Neutrality principles and practices will be observed.

The competitive tendering process will include the following elements –

- All competitive tendering processes will be conducted in an ethical and transparent manner and meet all legislative requirements.
- In-house bids and external tenderers will compete on a fair and equal basis and be subject to the same tender conditions.
- Council's Purchasing Policy will be complied with to ensure probity of the tender process.
- Prior to a public tender, the service quality, quantity and standard will be clearly specified.
- The full cost, including corporate overheads, of the current service provision will be determined.
- Financial and non-financial key performance indicators will be determined for the service.
- Services will be packaged in a manner that encourages competition and provides the best outcome for the community and Corporation.
- In-house teams may submit a tender and will be given the necessary support to prepare and submit a tender bid where appropriate.
- Council will manage all complaints regarding a tender process in an open and constructive manner and in accordance with Council's Grievance Policy developed in line with the Local Government Act (1999).
- External tenderers will be informed if there is to be an in-house bid.
- There will be a written evaluation of tenders which will be submitted to the Chief Executive Officer and include evaluation of tenders against selection criteria and reasons for the selection of the successful tenderer.

5. HUMAN RESOURCE IMPLICATIONS

The Corporation is committed to fair and transparent processes and consultation with its employees.

The Corporation acknowledges its responsibilities under relevant legislation, Awards and Enterprise Agreements and throughout the competitive tendering processes will continue to meet these responsibilities.

6. DELEGATED AUTHORITY

The Delegations as established in Council's Purchasing Policy will apply to the Competitive Tendering Process as is currently the case.