



PROCUREMENT POLICY

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Relevant Document Reference	<ul style="list-style-type: none"> • Guidance prepared by Local Government Corporate Services for Councils - The Procurement Guide • <i>Competition and Consumer Act (Cth) 2010</i> • <i>Competition Policy Reform (SA) Act 1996</i> • <i>Criminal Law Consolidation Act 1935</i> • <i>Disability Inclusion Act 2018</i> • <i>Environment Protection Act 1993</i> • <i>Freedom of Information Act 1991</i> • <i>Independent Commission Against Corruption Act 2012</i> • <i>Industry Advocate Act 2017</i> • <i>Modern Slavery Act (Cth) 2018</i> • <i>Ombudsman Act, 1972</i> • <i>State Records Act 1997</i> • <i>Trades Practices Act (Cth) 1974</i> • <i>Work Health and Safety Act (SA) 2012 and Regulations 2012</i>
Applicable Legislation	<i>Section 49 of the Local Government Act 1999</i>

1. Purpose

The purpose of this Procurement Policy (the “Policy”) is to establish a framework of principles relating to the procurement activities undertaken by Eastern Health Authority (EHA) pursuant to the requirements of Section 49 of the *Local Government Act, 1999* (Act).

The Policy demonstrates EHA’s commitment to procuring goods and services in an open, fair, transparent and effective manner that ensures the maintenance of appropriate standards of probity and ethics throughout procurement processes.

2. Scope

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This Policy applies to all expenditure-related procurement activities associated with the purchase of goods, works and services by EHA. This Policy applies to anyone who undertakes or is involved in procurement activities on behalf of the EHA. Compliance with this Policy is mandatory unless expressly indicated otherwise or exempted.

This Policy does not apply to the following:

- non-procurement expenditures such as sponsorships, grants, funding arrangements, donations, and employment agreements;
- real property acquisitions of land, buildings, or structures; or
- the disposal of land and other assets that are owned by EHA.

3. Policy Statement

EHA aims to achieve advantageous procurement outcomes by:

- enhancing value for money through fair, competitive, non-discriminatory procurement
- promoting the use of resources in an efficient, effective and ethical manner
- making decisions with probity, accountability and transparency
- advancing and/or working within EHA's economic, social and environmental policies
- providing reasonable opportunity for competitive local businesses to supply to EHA
- appropriately managing risk; and
- ensuring compliance with all relevant legislation.

4. Procurement Principles

EHA must have regard to the following principles in its acquisition of goods and services:

The following key principles underpin all procurement activities which are undertaken by EHA:

- 4.1 Value for Money is about achieving the best outcome at the most appropriate price. This includes taking into account fit-for-purpose, whole-of-life cost, timeliness, flexibility to adapt to the needs of the project/supply, quality of product, sustainability, intangible costs/benefits, service, support and warranty.
- 4.2 Open and Fair Competition is achieved by providing equitable and appropriate access to the EHA's procurement activities. EHA recognises the commercial and economic benefits of open and effective competition and as such, EHA will encourage healthy competition in the markets from which it purchases.
- 4.3 Ethical Behaviour and Fair Treatment is necessary to ensure an appropriate purchase using public money. EHA staff have a responsibility to act honestly and impartially and behave in a fair, independent, and open manner and with integrity and professionalism to ensure probity when undertaking a procurement activity. EHA staff will observe EHA's Code of Conduct at all times during the procurement process.

- 4.4 Professional Integrity and Probity ensures that the highest ethical and professional standards are observed in the EHA's business dealings. EHA aims to achieve integrity in its procurement activities, through accountable and transparent processes and respects the rights of contractors and suppliers, including the right to confidentiality and the expectation to be treated fairly and without bias at all stages of the procurement process.
- 4.5 Social, Economic and Environmental Sustainability – The objective for all of the EHA's activities is to achieve Community well-being. EHA is committed to maximising the positive impact of its activities to benefit the local community, vulnerable people, its economy, and the environment. Where all other considerations are equal, EHA may give preference to a local supplier to ensure local employment opportunities, environmental outcomes, economic stability and/or growth.
- 4.6 In addition to the above, in order to minimise the EHA's impact on the environment, EHA will, where all other factors are equal, when purchasing aim to achieve the following outcomes:
- conservation of natural resources;
 - purchase of environmentally friendly products;
 - where possible purchase products with recycled content;
 - integrate principles of waste minimisation and carbon reduction;
 - advocate for the development of products and services which have a low environmental impact; and
 - provide leadership to local business and the community in promoting the use of environmentally sensitive goods and services.
- 4.7 Financial Responsibility ensures that the EHA staff procure goods or services where there is an approved and allocated budget for that purchase and where staff with the appropriately delegated financial authority approves the purchase.

5. Selection of an Appropriate Procurement Process

- 5.1 EHA will generally select from one of the following procurement processes:
- open tendering;
 - select tendering;
 - direct negotiation with a preferred supplier, group of suppliers or supplier panel;
 - request for quotes;
 - the use of existing third-party contracts;
 - joint procurement arrangements with constituent councils;
 - direct sourcing; and
 - panel arrangements (eg Local Government Association Procurement, Strategic Purchasing) or arrangements with prequalified suppliers.

The appropriate procurement method will be determined on a case-by-case basis.

Participation in the procurement process imposes costs on EHA and potential suppliers. These costs will be considered when determining a process commensurate with the sale, scope and relative risk of the proposed procurement and where relevant.

5.2 Justification of Choice of Procurement Method

Personnel with financial delegated authority to procure will be responsible for ensuring appropriate procurement practices and procedures, including the identification of risk are observed. Determining the best method in the circumstances will generally be based on the consideration of the following types of issues:

- the nature of the procurement;
- the value of the procurement;
- the risk associated with the procurement;
- whether the market for the procurement is known; or
- what is the most efficient process to achieve EHA's objectives in a timely and cost-efficient manner.

5.3 The following table provides direction regarding approach to market selection and the decision-making responsibility for procurements:

Procurement Category	Estimated Value Range (ex GST)	Acceptable Approaches to Market	Decision Making Responsibility
1	Up to \$5K	<ul style="list-style-type: none"> • Direct sourcing/negotiation • Use of existing third-party contracts • Panel arrangements/arrangements with prequalified suppliers • Joint procurement arrangements with other Constituent Councils • Verbal quotes from at least two (2) suppliers • Direct negotiation with supplier(s) where market is known to be limited 	Employees – within the limit of their delegated purchasing authority (see below) and the approved budget

Procurement Category	Estimated Value Range (ex GST)	Acceptable Approaches to Market	Decision Making Responsibility
2	\$5,001 - \$50,000	<ul style="list-style-type: none"> • Use of existing third-party contracts • Panel arrangements/arrangements with prequalified suppliers • Joint procurement arrangements with other Constituent Councils • Written quotes from at least three (3) suppliers • Direct negotiation with preferred supplier(s) where market is known to be limited • Request for Quotation 	Chief Executive Officer – within the limit of their delegated purchasing authority (see below) and the approved budget
3	\$50,001 and over	<ul style="list-style-type: none"> • Use of existing third-party contracts • Panel arrangements/arrangements with prequalified suppliers • Joint procurement arrangements with other Constituent Councils • Request for Quotation • Open/Select Tender 	Chief Executive Officer – within the approved budget – based on recommendations by Employees provided in a report

6. Credit Cards

Corporate credit cards are an efficient and flexible method of paying for goods and services. They offer a convenient and highly traceable payment option which assists to streamline business processes, improve purchasing efficiency and reduce administrative costs.

6.1 Terms of credit card use

6.1.1 Corporate credit cards can be provided to a limited number of EHA employees who hold positions where it can be demonstrated that there is a regular and ongoing business requirement to purchase specific goods or services using a credit card.

6.1.2 The Chief Executive Officer (CEO) will authorise the issuing of a credit card based on the assessed need and financial delegations.

6.1.3 Where allocation of a credit card is deemed appropriate, it will be issued with a maximum credit limit equal to or less than the employee's financial delegation.

6.1.4 The corporate credit cardholder must conform to sound principles of purchasing in accordance with this Policy, any other relevant EHA policies or procedures, the employee's financial delegation and the approved budget. In doing so, the cardholder will ensure expenditure meets the following characteristics:

- necessary – for an official business purpose;
- reasonable – expense must not be excessive;
- reflect value for money;
- appropriate – able to withstand public scrutiny; and
- allowable – as per relevant Council policy and legislative requirements.

6.1.5 The Delegations Register will maintain a register with details credit limits per cardholder and updated as necessary by the Administration Officer(s). This register will be approved by the CEO. While credit limits issued to positions held will generally not alter, the CEO may alter the credit limit(s) within the scope of their overarching credit card facility. In addition, the CEO may exercise delegated authority to change the number of cards issued as deemed appropriate.

6.1.6 The issue or re-issue of corporate credit cards must be signed for by the cardholder and counter signed by the CEO.

6.1.7 In the case of the CEO's credit card, the Manager of Administration and Compliance or Manager of Environmental Health and Immunisation, will counter-sign the issuing of the CEO's card.

6.2 Preferred purchasing methods

6.2.1 Cardholders must consider alternative purchasing methods available to them in accordance with EHA's Procurement Policy, before using a corporate credit card.

6.2.2 Credit cards may be appropriate for purchasing in any of the following instances:

- invoices for approved goods or services requiring immediate or out of-cycle payment when payment has been authorised;
- where purchase orders are impractical or inappropriate, such as online purchases, or where raising a purchase order impacts operational efficiency. This includes, but is not limited to, items such as parking, taxi fares, work-related meals, subscriptions, small value or unique IT items, including monthly subscriptions and licence fees; and
- for purchases that cannot be made from the EHA office, such as work-related travel expenses incurred while travelling or undertaking field work.

6.2.3 Cardholders are expected to operate with some discretion, but must justify their purchasing decisions, including the purchasing method chosen in accordance with EHA's Procurement Policy.

6.2.4 Cardholders shall seek guidance or written instruction from Manager, if clarification is required.

6.3 Limitations

6.3.1 Each credit card represents a risk of accidental or intentional misuse of public funds, and each credit limit amount is the extent of that risk. To minimise the risks associated with credit cards, the cardholder must adhere to the following:

- cash advances to the corporate credit card are strictly prohibited;
- personal expenses of any kind are not to be incurred on a corporate credit card, in case any personal expenses are incurred in error, such expenses shall be immediately refunded to Council;
- corporate credit cards are not to be linked to any form of loyalty points program or airline club memberships;
- corporate credit cards must not be used to pay fines of any nature;
- every effort must be made to avoid using a corporate credit card for the purchase of fuel when a fuel card is available. If the purchase of fuel to a corporate credit card is unavoidable, the cardholder must provide an appropriate receipt; and
- a cardholder found to have used a card in contravention of this Policy may be subject to disciplinary action.

6.4 General guidelines for credit card use

6.4.1 All expenses must be for a legitimate EHA purpose – meaning they are reasonable and appropriate in the circumstance, and able to withstand public scrutiny.

6.4.2 It is the cardholder's responsibility to ensure that:

- the use of the corporate credit card complies with the requirements of this Policy, EHA's Procurement Policy and BankSA Credit Card Terms and Conditions which are available at:
https://www.banksa.com.au/content/dam/bsa/downloads/personal/credit-cards/bsa_credit_card_terms_and_conditions.pdf;
- the card and card password and PIN (if applicable) are kept safe and guarded from improper use at all times;
- the card is returned immediately to the Administration Officer(s) on:
 - cessation of employment; transfer to another position of employment; upon request from the CEO or delegate;
 - expiry of the credit card; or voluntary surrender;
- all purchases must be supported by an appropriate tax invoice/receipt that meets the requirements of the Good & Services Tax Act 1999. Where a tax invoice has not been retained, the cardholder should obtain another from the supplier;
- if all avenues have been exhausted and the cardholder is unable to obtain a tax invoice from the supplier, the cardholder must provide a Statutory Declaration;

- monthly credit card transactions are accurately recorded on the monthly reconciliation form. The form shall be reviewed and signed by the relevant Manager to ensure the transactions are EHA business related. The CEO's credit card transactions shall be reviewed and signed by the Manager of Administration and Compliance or Manager of Environmental Health and Immunisation; and
- all supporting documentation is retained and attached to the reconciliation form before being returned to the Administration Officer as part of the monthly reconciliation process.

6.5 Lost, stolen or replacement cards

6.5.1 It is the responsibility of the cardholder to immediately contact the bank (BankSA) to report if their credit card is lost or stolen. Similarly, if the cardholder notices unauthorised (fraudulent) transactions on the monthly statement, it is the responsibility of the cardholder to immediately report to the bank.

6.5.2 The cardholder must also advise the Administration Officer or CEO as soon as practicable to advise when their credit card is lost or stolen.

6.6. Breach of Policy or misuse

6.6.1 Misuse of a credit card is a breach of trust, intentional or otherwise, which may expose EHA to financial or reputational risks.

6.6.2 Intentional misuse of a credit card may lead to one or more of the following: • revocation of the credit card issued to the employee;

- disciplinary action in accordance with EHA's relevant HR policies and/or procedures; and/or
- independent investigation to determine if repayment of the expense is required by the employee.

6.6.3. Any fraudulent credit card use must be immediately reported to CEO for referral to the appropriate agency.

7. Use of Purchase Orders

Use of Purchase Orders Purchase Orders serve the following purposes:

- ensures the purchase is approved by an Employee with the appropriate financial delegation;
- records a financial commitment in organisation's financial system to allow accurate tracking of financial obligations at any point in time; and
- establishes a set of Terms and Conditions for the purchase of goods and/or services.

Employees are encouraged to raise a purchase order prior to the purchase being made. However, a purchase order may not be required in the following circumstances:

- purchases with a value of less than \$1,000 (excluding GST);

- purchases made using a Corporate Credit Card;
- purchases relating to an entity that is a wholly or partially owned subsidiary of EHA; and
- a contract signed by EHA and a supplier who was selected through a tender process.

8. Records

EHA must keep a written reasons for utilising a specific procurement method in each activity and where it uses a procurement method other than tendering. Such records will be kept and maintained by Council in accordance with the General Disposal Schedule (GDS40) as approved by State Records Council.

9. Exemptions from this policy

This Policy contains general guidelines to be followed by EHA in its procurement activities. There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for EHA, and other market approaches may be more appropriate.

9.1 Policy Waiver

In certain circumstances, EHA may, after approval from its Board Members, waive application of this Policy and pursue a method which will bring the best outcome for EHA. EHA must record its reasons in writing for waiving application of this Policy.

9.2 Emergency Procurement

9.2.1 CEO will undertake procurement activities during an emergency taking into account EHA's procurement objectives. Preferred suppliers must be given consideration in the first instance. An emergency is deemed a serious situation or occurrence that happens unexpectedly and demands immediate action. Emergency purchase may be made outside this policy and without Board approval if not practicable if one of the following situations exist:

- genuine concerns for public health safety;
- avoiding major expenses from an unplanned event;
- providing security of EHA's assets eg invoking an Emergency Management Plan or Business Continuity Plan; or
- any other incident or circumstance determined by the CEO.

9.2.2 Where a purchase is made under this clause, the following will apply:

- expenditure will be limited to that required to alleviate the emergency situation only;
- this policy will be abided by as soon as the emergency situation is alleviated; and
- a report will be made to the Board in relation to the emergency expenditure.

10. Delegations

Expenditure must be within the employees delegated financial authority, as follows:

POSITION	\$1- \$500	\$501 - \$3,000	\$3,001 - \$10,000	\$10,001- \$50,000	\$50,001 +
Chief Executive Officer	X	X	X	X	X
Manager - Environmental Health & Immunisation	X	X			
Manager – Administration & Compliance	X	X	X *		
	All contracts for the acquisition of goods and services in excess of \$50,000 are to be authorised by CEO/EHA.				

*For vaccine purchases only

11. Review and Evaluation

This policy will be reviewed at least once every 36 months from the adoption date of the policy. However, EHA may revise or review this Policy at any time (but not so as to affect any process that has already commenced).

12. Statement of Adoption

This Policy was adopted by the Board of the Eastern Health Authority on 19 February 2014 and has been reviewed on a regular basis since that time.

This Policy was endorsed by the Audit & Risk Committee on 28 May 2025. This Policy was adopted by the Board of the Eastern Health Authority on 25 June 2025.