

POLICY FIN 004

PROCUREMENT POLICY



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1. INTRODUCTION

The Bogan Shire Council is committed to delivering best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance. Procurement processes and practices to be complied with are defined within this Policy.

2. OBJECTIVES

- To ensure best practice policies and procedures are followed in relation to internal purchasing for the Council.
- To ensure compliance with the *Local Government Act 1993* (“the Act”).
- To ensure compliance with the *State Records Act 1998* and associated records management practices and procedures of the Council.
- To undertake purchasing processes that ensures value for money for the Council by delivering the most advantageous outcome possible.
- To ensure openness, transparency, fairness and equity through the purchasing process to all potential suppliers.
- To ensure that efficient and consistent purchasing processes are implemented and maintained across the organisation
- To ensure wherever possible that Council buys locally providing all the other objectives and principles of this policy are adhered to, in the best interests of Council.
- To ensure Value for Money and encourage competition between potential suppliers.

3. ETHICS & INTEGRITY

Code of Conduct

All officers and employees of the Council undertaking purchasing activities must have regard for the Code of Conduct requirements and shall observe the highest standards of ethics and integrity. All officers and employees of the Council must act in an honest and professional manner at all times which supports the standing of the Council.

Purchasing Principles

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties: -

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Council Policies and Code of Conduct;
- purchasing is to be undertaken on a competitive basis where all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies, audit requirements and relevant legislation;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Council by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

4. VALUE FOR MONEY

Council seeks best value for money in procurement, recognising that this does not necessarily equate to the lowest price to specification. Reasons for selecting other than the lowest price must be recorded, referenced to the purchase order and retained.

The best value for money principle embraces the total cost of the product or service over the life of the requirement, fitness for purpose, timely delivery, and local support.

Evaluation criteria reflecting best value for money may include:-

- Readily available spare parts and servicing support;
- Reliable warranty service;
- Shorter supply lines;
- Convenient communications for contract administration;
- Knowledge of Australian design manufacturing and quality standards;
- Local supplier that would alleviate transportation costs.

5. LOCAL PURCHASING

5.1 Introduction

Bogan Shire Council is committed to shopping locally wherever possible in the best interests of Council. Paragraph 5 of this Policy deals with allowing a price advantage to local suppliers however pricing is only one factor in Council's procurement decision-making. A range of factors including after-sales service, quality and ready availability of products will affect Council's procurement decisions.

A Local Purchasing arrangement seeks to encourage spending with approved local suppliers through a price advantage when Council is procuring goods or services in the Bogan Shire Council Local Government area. A consistent direction is required for the application of the Local Purchasing arrangement and this is set out below.

5.2 Policy

5.2.1 Limits

For all quotations and tenders for the supply of goods, materials and / or services for Bogan Shire Council between \$5,000 and below \$150,000 a price advantage is given to approved local suppliers where the resultant comparative price of the quotation does not exceed \$150,000. In the process of determining the successful supplier, an amount of 5% will be nominally deducted from the local supplier quotation for the purpose of price comparison only.

5.2.2 Annual Submission

Specifications for the calling of quotations for services, goods or materials will indicate that Council has a preferential Local Purchasing arrangement. It will be noted that any supplier that wishes to be considered as a "Local Supplier" must request and complete appropriate paperwork at least once every 12 months and nominate on their quotation that this supplier is to be considered a "Local Supplier". This puts the onus of proof onto the supplier.

5.3 Local Supplier

A "Local Supplier" will be defined as one meeting both (a) and (b) below:-

- a. An organisation that operates from premises within the boundaries of the Bogan shire Council Local Government Area (LGA) and has operated from those premises for a minimum period of three (3) months before submitting the quotation, and
- b. An organisation that is more than 49.9% owned by an individual (or individuals) that reside within the boundaries of the Bogan Shire Council LGA and has done so for a minimum period of three (3) months before the organisation submits the quotation. It is assumed that the individual/s reside/s at their address on the electoral roll.
- c. The appropriate paperwork required to be submitted to be considered a "Local Supplier" would include:-
 - The address of the business premises within the Bogan Shire Council LGA.
 - The number of full time staff that operate from that premises.
 - The name of the owner (or owners) of the organisation (and how they legally own more than 49.9% of the organisation submitting a quotation) as well as their address/es with the Bogan shire Council LGA.
- d. If subsequent investigations by Council prove that false declarations were made and this organisation should not be considered a "Local Supplier" then the Local Purchasing Policy will not apply and that supplier will not be able to supply goods, materials and / or services to Bogan Shire Council for a period of 12 months.

5.4 Tenders

No local purchasing price comparison advantage is given under this policy when the resultant comparative price of a tender exceeds \$150,000. Council may determine local purchasing requirements for each tender on a case by case basis.

Exemption from Requirement to Tender or Quote

Council can enter into an agreement without a tender or a contract above \$5,000 and less than \$150,000 without seeking quotations under the Delegations of the General Manager if:-

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- Council resolves that the services being sought are of such a specialised or confidential nature that it would be impractical or disadvantageous to seek quotations or tenders or;
- A genuine emergency exists or;
- Quotations are provided by an approved procurement service provider such as Local Government Procurement

6. PURCHASING THRESHOLDS AND PROCESSES

Council's major purchasing objectives are:-

- Consistent application of procurement policy;
- Efficient and effective purchasing controls;
- Authorised purchasing only;
- Goods and services received are consistent with the purchasing order and invoice for payment;
- Value for money;
- Maximise savings available through joint procurement arrangements; and
- Procurement decisions based on full and complete knowledge of total cost and other attributes of goods and services.

6.1 Key purchasing controls

Procurement controls are specified throughout the Policy. However, the key purchasing controls are:-

- Completion of a purchase requisition authorised as per Council delegations, prior to requesting a purchasing officer to raise a purchase order. The employee completing the requisition, even if authorised to do so, is unable to both requisition and authorise. Another authorised person must be sought to authorise the requisition in these circumstances. Anyone authorising a requisition should be aware of Council budgets and how the expenditure will impact these and that the correct quotes are obtained prior to raising the purchase order.
- Restriction of access to the purchasing system to authorised personnel who are registered within the system by the Corporate and Community Services Department, each department has an assigned purchasing officer who is able to raise purchase orders within the Authority system. If the assigned purchasing officer from the department is unavailable one of the other officers listed is to be used.

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The procurement officer is the main purchasing officer for Council and is located at Council's Store. They have the ability to raise purchase orders and also have purchasing authority for purchases within their delegation, however, in most circumstances requisitions should be completed prior to asking the Procurement Officer to raise the purchase order as they may not be fully aware of Department budgets.

Purchasing officers for each Department are:-

- General Manager's Office – Executive Assistant to the Mayor and General Manager, People and Culture Officer
- Corporate Services – Records Officer and Trainee;
- Engineering – Administration Officer;
- Environmental Department – Administration Officer; and
- Children's Services – Administration Officer.
- Medical Centre – Care Co-ordinator

Authorisation of purchasing only in accordance with the Delegations of Authority Policy AP006 adopted by Manex 4 July 2018.

Enforceability of purchase order terms and conditions:-

- Restriction of Council credit cards to General Manager and Director of Finance and Corporate Services;
- Purchasing restricted to Council's purchasing system or credit cards, in accordance with Council's purchasing policy;
- Channelling of all supplier invoices through Council's mailing address direct to Accounts Payable or email to accountspayable@bogan.nsw.gov.au or admin@bogan.nsw.gov.au; and
- Independent certification of invoices for payment in accordance with Delegation of Authority in limited instance when purchase orders aren't raised.

6.2 Planning the purchase

6.2.1 Purchase Order

Purchase orders generated through Council's Authority purchasing system are the predominant and preferred method of ordering goods and services for Council.

The following planning is required before raising a purchase order:-

- Ensure an approved budget exists;
- Obtain quotes in line with procedures listed below;

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- Identify the correct general ledger number;
- Determine what authority is required to approve the purchase;
- Consider whether the item can be procured by Council's preferred suppliers or recognised procurement arrangements;
- Obtain supplier information if they are not already a Council creditor.
- Raise a requisition order with attached quotes and relevant authorising signatures according to delegations;
- Where quotes are not attached or cannot be obtained, complete a record of verbal or written quotes form to explain the reasons quotes were unable to be obtained and attach to requisition. Emails showing a request for a quote with no response will be acceptable.
- Pass requisition on to a purchasing officer who will then raise the purchase order. This ensures funds are committed within the financial system; and
- As soon as goods are received return purchase order to purchasing officer for goods receipting, then to the Accounts Payable Officer who will hold the completed purchase order for payment once the invoice is received.

6.2.2 Direct Invoicing

Certain costs are incurred without the raising of purchase requisitions. Examples include, rent, rates, electricity, telephone, gas, postage, loan repayments, subscriptions, membership, travel advances, legal fees, labour hire, freight, sanitary and sharps disposals and reimbursements. These type of payments require the invoice to be signed by two officers in line with the delegated authorities published below.

6.2.3 Petty Cash

Transactions with a total cost of less than \$50 may be paid from petty cash. Petty cash reimbursements must be approved by an authorised delegate. Accounts payable officer will balance petty cash and ensure all payments are authorised regularly.

6.2.4 Purchasing Directly from Suppliers

The store should be used as Council's first option to source supplies. Employees should plan their weekly work schedules and see the Procurement Officer to ensure supplies are available. In cases where there is an urgent need or it is not feasible for Council to stock supplies, employees can take an authorised requisition to either of these named suppliers Murphy's Home Hardware, Nyngan Rural Agencies, or Giles Engineering. No supplies can be obtained from these suppliers without an authorised requisition.

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For purchasing of goods and services, other than the engagement of consultants, the following minimum requirements will apply. Except for purchases above \$150,000 that are required to go to tender, in circumstances where the number of quotations listed is unobtainable, due to circumstances beyond our control, documentation should be kept to show evidence of such e.g. Letters, Emails, Phone Calls etc. and a record of written or verbal quotes form completed:

Purchasing Thresholds (ex GST)	Requirements
\$0 - \$1,000	<p>Officers with sufficient financial delegations are granted discretionary authority to purchase directly from suppliers without quotations. Officers are required to observe the principles described in this Policy.</p> <p>Petty cash purchases have a maximum limit of \$50.</p>
\$1,000 - \$5,000	<p>Obtain at least two (2) verbal quotations properly documented as to details of each quote detailing prices and names of contacts and phone numbers.</p> <p>These quotes are kept as an official record for Audit. An officer with sufficient financial delegation shall select the most advantageous to Council. The procurement decision is to be based on all value for money considerations in accordance with the definition stated within this Policy.</p>

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<p>\$5,001 - \$20,000</p>	<p>Obtain at least two (2) written quotations (eg email, fax or original copy). These quotes are kept as an official record for Audit. An officer with sufficient financial delegation shall select the most advantageous to Council. The procurement decision is to be based on all value for money considerations in accordance with the definition stated within this Policy.</p>
<p>\$20,001 - \$150,000</p>	<p>Obtain at least three (3) written quotations (eg email, fax or original copy) containing price and specification of goods and services. These quotes are kept as an official record for Audit. An officer with sufficient financial delegation shall select the most advantageous to Council. The procurement decision is to be based on all value for money considerations in accordance with the definition stated within this Policy.</p>
<p>\$150,000 and above incl. GST</p>	<p>Formal tenders are to be invited in accordance with Section 55 of the Local Government ACT (1993) and Part 7 of the Local Government (General) Regulation (2005). Conduct a public tender process in accordance with Councils Policy.</p>

7. TENDERING

Tendering must comply with the requirements of the Local Government Act 1993, the Local Government (General) Regulation 2005 and Bogan Shire Council's policies.

Tenders shall be clearly marked as "Confidential" and will be received in the Tender Box at the Bogan Shire Council office until the closing date and time as advertised. The tender box is to be held by the Records Officer until the Tender Assessment Panel, as a group, open the tenders. The tender box should be put in the front office daily by the records officer when a tender is in progress for those wishing to personally deliver their tender applications: Tenders are accepted by Council in the following forms:-

- By hand to the tender box at 81 Cobar Street NYNGAN
- By post to PO Box 221, NYNGAN NSW 2825
- Where a tender is sent by fax it must be securely printed by the records officer and placed in a sealed envelope and placed in the tender box immediately after it is printed out, prior to the closing date and time of the tender.

Local Government (General) Regulation 2005

Clause 173 Submission of tenders

(1) A tender must be submitted in writing, by facsimile transmission or (subject to subclause (2)) by electronic means.

(2) A tender may not be submitted by electronic means: -

(a) if guidelines are in force under section 23A of the Act with respect to the transmission of tenders by electronic means—unless its submission by electronic means is authorised by, and effected in accordance with, those guidelines; and

(b) in any other case—unless its submission by electronic means is effected by a secure mechanism (such as an encryption-based technology) that ensures that it cannot subsequently be altered.

(3) Unless sent by facsimile transmission or electronic means, a tender must be sent or delivered in a sealed envelope.

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(4) If a tender is sent by facsimile transmission or electronic means (other than the means referred to in subclause (2) (b)), it must be printed out on receipt, and an appropriate person must place the tender in a sealed envelope immediately after it is printed out.

It is the responsibility of the Tenderer to ensure that the tender is received by Council before the closing time and date advertised. It is suggested that the Tenderer contact Council by telephone to ensure that their tender has been received and placed in the tender box.

The Council officer nominated in the specification or cover letter will take inquiries during normal office hours.

Contact details are:-

- Telephone: (02) 6835 9000
- Facsimile: (02) 6835 9011
- Email: admin@bogan.nsw.gov.au
- Website: www.bogan.nsw.gov.au

Methods of Tendering

Council will use one of the following methods when calling for Tenders:-

- a. Open tendering - by which tenders for the proposed contract are invited by public advertisement;
- b. Selective tendering - by which invitations to tender for a particular proposed contract are made following a public advertisement asking for expressions of interest; and
- c. Selective tendering - by which recognised contractors selected from a list prepared or adopted by the council are invited to tender for proposed contracts of a particular kind.

For Contracts less than \$150,000 a "Request for Quotation" may be invited by public advertisement.

Extension of Tender Period

Council may in certain circumstances shorten or extend the minimum 21 day tender advertising period in accordance with Clause 171 and 172 of the Local Government (General) Regulations 2005.

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Reasons for shortening a tender advertising period must be provided in the tender documentation.

Advertising of Tenders

Tenders are to be advertised both in a Sydney metropolitan daily newspaper as well as the Nyngan Observer. Requests for Quotations and Expression of Interest are to be advertised at least in a newspaper circulating in the local area.

Electronic Tendering

In addition to newspaper advertising Tenders, Request for Quotations and Expression of Interest may be invited through Council's website.

Record Maintenance

Access to tender documents will be restricted to only those persons involved in the tender process including the tender evaluation panel. The procedures should also state how access to tenders submitted by secure electronic means would be regulated. Records required to be maintained by Council include the following:-

- an evaluation report on each tender;
- a final report that documents the reasons, based on the tender criteria, for selecting the successful tender or, not accepting any of the submitted tenders; Ensure that documents about the tenders and the evaluation process are stored and handled securely;
- Retain complete and comprehensive records of all tenders, evaluations and any negotiations as well as the contract itself; and
- Ensure compliance with the *State Records Act 1998*.

TENDERING PROTOCOL

Late Tenders and Quotations

Late tenders and quotations should not be considered, unless Council is satisfied that the integrity and competitiveness of the tendering process will not be compromised. Clause 177(5) of the Regulation provides that a Council must consider a tender received within a reasonable period after the close of tenders where the tenderer can satisfy the Council that the tender documents and all necessary information were lodged at a recognised delivery agency in sufficient time to enable the documents to have been received before the deadline. Any decision to accept a later tender should be documented including the rationale for the decision.

Ethics and Probity

General - The Council's tendering activities are to be performed with integrity and in a manner able to withstand the closest possible scrutiny.

Conduct of Council Staff - Council staff at all times are to conduct business that is ethical and of the highest integrity and are required to:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information;
- present the highest standards of professionalism and probity;
- deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- provide all suppliers and tenderers with the same information and equal opportunity;
- be able to account for all decisions and provide feedback on them;
- not be involved in any activity such as performing work with suppliers, consultants or contractors;
- ensure adherence to the Local Government Act 1993, (Section 55); Local Government (General) Regulation 2005, (Part 7); and Council's Code of Conduct Policy;
- not engage in the practice of so-called "order splitting" with suppliers, consultants or contractors.

Governance

Responsible Financial Management - The principle of responsible financial management is to be applied to all procurement activities. Council funds are to be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

Record Keeping – All substantive communications with potential suppliers in respect of tender evaluations and quotations should be in writing or in formal minuted meetings. Records for all Procurement activities must be kept and recorded in the Council Record Management System.

Lobbying

Lobbying of Councillors and staff by tenderers or their agents is not permitted and shall result in their disqualification from the tender process on that occasion. For the purposes

of this clause “lobbying” shall include seeking to influence, seeking to obtain support or assistance, and urging or persuading.

Tender Specifications and Assessment Criteria

Specifications

Tender specifications will be written in a way that will encourage open and effective competition by providing the best possible opportunity for potential suppliers to develop solutions capable of satisfying predetermined requirements.

Specifications will not include any feature which discriminates, either directly or indirectly, against any supplier or group of suppliers. Specification of any feature that could be perceived as discriminatory, such as items that are specific to a particular technology or brand, should be avoided. Specifications should encourage suppliers, wherever possible, to offer alternative options which can reasonably be adapted to meet requirements. Each specification is to be authorised and endorsed by the appropriate officer under Council Delegations.

Assessment Criteria for Tenders

Every tender called by Council will be assessed using the following standard assessment criteria as a minimum. Whilst other criteria may be used which are more specific to each tender, the following criteria must be applied to all assessments:

Financial Assessment must include identification of all relevant costs, individual analysis of costing's contained in each submission, and cost comparisons between all competing submissions. The initial (once only), and ongoing costs, must be identified and calculated in the process of assessment of tender submissions.

Capability Assessment shall include the experience of the tenderer and the experience and qualifications of the key personnel who will be operating the contract, including management and supervision, and the capability of the contractor to work within the relevant policies of Council.

A Work Health and Safety Assessment must be performed where the tender involves the completion of works of any description. When purchasing goods, materials or services for Council, the provisions of the Work Health and Safety Act 2011 should be adhered to.

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This includes:-

- ensuring that any plant or substance provided for use by the employees at work is safe and without risks to health when properly used;
- providing such information, instruction, training and supervision as may be necessary to ensure the employees' health and safety at work;
- all safety aid operating information must be supplied with all products and equipment; and
- a work method statement must be completed before any plant items are purchased.

Environmental Assessment is essential where environmental issues may be involved. All persons or organisations responding to public calls for tenders, quotations or expressions of interest shall be asked to provide the following information within their submissions:-

- a copy of their environmental policy or equivalent;
- details of their environmental management strategy (where appropriate);
- their commitment to due diligence in regard to environmental legislation;
- documentation outlining past performance in regard to environment protection; and
- evidence of selection and use of products based on a principle of 'value for money' over their life cycle, and consideration of other issues such as low wastage levels and use of recycled content and usability of those products.

Weighting of Assessment Criteria

Assessment criteria shall be weighted in order of importance and relevance to the specified tender. The weightings applied to criteria shall be determined by the Director overseeing the tender in consultation with the tender panel convened to assess and select a tender. The assessment criteria and their weightings should then be included in the tender documentation.

Factors may include but are not limited to:-

- whole of life costs, including capital, operational and disposal costs;
- innovation offered;
- delivery times offered;
- quality offered;
- previous performance of tenderer;
- experience of tenderer and their personnel;
- capability of tenderer, including technical, management, staff, organisational and financial capability and capacity;
- tenderer's work health and safety management practices and performance; and

- tenderer's workplace and industrial relations management practices and performance.

Key Considerations in Assessing Tenders

Impartiality

Impartiality must be observed throughout the entire tendering process so as not to exclude or favour any tenderer.

Insurance

The type and level of insurances required, particularly public liability insurance, will be investigated when arranging a specification for the particular contract.

Achieving Value for Money

Purchasing decisions should be made on the basis of value for money over the life cycle of products, rather than just the cheaper up-front purchase price.

This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability, safety, risk and delivery considerations. Price is not the sole determinant of value for money. Where choices are made on the basis of cost, reasons for not purchasing recycled or environmentally preferable products may be required. It is recognised that in some cases the selection of environmentally preferable products and materials may be less competitive.

Transparency of Process

Principles of transparency, consistency and probity will be applied to all processes in the preparation, advertisement, assessment and management of tenders and quotations by Council.

Conflict of Interest

Any conflict of interest must be reported to the General Manager and dealt with immediately. This will apply to Councillors, Council staff and tenderers.

Accountability

Accountability is important as funds must be used in the most cost effective and efficient manner.

Risk Management

Risk Management is to be appropriately applied at all stages of the procurement process which must be properly planned and carried out in a manner that will protect and enhance the Council's capacity.

Monitor and Evaluate Performance

To ensure probity, on completion of each tender a formal performance review must be completed and documented by the Director overseeing the tender.

Non-Conforming Tender

A tender is non-conforming when there is an absence of any requirement clearly detailed in the Conditions of Tendering. If a tender received is non-conforming, the report to Council must state the reason why the tender was classed as non-conforming and not considered.

Tender Assessment Panels

The Director overseeing the tender may convene a Tender Assessment Panel to oversee and assist in the calling, assessment and selection of specific tenders and quotations. The composition of the tender panel will be determined by the Director using Council staff expertise relevant to the area associated with the tender, however must be approved by the General Manager.

From time to time it may be necessary to utilise external expertise to assist the panel in development of specifications, assessment and selection. In these instances, the same standards of declaration of interests apply as those that apply to consultants and professional services. Any appointment of a consultant or professional services in a tender process must be approved by the General Manager.

All staff involved in preparing and/or assessing tenders are required to complete a Declaration of a Conflict of Interest / Pecuniary Interest Disclosure.

8. AUTHORISED DELEGATIONS

Delegations relating to procurement are contained within Council Policy AP006 - Delegation of Authority from the General Manager to Council Staff.

Authority

Manex

Policy Owner / Further Assistance

Director Finance and Corporate Services

Related Information

Bogan Shire Council Policy AP006 – Delegations of Authority from the General Manager to Staff.

Code of Conduct.

Review Date

November 2020 or as required by any changes to legislation.

Revision History

Date	Description of Change	Sections Affected
July 2010	Adopted by Council	All
March 2016	Adopted by Council	All
November 2016	Additional of Local Purchasing Policy, streamlining monthly orders and delegations	Paragraphs 5, 6.2.4 and 8
February 2019	Addition of Tendering Exceptions and Clarifying purchasing procedures.	All



**Finance and Corporate Services' Report to the Ordinary Meeting of Bogon Shire Council
held on 28 February 2019**

5 Collection of Unpaid Rates and Water Charges

Summary:-

The purpose of this report is to give Council an update on outstanding rates and to determine what Council's position will be in the coming months, and years, due to the impact the drought is having, on not only the farming community, but those that live and work in the town and villages within Bogon Shire

5.1 Introduction

The purpose of this report is to give Council an update on outstanding rates and to determine what Council's position will be in the coming months, and years, due to the impact the drought is having, on not only the farming community, but those that live and work in the town and villages within Bogon Shire.

5.2 Background

Council has seen a significant reduction in its arrears of rates over the past two years, which is a testament to the people of Bogon Shire, as they are keeping up to date with their rate commitments. However, with a worsening drought, it is likely that a time may come when farmers and others may be pressed for money for rates as the funds will be required to be used for livelihood expenses or to kick start their herds and crops when it eventually rains. Local businesses may also struggle as disposable income will lessen as a result of the drought.

Councils have been issued Guidelines from the Office of Local Government under section 23A of the *Local Government Act 1993* on the 27 November 2018 regarding Debt Management and Hardship. These guidelines emphasise the importance of Councils collecting their rates and charges promptly, fairly and efficiently, while minimising the risk of increasing debt from overdue payments to continue to fund the array of services Councils provide to their communities.

Councils are encouraged to give special consideration for people facing hardship by limiting unnecessary fees, interest and legal costs that add to the debt and can cause additional stress. Councils are required to be equitable in their recovery processes and achieve best practice whilst placing strong emphasis on being responsive to individual and community circumstances.

Council's debt recovery policy and procedures are within best practice guidelines for both collection and responsive dealings with ratepayers experiencing difficulties. Council's outstanding rate position as at the 30th June, 2018 was approximately 5% of

**Finance and Corporate Services' Report to the Ordinary Meeting of Bogan Shire Council
held on 28 February 2019**

rates levied and this figure had dropped by approximately 3% from the 30th June 2017 and is well ahead of best practice guide lines which are 10% for rural areas. The percentage is currently sitting at 8% as reflected in the Summary of Rates and Annual Charges Collection report above.

Council has recently had a significant reduction in arrears due to the sale of land and Council's legal recovery action. There still remains a number of properties that will require significant action to bring them up to date. Council's major obstacle with these properties requiring this action is that previous arrangements for repayment made with Council have been insufficient. This has meant Council has seen only minor reductions in the arrears owed by some ratepayers. Council will need to hold another small sale of land, possibly towards the end of 2019, to try and recover unpaid rates and keep on top of outstanding debt.

5.3 Discussion

Council is limited in its options to help ease the burden of ratepayers and still maintain the level of service that is required from ratepayers.

There are however a couple of options that could be considered in the future:

1. Council could reduce or suspend interest charges on arrears of rates. It is recommended that if this occurs that application for hardship be made to Council to reduce interest and be considered on a case by case basis.
2. For 2019/20 the rate cap is 2.7%. Council could request the NSW Government provide Council with grant funds to offer a rebate on all general rates equivalent to the 2.7% increase. This would eliminate the effect of the increase for ratepayers while allowing Council to still maintain its service levels with the additional funds. Council's general rate increase in dollar terms would amount to approximately \$80,000.
3. The alternative is for the government to step in and provide more substantial assistance to enable a bigger rebate to be distributed amongst ratepayers not only for the short term but for the next few years as it will take at least that to return to profitable times on the land and in small businesses.

5.4 Recommendation

Recommended that the report be received and noted.

Stephanie Waterhouse
Director Finance and Corporate Services

REPORT TO THE ORDINARY MEETING OF COUNCIL – DIRECTOR OF ENGINEERING SERVICES REPORT

Mayor and Councillors

I submit the following report for consideration:-

1 OPERATIONAL REPORT

1.1 Civil Works.

Work undertaken during this reporting period from the 10th of December November, 2018 to the 15th of February, 2019 consisted of the following:

- Completing works on the construction of a new concrete footpath in Pangee Street from Pioneer Park to the Mine Village.
- Completing the upgrade of lighting and other infrastructure at Larkin Oval.
- Commencing construction of a concrete recreational footpath from Rotary Park and along Nymagee Street under the SCCF Round 2.
- Completing works to repair the damaged entrance grid to Rotary Park.
- Completing works to install signage in Nyngan town streets.
- Completing repairs to the racecourse grandstand.
- Commencing the installation of new goalposts at the Nyngan Junior League Oval.
- Completing repairs at Hermidale Park after it suffered storm damage.
- Cleaning yard of the caretaker's residence at the showground after the completion of renovations.
- Installing erosion control at the Nyngan Water Storage Project on the Tottenham Road.
- Assisting with the moving of office furniture during the installation of new carpet in Council Administration Offices in Cobar Street.
- Completing asbestos removal from the Council depot in Pangee Street.

1.2 Community Facilities

Work undertaken by Council's Community Facilities during this reporting period consisted of the following:-

- Completing repairs to irrigation system at No.1 & No.2 Ovals.
- Cleaning town gutters after heavy rain.
- Mowing and maintenance of ovals and reserves.
- Cleaning of town facilities.
- Cleaning and sweeping of the Nyngan CBD.
- Cleaning and maintenance of town streets and nature strips.
- Cleaning of town streets gutters and culverts.

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- Digging and backfilling of graves.

1.3 Roads

The work undertaken during this reporting period by Rural Works Crews consisted of the following:-

No.	Name	Comments
9	Glengarriff Road	Maintenance grading completed.
40	Plummer's Road	Maintenance grading completed.
64	West Bogan Road	Maintenance grading completed.
25	Merryanbone Road	Resheeting completed.
MR 461	Cobar - Condo Road	Maintenance grading continuing.
92	Colane Road	2km of construction completed.
48	Fords Road	Maintenance grading completed.
60	Whiterock Road	Maintenance grading continuing.
77	Warrah Road	Resheeting completed.
77	Warrah Road	Maintenance grading continuing.
10	Pangee Road	Maintenance grading completed.
HW 7	Mitchell Highway	Rehabilitation of 2.95km completed.
	Weir Road	Maintenance grading completed.
82	Pepper Lane	Maintenance grading completed.
HW7	Mitchell Highway	Tree maintenance completed.
64	West Bogan Road	Maintenance grading completed.
22	Moonagee Road	Maintenance grading completed.
41	Shannonvale Road	Maintenance grading completed.
MR 7514	Cockies Road	Construction of 2km commenced.
	Town Streets	Crack sealing completed.

The works program for the remainder of February and March includes but is not limited to the following works,

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- Continuing the construction of the new footpath from Nymagee Street to the river.
- Completing the construction and sealing of 2km of Cockies Road.
- Commencing construction and sealing of 1km of Pangee Road.
- Commencing the rehabilitation of approximately 2.7km of Cockies Road under the NSW Government's Heavy Vehicle Access Drought Relief Grant.
- Maintenance grading or resheeting of the following roads, Bobadah Road, Warrah Road, Coffil's Lane.

1.4 Recommendation

That the Operational Report be received and noted.

2 DROUGHT WORKS

Summary:-

The purpose of this report is to advise Council of required works to improve water security for the villages of Girilambone and Coolabah and also make Council aware of attempts to obtain water to fill the new off-river storage at Nyngan.

2.1 Introduction

The purpose of this report is to advise Council of required works to improve water security for the villages of Girilambone and Coolabah and also make Council aware of attempts to obtain water to fill the new off-river storage at Nyngan.

2.2 Background

As the current drought continues, the village water supplies in Girilambone and Coolabah are almost depleted.

Both villages normally have a backup water supply at Wilga Tank but it is now empty. Girilambone's supply can be replenished from the Tritton Mine pipeline but there is no water available at present.

The ground tanks at Hermidale are full from heavy rain last month and the village has a backup supply through the Cobar pipeline.

Discussion

The carting of water to Coolabah is expected to commence this week with Girilambone to follow a couple of weeks later. On previous occasions when water was carted to the villages from Nyngan, it was pumped into the overhead tanks and distributed through the reticulation system. This is not a very efficient method of distributing small quantities of imported water due to the amount of water required just to fill the town mains. Council also have no control over the equal distribution of the carted water per person when it is supplied through the reticulation system.

Most residential properties in Coolabah have rainwater tanks large enough to store treated water delivered from Nyngan, while Girilambone has only a few. It is recommended that Council supply and install a 22,500 litre polythene water tank with pressure pump to each residence in Coolabah and Girilambone which does not at present have a suitable tank. This would allow Council to deliver treated water to individual households and record and monitor the quantity being consumed. It is expected that this method would limit the amount of emergency water being used. Rather than filling the village overhead tanks every day or two, a 22,500 litre tank should last a family of four for three weeks. These individual tanks could be topped up on a water delivery run once a week and each residence will still have sufficient supply if there is any delay in delivery.

The estimated cost of supplying and installing a 22,500 litre tank with pressure pump is \$4,000 per property. The total cost to provide 25 tanks at the two villages is \$100,000.

It would be necessary to ensure that anyone receiving a tank from Council signs an agreement stating that they understand the equipment remains the property of Council for supplying their temporary water. Residents at a recent village meeting did ask that Council consider allowing the cost of the infrastructure to be recovered through additional charges on their rates and that they take ownership of the tank.

As discussed the three ground tanks supplying the village water supplies are almost empty. If the tanks do dry out, it is an opportune time to de-silt the tanks and increase their capacity for when it does rain. The estimated costs are as follows:

Wilga Tank	\$75,000
Girilambone Tank	\$30,000
Coolabah Tank	\$30,000

Council has written to the Minister requesting financial assistance of \$235,000 to carry out the above mentioned works, including the purchase of tanks. Separate letters have also been sent requesting financial assistance to cart water to the villages, and to purchase 1,000mL of water to fill the off river storage dam. We have



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been advised by DPI Water that a subsidy for carting water has been approved and the other items above may not be eligible under drought assistance funding.

2.3 Recommendation

1. That Council proceed, in the interests of time, with the purchase and installation of 22,500 litre tanks for each residential property in Coolabah and Girilambone that is currently linked to the water reticulation system and does not already have a suitable water tank on the property.
2. That the General Manager continues to pursue grant funding opportunities to meet this cost.
3. That in doing so, Council strongly points out to the relevant authorities that paying for water tanks will save the NSW Government money in the medium to long term rather than paying for the carting of water to fill the overhead tanks.
4. That Council makes provisions in the current budget for the de-silting of Wilga, Hermidale and Girilambone tanks pending approval of grant funding.

Graeme Bourke

DIRECTOR ENGINEERING SERVICES

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“Comfortable Country Living”

14th February 2019

The Hon. Niall Blair
Minister for Primary Industries, Regional Water, Trade and Industry
Level 30, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister,

RE: Financial Assistance for Drought Works for the Girilambone and Coolabah Village Water Supply Schemes in Bogan Shire.

I refer to my previous letter of 24th January 2019 requesting financial assistance to begin carting water to the villages of Girilambone and Coolabah.

Both villages have non potable reticulated water supply systems which are supplied from ground tanks at each village. These village water supplies are backed up by additional ground storage at Wilga Tank, which is located between Girilambone and Coolabah.

Wilga Tank is now too low to pump while Coolabah's water supply is expected to be exhausted in two weeks with Girilambone to follow soon after.

Council is writing to request financial assistance to carry out urgent works to provide improved, and increased, water storage in the two villages and the backup ground tank. The following works are required with the estimated cost shown:

De-silt Wilga Tank	\$75,000
This is a large ground tank with a very good catchment area that supplies both villages.	
De-silt Girilambone Ground Tank	\$30,000
Ground tank that supplies water to the village of Girilambone	
De-silt Coolabah Ground Tank	\$30,000
Ground tank that supplies water to the village of Coolabah	
Provide Polythene Storage Tanks to Village Properties	\$100,000
Supply and install individual 22,500 litre tanks to properties in the two villages to store water carted into the villages. This is to ensure more efficient storage and use of carted water.	
Total Drought Works Funding Required	\$235,000



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"Comfortable Country Living"

We hope you are able to assist with this request and look forward to a favourable reply.

Yours sincerely

Derek Francis
General Manager
Bogan Shire Council