



Council Policy

Policy Title:	Procurement Policy
Responsibility:	Chief Executive
First Adopted:	June 2020
Review Frequency:	Three yearly or as required
Last Reviewed:	June 2020
Next Review Due:	June 2023

Policy history

This policy updates and/or replaces the following policies:

- Procurement and Term Contracts Policy – 26 January 2016 (ref: 621498)
- Small and Local Suppliers Policy – 26 January 2016 (ref: 621517)

Contract management

The policy also introduces new requirements to cover contract management (supplier relationship management -SRM) as good practice, and as recommended by Audit NZ in its report for the year ended 30 June 2017.

Social Procurement

The policy broadens the scope of Small and Local Suppliers to better address Social Procurement which in turn provides for an increased focus on economic, social, cultural and environmental wellbeings.

Policy development

This policy recognises that central government provides valuable guidance and resources through the Ministry for Business Innovation and Employment (MBIE), and that Council will benefit from aligning policy and practice to these resources where practicable. It also recognises that Council must comply with some central government direction such as following NZ Transport Agency procurement rules for NZTA funded activities.



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1. Introduction and governance

This Procurement Policy states the procurement principles of the Council, and aims to:

- Inform Council staff, and those acting on behalf of Council, of the objectives, behaviours and principles appropriate when undertaking procurement and purchasing activities
- Encourage a common understanding and consistent management practice across Council to realise procurement-related value for money
- Promote transparency in how Council manages its procurement
- Ensure procurement practices are always consistent with legislation
- Provide a framework for common understanding of Council procurement practices for potential suppliers

Procurement at RDC

The Ruapehu District Council is a local authority with obligations to its ratepayers and the public as defined under the Local Government Act 2002.

Procurement plays an important role in the delivery of Council outcomes, with a wide variety of goods, services and works being purchased from third party suppliers to deliver the levels of service and capital projects in the Long Term Plan (LTP). Procurement can also have a significant impact on Council's longer term objectives for community wellbeing through supply chain interactions with our local businesses, iwi and communities.

Council recognises that it is a significant user of public money, and that the expenditure of this money impacts the local and domestic economy and the overall performance of the Council. Council must demonstrate that its procurement processes from source and selection through to payment are fair, transparent, compliant and auditable, and that staff and suppliers are able to deliver services in a safe and efficient commercial environment.

Most Council staff are involved with some or all procurement processes such as tendering, purchasing, invoice approval and supplier relationship and contract management. This policy provides clarity for staff and suppliers and outlines how Council will meet its obligations as described in the Office of the Auditor General's 'Procurement Guidance for Public Entities' (<https://www.oag.govt.nz/2008/procurement-guide/docs/procurement-guide.pdf>).

Scope and activities

Council is aligning its policy and guidance for procurement to the three core procurement lifecycle phases of:

- **Plan** – identifying needs, developing strategy, specifying requirements and defining value
- **Source** – selecting the supplier and awarding a contract
- **Manage** – managing supply chain relationships and getting best value from contracted suppliers including lessons learned and continuous improvement

These phases have key activities which are described in the following diagram:



The Procurement Lifecycle



Activities

The policy applies to all contracting and procurement activities at Council and is binding upon councillors, council staff and suppliers engaged by Council. These processes cover all goods and services delivered in part or in full by 3rd party suppliers and include:

- Source and selection of suppliers (direct award, quotes and tenders)
- Contracts and contract management
- Establishing and maintaining approved suppliers
- Raising and approving purchase orders
- Goods or services receipting and invoice approval (including contracted claims processes)

For clarity this includes goods or services supplied by non-commercial entities such as Iwi, volunteer and other community organisations.

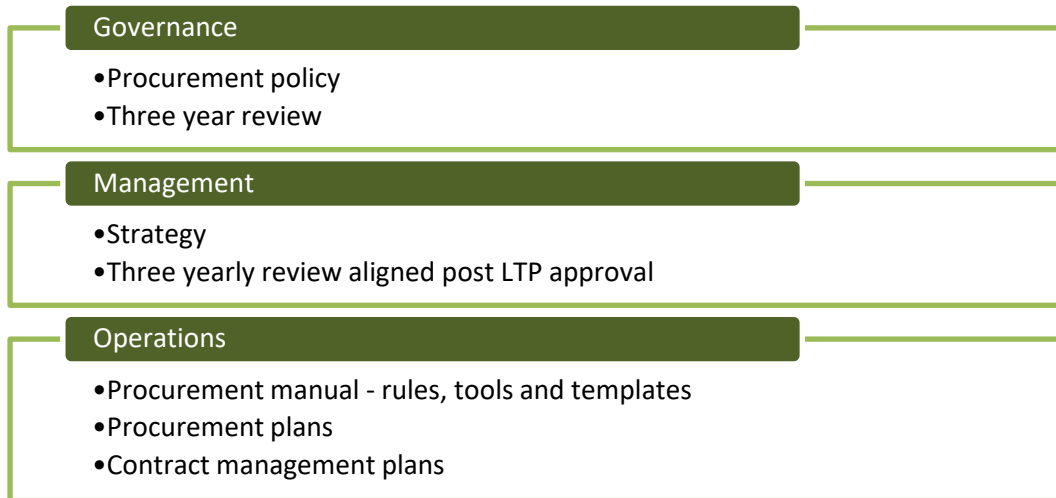
This policy does not apply to the following activities:

- The employment of staff (excluding the engagement of contractors and consultants to supply services)
- The acquisition or lease of land or buildings (excluding the design, construction or refurbishment of buildings)
- Disposals and sales of Council assets
- Investments, loans, guarantees, or other financial instruments
- Gifts, donations and grants
- Non-contractual agreements between public sector agencies, such as memorandums of understanding
- Statutory, governance or ministerial appointments

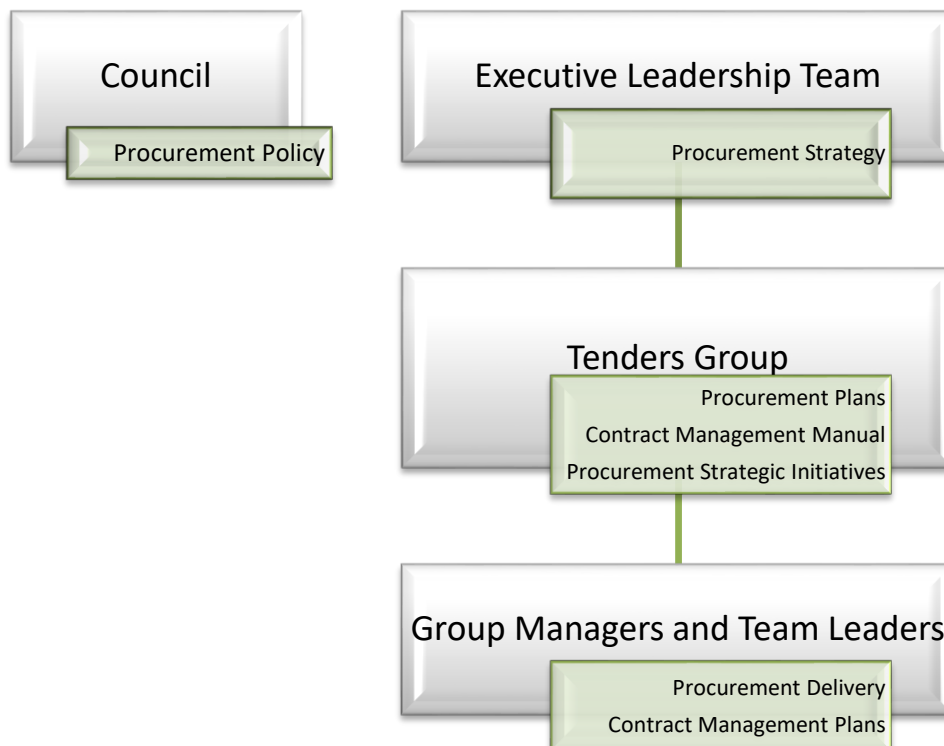


Procurement framework

Council’s procurement governance and operations framework is as follows:



Accountability for procurement activities is tabled below:



Compliance

All Council Groups (including CCOs) will comply with guidelines outlined in this policy and Council expects all staff and business units to be guided in their procurement of goods, services and works by the sensible application of the following principles and procurement policies. This includes



compliance with Council's preferred suppliers, contracted suppliers and their associated purchasing and invoicing processes.

For clarity: Council encourages innovation, and if a new or different approach or methodology will deliver better value for Council, then it should be proposed and approved by way of a Procurement Plan. Council's default policy is an open competitive tender process commensurate with delegated financial authority and supported by effective contract compliance.

Approach to Procurement and Contract Management Practice

Council is aligning its practical procurement support to MBIE and NZTA procurement guidelines and manuals. The reasons for this are:

- Tools and templates are legally reviewed and regularly updated
- MBIE practices include all current public sector procurement methodologies together with guidelines as to when a particular methodology is appropriate
- The site supports All of Government (AOG) contracts that Council and/or MWLASS may join
- The site supports training and capability development
- Suppliers are becoming increasingly familiar with the practices, contract and supplier relationship management tools and templates recommended by MBIE
- Adopting a centrally provided resource will reduce risk, cost and administration for Council

Detailed guidelines, tools and templates are available in the Procurement Manual. Policy owner

This policy is the responsibility of Chief Executive

Policy Management

This policy will be managed by the Executive Leadership Team.

Our procurement objectives

The objectives of the Procurement Policy are to provide clear direction to management and staff in relation to the procurement and purchasing function. It establishes a decision framework that helps ensure that Council's sourcing and management of suppliers is aligned to Council's values as expressed in the Values Charter below:

Council's Values Charter

To prosper and achieve real growth we must:

- Earn the trust of communities, customers and employees by being good communicators and consistently delivering on commitments.
- Actively manage and improve our high quality assets and services, with consistent commitment to better efficiency and effectiveness of delivery.
- Continue to strive towards a high performance organisation in which every individual accepts responsibility and is rewarded for results delivery.



We value:

- Delivering real solutions - a commitment to approaching every customer and community with the desire to find a satisfying solution to their needs, for a win/win relationship.
- Integrity and credibility - includes doing what we say we will do, when we say we will do it and in a professional and ethical manner.
- High performance - the satisfaction and excitement of achieving better results and outcomes than before and stretching our capabilities.
- Respect for each other - the embracing of diversity and enhancing of better outcomes and relationships through openness, sharing, trust, teamwork and involvement.
- The courage to lead - accepting the responsibility to deliver positive change and continuously questioning and striving for improvement in efficiency on behalf of our communities and customers.

We are successful in creating value when:

- Our District is improving in prosperity through our positive leadership.
- Our communities and customers are acknowledging the value we create for their rate-funded investment and getting satisfying solutions to their needs.
- Our operations are efficient and effective in service delivery.
- Every staff member starts each day with a sense of purpose and ends each day with a sense of accomplishment.

Principles

Council has aligned its procurement policy and practices to the principles developed and maintained by the Ministry for Business Innovation and Employment (MBIE) which are:

Plan and manage for great results: This is about actively planning for success – it's as simple as 'plan, do, check, improve'. Make sure your process is reasonable and set realistic timeframes.

Be fair to all suppliers: This is about giving all suppliers a chance to respond – either as a prime contractor or a sub-contractor. We need to make it easy for people to do business with us. It's essential to give suppliers enough time to prepare and send in their proposals.

Get the right supplier: This is about choosing the right supplier and being confident that they will successfully deliver.

Get the best deal for everyone: This is about achieving best value for money – which often isn't the lowest purchase price. It's also about making quality decisions that remain good over the life of the contract.

Play by the rules: This is about building trust with suppliers and keeping a reputation as a fair buyer.



A detailed explanation of these principles is available at:

<https://www.procurement.govt.nz/procurement/principles-and-rules/government-procurement-principles/>

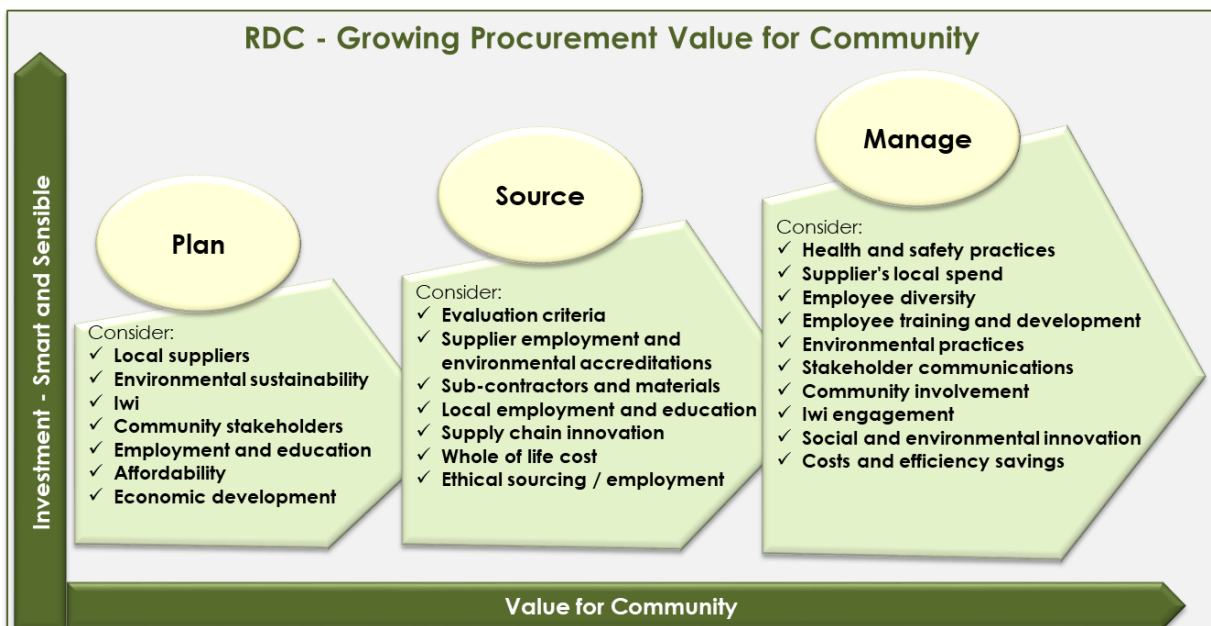
2. Social procurement and value for community

Social procurement considers how Council can ensure its procurement activity is contributing to community wellbeing. Council's priorities and measures for the four wellbeings (economic, environmental, social and cultural) will continue to evolve, and therefore the procurement strategy (see section 3 below) will include guidance for staff on appropriate wellbeings initiatives to be considered for the period and activities involved.

This policy does not prescribe price or quality attribute weightings. The procurement plan details value considerations and evaluation criteria and weightings.

The following framework provides overarching guidance for staff on what can be considered during each of the three core procurement phases – Plan (procurement strategy), Source (procurement plan) and Manage (contract management plan):

Procurement value framework



3. Plan – procurement strategy

Strategy

Best practice procurement suggests that Council will obtain better value for money through strategic planning of its procurement and contract and supplier relationship management. Council will maintain a three year rolling strategy that is reviewed and updated within 3 months of the adoption of a new LTP.



Council will consider and align procurement strategy development to the following:

- **Section 17a reviews**

Section 17a of the Local Government Act requires Council to regularly review how it delivers services, which informs decisions to insource or outsource services. Council requires procurement strategy reviews to consider the timing and outcomes of S17a reviews as follows:

Any contract for services will be reviewed in accordance with S17A of the Local Government Act 2002 (amended on 8 August 2014). The triggers for these reviews are:

- When considering significant changes to service levels.
- Within two years of expiration of a contract or other binding agreement to deliver a service.
- The passing of six years since the last review under S17A.

There are two statutory circumstances where a review is not necessary (even when triggers have been activated). These are:

- There is a contract or other agreement in place that cannot reasonably be changed within two years.
- It can be justified that the costs of doing the review outweigh the benefits

- **NZTA Procurement Strategy**

NZTA requires Approved Organisations to maintain a procurement strategy for all activities supported by funding from NZTA. Many of Councils Infrastructure Services suppliers offer goods and services across all infrastructure assets, and Council therefore requires staff to integrate the requirements of a complying NZTA strategy into its wider Infrastructure Services strategy.

- **Central and regional initiatives**

For many expenditure categories such as electricity, stationery and fleet, Council has access to arrangements made by central government through All of Government contracts (AOG) or through shared procurement with regional organisations such as Manawatu - Whanganui Local Authority Shared Services (MWLASS). Council requires national and regional initiatives to be considered in its procurement strategy.

The procurement strategy(s) will outline specific objectives, procedures and initiatives that will contribute to the following long term outcomes where Council will:

- Increase its contribution to Council's local economic wellbeing and growth
- Increase value for —money from its suppliers
- Realise opportunities from works programme bundling, sequencing and prioritising
- Optimise outsourced asset lifecycle costs
- Consider the depth and sustainability of the regional supply market
- Increase its capability to procure goods and services efficiently and effectively



- Position itself as a client of choice for high performing value adding suppliers
- Maintain compliance with requirements for fair and transparent value for money procurement and contract management

The strategy will be maintained in two broad categories:

1) Infrastructure and Community Services:

This will include all transport, waters, parks and open spaces, property and facilities and solid waste capital projects and operating and maintenance contracts

For transport, Council is required to maintain an NZTA approved procurement strategy for services funded all, or in part, by NZTA. Many of Council's suppliers are involved with both NZTA and non-NZTA funded activity or are involved in programmes of work in a common place, such as the road corridor.

2) Corporate Services

This includes office consumables, ITC, banking, insurance, electricity and gas, legal and professional (excluding engineering related), fleet and fuel, animal control, i-sites and all other expenditure

For other spend categories such as electricity, stationery and fleet, Council has access to arrangements made by central government through All of Government contracts (AOG) or through shared procurement with regional organisations such as Manawatu - Whanganui Local Authority Shared Services (MWLASS).

Scope

The scope of the strategy will encompass the following:

- All CAPEX and OPEX spend with specific mention of capital projects or programmes >\$800,000 and OPEX funded maintenance contracts > \$100,000pa
- Relevant Section 17a reviews
- Relevant contract's expiry and term renewals
- Supply chain capability and capacity development
- Identification and development of strategic supply partners
- Value for Community initiatives (as per 2) above)
- Programme optimisation (e.g. corridor planning)
- Regional shared opportunities and initiatives
- Identification and development of preferred supplier panels (including for minor spend)
- Relationship and contract management
- Strategic and significant supplier business ownership and accountability
- Procure to pay processes (by exception)
- Supply chain performance and lessons learned



The Executive Leadership Team will facilitate an annual meeting of key procurement stakeholders on or about 31 July to discuss the previous year's procurement activity and identify key learnings to communicate to the rest of the organisation.

3) Source – procurement plans and supplier selection

Delegations

All procurement decisions will be subject to approval as outlined in [Council's Delegated Financial Authority \(DFA\) guidelines](#). In addition to the DFA the Executive Leadership Team (ELT) will act as Council's Tenders Committee and maintain oversight over all Council procurements.

The EMT has the responsibility to oversee the procurement processes for all purchases requiring a commitment between **\$100,000** and **\$800,000** over the life of the contract. Procurements with a value greater than \$800,000 must be approved by Council by way of a procurement plan and a supplier recommendation report.

Procurement Plans

Procurement Plans (effectively a business case) must be completed for all simple or complex procurements where an existing preferred, contracted or panel supplier is not being used. The Procurement Plan must be approved by the appropriate DFA.

With the exception of Emergency Works any **non-budgeted** goods or services procurement with a budget impact greater than \$25000 must be approved by ELT.

Managing Risk and Value

Procurement risk is a combination of value, complexity and other non-financial factors such as reputation, sensitive expenditure areas, and depth of supply market or dependencies across projects. A key step in developing a procurement plan is to complete the simple risk assessment tool. This tool helps identify particular issues that staff should address in their procurement plan.

All procurement activity will be authorised in line with Councils delegated financial authorities (DFA). Approved procurement methods will be determined by the value and risk of the procurement. The value / risk profile is defined as follows:

Low value procurement – this is where there is little or no risk and the value of the procurement is less than **\$50,000**.

Simple procurement – this is where there is some risk and the value is **>\$50,000 and <\$100,000**. In this case the standard procedure is quotes from preferred or panel suppliers. If existing contracted, preferred or panel suppliers are not appropriate then a short Procurement Plan must be prepared (e.g. recommending an open tender or direct award to a high performing supplier).

Complex procurement – this is for high risk and/or procurements valued at **over \$100,000**. This is a full process starting with a procurement plan approved by the appropriate delegated authority.



Note – the value is the total potential value of the contract ie: if it is valued at \$25,000 per annum and it's a three year contract then the procurement value is \$75,000

General conditions for procurement activity

The following general conditions apply unless approved otherwise by way of a procurement plan:

- Written quotations shall be required for all procurements with an estimated value of \$25,000 or more, including where there is a preferred supplier.
- A Procurement Plan that includes all relevant specifications and estimates shall be prepared for all complex and some simple procurement contracts and shall be approved by the EMT or their delegate before tenders are called. (The procurement plan templates are available through RDC's intranet).
- Unless specifically approved through the procurement plan, all complex procurement shall proceed by way of tender. This will be advertised on GETS in full.
- Tender processes will be detailed in the procurement plan and will follow MBIE and / or NZTA guidelines as appropriate
- All term contracts shall be given a sequential number and this same number shall be used for the file reference.
- Staff are not to accept suppliers terms and conditions unless approved by the relevant Manager.
- Tenders may be let under a number of evaluation and selection methodologies as agreed through the Procurement Plan approval process (i.e. lowest price conforming, price quality, quality only, shortlist then price or direct negotiation). Staff will use guidelines for each methodology as outlined in the NZTA Procurement Manual.
- The Procurement Plan and tender documents will include details of the evaluation process including quality criteria and weightings, when price will be opened, the evaluation team and scoring methodologies.
- Tenders may be let offering a Syndicated Contract with a Common Use Provision (CUP) clause where other nominated organisations may procure the successful supplier goods or services under the same terms and conditions. The detailed methodology is available on the Ministry for Business Innovation and Employment (MBIE) web site.
- Unless specifically approved otherwise through the procurement plan, Works Contracts for physical works will be let using existing approved terms and conditions or NZS 3910:2013 "Conditions of Contract for Building and Civil Engineering Construction", NZS 3916:2013 Conditions of Contract for Building and Civil Engineering – Design and Construct" or NZS 3917:2013 Conditions of Contract for Building and Civil Engineering – Fixed Term.
- Unless specifically approved otherwise through the Procurement Plan then Works and other contracts for design and professional services will be let under ACENZ/IPENZ Conditions of Contract for Consultancy Services 2009 (CCCS). Relevant Managers may approve the use of the short form CCCS contract for contracts with a value less than \$50,000.



Bonds and retentions

Bonds and retentions appropriate to the type of contract will be specified in the Contract documents.

Length or term of contract

The Procurement Plan for term contracts for goods and services will detail the proposed length of term and renewal periods (if any). For clarity, a Procurement Plan may propose a negotiated extension of a contract that has run its term, including any renewals, provided that the proposed approach will deliver better value for money for Council than a competitive process.

Council will not issue contracts with an initial term longer than five years unless specifically approved through the Procurement Plan (including endorsement by 3rd party agencies such as NZTA when appropriate).

Term contracts may include the provision to negotiate a renewal (at Council's absolute discretion) for a period no longer than the original term. This provides for Council to be able to issue contracts with a maximum term of ten years through standing delegations.

Any proposal for an initial term longer than five years, or a renewal longer than five years can only be approved by full Council.

Probity and legal review

Complex procurements are significant and can include advanced procurement methodologies such as weighted attribute evaluation. They also usually result in a contract and attendant schedules being prepared and executed. To ensure Council's interests and responsibilities are well managed the procurement plan must address how probity and legal review will be managed.

This should be addressed on a case by case basis, however as a general guide any procurement with a value greater than \$800,000, a term greater than three years, or involving sensitive expenditure, should require independent probity audit and legal review.

For clarity, the probity period for any procurement commences with the submission of a procurement plan, and any staff involved must ensure that they do not compromise themselves or Council through things such as accepting gifts or gratuities from suppliers.

Conflict of Interest

All staff involved in the preparation and execution of a tender are to complete a Conflict of Interest declaration which is to be approved by the financial delegations for the procurement. The declaration form can be found at: <https://www.procurement.govt.nz/procurement/templates/>

Form of Contract

Council does not have a specific preferred form of contract and expects the Procurement Plan to specify the recommended form of contract to be used in the circumstance. Forms of contract to consider include:



- MBIE templates (<http://www.procurement.govt.nz/procurement/for-agencies/government-model-contracts>)
- NZS series (NZS 3910,16,17 etc)
(<https://shop.standards.govt.nz/search/ed?q=Contracts&fq=&sort=&start=10>)
- NEC series (<https://www.neccontract.com/Products/Contracts>)
- FIDIC books (<http://fidic.org/bookshop/about-bookshop/which-fidic-contract-should-i-use>)
- Bespoke (refer to EMT)
- Conditions of Contract for Consultancy Services (CCCS)
<https://www.engineeringnz.org/resources/contracts/>

4) Manage – contract and supplier management

Supplier relationship management

Council recognises there are many suppliers in its supply chain who are not necessarily direct or contracted suppliers. There are 2nd and 3rd level sub-contractors, goods and services suppliers and trades who can often offer better value for money if they understand Councils objectives and medium to long term requirements. Council will include a supply chain development and communications plan in its procurement strategy which in turn will inform specific procurements. The purpose of the plan is to:

- Increase transparency of Council’s market activity
- Provide opportunities for suppliers to innovate
- Increase opportunities for local and small suppliers to participate in Council activity
- Build supply chain capability and capacity

Contract management plans

Contracted and/or preferred suppliers must be well managed in order for Council to obtain best value for money and contract compliance. Staff managing suppliers with contracts valued at more than \$500,000 pa and three years are to prepare and maintain a contract management plan which will contain the following:

- Accountability - who will be responsible for managing the delivery of the contract
- Scope - the nature and extent of engagement with the supplier or provider
- Governance - how issues and disputes will be resolved
- Risk and opportunity management - how they'll be mitigated or realised and managed and by whom
- Financials - claims / billing process
- Performance management – a methodology and plan for evaluating the quality of delivery and the benefits achieved
- Continuous improvement plan
- Key roles – names and induction plan (both Council and supplier)
- Stakeholders - key stakeholders (internal and external) and how these relationships will be managed



- Assurance - quality or contractors plan for infrastructure services
- Termination - an exit strategy to be applied at the end of the contract.

Council's contract managers will provide an annual contract compliance report to the EMT via the budget holder that provides evidence that both Council and the supplier have met their contracted obligations.

Emergency Procurement

From time to time Council must undertake emergency procurement in order to protect life and/or property and infrastructure from the effects of natural or manmade events, health or environmental emergencies or other unanticipated events.

In these cases, if it is impractical to follow normal procurement procedures, then staff should proceed using the following guidelines:

- Procure the required goods or services from Council's preferred or existing suppliers. Large contracts should already have provisions in place for emergency or response based activities.
- Follow up any verbal request for service with a written confirmation as soon as practicable
- Retrospectively comply with purchasing rules as soon as practicable. Please note that suppliers will not be paid until these processes have been complied with.

Purchasing Rules

Council must protect itself, its staff and its suppliers from fraudulent activities in addition to supporting efficient and effective management of its financial transactions with suppliers. To achieve this, the following rules must be complied with:

- **Purchase orders (POs)** – 'one-up' approval required i.e. the requestors manager must approve POs.
- **Invoice approval** – 'one-up' approval required i.e. the invoice approvers manager must approve invoice payments.
- **'No purchase order – no pay'**: if a supplier doesn't put a valid PO# on their invoice they will not be paid. In the case of monthly claims for large contracts, then contractors must provide the required reference for each activity claimed, or, obtain approval for a pro-forma claim from the budget holder.
- **New Vendor requests**: raised by requestor and approved by budget holder.
- **Contract Register**: no tender can be let and no contract can be signed without a valid contract number.

Any exceptions to the above rules must be approved in writing by the relevant Group Manager.

5) Related Policies and Legislation

Legislation and central government guidance

- Office of the Auditor-General, June 2008, Procurement guidance for public entities



- Construction Contracts Act 2002
- Contracts (Privity) Act 2002
- Contractual Mistakes Act 1977
- Contractual Remedies Act 1979
- Frustrated Contracts Act 1944
- Minors' Contracts Act 1969
- Illegal Contracts Act 1970
- Sale of Goods Act 1908
- Sale of Goods (UN Convention) Act 1994
- Commerce Act 1986
- Health and Safety in Employment Act 2015
- Any such other government policies on procurement which are applicable to local government bodies
- Applicable legislation, including the Local Government Act 2002, the Fair Trading Act 1986, the Official Information Act 1982, Local Government Official Information and Meetings Act 1987

Council Policies

- Fraud, Corruption and Protected Disclosures Policy (Corruption not yet added to this policy but will be) <https://www.ruapehudc.govt.nz/SiteCollectionDocuments/Policies%20and%20Bylaws/Policies/Fraud%20and%20Protected%20Disclosures/Fraud%20and%20Protected%20Disclosures%20Policy%20-%20adopted%208.3.17.pdf>
- Legal Compliance Policy 2018 <https://www.ruapehudc.govt.nz/SiteCollectionDocuments/Policies%20and%20Bylaws/Policies/Legal%20Compliance/Legal%20Compliance%202018%20Policy.pdf>
- Code of Conduct Policy
- Sensitive Expenditure Policy
- Purchases Policy
- Delegations Register

Review

This policy replaces any policies that are currently in use and will be reviewed prior to June 2023.

Signed: _____

CHIEF EXECUTIVE

Date: _____

Glossary of terms:

Term	Meaning
Claim	Claim is a contracting term for the documentation that supports an invoice in (normally) larger capital and asset management contracts.
CUP clause	A clause that enables Eligible Agencies to join an Open Syndicated contract. The CUP clause must be included in all syndicated contracts.
Preferred supplier	A provider of goods or services under a non-exclusive contractual arrangement, especially for indirect categories. The arrangements are usually non-binding, standing-offer agreements which offer preferential terms for a defined period of time. Preferred suppliers may be selected after a competitive evaluation as being the best value providers for a given category, and the terms of the preferred supplier arrangements are publicised to end users who are encouraged to raise purchase orders on those suppliers. The use of preferred supplier arrangements can help achieve better value and help reduce the size of the active supply base.
Probity	Probity is demonstration that the procurement process will be conducted ethically and fairly, with all participants provided an equal opportunity. All procurement processes need to win the trust of suppliers so that they feel confident that their offers will remain confidential and that the best offer will win. However, probity is of especial concern to the public sector, as not only do public sector procurement processes need to be conducted in a transparent and impartial way, officers need to be able to demonstrate the integrity of the process in the event of challenge.
Procurement	Procurement describes all those processes concerned with developing and implementing strategies to manage an organisation's spend portfolio in such a way as to contribute to the organisation's overall goals and to maximise the value

	<p>released and/or minimise the total cost of ownership. Procurement is a more comprehensive term than purchasing, which is more focused on the tactical acquisition of goods and services and the execution of plans rather than the development of strategies.</p>
Procurement plan	Effectively a Business Case for a procurement activity.
Procurement Strategy	The procurement strategy documents how Council will coordinate all of its procurement activities to meet its business objectives.
Purchasing	Purchasing describes all those transactional processes concerned with acquiring goods and services, including payment of invoices. It is a narrower term than procurement, describing reactive, tactical processes. Typically purchasing processes are triggered by the development of a request to purchase by a user.
Purchase Order	A purchase order [PO] is a document issued by a buyer to their supplier that defines what is needed, in what quantity, when performance is required, and on what terms, including price and payment terms. The issue of a purchase order is increasingly a prerequisite in many payment systems for the payment of invoices.