



Circular Details	Circular No 22-40 / 19 December 2022 / A809665
Previous Circular	21-27 <i>Review of the tendering provisions of the Local Government (General) Regulation 2005</i>
Who should read this	General Managers / Governance and Procurement Staff
Contact	Council Governance Team / 02 4428 4100 / olg@olg.nsw.gov.au
Action required	Response to OLG / Council to Implement

Amendments to the tendering provisions of the Local Government (General) Regulation 2021 and consultation of the development of new procurement guidelines for councils.

What's new or changing

- Amendments have been made to the tendering provisions of the Local Government (General) Regulation 2021 to reduce red tape and to update them to reflect the increased use of electronic tendering by councils.
- The amendments, which have been developed following a public consultation process, will give effect to a recommendation by the Audit Office and will support councils to achieve greater efficiencies in their procurement.
- The amendments also allow decisions to decline to accept all tenders to be made under delegation. However, decisions to decline to accept all tenders and to enter into negotiations in relation to the subject matter of the tender, must still be made by a resolution of the council to ensure transparency and accountability.
- The Office of Local Government (OLG) is also developing comprehensive new procurement guidelines to complement the new regulations.
- The proposed guidelines will provide best practice guidance on all steps of the tendering process, procurement below the tendering threshold, probity, the use of NSW Government prequalification schemes and other providers' contractor panels, the use of procurement to promote social and economic development outcomes, and contract management and evaluation.
- OLG is seeking the views of councils and others on the content of the proposed guidelines and to identify best practice procurement in the local government sector.

What this will mean for your council

- To assist in the development of the guidelines, OLG is seeking the following from councils:
 - suggestions on what issues should be addressed in the guidelines
 - copies of or links to councils' policies, procedures or guidelines on tendering and procurement.
- Submissions may be made by email to olg@olg.nsw.gov.au.
- Submissions should be labelled "Procurement Guidelines Consultation" and marked to the attention of OLG's Council Governance Team.
- Submissions should be made before **Friday 24 February 2023**.

- Information gathered during the initial consultation will be used to develop a draft of the procurement guidelines. These will be issued for a second round of consultation with the local government sector to ensure they are fit for purpose.

Key points

- In December 2020 the NSW Auditor-General released a report examining procurement management in local government. In her report, the Auditor-General recommended that the regulations be updated to reflect the increased use of electronic tendering and that comprehensive and updated guidance on effective procurement practices be published.

Where to go for further information

- The amended Regulations are available at <https://legislation.nsw.gov.au/view/html/inforce/current/sl-2021-0460>.
- Contact OLG's Council Governance Team by telephone on 02 4428 4100 or by email at olg@olg.nsw.gov.au.

Melanie Hawes
Deputy Secretary, Crown Lands and Local Government