

1. INTRODUCTION

The Legatus Group ('LG') is committed to ensuring a fair, transparent and accountable process, in the provision of services, purchasing of goods and services and in the disposal of land and other assets.

LG aims to ensure that its methods of:

- service provision, including the carrying out of works;
- purchasing goods, and;
- the sale and disposal of land and or other assets,

are cost effective and meet the needs of the community and represent best value for money.

This Policy addresses the key elements of the conduct of LG affairs in these areas and the principles that will guide its decision making processes.

2. SCOPE OF THE POLICY

This Disposal of Asset Policy has been prepared having regard to the Local Government Act 1999, Sections 7 , 8 , 48 and 49.

3. DEFINITIONS

In this Policy, unless a contrary intention appears, definitions have the following meaning:

Approach to market is a general collective term that can be used to describe an invitation to suppliers to provide quotes, proposals, expressions or registrations of interest to tender.

Competitive tendering means seeking the provision of LG goods or services by competition through a formal and competitive tendering process.

Contracting out means the use of an external provider for specific services.

Direct negotiation means entering into direct negotiations with a single selected provider for goods or services, without any prior approach to the market.

Direct sourcing means going directly to the source of the supply.

End user needs means goods and services that are the actual needs of those who will utilise them and not perceived needs of any other person in the procurement process.

Evaluation criteria means the individual points against which all received quotes, tenders or expressions of interest will be measured. The criteria are based on the specifications and weighting criteria provided to potential suppliers and which, in turn, suppliers have responded to when preparing their quote or tender.

Expression of interest means the first stage of a two stage process, in which suppliers are invited to register interest for the supply of goods or services. Suppliers are then short listed for a selective tender.

Goods and services means goods, services, works and/or property as it would apply in the relevant section of the Policy.

Invitation to tender is where request for tender documents are issued to the known available service providers assessed as the most capable of delivering the work.

Limiting tendering includes invitations to tender and direct negotiation.

Open tendering means undertaking a formal tendering process for a specific service in the open market

Preferred supplier means an arrangement under which LG and the supplier agree that goods or services will be supplied under agreed pricing and/or supply conditions for a stated period.

Preferred supplier panel means a group of suppliers that have pre-qualified in accordance with LG's set criteria for the supply of goods and services to LG.

Probity means a risk management approach to ensure that selection and decision-making processes will be found to be honest, fair, transparent and defensible if scrutinised. A process conducted with regard to proper standards of probity will achieve both accountability and transparency and provide parties to the procurement process with fair and equitable treatment.

Procurement means a series of activities that are undertaken when purchasing goods and services, based on three key phases: planning, purchasing and contract management. Each phase must be completed to ensure success.

Request documentation includes request for quotes, request for tender and expression of interest.

Request for quotes means a process for inviting quotes to achieve a stated outcome.

Request for tender means a process in which an invitation to submit offers for clearly described goods or services is publicly advertised.

Select tender means a process in which selected organisations or individuals are invited to submit offers or proposals for goods and services.

Staged tendering means expressions of interest followed by a select tender process.

Tender means a proposal, bid or offer that is submitted in response to a Request for Tender. It is one of several different market-approach strategies.

Value for money allows the relative benefits of different procurement options to be measured by taking into account all the costs incurred in respect of goods or services over their lifespan, such as installation, training, maintenance, disposal costs, quality and assurance systems, resources provided and innovation technology.

Whole of life costs refers to the total net cost incurred when acquiring goods or services and is made up of all initial procurement costs, operating and maintenance costs, disposal costs and termination costs, less the residual value, if any.

4. DISPOSAL OF ASSETS

LG's Charter – The Principles

For the sale and disposal of assets, the following principles will apply regarding decisions of LG:

- Consistency and relevance to LG's Strategic Management Plan.

- Transparency and accountability in sale and disposal procedures and practices to ensure that LG obtains the best price and that all potential purchasers are given equal opportunity to purchase assets.
- Opportunities to enhance local economic development and growth.
- Compliance with statutory and other obligations.
- Commercial confidentiality.

Sale and disposal options

Generally, LG will sell or dispose of land and other assets through adoption of the following practices:

- Direct sale - advertisement for sale and the nature of the advertisement i.e. public notice, local paper etc.
- Open tender - openly seeking assets, through advertisement, tenders, or buyers for LG.
- Auction – openly seeking, through advertisement, buyers for LG assets.

In respect to the disposal of motor vehicles, this Policy recognises that motor vehicles may be ‘traded-in’ as part of the purchase process of replacement vehicles under the guidance of the [Procurement Policy](#).

In identifying the circumstances in which to apply these options, LG will consider a number of issues, e.g.

- The original intention for the use of the asset when purchased, where relevant.
- The current and possible preferred future use of the assets.
- The opportunity to promote local economic growth and development.
- Compliance with statutory and other obligations.
- Management Plans for community land.

5. CONSULTATION

LG recognises its responsibilities under Section 50 of the Local Government Act 1999 and its **Public Consultation Policy, OHS&W Policy and Employee Enterprise Agreements.**

The decision making process

LG recognises that the community, local businesses and contractors will from time to time have an interest in the manner and approach adopted by LG when determining service delivery, purchasing and disposing of assets.

LG or its officers with delegated authority will, when making decisions under this Policy, act in accordance with LG's budget, relevant policies, plans, industrial awards, agreements, resolutions etc.

LG acknowledges that the Chief Executive Officer may sub-delegate matters related to this policy to staff or other persons employed or engaged by LG.

Signature:

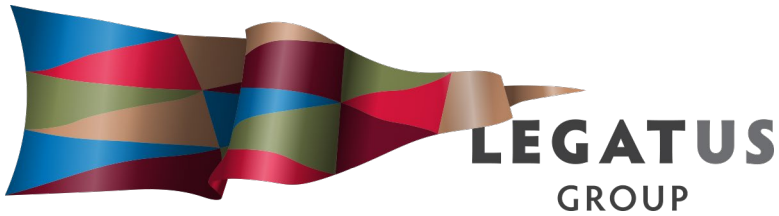


Date: 12 June 2020

Chief Executive Officer

If a conflict exists with any law in Australia, then the provisions of the law in Australia will prevail to the extent of the conflict.

4. LEGISLATION and OTHER DOCUMENTS



Local Government Act 1999 (as amended)

5. AVAILABILITY & GRIEVANCES

This policy is available for inspection at the Legatus Group office at 318 Main North Road, Clare during ordinary business hours.

It is also available for inspection, download or printing, free of charge, from the Legatus Group's website at www.legatusgroup.sa.gov.au

Any grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive Officer, Legatus Group, PO Box 419, Clare, SA 5453.

6. REVIEW

This Legatus Group Policy shall be reviewed by the Legatus Group within (4) years of the issued date.

| Date | Revision Number | Reason for Amendment |
|-------------|-----------------|----------------------|
| 5 June 2020 | I | No amendment |
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