



Procurement Policy

Table of Contents

1. POLICY STATEMENT	3
2. DEFINITIONS.....	3
3. ELEMENT ONE: - PRINCIPLES	4
3.1. Value for Money	4
3.2. Open and Effective Competition.....	4
3.3. Probity and Transparency	5
3.4. Conflict of Interest	5
3.5. Environmental Protection.....	5
4. ELEMENT TWO: - LOCAL PREFERENCE	7
4.1. Development of competitive local business and industry.....	7
4.2. Local Preference.....	7
5. ELEMENT THREE: - PROCUREMENT PROCESS.....	8
5.1. Recording and Internal Control.....	8
5.2. Accountability	8
5.3. Acceptance of Quotations	8
5.4. Ordering.....	9
5.5. Procurement Arrangements	9
5.5.1. Legislative Requirements.....	9
5.5.2. Procurement Process	10
5.5.3. Variations	10
5.5.4. Emergencies	11
Table 1: Procurement Reference Table	12

Control:

Approved by:	Council	Adopted / Approved:	23 January 2025; Resolution 2025/5
Authorised by:	Chief Executive Officer	Last Reviewed:	December 2024
Responsible Officer:	Administrative & Finance Manager	Next Review:	June 2025

Context

This policy contains statements of legislation, principle, policies and procedures related to the acquisition of goods, services and works by Council. It contains both statutory and mandatory requirements and guidelines for officers of the Council. It establishes minimum standards and principles which are to be applied across the organisation in the procurement of goods, services and works.

It is the responsibility of all managers and supervisors to ensure that these policies and procedures are understood by all employees and that they are administered and applied uniformly in all instances involving procurement.

The Procurement Policy provides a framework for all competitive transactions. Whilst the procurement process will vary depending upon the value and nature of the goods, services or works being obtained, the consistent objective in the procurement process is to achieve value on behalf of Council and the community.

Any proposed amendment to the procedures contained in this manual must be submitted to the Financial & Administrative Services Manager for approval by the Chief Executive Officer and adoption by Council.

Scope

1. This policy only applies to the procurement of goods and services; it does not apply to employment arrangements.
2. Disposal of non-current assets is dealt with under the Non-Current Asset Accounting Policy.
3. This Policy applies to all Council staff in the procurement of all goods, equipment and related services, construction contracts and contracts of service (including maintenance). It overrides all existing understanding and practices where these conflict.

Breach of Policy

Employees must comply with this Policy at all times. If an employee is found to have breached this Policy, they may be subjected to disciplinary action in accordance with the Performance and Misconduct Policy. The type and severity of the disciplinary action will depend upon the circumstances of the case and the seriousness of the breach. In serious cases, this may include termination of employment.

Date of Effect

This Policy will commence on adoption. It replaces all other specific Procurement of Goods and Services policies of Council (whether written or implied).

Relevant Legislation / Policy

Legislation	Policy
<ul style="list-style-type: none"> ➤ Local Government Act 2009 ➤ Local Government Regulation 2012 	<ul style="list-style-type: none"> ➤ Employee Code of Conduct ➤ Delegations Register ➤ Non-Current Asset Accounting Policy

	<ul style="list-style-type: none"> ➤ Performance and Misconduct Policy ➤ WHS Procedure – Purchasing & Suppliers Controls
--	--

1. POLICY STATEMENT

1. Council's procurement activities will aim to achieve advantageous procurement outcomes by:
 - a) promoting value for money with probity and accountability;
 - b) advancing Council's economic, social and environmental policies;
 - c) providing reasonable opportunity for competitive local businesses that comply with relevant legislation to supply to Council; and
 - d) promoting compliance with relevant legislation.
2. Council acknowledges that it has an important role to play in the local economy and is committed to assisting local industry engage in business with Council.
3. Council will maintain a Register of Pre-qualified Suppliers (RoPS) to supply goods and services.
4. Council will use the default contracting procedures as set out in Chapter 6 Part 3 of Local Government Regulation 2012.

2. DEFINITIONS

Approving Officer: A Council employee with financial delegation approved by the CEO or Council in accordance with the financial delegation register.

Creditor Officer: This is the Council Administrative Services department responsible for the processes relating to issuing payment to suppliers for goods and services.

Financial Delegation Register: a register which contains the financial delegation approved by the CEO or by Council. This includes a list of manager and senior staff who are given levels of authority to approve purchase requests.

Genuine Emergency - conforms to one or more of the following, if it:

- a) poses an immediate threat to life, health, property, or environment;
- b) has already caused loss of life, health detriments, property damage, or environmental damage; or
- c) has a high probability of escalating to cause immediate danger to life, health, property, or environment.

Large-sized Contractual Arrangement is a contractual arrangement with a supplier as per the Procurement Reference Table below.

Local Supplier for the purpose of this policy, a 'local supplier' is a supplier that:

- a) has a current base of operations within the Bulloo Shire Council area; and
- b) provides permanent employment to a resident of the local government area; and
- c) its Australian Business Number is registered within the area of Bulloo Shire Council.

Neighbouring shires (Quilpie, Paroo and Murweh) will be considered a local supplier over businesses not recognised as a Local Supplier.

Not feasible means:

- a) that the supplier's offer does not comply with the procurement principles set out in this Procurement Policy; or
- b) where the required goods and/or services are not available by accessing the RoPS.

Medium-sized Contractual Arrangement is a contractual arrangement with a supplier as per Procurement Reference Table below.

Pre-qualified Supplier: is a supplier of goods or services who, as a result of request for tenders called from the local government area generally, has been assessed as having the technical, financial and managerial capability necessary to perform contracts on time and in accordance with agreed requirements. Any eligible person may apply for listing on the Register of Pre-qualified Suppliers (RoPS) by responding to Council Advertisement for request for tender. This advertising is conducted once every twelve months and applications, received within the 21 day time limit will be assessed and applicants notified within three months. Outside the annual invitation period, no application will be accepted.

Assessments of supplier performance are ongoing. Failure to perform to satisfactory standard may lead to the immediate removal from Council's RoPS.

Procurement Officer: the Council employee who is responsible for purchasing and tendering arrangements entered into by Council in accordance with the Procurement Policy, procedures and guidelines approved by Council.

Requisition Officer: a Council employee who identifies the need for particular goods and services for their assigned task or department under the directive of a supervisor or manager. Requisition Officer is also responsible for writing the specification.

Stores Officer: a Council employee responsible for receiving stock required for the use of Council. Also, for purchasing in accordance with the Procurement Policy, procedures and guidelines approved by Council with relation to items of stock required for the store.

3. ELEMENT ONE: - PRINCIPLES

Council officers must have regard to the following procurement principles in all purchasing activities:

3.1. Value for Money

- Purchasing decisions should aim to achieve an acceptable solution at the lowest total cost.
- Lowest total cost should be determined by considering all significant costs associated with the acquisition. The nominal purchase price is important but other considerations such as timing, delivery, storage, trading terms, warranty, and ease of administration should be considered, if relevant. In the case of plant and equipment, whole of life costing should be used.
- Whole of life costing means taking into account the initial purchase price, durability and the estimated cost to operate and maintain the item of plant over its expected life.

3.2. Open and Effective Competition

- Open and effective competition is important to obtaining the best possible outcomes from dealings with suppliers.
- Competition implies pursuit of best value for money, the opportunity for potential suppliers to do business with Council, absence of bias or favouritism, accountability for results and transparency of process.
- The extent to which competition may be available and appropriate will vary from case to case, depending upon such things as the number of potential suppliers and the costs and benefits of promoting competition.
- All other factors being equal, Council may give preference to local economic benefit when sourcing products. When this criteria is nominated the benefit must be identifiable and reasonable. These benefits may take the form of:

- a) increased local employment; or
- b) contribution of funds to the local economy with identifiable benefits.

3.3. Probity and Transparency

- Council is committed to high levels of ethical standards in purchasing.
- In every instance, decisions in purchasing must be based on value and benefit to Council and the community.
- Transparency in decision making is most formally met through written scope/specifications: written evaluations against these must be provided for accountability and record keeping.
- Information given to prospective suppliers must be designed to inform and not to mislead.
- Commercially sensitive information, including bid prices and terms must be treated confidentially.
- Officers must declare to their manager any potential or actual conflict of interest, including any situation where a supplier has an association or relationship with a Council officer.
- No purchases for private use are to be made using Council's orders or otherwise via Council unless specific written approval is obtained from the Chief Executive Officer.
- Officers must not accept from suppliers' any gifts, gratuities, entertainment or other forms of personal favour, other than those of a token kind.
- Guidelines for acceptable token gifts, benefits or hospitality are set out in the Staff Code of Conduct and reference must be made to that document.
- A tender/quotation will be disqualified from a bid if a company representative or any other person, contacts in person, by telephone or electronic means or gives or offers anything to Councillors or any Council officer as an inducement, for the purpose of seeking to influence the manner in which the tender/quotation is evaluated or awarded.

3.4. Conflict of Interest

- Council Staff shall at all times avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have potential to conflict with their Council duties.
- Council staff shall not participate in any action or matter associated with the arrangement of a contract (i.e. evaluation, negotiation, recommendation, or approval) where that person or any member of their immediate family has a significant interest, or holds a position of influence or power in a business undertaking tendering for work.
- The onus is on the member of council staff involved being alert to and promptly declaring an actual or potential conflict of interest to the Council.
- Council staff must declare to their manager any potential or actual conflict of interest, including any situation where a supplier has an association or relationship with a Council officer. Where an officer has a potential or actual conflict of interest, they are required to complete a declaration statement.

3.5. Environmental Protection

- Council is committed to achieving responsible environmental management. Council shall consider and evaluate relevant environmental factors in the procurement of goods and services.
- Environmental considerations will have regard to the environmental sustainability of the project.

- Different goods and services have different levels of environmental impact (risk) and opportunity within them. In identifying environmental procurement priorities both factors need to be taken into account. In order to ensure comparability between competing suppliers and to ensure Council's intent is clear. Environmental requirements must be established in the order, scope of requirement or specification.
- The specification should nominate specific environmental targets. Examples of these would include goods with defined energy consumption ratings, requirements for recycled materials to be included in building and construction works, and specifications for building design and construction.

4. ELEMENT TWO: - LOCAL PREFERENCE

4.1. Development of competitive local business and industry

- When it is likely a local supplier is able to provide the relevant goods or services, the Procurement Officer shall ensure an opportunity has been provided, through the Pre-qualified Supplier, to allow that supplier to quote.
- Local consideration may have regard to the local level of content in the procurement of goods and services, and the cost structures applicable to the suppliers' pricing regimes for goods and services.
- The application of local content shall have consideration of Sound Contracting Principles of the *Local Government Regulation 2012*.
- Specifications should identify local content opportunities and ensure they are nominated. Local content generally relates to the provision of goods, services, labour, materials, plant and supervision.

4.2. Local Preference

Council acknowledges that it has an important role to play in the local economy and is committed to assisting local industry engage in business with Council.

4.2.1.Key Principles

In accordance with the Policy Statement, above, Council will undertake the following, to assist local industry and local economic development:

- 4.2.1.1 Encourage a 'buy local' culture within the Council;
- 4.2.1.2 Advertise all tenders, contracts and expressions of interest in a manner readily available to the local community;
- 4.2.1.3 Package requirements in appropriately sized contracts to suit market capacity and encourage local competition;
- 4.2.1.4 Encourage local businesses to promote their goods and services to Council;
- 4.2.1.5 Encourage the use of local distributors within the delivery chain whenever goods, materials or services have to be sourced from outside the Local Government area.

5. ELEMENT THREE: - PROCUREMENT PROCESS

5.1. Recording and Internal Control

- It is vital for effective financial control and for reporting to Council that purchase transactions are processed and recorded accurately and on a timely basis. Failure to comply with specified procedures endangers the accuracy and timeliness of management reporting.
- Internal Controls are necessary to ensure completeness, validity, accuracy, security and subsequent accountability.

Completeness - All purchase transactions must be properly processed on a timely basis.

Validity - All purchase transactions must be properly authorised and all delivered transactions must refer to goods actually received.

Accuracy - Purchase transactions must be recorded accurately, and allocated to the correct account.

Security - Physical security of records and confidentiality of commercial information must be maintained. Refer to Council's standard Terms and Conditions for suppliers regarding risk, title and insurance.

Subsequent Accountability - Recording must be such that there can be independent periodic checks to ensure accountability.

- Internal controls include authorisation, segregation of duties, and support of third party documentation as well as periodic management review.

5.2. Accountability

- Financial Authorities and Delegations are provided under the Council's Delegation to the CEO and CEO's Delegation to Officers. Managers are constrained by budgets and are held accountable through the normal process of reporting against budget. Authorisation of purchase requisitions must be within their approved delegated authority. Financial Delegations are approved by the CEO only and recorded in the Financial Register. Financial Register must be updated on a regular basis.
- Managers have some discretion to nominate those officers under their supervision who may initiate requisitions and managers have responsibility to ensure that requisitions initiated by officers in their area of control are approved. They are also responsible to ensure that delegated officers have the knowledge and experience to carry out the delegated tasks effectively and efficiently. Managers will be held totally accountable for all spending in their area of control.
- Each manager must notify the Chief Executive Officer in the event of predictable (e.g. Illness etc.) absences. The Chief Executive Officer must nominate a substitute to carry out the manager's delegation. The Procurement Officer must be notified in writing, details of nominated substitution each time a substitution takes place.

5.3. Acceptance of Quotations

There is no requirement to accept the lowest quotation, however where a quotation, other than the lowest quotation is accepted; the authorising officer must provide a brief written justification which must be kept with the order.

5.4. Ordering

Official Order Forms are not required for the following purchases but relevant authorisations are required on the invoice documentation:

- a) Australia Post;
- b) electricity accounts;
- c) telephone services accounts (excludes equipment purchases);
- d) subscriptions;
- e) licenses/registrations;
- f) freight;
- g) investments;
- h) Corporate Card purchases;
- i) items purchased from Petty Cash;
- j) advertisements;
- k) legal expenses;
- l) Caretaker's fortnight or monthly bills when Contract in place; or
- m) donations.

5.5. Procurement Arrangements

5.5.1. Legislative Requirements

Medium-sized contractual arrangement

A local government cannot enter into a medium-sized contractual arrangement unless the local government first invites written quotes for the contract.

The invitation must be given to at least 3 persons who the local government considers can meet the local government's requirements at competitive prices.

The local government may decide not to accept any of the quotes it receives.

However, if the local government does decide to accept a quote, the local government must accept the quote most advantageous to it having regard to the sound contracting principles.

Large-sized contractual arrangement

A local government cannot enter into a large-sized contractual arrangement unless the local government first invites written tenders for the contract.

Exceptions

Chapter 6 (Contracting) Part 3 Division 3 of *Local Government Regulation 2012* specifies when Council is exempt from the requirement to seek tenders or quotations for medium-sized and large-sized contractual arrangements:

- (a) Section 231 - A local government may enter into a contractual arrangement for services without first inviting written quotes or tenders if the contract is made with a person who is on an approved contractor list.
- (b) Section 232 - A local government may enter into a contract for the supply of goods or services without first inviting written quotes or tenders if the contract is entered into with a supplier from a register of pre-qualified suppliers that is made in compliance with subsections (3) to (7).
- (c) Section 233 - A local government may enter into a contract for the goods or services without first inviting written quotes or tenders if the contract is entered into with a preferred supplier under a preferred supplier arrangement that is made in compliance with subsections (3) to (9).

- (d) Section 234 - A local government may enter into a contract for goods and services without first inviting written quotes or tenders if the contract is entered into under an LGA arrangement.
- (e) Section 235 – A local government may enter into a contractual arrangement without first inviting written quotes or tenders if: -
 - i. the local government resolves it is satisfied that there is only 1 supplier who is reasonably available; or
 - ii. the local government resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders; or
 - iii. a genuine emergency exists; or
 - iv. the contract is for the purchase of goods and is made by auction; or
 - v. the contract is for the purchase of second-hand goods; or
 - vi. the contract is made with, or under an arrangement with, a government agency.

5.5.2. Procurement Process

- The value or price of the goods, works or services to be obtained is the initial consideration in determining the appropriate procurement process. The nature of the item(s) being obtained and the state of the supply market for that item are important additional considerations. The opportunity to develop the relevant market and to encourage competition which will then benefit Council and the local community must be actively considered.
- Where local businesses (i.e. located in the Bulloo Shire) can provide the good/services required, procurement staff are encouraged to obtain quotations from those businesses in the first instance, in line with Council's intention to support local businesses.
- The Procurement Reference Table below outlines the minimum standard procurement process in each instance. The discretion to go beyond that minimum standard is available and will be exercised by the relevant manager and the Chief Executive Officer.
- Delegations and financial authorisations are consistent with the Procurement Reference Table.
- Employees requesting goods and/or services must complete the 'Request for Quote' form detailing specifications and requirements for goods and/or services they require and Requisition form, providing both completed form to the Procurement Officer to obtain quotes in accordance with this Policy.
- Once quotes have been obtained, the requisition completed by the Procurement Officer will be presented to the authorizing officer to review and approve.
- A quote can be accepted if only one quote is received out of the requested quotes invited.

5.5.3. Variations

A variation is an agreed amendment to a contract that changes the original terms, conditions or scope of the contract. For the purpose of this policy, variation refers solely to a financial deviation from original contract value. The contract can be a Council purchase order or agreement signed by a delegated Council officer with an external service provider/organisation. Other variations such as non-financial scope changes, extension of time etc. are to be managed by delegated council officers.

Variation procedures for contracts are as follows:

- Each variation can only be approved in writing by a delegated officer up to their authorised financial and contractual delegation;

-
- The delegated officer must verify that funds are in approved budgets to meet the costs prior to the variation being actioned;
 - Each variation requires an additional line item on the purchase order stating the change in scope and cost. A purchase order amendment must be approved by a delegated officer with sufficient financial and contractual delegation for the entire new aggregated order amount including the variation.
 - Officers must ensure that the contract variations are not to the extent that they significantly change the contract requirements and/or substantial parts of the original procurement. If this is the case, it may be necessary to undertake another procurement process if the revised arrangements are substantially different to those selected during the original procurement.
 - In the case of Council approved expenditure, all variations must be approved by Council, unless previously authorised by a Council resolution to an officer.

5.5.4. Emergencies

In recognition that full compliance with existing Council procurement procedures may not support Council's needs during a critical or emergency incident, an alternative procurement process may operate during the incident. This alternative process aims to accommodate urgent Council needs, while ensuring that the procurement process adopted is reasonable and conducted with appropriate consideration of standard procurement principles.

Any emergency procurement must be authorised by the Chief Executive Officer or other delegated or legislated authority, once a critical or emergency incident has been declared.

Such incidents are:

- A state of disaster declared under the Disaster Management Act 2003, or any other emergency declaration made by the State's Premier under an enactment;
- Any incident declared by the Chief Executive Officer where the safety or security of any person or property associated with the Council is threatened, and
- An external incident to which the Chief Executive Officer has authorised the provision of urgent support.

Once the immediacy of the incident has passed, purchase orders must be raised to record the expenditure in the same way as they would have been in normal circumstances.

As soon as practical upon cessation of the emergency, a report must be presented to Council to authorise the unapproved expenditure, where this expenditure exceeds delegation, and the methodology by which it was incurred. The Council Resolution must define the genuine emergency situation (such as natural disaster), as well as delegate authority.

Table 1: Procurement Reference Table

Supply Type	Procedure
Purchases less than \$250 ex GST	<p>Where the goods and/or services are less than \$250, the purchase must:</p> <ul style="list-style-type: none"> a) be made on an official order form; b) orders must include a reasonable estimate of cost; c) all details must be recorded on a Requisition for Goods/or Services form and attached to the official order; and d) orders can only be approved by authorised employees as detailed in the Financial Delegation Register. <p>Goods and/or services are to be procured by accessing the RoPS (no quotes required, please see section 5.5.1 of this policy). However, when this option is not feasible, goods and/or services can be procured by:</p> <ul style="list-style-type: none"> a) accessing an LGA Arrangement (no quotes required, please see section 5.5.1 of this policy); or b) select one supplier that meets the requirements.
Purchases over \$250 and less than \$3,000 ex GST	<p>Where the goods and/or services are at or over the value of \$250 but less than \$3,000, the purchases must:</p> <ul style="list-style-type: none"> a) be made using an official order form; b) orders must include a reasonable estimate of cost; c) all details must be recorded on a Requisition for Goods/or Services form and attached to the official order; and d) orders can only be approved by authorised employees as detailed in the Financial Delegation Register. <p>Goods and/or services are to be procured by accessing the RoPS (two quote required, please see section 5.5.1 of this policy). However, when this option is not feasible, goods and/or services can be procured by:</p> <ul style="list-style-type: none"> a) accessing an LGA Arrangement (no quotes required, please see section 5.5.1 of this policy); or b) invite at least two written quote from a supplier that meets the requirements.
Purchases \$3,000 ex GST and less than \$50,000 ex	<p>Where the goods and/or services are at or over the value of \$3,000 but less than \$50,000, the purchases must:</p> <ul style="list-style-type: none"> a) be made on an official order form; b) orders must include a reasonable estimate of cost; c) all details must be recorded on a Requisition for Goods/or Services form and attached to the official order; and d) orders can only be approved by authorised employees as detailed in the Financial Delegation Register. <p>Goods and/or services are to be procured by accessing the RoPS (three quote required). However, when this option is not feasible, goods and/or services can be procured by:</p>

Supply Type	Procedure
	<ul style="list-style-type: none"> a) inviting at least 3 written quotes, allowing a minimum of 72 hours and a maximum of 5b.d for a response and selecting one supplier that meets the requirements; or b) accessing an LGA Arrangement (one quote required) and selecting one supplier that meets the requirements.
Purchases \$50,000 ex GST and less than \$200,000 ex GST (Medium Contractual Arrangement)	<p>Where the goods and/or services are at and over the value of \$50,000 but less than \$200,000, the purchases must:</p> <ul style="list-style-type: none"> a) be made on an official order form; b) orders must include a reasonable estimate of cost; c) all details must be recorded on a Requisition for Goods/or Services form and attached to the official order; and d) orders can only be approved by authorised employees as detailed in the Financial Delegation Register. <p>Goods and/or services are to be procured by accessing the RoPS (three quotes required) However, when this option is not feasible, goods and/or services can be procured by:</p> <ul style="list-style-type: none"> a) inviting at least 3 written quotes, allowing a minimum of 72 hours and a maximum of 10b.d for a response and selecting one supplier that meets the requirements; or b) accessing an LGA Arrangement (two quotes required, please see section 5.5.1 of this policy) and selecting one supplier that meets the requirements.
Purchases of \$200,000 ex GST and above (Large-sized Contractual Arrangement)	<p>Where the goods and/or services are at and over the value of \$200,000, tenders must be invited by:</p> <ul style="list-style-type: none"> a) Council's eProcurement Platform, VendorPanel, advertised in local newspapers, on Council's webpage and Facebook. Council must allow at least 21 days from the day of advertisement for the submission of tenders. <p>Only when the above is not feasible, procurement of goods and/or services at and over the value of \$200,000 can be obtained by:</p> <ul style="list-style-type: none"> a) accessing VendorPanel LGA Arrangement, inviting a minimum of three suppliers to quote and allowing at least one week (preferable two weeks) to respond; or b) accessing an arrangement in accordance with section 232 of the <i>Local Government Regulation 2012</i> (please see section 5.5.1 of this policy) with the written approval from the Chief Executive Officer; or c) accessing an arrangement in accordance with section 235 of the <i>Local Government Regulation 2012</i> (please see section 5.5.1 of this policy) with the written approval from the Chief Executive Officer. <p>Purchases for the recommended tenderer/supplier must:</p> <ul style="list-style-type: none"> a) have approval by council resolution; b) be made on an official order form; c) all details must be recorded on a Requisition for Goods / or Services form and attached to the official order with the council resolution; and

Supply Type	Procedure
	<p>d) orders can only be authorised by the Chief Executive Officer as detailed in the Financial Delegation Register.</p> <p>Records of tenders received must be kept on file for the period outlined in the Retention and Disposal Schedules for Local Government as published by the Queensland State Archives.</p> <p>A contractual agreement must exist for construction projects greater than \$200,000, signed by both a Council representative and the contractor's representative.</p> <p>Details of all contracts of \$200,000 and over must be provided to relevant finance staff for inclusion on the Contracts Register and publication on Council's webpage.</p>