

Council Policy

Procurement and Contracts Management

Policy Reference Number	CP00053	Approval Date	30/10/2024
Portfolio	Council Sustainability	Next Review Date	30/10/2027
Business Unit	Procurement & Supply	Document ID	10033393

1. Purpose/Objective

This Policy presents the Council Social and Sustainable Procurement and Contracts Management framework and principles, which all Council officers and Representatives must adhere to when purchasing goods and services and managing associated contracts. The framework offers straightforward guidance to aid the procurement and management of goods, services, or projects, premised on an assessment of value and risk.

2. Principles

All procurement activities of the Council must have regard to the 'sound contracting principles' contained in the *Local Government Act 2009*.

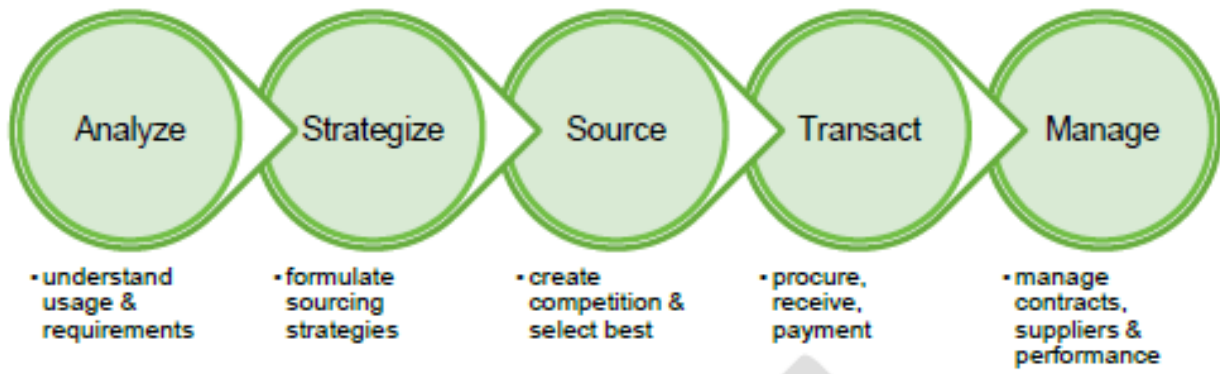
The sound contracting principles are:

- Value for Money
- Open and Effective Competition
- Development of Competitive Local Business and Industry
- Environmental Protection
- Ethical Behaviour and Fair Dealing

Value for Money encompasses more than just the lowest price; it includes:

- Alignment with the objectives of the Council as outlined in its corporate and operational plans.
- Stimulating economic growth within the local government area and complying with Council's Local Business Commitment and Indigenous Procurement Targets.
- Consideration of cost-related factors, including whole-of-life costs and transactional costs associated with the acquisition, use, administration, holding, maintenance, and disposal of goods and/or services.
- Fitness for purpose and quality.
- Consideration of environmental, social, and economic impacts, alongside sound systems of operational management, risk management, legal and reputational exposure, and business continuity.

3. Scope



This Policy applies to:

3.1. WHO

This Policy applies to all Council officers and Representatives and should be read in conjunction with other Council policies and procedures, including but not limited to the Code of Conduct for workers, Social and Sustainable Procurement and Contracts Management Framework, Fraud and Corruption Prevention and Reporting Policy, and the WHS Policy.

This policy will be reviewed annually in accordance with section 198(3) of the *Local Government Regulation 2012*.

3.2. WHAT

This Policy applies to all procurement and contracting activities related to:

- a. The creation and maintenance of assets.
- b. The supply of goods and services (including consultancy and construction).
- c. The disposal of non-current assets (excluding land, but including the disposal of an interest in land).

It includes:

- a. Formal contracts.
- b. Revenue-neutral or revenue-positive contracts.
- c. Licenses and lease agreements.
- d. Purchase requisitions.
- e. Purchase orders.
- f. Corporate purchasing cards.
- g. Stores inventory management and warehousing.
- h. Non-order purchases.

3.3. EXCLUSIONS

The following activities are not governed by this Policy but are subject to other provisions of the legislation:

- a. Procurement and disposal of land.
- b. Disposal of current assets (Council must still adhere to sound contracting principles).
- c. Property development infrastructure agreements regulated by the Planning Act 2016.
- d. Grants administered via the Council Grants and Funding Programs Policy.
- e. Government fees, licensing, registrations, and levies.
- f. Refunds and reimbursements.
- g. Contracts for the direct employment of Council officers.

4. Responsibility

Managers are responsible for ensuring that all workers understand the procurement policy and foster an environment that supports compliant procurement activities. All workers, contractors (including temporary workers), subcontractors, and consultants must adhere to the procurement policy.

The Coordinator Procurement & Contracts Performance is responsible for:

- a. Monitoring and reporting on Council's procurement activities.
- b. Supporting compliance with Council's procurement activities.
- c. Monitoring supplier performance by Contracts Managers.

5. Policy

5.1. COMPLIANCE

Council workers conducting procurement activities must ensure compliance with Council's policies, procedures, and applicable laws, including the Local Government Act 2009, Local Government Regulation 2012, and the Public Sector Ethics Act 1994. Each purchasing activity must meet the requirements of sound contracting principles outlined in Section 104(3) of the Local Government Act 2009.

All procurement activities must align with the Code of Conduct for Staff and exhibit impartiality, fairness, integrity, and professionalism.

5.2. AUTHORISED EXPENDITURE

All procurement activities, including purchases of goods or services, must align with Council policies and the Local Government Regulation 2012. Procurement should only occur when there is budgeted expenditure or it is otherwise authorized by a Council resolution.

All purchases require approval and contracts must be signed by the relevant financial delegate.

5.3. EXISTING CONTRACTS

Where a contract exists with a supplier or a panel of suppliers for a defined category of goods or services, purchases must be made under that contract if the required goods or services are within the same scope and risk profile as the contract.

Arrangement Type Minimum Requirements	Arrangement Type Minimum Requirements
Preferred Supplier Arrangement	Use the single supplier contracted under the PSA.
Register of Prequalified Suppliers	Use contracted supplier that provide value for money.
Approved Contractor List	Use contracted supplier that provide value for money.

**All amounts are GST exclusive.*

For purchases below \$15,000, value for money must be assessed by:

- a. Reviewing prices of contracted suppliers, or
- b. Requesting quotes from a minimum of two contracted suppliers.

For purchases of \$15,000 or greater, value for money must be assessed by:

- a. Reviewing prices of contracted suppliers, or
- b. Requesting quotes from a minimum of three contracted suppliers.

5.4. NEW PURCHASES

For new purchases not covered by existing contracts, the following minimum requirements apply:

Value within a financial year or term of engagement*	Minimum Requirements
Less than \$5,000	One written quote or corporate credit card (for one-off purchases)
\$5,000 to Less Than \$15,000	Two written quotes
\$15,000 to Less Than \$200,000	Three written quotes
\$200,000 or Greater	Public tender required

**All amounts are GST exclusive. This includes any purchases utilising Localbuy agreements.*

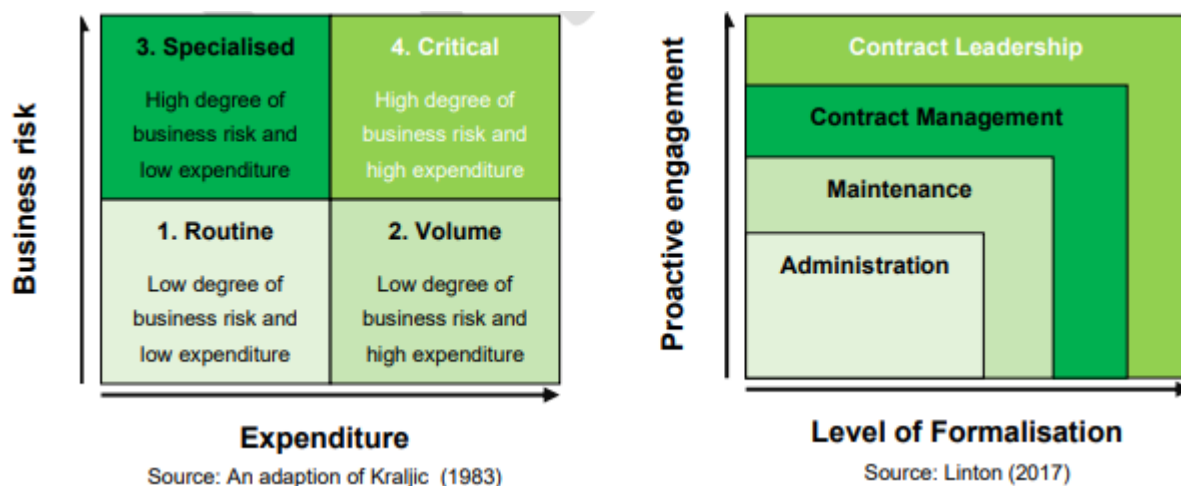
A purchase order is required for any procurement by quote or public tender. Significant procurement activities and supplier management will be outlined in the Social and Sustainable Procurement and Contracts Management Framework.

What are significant procurements?

Significant procurement includes goods and services identified as being high expenditure and/or for which there is a high degree of business risk.

Using supply positioning, the expenditure of an agency on goods and services (including capital projects) and the corresponding degree of business risk can be determined. The goods and services are segmented into four supply positioning categories, as shown in **Figure 1**.

Figure 1: Supply positioning categories



5.5. EXEMPTIONS

In accordance with the Local Government Regulation 2012, the primary exceptions to obtaining quotes or going to tender include:

- Emergency purchases.
- Contracts under Local Buy arrangements.
- Auctions for goods from approved auction houses.
- Purchase of second-hand goods.
- Contracts with government agencies.

5.6. PAYMENT TERMS

Standard payment terms for suppliers to the Council are 30 days from receipt of a valid tax invoice. Exceptions must be approved by the Chief Executive Officer, General Manager of Council Sustainability, or Coordinator Procurement & Contracts.

5.7. SOCIAL AND SUSTAINABLE PROCUREMENT

All procurement activities must consider social and community benefits and environmental sustainability outcomes, in line with the Social and Sustainable Procurement and Contracts Management Framework.

5.8. CONFLICTS OF INTEREST

Council workers and Representatives must declare any actual, potential, or perceived conflicts of interest in the procurement process, ensuring they are resolved or managed appropriately.

5.9. RISK

For purchases over \$15,000 (excluding GST), a risk assessment must be completed. High-risk purchases must have actions established to manage identified risks.

6. Contracts & Supplier Management

Contract management involves overseeing legally binding agreements throughout their lifecycle. This includes creation, negotiation, execution, compliance monitoring, and renewal or closure.



The **Contract Owner** is responsible for the efficient management of contracts, while the **Contract Manager** handles day-to-day contract activities, providing relevant reporting to the Contract Owner.

The Contract Manager will influence the outcomes of the agreements and will provide relevant reporting to the Contract Owner.

The best outcomes such as reduced cost, increased risk mitigation, and more sustainable and efficient supply chain are just some of the potential outcomes for businesses engaging in effective supplier management. Effective supplier relationship management requires a blend of strategic negotiation, transparent communication, and a truly collaborative partnership to work.

The Council is committed to fostering collaborative supplier partnerships as outlined in the Social and Sustainable Procurement and Contracts Management Framework.

7. Definitions

Approved Contractor List: means A list of qualified contractors per Section 231 of the *Local Government Regulation 2012*.

Auction: means a public sale in which goods or property are sold to the highest bidder.

Contract Manager: means the person within Council that handles day-to-day contract management activities, acts as the primary point of contact, and collaborates with relevant stakeholders.

Contract Owner: means the person responsible for overseeing the contract and ensuring its alignment with business goals. They have the authority to approve changes and amendments as the Delegated Authority.

Delegated Authority: means the Council representative with the relevant financial Delegation under the Delegation Policy/Register

Government Agency: means an agency as defined in section 14(1) of the *Right to Information Act 2009 (Qld)*.

Manager: includes persons appointed to positions where their title includes General Manager, Chief Executive Officer, Manager, or Principal Specialist.

Preferred Supplier Arrangement (PSA): means A contract with one or more suppliers for frequently required goods/services (Section 233 of the *Local Government Regulation 2012*).

Procurement Practices: Processes that ensure cost-effectiveness for public authorities and suppliers.

Register of Pre-Qualified Supplier (RoPS): means Suppliers assessed for technical, financial, and managerial capability (Section 232 of the *Local Government Regulation 2012*).

Representatives: includes employees, contractors, subcontractors, consultants, volunteers and all others who perform work on behalf of Council.

Value for money: means an assessment of the total benefits and costs provided by a procurement including, cost, whole of life cost, local benefit, advancing government policy and supporting social outcomes.

Workers: includes employees, contractors, subcontractors, consultants, volunteers and all others who perform work on behalf of Council.

8. Related Legislation/Documents

The adherence to the legislative guidelines underscores the commitment of Council to operate within the bounds of the law, reflecting the vision of open, fair and transparent processes that can withstand any scrutiny.

Local Government Act 2009 (QLD);

Local Government Regulation 2012 (QLD);

Human Rights Act 2019;

Modern Slavery Act 2018 (Cth);

Right to Information Act 2009 (QLD);

Work Health and Safety Act 2011;

Financial Delegation Register;

Corporate Credit Card Policy;

Corporate Credit Card Guidelines;

Delegation Policy/Register;

Asset Disposal Policy;

Asset Disposal Guidelines;

Advertising Spending Policy;

Advertising Spending Guidelines;

Gifts and Personal Benefits Policy;

Gifts and Personal Benefits Guidelines;

Social and Sustainable Procurement and Contracts Management Framework;

Resumption of Land Policy;

Corporate Plan;

Operational Plan;

Code of Conduct;

ISO24000 Sustainable Procurement

9. Version Information

Version No	Adoption Date	Key Changes	Approved by
1	21/06/2011	Ordinary Meeting Item No 5.	Council
2	12/02/2013	Ordinary Meeting Item No 6.	Council
3	30/07/2013	Ordinary Meeting Item No 6.	Council
4	29/07/2014	Ordinary Meeting Item No 6.	Council
5	30/06/2015	Ordinary Meeting Item No 6.	Council
6	28/06/2016	Ordinary Meeting Item No 6.	Council
7	24/07/2017	Ordinary Meeting Item No 6.	Council
8	18/07/2023	Ordinary Meeting Item No 10.6.	Council
9	30/10/2024	Ordinary Meeting Item No 11.9. Amended to meet best practice guidelines.	Council