

## Council Policy

### Procurement and Contracts Management

|                         |                                  |                     |            |
|-------------------------|----------------------------------|---------------------|------------|
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| Portfolio               | Corporate and Community Services | Next Review Date    | 30/06/2026 |
| Business Unit           | Procurement and Supply           | Document ID         | 10033393   |

#### 1. Purpose/Objective

This Policy presents Scenic Rim Regional Council's Social and Sustainable Procurement and Contracts Management framework and principles. All Council officers and Representatives must adhere to this policy 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 as Scenic Rim Regional Council operates under the Default Contracting Procedures under the QLD Local Government Regulation (refer Part 3 Chapter 6).

#### 2. Principles

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

The sound contracting principles are:

- (a) Value for Money
- (b) Open and Effective Competition
- (c) Development of Competitive Local Business and Industry
- (d) Environmental Protection
- (e) Ethical Behaviour and Fair Dealing

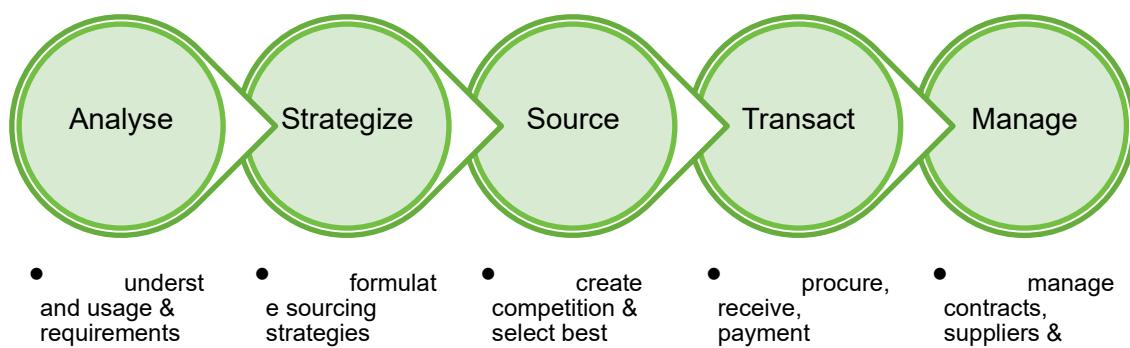
Value for Money encompasses more than just the lowest price; it includes:

- (a) Alignment with Council objectives as outlined in its corporate and operational plans.
- (b) Stimulating economic growth within the local government area and complying with Council's Local Business Commitment and Indigenous Procurement Targets.
- (c) 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.
- (d) Fitness for purpose and quality.

- (e) Consideration of environmental, social, and economic impacts, alongside sound systems of operational management, risk management, legal and reputational exposure, and business continuity.
- (f) Compliance with the Work Health and Safety Act 2011 and Regulations for the provision of the goods and/or services.
- (g) Internal administration costs, risk assessment and technical compliance issues
- (h) The value of any associated environmental mitigation and/or benefits as identified through contemporary Sustainable Procurement assessment criteria.
- (i) Council will utilise Approved Contractor Lists, Preferred Supplier Arrangements and Prequalified Supplier Lists to assist Employees in assessing the qualitative criteria combined with pricing to determine value for money.

Council will invite both local and non-local suppliers to participate in market engagements to promote open and effective competition, while actively encouraging local supplier participation to support regional economic development. Council will also conduct periodic awareness activities and provide appropriate equitable support to Local Suppliers to encourage them to compete in Council procurement processes.

### 3. Scope



This Policy applies to:

#### 3.1. Who

This Policy applies to all Council officers and Representatives 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, purchase, or 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 of Council's procurement activities.
- (c) Monitoring supplier performance by Contract 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 activities in scope for this policy (as listed in section 3.2) require approval in accordance with Council's *Financial Delegations Register*. Contracts, purchase orders, and requisitions must be approved or executed by an officer holding the appropriate financial delegation.

By approving or signing a requisition, purchase order, or contract, the delegated officer confirms that they have reviewed and understood this Policy and that the procurement activity complies with all applicable legislative, policy, and procedural requirements.

## 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 provides best value for money. |
| Approved Contractor List              | Use contracted supplier that provides best value for money. |

*\*All amounts are GST exclusive.*

For purchases where the value of the engagement is \$5,000 to less than \$15,000., value for money must be assessed by:

- (a) Reviewing prices of contracted suppliers, or
- (b) Requesting quotes for the purchase 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 for the purchase 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 General  | Minimum Requirements LocalBuy/State Gov SOA                                     |
|--|---|---|
| Less than \$5,000                                    | <ul style="list-style-type: none"><li>• Conduct online research or seek at least one written or verbal quote (verbal quotes must be documented in Council's records).</li></ul> | <ul style="list-style-type: none"><li>• Same as general requirements.</li></ul> |

|                                 |   |  |
|---------------------------------|---|--|
|                                 | <ul style="list-style-type: none"> <li>Acceptance of a fixed price for low-value items is acceptable.</li> <li>A corporate credit card may be used for one-off purchases within delegation limits.</li> </ul>   |  |
| \$5,000 to Less Than \$15,000   | <ul style="list-style-type: none"> <li>Obtain at least two written quotes.</li> <li>An invitation to quote must be provided to at least two suppliers that Council reasonably considers capable of meeting requirements at competitive prices.</li> </ul>     | <ul style="list-style-type: none"> <li>If LocalBuy arrangements have pricing schedules, engagement may be justified in a Decision Memo in line with sound contracting principles.</li> <li>Without pricing schedules, obtain at least two written quotes.</li> </ul> |
| \$15,000 to Less Than \$200,000 | <ul style="list-style-type: none"> <li>Obtain at least three written quotes.</li> <li>An invitation to quote must be provided to at least three suppliers that Council reasonably considers capable of meeting requirements at competitive prices.</li> </ul> | <ul style="list-style-type: none"> <li>If LocalBuy arrangements have pricing schedules, engagement may be justified in a Decision Memo; obtaining quotes is recommended.</li> <li>Without pricing schedules, obtain at least three written quotes.</li> </ul>        |
| \$200,000 or Greater            | <ul style="list-style-type: none"> <li>A public tender process is required in accordance with the <i>Local Government Regulation 2012</i>.</li> </ul>   | <ul style="list-style-type: none"> <li>VendorPanel market engagement using LocalBuy lists should involve a sufficient number of suppliers to ensure compliance with sound contracting principles.</li> </ul>   |

**Notes:**

- All amounts are GST exclusive.
- For any purchases made under approved local buy arrangement the specifications must align to relevant LocalBuy contract.
- A purchase order is required for all procurement activities undertaken by quote or public tender.
- Significant procurement activities and supplier management requirements are detailed in Council's *Procurement and Contracts Management Framework*.

## Local and Regional Supplier Participation

Whilst Council does not implement a local preference policy, the sound contracting principles in the Queensland Local Government Regulation 2012 require Council to support the development of competitive local business and industry and therefore require invitation to market engagements.

- **Mandatory Requirement:** For all procurements exceeding \$200,000 (excluding GST), the *Evaluation Report* or *Decision Memorandum* must include an assessment of the Economic IQ of proposed suppliers. This assessment is to be undertaken using the Economic Impact Model to quantify and compare the potential economic contribution of local versus non-local suppliers. The outcome of this assessment is used to build awareness of the impact of engaging local suppliers and may be applied as a tie-breaker where suppliers are otherwise equivalent in meeting Council's technical, financial, and risk requirements.
- **Recommended Practice:** For procurements below \$200,000 (excluding GST), use of the Economic Impact Model is not mandatory; however, where practical and proportionate, Council officers are encouraged to apply the assessment to strengthen consideration of local economic outcomes and promote informed procurement decision-making.

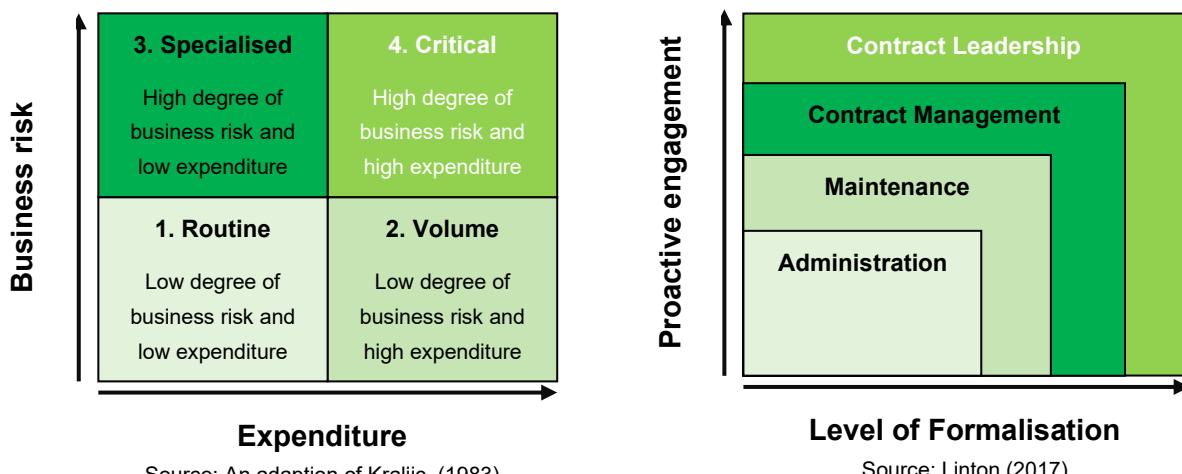
This assessment also encourages consideration of local workforce participation and broader regional economic benefits, supporting Council's objectives under the *Procurement and Contracts Management Framework*.

## 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, expenditure 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. Exceptions

In accordance with the *Local Government Regulation (2012)*, exceptions for medium and large sized contractual arrangements include but not limited:

- (a) the local government resolves it is satisfied that there is only 1 supplier who is reasonably available; or
- (b) 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
- (c) a genuine emergency exists; or
- (d) the contract is for the purchase of goods and is made by auction; or
- (e) the contract is for the purchase of second-hand goods; or
- (f) the contract is made with, or under an arrangement with, a government agency.

## 5.6. Payment Terms

Standard payment terms for suppliers to the Council are 30 days from receipt of a valid and undisputed tax invoice by Accounts Payable. Exceptions must be approved by the Chief Executive Officer, Director Corporate and Community Services, or Coordinator Procurement & Contracts Performance.

## 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. Conflict 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. Council must consider and manage risks including financial, legal and compliance, work health and safety, operational/service delivery, reputational, environmental/sustainability, and supplier performance. High-risk procurements require documented mitigation actions, which must be reflected in the procurement process and in contract management practices.

# 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.

**Default Contracting Procedures** means the methods of entering into contracts for the acquisition of goods, services and works, as prescribed under the *Local Government Regulation 2012 (Qld)*. These procedures set the minimum statutory requirements Council must follow to ensure transparency, fairness, and value for money.

**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)*.

**Headquarters** means the principal place of business of the contracted entity, being a registered business address located within the Scenic Rim Regional Council local government area.

**Large-Sized Contractual Arrangement** means a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year or over the proposed term of the contractual arrangement.

**Local Benefits** are economic impact benefits deriving from procurement investment supporting the local workforce and/or local suppliers.

**Local Supplier** refers to a supplier that meets one of the following criteria:

- (a) has its headquarters located within the Scenic Rim Regional Council area; or
- (b) operates within a 125 km radius of the Beaudesert Administration Building; or
- (c) is a supplier of 'goods and/or services' that maintains a workforce whose usual place of residency (i.e. where they normally live, sleep and eat); or
- (d) If a capable 'local supplier' does not exist within the 125 kilometre radius, the radius should be extended progressively to the neighbouring Council regions, then Queensland, then outside of Queensland, until a suitable 'supplier' is identified.

**Local workforce** means a workforce whose usual place of residency is located within Scenic Rim Regional Council.

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

**Medium-Sized Contractual Arrangement** means a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$15,000 or more but less than \$200,000 in a financial year or over the proposed term of the contractual arrangement.

**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 Legislations/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 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 5.  | Council     |
| 2          | 12/02/2013    | Ordinary Meeting, Item 6.  | Council     |
| 3          | 30/07/2013    | Ordinary Meeting, Item 6.  | Council     |
| 4          | 29/07/2014    | Ordinary Meeting, Item 6.  | Council     |
| 5          | 30/06/2015    | Ordinary Meeting, Item 6.  | Council     |
| 6          | 28/06/2016    | Ordinary Meeting, Item 6.  | Council     |
| 7          | 24/07/2017    | Ordinary Meeting, Item 6.  | Council     |
| 8          | 18/07/2023    | Ordinary Meeting, Item 10.6.   | Council     |
| 9          | 30/10/2024    | Ordinary Meeting, Item 11.9.<br>Amended to meet best practice guidelines | Council     |
| 10         | 10/12/2025    | Ordinary Meeting Item, 11.12.  | Council     |

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