

## Procurement Policy

**NOTE:** Council regularly reviews and updates its policies. The latest controlled version can be obtained from the Policy Register on Council's intranet or by contacting Council's Corporate Services Branch. **A hard copy of this electronic document is considered uncontrolled when printed.**

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### 1. POLICY STATEMENT

This policy establishes the procurement principles that South Burnett Regional Council ('Council') will follow and apply to all procurement processes and activities undertaken. The policy has been developed to enable Council to carry out all its procurement in accordance with the prescribed legislative framework and statutory obligations, to achieve the desired outcomes of its Corporate and Operational Plans.

This policy applies the sound contracting principles and practices as outlined in the *Local Government Act 2009* ('Act') and the *Local Government Regulation 2012* ('Regulation').

### 2. SCOPE

This policy applies to all Council representatives undertaking procurement activities on behalf of Council.

### 3. GENERAL INFORMATION

This policy provides the framework and rules, by which Council obtains an effective supply of the required goods and services. It seeks to align with the organisational strategy rather than just process orders and acquire goods and services.

To be effective, it is critical Council's procurement function delivers on the following outcomes:

- providing protection to the organisation and Council representatives using robust systems and procedures;
- providing cost efficiencies and control measures throughout the procurement process;
- providing responsive and strategic support in ways that ensures quality goods and reliable services are procured;
- supporting the overall delivery of Council's budget by enabling timely delivery of goods and services and managing the supply chain to mitigate issues such as over and under supply errors;
- ensure effective communication and understanding between Council and its supply base;
- contribute to ensuring Council's continued financial sustainability;
- be flexible and responsive to meeting Council's needs, recognising the need to balance core service delivery with the nature of unexpected circumstances; and

- concentrate on minimising actual, potential and perceived conflicts of interest created due to personal friendships, relationships and associations by immediately reporting any suspected or identified instances of unethical or illegal behaviours.

Council's purchasing activities must:

- ensure value for money with careful recognition of any potential probity issues, ensuring appropriate management practices are in place and Council's representatives are accountable for any purchasing activities in which they undertake;
- ensure procurement methodology provides fit for purpose goods and services and mitigates organisational risk;
- provide reasonable opportunity for Council to support and encourage a competitive local business environment by enacting Council's preference to source goods and services from within the South Burnett region;
- ensure the effective balance of risk and value when determining the level of complexity for each procurement activity to establish reasonable minimum quotation timeframes for suppliers to respond to Council requests for services;
- ensure suppliers are not disadvantaged when quotations are sought for goods while limiting the impact of operational or project deliverables;
- comply with relevant legislation; and
- promote compliance with relevant supervision and reporting that ensures Council is adhering to the appropriate legislation and its preference to support local first.

All Council purchases must be carried out in compliance with the Act and the Regulation.

In order to ensure the Council objectives are met, officers must:

- preserve Council's integrity in the procurement and/or purchasing process to ensure that Council acts and remains beyond reproach in all dealings;
- abide by Council's Code of Conduct and all other applicable policies, procedures and guidelines; and
- adhere to the Sound Contracting Principles as stipulated under the Act and Regulation.

### **3.1. Procurement principles**

Council is committed to ensuring that its procurement is carried out in accordance with the relevant probity and accountability obligations in accordance with the prescribed legislative framework, and its statutory procurement obligations.

Council representatives must conduct their procurement activities with the utmost probity, propriety, transparency, defensibility and accountability.

### **3.2. Sound contracting principles legislative framework**

All purchasing is represented in a contractual arrangement of one form or another and is governed by contract and other laws and legislative frameworks. All purchasing must have regard to the five (5) Sound Contracting Principles detailed in the Act.

These principles are:

- value for money; and
- open and effective competition; and
- development of competitive local business and industry; and
- environmental protection; and
- ethical behaviour and fair dealing.

While regard must be had to each principle, Council is not required to give equal consideration to each principle. The weight of regard may depend on the procurement.

### 3.3. Workplace health and safety

Council is committed to providing a safe and healthy work environment for its Council representatives performing work on behalf of Council and visitors to Council premises and worksites in accordance with the Council's Workplace Health and Safety Policy.

### 3.4. Conflicts of interest

Council representatives participating in procurement and contracting activities must comply with the requirements of Council's Conflict of Interest Policy, Procedure and Management Plan.

### 3.5. Delegations

#### 3.5.1. Delegations – Council representatives

The Financial Delegation Register for Council representatives is held within the Governance branch.

#### 3.5.2. Delegation reserved for Council

Contracts that are \$200,000.00 and above exclusive of GST must be approved by Council. Contracts that are exempt from public tender shall be approved based on Council's Financial Delegation Register.

#### 3.5.3. Delegation to the Chief Executive Officer ('CEO')

Pursuant to the Act, the Council resolves to delegate to the CEO the power to make, amend or discharge a contract in accordance with the Regulation for:

- any contractual arrangement with a person (in respect of one contractual arrangement or cumulatively for all contractual arrangements) that is, or is expected to be, worth \$200,000.00 (exclusive of GST) or more in a financial year with that person; or
- any contractual arrangement with a person that is, or is expected to be, worth \$200,000.00 per annum (exclusive of GST) or more over the proposed term of the contractual arrangement.

### 3.6. Purchasing Thresholds

Procurement will only be undertaken by authorised employees as detailed in the financial delegation register. For low value and easy to secure purchases, consideration of total cost of ownership and associated risks will determine the appropriate market approach.

Quotations should be sought as per the below purchasing threshold table.

Established arrangements				Non-established arrangements			
Council panel arrangements – entire panel of the specific service are to be invited to quote LGA arrangements – all local suppliers are to be invited				All local suppliers of the specific service are to be invited to quote			
\$ value (ex GST)	Minimum quotation requirement	Procurement method	Award / contract method	\$ value (ex GST)	Minimum quotation requirement	Procurement method	Award / contract method
\$0.00 to \$5,000	One (1) quotation required and source locally (where available)	Verbal Written	Corporate Card Purchase Order	\$0.00 to \$5,000	One (1) quotation required and source locally (where available)	Verbal Written	Corporate card Purchase order
\$5,001 to \$14,999	Minimum two (2) written quotations (to include local suppliers available when using pre-	Request for quote Pre-qualified supplier arrangements	Purchase Order	\$5,001 to \$14,999	Minimum two (2) written quotations (to include local suppliers available)	Request for quote Public tender Direct approach	Purchase order



	qualified supplier arrangements)						
\$15,000 to \$199,999	Medium sized contract Minimum three (3) written quotations (to include local suppliers when using pre-qualified supplier arrangements)	Request for quote (15 days) (procurement of services only) Pre-qualified supplier arrangements	Purchase Order	\$15,000 to \$199,999	Medium sized contract Minimum three (3) written quotations (to include local suppliers)	Request for quote (15 days) (procurement of services only) Public tender Direct approach	Purchase order
>\$200,000	Large size contract Minimum three (3) written quotations (to include local suppliers when using pre-qualified supplier	Request for quote (21 days) (procurement of services only) Pre-qualified supplier arrangements	Purchase Order	>\$200,000	Large size contract Minimum three (3) written quotations (to include local suppliers when using Council arrangements) and signed off by CEO	Public tender (21 days) Public tender	Purchase order

**\*Established Arrangement** - being Local Buy Contracts, State Government Contracts, and existing Council Administered (Contract) Prequalified, Preferred Contractor or approved Contractor Lists. This section is subject to the Regulation *Division 3 – Exceptions*

### 3.6.1. Purchases \$200,000.00 and above

Records of tenders received must be kept on file for the period of time outlined in the Retention and Disposal Schedules for local government as published by the Queensland State Archives.

In accordance with the Regulation, Council is obliged to publish details of all contracts worth \$200,000.00 or more (exclusive of GST). These details must be published monthly on Council's website and on a conspicuous place in Council premises that is easily accessible by the public. Details to be recorded in these publications includes the following:

- the person/company with whom Council has entered into a contractual arrangement;
- the value of the contractual arrangement;
- the purpose of the contractual arrangement.

For the purposes of clarity, a purchase order may also be defined as a contract.

Council or Council representatives will not release proprietary or confidential information pertaining to any offer made by a supplier other than that which is required by law to be published.

### 3.7. Local preference

Council representatives are encouraged to ensure they are testing the market effectively and ensuring Council is achieving true value for money outcomes, so where practical, in addition to the local quotations sought, there should always be one from outside the region.

The definition of a local supplier will be rated as follows:

Points	Description
5	Is an established business owned by a residential ratepayer in the area directly employing locals.
4	Is a developing or established business owned by a non-ratepayer in the Council area and employs locals.
3	Is an established business in an adjacent local government area that has clearly demonstrated support of local content.
2	Is an established business in an adjacent local government area.
1	Is a Queensland based business

### 3.8. Evaluation

Quotations and offers will be assessed having regard to the five (5) Sound Contracting Principles, the Council representative will make a decision to purchase from a supplier or provider based on the Council's documented supplier evaluation criteria and a systematic weighting will be applied to all quotations or offers received. This will be assessed on a case-by-case basis and the weighting will be expressed as a percentage which reflects the relative importance of each criterion for the relevant procurement.

Council may make a decision to purchase from a local supplier offering a higher price margin, using the following guideline for acceptable price variances if the total value for money assessment is within the approved project budget:

- 10% for goods and services under \$50,000.00; or
- 5% for goods and services over \$50,000.00 up to \$200,000.00.

### 3.9. Exceptions

Exceptions are consistent with the Act and the Regulation and are designed to capture circumstances where a procurement process and due diligence, in accordance with sound contracting principles, have already been applied to suppliers or the procurement.. They benefit Council by:

- reducing procurement costs;
- providing for shorter procurement timeframes as there is no need to tender or issue Requests for Tender;
- ensuring suppliers have the financial, technical and operational capacity to carry out the required work; and
- offering contractual protection to the Council using established contractual terms that meet the Council's risk management requirements.

Council representatives responsible for purchasing goods and/or services are required to adhere to the purchasing thresholds and quotation requirements set out in the table.

#### 3.9.1. Legislative exceptions

The Regulation specifies when Council is exempt from the requirement to seek written tenders or quotations:

### 3.10. Termination of contracts

All contracts entered in to by Council should aim to contain provisions entitling Council to:

- terminate for convenience; and
- terminate for a breach or non-performance based on appropriate contractual criteria or triggers.

Council must follow the procedures specified in the contract to terminate that contract and obtain advice before exercising such rights.

### 3.11. Local government elections

Legislation places limits during the caretaker period before quadrennial local government elections on publishing election material and making major policy decisions. This ensures that there are no significant policy decisions made near the end of a Council term that binds future elected Councils.

## 4. DEFINITIONS

**Council** means South Burnett Regional Council.

**Council representative** means all Councillors and Council employees including permanent, casual and temporary employees, contractors, volunteers, apprentices, trainees and work experience students.

**Financial Delegation Register** means the register of Council representatives who have approved delegation for the purpose of purchasing goods and/or services.

**LGA arrangement** means the use of Local Buy or State Government Purchasing Arrangements.

**Local supplier** means a supplier defined in the Local Content table.

**Procurement** means the entire process by which all classes of resources (human, material, facilities and services) are obtained. This can include the functions of planning, design, standards determination, specification writing, and selection of suppliers, financing, contract administration, disposals and other related functions.

**Purchasing** means the acquisition process for goods, services and capital projects through purchasing, leasing and licensing and this expression extends to standing offer or similar arrangements by which terms and conditions of purchase are determined.

**Pre-qualified supplier** means a supplier who has been assessed by Council as having the technical, financial and managerial capacity necessary to deliver goods and/or services on time and in accordance with agreed requirements. The process is fulfilled by initially inviting tenders to establish pre-qualified suppliers.

**Supplier** means an enterprise known to be capable of supplying required goods and/or services. It includes manufacturers, stockists, resellers, merchants, distributors, consultants and contractors.

## 5. LEGISLATIVE REFERENCE

*Corporations Act 2001 (Cth)*

*Human Rights Act 2019 (Qld)*

*Local Government Act 2009 (Qld)*

*Local Government Regulation 2012 (Qld)*

*Public Records Act 2023 (Qld)*

## 6. RELATED DOCUMENTS

Code of Conduct of Councillors in Queensland

South Burnett Regional Council Corporate Credit Card Policy - Statutory-031

South Burnett Regional Council Disposal of Assets Policy – Statutory-008

South Burnett Regional Council Employee Code of Conduct Policy – Statutory-011

South Burnett Regional Council Employee Conflict of Interest Policy – Statutory-033

South Burnett Regional Council Employee Conflicts of Interest Procedure – Procedure080

South Burnett Regional Council Employee Conflicts of Interest Management Plan

South Burnett Regional Council Fraud and Corruption Prevention Management Policy – Statutory021

South Burnett Regional Council Gifts and Benefits Policy – Strategic002

South Burnett Regional Council Workplace Health and Safety Policy – Statutory015

## 7. NEXT REVIEW

As prescribed by legislation - June 2026

## 8. VERSION CONTROL

Version	Revision Description	Adopted Date	ECM Reference
1	Development of Policy	23 April 2008	782024
2	Review of Policy	10 August 2011	1086044
3	Review of Policy	12 October 2011	1125582
4	Review of Policy	9 December 2012	1374600

5	Review of Policy	12 June 2013	1165507
6	Review of Policy	9 December 2015	1885840
7	Review of Policy	19 April 2017	2342908
8	Review of Policy	16 September 2018	2536118
9	Review of Policy	20 February 2019	2577201
10	Review of Policy	11 December 2019	2648132
11	Review of Policy	17 June 2020	2686006
12	Review of Policy	24 February 2021	2754050
13	Administrative change replacing Social & Corporate Performance Branch with Corporate Services Branch as per Council Resolution 2021/296	24 March 2021	2754050
14	Administrative amendment – organisational structure review – resolution 2022/432	27 April 2022	2754050
15	Review of policy	25 January 2023	2754050
16	Review of policy	28 June 2023	2754050
17	Review of policy	19 June 2024	3050140
18	Review of policy	18 June 2025	3050140

  
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**CHIEF EXECUTIVE OFFICER**

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