



POLICY ABOUT PROCUREMENT OF GOODS AND SERVICES

(Adopted pursuant to s. 198 of the *Local Government Finance, Plans and Reporting) Regulation 2012*)

LEGISLATIVE AUTHORITY

Local Government Act 2009

Local Government Regulation 2012

Policy

The policy's objective is to assist Council to meet or exceed legislative requirements for contracts, tenders and quotations as:

- Open and effective competition
- Value for money
- The development of competitive local business and Industry
- Environmental protection
- Ethical behavior and fair dealing.

RESPONSIBILITY

A financial delegation of authority to undertake procurement is required before a Council officer may exercise a responsibility under this policy.

Council officers responsible for procurement of goods and services must comply with this policy. It is the responsibility of Council officers involved in the procurement process to understand the meaning and intent of this policy.

Officers must not undertake order splitting to avoid the requirements of this policy.

Officers must keep records of all quotation and tender information in accordance with Council's procedures.

Policy Statement

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

(a) *Open and effective competition*

Procurement should be open and result in effective competition in the provision of goods and services. Council must give fair and equitable consideration to all prospective suppliers.

(b) *Value for money*

Council must harness its procurement power to achieve the best value for money. The concept of value for money is not restricted to price alone. The value for money assessment must include consideration of:

- (i) contribution to the advancement of Council's priorities; and
- (ii) fitness for purpose, quality, services and support; and
- (iii) whole-of-life costs including costs of acquiring, using, maintaining and disposal; and
- (iv) internal administration costs; and
- (v) timeliness of supply; and
- (vi) technical compliance issues; and
- (vii) risk exposure; and,
- (viii) the value of any associated environmental benefits.

(c) *The development of competitive local business and Industry*

Council encourages the development of competitive local businesses within the South Burnett region first, and second within the Wide Bay region.

Endeavour to support local business by inviting local businesses to supply quotations and bids for tenders

Where price, performance, quality, suitability and other evaluation criteria are comparable, the following areas may be considered in evaluating offers:

- (i) creation of local employment opportunities;
- (ii) more readily available servicing support;
- (iii) more convenient communications for contract management;
- (iv) economic growth within the local area;
- (v) the benefit to Council of associated local commercial transaction.

(d) *Environmental protection*

Council promotes environmental protection through its procurement procedures. In undertaking any procurement activities Council will:

- (i) promote the procurement of environmentally friendly goods and services that satisfy value for money criteria; and
- (ii) foster the development of products and processes of low environmental and climatic impact; and
- (iii) provide an example to business, industry and the community by promoting the use of climatically and environmentally friendly goods and services; and
- (iv) Encourage environmentally responsible activities.

(e) Ethical behaviour and fair dealing

Council officers involved in procurement are to behave with impartiality, fairness, independence, openness, integrity, and professionalism in their discussions and negotiations with suppliers and their representatives.

- The process and procedures to be used for entering into contracts for the acquisition of goods and services under \$10,000.00 include:
 - Maintaining confidentiality of quotations;
 - Maintaining appropriate records available for inspection at any time;
 - Inviting quotations from suppliers that can meet Council's requirements at competitive prices; and

The following thresholds apply except where Council has used any of the following procedures set out in the Default Contracting Procedures from the Local Government Regulation 2012:

- S230 - Quote or tender consideration plan
- S231 - Approved Contactor List
- S232 - Pre-Qualified Suppliers
- S233 - Preferred Supplier Arrangements
- S234 - LGA Arrangement
- S235 - Other Exceptions

- When assessing the most effective method of obtaining goods and/or services, Council officers should consider the administrative and price costs to Council of seeking tenders or quotes independently, and the reduction of these costs which can be achieved by use of Default Contracting Procedures.

- Where verbal quotes are permitted, they must be documented and all associated information must be recorded and held by the relevant officer or attached to the requisition form.
- Written quotes or tenders must be held on file or attached to official purchase documentation.
- If less than two quotations are obtained, the reason for obtaining less than two must be documented and attached to the requisition order.
- If the preferred quotation is not the lowest, the purchasing officer will document the reason(s) for selecting the preferred quotation.

Value of Purchase	Quotation Requirement
Up to \$2000	One verbal or written quotation shall be obtained
\$2000 - \$10000	At least 2 verbal or written quotations shall be obtained
\$10000 - \$500000	At least 3 written quotes shall be obtained
Greater than \$500000	Tenders

ORDERING

Official Purchase Orders are not required for the following purchases but relevant authorisations are required on the invoice documentation:

- Australia Post
- Acts & Regulations
- Local Authorities
- Telephone / Communication Accounts
- Local Buy
- Electricity Accounts
- QLD Treasury Corporation
- Investments
- Freight
- Subscriptions
- Conference Registrations
- Items purchased from Petty Cash
- Other purchases approved by the CEO. (eg Travel, Accommodation)

DELEGATIONS

Only the Council officers listed in the attached **Schedule 1** are entitled to sign requisitions, and then only in accordance with their financial delegation limits. By approving a requisition all officers are confirming that they have taken full notice of this policy and will comply with all of the requirements of this policy.

SCHEDULE 1 – PROCUREMENT DELEGATION TABLE

POSITION	\$200.00 -- \$1,000.00	\$1,000.00 -- \$5,000.00	\$5,000.00 -- \$15,000.00	\$15,000.00 -- \$150,000.00	\$150,000.00 +
Chief Executive Officer	X	X	X	X	X
Manager CS	X	X	X	X	
Manager Economic Development	X	X	X		
Manager Community Services	X	X	X		
Operations Manager	X	X	X		
Line Managers	X	X			
All contracts for the acquisition of goods and services in the excess of \$150,000.00 are to be authorised by Council.					

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