



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

## PROCUREMENT POLICY

### 1. PURPOSE

The objective of this Policy is to ensure that Council's procurement activities comply with the *Local Government Act 2009* ("LGA") and *Local Government Regulation 2012* ("LGR"), including but not limited to the default contracting procedures, and include details of the principles, including the sound contracting principles set out in the LGA, that Council will apply for purchasing goods and services.

The sound contracting principles are:

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

This Policy is Council's Procurement Policy pursuant to section 198 of the LGR.

### 2. COMMENCEMENT OF POLICY

The policy commences on adoption by Council.

### 3. APPLICATION OF THE POLICY

This policy applies to the procurement of all goods, equipment and related services, construction contracts and service contracts (including maintenance) and consultancies. It is the responsibility of Council officers involved in the procurement process to understand the meaning and intent of this policy.

### 4. BACKGROUND

A Procurement Policy is required under the *Local Government Regulation 2012* Section 198 and requires:

- A local government must prepare and adopt a policy about procurement (a procurement policy).
- The procurement policy must include details of the principles, including the sound contracting principles that the local government will apply in the financial year for purchasing goods and services.
- A local government must review its procurement policy annually.



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

## 5. POLICY DETAILS

### 5.1. Introduction

The procurement of all goods and services by Council must be carried out in accordance with the *Local Government Act 2009* (the "Act") and the *Local Government Regulation 2012* (the "Regulation"). In particular, Chapter 6, Part 3, Default Contracting Procedures, of the Regulation applies.

### 5.2. Responsibilities of Council officers

Council officers must comply with the LGA and the LGR at all times when carrying out procurement activities.

Council officers must apply the highest standards of probity and integrity in all procurement activities they undertake. This includes, but is not limited to, disclosing and appropriately managing any conflicts of interest.

A financial delegation of authority to undertake procurement activities is required before a Council officer may procure goods and services on behalf of Council.

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.

Written quotes or tenders must be held on file or attached to official purchase documentation.

If a selected quotation is not the lowest priced quotation obtained, the Council officer procuring the goods or services will document the reasons for selecting the quotation.

### 5.3. Sound Contracting Principles

Council officers must have regard to the following sound contracting principles in all procurement activities.

The sound contracting principles, and this Policy's statement on the application of those principles, are set out below.

#### 5.3.1. 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.



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

## 5.3.2. 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.

## 5.3.3. 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. Procurement officers should endeavor 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.



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

## 5.3.4. 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.

## 5.3.5. 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.

Subject to any legislative requirements, Council officers will:

- Maintain confidentiality of quotations;
- Maintain appropriate records available for inspection at any time;
- When inviting quotations, invite quotations from suppliers that can meet Council's requirements at competitive prices.

## 5.4. Default Contracting Procedures

Council must comply with the default contracting procedures in Chapter 6, Part 3 of the LGR before entering into a contract.

In order to manage its risk, Council has adopted a higher standard of requirements which are set out in the following tables.



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

**Table 1: Procurement outside of an Established Arrangement**

<b>\$ Value (excluding GST)</b>	<b>Minimum Quotation Requirement</b>	<b>Procurement Method</b>	<b>Minimum Documentation Requirement</b>	<b>Award/Contract Measure</b>
\$0.00 to \$1,000	No quote required	Verbal or Written	Tax Invoice	Corporate Card or Purchase Order
\$1,001 to \$14,999	Invite minimum 2 written quotes	Request for quote	Written quotes	Purchase Order
\$15,000 to \$49,999	Invite minimum 3 written quotes	Request for quote	Procurement Plan (optional) Written quotes	Contract (optional) Purchase Order
\$50,000 to \$199,999	Invite minimum 3 written quotes	Request for quote or Public tender	Procurement Plan Written quotes Evaluation Report	Contract Purchase Order
Over \$200,000	Public tender	Public Tender (minimum 21 days)	Procurement Plan Evaluation Plan Probity Plan Conflict of Interest Declarations Written quotes Evaluation Report	Contract (to be authorised by Council)



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

**Table 2: Procurement within an Established Arrangement (LGR s231, s232, s233, s234)**

\$ Value (excluding GST)	Minimum Quotation Requirement	Procurement Method	Minimum Documentation Requirement	Award/Contract Measure
\$0.00 to \$1,000	No quote required	Verbal or Written	Tax Invoice	Corporate Card or Purchase Order
\$1,001 to \$5,000	Invite minimum 1 written quote	Request for quote	Written quote	Purchase Order
\$5,001 to \$14,999	Invite minimum 2 written quotes	Request for quote	Written quotes	Purchase Order
\$15,000 to \$49,999	Invite minimum 3 written quotes	Request for quote or Public tender	Procurement Plan (optional) Written quotes	Contract (optional) Purchase Order
\$50,000 to \$199,999	Invite minimum 3 written quotes	Request for quote	Procurement Plan Written quotes Evaluation Report	Contract Purchase Order
Over \$200,000	Invite minimum 3 written quotes	Request for Quote (21 days)	Procurement Plan Evaluation Plan Probity Plan Conflict of Interest Declarations Written quotes Evaluation Report	Contract (to be authorised by Council)



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

**Table 3: Other Procurements (LGR s235)**

Type of Procurement	\$ Value (excluding GST)	Minimum Quotation Requirement	Procurement Method	Minimum Documentation Requirement	Award/Contract Measure
Specialist Supply (1 supplier available or Special or confidential services)	Any Value	Written Quote	Exemption by Council Resolution	Procurement Plan Report to Council Council Resolution	Contract (to be authorised by Council)
Purchase at Auction	Any Value	No quote required	Exemption by Council Resolution	Procurement Plan Report to Council Council Resolution	Contract (to be authorised by CEO)
Purchase of Second-hand Goods	Any Value	Written Quote	Request for Quote	Procurement Plan Written Quote	Purchase Order (to be authorised by CEO)
With other Government Agency or Council	Any Value	No quote required	Written	Copy of MOU, letter, agreement, or other similar information	Direct payment

When seeking quotations, local suppliers are to be included wherever possible.

As most procurements will be in accordance with Table 1, a flow chart has been included at Schedule 1 for easy reference.

## 5.5. Publishing Details of Contractual Arrangements

In Accordance with Section 237(1) of the Regulation, a Local Government must, as soon as practicable after entering into a contractual arrangement (for example, a purchase order) worth \$200,000 or more (exclusive of GST):



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

- (i) publish the relevant details of the contract on the Local Government's website; and
- (ii) display the relevant details of the contract in a conspicuous place in the Local Government's public office; and
- (iii) the relevant details must be published or displayed for a period of at least 12 months.

Relevant details of the contract mean the following:

- (i) the person with whom the Local Government has entered into the contract;
- (ii) the value of the contract; and
- (iii) the purpose of the contract.

## 5.6. Purchase orders

The issue of a purchase order under the terms of contract represents the acceptance of an offer, thereby establishing a contract with the legal implications that this entails. It is important to note that Council orders must be raised before the supply of goods and services.

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)

Purchase orders must specify where and to whom the goods are to be delivered along with delivery instructions. Purchase orders must contain a quoted price or estimated price. For





# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

items where a purchase order is not required, sufficient documentation must be retained to identify why the payment was being made and what it was for.

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

## **5.7. Financial delegations**

Council will from time to time make financial delegations to the Chief Executive Officer pursuant to section 257 of the LGA, and the Chief Executive Officer may delegate their powers pursuant to section 259 of the LGA to other officers, subject to any limitations to the Chief Executive Officer's delegation.

Only the Council officers listed in the attached Schedule 2 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

These delegations are also subject to having the required budgetary allocation.

## **5.8. Confirmation of Receipt of Goods**

Immediately upon receipt, goods must be inspected for compliance with the order specifications and quantities and be reconciled with the order. The supplier must be formally notified of any returns or shortfalls or damage to the goods received. Credit requests will be raised and shortages endorsed on the delivery documents to ensure that the accounts payable section pays only for the quantities received and authorised for payment.

## **5.9. Payment**

A signed proof of satisfactory receipt of the goods/services must be provided to authorise payment to the supplier. Shortages, incorrect supplies, damaged goods, etc. must be noted and unless otherwise negotiated or specified in the offer or on the account. Payment will be made in accordance with Council's trading terms of not greater than thirty (30) days following the date of receipt of the invoice. Officers must be aware of legislation and contracts requiring earlier settlement.

Settlement discounts will be noted by the Council officers and processed within the nominated discount period.

Orders which may require cancellation must be referred immediately to the issuing procurement officer for appropriate action.



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

## 5.10. Tenders

Tenders must be invited whenever a Preferred Supplier Arrangement or an expression of interest for a contractual arrangement worth \$200,000 or more is to be entered into in accordance with Section 228 of the Regulation.

Tenders must be lodged in writing, by a set date and time. Such tenders should be clearly endorsed with the tender reference.

Specifications, where appropriate, must set out the minimum performance requirements, dimensions and purpose for which the goods/services are required.

### 5.10.1. Tender Submission, Closing Time and Date:

Tenders may be submitted by hand, post or electronic means as specified in the Tender documents. Tenders requiring voluminous technical documentation may be required to be delivered in person to the Council Office.

Tenders shall close at the time and date determined by the Chief Executive Officer.

### 5.10.2. Tender Openings:

The opening of tenders shall be carried out and witnessed by at least two Council employees one of whom at least must be either:

- The Business Manager; or
- The Finance Manager

## 5.11. Evaluation Criteria

When evaluating offers, Council officers shall have regard to the sound contracting principles as described in Section 5.2 of this document. All offers will be assessed with consideration to the value of the contract, technical requirements, quality and importance of the work to be completed and local preference as detailed in this policy. All officers of the council will act with integrity as required by Section 13 (responsibilities of Local Government Employees) of the Act and Council's Code of Conduct.

The selected offer shall achieve value for money that is consistent with the purpose of the item or service being provided.



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

Wherever possible, more than one (1) officer of the Council will be involved in the evaluation, awarding and administration of contracts. The process of tendering and evaluation must comply with this Procurement Policy.

Any officer of the Council who has any conflict of interest whatsoever in the contract should exclude himself/herself from the evaluation process and disclose the existence of such interest. Officers must keep appropriate records or files to satisfy audit requirements and to establish that the principles and procedures contained in this policy have been complied with.

## **5.12. Disposal of Low Value Non Current Assets**

A low value non-current asset is subject to limits set by the Local Government Regulation 2012 under subsection (7)(b) and cannot be more than the following amounts:

- plant or equipment - \$5,000
- other types of non-current assets - \$10,000

Low value non current assets excludes land or the grant of a lease over land or a dwelling. Low value non-current assets should be included in the Asset Register with a carrying value of less than \$10,000 including GST. Low value non-current assets can also include items purchased by Council which are not deemed assets, are not recognised in the asset register and are valued at less than \$10,000 including GST.

Council is committed to open, transparent and systematic disposal of Council's non-current low value assets which are deemed to have no future economic benefit and are no longer fit for purpose. Council will ensure that assets surplus to its needs will be properly documented, substantiated and available for scrutiny by internal and external audit requests.

Council will take a strategic approach which will identify potential opportunities while managing adverse risks with the disposal of the assets and will apply sound ethics principles of transparency and integrity and promote the public good when effecting the disposal of the assets.

The disposal and dispersal of assets and materials surplus to Council needs will be conducted in a manner that:

- achieves value for money
- promotes fair and effective competition
- considers any potential benefit to the community



# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

- considers any impact on the environment
- ensures open and transparent behaviour.

## Variations

CASC reserves the right to vary, replace or terminate this policy from time to time.

## Associated Documents

- *Local Government Act 2009*
- *Local Government Regulation 2012*

## POLICY VERSION AND REVISION INFORMATION

<b>Policy Type:</b>	Statutory		
<b>Policy Authorised by:</b>	Chatur Zala	<b>Original issue:</b>	1 July 2019
<b>Title:</b>	Chief Executive Officer		
<b>Policy Maintained by:</b>	Dol Ranabhat	<b>Current version:</b>	5
<b>Title:</b>	Finance Manager		
<b>Date Reviewed:</b>	June 2024		
<b>Council Resolution:</b>		<b>Resolution date:</b>	

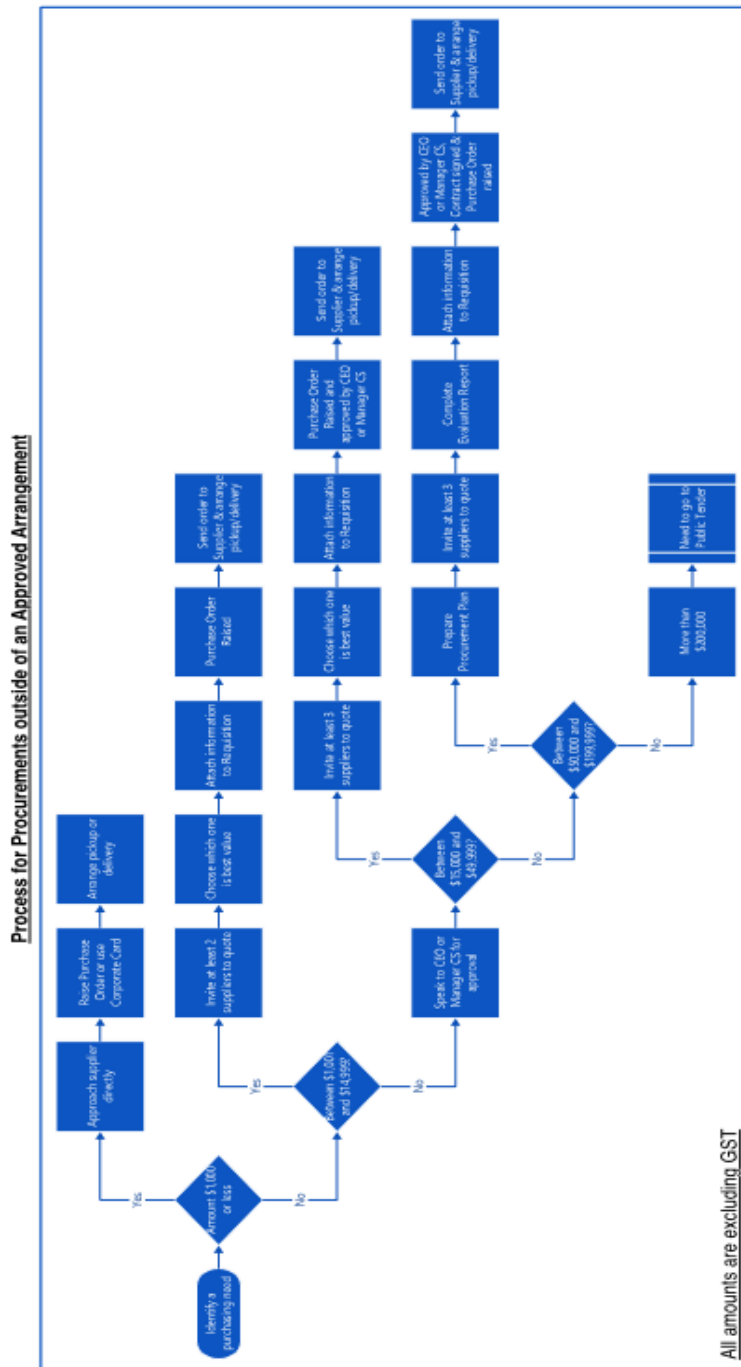


# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

## SCHEDULE 1 – FLOW CHART FOR PROCUREMENTS OUTSIDE OF AN APPROVED ARRANGEMENT





# CHERBOURG ABORIGINAL SHIRE COUNCIL

22 BARAMBAH AVENUE  
CHERBOURG QLD 4605

Phone: (07) 4168 1866  
Fax: (07) 4168 2727

## SCHEDULE 2 – PROCUREMENT DELEGATION TABLE

POSITION	\$0 - \$999	\$1,000 - \$4,999	\$5,000 - \$14,999	\$15,000 - \$199,999	\$200,000+
Chief Executive Officer	X	X	X	X	X
Manager Corporate Services	X	X	X	X	
Manager Economic Development	X	X	X		
Manager Community Services	X	X	X		
Operations Manager	X	X			
Line Managers	X	X			
All contracts for the acquisition of goods and services in the excess of \$200,000.00 are to be authorised by Council. Amounts are excluding GST.					