



Woorabinda Aboriginal Shire Council

STATUTORY POLICY

NUMBER: STAT/009
POLICY TITLE: PROCUREMENT POLICY
ACT: *Local Government Regulation 2012*

1. PURPOSE OF THE POLICY

- 1.1 The procurement activities of a local government are its activities that are related to the making of contracts for the carrying out of work, or the supply of goods and services as defined in the *Local Government Act 2009* (the "Act") and the *Local Government Regulation 2012* (the "Regulation"). This includes contracts for all goods, equipment and related services, construction contracts and service contracts (including maintenance).

2. COMMENCEMENT OF POLICY

- 2.1 This Policy will commence from 27th June 2018. It replaces all other policies of Woorabinda Aboriginal Shire Council (Council) relating to Procurement (whether written or not).

3. APPLICATION OF THIS POLICY

- 3.1 Council is required on an annual basis to adopt or review a Procurement Policy. This policy must include the details of the sound contracting principles for the procurement of goods and services.

- 3.2 Those principles as, detailed in s104(3) of the Act, are:

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

- 3.3 Council's procurement must be carried out in compliance with the Act and the Regulation

4. POLICY PROVISIONS

4.1 Responsibility

- 4.1.1 A financial delegation of authority to undertake procurement is required before a Council officer may exercise a responsibility under this policy.
- 4.1.2 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.
- 4.1.3 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 procedures.



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4.2 Procurement Principles

4.2.1 Value for money

4.2.1.1 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:

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

4.2.2 Open and effective competition

4.2.2.1 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.

4.2.3 The development of competitive local business and industry

4.2.3.1 Council encourages the development of competitive local businesses within Woorabinda first, and secondly within the Central Queensland region.

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

- creation of local employment opportunities;
- more readily available servicing support;
- more convenient communications for contract management;
- economic growth within the local area; and
- the benefit to Council of associated local commercial transaction.

4.2.4 Environmental protection

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

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

4.2.5 Ethical behaviour and fair dealing

4.2.5.1 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.



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4.3 Goods and Services Taxation (GST)

4.3.1 For the purpose of this policy the monetary limits detailed are exclusive of GST.

4.4 Procurement of Goods and Service for Less Than \$15,000

4.4.1 Procurement up to \$5000 may be undertaken by:

4.4.1.1 considering the 5 principles before making the procurement decision; or

4.4.1.2 seeking verbal or written quotes where the Officer considers that meeting the principles warrants this action;

4.4.1.3 using any of the processes for exceptions for medium sized and large sized contract set out in Division 3 of the *Local Government Regulation 2012* including:

- Quote or tender consideration plan;
- Approved Contactor List;
- Pre-Qualified Suppliers;
- Preferred Supplier Arrangements;
- LGA Arrangement;
- Other Exceptions.

4.4.2 Procurement between \$2,001 and \$15,000 must be undertaken by:

4.4.2.1 seeking at least 2 verbal (up to \$10,000) or 2 written quotes (\$10,001 to \$15,000);

4.4.2.2 using any of the processes for exceptions for medium sized and large sized contracts set out in Division 3 of the *Local Government Regulation 2012* including:

- Quote or tender consideration plan;
- Approved Contactor List;
- Pre-Qualified Suppliers;
- Preferred Suppliers;
- LGA arrangement;
- Other Exceptions.

Note: Where it is impracticable to obtain two written quotes, because of locality or the nature of the procurement, one quotation must be obtained and the impracticalities for this must be noted on the Requisition.

4.5 Procurement of Goods and Service for \$15,000 and Less Than \$200,000

4.5.1 Procurement should be undertaken using the default contracting procedures set out under Chapter 6 Part 3 of the *Local Government Regulation 2012*.

4.6 Procurement of Goods and Service for \$200,000 and Over

4.6.1 Procurement should be undertaken using the default contracting procedures set out under Chapter 6 Part 3 of the *Local Government Regulation 2012*.



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4.7 Payment of Procurement

4.7.1 Payment of procurement under \$15,000.

- procurement to \$200 may be made in accordance with the Petty Cash procedures;
- procurement up to \$10,000 may be made with a Corporate Credit Card or by using a Purchase Order;
- procurement of \$10,000 and over must be made using a Purchase Order.

4.7.2 Payment of Procurements of between \$15,000 and \$200,000

- Procurement must be made using a Purchase Order.

4.7.3 Payment of Procurements of \$200,000 and over

- Procurement must be made using a Purchase Order.

4.8 Process Improvement

- 4.8.1 The development of Approved Contactor Lists, Pre-Qualified Suppliers Lists and Preferred Supplier Arrangements should be considered if the annual procurement of a supply is over \$50,000 and may be considered for annual procurement supplies of less than \$50,000 where the costs of developing the arrangements provides savings to Council.

4.9 Compliance Review

- 4.9.1 Compliance with this policy and associated procedures should form part of an annual compliance review and that review be subject to the oversight of the Internal Audit Function.

4.10 Contractor Performance Review

- 4.10.1 A contractor performance review should be undertaken by Council for Approved Contactor Lists, Pre-Qualified Suppliers Lists and Preferred Supplier Arrangements at least once during the term of the contract.

Policy Review

The policy is to be reviewed whenever legislation changes, OR every year if no changes have been required to be enacted, OR at the direction of the Chief Executive Officer

Variations

Woorabinda Aboriginal Shire Council reserves the right to vary, replace, or terminate this policy from time to time.

Associated Documents

- Local Government Regulation 2012
- Local Government Act 2009



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POLICY VERSION AND REVISION INFORMATION

Policy Authorised by: Emil Moul
Title: Chief Executive Officer

Original issue: 27 June 2018

Policy Maintained by: Corporate Services Manager **Current version:** 1

Review date: 26 June 2019

CEO Signature: _____

27 JUN 2018

WORKPLACE PARTICIPANT ACKNOWLEDGEMENT

I acknowledge:

- *receiving the Woorabinda Aboriginal Shire Council Procurement Policy;*
- *that I should comply with the policy; and*
- *that there may be disciplinary consequences if I fail to comply, which may result in me being dismissed from my employment.*

Name: _____

Signed: _____

Date: _____