



## Procurement Policy

### Head of Power

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

### Objective

The objective of this policy is to ensure all procurement activities:

- Are carried out in a professional manner promoting probity and accountability;
- Comply with Council's legal and statutory obligations
- Achieve value for money;
- Minimise operational costs;
- Promote environmentally and socially responsible procurement practices;
- Maintain public confidence in Council's procurement activities; and
- Assist in achieving Council's goals as set out in the Corporate Plan.

### Application

This policy applies to the procurement of all goods, services, equipment, consultancy services, construction contracts and service contracts (including maintenance).

### Definition of Procurement

"Procurement" means purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods, services, equipment, consultancy services, construction contracts and service contracts (including maintenance).

### Policy Statement

Under Section 198 of the *Local Government Regulation 2012*, Council must prepare and adopt a procurement policy. The policy must include details of the principles, including sound contracting principles, which Council will apply in the financial year for purchasing goods and services.

As stipulated in *Section 104 of the LG Act 2009*, Council must give equal consideration to the following five (5) sound contracting principles of the policy statement in all of Council's procurement and disposal activities:

#### 1. 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 and strategic objectives;
- Fitness for purpose, quality, services and support;
- Whole of life costs including costs of acquiring, using, maintaining and disposal;
- Internal administration costs;
- Technical compliance issues;
- Risk exposure; and
- Benefit to the community (e.g.: employment of locals/contractors)



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2. Open & Effective Competition

Procurement must be open, transparent and result in effective competition in the provision of all goods and services. Council must give fair and equitable consideration to all prospective suppliers. Suppliers wishing to do business with Council will be given every reasonable opportunity to do so subject to the supplier satisfying Council's requirements and evaluation criteria, which may include but not be limited to: demonstrated technical ability, environmental impact, company profile, professional references, quality assurances, insurances and total acquisition costs.

3. The Development of Competitive Local Business and Industry

Council officers will use every endeavor to determine whether goods or services are being supplied by a local business before placing an order.

Council will support local business through order placement where that business is competitive under Council's evaluation process. If a local business and non-local business submit offers for the same requirement and are evaluated as equally competitive, the order will be placed with the local business.

4. Environmental Protection

Council will advance the sustainable use of resources and aim to minimise adverse impacts on the environment and human health through its procurement activities.

Council will demonstrate to the community that its purchasing decisions can improve markets for environmentally preferred products, enhance environmental quality, be resource responsible and directly contribute to sustainability.

Council will purchase environmentally preferred products whenever their performance, quality and total acquisition cost is equal to or better than those products which can be demonstrated as having a more adverse effect on the environment.

5. Ethical Behaviour & Fair Dealing

Council officers must behave with impartiality, fairness, independence, openness, integrity and professionalism in their discussions and negotiations with suppliers and their representatives.

**EVALUATION OF TENDERS AND QUOTES**

These sound contracting principles are to be utilised in the evaluation of all quotes and tenders along with other selective criteria determined relevant to the procurement activity.

**PROCUREMENT GUIDELINES**

Procurement Thresholds:

Value Threshold*	Minimum Requirements
Less Than \$1,000	One Verbal or One Written Quote
\$1,000 to less than \$5,000	Two Verbal or One Written Quote
\$5,000 to less than \$15,000	Two Written Quotes
\$15,000 to less than \$200,000	Three Written Quotes
\$200,000 or more	Public Tender Required

\* All amounts are GST exclusive

When seeking quotations, Council officers should consider the likelihood of exceeding the value thresholds listed above **in a financial year** (excluding GST). If there is a risk that these limits will be exceeded, then the appropriate number of quotes or a public tender should be sought. All thresholds are cumulative thresholds. If the anticipated value of goods or services of a similar nature procured from the same supplier exceeds \$200,000 in a financial year or over the proposed term of the contractual arrangement, then a public tender is required.



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### EXPRESSION OF INTEREST (EOI)

A Council resolution must be obtained for any EOI over \$200,000 (excluding GST). Expressions of interest may only be utilised to facilitate a closed tender process if Council has decided by resolution that it would be in the public interest to call for expressions of interest before inviting tenders and has recorded its reasons for doing so in the minutes of the meeting.

EOI's may be called under the \$200,000 threshold without a Council resolution however the EOI process must still comply with the normal procurement threshold guidelines.

### EXEMPTIONS TO PROCUREMENT GUIDELINES

Legislation obligates Council to utilise a public tender process (or a closed tender process if an expression of interest has first been called to shortlist tenderers) before making a contract for the carrying out of work, or the supply of goods or services involving a cost of \$200,000 or more, unless there is a legislative exemption.

Council officers must follow the procurement guidelines unless they utilise a legislative exemption. Exemptions to the procurement guidelines for quotes and tenders are provided for under *Sections 229 to 235 of the LG Regulation 2012*. These exemptions are:

- a quote or tender consideration plan;
- a contractor on an approved contractor list (ACL);
- a supplier on a register of pre-qualified suppliers (ROPS);
- a supplier on a preferred supplier arrangement (PSA);
- a supplier on another LGA arrangement, e.g. LGAQ (Local Buy).

Further exemptions exist if:

- Council resolves (Council resolution obtained) it is satisfied that there is only one supplier who is reasonably available (sole suppliers); or
- Council 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
- a genuine emergency exists; or
- the contract is for the purchase of goods and is made by public auction; or
- the contract is for the purchase of second-hand goods; or
- the contract is made with, or under an arrangement with a government agency e.g.: Queensland State Government arrangements.

Refer to *Sections 230 to 235 of the Local Government Regulation 2012* for further details on the above exemptions.

#### Register of Pre-Qualified Suppliers (ROPS)

Council may establish a ROPS for the carrying out of works, goods or services by inviting public tenders. Suppliers must submit a tender response and if successful following the evaluation process, suppliers are appointed to the ROPS for a term of (usual) two years with an one year extension option. Once the ROPS is established, further quotes or cost estimates from selected ROPS are required to ensure value for money.

#### Preferred Supplier Arrangement (PSA)

Council can establish a PSA where better value for money can be obtained by aggregating the demand for goods and services. Council must invite public tenders and evaluate submissions from suppliers, for suppliers to be successfully appointed to the PSA. Prices or a schedule of rates are usually fixed for the duration of the arrangement.



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### Sole Suppliers

Where the required goods or services are available only from one original source or available from only one stockist, agent or supplier with relative ease of accessibility to Council, the supply of those goods and or services can be applied for under a sole supplier arrangement via a Council resolution.

### Emergencies

In recognition that full compliance with existing Council procurement procedures may not support Council's needs during a critical or emergency incident, an alternative procurement process may operate during the incident. This alternative process aims to accommodate urgent Council needs, while ensuring that the procurement process adopted is reasonable and conducted with appropriate consideration of standard procurement principles.

Any emergency procurement must be authorised by the Chief Executive Officer, once a critical or emergency incident has been declared. Such incidents are:

- A state of disaster declared under the Disaster Management Act 2003, or any other emergency declaration made by the State's Premier under an enactment;
- Any incident declared by the Chief Executive Officer where the safety or security of any person or property associated with the Council is threatened, and
- An external incident to which the Chief Executive Officer has authorised the provision of urgent support.

Once the immediacy of the incident has passed, purchase orders must be raised to record the expenditure in the same way as they would have been in normal circumstances.

As soon as practical upon cessation of the emergency, a report must be presented to Council to authorise the unapproved expenditure, where this expenditure exceeds delegation, and the methodology by which it was incurred. The Council Resolution must define the genuine emergent situation (such as natural disaster), as well as delegate authority.

### **FINANCIAL AND CONTRACTUAL DELEGATIONS**

In accordance with the Act, the Chief Executive Officer implements Council's policies and decisions e.g.: spending in accordance with the adopted budget. All delegation amounts are GST exclusive.

Council officer's may only incur expenditure on behalf of Council if:

- the officer has been granted the financial and contractual delegation by the Chief Executive Officer and this delegation has been recorded in the Register of Financial Authority Limit Delegations, and
- the expenditure is provided for in Council's budget, and
- the officer has received training in Council's procurement systems and procedures, or
- there is a disaster/genuine emergency.

The Chief Executive Officer must approve all financial and contractual delegations by recording them in a Register of Financial Authority Limit Delegations (Appendix 1) to enable Council officers to undertake procurement activities.

### **PURCHASE ORDERS**

Purchase orders are to be approved in accordance with the delegated authority limits specified in the Register of Financial Authority Limit Delegations document. All purchase requisitions must be duly authorised by a Council officer with the required financial delegation. All supporting procurement documentation must be attached with the requisition when submitting for purchase order approval. Purchase orders are generated for all purchases other than:

- Recurring Operational Expenditure
- Direct Fees (Bank Charges, etc)



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- Internal Transactions/Purchases
- Other Purchases where the CEO determines a purchase order is not required

### Variations

For the purpose of this policy, variation refers solely to a financial deviation from the original contract value. The contract can be a Council purchase order or agreement signed by a delegated Council officer with an external service provider/organisation. Other variations such as non-financial scope changes, extension of time etc. are to be managed by delegated Council Officers.

Variation procedures for contracts are as follows:

- Each variation can only be approved by a delegated officer up to their authorised financial and contractual delegation;
- All variations are to be approved in writing by the delegated officer; and
- Each variation requires an additional line item on the purchase order stating the change in scope and cost.

### **RECURRING OPERATIONAL EXPENDITURE**

In some cases, it can be considered impractical to issue a requisition or purchase order where such purchasing activities are recurring and operational in nature. Examples of these types of expenditure are: utilities, insurances, IT services, communication services, licensing, permits, subscriptions, vehicle registrations, audit fees, etc. See Appendix 2 for an example list of Council's operational expenditure that may fall under this category.

### **CORPORATE CREDIT CARDS**

Council's corporate credit card/s are an alternative purchasing and payment system that may be utilised where a purchase for goods or services cannot be achieved through the issue of a purchase order to the supplier. Such transactions may include but are not limited to: travel, accommodation, license renewals and small purchases where a credit account may not exist.

### **STATE OR FEDERAL GOVERNMENT GRANTS**

Where Council expenditure is funded from State or Federal Government grant monies, the requirement to comply with Section 224 to 235 of the *LG Regulation 2012* remains unless there are grant conditions which provide alternative arrangements.

### **SUSTAINABLE & SOCIAL PROCUREMENT**

Sustainable Procurement is the purchase of goods and services that have a reduced negative impact on the environment when compared with competing products or services that serve the same purpose.

Priority areas should give consideration from sustainable sources;

- Wood and paper products from sustainable sources;
- Safe chemical-based products, e.g. cleaning products, pesticides or soil enhancers;
- Products with a high degree of durability, i.e. avoiding disposable products where possible, and
- Energy efficient products.

Social Procurement focuses on human aspects and social equity. Social procurement considers diversity, ethics, acceptance, fairness, compassion, inclusiveness and access for people of diverse abilities. It generates positive outcomes for people and contributes towards building stronger more resilient communities.



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Priority areas should give consideration but not be limited to the following:

- Products and services that can improve the overall quality of life in the local community; and
- Products and services that improve equity of access to services and opportunities.

Any sustainable and social procurement must be conducted in line with consideration to the sound contracting principles and legislative requirements.

### Related Documents

This policy compliments and is to be implemented in conjunction with other Council policies and directives (but not limited to):

- Employee Code of Conduct
- Register of Financial Authority Limit Delegations
- Risk Management Policy R001
- Fraud & Corruption Policy and documents

### Review Triggers

This policy is reviewed internally for applicability, continuing effect and consistency with related documents and other legislative provisions when any of the following occurs:

- (1) The related documents are amended.
- (2) The related documents are replaced by new documents.
- (3) Amendments are made to the head of power which affect the scope and effect of this Policy.
- (4) Other circumstances as determined from time to time by a resolution of Council.

Not with-standing the above, this policy must be reviewed and adopted annually.

### Responsibility

This Policy is to be:

- (1) implemented and complied with by the CEO and all Council Officer's responsible for procurement activities; and
- (2) reviewed and amended in accordance with the "Review Triggers" by the CEO and/or Executive Manager of Corporate Services.

### Version Control

Policy: P001		Official Version: P001-V4
Version	Adoption (Council Resolution Number)	Date
V1	November 2012 Council Meeting (2012/11/xx)	22/11/2012
V3	July 2021 Council Meeting (2021/07/14)	28/07/2021
V4	June 2022 Council Meeting (2022/06/07)	29/06/2022

Approved by CEO:

Signature

## Register of Financial Authority Limit Delegations 2022/23



List of Delegated Users & Types of Financial Delegation:  
Credit Card Delegation is included in this Register.

All employees have the delegation to requisition items. Requisitions by employees other than those authorised below to be signed off by department manager or supervisor (based on purchase delegation).

### Types of Delegations:

- Procurement - Level 1 - Authority to Sign Requisitions for Operational & Capital Expenditure & Enter into SynergySoft for Purchase Order Approval within Delegated Limit
- Procurement - Level 2 - Authority to Sign Requisitions for Operational Expenditure Only & Enter into SynergySoft for Purchase Order Approval within Delegated Limit
- Expenditure - Level 1 - Authority for Operational & Capital Expenditure Purchase Order or Invoice Payment Authorisation within Delegated Limit
- Expenditure - Level 2 - Authority for Operational Expenditure Purchase Order or Invoice Payment Authorisation within Delegated Limit
- Payment - Level 1 - Authority to sign cheques; Access to Laramba, purchase electronic payments, withdrawal & transfer requests (i.e. transactions capped at \$1M)
- Payment - Level 2 - Authority to Access Laramba, purchase electronic payments, withdrawal & transfer requests (i.e. transactions capped at \$1M)
- Other - Access to Carriiba for Reporting (written Only (No Authorisation for Payments))

## APPENDIX 1

Role	Current incumbent		First Name	Location	Procurement	Expenditure	Payment	Function	Purchase Delegation Limit Excl. GST**	Credit Card	Monthly 2/Unit
	Employee Reference	Surname									
CHIEF EXECUTIVE OFFICER	MATEW	MATEIA	Edward	Pormpuraaw	Level 1	Level 1	Level 1	EXECUTIVE	\$200,000	No	N/A
EXECUTIVE MANAGER CORPORATE SERVICES	RIBITRA	TRAY	Tracy	Caerns	Level 1	Level 1	Level 1	EXECUTIVE	\$200,000	Yes	\$10,000
EXECUTIVE MANAGER COMMUNITY SERVICES	BAKSH	BARTLETT	Shelina	Pormpuraaw	Level 1	Level 1	NI	EXECUTIVE	\$25,000	No	N/A
EXECUTIVE MANAGER OPERATIONS	FUJIMAI	FUJITHAM	Darsh	Pormpuraaw	Level 1	Level 1	NI	EXECUTIVE	\$25,000	No	N/A
EXECUTIVE MANAGER ENVIRONMENT FINANCE & GOVERNANCE TEAM LEADER	MORRIS	MORRIS	Robert	Pormpuraaw	Level 1	Level 1	NI	EXECUTIVE	\$25,000	No	N/A
SENIOR FINANCE OFFICER	HALLMEL	HALLMEL	Melanie	Caerns	Level 1	Level 1	Other	CORPORATE SERVICES	\$100,000	No	N/A
HR TEAM LEADER	BOUJAHM	BOUJAHM	Anne	Caerns	Level 1	Level 1	Other	CORPORATE SERVICES	\$25,000	No	N/A
FINANCE OFFICER	PERSIM	PERSIM	Simone	Pormpuraaw	Level 2	Level 2	NI	CORPORATE SERVICES	\$3,500	No	N/A
FINANCE OFFICER	BIBIJOA	BIBI	Joanne	Caerns	Level 2	Level 2	Other	CORPORATE SERVICES	\$3,500	No	N/A
OFFICE TEAM LEADER	MILGRA	MLINDA	Gracie	Caerns	Level 2	Level 2	Other	CORPORATE SERVICES	\$2,500	No	N/A
QUESTHOUSE SUPERVISOR	CALMAR	CALMIDDI	Malus	Pormpuraaw	Level 2	Level 2	NI	COMMUNITY SERVICES	\$2,500	Yes	\$1,200
AGED CARE CO ORDINATOR	PHJIMMA	PHUANGMANGENT	Ben	Pormpuraaw	Level 2	Level 2	NI	COMMUNITY SERVICES	\$3,500	No	N/A
OPERATIONS ADMIN ASSISTANT	LEOROB	LEON	Robert	Pormpuraaw	Level 2	Level 2	NI	OPERATIONS (BAZ EMPLOYEE ONLY)	\$3,500	No	N/A
SENIOR PLUMBER	VERAND	VEREIS	Andrew	Pormpuraaw	Level 2	Level 2	NI	OPERATIONS	\$3,500	No	N/A
SENIOR CARPENTER	VACANT			Pormpuraaw	Level 2	Level 2	NI	OPERATIONS	\$3,500	No	N/A
BUILDER/OPERATIONS TEAM LEADER	MALGIBE	MALGIERI	Greg	Pormpuraaw	Level 2	Level 2	NI	OPERATIONS	\$3,500	No	N/A
WORKPLACE HEALTH & SAFETY OFFICER	VACANT			Pormpuraaw	Level 2	Level 2	NI	OPERATIONS	\$3,500	No	N/A
ADMIN STORE SUPERVISOR	VACANT			Pormpuraaw	Level 2	Level 2	NI	CORPORATE SERVICES	\$2,500	No	N/A
SENIOR BAKER	KENGIV	KENDALL	Zahn	Pormpuraaw	Level 2	Level 2	NI	ENVIRONMENT	\$2,500	No	N/A
SENIOR BAKER	HOLZLI	WILLIAMS	Clinton	Pormpuraaw	Level 2	Level 2	NI	ENVIRONMENT	\$2,500	No	N/A
WORKSHOP SUPERVISOR	WATCAM	WATTS	Camaron	Pormpuraaw	Level 2	Level 2	NI	OPERATIONS	\$2,500	No	N/A
AIRPARK SUPERVISOR	BAKWL	BANJELLI	William	Pormpuraaw	Level 2	Level 2	NI	OPERATIONS	\$2,200	No	N/A
POST OFFICE SUPERVISOR	FULLYN	FULTHAM	lyn	Pormpuraaw	Level 2	Level 2	NI	COMMUNITY SERVICES	\$2,200	No	N/A
JUSTICE GROUP CO-ORDINATOR	VACANT			Pormpuraaw	Level 2	Level 2	NI	COMMUNITY SERVICES	\$2,200	No	N/A

THE MAYOR, CHIEF EXECUTIVE OFFICER, EXECUTIVE MANAGER CORPORATE SERVICES & ALL FINANCE OFFICERS (ALL LEVELS) ARE AUTHORISED TO ACCESS THE COMMBIZ SYSTEM.  
ALL COMMBIZ PAYMENTS TO BE JOINTLY AUTHORISED BY 2 AUTHORISED PERSONNEL. APPROVED COMMBIZ AUTHORIZERS ARE THE MAYOR, CHIEF EXECUTIVE OFFICER, EXECUTIVE MANAGER CORPORATE SERVICES & FINANCE/GOVERNANCE TEAM LEADER.  
THE MAYOR, CEO, EXECUTIVE MANAGER CORPORATE SERVICES AND FINANCE & GOVERNANCE TEAM LEADER HAVE DELEGATED AUTHORITY TO AUTHORISE DEPOSIT & WITHDRAWAL TRANSACTIONS FOR QTC INVESTMENT FUND TO \$1M.  
ALL CHEQUES TO BE CO-SIGNED BY 2 AUTHORISED SIGNATORIES. (Current Signatories - MAYOR, CEO & EXECUTIVE MANAGER CORPORATE SERVICES)  
THE EXEC MANAGER CORPORATE SERVICES & FINANCE/GOVERNANCE TEAM LEADER MAY PROCESS PURCHASE ORDERS IN SYNERGY TO AN AMOUNT ABOVE THEIR DELEGATION SO LONG AS THE REQUESTION & SUPPORTING DOCUMENTS HAS BEEN AUTHORISED BY THE CEO AND/OR COUNCIL RESOLUTION (AS APPLICABLE).

FINANCIAL AUTHORITY DELEGATION LIMITS ARE ASSIGNED TO THE SPECIFIC ROLES IN COUNCIL (NOT EMPLOYEE NAME). EMPLOYEE NAME IS INCLUDED ON THE REGISTER FOR CLARITY AND ARE SUBJECT TO CHANGE.



## APPENDIX 2

### Examples of Recurring Operational Expenditure

<u>Type of Supply</u>	<u>Usual Supplier</u>
<b><u>Utilities</u></b>	
Electricity	Ergon Energy
Rates & Water Usage	Cairns Regional Council
Telephones/Mobile/Internet	Telstra, Pivotel & TJ Microsystems
<b><u>Insurances</u></b>	
Insurance	Qld Local Govt Mutual (LGMS Assets) or Marsh Advantage Insurance
Workers Compensation	WorkCover QLD
Public Liability	LGMS Queensland
<b><u>Information Services</u></b>	
IT Support Services	TJ Microsystems
Printing Services	Brilliant Technologies
Synergy Accounting Software License	IT Vision
Software Annual License Renewals (Microsoft, etc)	Microsoft & Others (via TJ Microsystems)
<b><u>Other</u></b>	
Payroll Deductions	Superannuation, Child Support & Community Rent
Postage	Australia Post
Purchasing of Cash for Safe	Commonwealth Bank or Australia Post
Vehicle & Plant Registrations	Queensland Transport
Election Costs	Electoral Commission of Queensland
External Audit Fees	Queensland Audit Office (QAO)
Internal Audit Fees	Altius Advisors Chartered Accountants
Subscriptions & Memberships	LGAQ, LGMA, etc
Regular Freight	Tuxworth & Woods Carriers, Skytrans & Hinterland
Legal Advice & Support	Peak Services, Holding Redlich or Preston Law
Tax Obligations	Australian Taxation Office
Chorine Business & Water Testing	IXOM, Cairns Regional Council & Welcon
Fuel System Services	Compac Pty Ltd
Taxi Fares	Cabcharge Australia Pty Ltd
Reimbursements & Travel Allowances	Various (Usually Employees or Councillors)