

PROCUREMENT POLICY

(STATUTORY POLICY)

1. Scope

This policy sets out Livingstone Shire Council's mandatory requirements applicable to all procurement and contracting activities for all spend categories, including:

- the creation and maintenance of assets
- the supply of goods and services
- the disposal of non-current assets (excluding land)

This policy applies to all Council employees (including contingent workers and volunteers) and shall be complied with by anyone who undertakes any part of a contracting activity on behalf of Council.

2. Purpose

This policy outlines Council's framework for its procurement and contracting activities in accordance with the requirements of the *Local Government Act 2009* (the 'Act') and the *Local Government Regulation 2012* (the 'Regulation') and Council's Community Plan.

The purpose of this policy is:

- To facilitate the procurement of goods and services and disposal of assets, in the most cost-effective, timely and practical manner.
- To ensure that Council complies with the applicable legislative frameworks in carrying out its procurement activities.
- To ensure that all Council staff have a clear understanding of their responsibilities.
- To maintain adequate internal control over all aspects of purchasing, supply and disposal.
- To ensure procured goods and services contribute positively to Council's delivery of quality infrastructure, operations, and services.

3. References (Legislation/Related Documents):

Legislative References

Competition and Consumer Act 2010 (Cth)

Human Rights Act 2019

Information Privacy Act 2009

Local Government Act 2009

Local Government Regulation 2012

Modern Slavery Act 2018 (Cth)

Related Documents

Code of Conduct (Employees)

Corporate Purchase Card Guideline

Environmental Sustainability Policy

Financial Delegations Directive

4. Definitions

To assist in interpretation, the following definitions shall apply:

Buying Arrangements	Exceptions under the legislation that enable Council to reduce Minimum Quotation Thresholds.
Contingent Worker	Contingent workers are individuals who are hired by Council on a temporary or contract basis to perform specific tasks or projects. This includes Contractors and Volunteers.
Council	Livingstone Shire Council.
Council Officer	An individual that is paid to perform work for Council.
Employee	All persons directly employed by Council on a permanent, temporary, or casual basis.
Local Supplier	Is a business or entity that operates within the geographical boundaries of the Council area.
Preferred Supplier Arrangement (PSA)	Shall have the same meaning as set out in section 233 of the Regulation.
Register of Pre-Qualified Suppliers (RPQS)	Shall have the same meaning as set out in section 232 of the Regulation.
Procurement	The end-to-end process by which goods and services are obtained and involves tasks such as (but not limited to) market research, requirements identification, planning, specification writing, budget considerations, contract administration, purchasing and supplier performance.
Sound Contracting Principles	Shall mean those principles set out in section 104(3) of the Act.
Strategic Procurement Buying Arrangements	This includes Preferred Supplier Arrangements (PSA), Register of Pre-Qualified Suppliers (RPQS), Local Buy Arrangements and State Arrangements.
Suppliers	Any supplier/contractor/consultant supplying goods and/or services to Council.
The Act	<i>Local Government Act 2009.</i>
The Regulation	<i>Local Government Regulation 2012.</i>

5. Policy Statement

Any Council procurement must be carried out in compliance with the Act, the default contracting procedures as outlined in Part 3 of Chapter 6 of the Regulation which sets out the prescribed requirements for contracting and align with Council's strategic objectives.

5.1 Sound Contracting Principles

Council Officers (including employees, contingent workers and volunteers) must have regard to the Sound Contracting Principles when undertaking any procurement.

For large-sized and high-risk contractual arrangements, demonstration of this regard is documented via the 'Sound Contracting Principles Checklist'. The Checklist must be completed by Council Officers to indicate how the Sound Contracting Principles have been considered during the procurement process.

(a) Principle 1: Value for Money

Council must harness its purchasing power to achieve the best value for money. Value for money considers more than just price alone. It requires an assessment of cost and non-cost factors as well as the outcomes required by Council. Council will seek to apply the value for money principle by considering a number of factors, which include:

- availability;
- whole of life costs, including transaction costs associated with acquisition, reliability, maintenance, and disposal of an asset
- non-cost factors, including fitness for purpose, quality, service and support, performance and productivity;
- sustainability factors;
- stimulating economic growth of the region by buying locally;
- consideration of environmental, social and economic impacts; and
- any other factors specific to the purchase.

(b) Principle 2: Open and Effective Competition

Procurement activities must be open and transparent and result in effective competition in the provision of goods and services, and construction works. Council must give fair and equitable consideration to all respondents by ensuring:

- meaningful market and supplier engagement;
- fair comparison of goods and services;
- transparent, documented tender processes; and
- strategic procurement buying arrangements are established through a tender process.

(c) Principle 3: Development of Competitive Local Business and Industry

The development of competitive local business and industry seeks to create benefits for Council, local suppliers, and the Livingstone Shire economy through purchasing locally by using local suppliers where benefits exist for all stakeholders. Local benefits by procuring from local suppliers include:

- supporting local employment opportunities;
- the use of local contractors, manufacturers, and supply chain directly relating to the supply or manufacture of goods/services;
- the number of local apprenticeships and traineeships supported;
- supporting local businesses to remain competitive; and
- direct and indirect contribution to the local economy and community;
- fostering economic growth, innovation, and long-term value for our community.

Local Benefits will be supported with a preference weighting of up to 20% in Procurement evaluation criteria.

(d) Principle 4: Environmental Protection

Council promotes environmental protection and sustainability through its procurement and contracting procedures. Key environmental issues shall be considered over the life cycle of the goods and services procured. Supplier considerations and expectations may include:

- conserving the use of resources (including energy, water and materials);
- eco-friendly products that are safer for human health and the environment;
- recycling and reuse of materials, minimising waste and promote resource efficiency;
- minimising ecological footprint and safeguarding natural habitat;
- minimise environmental impacts in design, construction, operation, and goods and services provision, including noise, pollution and emissions; or
- support options that promote green infrastructure and biodiversity.

(e) Principle 5: Ethical Behaviour and Fair Dealing

Council Employees involved in purchasing are to behave with fairness, impartiality, independence, openness, integrity, accountability and professionalism in their dealings, discussions, correspondence and negotiations with suppliers and stakeholders.

Probity or procedural integrity is an essential and mandatory requirement for all Council Employees (including contingent workers and volunteers acting on behalf of Council) when undertaking any procurement related activity. This includes quotations, tenders and any evaluations and recommendations associated with subsequent contracts or purchases.

Council is committed to ensuring that its employees involved in procurement activities demonstrate the principles of probity by:

- ensuring integrity, transparency, accountability, and public confidence in the procurement process; and
- identifying and resolving any risks of conflicts of interest.
- promote social equity, support local communities, and uphold ethical standards where possible.

5.2 Procurement Thresholds and Threshold Requirements

Unless an exception is made in accordance with Division 3 of the *Local Government Regulation 2012*, thresholds are based on the following monetary thresholds for expenditure on goods and services with suppliers.

These thresholds are cumulative, and when seeking quotations, Council Employees must take into account the likelihood of exceeding these thresholds with a supplier for a financial year (excluding GST), or over the proposed term of the contractual arrangement.

Minimum Quotation Thresholds Matrix

	Amount (GST Exclusive)	PSA Preferred Supplier Arrangement	RPQS / Local Buy Register of Pre- Qualified Suppliers	All Other Purchasing (minimum)
Small	\$0 - \$5,000	No Quotes	No Quotes	No Quotes
	>\$5,001 < \$15,000	No Quotes	Invite 1 Quote	Invite 2 Quotes
Medium	>=\$15,000 <\$200,000	No Quotes	Invite 2 Quotes	Invite 3 Quotes
Large	>=\$200,000 +	No Quotes	3 Quotes or Tender*	Tender

* Where advantageous to Council, a tender may be undertaken where a buying arrangement already exists if the purchase is in excess of \$200,000.

5.2.1 Small Purchases – Under \$15,000 (ex GST)

- a) For a purchase under \$5,000, no minimum number of quotes required.

- b) For purchases between \$5,001 and \$15,000 invite a minimum of two (2) written quotes.
- c) When accessing a buying arrangement and the purchase is under \$15,000, one (1) written quote is required, unless otherwise directed by the Purchasing Directive.

5.2.2 Medium Purchases – Worth \$15,000 or more, but less than \$200,000 (ex GST)

A **medium-sized contractual arrangement** is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$15,000 or more but less than \$200,000 in a financial year, or over the proposed term of the contractual arrangements (Section 224(2) of The Regulation)

Council cannot enter into a **medium-sized contractual arrangement** unless Council first invites written quotes for the contractual arrangement in accordance with the requirements of s225 of the Regulation.

The invitation must be to at least three (3) suppliers who Council considers can meet Council's requirements, at competitive prices. Council may decide not to accept any of the quotes it receives.

However, if Council does decide to accept a quote, Council must accept the quote most advantageous to it having regard to the Sound Contracting Principles identified in s104 of the Act.

Council Officers will have access to Buying Arrangements as per the Minimum Quotation Thresholds Matrix, which provides for alternative minimum quote requirements.

5.2.3 Large Purchases – Worth \$200,000 (ex GST) or more

A **large-sized contractual arrangement** is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year, or over the proposed term of the contractual arrangements (Section 224(3) of The Regulation)

Council cannot enter into a **large-sized contractual arrangement** unless Council first invites written tenders for the contractual arrangement in accordance with the requirements of s228 of the Regulation.

Council must either invite written tenders under s228(4) or decides by resolution to invite expressions of interest under s228(5) before considering whether to invite written tenders under s228(6).

The invitation for tenders must:

- (a) be published on the local Government's website for at least twenty-one (21) days; and
- (b) allow written tenders to be given to Council while the invitation is published on the website.

Council must comply with the requirements in s228(8) of the Regulation if it wants to invite tenderers to change their tenders to take account of a change in the tender specifications.

Council Officers will have access to Buying Arrangements which may provide an alternative to seeking tenders. Please refer to the Procurement Team in this regard.

5.3 Buying Arrangements

Council will establish Buying Arrangements including Preferred Supplier Arrangements, Register of Pre-Qualified Suppliers, Local Buy Arrangements and Queensland State Purchasing Arrangements.

These arrangements are available to Council Officers through VendorPanel and Officers must access quotes for goods or services under a buying arrangement through this portal.

Council Officers must attach proof in the Councils Financial Management System to show they have followed the Purchasing Directive.

Application of buying arrangements will be detailed in Council's Purchasing Directive.

5.4 Accepting Quotes or Tenders

Council may decide not to accept any of the quotes or tenders it receives. Where Council does decide to accept a quote or tender, Council will accept the quote or tender most advantageous to it, having regard for the sound contracting principles identified in this policy as required under Section 104 of the Act.

5.5 Disposal of Valuable Non-Current Assets

Council is required to dispose of valuable non-current assets (as defined in Section 224 of the Regulation) via tender or auction unless the disposal meets the exceptions for 'valuable non-current assets' as described under Division 4 Section 236 of the Regulation.

Valuable non-current assets below legislated value will be disposed of in accordance with the Asset Disposal Directive.

5.6 Financial Delegation and Authority

Only those Council officers granted a financial delegation as identified in the Financial Delegations Register are entitled to the following:

- enter Council into contracts;
- sign contracts and letters of engagement, and
- approve requisitions in the Finance Management System, in accordance with their financial delegation limits.

5.7 Other Procurement Principles

5.7.1 Modern Slavery Act 2018 (Cth)

Council takes a strong stance against modern slavery and does not tolerate it within its business and supply chains. Councils' commitment to ethical conduct, integrity, and transparency is reflected in all its dealings.

During the tender process the Council will establish that any supplier participating in the procurement process complies with the Modern Slavery Act, where applicable.

5.7.2 Human Rights Act 2019

Council strongly believes in and supports the Queensland *Human Rights Act 2019*. Council is dedicated to promoting and fostering values such as fairness, equality, respect, and protection against all forms of discrimination in all its business dealings.

Council ensures that it gives due consideration to all relevant human rights in its decision-making processes, both within its own business and its supply chain.

6. Changes to this Policy

This Policy is to be reviewed when any of the following occur:

1. As required by legislation – annually; or
2. The related information is amended or replaced; or
3. Other circumstances as determined from time to time by the Council.

7. Repeals/Amendments

This Policy repeals the Livingstone Shire Council Policy titled 'Procurement Policy (v6.0)'.

Version	Date	Action
1.0	28/01/2014	Adopted
2.0	15/08/2017	Amended Policy Adopted
2.1	02/10/2018	Administrative Amendments – reflect organisational restructure
3.0	04/03/2019	Amended Policy Adopted – amendment to section 5.4
4.0	16/06/2020	Policy Adopted – no changes made
5.0	21/09/2021	Amended Policy Adopted – full review and amendments made to Policy
5.1	12/12/2022	Policy reviewed – no changes required
6.0	21/11/2023	Policy Adopted – no changes made
7.0	20/05/2025	Policy Adopted – full review undertaken

TERRY DODDS PSM
CHIEF EXECUTIVE OFFICER