

Procurement Policy

Policy Number	GOV023
Policy Category	Corporate Management
Responsibility	General Manager – People & Corporate Services
Date to Take Effect	01 July 2025
Legislative Reference	Division 12 (Quotations and tenders for supplies) of the Local Government (General) Regulations 2021 (LGGR), General Instruction1: Procurement and the Procurement Entity Approval issued by the CEO of the Department of the Chief Minister and Cabinet.
Policy Reference	Conflict of Interest Policy, Delegation Manual, Procurement Act 1995
Next Review Date	July 2027
CEO Adoption	

1. Purpose

In an effort to introduce sound governance, risk management and control practices in the management of the Council's activities in the areas of procurement and purchasing, the East Arnhem Regional Council (EARC) has adopted this procurement policy.

The Procurement policy has been developed by the EARC as a practical guide to procuring goods and services for Council. This policy applies to all activities relative to procurement of goods, services and materials for Council.

2. Policy Statement

All Council purchases and procurement activities will be carried out in compliance with regulatory requirements, particularly Division 12 (Quotations and tenders for supplies) of the Local Government (General) Regulations 2021 (LGGR), General Instruction1: Procurement and the Procurement Entity Approval issued by the CEO of the Department of the Chief Minister and Cabinet.

3. Procurement Lifecycle

To support Council's principles and achieve its objectives, it is important to understand the Procurement Cycle and the various stages entailed in making procurement decisions. In so doing Council can ensure that these decisions support clean, transparent and accountable procurement activities and meet our purchasing principles.





3.1 Procurement Planning

Step one is identifying what Council needs to whether there is a need to look externally to address it. An initial study or review may be conducted to ensure that the capability or item does not exist in house. If the gap is confirmed, there's a multitude of considerations that should be made before moving forward to the procurement phase.

3.2 Requirement Definition

The second step in the procurement lifecycle is Requirement Definition, when the respective Council staff come together to collaborate on a document that summaries exactly what is needed and why. The requirements definition phase is one of the most important steps of the procurement cycle. It is at this step that the procurement team determines what procurement process will be adopted, the approach to be taken and assemble any required documents – tenders if necessary – that include the terms, conditions, delivery schedules, etc. which are being proposed. This is known as the Procurement Plan.

3.3 Tendering or Sourcing

It is during this stage when prospective suppliers will review, analyse and respond to the Council with a quotation, tender response, or proposal (depending on what is decided during the procurement planning process). Tendering requires the calibration of cost and time efficiency while also making sure the needs are met optimally and within the constraints of Council's internal policies and procedures.

3.4 Evaluation and Selection

Depending upon the procurement method, an evaluation will be conducted from responses from suppliers. Procurement Plans will contain the evaluation method. Tender documents will contain all of the criteria that a prospective supplier must accommodate and honour in order to be considered for award.

3.5 Contract Award

The awarding of a contract occurs once Council has reviewed the offers received and decided on a



contractor whose proposal best meets its requirements and selection criteria. This stage is the culmination of all the prior steps in the process.

3.6 Contract Management

Responsible procurement will ensure there is a plan for managing the contract to ensure that deliverables are met, items delivered on time, and services rendered under budget.

4. Definitions

- **Procurement Officer** - A Council officer delegated with the responsibility to carry out procurement and monitor activities on behalf of Council.
- **Council** – Refers to the East Arnhem Regional Council.
- **Responsible Officer** – Refers to the staff member holding the financial delegation for a proposed procurement.
- **Approved Contractor database/ list** – a list or database of contractors who Council considers to be appropriately qualified to provide services.
- **Local Supplier / Business** – is a supplier which is beneficially owned by persons who are residents or ratepayers in East Arnhem Regional Council area.
- **Procurement** – the purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods, equipment and related services, construction contracts and service contracts to Council, Council employees and agents unless specifically exempted under the provisions of this policy.
- **Procurement Practices** – Purchasing processes should be cost effective for both public authorities and suppliers. A well-planned purchasing process will ensure that policies are followed, pitfalls are avoided, and a successful outcome is achieved. It is important to be aware of responsibilities and to plan the entire purchase process before starting.
- **Contracting (procurement) Activities** – The activities for the making of a contract for the carrying out of work; or the supply of goods and services; or the disposal of non- current assets.

5. Principle

The aim of this policy is to establish a framework to ensure that Council achieves advantageous procurement outcomes by:

- Promoting value for money with probity and accountability.
- Reducing the risk of fraud or error in procurement activities.
- Advancing Council's economic, social and environmental policies.
- Providing reasonable opportunity for competitive local businesses that comply with relevant legislation to supply to Council.
- Promoting compliance with relevant legislation.
- Promoting awareness among the Council employees regarding their role, responsibility and authority.

6. Scope & Applicability

This policy applies to the procurement of all goods, assets, equipment and related services, consultancy services, construction contracts and service contracts (including maintenance). The policy represents all the procedures, practices, systems, documents and organisational structures implemented by Council to manage its procurement



activities, improve efficiency and reduce risks in the procurement process.

It is applicable to all Councillors and Council employees engaged in purchasing and procurement or who have the responsibility for procurement decisions.

Breaches of this Policy are particularly relevant to Council's Fraud and Corruption Control Policy and Council's Conflict of Interest Policies. Breaches may be dealt with under the relevant Code of Conduct Policy.

7. The Steering Committee

The purpose of the Procurement Steering Committee is to oversee all high value project or tender, and to provide over-arching governance and oversight of the procurement process. The goal of a steering committee is to supervise and support a project or tender from the management level and to provide guidance, recommendations, and leadership to drive successful outcomes.

The Procurement Steering Committee should comprise of three employees. For example: the Finance Manager, the General Manager – People & Corporate Services and one of the Directors. The Procurement Steering Committee is established to ensure the consistent and correct application of procurement practices, generally for contracts valued at \$1 million and above.

8. Thresholds

Estimated Cost of Total Expenditure	Procurement Process	Authority to Purchase
\$0 - \$10,000 Excluding GST	Obtain at least 1 Verbal Quotation	As per Delegated Authority
\$10,000 - 100,000 Excluding GST	Obtain at least 3 Written Quotations	As per Delegated Authority
\$100,000 - \$150,000 Excluding GST	Public Quotation	As per Delegated Authority
Over \$150,000 Excluding GST	Public Tender	Council Resolution

8.1 Purchases between \$0 - \$10,000 – QUOTATIONS

Where financial transaction of goods or services is valued at \$0 - \$10,000 the responsible officer is required to obtain at least one (1) verbal quotation, so that the Purchase Order raised is equal to the amount of whatever goods or services are being procured.

8.2 Purchases between \$10,000 - \$100,000 – QUOTATIONS

If Council proposes to obtain supplies at a cost of more than \$10,000 but no more than \$100,000, the responsible officer must:



- Complete a Procurement Plan (internal Council Document) for authorisation of purchase.
- Quotations from at least 3 possible suppliers and the council may only accept a quotation for the provision of supplies from among those who submitted quotations: or
- Public quotations under regulation 35: or
- Obtain tenders under regulation 36.
- If it is not practicable to obtain a quotation from 3 possible suppliers, the Council must obtain as many as practicable possible and complete an "Exemption Form" to record its reasoning's for not obtaining 3 quotations.
- Complete a Procurement Evaluation Form documenting the reasons for selecting a particular supplier.
- All purchases over \$50,000 must be reviewed for process by the Line Manager before the final decision.
- Ensure that the Procurement Plan, received quotations, and evaluation report are all appropriately electronically saved in one location.
- The Responsible Officer can request the Procurement Officer for assistance throughout the process.
- All Purchase Orders over \$10,000 will be reviewed via an internal audit process.

8.3 Purchases between \$100,000 - \$150,000 – PUBLIC QUOTATION

If Council proposes to obtain supplies at a cost of more than \$100,000 but no more than \$150,000, the responsible officer must:

- Complete a Procurement Plan (internal Council Document) for authorisation of purchase.
- Make a public request for quotations from suppliers by notice of advert published in Local Newspaper and Council Website and, optionally, any electronic tendering portal in use by Council.
- Obtain tenders under regulation 36.
- Notice must contain a statement to the effect that notice of the successful quotation will be published on the Council's Website.
- Public quotations must remain open for a minimum period of 3 (three) weeks.
- May only accept a quotation from the provision of supplies from among those that submitted written quotations; and must record the reason of the acceptance of the quotation in writing.
- Accept the quotation by written notice to the supplier who submitted the successful quotation; and
- Give notice in writing to each of the other suppliers who submitted a quotation, including the information of the successful supplier and awarded price.
- All purchase orders over \$100,000 will be executed by the Procurement Officer.

The Procurement Officer shall be included in all communications throughout the tender process.



8.4 Purchases over \$150,000 – PUBLIC TENDER

Council cannot enter into a contract for the Provision of supplies to Council at a cost of more than \$150,000, unless it has first called for tenders for that contract by public notice. The responsible officer must:

- 8.4.1 Complete a Procurement Plan (internal Council Document) for authorisation of purchase.
- 8.4.2 Responsible officer is to prepare Tender Documents which should include:
 - Details of goods or services.
 - Details of the goods or services to be delivered under the contract.
 - Undertakings, deeds, warranties, insurances, securities, etc., required to be lodged with the tender.
 - Other requirements relating to performance of the works or services.
 - A statement that tenders are to clearly identify GST separately.
 - A statement that Council will not be bound to accept the lowest or any tender.
 - Notice that a successful tenderer's name, the tender price and details of goods or services supplied under contract will be published on Council's website; and
 - A form of tender and conditions of tendering.
- 8.4.3 The Procurement Officer must call tenders by notice published in the Local Newspaper and Council Website.
- 8.4.4 Tenders must remain open for a minimum period of 3 (three) weeks.
- 8.4.5 Tenders received in response to the notice must be assessed by a tender panel convened by the CEO and prepare a written report.
- 8.4.6 The tender panel must only consider tenders from those who submitted written tender responses.
- 8.4.7 The CEO must present the written report from the tender panel findings at a Council Meeting or Finance Committee Meeting to obtain a decision.
- 8.4.8 Notice of the successful tender along with details of goods and services supplied and awarded price must be published on the Council Website.
- 8.4.9 All purchase orders over \$100,000 will be executed by the Procurement Officer.
- 8.4.10 Tender submissions must be conducted by the Tender Evaluation Committee.
- 8.4.11 The Procurement Officer shall be included in all communications throughout the tender process.

8.5 Tender Evaluation Committee

- The evaluation committee comprises one Panel Chair and two Panel Members.
- All members of the Tender Evaluation Committee must be employees of the council.
- During the evaluation period, only the Panel Chair's scoring for pricing will be considered. The Chair of the Assessment Team is responsible for determining this score, sharing it with the other members, and incorporating it into the final score calculations.



- If a unanimous decision is not reached, the Panel Chair holds the authority to make the final determination based on the scoring.

9. Quotations and Tenders Not Required in Certain Circumstances

A quotation or tender is not required for the provision of a supply consisting of, or related to, any of the following:

- 9.1** The purchase of land, including the leasing or licensing of land.
- 9.2** A contract for legal services.
- 9.3** The acquisition of insurance entered through a broker.
- 9.4** The renewal of an existing licence.
- 9.5** Education or training in relation to existing equipment, licences, qualifications or software from a supplier endorsed by the supplier of the equipment, licence, qualification or software.
- 9.6** A telecommunications service if:
 - The supply is ancillary to an existing telecommunications service; and
 - Council believes on reasonable grounds that it is necessary to obtain the supply from the supplier of the existing service.
- 9.7** Recovery work during or immediately after a natural disaster and Council believes on reasonable grounds that it is necessary to obtain the supply from a particular supplier (examples include cyclones, floods and bushfires).
- 9.8** The acquisition of a supply from a supplier if Council believes on reasonable grounds that it is unlikely that there is more than one supplier of the supply.
- 9.9** The acquisition of a supply from a supplier if a Commonwealth or Territory funding agreement entered into by Council states that a particular supplier is to provide the supply.
- 9.10** The acquisition of a supply from a particular supplier that is the only feasible option because of an event that caused major disruption to Council (an example would be where a public health emergency declared under the Public and Environmental Health Act 2011).
- 9.11** The acquisition of a supply where:
 - Obtaining a quotation or tender for the supply would cause major operational inconvenience or have other serious consequences of a similar nature for Council; and
 - Council has not had prior opportunity to obtain a quotation or tender for the supply.

10. Quotations and Tenders Not Required in Relation to Particular Entities

A quotation or tender is not required if the supply is to be obtained:

- From the Territory, the Commonwealth, a State or another Territory; or
- Under a contract to which the Territory, the Commonwealth, a State or another Territory is a party and Council is a beneficiary to the contract; or
- From another council; or
- From a local government subsidiary of which Council is a member; or
- under a contract that is facilitated by a procurement entity.

11. Exemption Forms and Documentation

As per Regulation 34 (3) for supplies \$10,000 - \$100,000 if it is not practicable to obtain quotations from 3 possible



suppliers under sub-regulation 2 (a), Council must complete an exemption form (internal Council form) to record in writing its reasons for not obtaining the 3 quotations.

As per Regulation 38 (1) (2) and (3) – see paragraph 8 and paragraph 9, where a Tender or Quotation is not required, but supply is over \$10,000, Council must complete an exemption form (internal Council form) to record in writing its reasons for not obtaining the 3 quotations and/or the reason under paragraph 8 or 9.

All documents through the lifecycle of the procurement must be saved in the Council Document Management System as per the Records Management Policy.

12. Purchasing Principles

12.1 Value for Money

‘Value for money’ is the core principle that underpins the procurement process to ensure the best available procurement outcome is achieved. ‘Value for money’ involves comparing the benefits against the whole-of-life costs and includes evaluating both price and non-price factors.

Whole-of-life costing for goods is the total cost incurred in buying, owning, using, maintaining and disposing of them at the end of their usable life. Whole-of-life costs for services include the cost of the services, any continuing costs for the use of the services and any costs that may be incurred in discontinuing the services.

Council will utilise its purchasing power to achieve the best value for money. The concept of value is not restricted to price alone and may not necessarily favour the lowest price.

Seeking ‘value for money’ is about obtaining goods and services considering both price and non-price factors. Council will achieve value for money by:

- Assessing qualitative factors such as past performance, capacity and capability, indigenous participation, demonstrated understanding, relevant experience, quality and environmental factors.
- Assessing the whole of life costs of the item purchased, including transaction costs associated with acquisition & use, maintenance costs over the life of the item, its administration costs and final disposal costs.

The following assessment criteria is used to evaluate Tenders and Request for Quotations:

QUALITATIVE CRITERIA		WEIGHTING
1	<p><u>Local Benefit</u></p> <p>Enhancement of industry and business capability in the region.</p> <p>Improved capacity and quality in supply and service response.</p> <p>Proposed level of usage of apprentices and trainees.</p> <p>Number of Indigenous Territorian employees within the organisation and to be employed in delivery of the Contract.</p> <p>Proposed level of usage of local Indigenous enterprise.</p>	<p>MINIMUM 25%</p>



2	<u>Past Performance</u> Contracts with the Principal or with of a similar scope and size. Previous disputes and claims; provide details of how disputes were managed. Relationship management. Safe and fair workplace record.	MINIMUM 15%
3	<u>Capacity</u> Ability to carry out the works. a) demonstrated managerial and key personnel expertise b) technical expertise c) knowledge of best practice methods or products d) use of performance/quality/workplace health and safety management systems/processes in relation to the proposed Contract e) resource availability, i.e. equipment, vehicles, plant tools Number and value of Contracts in progress. Legal action pending. Financial capacity – provide financial statements for the past 2 financial years if requested.	MINIMUM 15%
4	<u>Scope Specific</u> Environmental Requirements Technical Requirements Specific Expertise and Experience	As Required %
5	<u>Timeliness</u> Demonstrate ability to meet the completion/delivery time Completion/delivery time offered by Tenderer	As Required %
6	<u>Innovation</u> New technology Alternate Solutions	As Required %
7	<u>Cost</u> The Tendered Price Schedule submitted as part of the Return will be used to assess this criterion.	MINIMUM 25%

For engagements that are undertaken remotely or with little community involvement or are purely direct purchasing arrangements: focus the product specifications price and standard existing criteria are not fully aligned (e.g. Consultancy engagements, Specific equipment purchases, Leasing proposals etc.). The following assessment criteria is used.

QUALITATIVE CRITERIA <u>CONSULTANCY / SPECIALISED REQUIREMENTS ONLY</u>		WEIGHTING
1	<u>Local Benefit</u> Enhancement of industry and business capability in the region. Improved capacity and quality in supply and service response. NT Based Company SPECIALISED Local sponsorship and community support Proposed level of usage of local Indigenous enterprise.	Up to 15%



2	<p><u>Past Performance and Capacity</u></p> <p>Contracts with the Principal or with of a similar scope and size.</p> <p>Previous disputes and claims; provide details of how disputes were managed.</p> <p>Relationship management.</p> <p>Safe and fair workplace record.</p> <p>Ability to carry out the works.</p> <p>a) demonstrated managerial and key personnel expertise</p> <p>b) technical expertise</p> <p>c) knowledge of best practice methods or products</p> <p>d) use of performance/quality/workplace health and safety management systems/processes in relation to the proposed Contract</p> <p>e) resource capacity availability,</p> <p>Number and value of Contracts in progress.</p> <p>Legal action pending.</p> <p>Financial capacity – provide financial statements for the past 2 financial years if requested.</p>	Up to 30%
3	<p><u>Scope Specific REMOVE IF NOT REQUIRED</u></p> <p>Technical Requirements</p> <p>Specific Expertise and Experience</p>	As required%
4	<p><u>Timeliness REMOVE IF NOT REQUIRED</u></p> <p>Demonstrate ability to meet the completion/delivery time</p> <p>Completion/delivery time offered by Tenderer</p>	As required%
5	<p><u>Innovation REMOVE IF NOT REQUIRED</u></p> <p>New technology</p> <p>Alternate Solutions</p>	As required%
	<p><u>Cost</u></p> <p>The Tendered Price Schedule submitted as part of the Return will be used to assess this criterion.</p>	25%

12.2 Open and Effective Competition

Procurement activities will be open and transparent, resulting in effective competition in the provision of goods and services. Council will give fair and equitable consideration to all suppliers.

Council will achieve open and effective competition by:

- Ensuring all procurement procedures and processes are transparent.
- Delegation of the authority to procure to the Chief Executive Officer and other officers as the CEO may decide, while holding them accountable at the same time. This will include implementing and monitoring delegations, authorisations and associated thresholds appropriate for the level of judgement and competency expected of those officers.
- Allowing suppliers to have an actual opportunity to do business with Council.



- Encouraging competition among suppliers by inviting suppliers to quote or tender in order to provide 'value for money' offerings.
- Ensuring fair and equitable assessment of all tenders and quotations.
- Exploring the market for potential suppliers without any bias or prejudice.

12.3 Employment of Aboriginal People

Procurement activities which increase and encourage Aboriginal employment, participation and capacity within the region and the Northern Territory generally, acknowledging the importance of diversity, representation and the improved social and economic outcomes that result from employment.

12.4 Conflict of Interest

A conflict of interest arises when a Council employee is able to be influenced or appear to be influenced by their private interests (financial, personal or business) when doing their job.

Conflicts of interest can be actual, perceived or potential. Failure to declare and/or effectively manage conflicts of interest can damage the integrity of the procurement process and erode public or market confidence.

Conflicts of interest can be financial or non-financial. A non-financial interest exists if an employee has a personal interest in aspects of the procurement process because of a relationship based on common interest such as sporting, social or cultural activities as well as family and other (e.g. friendships) relationships. For example, a non-financial conflict of interest specific to procurement would be an employee who is involved in the procurement process having a friend or family member working for an organisation who could be a potential respondent to a tender or quotation request.

In relation to the above example, it is noted that this interest could become a financial conflict of interest in the following circumstances:

- If it was known that the relative or friend who worked on the proposal for the Supplier had a performance related bonus system in place with that Supplier.
- If the relative or friend was a shareholder in the potential Supplier and there is the potential to benefit financially from decision-making associated with the procurement.

Any actual, potential or perceived conflict of interest shall be declared by personnel involved in procurement activities on the Conflict of Interest and Confidentiality form. All panel members must complete and submit the COI form to the Procurement Officer.

12.5 Probity and Ethical Behaviour

The principle of probity and ethical behaviour governs the conduct of all procurement activities. All Council employees who procure goods and services must comply with the standards of integrity, probity, professional conduct and ethical behaviour as stated below.

Responsible officers must:

- Deal fairly, impartially and consistently with all suppliers.
- Protect the confidentiality and privacy of personal and commercial information.
- Declare any potential conflict of interest prior to the commencement of a procurement activity and abstain from any procurement activity where it has been deemed that a perceived or



actual conflict of interest exists.

- Not engage in misleading or deceptive conduct.
- Not compromise the Council's standing or the integrity of its purchasing activities through acceptance of gifts or hospitality.
- Be scrupulous and accountable in the use of Council property and Council money.
- Ensure that the entire procurement is documented in such a way as to demonstrate that decisions were made in accordance with these procurement principles.

12.6 Environmental Protection

Council will endeavour to promote procurement practices that conserve resources, save energy, minimise waste, protect human health and maintain environmental quality and safety.

In undertaking purchasing activities, Council will:

- Encourage the purchase of environmentally responsible goods where all other evaluation factors are considered.
- Where appropriate, ensure that specifications require suppliers to conform to necessary standards, codes or legislation for the identification of hazardous materials, and that suppliers carry out proper certification and registration procedures, including ISO 14001, Environmental Management Systems certification.
- Enforcing legislative compliance with and/or phase-out timetables on the use of products prohibited under Northern Territory and applicable Commonwealth laws; and avoiding, where possible, the purchase of known hazardous and environmentally damaging products, especially where alternatives are available within reasonable bounds of price, performance and suitability.

12.7 Accountability, Ethical Behaviour and Fair Dealing of the Council Staff

Council employees involved in purchasing will behave with impartiality, fairness, independence, openness, integrity and professionalism in their discussions and negotiations with suppliers and representatives.

Council employees will be held accountable for all their actions with respect to the procurement.

Council employees will ensure that they do not participate in any action, which may be deemed to be:

- Canvassing by any party with a material interest in the procurement.
- Influence or inducement of parties involved in the procurement.
- Release of commercial or confidential information; or
- Collusion – i.e. collaboration between parties involved in the procurement process.

Council employees will ensure that they will not take any gifts or personal favours in the discharge of their functions in procurement.

Council employees will ensure that they will avoid conflict of interest situations and/or inform Council management should such situations arise before acting or taking decisions influenced by such a conflict of interest.

Council employees will ensure that the system, practices and procedures as laid down in the policy are



followed.

12.8 Risk Management & Internal Control System

Council will build a Risk Management and internal control system framework to ensure that the objectives of the procurement policy are met as well as sound procurement principles followed.

Council will develop, document and maintain a framework for internal control including internal audits to ensure compliance with the policy.

12.9 Payment of Accounts

Accounts cannot be paid unless:

- They are claimed on a valid invoice/tax invoice as per the Australian Taxation Office (ATO) requirements.
- Where applicable Council's official Purchase Order Number should appear on the invoice/tax invoice.
- Where suppliers require payment in advance, part-payment or a deposit prior to completion of the scope of work then approval must be provided by the CEO.

13. Other Policies and Council Requirements

13.1 Workplace Health & Safety

All Council employees, contractors and suppliers will adhere to the following key outcomes in relation to procurement activities:

- Establishing and maintaining a corporate system to ensure compliance of contractors and suppliers with workplace health and safety legislative requirements, Australian Standards and/or procedures.
- Ensuring all contractors and/or suppliers provide documentary evidence that they or the product they supply complies with relevant legislation, Codes of Practice and/or Australian Standards.
- Ensuring where purchases involve plant and equipment, the supplier must provide relevant information and a copy of the user/operator manual for each item supplied.
- Ensuring that no hazardous chemical is purchased or used without first carrying out a risk assessment as per the responsibility of the Program Manager, Line Manager or Supervisor.

13.2 Gifts and Benefits

Employees involved in procurement actions are prohibited from accepting gifts or extensive hospitality or other benefits from current or prospective suppliers. Modest hospitality (e.g. in house lunch, coffee, tea) associated with meetings to discuss goods and/or services being acquired by the Council, is acceptable but restaurant lunches and dinners, the provision of alcohol, tickets to the theatre or sporting events and so on are not.

All other gifts and benefits are not acceptable, including token gifts of low value. Council employees involved in procurement activities must avoid situations giving rise to the appearance that a person or



body, through the provision of gifts, benefits or hospitality of any kind, is attempting to secure favourable treatment from you or from the Council.

How are offers of gifts and benefits to be dealt with?

Where you receive a gift or benefit that cannot reasonably be refused or returned, this must be disclosed promptly to your supervisor, Director or the CEO. The recipient, supervisor and Director must ensure that any gifts or benefits that are received are recorded in a Gifts Register.

The gift or benefit must be surrendered to council, unless the nature of the gift or benefit makes this impractical. The supplier shall be provided with a polite explanation as to why gifts are not acceptable and advised if they continue to make offers the Council may cease to undertake procurement activities with them.

13.3 Travel and Accommodation

All travel and accommodation by approved delegated authority should represent value for money and the provider shall be a panel preferred supplier where such a panel has been established.

13.4 Credit card Purchases

Goods and services may be purchased using a Council credit card and must be done so in line with the Council credit card delegated authority procurement thresholds.

A credit card can be used for purchases up to the value of the card limit for one off purchases and online purchases or bookings (E.g.: Non-Standard Flights and Accommodation, Hire Cars and Fuel) that cannot be arranged by generation of a Purchase Order.

13.5 Motor Vehicle and Machinery Acquisition

This refers to the Fleet Asset Acquisition & Disposal Policy which covers the supply, maintenance and use of Council owned motor vehicles and machinery.

13.6 Petrol Cards

Fleet (where applicable) are assigned a fuel card specific to the vehicle or machinery. Any purchases made on the card are to only be for the vehicle the card issued is assigned. No other purchases are to be made against the card, nor should the card be used for fuel in any other vehicle or machinery.

13.7 Attractive and Portable Items and Major Assets

Any item above \$500 and below \$10,000 needs to be entered onto the Attractive and Portable Items Register if deemed to be such an item. Assets above \$10,000 must be entered onto the Major Assets Register. -Section 26 of the Local Government (General) Regulations.

14. Collective Procurement

In addition to the above principles guiding the procurement activities, Council will consider the following provisions of 'Collective Procurement' as suggested in Regulation 45, 46 and 47. Collective Procurement will allow two or more entities to form a procurement group to collectively carry out procurement activities for common or similar requirements.

Collective Procurement opportunities will provide better outcomes, including:



- More competitive prices.
- Better levels of service.
- Better quality of goods & services; or
- Sustainability of supplies, bulk or quantity discounts.

The procurement process will comply with all the provisions of the thresholds in respect to quotations and tender requirements.

15. Procurement from Approved Suppliers

The council will develop and maintain an approved supplier list / database for the procurement of various materials or services. The council will determine the criteria for inclusion of any supplier in such a database.

16. Supply Agreements (Pre-approved Agreements)

Supply agreements refer to a contract for the purchase of goods, materials or services specified by a panel arrangement contract entered by a council with a supplier.

Where available, purchase of goods and services by Council must use existing supply agreements.

Existing supply agreements include EARC Contracts, LGANT Contracts and Local Buy Australia. A list of commonly used agreements shall be maintained on the Councils records management system, and relevant employees advised of updates/changes as appropriate.

Procurement employees will assist with:

- 16.1** Advice and information on current agreements and contracts.
- 16.2** Information on council usage and demand for goods and services.
- 16.3** Development of quotations, tenders and contracts.

Council may enter into supply agreements or contracts for goods or services, if there are proven benefits for the Council. This may be achieved by linking its purchasing activities across the Council or by implementing Collective Procurement with other councils or various communities for common or frequent purchases.

Council will develop and maintain a Panel Supplier Register for those suppliers competitively selected via either a quotation or tender process.

Council can form and manage contract or prequalified supplier "panels" as follows:

- 16.4** To form a panel there must be a competitive Request for Quotation (RFQ) or Request for Tender (RFT) process with respondents meeting the evaluation criteria specified for the panel.
- 16.5** Panels can either be "rates" or supplier:
 - Rates panels or contracts are where suppliers tender specific goods or services at specific rates (prices).
 - e.g. box of 12 Medium Blue Pilot Pens BP- 145-M at \$5.00 each. Purchase decisions are made on best value for money / lowest whole of life cost considerations. No further quotations are necessary.
 - Prequalified supplier panels are formed where a tender process is undertaken to identify suppliers for a variety of ongoing work. Tenderers are evaluated on key non-price criteria such as experience, references, safety systems, employees and equipment. This obviates the need to verify this data each time they are engaged. These Procurement criteria must be followed for each procurement activity in terms of preparing a specification and obtaining pricing. Preferably all members of the panel will be requested to quote or tender on an equal basis. Supplier performance is monitored, and poor performance may result in suppliers being removed from



the panel.

- 16.6** Contracts are for no more than three years and consideration should be given to include price escalation clauses such as increasing by a relevant CPI index.
- 16.7** Once rates panels are established the opportunity for other suppliers to join the panel will be limited as the Request for Quotation (RFQ) or Request for Tender (RFT) process must be carried out.

17. Development of Competitive Local Business and Industry

Council encourages the development of competitive local businesses within the Region. Council will enhance the capabilities of local business and industries through the following:

- Council will make every attempt to utilise local suppliers and to ensure locally based businesses and industries are given opportunities to participate in quotation or tender processes with qualitative evaluation preferences given to such local suppliers who employ up to and above 30% local indigenous employees.
- The placement of orders to the local business where such business is competitive regarding price, delivery & service requirements and meets the value for money requirement of the council.
- Actively seeking out potential local suppliers, train and educate local suppliers on government requirements and procurement.
- Encouraging prime contractors to give local suppliers every opportunity, as partners or subcontractors, to participate in major projects.
- Ensuring that the principles of open and effective competition are applied, and equal treatment is given to local offers, when being compared with other offers, based on fair and equitable behaviour.
- Giving preference to locally sourced goods and services, where price, performance, quality, suitability, indigenous ownership and other evaluation criteria are comparable.

18. Procurement Function

18.1 Resourcing the Procurement Function

Council will ensure that adequate funding is made available to manage the procurement function.

18.2 Procurement Procedures

Council will develop a detailed procurement procedure detailing the processes and documentation to be followed in accordance with this procurement policy. All the checklists, forms and detailed procedures mentioned in the procurement procedures will guide the Council employees in the discharge of their procurement duties.

18.3 Purchase Orders

In the absence of a formal contract, a Purchase Order is Council's official document used to purchase goods or services from an external supplier. A Purchase Order confirms the contractual relationship between Council and the supplier and must be issued before the procurement of the goods or services. Purchase Orders create a record of a commitment within the financial system.

Purchase Orders are to be issued for all purchases where a formal contract does not exist or where a record of commitment is required (with exemptions relating to fuel, travel and accommodation processed via a Purchasing Card or Credit Card under delegated authority) through the financial system. Purchase Orders will only be issued after the quotation, or tender procedures have been completed and before supply commences.



NB– The limitations below refer to the total cost of purchase and not to individual line items.

18.4 Purchase Order/ Tender Splitting

Purchasers must not split a single tender contract into multiple requisitions for the purpose of:

- 18.4.1 Avoiding Council policies or procedures.
- 18.4.2 Bringing each requisition or order below:
 - The threshold value at which tenders are required.
 - The threshold value at which competitive quotations are required.
 - Delegation limits.

NB – Multiple project code dissections to a single Purchase Order or engagement value do not constitute Purchase Order splitting provided compliance to the procurement procedure relating to the Purchase Order total.

18.5 Separation of Duties

The separation of duties is an essential element of a control system. Council will implement a best practice approach through the separation of duties related to the procurement process. An employee raising a purchase requisition that is over \$10,000 is not permitted to approve that same requisition, regardless of their financial delegation. The employee must refer the requisition to another employee who holds appropriate delegation.

18.6 Procurement Planning

The Council will ensure that the procurement activities are sufficiently planned unless it is an emergency purchase.

The objectives of planning the procurement will be:

- To ensure that procurement is undertaken as per the needs of the Council.
- To ensure that the procurement process follows the procurement policy and procedures and meets the Legal compliance requirements.

19. Version

Version	Decision Number	Adoption date	History
00	013 / 2016	28 Jan 2016	Council Adopted
01	064/2022	30 June 2022	Council Adopted
02	076/2023	29 June 2023	Council Adopted
03	073/2025	26 June 2025	Council Adopted

