



WUJAL WUJAL ABORIGINAL SHIRE COUNCIL PROCUREMENT POLICY

Responsible Manager:	Director Finance & Corporate Services
Heads of Power:	<i>Local Government Act 2009 (Qld)</i> <i>Local Government Regulation 2012 (Qld)</i>
Authorised by:	Council
Authorised on:	30 July 2020
Implemented from:	31 July 2020
To be reviewed:	30 June 2021
Corporate Plan:	Governance

PURPOSE

This policy sets out Wujal Wujal Aboriginal Shire Council's (Council) principles and procurement framework when conducting procurement and contracting activities

POLICY OBJECTIVES

- comply with all applicable laws including the *Local Government Act 2009* (LGA 2009) and *Local Government Regulation 2012* (LGR 2012);
- provide a framework for conducting procurement and contracting activities. within a sound governance and probity environment;
- encourage strategic decision-making and sustainable procurement practices;
- facilitate efficient and timely delivery of council's capital works, operational and service delivery programs;
- deliver value for money;
- encourage an open, efficient and competitive marketplace;
- encourage development of competitive local business and industry; and
- manage council's risk exposure

POLICY SCOPE AND RESPONSIBILITY

- a. This policy applies to the procurement of all goods, services, equipment, construction contracts, service contracts (including maintenance) and related services.
- b. That's policy applies to all Council officers; including items procured by third parties (such as contractors) acting as representatives for council.
- c. It is the responsibility of Council officers involved in the procurement process to understand the meaning and intent of this policy and ensure all legislative requirements specified in this policy are met.

PROCUREMENT PRINCIPLES

Council officers must have regard to the following procurement principles in all purchasing activities:

1. Value for money

Council must harness its purchasing '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. In line with council's vision of quadruple bottom line (Social | Environment | Economic | Civic Leadership) must include consideration of-:

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

2. Open and effective competition

Purchasing 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.

3. The development of competitive local business and industry

Council encourages the development of competitive local businesses within the Wujal Wujal Aboriginal Shire Council area.

In accordance with section 104(3)(c) of the Act, Council wishes to pursue the principle of the development of competitive local business and industry as part of the process of making its purchasing decisions. For this purpose:

(i) a margin of 10% capped at \$5,000 will be added to the tendered or offered price of a non-local supplier for the purpose of comparison with prices tendered or offered by local suppliers as part of the process of assessment of tenders or offers;

OR

(ii) Council may add a local preference assessment loading worth not more than 5% of the total evaluation criteria for the purpose of evaluation of tenders or offers received from local suppliers;

OR

(iii) Council may accept a tender or offer from a local supplier in preference to a comparable tender or offer from a non-local supplier even if the tender or offer from the non-local supplier has been Assessed as more favourable in terms of one or more of the assessment criteria applied (including but not limited to price), so long as the overall differences are not substantial, and so long as it is clear that the selected local supplier can meet Council's requirements at an acceptably high standard which is generally comparable to that of other offers.

In this policy, a "local supplier" is a supplier which:

- is beneficially owned by persons who are residents within the Wujal Wujal Aboriginal Shire Council area; or
- has its principle place of business within the Wujal Wujal Aboriginal Shire Council area; or
- otherwise has a place of business within the Wujal Wujal Aboriginal Shire Council area which solely or primarily employs persons who are residents of the local government area.
- Businesses that have their principal place of business in the neighbouring Shires to the Wujal Wujal Shire area.

A "non-local supplier" is a supplier which is not a local supplier.

4. Environmental protection

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

- promote the purchase of environmentally friendly goods and services that satisfy value for money criteria; and
- foster the development of products and processes of low environmental and climatic impact; and
- 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.

5. Ethical behaviour and fair dealing

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

6. Disclosure of Interest

Council officers and elected parties have to declare any interest of real potential or perceived conflict of interest as outlined by council's public interest disclosure policy and complete council's disclosure of a conflict of interest form

7. Related Party Disclosures

Council abides by AASB124 Related Party Disclosures as set out in paragraphs 1- Aus29.9.3. and report in their financial statements:

- any subsidiary or associate with the same investor as a related party of each other,
- entities or person significantly influenced by one person or entity by a close family member,
- entities or person with joint control or significant influence over second and I or third entity related to each other,

GOODS AND SERVICES TAX

In this policy, a reference to a price or purchase value is intended to be inclusive of Goods and Services Tax. (incl. GST)

PURCHASING THRESHOLDS

All purchase requisitions must be duly authorised by a Council officer with the required financial delegation approved within the Financial Delegations Register.

Where quotations are to be sought Council officers must endeavour to ensure that invitations to submit quotations made verbally or in writing include relevant local suppliers.

Council will utilise arrangements of nominated supplier agreements with institutions such as local Buy Government Procurement (LB) or Far North Queensland Regional Organisation of Councils (FNQROC) to ensure economic viability.

Where the value of the purchase or the value of the contract over a financial year is, or is expected to be, as specified in Column 1 in Table 1, the requirement in Column 2 must be followed:

Table 1 Purchasing Thresholds

Amount of Purchase (inc. GST)	Policy
Purchases with Council Corporate Card	Refer to Policy on the Use of Council Purchasing Cards and financial limitations / authorisations
Petty Cash Purchases	<ul style="list-style-type: none"> • This system is only used for local purchases up to a maximum of \$100.00 in Value • Petty cash purchases may only be made where use of a Council Purchasing Card is not practical in the given circumstances.

Under \$1,100	Quotations are not required but are considered to be desirable
\$1100 - \$15,000	<ul style="list-style-type: none"> • Two written quotations must be sought where possible and a record of companies contacted recorded. One written quote must be received. Explanatory note to be recorded if required number of quotes could not be received.
\$15,000 - \$219,999	<ul style="list-style-type: none"> • Council cannot enter into a medium sized contract unless Council first invites written quotes for the contract. • Three written quotations must be sought where possible and a record of companies contacted recorded. Two written quotes must be received. Explanatory note to be recorded if required number of quotes could not be received. • Council may decide not to accept any quotes it receives. • 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 section 104 of the Act. • This requirement is subject to the exemptions identified in this policy • Records of offers received must be kept on file by council's electronic date management system.
\$220,000 and above	<ul style="list-style-type: none"> • Council cannot enter into a large-sized contract unless Council first invites written tenders for the contract in accordance with the requirements of section 228 of the Regulation. • This requirement is subject to the exceptions identified in Clause 7. • Council must either invite written tenders under section 228(4) or invite expressions of interest under section 228(5) before considering whether to invite written tenders under section 228(6)(b) • Expressions of interest may only be invited under 228(5) following council resolution as prescribed in section 228(3) • The invitation for tenders must: <ul style="list-style-type: none"> ○ Be made by an advertisement in a newspaper that circulates generally in the local government area of Council; and ○ Allow written tenders to be given to Council for at least 21 days after the advertisement is published. • Council must comply with the requirements in section 228(7) of the Regulation if it wants to invite tenderers to change their tenders to take account of a change in the tender specifications. • Records of tenders must be kept on file by the Corporate Services accordance with archival requirements. • The publishing of details of contracts on Council's website ad public offices needs to be completed in accordance with Section 237 of the Local Government Regulations 2012 • Contracts exceeding 1 million dollars in one or multiple years will be workshopped by Council prior to any report being submitted for consideration.

EXCEPTIONS

Chapter 6, part 3, division 3 of the Regulation identifies exceptions for medium and large-sized contracts, if one of the exceptions applies, Council may enter into:

- a medium-sized contract without first inviting written quotes; or
- a large-sized contract without first inviting written tenders.

The exceptions are:

- a) the preparation of a quote or tender consideration plan in accordance with the requirements of section 230 of the Regulation;
- b) entering into a contract if the contract is made with a person who is on an approved contractor list established by Council in accordance with the requirements of section 231 of the Regulation;
- c) entering into a contract if the contract is entered into with a supplier from a register of pre-qualified suppliers established by Council in accordance with the requirements of section 232 of the Regulation;
- d) entering into a contract for goods or services if the contract is entered into with a preferred supplier under a preferred supplier arrangement that is made in accordance with the requirements of section 233 of the Regulation;
- e) entering into a contract under an LGA arrangement (such as the LGAQ's "Local Buy") established in accordance with the requirements of section 234 of the Regulation;
- f) entering into a medium-sized contract or a large-sized contract if:
 - Council resolves that it is satisfied that there is only one supplier who is reasonably available; or
 - Council resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes or tenders; or
 - a genuine emergency exists; or
 - the contract is for the purchase of goods and is made by 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.

ELECTRONIC TENDERING

Council uses an e-tendering portal at tender.box@wujal.qld.gov.au where tender documents can be obtained after registration on the site.

Completed submissions should be lodged in the Electronic Tender box at tender.box@wujal.qld.gov.au by the time and date nominated in the Tender Schedule.

Respondents will receive a Successful Submission Receipt timed and dated upon completion.

In the case where Council chooses not to use the e-tendering portal, Council utilises an electronic Document and Records Management System (eDRMS) to collect, log and store tenders. Such tenders are submitted to Council. All tender documents received before the advertised tender closure times are to be lodged in the eDRMS unopened. Tender documents received after the closure of the process are deemed to be invalid.

All tenders shall be held for the duration of the tender and for a period of three years after the last action.

VALUABLE NON-CURRENT ASSET CONTRACTS

A valuable non-current asset contract is a contract for the disposal of a valuable non-current asset.

Section 227 of the Regulation relevantly provides that Council cannot enter into a valuable non-current asset contract unless it first: -

- (a) invites written tenders for the contract under section 228 of the Regulation; or
- (b) offers the non-current asset for sale by auction.

Exceptions to these requirements are set out in section 236 of the Regulation. A valuable non-current asset is:

- (a) land; or
- (b) another non-current asset that has an apparent value that is equal to or more than the limit set by Council.

The limit set by Council cannot be more than the amounts specified in section 224(7) of the Regulation. Please refer to Councils Non-current asset disposal policy for further information.

DELEGATIONS

Only the Council officers listed in the Register of Financial Delegations are entitled to sign requisitions, and then only in accordance with their financial delegation limits. By signing a requisition/purchase order all officers are confirming that they have taken full notice of this the requirements of this policy and will comply with all of the requirements of this policy.

REVIEW

It is the responsibility of the Director Finance & Corporate Services to monitor the adequacy of this policy and recommend appropriate changes. This policy will be formally reviewed by Council annually.

AUTHORISATION

This page and the previous bearing my signature were duly authorised by Council as the Wujal Wujal Aboriginal Shire Council Procurement Policy on 30 July 2020 and shall hereby supersede any previous policy of the same intent.



Stephen Wilton
Chief Executive Officer

Date: 31 July 2020

Attachment 1 – Limitations on Procurements by Delegation

Council Officer	Value of Contract				
	\$1,100	\$1,101 to \$15,000	Up to \$100,000.00	\$15,000 to \$219,990 (3 written quotes)	\$220,000 and above
Chief Executive Officer	•	•	•	•	•
Director, Works & Building Services	•	•	•	•	
Director of Finance & Corporate Services	•	•	•	•	
Director Community Services and Economic Development	•	•	•	•	
Finance Manager	•	•			
Project Manager	•	•	•		
Co-ordinator Building Services	•	•			
Co-ordinator Works & Services	•	•			
Co-ordinator Water & Waste	•	•			
Aged Care Coordinator	•				
Kindergarten Director	•				
Bana Yiriji Manager	•				
IKC Coordinator	•				