



Procurement Policy

Policy type	Council
Function	Organisation
Policy Owner	Corporate and Community Services – Procurement
Effective Date	15 December 2011

1. Purpose

The policy sets out Cassowary Coast Regional Council's (Council) principles and procurement framework when conducting procurement and contracting activities.

2. Objective

Council's objectives and desired policy outcomes when conducting procurement and contracting activities are to:

- a) comply with all applicable laws including the Local Government Act 2009 (Queensland) (LGA 2009) and Local Government Regulation 2012 (Queensland) (LGR 2012);
- b) provide a framework for conducting procurement and contracting activities within a sound governance and probity environment;
- c) preference to the use of local suppliers in providing services wherever possible, where competitive levels of quality, service, efficiency, cost effectiveness and value for money are demonstrated;
- d) encourage strategic decision-making and sustainable procurement practices;
- e) facilitate efficient and timely delivery of Council's capital works, operational and service delivery programs;
- f) maintain public confidence in Council's procurement activities.

Councils fundamental objective is to ensure when procuring goods and services is to obtain the most advantageous outcome to Council, this may not mean accepting the lowest price offer.

3. Scope and Responsibility

This policy covers all procurement activity irrespective of the funding source and acquisition process. The principles outlined in this policy will be followed by all employees (full-time, part-time, temporary and casual), consultants, contractors or labour hire engaged by Council and Councillors when procuring goods, services and works for any Council related activity or purpose.

The Executive Leadership Team is responsible for ensuring that this policy is understood and followed by all employees. The Manager Procurement is responsible for collating and providing information to assist in monitoring procurement activities and informing decision making.



4. Procurement Principles

Council officers must have regard to the following 5 'Sound Contracting Principles' in all Procurement activities.

(a) 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 must include consideration of:

- (i) contribution to the advancement of Council's priorities and
- (ii) fitness for purpose, quality, services and support and
- (iii) whole-of-life costs including costs of acquiring, using, maintaining and disposal and
- (iv) internal administration costs and
- (v) utilisation of existing inventory items and consumables held in stores and workshops, including plant and fleet and
- (vi) technical compliance issues and
- (vii) risk exposure and
- (viii) value of any associated environmental benefits.

(b) 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.

(c) Development of competitive local business and industry

Council encourages the development of competitive local businesses within the Cassowary Coast Regional Council area.

In accordance with Section 104(3) (c) of the *Local Government Act 2009*, 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. Council's commitment to competitive local business and industry is specifically demonstrated below:

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

- (i) business is beneficially owned by persons who are residents and rate payers of the local government area of Council; or
- (ii) has its principal place of business within the local government area of Council; or
- (iii) otherwise has a place of business within the local government area of Council which solely or primarily employs persons who are residents or rate payers of the local government area of Council.

A "non-local supplier" is a supplier that is not a local supplier within the local government area of Council and refers to surrounding Councils, "Queensland", "Australian" and "International" suppliers.



(d) Environmental protection

Council will seek to complement its broader environmental commitments and initiatives when conducting procurement activities. While conducting those activities, Council will have regard to the range of organizational policies and frameworks in relation to environment and sustainability factors including:

- (i) The environmental and sustainability benefits and impacts for the whole lifecycle of products and services including manufacture, supply, use, maintenance and disposal;
- (ii) Procurement of environmentally responsible goods, services and assets;
- (iii) Goods and Services that minimise resources and have reduced environmental impacts throughout their lifecycle, including:
 - Reduced toxicity;
 - Reduced packaging;
 - Reducing waste to landfill;
 - Greater energy efficiency and/or reduced carbon emissions; and
 - Greater water efficiency and/or reduced water use
- (iv) Use of products made from recycled materials, recycled green organics and/or recycled plastic products;
- (v) Provide an example to business, industry and the community in promoting the use of environmentally responsible goods and services; and
- (vi) Pursuing, leading and building a circular economy.

Council may also consider the following:

- (i) the environmental performance of prospective contractors or suppliers;
- (ii) the selection of products that may have a reduced impact on human health and/or the natural environment; and
- (iii) the environmental impact and performance of a requested product such as energy and/or water efficiency rating, fuel efficiency and durability, recycled content, toxicity, origin of any components made from wood (e.g. paper products) and end of life disposal.

(e) Ethical behaviour and fair dealing

Council officers involved in purchasing are to behave with impartiality, fairness, independence, openness, integrity and professionalism in all verbal and written correspondence to suppliers - including discussions and negotiations held with suppliers and their representatives.

- (i) Requirement
 - That Council's procurement activities be performed with integrity and in a manner able to withstand the closest possible audit scrutiny.
- (ii) Conduct of Councillors and Council Staff Councillors and Council staff shall abide by the Councillor Code of Conduct, Code of Conduct for Council Employees and all applicable policies and instructions at all times.
- (iii) Conflict of Interest
 - Councillors and Council staff are responsible for reporting any declarable or prescribed conflicts of interest prior to or during any business dealings.
- (iv) Disclosure of Information
 - Commercial-in-confidence information received by Council must not be disclosed and is to be stored in a secure location. Discussion with potential suppliers during tender evaluation processes should not go beyond the extent necessary to resolve reasonable doubt regarding supplier proposals.



5. Purchasing Thresholds

Council officers must comply with the purchasing quotation requirements outlined in Appendix A, as well as all other obligations detailed in this policy and its associated guidance materials.

Requirements for Procurements less than \$200,000 Exclusive GST (Quotations):

When undertaking procurement under \$200,000 (excl. GST), Council officers must follow the requirements outlined in Appendix A 'Procurement Procedure', including obtaining the appropriate number of quotes and ensuring all documentation is retained and uploaded to Councils Record management system.

All procurement must align with the five sound contracting principles as outlined in the policy. Officers must also give appropriate consideration to local content, actively seeking opportunities to engage local suppliers when possible.

Where the estimated value is close to \$200,000 (excl. GST), officers must consider the potential for cost increases, such as through variations or higher-than-expected responses. In these cases, consideration should be given to treating the procurement as exceeding \$200,000 (excl. GST), and Procurement should be consulted to ensure compliance with legislative thresholds and policy requirements.

To optimise value in procurement and in accordance with the regulation, where applicable, Council will establish supply arrangements (contracts) for category groups for one or more years.

Local Content Preference

Council officers must obtain local quotes and apply the 'Local Price Advantage' as outlined in the 'Procurement Procedure' (Local price advantage only needs to be applied if comparing quotes from 'Local' and 'Non-Local' suppliers).

Requirements for Procurement Greater than \$200,000 (Exclusive GST):

When undertaking procurement activities over \$200,000 (excl. GST), Council officers must follow the requirements outlined in Appendix A 'Procurement Procedure' and gain the relevant approval as per the Procurement Governance and Financial Delegations section of this policy.

Council uses the public tender or contractual arrangement exceptions in the Local Government Regulation 2012 s223 to s235.

The following sliding scale (refer table below) may be used to determine the extent to which the 10% total local supplier price advantage shall be allocated based on local supplier status and tender responses. The scale is an assessment that seeks to address real and/or perceived occurrences where some local suppliers consider themselves to be more "local" than others and therefore tender responses should be assessed differently. Officers must decide whether or not to use the sliding scale or another method of assessing local content in their procurement plan and evaluation and probity plan for each procurement activity over \$200,000 (excl. GST).

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			Owned and Operated				
		CCRC	Queensland	Australia	International		
	Use predominantly local suppliers, subcontractors and labour	10	8	7	5		
Suppliers and Labour	Use mix of local and regional (CCRC and surrounding Councils) suppliers and subcontractors	9	7	6	3		
	Use mix of local and/or Queensland suppliers and subcontractors	7	5	3	2		
	Rely significantly on labour and suppliers outside Queensland but within Australia	4	3	2	1		
	Rely heavily on international suppliers, contractors and labour	2	2	1	0		

Exemption

In circumstances where an evaluation process indicates it may be more advantageous to engage a non-local supplier, the relevant member of the Executive Leadership Team or CEO approval is required and must be accompanied by documentation that sufficiently describes those circumstances.

6. Goods and Services Tax

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

7. Procurement Exceptions

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

- a) a medium-sized contract without first inviting written quotes; or
- b) 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;
- entering into a contract if the contract is entered into with a supplier from a register of prequalified 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 established in accordance with the requirements of Section 234 of the Regulation; and
- f) entering into a medium-sized contract or a large-sized contract if:
 - (i) Council resolves that it is satisfied that there is only one supplier who is reasonably available; or
 - (ii) 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

- (iii) a genuine emergency exists; or
- (iv) the contract is for the purchase of goods and is made by auction; or
- (v) the contract is for the purchase of secondhand goods; or
- (vi) the contract is made with, or under an arrangement with, a government agency.

With reference to 7(e) Council may utilise arrangements of nominated supplier agreements with institutions such as Local Buy (LB), however an assessment should be undertaken to determine and ensure that no suitably qualified supplier is excluded from the procurement process, unless otherwise approved by the relevant member of the Executive Leadership Team. In addition, Council officers must ensure that requirements of the purchasing threshold are adhered to and a valid Local Buy contract number is referenced within the purchase requisition. Procurement activities utilising a contracting exception must still follow the Procurement Governance steps as outlined in section 7 of this Policy.

8. Procurement Governance (Procurement Review Board)

Procurement Review Board

Council administrates a Procurement Review Board (PRB) which convenes monthly or as otherwise required (based on demand). The PRB plays a key role in in the approval processes for procurement activities above specific thresholds. The purpose of the PRB is to consider and approve the procurement methodology and strategy for councils' significant procurement and contracting activities both pre and post market.

Pre-Market:

Council officers must present a pre-market procurement plan to the PRB, addressing the strategy and methodology of the procurement activity being undertaken. The purpose of the PRB is to ensure that all relevant risks are addressed, and the scope and intent of the procurement aligns with councils Corporate and Operational Plans. It is also intended to provide oversight of budget allocations/expenditure and ensure compliance with legislation and audit requirements.

Post Market:

The PRB reviews and approves the outcome of the procurement process ensuring the recommendation aligns with the scope and intent of the procurement activity. The post market approval ensures appropriate plans are in place for the successful delivery of the procurement and ensures that the outcome is the most beneficial to Council.

Relevant Thresholds:

- All 'Pre-Market' procurement and contracting proposals above \$200,000 (excl. GST)
- All 'Post-Market' Procurement and contracting recommendations between \$200,000 and \$1,000,000 (excl. GST) (all procurements above this threshold as per policy will go through existing council approval processes).

Consideration should be given to Procurement Activities that are close in value to \$200,000 (excl.GST) any procurement activities that have not followed the premarket processes are required to submit a retrospective Procurement plan explaining the rationale and procurement strategy before proceeding.

Procurement Policy



Council's Procurement Review Board will comprise the following members:

- Chief Executive Officer
- Director Corporate and Community Services
- Manager Governance Risk and Performance
- Director Commercial Services
- Director Infrastructure Services
- Manager Procurement
- Manager Finance

Other officers will be invited who are subject matter experts (SME's) when required to present or assist in providing Council with the best possible outcome.

More information can be found in Councils 'Procurement Review Board Terms of Reference'.

9. Forward Procurement Plan

Led by the Procurement department with input from key stakeholders, council will develop an annual Forward Procurement Plan each year.

The adoption of the Annual Forward Procurement Plan is integral to ensuring transparency, efficiency, and accountability in the procurement process. By proactively identifying procurement requirements and strategies, Council aims to optimise value for money, support local businesses, promote sustainability, and meet the needs of the community. The Procurement Review Board will review the Forward Procurement Plan regularly with updates consistently provided to Council.

The Annual Forward Procurement Plan will be reviewed and updated annually to reflect changing priorities, emerging needs, and evolving regulatory requirements. Council commits to engaging stakeholders, including employees, suppliers, and community members, in the development and implementation of the Forward Procurement Plan to ensure it remains responsive to the needs of all stakeholders.

10. 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 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 Council's Asset Disposal Policy FIN004 for further information.



11. Delegation of Authority

The Chief Executive Officer (CEO) will determine delegations, both for contractual delegated authority and financial delegation authority.

All purchasing will be made in accordance with approved delegations and in accordance with the Local Government Act 2009 and the Local Government Regulation 2012.

If the cumulative contract value exceeds over one million dollars, then a formal Council resolution must be obtained.

Only Council officers listed in the Register of Financial Delegations may authorise purchase requisitions in accordance with their approved financial delegation. Furthermore, the authorising officer is responsible to ensure that all relevant requirements of this policy have been met and that there is sufficient budget allocation to cover the procurement expenditure. Financial delegations for the authorisation of expenditure, including purchase cards are maintained within the CCRC Financial Delegations Register.

12. Contract Variations

From time to time, variations may occur to formal agreements or approved contract amounts. Where a variation is proposed, the responsible Council officer must ensure:

- a) Sufficient budget is available and allocated for the revised total contract value, including the proposed variation;
- b) Contract variation allowances, contingencies and limits were identified in the original contract recommendation and approved by the relevant delegated authority;
- c) The variation is approved in Council's contract management system by an officer with sufficient financial delegation to authorise the total revised contract value (original contract value + all variations to date);
- d) The variation is within the original scope of the contract and does not materially change the nature of the procurement or give rise to a breach of procurement thresholds.

Any proposed variation that exceeds the approved variation allowance must be escalated and approved by the relevant Executive Leadership Team member or the Chief Executive Officer, who must have a financial delegation sufficient for the total revised contract value.

13. Social Procurement

Social procurement focuses on human aspects and social equity. Social procurement considers principles of diversity, ethics, acceptance, fairness, compassion, inclusiveness and access for people of all abilities and cultures. It generates positive outcomes for individuals and contributes towards building a stronger and more resilient community.

Council's priorities for social procurement include, but are not limited to:

- a) products and services that improve the overall quality of life in the local community; and
- b) products and services that improve equity of access to services and opportunities.

Sustainable and social procurement must be conducted in line with consideration to the sound contracting principles and other legislative requirements referenced within this document.



14. Social Impact Exceptions

In circumstances where Council's procurement activities are aligned with Council's social strategies – e.g. Reconciliation Action Plan (RAP) and the procurement activity could provide a social impact and in the event there is no availability of a local supplier, the relevant member of the Executive Leadership Team or CEO may approve a procurement outside the procurement policy guidelines this must be accompanied by documentation that sufficiently describes those circumstances and justifies that the procurement activity still satisfies the 5 Sound contracting principles.

15. Payment Terms

Council's standard payment terms and conditions are 30 days from date on a valid tax invoice. All tax invoices must reference a valid Council purchase order number if the invoice does not reference a valid purchase order it will be returned to the invoicing supplier.

However, in accordance with its commitment to the Small Business Charter, Council will seek to ensure fair procurement and prompt payment terms for small business.

Any deviation from Council's standard terms and conditions up to a total contract value of \$50,000 will require approval from the Manager Procurement and contracts over \$50,000 from the relevant member of the Executive Leadership Team.

Payment terms outlined in the *Building Industries Fairness* (Security of Payment) Act 2017 will be applied to invoices subject to these provisions and contractual payments related to milestones will be processed as required, based on contractual terms and obligations. It is officers' responsibility to ensure that Councils accounts payable team is informed of any arrangements that supersede our standard payment terms.

16. Work Health and Safety (WHS) Requirements

In accordance with the *Work Health and Safety Act 2011 (Qld)*, all procurement activities within Council must incorporate the identification, assessment and management of WHS risks. This includes the procurement of equipment, plant, personal protective equipment (PPE), chemicals and contracted services.

Prior to purchase, relevant officers must ensure items and services comply with applicable WHS legislation, standards and codes of practice. Risk assessments must be undertaken to evaluate potential hazards, and only products or services that minimise or eliminate WHS risks should be approved. Procurement of plant or equipment must consider safe operation, maintenance requirements, guarding, and operator training. When purchasing chemicals, suppliers must provide current Safety Data Sheets (SDS) and ensure correct labelling and handling requirements. All PPE must meet Australian Standards and be suitable for the specific task and environment.

Service contracts must include WHS obligations for contractors, including the requirement to comply with Council's WHS policies, report incidents and participate in site inductions. Council is committed to ensuring all procurement decisions prioritise health and safety to protect workers, contractors and the community.



17. Review

It is the responsibility of the Procurement department to monitor the adequacy of this policy and recommend appropriate changes as necessary.

This policy will be formally reviewed by Council annually.

Related forms, policies and procedures	Procurement Guidelines Code of Conduct Register of Financial Delegations Asset Disposal Policy Procurement Review Board Terms of Reference
Relevant legislation	Local Government Act 2009 (the Act) Local Government Regulation 2012 (the Regulation) Building Industry Fairness (Security of Payment) Act 2017 Financial and Performance Management Standard 2019
Reference and resources	Local Buy

Policy Number	10736					
Approved by	Council Resolution LG1736	Approval date	23 May 2024			
Approved by	Council Resolution LG2025/113	Approval date	24 July 2025			
Review date	Annually					

APPENDIX 1 'Procurement Procedures'

Procurement Thresholds and Corresponding Requirements						Local Content		
Value of Contractual Arrangement (excluding GST)	Minimum quotation requirements (unless using an exception approved under this policy or resolution of council)	Minimum timeframe provided for supplier response	Advertising Requirements	Requirements for receipt of responses	Evaluation requirements	Technology One Contract/Purchase Order Requirements	Local Price Advantage1	Minimum evaluation criteria % weighting for local content (non-price evaluation)
			SMALL-SIZED C	CONTRACTUAL ARRANG	GEMENTS			
\$0 - \$5,000	1 Written quotation is required Quotation to be sourced from a local supplier (where practicable and where a local supplier exists). While there is no requirement to invite more than one quotation at this level, if you determine that the quotation/estimate is not good value for money, invite another.	Not applicable	Not applicable	Responses must be received in writing or documented and dated	Not applicable	The transaction in Technology One must be approved by an officer with appropriate financial delegation.	10% reduction in price for local suppliers for evaluation purposes (only applies where more than 1 quotation is sought for value for money reasons)	Not applicable
\$5001 - \$14,999	2 written quotations are required Quotations to be sourced from local suppliers (where practicable and where a local supplier exists).	Not applicable	Request for Quotation released via VendorPanel (preferred) or email	Responses must be received in writing	1 employee/contractor is responsible for evaluation and ideally be a subject matter expert. No evaluation panel is required. No recommendation report required.	officer with appropriate financial	10% reduction in price for local suppliers for evaluation purposes	Not applicable
			MEDIUM-SIZED (I CONTRACTUAL ARRAN	I IGEMENTS			
\$15,000 -\$199,999 in a financial year or over the proposed term of the contractual arrangement	3 written quotations are required Where there is sufficient competition in the market, more than three (3) written quotations must be sought.	14 calendar days, or a lesser period in genuine emergencies	Request for Quotation must be released via VendorPanel (RFQ number required)	Responses must be received via VendorPanel	2 panel members including: - 1 subject matter expert (SME); and - Other members with relevant knowledge.	The Purchase Order must be approved by the superior to the evaluation panel chair (or higher) who has financial delegation.	10% reduction in price for local suppliers for evaluation purposes (Only applies if not evaluating using non price criteria)	10%

¹weighting for the Local price advantage is to be applied as a reduction of the quoted value, for scoring purposes only. This is to be used for comparing the pricing component of quotations received and is not a reduction in price

Procurement Thresholds and Corresponding Requirements					Local Content			
Value of Contractual Arrangement (excluding GST)	Minimum quotation requirements (unless adopting an exception approved under this procedure or resolution of council)	Minimum timeframe provided for supplier response	Advertising Requirements	Requirements for receipt of responses	Evaluation requirements	Technology One Contract/Purchase Order Requirements	Local Price Advantage ¹	Minimum evaluation criteria % weighting for local content (Non- price evaluation)
\$200,000 or more in a financial year, or over the proposed term of the contractual arrangement	Invite written tenders in accordance with the process outlined in section 228 of the Regulation, unless an exemption approved by the Procurement Review Board in accordance with this policy applies	Minimum 21 calendar days	Must be published in accordance with section 228 of the Regulation and at a minimum on: - VendorPanel (RFT number required); - The council website; and - Councils Social media	Responses must be received via VendorPanel	3 panel members (including the Chair) including at least: - 1 subject matter expert (SME); and - 1 member with relevant knowledge. There may only be 1 external/contractor on an evaluation panel and an external/contractor must not be the Chair For high value/high risk procurement determined by way of a risk assessment, a probity advisor must also be appointed. Procurement Review Board Recommendation Report required to be endorsed (\$200,000 - \$1,000,000) or Council resolution required (\$1,000,000 and above).	The Purchase Order or contract must be approved/ executed by the relevant Director or CEO, depending on financial delegation and contract value. A CIA contracts module entry must be updated and maintained with contractual documents	Not applicable	10%

¹The weighting for the Local price advantage is to be applied as a reduction of the quoted value, for scoring purposes only. This is to be used for comparing the pricing component of quotations received and is not a reduction in price