



## Strategic policy

### 2017/18 Procurement Policy

Corporate Plan reference:

Endorsed by Council on:

Manager responsible for policy: Manager, Procurement & Contracts

## Purpose

This Procurement Policy will outline the procurement framework and principles the Council will adopt and apply when conducting Contracting Activities, which include contracts for the procurement of goods and services and the disposal of assets.

## Outcome

Council's desired policy outcomes are to:

- a) provide a framework for undertaking Contracting Activities, within an effective governance framework and sound probity environment;
- b) encourage strategic decision-making and sustainable procurement practices;
- c) facilitate efficient and timely delivery of Council's capital works, operational activities, and the disposal of assets;
- d) deliver value for money;
- e) encourage an open, efficient and competitive market place;
- f) encourage development of competitive local business and industry;
- g) manage Council's risk exposure; and
- h) comply with all applicable laws including the *Local Government Act 2009 (Qld) (LGA 2009)* and *Local Government Regulation 2012 (Qld) (LGR 2012)*.

## Scope

This Procurement Policy applies to Council Officers and Councillors who undertake any part of a Contracting Activity on behalf of Council.

## Prohibition on Contractors conducting Contracting Activities

Council Officers and/or Councillors are the only persons authorised to initiate any procurement process, or to contract on behalf of Council.

Persons engaged by Council in Contracts for Service (e.g. consultants and project managers) are not permitted to commence or control any Contracting Activity. For clarity, contractors may participate in a Contracting Activity by providing technical advice during the evaluation of tenders, however they are not permitted to undertake any action that results in them commencing a procurement process or forming a contract on behalf of Council.

## Guiding principles

Council will ensure it is financially sustainable by establishing a financial management system that ensures regard is had for the Sound Contracting Principles when contracting for the supply of goods or services (including the carrying out of works<sup>1</sup>) and the disposal of assets.<sup>2</sup>

Council will continue to apply the Sound Contracting Principles in the coming financial year<sup>3</sup> along with other adopted principles in relation to its Contracting Activities.

## Sound Contracting Principles

The Sound Contracting Principles are:

- a) value for money; and
- b) open and effective competition; and
- c) the development of competitive local business and industry; and
- d) environmental protection; and
- e) ethical behaviour and fair dealing.

Regard will be had for each principle, although each principle may not receive equal consideration.<sup>4</sup>

Council will apply, and have regard for, the Sound Contracting Principles in the following manner:

### Value for money

The concept of value for money is not restricted to the price of the goods, services or works. Council will consider a number of factors when assessing value for money, including:

- a) whole-of-life costs including acquisition, use, maintenance and disposal costs;
- b) contribution to the achievement of Council's policies and priorities;
- c) fitness for purpose, quality, service and support;
- d) internal administration costs;
- e) technical compliance costs;
- f) risk exposure; and
- g) the value of any associated environmental benefits.

---

<sup>1</sup> LGA 2009, s.104 (4).

<sup>2</sup> LGA 2009, s.104.

<sup>3</sup> LGR 2012, s.198.

<sup>4</sup> LGA 2009, s.104 (8).

### **Open and effective competition**

All Contracting Activities will be conducted by Council using an open and competitive process. Open and effective competition will be achieved by ensuring that:

- a) procedures and processes for contracting are visible to Council, suppliers and the community;
- b) prospective suppliers are given fair and reasonable consideration; and
- c) evaluation of offers is undertaken pursuant to the legislation, procedures and evaluation criteria applicable to the Contracting Activity.

### **The development of competitive local business and industry**

Council encourages the development of competitive local businesses and will endeavour to promote and support competitive local industry while conducting Contracting Activities.

In addition to price, capability, performance, quality and suitability, Council may also consider the following factors when conducting a Contracting Activities:

- a) creation of local employment opportunities;
- b) economic growth within the local area;
- c) readily available servicing support and supply chain capability; and
- d) the benefit to Council of contracting with local suppliers and the associated local commercial transactions that flow from that contracting.

### **Environmental protection**

Council will seek to complement its broader environmental commitments and initiatives when conducting Contracting Activities. While conducting those activities, Council will have regard to a range of environmental factors including:

- a) the environmental benefits and impacts for the whole lifecycle of products and services including manufacture, supply, use, maintenance and disposal;
- b) procurement of environmentally responsible products, services, works and assets that satisfy whole-of-life cost and value for money criterion;
- c) products that use fewer resources and have reduced environmental impacts throughout their lifecycle, evidenced by:
  - reduced toxicity;
  - reduced packaging;
  - reducing waste to landfill;
  - greater energy efficiency and/or reduced carbon pollution,
  - greater water efficiency and/or reduced water use;
- d) use of products made from recycled materials, recycled green organics and/or recycled plastic products; and
- e) providing an example to business, industry and the community in promoting the use of environmentally responsible goods and services.

### **Ethical behaviour and fair dealing**

Council will conduct Contracting Activities with impartiality, fairness, independence, openness and integrity to ensure probity, transparency and accountability for outcomes. Council will promote ethical behaviour and fair dealing by:

- a) ensuring legislative and policy compliance in Contracting Activities;
- b) ensuring compliance with Employee and Councillor Codes of Conduct;
- c) creating and maintaining a robust and effective procurement process that operates in a mature probity environment;

- d) identifying and managing possible, real or perceived conflicts of interest between Council, Council Officers, Councillors and prospective or existing contractors;
- e) ensuring equal and impartial treatment of all prospective and existing contractors.

### Other adopted principles

#### Council preference for engaging local suppliers

Council recognises the inherent benefits in contracting with local suppliers. As a result, Council developed a Local Preference in Procurement Guideline to clearly articulate how it will positively, effectively and sustainably engage with local suppliers in its Contracting Activities. Also included in the guideline is how Council recognises the contribution to community events including volunteering, sponsorship and other activities that benefit the community.

The Local Preference in Procurement Guideline is to be read in conjunction with this policy.

### Policy statement

Council adopts the *LGR 2012*, Chapter 6 Contracting, Part 3 Default contracting procedures (ss 216 & 223 - 238) for entering into contracts for the:

- a) supply of goods and services (including carrying out work); and
- b) disposal of non-current assets.

Council will comply with these procedures when conducting Contracting Activities.

### Value Thresholds – Procurement or disposal activities

Council will conduct appropriate Contracting Activities by considering the following:

#### Thresholds for procurement activities

The *LGR 2012* identifies two contract value thresholds. These determine which procurement process must be adopted to contract for the provision of goods and services.

Those thresholds are:

- 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 arrangement;<sup>5</sup>
- 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 arrangement.<sup>6</sup>

#### Aggregation of contractual arrangements

The expected value of a contractual arrangement with a supplier for a financial year, or over the proposed term of the contractual arrangement, is the total expected value of all of Council's contracts with the supplier for goods and services of a similar type under the arrangement.<sup>7</sup>

Council will monitor the expected value of contractual arrangements with its various suppliers to ensure that the correct Procurement Contracting Activity is adopted.

---

<sup>5</sup> *LGR 2012*, s.224(2).

<sup>6</sup> *LGR 2012*, s.224 (3).

<sup>7</sup> *LGR 2012*, s.224 (4).

### Thresholds for Valuable Non-Current Assets (VNCA)

The *LGR 2012* provides that a VNCA is:

- land; or
- another non-current asset that has an apparent value that is equal to or more than a limit set by Council.<sup>8</sup>

Council sets the value for VNCAs, other than land at:

- for plant or equipment - \$5,000;
- for another type of non-current asset - \$10,000.

For clarity, items with a greater value than the above figures are VNCAs.

### Application to Council Contracting

Unless one of the exceptions applies (outlined later in this policy), Council will conduct Contracting Activities, in the following manner:

Table 1: Contracting Activity thresholds

Contract Type	Legislative requirement
<p><b>Large-sized contractual arrangement:</b>                      \$200,000+ (GST exclusive)  <i>LGR 2012</i>, s.226;</p>	<p>Council will not enter into a large-sized contractual arrangement, without:</p> <ul style="list-style-type: none"> <li>(a) inviting written tenders; or</li> <li>(b) inviting expressions of interest (EOI) (but only following a resolution of Council that it would be in the public interest to invite EOIs before inviting written tenders), before considering whether to invite written tenders.</li> </ul> <p>Invitations for written tenders or EOIs will, as a minimum, be advertised in a newspaper circulating in the local government area. Invitations will remain open for at least 21 days after the advertisement is published.</p> <p>Where Council invites EOIs before considering whether to invite written tenders, Council may prepare a shortlist from respondents to the EOI invitation and invite written tenders from that shortlist.</p> <p>Council may decide not to accept any tenders it receives.</p> <p>If Council decides to accept a tender, Council must accept the tender most advantageous to it having regard to the Sound Contracting Principles.</p>
<p><b>Medium sized contractual arrangement:</b>                      \$15,000 to \$200,000 (GST exclusive)  <i>LGR 2012</i>, s.225</p>	<p>Council will not enter into a medium-sized contractual arrangement, without first inviting written quotes for the Contract from at least three persons the Council considers can meet its requirements at competitive prices.</p> <p>Council may decide not to accept any of the quotes it receives. If Council does accept a quote, it must accept the quote most advantageous to it, having regard to the Sound Contracting Principles.</p>
<p><b>Low value contractual arrangements</b>                      Worth less than \$15,000 (GST exclusive).</p>	<p>Council will implement an appropriate and effective procurement process for contractual arrangements worth less than \$15,000 (GST exclusive). The process will ensure regard is had for the Sound Contracting Principles.</p>

<sup>8</sup> *LGR 2012*, s.224(6).



Contract Type	Legislative requirement
<p><b>Contract for disposal of a Valuable Non-Current Asset</b></p> <p>Plant or equipment- \$5,000</p> <p>Any other type of valuable non- current asset - \$10,000</p>	<p>Council will not enter into a contract for the disposal of a VNCA without:</p> <p>(a) offering the VNCA for sale by auction;</p> <p>(b) inviting written tenders; or</p> <p>(c) inviting EOIs (but only following a resolution of Council that it would be in the public interest to invite EOIs before inviting written tenders), before considering whether to invite written tenders.</p> <p>The invitation mentioned in (b) or (c) will, as a minimum, be advertised in a newspaper circulating in the local government area. The invitation will remain open for at least 21 days after the advertisement is published.</p> <p>Where Council invites EOIs before considering whether to invite written tenders, Council may prepare a short-list from respondents to the invitation to EOI and invite written tenders from that shortlist.</p> <p>Council may decide not to accept any tenders it receives.</p>
<p><b>Low value contracts for disposal of non-current assets</b></p> <p>For disposal where the value does not reach the threshold of a Valuable Non- Current Asset</p>	<p>Council will implement an appropriate and effective process for the disposing of non-current assets worth less than the threshold set by Council for VNCAs. The process will ensure regard is had for the Sound Contracting Principles.</p>

### Exceptions for Medium and Large Sized Contractual Arrangements

The *LGR 2012* provides a number of exceptions when Council may enter into:

- a) a medium-sized contractual arrangement without first inviting written quotes; or
- b) a large-sized Contract without first inviting written tenders.

Those exceptions and the circumstances under which they may be exercised are as follows:

**Table 2: Exceptions for Procurement Contracting Activities**

Exception	Council may enter into a medium or large-sized contractual arrangement without first inviting written quotes or tenders, if:
<p><b>Quote or Tender Consideration Plan</b></p> <p><i>LGR 2012</i>, s.230</p>	<p>Council decides by <i>resolution</i> to prepare a Quote or Tender Consideration Plan and then later <i>adopts</i> the plan.</p>
<p><b>Approved Contractor List</b></p> <p><i>LGR 2012</i>, s.231</p>	<p>A services Contract is made with a person from an Approved Contractor List.</p>
<p><b>Register of Pre- Qualified Suppliers</b></p> <p><i>LGR 2012</i>, s.232</p>	<p>The Contract is entered into with a supplier from a Register of Pre- Qualified Suppliers (RPQS).</p> <p>An RPQS will only be established by inviting written tenders from Suppliers to be on the RPQS.</p> <p>Council may establish a RPQS of particular goods or services only if:</p> <ul style="list-style-type: none"> <li>(a) the preparation and evaluation of invitations every time the goods or services are needed would be costly; or</li> <li>(b) the capability or financial capacity of the supplier of the goods or services is critical; or</li> <li>(c) the supply of the goods or services involves significant security considerations; or</li> </ul>

Exception	Council may enter into a medium or large-sized contractual arrangement without first inviting written quotes or tenders, if:
	<p>(d) a precondition of an offer to contract for the goods or services is compliance with particular standards or conditions set by the local government; or</p> <p>(e) the ability of local business to supply the goods or services needs to be discovered or developed.</p> <p>A <b>pre-qualified supplier</b> is a supplier who has been assessed by the local government as having the technical, financial and managerial capability necessary to perform contracts on time and in accordance with agreed requirements.</p>
<p><b>Preferred Supplier Arrangement</b>                      LGR 2012, s.233</p>	<p>The Contract is entered into with a supplier from a Preferred Supplier Arrangement (PSA).</p> <p>A PSA will only be established by inviting written tenders from Suppliers to be on the PSA.</p> <p>This exception only applies to a medium or large-sized contractual arrangement for goods or services, if, Council:</p> <p>(a) needs the goods or services in large volumes or frequently; and</p> <p>(b) is able to obtain better value for money by accumulating the demand for the goods or services; and</p> <p>(c) is able to describe the goods or services in terms that would be well understood in the relevant industry.</p>
<p><b>Local Government Association Arrangement</b>                      LGR 2012, s.234</p>	<p>The Contract is entered into under a LGA Arrangement.</p>
<p><b>Sole Supplier</b>                      LGR 2012, s.235(a)</p>	<p>Council <i>resolves</i> it is satisfied that there is only one supplier who is reasonably available.</p>
<p><b>Specialised Supplier</b>                      LGR 2012, s.235(b)</p>	<p>Council <i>resolves</i> 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.</p>
<p><b>Genuine Emergency</b>                      LGR 2012, s.235(c)</p>	<p>A Genuine Emergency exists.</p>
<p><b>Auction Purchase</b>                      LGR 2012, s.235(d)</p>	<p>The Contract is for the purchase of goods and is made by auction.</p>
<p><b>Second-hand Goods</b>                      LGR 2012, s.235(e)</p>	<p>The Contract is for the purchase of second-hand goods.</p>
<p><b>Governmental Arrangement</b>                      LGR 2012, s. 235(f)</p>	<p>The Contract is made with, or under an arrangement with, a Government Agency.</p>

## Exceptions for VNCA Contracts

The *LGR 2012* provides a number of exceptions when Council may dispose of VNCAs other than by tender or auction.<sup>9</sup>

These exceptions are outlined in Table 3.

Table 3: Exceptions for Disposal Contracting Activities (VNCAs).

Exception	Legislative requirement
<b>Previous offer for sale or auction</b> <i>LGR 2012, s.236(1)(a)</i>	The VNCA was previously offered for sale by tender or auction but was not sold; and is being sold for more than the highest tender or auction bid that was received.
<b>Government Agency or Community Organisation</b> <i>LGR 2012, s.236(1)(b)</i>	The VNCA is disposed of to a Government Agency or a Community Organisation. <i>Point (b) immediately below this table does not apply to this exception.</i>
<b>Forms of disposal for land or an interest in land</b> <i>LGR 2012, s.236(1)(c)</i>	(a) For the disposal of <b>land</b> or an <b>interest in land</b> :
	The land will not be rateable land after the disposal;
	The land is disposed of to a person whose restored enjoyment of the land is consistent with Aboriginal tradition or Island custom; <i>Point (b) immediately below this table does not apply to this exception.</i>
	The disposal is for the purpose of renewing the lease of land to the existing tenant of the land.
<b>Forms of disposal for land or an interest in land</b> <i>LGR 2012, s.236(1)(c) continued.</i>	The land is disposed of to a person who owns adjoining land if:
	(i) the land is not suitable to be offered for disposal by tender or auction for a particular reason, including, for example, the size or the existence of infrastructure; and
	(ii) there is not another person who owns other adjoining land who wishes to acquire the land; and
	(iii) it is in the public interest to dispose of the land without a tender or auction; and
	(iv) the disposal is otherwise in accordance with the Sound Contracting Principles.
	All or some of the consideration for the disposal is consideration other than money, for example, other land in exchange for the disposal, provided:
	(i) it is in the public interest to dispose of the land without a tender or auction; and
	(ii) the disposal is otherwise in accordance with the Sound Contracting Principles.
	The disposal is for the purpose of a lease for a telecommunication tower.
	The disposal is of an interest in land that is used as an airport or for related purposes, provided:
	(i) it is in the public interest to dispose of the land without a tender or auction; and
	(ii) the disposal is otherwise in accordance with the Sound Contracting Principles.

<sup>9</sup> *LGR 2012, s.236.*



<p><b>Forms of disposal – Other than land</b>  <i>LGR 2012, s.236(1)(d)</i></p>	<p>The disposal of a VNCA, other than land, by way of a trade-in for the supply of goods or services to Council, provided:</p> <p>(i) the supply is, or is to be, made under this part; and                  (ii) the disposal is, or is to be, part of the contract for the supply.</p>
<p><b>Forms of disposal – Specific to leasing</b>  <i>LGR 2012, s.236(1)(e)</i></p>	<p>The disposal of a VNCA, by the grant of a lease, if the grant of lease has been previously offered by tender or auction, but a lease has not been entered into.</p>
<p><b>Ministerial exemption</b>  <i>LGR 2012, s.236(1)(f)</i></p>	<p>The Minister exempts Council from complying with section 227.                  An exemption given under this subsection may be given subject to conditions.  <i>Points (a) and (b) immediately below this table do not apply to this exception.</i></p>

Exercise of the aforementioned exceptions is subject to the following qualifications:

- a) For exceptions mentioned in subsections 236(1)(a) to (e), before the disposal, Council decides by resolution that the exception may apply to that particular disposal.<sup>10</sup>
- b) For exceptions relating to disposal of land or an interest in land, the consideration for the disposal would be equal to, or more than, the market value of the land or the interest in land including the market value of any improvements.<sup>11</sup> A written report about the market value from a valuer registered under the *Valuers Registration Act 1992* (not an employee of Council) will be sufficient evidence of the market value.<sup>12</sup>
- c) Point (b) immediately above does not apply to disposal of land or an interest in land which is disposed of under sections 236(1)(b), (1)(c)(ii) or (1)(f).<sup>13</sup>

### Other obligations

Outlined below is a series of further obligations that must be met or maintained. They are:

#### **Powers to delegate (LGA 2009, ss.257, 259 & LGR 2012, s.238)**

Council may delegate by resolution, a power under the *LGA 2009* or another Act to the Chief Executive Officer (CEO).<sup>14</sup> Any delegation to the CEO will be reviewed annually.<sup>15</sup> The Council must not delegate a power that an Act states must be exercised by resolution.<sup>16</sup> Council may delegate a power with conditions.

Council has delegated powers to the CEO relating to Contracting Activities. The CEO has in turn delegated these powers onto appropriately qualified Local Government Employees. These delegations are recorded in the delegations register maintained by the CEO.<sup>17</sup>

#### **Requirement to keep record of particular matters (LGR 2012, s.164)**

Council will keep a written record stating the risks Council's operations are exposed to, to the extent they are relevant to financial management and the control measures adopted to manage the risks. Council will keep a copy of the Procurement Policy with that record.

<sup>10</sup> *LGR 2012, s.236(2).*

<sup>11</sup> *LGR 2012, s.236(3).*

<sup>12</sup> *LGR 2012, s.236(5).*

<sup>13</sup> *LGR 2012, s.236(4).*

<sup>14</sup> *LGA 2009, s.257(1)(b).*

<sup>15</sup> *LGA 2009, s.257(4).*

<sup>16</sup> *LGA 2009, s.257(2).*

<sup>17</sup> *LGA 2009, s.260.*

**Unauthorised spending (LGR 2012, s.173)**

Council will only spend money in a financial year if it is adopted in the budget for the financial year; or before adopting its budget for the financial year, if it then provides for the spending in the budget for that financial year.

Council may spend money, not authorised in its budget, for genuine emergency or hardship. In this instance Council must make a resolution about spending the money; either before, or as soon as practicable after, the money is spent. The resolution will state how the spending is to be funded.

**Other contents - Annual Report – changes to tenders (LGR 2012, s.190)**

Council will include the number of invitations to change tenders under the LGR 2012, Section 228(7) during that financial year in its annual report for the financial year.

**Procurement Policy – annual review (LGR 2012, s.198)**

Council will prepare and adopt a Procurement Policy that will be reviewed annually. The Procurement Policy will include details of the principles, including the Sound Contracting Principles that Council will apply to purchasing goods and services.

**Public access to relevant financial and planning documents (LGR 2012, s.199)**

Council will allow the public to inspect this Procurement Policy by making it available:

- a) on its website <http://www.sunshinecoast.qld.gov.au>; and
- b) at Council's public offices.

Council will also make a copy of the Procurement Policy available for purchase at a cost of no more than it costs Council to make it available.

**Publishing details of contractual arrangements worth \$200,000 or more (LGR 2012, s.237)**

Council will, as soon as practicable after entering into a contractual arrangement worth \$200,000 or more (GST exclusive), publish the relevant details of the contractual arrangement:

- a) on its website <http://www.sunshinecoast.qld.gov.au>; and
- b) in a conspicuous place in a public office.

Relevant details of a Contract means:

- a) the person with whom Council has entered into the contractual arrangement;
- b) the value of the contractual arrangement; and
- c) the purpose of the contractual arrangement.

**Councillor requests for information**

The LGA 2009 provides the circumstances under which Councillors may request information or assistance from Local Government Employees.<sup>18</sup> A framework for this process has been established by the Councillors Acceptable Request Guidelines. This guideline outlines the processes for Councillors requesting, and Local Government Employees providing, information.

Councillors and Local Government Employees should comply with the legislation, the relevant Guideline and the respective Codes of Conduct when dealing with matters relating to Contracting Activities.

Councillors should direct any issues regarding Contracting Activities to the CEO.<sup>19</sup> They should not attempt to influence any Contracting Activity. Attempts to do so may constitute a breach of

---

<sup>18</sup> LGA 2009, s.170A.

<sup>19</sup> LGA 2009, s.170.

legislation and/or the Councillor Code of Conduct. Further, attempts may cause the favoured industry participant to be disqualified from consideration under Council's probity conditions established under its procurement process and general conditions of offer.

#### **Prohibition on splitting of Orders or Contracting Activities**

Splitting orders or splitting Contracting Activities to attempt to avoid thresholds is not permitted.

### **Roles and responsibilities**

Council Officers with a role or responsibility to Contracting Activities are:

**Director, Corporate Services Department** is responsible for overseeing all financial management systems and services, including Contracting Activities.

**Manager, Procurement & Contracts** is responsible for implementing and maintaining a framework for undertaking efficient and sustainable Contracting Activities, within an effective governance framework and sound probity environment. This includes creating appropriate guidelines, processes, procedures and documents.

**All Managers** are responsible for ensuring all Officers comply with this Procurement Policy and associated guidelines, processes and procedures.

**Procurement Contracts Committee** is responsible for providing an effective decision making forum regarding Contracting Activities.

**All Officers** are responsible for complying with this Procurement Policy and associated guidelines, processes and procedures. Only Officers delegated the authority to conduct Contracting Activities as per Delegation No 2 – Procurement and Contracting Activity Delegation are permitted to commence or bind Council in contract resulting from a Contracting Activity, and only within the limits of the relevant financial authority set in that delegation.

### **Measurement of success**

Success of this Procurement Policy will be measured by:

- Monthly and yearly dollar value and percentage of available procurement spend with local suppliers compared with non-local suppliers from the Accounts Payable System;
- Number of contracts awarded to local suppliers compared with non-local suppliers from the Purchase Order System within a financial year. This measure will be considered, by dividing the contracts into those which fall within the following values:
  - Less than \$15,000;
  - \$15,000 or more, but less than \$200,000; and
  - \$200,000 or more.
- Percentage of Procurement Contracting Activities with an environmental criterion;
- Audit Reports rating the procurement function with a strong outcome or better; and
- Review of each invitation to change tenders under *LGR 2012, s.228 (7)* during the financial year.

## Definitions

The below definitions apply to this policy and to any guideline to which this policy refers.

**Approved Contractor List** is a list of persons who Council considers to be appropriately qualified to provide services established pursuant to the *LGR 2012*, s.231.

**Community Organisation** means:

- a) an entity that carries on activities for a public purpose; or
- b) another entity whose primary object is not directed at making a profit.

**Contract** means a contract (including purchase orders and purchase card transactions) for:

- a) the supply of goods or services; or
- b) the carrying out of work; or
- c) the disposal of non-current assets.

In this policy, the term does not include a contract of employment between Council and a Local Government Employee (as defined in the *LGA 2009*).

**Contracting Activity** means a Procurement Contracting Activity and/or a Disposal Contracting Activity.

**Contract for Service** means a contract to which an independent contractor is a party and that relates to the performance of work by the independent contractor.

**Disposal Contracting Activity** means an activity to dispose of an asset, including disposal of an interest in land.

**Genuine Emergency** includes:

- a) Any time that the Local Disaster Coordinator is performing a function under the *Disaster Management Act 2003*; or
- b) Any time an event occurs resulting in actual or likely loss of life or serious injury to person/s and where action from Council may prevent or reduce the actual or likely loss of life or serious injury to person/s, or aid and assist in response to the event; or
- c) Any time an event occurs resulting in actual or likely serious damage to property and where action from Council may prevent or reduce the actual or likely serious damage, or aid and assist in response to the event.

**Disposal Contracting Activity** means an activity for the making of a contract to dispose of a Council asset, including a Valuable Non-Current Asset.

**Government Agency** is:

- a) the State, a government entity, a corporatised business entity or another local government; or
- b) another Australian government or an entity of another Australian government; or
- c) a local government of another State.

**Invitation to Tender** means a document released to the public titled "Invitation to Tender".

**Large-sized contractual arrangement** means a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year.

**Local Government Employees** means a Local Government Employee (as that term is defined in the *LGA 2009*) of the Sunshine Coast Regional Council, but does not include a person engaged on a Contract for Service for a defined time or designated project.

**LGA Arrangement** means an arrangement established pursuant to the *LGR 2012*, s.234.

**Medium-sized contractual arrangement** means 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.

**Preferred Supplier Arrangement** is an arrangement established by Council pursuant to the *LGR 2012*, s.233.

**Procurement Contracting Activity** means an activity for the making of a contract for the provision of goods and services.

**Prospective Respondent** means a person or entity that has requested or received an Invitation to Tender or Request for Quote but has not submitted a Tender Response Form or Request for Quote Response Form.

**Quote** means a quote or quotes (including Alternative Quotes) submitted by Respondents in response to a Request for Quote.

**Quote or Tender Consideration Plan** means a plan established by Council pursuant to the *LGR 2012*, s.230.

**Register of Pre-Qualified Suppliers** is a register of suppliers established by Council pursuant to the *LGR 2012*, s.232.

**Respondent/s** means a person or entity that has submitted an offer in response to an Invitation to Tender or Request for Quote.

**Request for Quote/s** means a document released by Council to Prospective Respondents titled "Request for Quote".

**Request for Quote Response Form** means the response form set out in the Request for Quote.

**Sound Contracting Principles** means the principles provided in the *LGA 2009*, s.104.

**Tender/s** means a tender or tenders (including Alternative Tenders) submitted by Respondents in response to the Invitation to Tender.

**Tender Response Form** means the response form set out in the Invitation to Tender.

**Valuable Non-Current Asset** means land or another non-current asset that has a value equal to or more than the limit set by Council.

## Related policies and legislation

- *Local Government Act 2009 (Qld)*
- *Local Government Regulation 2012 (Qld)*
- *Statutory Bodies Financial Arrangements Act 1982 (Qld)*
- *Public Sector Ethics Act 1994 (Qld)*
- *Disaster Management Act 2003 (Qld)*

This policy is supported by the following organisational guidelines and delegations:

- Council's current Corporate Plan
- Council's current Operational Plan
- Council's current delegations
- Employee Code of Conduct
- Code of Conduct for Councillors.
- Purchase Cards Guideline
- Councillors Acceptable Request Guidelines
- Local Preference in Procurement Guideline
- Procurement and Contracting Activities Guideline
- Probity in Procurement Guideline
- Procurement Threshold Chart



Note: In the event of conflict between any guideline/s or procedure/s and this policy, the policy will prevail to the extent of any inconsistency.

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Review		Mgr Procurement & Contracts	15/04/2015
	Endorsement		Council	

© Sunshine Coast Regional Council 2009-current. Sunshine Coast Council™ is a registered trademark of Sunshine Coast Regional Council.