



## 2018/19 Contracting Plan

Corporate Plan reference	<i>A smart economy</i> <i>An outstanding organisation</i>
Endorsed by Council	
Manager responsible	Manager Business Development

### Overview

Sunshine Coast Council (Council) has resolved to apply the Strategic Contracting Procedures to its Contracting Activities in accordance with Part 2, Schedule 6 of the *Local Government Regulation 2012*.

Contracting Activities are the processes by which Council forms contracts with suppliers for the provision of goods, services, and works, and through which it disposes of valuable non-current assets or surplus assets.

Council's Procurement Policy, Contract Manual, and this Contracting Plan, provide the framework for Contracting Activities.

This Contracting Plan states:

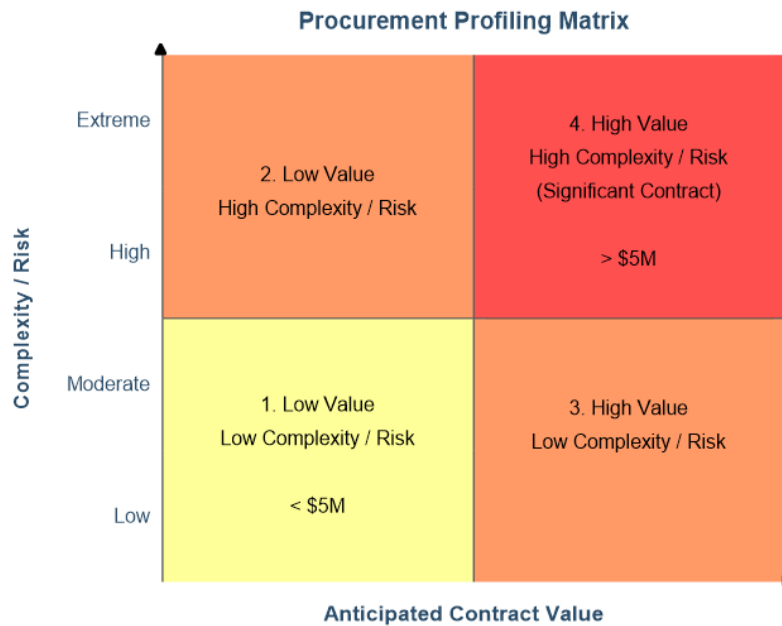
- a) the types of contracts Council proposes to make in the 2018/19 financial year;
- b) the principles and strategies for performing the contracts;
- c) a policy about proposed delegations for the contracts;
- d) a market assessment for each type of contract;
- e) the contracts that council considers will be significant having regard to the market assessment; and
- f) a policy about the making of a Significant Contracting Plan.

### Scope

This Contracting Plan applies to Contracting Activities undertaken by Council for the provision of goods, services, and works.

## Types of Contracts

The procurement process used to enter into contracts differs depending on the type of contract. The type of contract is determined by considering the complexity of the contract, the associated risks, the anticipated value, and by the category in which it falls. The below Procurement Profiling Matrix can assist to determine the type of contract:



## Categories and Market Assessment

The majority of Council's procurement spend can be distinguished into six categories.

- Engineering and Works
- Facilities
- Services
- Waste Services
- Fleet and Plant
- Information and Communication Technology (ICTS)

An assessment of the market for each category, based on Contracting Activities during the 2016/17 financial year, is as follows:

Category	Number of Contracts	Number of Suppliers	Total Spend	Procurement Processes	Comments
Engineering and Works	5,541	638	\$92.5M	<ul style="list-style-type: none"> <li>Tender</li> <li>RFQ</li> <li>Exception</li> </ul>	<ul style="list-style-type: none"> <li>Majority of engagements were formed via a competitive process.</li> <li>Variety of procurement methods used have proven to be effective.</li> <li>The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
Facilities	2,877	468	\$83.9M	<ul style="list-style-type: none"> <li>EOI</li> <li>Tender</li> <li>RFQ</li> <li>Exception</li> </ul>	<ul style="list-style-type: none"> <li>Majority of engagements were formed via a competitive process.</li> <li>Variety of procurement methods used have proven to be effective.</li> <li>The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
Services	4,379	1,614	\$53.2M	<ul style="list-style-type: none"> <li>Tender</li> <li>RFQ</li> <li>Exception</li> </ul>	<ul style="list-style-type: none"> <li>Majority of engagements were formed via a competitive process.</li> <li>Variety of procurement methods used have proven to be effective.</li> <li>The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
Waste Services	131	28	\$24.4M	<ul style="list-style-type: none"> <li>Tender</li> <li>RFQ</li> <li>Exception</li> </ul>	<ul style="list-style-type: none"> <li>Majority of engagements were formed via a competitive process.</li> <li>Variety of procurement methods used have proven to be effective.</li> <li>The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
Fleet and Plant	1,567	227	\$19M	<ul style="list-style-type: none"> <li>Tender</li> <li>RFQ</li> <li>Exception</li> </ul>	<ul style="list-style-type: none"> <li>Majority of engagements were formed via a competitive process.</li> <li>Variety of procurement methods used have proven to be effective.</li> <li>The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
ICTS	571	166	\$13.9M	<ul style="list-style-type: none"> <li>Tender</li> <li>RFQ</li> <li>Exception</li> </ul>	<ul style="list-style-type: none"> <li>Majority of engagements were formed via a competitive process.</li> <li>Variety of procurement methods used have proven to be effective.</li> <li>The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>

An assessment of the market for each category, based on Contracting Activities during the 2017/18 financial year, up to December 2017, is as follows:

Category	Number of Contracts	Number of Suppliers	Total Spend	Procurement Processes	Comments
<b>Engineering and Works</b>	3,503	539	\$71.9M	<ul style="list-style-type: none"> <li>• Tender</li> <li>• RFQ</li> <li>• Exception</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of engagements were formed via a competitive process.</li> <li>• Variety of procurement methods used have proven to be effective.</li> <li>• The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
<b>Facilities</b>	1,912	331	\$34.6M	<ul style="list-style-type: none"> <li>• Tender</li> <li>• RFQ</li> <li>• Exception</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of engagements were formed via a competitive process.</li> <li>• Variety of procurement methods used have proven to be effective.</li> <li>• The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
<b>Services</b>	3,198	1,452	\$37.9M	<ul style="list-style-type: none"> <li>• Tender</li> <li>• RFQ</li> <li>• Exception</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of engagements were formed via a competitive process.</li> <li>• Variety of procurement methods used have proven to be effective.</li> <li>• The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
<b>Waste Services</b>	86	28	\$17.8M	<ul style="list-style-type: none"> <li>• Tender</li> <li>• RFQ</li> <li>• Exception</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of engagements were formed via a competitive process.</li> <li>• Variety of procurement methods used have proven to be effective.</li> <li>• The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
<b>Fleet and Plant</b>	1,129	187	\$13.9M	<ul style="list-style-type: none"> <li>• Tender</li> <li>• RFQ</li> <li>• Exception</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of engagements were formed via a competitive process.</li> <li>• Variety of procurement methods used have proven to be effective.</li> <li>• The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>
<b>ICTS</b>	374	127	\$9.4M	<ul style="list-style-type: none"> <li>• Tender</li> <li>• RFQ</li> <li>• Exception</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of engagements were formed via a competitive process.</li> <li>• Variety of procurement methods used have proven to be effective.</li> <li>• The market shows sufficient depth and capability within the local government area, or generally within SEQ, and QLD.</li> </ul>

## Principles and Strategies

Council will have regard to the Sound Contracting Principles when undertaking Contracting Activities.

The Sound Contracting Principles are:

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

To ensure and facilitate the consideration of these principles in its Contracting Activities, Council has established a strategic contracting framework, articulated in this document and:

- 2018/19 Procurement Policy
- 2018/19 Contract Manual
- Local Preference in Procurement Guideline (Appendix 1)
- Social Benefit Procurement Guideline (Appendix 2)
- Indigenous (Aboriginal and Torres Strait Islander) Procurement Guideline (Appendix 3)
- Innovation, Market-Led Proposals, and Unique Procurement Engagement Guideline (Appendix 4)

## Policy about Proposed Delegations

Council has delegated powers to the CEO relating to Contracting Activities. The CEO has in turn delegated these powers onto appropriately qualified Council Officers. These delegations are recorded in the Delegation of Authority No. 2 – Procurement and Contracting Activities and Payments maintained by the CEO.

## Policy about Significant Contracts and making Significant Contracting Plans

Significant Contracts are contracts that:

- have an anticipated value of \$5 million or more; and/or
- are deemed Significant Contracts by the Procurement and Contract Performance Team following assessment under the Procurement Profiling Matrix, and Risk Assessment Calculator, which includes an assessment of the market relating to the contract.

Significant Contracting Plans will be prepared for all Significant Contracts prior to commencement, and require resolution of Council. They will state:

- the objectives of the significant contract;
- how the objectives are to be achieved;
- how achievement of the objectives will be measured;
- any alternative ways of achieving the objectives, and why the alternative ways were not adopted;
- proposed contractual arrangements for the activity; and
- a risk analysis of the market in which the contract is to happen.

A list of identified Significant Contracts for the 2018/19 financial year are as follows:

Contract	Estimated Value	Market Release	Proposed Procurement Strategy
Street Sweeping Services	\$6.6M	Q1	Public Tender
Tree Maintenance Services	\$12.5M	Q2	Public Tender
Retail Electricity Services – Street Lighting	\$5,000,000	Q1	Public Tender
Telecommunications Carrier Services	\$12,000,000	Q3	Direct engagement via Local Buy arrangement.
Nambour Resource Recovery Centre Construction	\$8M	Q2	Public Tender

## Roles and responsibilities

Council Officers with a role or responsibility under the Contracting Plan are:

**Chief Executive Officer** is responsible for approving the Procurement and Contracting Framework.

**Group Executive** is responsible for overseeing all financial management systems and services, including Contracting Activities.

**Manager, Business Development** is responsible for implementing and maintaining the Procurement and Contracting Framework, including this Contracting Plan. This includes reviewing and reporting on its effectiveness, Council's compliance with it, and recommending changes to improve its effectiveness.

**All Managers** are responsible for ensuring all Council Officers comply with this Contracting Plan when undertaking Contracting Activities.

**All Officers** are responsible for complying with this Contracting Plan when undertaking Contracting Activities. 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.

## Definitions

The definitions in the Procurement Policy and Contract Manual apply to this Contracting Plan.

## 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 Contracting Plan is supported by the following organisational documents:

- Sunshine Coast Council's Corporate Plan 2018-2022
- Sunshine Coast Council's Operational Plan 2018/19
- 2018/19 Procurement Policy
- 2018/19 Contract Manual
- Local Preference in Procurement Guideline
- Social Benefit in Procurement Guideline

- Indigenous (Aboriginal and Torres Strait Islander ) Procurement Guideline
- Innovation, Market Led Proposals, and Unique Procurement Engagement Guideline
- Significant Contracting Plan/s and Template
- Council's current delegations
- Employee Code of Conduct
- Code of Conduct for Councillors
- Purchase Cards Guideline
- Councillors Acceptable Request Guidelines

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	e.g. Create new			DD/MM/YYYY
	e.g. Review			

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