




**MORNINGTON
SHIRE COUNCIL**

Morningshon Shire Council

Procurement Policy, Contracts Manual and Probity Plan

Document Control

Document Reference Number:	2024/10
Version Number:	11
Next Scheduled Review Date:	31 January 2025
Author:	Chief Executive Officer
Responsible Officer:	Chief Executive Officer
Council Approval Required:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
CEO Approval:	

Version	Resolution Number	Date	Reason/Comment
1	2016/112	29/06/2016	
2	2017/110	21/06/2017	
3	2018/58	23/03/2018	
4	2018/126	27/06/2018	
5	2018/209	19/09/2018	
6	2019/12	16/01/2019	
7	2019/105	19/06/2019	
8	2020/116	15/07/2020	
9	20-12/14	9/12/2020	
10	2021/07-22	21/07/2021	
11	2024/10	31/01/2024	

1. Background

A Procurement Policy is required under section 198 of *the Regulation*, stating that:

- (a) a local government must prepare and adopt a policy about procurement (procurement policy).
- (b) the procurement policy must include details of the principles, including the sound contracting principles, that the local government will apply in the financial year for purchasing goods and services.
- (c) a local government must review its procurement policy annually.

Additionally, a Contracts Manual is required under section 222 of *the Regulation*, applying *the Sound Contracting Principles*, achieving procurement consistency with the 5-year Corporate Plan and any adopted contracting plan, and including how *Council* will deal with non-current assets with values less than the limits set in Schedule 4 herein.

It is also a requirement in compliance with the sound contracting principles, that all *Council* procurement occur with utmost probity.

This policy serves as both the Procurement Policy, Contracts Manual and Probity Plan.

2. Purpose

This document sets out the *Council's* policy for the purchase of goods and services and carrying out of the *Sound Contracting Principles*.

3. Scope

This policy applies to the purchase of all goods and/or services by all *Personnel* for and on behalf of the *Council*.

4. Relevant Legislation and Council Policies/ Procedures/Guidelines

- *Local Government Act 2009* (Qld)
- *Local Government Regulation 2012* (Qld)
- *Public Sector Ethics Act 1994* (Qld)
- *Work Health and Safety Act 2011* (Qld)
- *Staff Code of Conduct*
- *Councillor Code of Conduct*

5. Definitions/ Acronyms/ Abbreviations

In this Policy:

Council	means Mornington Shire Council
Ethics Principles	means those core principles set out in the <i>Public Sector Ethics Act 1994</i> (Qld), at section 4.
General Tender Process	means the Tender/EOI process set out in paragraph 10.1.
Genuine Emergency	means, in the context of an exemption from tender/ quotation requirements for <i>Medium-sized contracts</i> or <i>Large-sized contracts</i> , circumstances where a

genuine emergency exists requiring the procurement of urgent goods and/or services. Examples of a *Genuine Emergency* include procurement to mitigate a threat of imminent harm to persons and/or property. For the avoidance of doubt, *Genuine Emergency* does not include circumstances caused by avoidable delay and lack of due diligence and planning, resulting in urgency (ie. failing to call for tenders/ quotation earlier).

goods and services means all goods and services of whatever nature (ie. mechanical, construction, legal, accounting etc).

Goods and Services Tax (GST) All values quoted in this policy are exclusive of GST

Government Agency means,

- 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.

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, or over the proposed term of the contractual arrangement.

Local Government Principles means those core principles set out in section 4 of *the Act*.

Local Supplier means a supplier which:

- a. is beneficially owned by persons who are residents in the Local Government Area of *Council*; or
- b. has its principal place of business within the Local Government Area of *Council*.

Medium-Sized Contractual Arrangement means 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.

Non-Local Supplier means a supplier who is not a *Local Supplier*.

Permanent base of operations means the registered business address within the *Council* Local Government Area and where the majority of business undertaken (50% or greater) is within the *Council* Local Government Area.

Personnel means collectively elected members, employees, agents, and contractors of *Council*.

Plant and Equipment means plant and equipment which are above the nominated value thresholds for *Council valuable non-current asset* set out in Schedule 4.

Probity Plan means the cumulative procurement requirements set out in this policy.

Purchase Order means the official/ formal *Council* order to the supplier of goods and/or services.

Requisition means an internal request for a purchase, creating a *Purchase Order*.

Sound Contracting Principles is defined in clause 6.3 herein and section 104(3) of *the Act*.

The Act means the *Local Government Act 2009* (Qld)

The Regulation means the *Local Government Regulation 2012* (Qld)

Valuable non-current asset means (as per section 224(5) of the *Regulation*):

- (a) Land/ interest in land; or
- (b) Another non-current asset that has an apparent value that is equal to or more than the limit set by Council (see Schedule 4), which cannot be more than that set at section 224(8) of the *Regulation*. At the time of preparation of this policy, those limits were:
 - i. for plant and equipment - \$5,000; and
 - ii. for another type of non-current asset - \$10,000.

6. Policy Details

6.1 Introduction

The procurement of all goods and services by *Council* must be carried out in accordance with *the Act* and *the Regulation*. In particular, Chapter 6, Part 3 (Default Contracting Procedures) of *the Regulation* applies.

6.2 Policy Objective

Council's procurement activities aim to achieve legal and ethical outcomes by ensuring compliance by all *Personnel* with the *Sound Contracting Principles* (set out in clause 6.3 herein and section 104(3) of *the Act*) in the procurement of all goods and services by *Council*.

6.3 Sound Contracting Principles

Personnel must have regard to the following *Sound Contracting Principles* in all procurement activities:

6.3.1 Value for money

Council must harness its procurement power to achieve the best value for money. The concept of value for money is not restricted to price alone. When assessing value for money, *Council* will consider:

- (a) fitness for purpose, quality, services and support; and
- (b) whole-of-life costs including costs of acquiring, using, maintaining and disposal; and
- (c) internal administration costs; and
- (d) technical compliance issues; and
- (e) risk exposure; and
- (f) the value of any benefits to the local economy; and
- (g) value for money through arrangements with *Local Suppliers*.

6.3.2 Open and effective competition

Procurement should be open and result in effective competition in the provision of goods and services in the Local Government Area. *Council* must give fair and equitable consideration to all prospective suppliers.

6.3.3 The development of competitive local business and industry

6.3.3.1 *Council's* procurement activities must seek to proactively encourage competitive local business and industry.

6.3.3.2 *Council* wishes to pursue the principle of development of competitive local business and industry as part of the process of making its purchasing decisions. For this purpose, *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 overall as more favorable in terms of one or more of the assessment criteria applied (including but not limited to price), so long as the differences are *not material*, 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.

6.3.3.3 But for price, assessment of materiality of the difference between *Local Suppliers* and *Non-local Suppliers* shall be subjective with respect to cumulative selection criteria responses. With respect to pricing however, the materiality threshold shall be >10% (ie. if a *Local Supplier* price is more than 10% the *Non-Local Supplier* price, these will not be considered comparable offers for the purposes of clause 6.3.3.2, with reference only to the pricing criteria).

6.3.4 Environmental protection

Consideration must be given to support and promote sustainable outcomes through ensuring the necessary balance between environmental, economic and social aspects to maintain a high-quality environment as a source of competitive advantage such as:

- Prevention or minimisation of waste;
- Use of recycled products and recycling facilities;
- Conservation of energy in buildings and use of equipment;
- Control of order of quantities to avoid stock build-up, minimise storage requirements and reduce possible obsolescence;
- Where possible, specification of environmentally-friendly products in invitation to offer documents; and
- Use of environmentally-friendly products in the management of parks/recreational grounds and for weed control on roads and kerb sides.

6.3.5 Ethical behaviour and fair dealing

Personnel involved in procurement activities are to behave with impartiality, fairness, independence, openness, integrity, and professionalism, maintaining transparency and accountability in their discussions and negotiations with suppliers and their representatives consistent with the *Local Government Principles and Ethics Principles*.

All *Personnel* must:

- (a) Perform the procurement task honestly and without favour or prejudice;
- (b) Spend *Council* funds efficiently and effectively and in accordance with the law and Council policy;
- (c) Deal fairly, impartially and consistently with supplies and prospective suppliers;
- (d) Keep confidential all sensitive information obtained as part of the procurement activity;
- (e) Not have an actual conflict of interest in relation to the procurement activity; and
- (f) Not seek or accept any remuneration, gift or advantage.

6.4 Work Health and Safety Considerations

In addition to the *Sound Contracting Principles* set out in clause 6.3 herein, consideration must be given to:

- (a) Selecting suppliers on the basis they can meet the requirements of the *Work Health and Safety Act 2011* (Qld) and associated legislation and Codes of Practice;

- (b) Identification, verification and communication of supplier duties in accordance with Council policies and procedures; and
- (c) Monitoring supplier performance, including the review of Workplace Health and Safety performance; and

7. Purchasing (Generally)

7.1 Purchase Orders

7.1.1 The issue of a *Purchase Order* under the terms of contract represents the acceptance of an offer, thereby establishing a legally-binding contract. It is important to note that *Purchase Orders* must be raised before the supply of goods and/or services, subject to certain exceptions, namely:

- Utilities such as:
 - Electricity
 - Street lighting
 - Telephone
 - Mobile phone
 - Internet
- Donations
- Grants
- Sponsorships
- Electoral Commission fees
- Fire Levy payments
- Expenses paid by Petty Cash
- Expenses paid by Fuel Cards
- Motor vehicle registration
- Insurances
- Land valuation fees
- Workers' compensation payments
- Insurance settlements
- Other statutory body payments
- Investment transfers
- Reimbursements
- Expenses paid by Corporate Credit Cards
- Long term supply contracts
- Direct Payments and fees (bank charges etc.) or;
- Other purchases where the Chief Executive Officer has determined that a *Purchase Order* is not required.

- 7.1.2 *Purchase Orders* must specify where and to whom the goods and/or services are to be delivered along with delivery instructions. *Purchase Orders* must contain a quoted price or estimated price apportioned to the relevant budget codes. For items where a *Purchase Order* is not required, sufficient documentation must be retained to identify why the payment was being made and what it was for.
- 7.1.3 Where an exemption to tender is utilised by *Council* for the purchase of goods and/or services (**see paragraph 8.2 herein**), details of the exemption must be provided on the *Purchase Order* itself (eg. where a Local Buy Prequalified Supplier Arrangement is utilised, the arrangement number must be cited on the purchase order).
- 7.1.4 Expenditure limits and threshold limits have been set in this policy at **Schedule 1** to ensure proper fiscal controls and checks are carried out on all purchases. These limits are also subject to having the required budgetary approval.
- 7.1.5 Requests for retrospective *Purchase Orders* (ie. *Purchase Orders* issued after supply) may result in disciplinary action against both the approver and approvee.

7.2 Alternate payment methods to Purchase Order

- 7.2.1 Use of Corporate Credit Cards must occur strictly in accordance with policy and procedure of *Council*.
- 7.2.2 Purchases up to \$400 (inclusive of GST) may be spent out of petty cash, provided:
 - 7.2.2.1 Petty cash expenditure is to be in accordance with the current annual budget and cost coded accordingly.
 - 7.2.2.2 Petty cash is only used when there is no other reasonable alternative for payment.
 - 7.2.2.3 All petty cash payments are accompanied by a tax invoice/ receipt/ statement by a supplier.
 - 7.2.2.4 Petty cash is managed in accordance with any relevant policy or procedure of *Council*.
- 7.2.3 Fuel purchases may be made using fuel cards. Delegated officers may purchase fuel with fuel cards in accordance with their remuneration agreements. Other officers may use the corporate fuel card for the purchase of fuel for travel on *Council* business.
- 7.2.4 Purchases up to a maximum transaction limit for individual card holders, excluding fixed assets, may only be made by delegated officers using a Corporate Credit Cards for low value, high volume goods or services. Transaction limits are listed in **Schedule 1**. Corporate Credit Cards may only be used in accordance with any relevant policy or procedure of *Council*.

7.3 Acceptance of Quotations

- 7.3.1 There is no requirement to accept the lowest quotation/ price. However, where *Personnel* choose a quotation other than the lowest, they must provide a brief written justification which must be kept with the order.
- 7.3.2 The accepted quote must have regard to the *Sound Contracting Principles*.

7.4 Confirmation of Receipt of Goods

- 7.4.1 Immediately upon receipt, goods must be inspected for compliance with the order specifications and quantities and be reconciled with the order.
- 7.4.2 The supplier must be formally notified of any returns or shortfalls or damage to the goods received.
- 7.4.3 Credit requests will be raised, and shortages endorsed on the delivery documents to ensure that the accounts payable section pays only for the quantities received and authorised for payment.

7.5 Payment

- 7.5.1 Signed proof of satisfactory receipt/ delivery of the goods/services must be provided to authorise payment to the supplier. This may be in the form of authorised signature on the face of the invoice showing date, approving officer name, approving officer position. Shortages, incorrect supplies, damaged goods, inadequate completion of services against scope etc (together "*defects*"). must be noted to the supplier and invoices must not be paid until defects are rectified by the supplier.
- 7.5.2 Unless otherwise negotiated or specified in the offer or on the invoice, payment will be made in accordance with *Council's* trading terms of not greater than thirty (30) days following the date of receipt of the invoice. *Personnel* must be aware of legislation and contracts requiring earlier settlement.
- 7.5.3 Settlement discounts will be noted by *Personnel* and processed within the nominated discount period.
- 7.5.4 Orders which may require cancellation must be referred immediately to the issuing procurement officer for appropriate action.

8. Goods and Services

8.1 General Process (procurement of goods and services)

- 8.1.1 Dependent on the contract value of the goods and services, *Personnel* shall follow the procedures set out in **Schedule 2** of this policy.

8.2 Exemptions to General Process

- 8.2.1 For all contracts of any value, *Personnel* are exempted from compliance with the General Process in clause 8.1.1/ Schedule 2 herein, if one of the following

exemptions is applicable to the proposed supplier of goods and/or services, namely:

- (a) Supplier is on an approved contractor list; or
- (b) Supplier is on a Register of Pre-qualified Suppliers; or
- (c) Supplier is on a Preferred Supplier Arrangement; or
- (d) Supplier is on a Local Government Arrangement (ie. Local Buy etc).

8.2.2 In addition to those exemptions in clause 8.2.1 herein, for all *Medium-Sized Contractual Arrangements* and *Large-Sized Contractual Arrangements, Personnel* are exempted from compliance with the General Process in clause 8.1.1/ Schedule 2 herein, if one of the following additional exemptions is applicable to the proposed supplier, namely:

- (a) Council resolves to prepare and adopt a quote or tender consideration plan and procurement is consistent thereto; or
- (b) Council resolves that there is only 1 supplier who is reasonably available to supply the goods and/or services required; or
- (c) Council resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders; or
 - i. a genuine emergency exists; or
 - ii. the contract is for the purchase of goods and is made by auction; or
 - iii. the contract is for the purchase of second-hand goods; or
 - iv. the contract is made with, or under an arrangement with, a *Government Agency*.

9. Valuable Non-Current Assets

9.1 General Process (valuable non-current assets)

9.1.1 Subject to the exemptions in clauses 9.2 and 9.3 herein, Council cannot enter into a *valuable non-current asset* contract unless it first:

- (a) invites written tenders for the contract; or
- (b) offers the valuable non-current asset for sale by auction.

9.1.2 Notwithstanding the limits set out in **Schedule 4**, all *valuable non-current assets* that have been identified as being obsolete or surplus to *Council* requirements, but with a written down value less than the set limits in **Schedule 4**, are to be offered for sale by inviting written quotations only.

9.2 Exceptions for Valuable Non-Current Asset contracts (excluding land/ interests in land)

9.2.1 *Council* may dispose of a *valuable non-current asset*, other than by tender or auction, if:

- (a) the asset was previously offered for sale by tender or auction but was not sold and is sold for more than the highest tender or auction bid that was

- received; or
- (b) the asset is disposed of to a *Government Agency* or a community organisation; or
- (c) *Council* disposes of the *valuable non-current asset*, other than land, by way of a trade-in for the supply of goods or services to Council, and the disposal is part of the contract for the supply.

9.3 Exceptions for Valuable Non-Current Asset contracts (land/ interests in land)

- 9.3.1** Any disposal of land/interest in land must occur strictly in accordance with section 236(1)(c) of the *Regulation*.

10. Tender

10.1 General Tender Process

10.1.1 Where a Tender/EOI is required (ie. an exemption in clauses 8 or 9 do not apply), the *General Tender Process* (along with templates to be used) shall be as follows:

Step	Description	Milestone	Preconditions	Templates (if applicable)
1	Design	Details of the Tender/EOI to be inputted into the template Tender Documents .	<ol style="list-style-type: none"> 1. Confirm Tender Evaluation Panel members, technical advisers, and <i>Council's</i> professional staff (if any) to be involved in the tender/EOI process. Confirm members' credentials and appropriateness for the tender/EOI process. 2. Check Tender Evaluation Panel members are familiar with and have access to all relevant legislation and policies. 3. As necessary, obtain confidentiality agreements from all external consultants working on the tender/ EOI (see Schedule 6). 4. Check budget approval exists for tender/ EOI. 5. Set up process for receipt, recording and acknowledging tenders/ EOI. 6. Draft tender timetable, ensuring compliance with legislative requirements. 7. Set up confidentiality procedures. 8. Brief all staff involved. 9. Settle Tender Documents and submit for CEO approval. 	<ol style="list-style-type: none"> 1. Tender documents suite, comprising: <ol style="list-style-type: none"> a. Scope b. Conditions of Tendering c. General Conditions of Contract
2	CEO Approval	Obtain CEO Approval to the draft Tender Documents.	-	-
3	Tender #	Issue Tender # and include on Contracts Register.	-	<ol style="list-style-type: none"> 2. Contracts Register (can be filtered to contracts over \$200k for Step 10)

4	Publication	<p>Advertising on social media and website. Tender must be out to market for no less than 21 clear days.</p> <p>Council may additionally elect to utilise platforms such as <i>Vendor Panel</i> for advertising and receipt of tenders (case by case).</p>	<p>Check advertising arrangements are compliant.</p> <ol style="list-style-type: none"> 1. Arrange tender/EOI briefing meetings. 2. Ensure that all tenderers have access to the same information. 3. Notify tenderers of any significant alterations that may occur in the future due to change of circumstances. 	3. Draft Advertisement
5	Receipt of Tenders	<p>Receive and collate Tenders (generally via nominated tenders email address). Place into Record Management System along with draft Tender Evaluation Sheet for completion by Tender Evaluation Panel members.</p>	-	
6	Tender Evaluation	<p>Each Tender Evaluation Panel member independently completes Tender Evaluation Sheet. Tender Chair then pulls all scores together and consolidates into a single consolidated Tender Evaluation Sheet.</p>	<ol style="list-style-type: none"> 1. Ask for conflict of interest declarations from Tender Evaluation Panel members. 2. Check tenders are received according to Conditions of Tendering. 3. Complete Tender Evaluation Sheet individually and then come together as a team to discuss results. 4. Treat all tender documents as confidential - secure carefully in <i>Council's</i> records management system. 5. Tenders/ EOIs are to be assessed as quickly as possible. 6. Notify shortlisted tenderers of interview (if any). 7. Notify tenderers not shortlisted. 8. Document interviews and post tender negotiations. 9. Perform due diligence of short-listed tenderers. 10. Plan and document site inspections (if conducted). 11. Chair to prepare a consolidated evaluation report (to be included as Council Agenda Report – Step 7). 	4. Tender Evaluation Sheet

7	Council Resolution	Council Agenda Report placed to Council and resolution recorded. Inclusion of Tenders over \$200k on Contracts Register (on website) – see step 10.	<ol style="list-style-type: none"> 1. Preferred Tender(s) along with consolidated Tender Evaluation Sheet and recommendations to be put to Council. Although the resolution is public on the face of the minutes, Tender documents themselves should not be published. 2. Council resolutions should state at the very least: <ul style="list-style-type: none"> • the person with whom the <i>Council</i> has entered into the contract; • the value of the contract; and • the purpose of the contract. 	5. Council Agenda Report
8	Successful/ Unsuccessful letters	Successful/ Unsuccessful letters drafted and sent to all Tenderers.	<ol style="list-style-type: none"> 1. Notify the successful tenderer. 2. Notify the unsuccessful tenderers. 3. Debrief unsuccessful tenderers (on request) 4. Set up a pre-start meeting with the successful tenderer. 	6. Successful letter 7. Unsuccessful letter
9	Contracts signed	Contract signed by successful Tenderer(s) and Council. (as necessary – a simple Successful Letter may be sufficient with reference to draft contracts comprising the Tender documents)	-	-
10	Contracts Register	Contract Register updated on Records Management System.	<ol style="list-style-type: none"> 1. Store all documents securely in <i>Council's</i> records management system. 	-

10.2 Evaluation

- 10.2.1** When evaluating offers (step 6), *Personnel* shall have regard to the *Sound Contracting Principles*. All offers will be assessed with consideration to the value of the contract, technical requirements, quality and importance of the work to be completed, local preference and compliance with relevant legislation as detailed in this policy.
- 10.2.2** Wherever possible, more than one (1) officer of the *Council* will be involved in tender evaluation, awarding and administration of contracts. The process of tendering and evaluation must comply with this policy.
- 10.2.3** *Personnel* involved in the assessment process are required to make a full declaration of their financial or political interest in any organisation that has the potential to be a tenderer.

A form of disclosure is to be signed by all those involved in the evaluation and selection processes. A pro-forma disclosure document is at **Schedule 5**.

A conflict of interest that is identified, but classified as non-material by the Evaluation Team, should be recorded by the Chair of the Evaluation Team with detail of any management action required to prevent any later perception that the conflict was material and influenced any relevant decision.

In this regard the Local Government Act 2009 and *Council's* Code of Conduct set out the requirements for dealing with a conflict of interest.

11. Variations

- 11.1** Each variation to an original contract can only be approved by *Personnel* if:
- (a) the variation is appropriate and necessary and outside the scope of the original contract; and
 - (b) all variations are approved in writing in accordance with any contract documentation; and
 - (c) each variation is included as an additional line item on the original *Purchase Order* stating the scope and cost, or a new *Purchase Order* is commenced to reflect the variation; and
 - (d) variations to the original contract amount are within budget and the financial delegation of *Personnel* approving the variation; and
 - (a) should the cumulative value of the variations on the contract exceed the highest financial delegation of any *Personnel* (including the CEO - >\$199,999), then any further variation must be approved only by the *Council* by resolution, or a new procurement process is to commence to meet the policy (unless exemptions apply).

12. Recordkeeping

12.1 Contracts Register

- 12.1.1** Council must maintain a Contracts Register, including all contracts (of whatever value) entered into by it and make such register available to inspection by both internal and external audit, including such particulars as:

- (a) the person with whom the *Council* has entered into the contract;
- (b) the value of the contract; and
- (c) the purpose of the contract.

12.2 Publishing details of particular contracts

12.2.1 *Council* must, as soon as practicable after entering into a contractual arrangement (for example, a *Purchase Order*) worth \$200,000 or more (exclusive of GST):

- (a) publish the relevant details of the contract on the *Council's* website; and
- (b) display the relevant details of the contract in a conspicuous place in the *Council's* public office; and
- (c) the relevant details must be published or displayed for a period of at least 12 months.

12.2.2 Relevant details of the contract are the same as those contained in clause 12.1.1 herein, and may in fact be a list of contracts filtered by value from the Contracts Register.

13. Delegations

13.1 Financial

13.1.1 The *Chief Executive Officer* has the delegated authority to allocate financial delegation to *Personnel*. Any new positions or changes/variations must be approved by the *Chief Executive Officer* in accordance with the relevant legislation.

13.1.2 *Personnel* are responsible for ensuring all required paperwork (including, if applicable, the required number of written quotes) as per this policy is provided to them by the requisitioning officer prior to signing/ approving the purchase order.

13.1.3 Only *Personnel* listed in the attached **Schedule 1** are entitled to approve expenditure and then only in accordance with their financial delegation limits. By signing a *Requisition/ Purchase Order* all *Personnel* are confirming that they have taken full notice of this policy and will comply with all the requirements of this policy.

13.1.4 By raising a *Requisition/ Purchase Order*, *Personnel* are confirming that they have taken full notice of these policy requirements and that the expenditure complies with all requirements.

13.1.5 All *Personnel* with an approved purchasing limit are authorised to order/approve orders for goods and/or services (up to their purchasing limit) against jobs over which they have clear operational authority and budget responsibility. It is the responsibility of the authorised delegates to ensure the correct cost coding is provided and that funding/budget is approved before procurement is undertaken.

13.1.6 *Personnel* may not use another operational area's job cost code(s) without their written approval which must be attached to the order *Requisition*.

13.1.7 Any requests for expenditure outside of the requirement set out in this policy must be made to the *Chief Executive Officer* for consideration. Where approvals are given by the *Chief Executive Officer* for procurement outside the parameters of this policy, written reasons must be recorded by the *Chief Executive Officer* and reported as necessary to internal and external audit and included with the *Requisition/ Purchase Order*.

13.1.8 Failure by *Personnel* to comply strictly with this policy may result in disciplinary action.

14. Probity Plan

14.1 Probity Principles

The key probity principles supporting all stages of *Council* procurement are:

14.1.1 Fairness and impartiality

Potential tenderers are to be treated equally and must have the same opportunity to access information and advice.

14.1.2 Use of a competitive process

Consistent with legislative requirements, a competitive process will be used at all times.

14.1.3 Consistency and transparency of process

Tenderers are to be evaluated in a systematic manner against explicit predetermined evaluation criteria.

14.1.4 Security and confidentiality

The processes adopted for receiving and managing supplier information are to ensure the security and confidentiality of intellectual property and proprietary information.

14.1.5 Identification and resolution of conflicts of interest

Any *Personnel* involved in procurement are to declare and address any actual or perceived Conflict of Interest prior to undertaking any evaluation.

These key requirements are intended to achieve an equitable, justifiable and sound process according equal opportunity for all tenderers. The process is to be applied with common sense, with flexibility in process design where appropriate, so that the task of selecting the best tender in a fair and equitable manner takes priority.

In the event that an error or omission in the procurement process nevertheless occurs, *Council* is to seek legal advice and will not enter into any immediate communications with the tenderer(s) until strategy options have been considered to address the concern. Options for legal and/or other solutions will then be adopted to address any potential problems at later stages of the process. Suppliers will be informed of any changes to the process or new factors which may affect their offers.

Adherence to Probity Principles also means meeting the requirements of the Local Government Act (Qld) 2009 and *Council's Code of Conduct*.

14.2 Probity Plan

By following the requirements set out in this policy, and utilising the templates provided herein, these requirements shall together comprise *Council's Probity Plan* with respect to procurement of goods and/or services.

15. Review of Policy

In accordance with Section 198(3) of *the Regulation*, this policy will be formally reviewed by Council annually.

SCHEDULE 1 – Financial Delegations

The following *Personnel* have the following financial delegation limits (value of the purchase **or** value of the contract over the anticipated full contract period (including options to extend)).

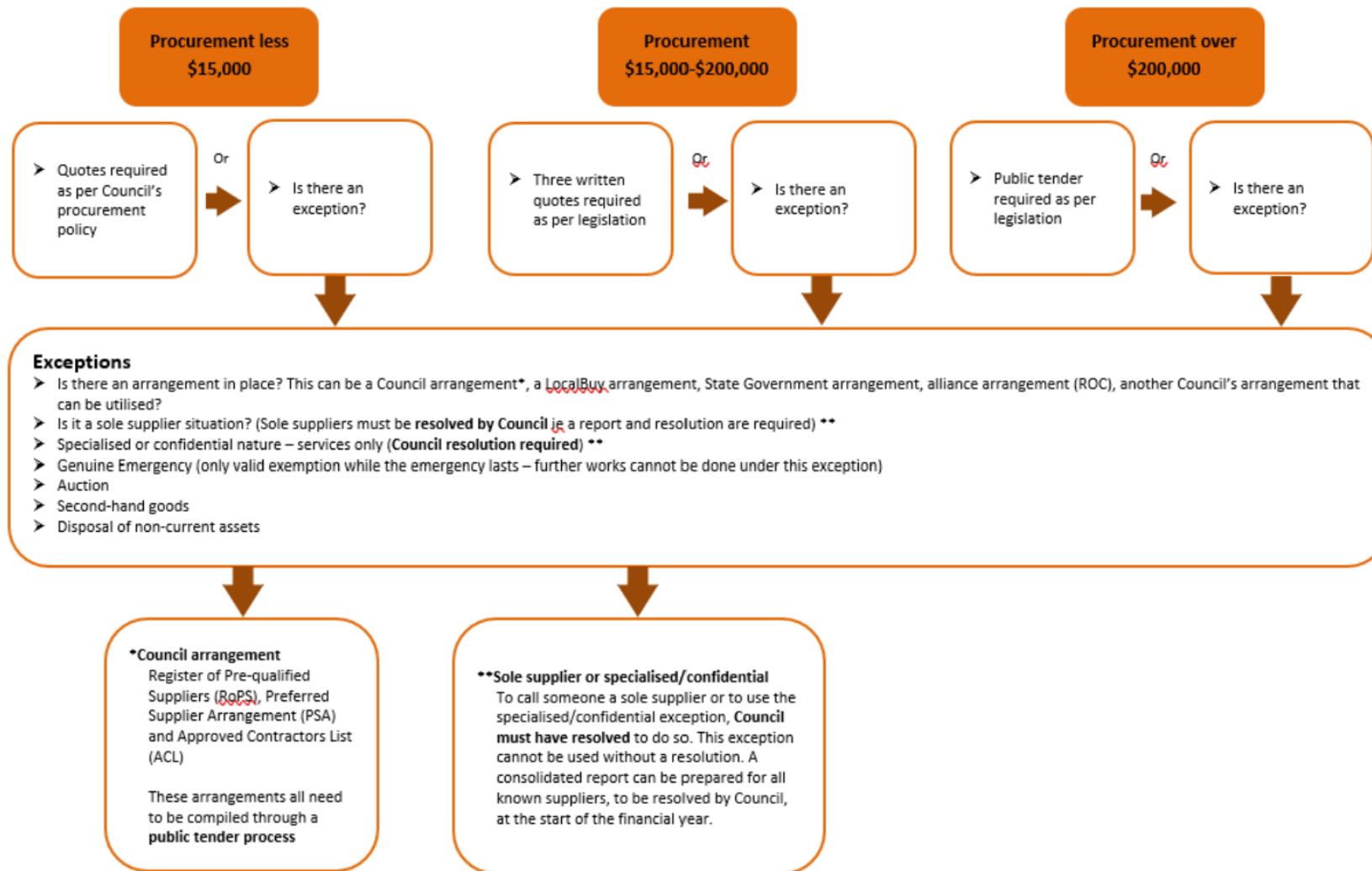
Position	Limit
Chief Executive Officer	\$199,999
Chief Financial Officer	\$50,000
Director Engineering	\$50,000
Director Corporate and Community	\$50,000
Director Housing and Facilities	\$50,000
Warehouse Manager	\$24,999
Housing Manager	\$24,999
Special Projects Manager	\$24,999
Finance and Administration Manager	\$14,999
Facilities Manager	\$14,999
Community Development Officer	\$14,999
Human Resources Manager	\$14,999
Infrastructure and Technical Services Coordinator	\$14,999
Assistant Warehouse Manager	\$14,999
Workshop Manager	\$14,999
Bakery Manager	\$4,999
Housing Supervisor	\$4,999
Works Manager	\$4,999
Project Accountant	\$4,999
Systems Accountant	\$4,999

SCHEDULE 2: General Process (procurement of goods and/or services)

With reference to the value of the purchase **or** the value of the contract over the anticipated full contract period (including options to extend), the following table must be followed. This General Process is subject to applicable exemptions (see clauses 8 and 9 herein)

Value (GST Excl)	Procedure
Under \$1,000	One verbal quote must be obtained – a written notation recorded.
\$1,001 - \$4,999	At least one written quote must be obtained. A copy of the quote must be attached to the Council's copy of the Purchase Order.
\$5,000 - \$14,999	At least two (2) written quotes must be sourced. Copy of the successful quote must be attached to the Council's copy of the Purchase Order.
\$15,000 - \$199,999 <i>Medium-sized Contractual Arrangement</i>	<ul style="list-style-type: none"> • Council cannot enter into a <i>Medium-Sized Contractual Arrangement</i> unless it first invites written quotes for the contract. • The invitation must be to at least three (3) suppliers who Council considers meets its scopes. • 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 principles outlined in this policy.
\$200,000 and above <i>Large-sized Contractual Arrangement</i>	<ul style="list-style-type: none"> • Council must either invite written tenders, or invite expressions of interest before considering whether to invite written tender – see process in clause 10 herein.

SCHEDULE 3: Tender Exemptions



Source: Department of State Development, Infrastructure, Local Government and Planning

SCHEDULE 4: Non-Current Asset Value Table

Asset Class	Council Limit
Road Infrastructure	\$10,000
Water Infrastructure	\$10,000
Sewerage Infrastructure	\$10,000
Buildings	\$10,000
Other Structures	\$10,000
Plant and Equipment	\$5,000
Land	\$1

SCHEDULE 5: Conflict of Interest Declaration

[CONFLICT OF INTEREST DECLARATION]

[Date]

*[Name of Evaluation Team Chairperson] [Title of
Evaluation Chairperson]*

[Address of Evaluation Team Chairperson]

Dear

[Title of Tender etc]

As a member of the Tender Evaluation Panel for the *[nature of panel]*, I am writing with regard to my obligations in relation to conflict of interest.

I am fully aware of my obligations under *Council's* Code of Conduct [and my contract / terms of appointment] to avoid all conflicts of interest in carrying out my duties, and to disclose any potential conflict of interest if they emerge in the course of my professional duties.

I currently have no such conflicts.

Yours sincerely

[Name of Tender Evaluation Panel Member / adviser]

[Title of Tender Evaluation Panel Member/ adviser]

SCHEDULE 6: Deed of Confidentiality

DEED OF CONFIDENTIALITY AND SECURITY

THIS DEED is made on _____

BY: _____ (the "Consultant")

ADDRESS: _____

RECITALS:

- A. The Consultant wishes to develop a close working relationship with Council.
- B. To further that relationship, the Consultant requires access to details of confidential information.
- C. The Consultant has undertaken to keep all information or material confidential and to take security precautions to prevent unauthorised disclosure.

BY THIS DEED:

- 1. The Consultant shall keep confidential and shall not disclose or make available directly or indirectly to any third party (except for a contractor as provided for in this Deed) all information and material of whatever nature and in whatever medium which is communicated, or becomes available to, or accessible by the Consultant in the course of its business or other relations with the Council (the "**Confidential Information**").
- 2. All Confidential Information shall remain strictly confidential until such time as it becomes known to the Consultant without restriction through a legally available public source.
- 3. The Consultant hereby acknowledges that the Confidential Information is the valuable property of the Council and that any disclosure of it could give rise to considerable damage to Council.

4. The Consultant shall not use or access the Confidential Information for any reason except as is necessary to further business discussions with Council or in the performance of supplying goods or services resulting from those discussions.
5. The Consultant shall not permit any employee or contractor of the Consultant to have access to the Confidential Information until such time as that employee or contractor shall have entered into a confidentiality agreement with the Consultant in a form approved by Council.
6. The Consultant shall immediately notify Council of any information which comes to its attention regarding any actual or potential breach of confidentiality, disclosure or unauthorised use of the Confidential Information. The Consultant shall make every effort to co-operate with Council in any investigation, prosecution, litigation or other action taken by Council regarding the subject of any such information.
7. In the event of any actual or alleged breach of confidentiality, disclosure or unauthorised use of Confidential Information by any future, existing or former employee, agent, or contractor of the Consultant, the Consultant shall enforce its rights to injunctive or other relief to the fullest extent possible, or, if requested by Council assign such rights to Council. The Consultant shall assist Council in every way in enforcing those rights and indemnifies Council for all costs and expenses which Council may incur in doing so.
8. Upon termination or completion of discussions on any specific project, the Consultant shall deliver to Council any Confidential Information in the Consultant's possession which relates to that project and which is capable of being delivered. The Consultant shall delete, erase, or otherwise destroy any Confidential Information contained in computer memory, magnetic, optical, laser, electronic, or other media in its possession or control which relates to the project and is not capable of delivery to Council.
9. Upon termination of the business relationship, or at any other time on Council's request, the Consultant shall deliver to Council all Confidential Information in the Consultant's possession which is capable of being delivered. The Consultant shall delete, erase, or otherwise destroy all Confidential Information contained in computer memory, magnetic, optical, laser, electronic, or other media in its possession or control which is not capable of delivery to Council.

10. The Consultant shall make every effort to maintain the confidentiality of the Confidential Information and to protect it from unauthorised access or use.
11. The Consultant shall comply with all Council's security and safety procedures and will permit and cooperate with any additional security or safety precautions which Council may wish to implement in respect of the relationship with the Consultant.
12. The Consultant shall not publicise its business relationship with Council or disclose any matter related to it without Council's specific prior written consent.
13. The terms of this Deed are in addition to all other obligations of the Consultant and where any inconsistency occurs, the provisions of this Deed shall prevail.
14. If for any reason a provision of this Deed or part of one is illegal, invalid or unenforceable in any jurisdiction it shall be read down or severed to the extent necessary so that it may not be so construed. The illegality, invalidity or unenforceability of any provision, or part of one, in any jurisdiction shall not affect the legality, validity or enforceability of any other provision, or of that provision in any other jurisdiction.
15. This Deed is governed by the laws of the State of Queensland.

EXECUTED AS A DEED.

.....

(Name) _____