



Procurement Policy

**POLICY
NO.**

COR 1004

1. Purpose

Council's procurement activities are critical to its ability to deliver services and infrastructure to the community. This policy establishes a procurement framework that allows the efficient delivery of quality services while ensuring adherence to sound contracting principles and adequate internal controls.

2. Scope

This Policy applies to the procurement of all goods and services, and all contractual arrangements.

3. Objectives

The objective of the Procurement Policy (the Policy) is to provide Council with a structure for the procurement of goods and services to ensure fairness, responsible financial management and legislative compliance.

Cloncurry Shire Council proudly supports local businesses. A further objective of the Policy is to outline Council's commitment to 'buy local' procurement practices.

4. Definitions

<i>Bid</i>	<i>refers to the submission of a price to provide goods or services by way of quotation or tender.</i>
<i>Bidder</i>	<i>refers to the person/company providing a Bid.</i>
<i>CEO</i>	<i>means the Chief Executive Officer</i>
<i>Community Support</i>	<i>refers to the demonstrable contribution that businesses make to community events and in support of local businesses through using locally supplied materials, labour, subcontractors and accommodation.</i>
<i>Financial Delegation</i>	<i>refers to the authority given to a Council Officer to procure goods or services by way of credit card or purchase order, and who has the authority to approve invoices.</i>
<i>Large-Sized Contractual Arrangement</i>	<i>refers to a contractual arrangement with a supplier of goods and services that is expected to be worth more than \$200,000 (exclusive of GST).</i>
<i>Local Advantage</i>	<i>refers to an advantage given to a local business or supplier based on a percentage of the quoted price.</i>
<i>Local Buy</i>	<i>refers to a company owned by the Local Government Association of Queensland (LGAQ) established to provide procurement services and solutions to Queensland Councils</i>
<i>Local Supplier Level 1</i>	<i>refers to a supplier whose business is majority owned by a resident of the Cloncurry Shire. The head office is to be within the Cloncurry Shire area and be in a compliant business premises (excludes the</i>

	<i>establishment of local operations by businesses whose head office is outside the Cloncurry Shire boundaries, i.e. company branches, outlets, depots, franchises etc.).</i>
Local Supplier Level 2	<i>refers to a supplier whose head office is located outside the Cloncurry Shire area; however, they have established a compliant office or depot in Cloncurry. They also employ locally based staff and use local resources on a continuous basis.</i>
Medium-Sized Contractual Arrangement	<i>refers to a contractual arrangement with a supplier of goods and services that is expected to be worth, exclusive of GST, more than \$15,000 and less than \$200,000.</i>
Non-local Supplier	<i>refers to a supplier which is not a Local Supplier Level 1 or Level 2.</i>
Officer	<i>refers to any officer of the Council who is involved, in any form, in the procurement process.</i>
Order of Evaluation	<i>refers to the order in which successful tenderers were ranked in a Preferred Supplier Arrangement tender.</i>
Plant and Fleet	<i>refers to the vehicles, machinery and equipment that Council uses to provide services. E.g., graders, rollers, utility vehicles, generators, trailers, mowers and the like.</i>
Procurement	<i>refers to the process of obtaining goods or services from the point of making the decision to procure through to the approval of the invoice for payment after receipt of the goods or service.</i>
Purchasing Limits	<i>The maximum financial delegation for each specific position. All purchasing limits exclude GST.</i>
Recurring Operational Expenditure	<i>in the context of this Policy, refers to expenditure that will be incurred by Council on a regular basis (telecommunications, electricity, water, insurances etc.) and which it would be considered impractical to issue a requisition or purchase order for given the nature of the procurement activity.</i>
Small-Sized Contractual Arrangement	<i>refers to procurement of goods and services with a value less than \$15,000 (exclusive of GST).</i>
The Act	<i>means the Local Government Act 2009</i>
The Regulation	<i>means the Local Government Regulation 2012</i>

5. Roles and Responsibilities

The CEO is responsible for ensuring the Policy is understood and adhered to by all employees and Officers of Council and other persons performing work at the direction of Council.

6. Policy

6.1 Requirement for a Procurement Policy

Section 198(1) of the Regulation requires that local governments must prepare and adopt a policy about procurement. This policy must include details of the principles – including the sound

contracting principles – that the local government will apply. The policy must be reviewed annually.

6.2 Sound Contracting Principles

Section 104(3) of the Act defines the sound contracting principles.

Officers must have regard to sound contracting principles before making a procurement decision. These principles are:

- Value for money – ensure that all procurement and contracting activities represent the best return on money spent from a whole of life cost perspective;
- Open and effective competition – ensure transparent processes and the promotion of effective competition between potential suppliers;
- The development of competitive local business and industry – proactively support local business and industry to provide jobs in the Cloncurry region
- Environmental protection – ensure procurement and contracting activities conserve resources, save energy, minimize waste, allows the reuse of recovered materials, protect human health and maintain environmental quality and safety; and
- Ethical behaviour and fair dealing – ensures equitable and fair outcomes, probity and transparency and ensures Officers act with integrity and in the public interest.

6.3 Strategic Approach to Procurement

Procurement is a strategic function that works with operational and project teams to achieve sound contracting principles. By working together, from the development of budgets through to contract administration, Council will achieve better outcomes that will aid in its financial sustainability.

Procurement planning will be influenced by operational demands, industry and economic circumstances, annual budgets, asset management plans and long-term financial plans.

Forward planning over a number of years can aid in entering into longer-term contracts for materials and services, providing better outcomes for Council.

Innovation is important to enhancing value for money outcomes for Council. Market led solutions can provide Council with a unique and innovative solution to a problem, address an opportunity or enhance the services that Council provides.

Where possible, Council will endeavor to procure from local and regional businesses and community groups to stimulate local economic activity and achieve better social outcomes for the Cloncurry area.

The Procurement function will also create value by aiding operational and project teams in administering large value contracts and applying the Risk Management Framework to all procurement activities.

6.4 The Development of Competitive Local Business and Industry

To support the development of competitive local business and industry, an Officer must:

- 6.4.1 actively seek out potential local suppliers and encourage such suppliers to submit a bid where they are qualified and able to meet the requirements of the scope of works;

6.4.2 ensure local suppliers are given equal opportunities to respond and are treated without prejudice; and

6.4.3 encourage local suppliers to do business with Cloncurry Shire Council.

6.4.4 apply the relevant Local Supplier Benefit:

Council encourages the development of competitive local business and industry through the provision of a local advantage to local suppliers as follows:

	\$0 < \$200,000 (excl. GST)	>\$200,000 (excl. GST)
Level 1 Local Supplier	10% on price	10 points
Level 2 Local Supplier	5% on price	5 points
Non-Local Supplier	0% on price	0 points

Where an expression of interest, tender or quotation is evaluated, all other things being equal, it is Council's preference to purchase locally.

Local preference is not simply a 10% price benefit to a local supplier, but also a quantitative measurement that can be utilised in recognition of location of supplier and the associated benefits that this provides to Council, such as:

- creation of local employment opportunities;
- more readily available servicing support;
- more convenient communication for contract management; and economic growth within the local area.

6.5 Managing Conflict of Interest

Council Officers participating in planning, procurement and contracting activities must comply with the requirements of Council's Code of Conduct. Officers must advise the Procurement Manager of all conflicts of interest related to any procurement or contracting activity prior to commencing the procurement process.

6.6 Financial Delegations

The Chief Executive Officer is responsible for establishing the register of financial delegations assigned to various positions within the organisational structure.

Any officer incurring expenditure may only do so in accordance with any constraints imposed by the Council or the Chief Executive Officer in respect to a financial delegation, as defined in Council's Financial Delegations Register including:

- 6.6.1 The expenditure being provided for in the approved annual budget for the financial year; or
- 6.6.2 Council has authorised the expenditure by resolution; or
- 6.6.3 The Chief Executive Officer authorising the expenditure because of genuine emergency.

6.7 Established Buying Arrangements

Vendorpanel will be the preferred method of inviting quotes for procurement of goods and services when quotes are required.

Buying arrangements will be created through a register of Pre-Qualified Suppliers, Local Buy Arrangements, Preferred Supplier Arrangements and Approved Contract List. Establishing buying arrangements will reduce the administrative efforts in procurement while adhering to the sound contracting principles.

Preferred Supplier Arrangements, Pre-Qualified Suppliers and Approved Contractor Lists will be created through a tender process, in line with Local Government Regulation 2012 requirements.

6.8 Requirement for Quotations

The requirement that the local government must first invite written quotes before entering into a small, medium or large sized contractual arrangement does not apply if one of the exceptions as set out in chapter 6 part 3 of the Regulation (and further defined in section 14 of this policy) applies, including:

- a quote or tender consideration plan;
- an approved contractor list;
- a register of pre-qualified suppliers;
- a preferred supplier arrangement;
- an LGA arrangement; or
- another exception identified in section 235 of the Regulation, for example:
 - the local government resolves it is satisfied that there is only 1 supplier who is reasonably available; or
 - the local government 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
 - a genuine emergency exists; or
 - the contract is for the purchase of goods and is made by auction; or
 - the contract is for the purchase of second-hand goods; or
 - the contract is made with, or under an arrangement with, a government agency.

Where one of the exceptions above does not apply, the default procurement requirements for Council officers procuring goods and services are as follows:

<u>Value (GST excl.)</u>	<u>Minimum Quotes to be sought</u>
\$0 - \$500	one verbal or, where possible, a written quote (or estimate)
\$500 <> \$5,000	one (1) written quote
\$5,000<> but less than \$15,000	two (2) written quotes
\$15,000 - \$199,999	three (3) written quotes

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 the contracts with the supplier for goods or services of a similar type under the arrangement.

7. Small Sized Purchases (<\$15,000)

A small-sized contractual arrangement is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, less than \$15,000 in a financial year or over the proposed term of the contractual arrangement.

Authorised Council Officers may use Council credit cards for small value purchasing under \$5,000. Any purchase made on a credit card will not require a purchase order to be raised.

All card holders must follow Council's Credit Card Policy when using cards for any payments.

For all other small value contracts, a purchase order must be raised and if required a copy of the quote/s attached or a note added to the purchase order.

8. Medium Sized Purchases (\$15,000 <math><></math> \$200,000 (exclusive of GST))

8.1 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.

8.2 A copy of the accepted quote must be attached to the purchase order. All procurement documentation and records of quotes received must be kept on file.

8.3 Quotations over \$15,000 will be assessed by two (2) Council Officers.

9. Large Value Purchasing > \$200,000

9.1 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.

9.2 A local government cannot enter into a large-sized contractual arrangement unless the local government first invites written tenders for the contract unless utilising one of the exceptions detailed in section 6.8 of this policy.

9.3 Where an exception may apply, officers may still elect to procure the goods or services through a tender where it is advantageous to Council.

10. Bid Evaluation System for Large Contractual Arrangements

Council may decide not to accept any tender or quotation it receives.

10.1 If Council does decide to accept a tender or quotation, Council must accept the tender most advantageous to it, having regard to the sound contracting principles.

10.2 If Council prepares an invitation to tender, the invitation:

- a. Must include detailed specification for the products and services sought;
- b. must specify the assessment criteria to be used in assessing tender submissions; and
- c. may specify how Council will assess the tender, for example, by the formation of a Tender Evaluation Panel of 3 Council Officers.

10.3 Subject to the content of any invitation to tender, Council Officers will assess tender submissions/quotations by reference to the following criteria and default weightings:

Criteria	Percentage
Price	40%
Experience of Entity and Key Personnel	25%
Program & Methodology	15%
Quality & Safety Systems	10%
Local Supplier	10%

10.4 When evaluating the Local Supplier preference, Council Officers will have regard to the definitions contained in this Policy and to the table below:

<i>*Meeting Definition of Local Supplier</i>	
For the purpose of making a determination about whether a supplier who has provided a quotation or tender is a local supplier or not, the person must supply relevant particulars about whether the person is properly categorized as a Local Supplier Level 1 or a Local Supplier Level 2, including details of nominated local suppliers, local employees and local sub-contractors who are to supply goods and/or services for use in the undertaking of the Procurement.	
Evaluation	Rating
Level 1 Supplier	10 points
Level 2 Supplier	5 points
Non-local supplier	0 points

10.5 For each tender for a contractual arrangement that is expected to be worth, exclusive of GST, \$200,000 or more, each tenderer must advise:

- a. the number and details of local employees that will be employed to complete the undertaking of the contractual arrangement; and
- b. details of the local suppliers from which the bulk of materials are to be purchased to facilitate completion of the undertaking of the contractual arrangement and the total value of locally supplied materials.

10.6 Council will decide by resolution all large contracts for which tenders have been invited.

11. Security

11.1 Council's default form of security for civil construction contracts worth more than \$200,000 (ex. GST) is by way of a bank guarantee.

11.2 Council will accept retention money as a form of security for DRFA REPA Works.

11.3 Council may consider retention money as a form of security for Level 1 Local Suppliers.

12. Bid evaluation criteria for procurement of Plant and Fleet

12.1 Council Officers will assess quotes and tenders for the procurement of Plant and Fleet by reference to the following criteria and default weighting:

12.2

Criteria	Percentage
Price	30%
Compliance with specifications	20%
Warranty	20%
Servicing & Spare Parts	15%
Delivery timeframe	15%

Council will decide by resolution all plant procurement contracts greater than \$200,000 unless otherwise delegated.

13. Contract Variations

13.1 For any contract, variations can be approved, within delegated authority up to the overall project budget, whether they be one off or cumulative, provided that this exercise is also in accordance with the Budget Policy.

13.2 If during the delivery of a capital project, or supply item, there is an expectation that the cost will exceed the overall project budget, then a Budget Policy paper must be presented to Council in accordance with Council's Budget Policy in order to authorise the additional expenditure.

13.3 Emergent projects are defined as projects not within the current Financial Year's budget with the default being that they all require CEO approval before proceeding (Council's Budget Policy must also be complied with).

13.4 In emergency situations, approval can be within delegated authority limits, with advice to the relevant Director and/or CEO as soon as practicable.

14. Purchase Order

When raising a purchase order, Council Officers must ensure that they operate within their delegated limits. The following principles must be followed:

14.1 One purchase order must be raised for each contract. Issuing multiple purchase orders to remain under a delegated limit is not approved (i.e., no "order splitting");

14.2 Variations to a purchase order must not cause the total value of the purchase order to exceed a delegated limit. For example, if a purchase order was raised for \$150,000 and a variation to the purchase order causes the total to exceed \$150,000, then the variation must be approved by a delegate with the requisite delegation;

14.3 A purchase order must be raised before engaging a supplier. The purchase order should be issued prior to the receipt of an invoice;

14.4 A requisition must be raised by an officer with an appropriate requisition authority and then approved by a secondary officer with authorising delegation.

15. Only Reasonably Available Supplier

15.1 Cloncurry Shire Council resolves that it is satisfied that the following suppliers meet the section 235(a) requirements under the Local Government Regulation 2012 as the only reasonably available supplier:

Service	Supplier
Supply of Water from Lake Julius	SunWater
Energy	Ergon
External Audit	Queensland Audit Office
Specialist subscription services and memberships	North West Queensland Regional Organisation of Councils, Local Government Association of Queensland, Outback Queensland Tourism Association, Overlander's Way, Western Queensland Alliance of Councils
Training courses from accredited providers	IPWEA, IAP2
Cultural Heritage Monitoring	Relevant traditional owner groups for the area / site in question, including Mitakoodi, Mayi, Kalkadoon, Yulluna, Pitta Pitta
Electoral costs	Electoral Commission of Queensland
Australian Standards	SAI Global

16. Purchasing without a Purchase Order

16.1 Council recognises that in some cases it is impractical to issue a requisition or purchase order where such purchasing activities are recurring and operational in nature.

16.2 A purchase order will be raised for all purchases with the following exceptions:

- 16.2.1 When a credit card is used for a purchase in limited circumstances (see Procurement Manual);
- 16.2.2 for utility invoices, vehicle registrations, ATO payments and similar transactions;
- 16.2.3 for employee reimbursements;
- 16.2.4 to pay approved community donations;
- 16.2.5 for refunds to ratepayers;
- 16.2.6 for annual renewal of software licenses
- 16.2.7 Ramsay Street General Practice for GP services
- 16.2.8 Insurance renewals including LGW & LGM
- 16.2.9 other exceptional circumstances authorised by the CEO.

Under these circumstances, the expense must be approved for payment by an officer with the appropriate financial delegation.

17. Payment Terms

17.1 Council's standard payment terms and conditions are:

- (a) Local Suppliers: 14 days from the date on a valid tax invoice.
- (b) All Other Suppliers: 30 days from the date on a valid tax invoice.

17.2 All tax invoices where appropriate must reference a valid Council purchase order number.

17.3 Any deviation from Council's standard terms up to a contract value of \$50,000 will require approval from the Director of Corporate Services and contracts over \$50,000 from the Chief Executive Officer.

17.4 Payment terms outlined in the *Building Industry 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.

18. Contractor Performance Review

18.1 Council will monitor contractor performance and undertake periodic reviews to ensure works are being performed to a standard acceptable to Council. The performance review shall be documented and cover the following key performance indicators (KPI's) – safety, responsiveness to requests, completion of work on time, quality, resolution of warranty/defect claims, and complaints. Refer to the Contract Performance Review Framework (COR 1050).

- For Approved Contractor Lists, Pre-Qualified Suppliers Lists and Preferred Supplier Arrangements - at least once during the term of the contract; and
- Procurement quantities including stores - on an annual basis.

19. Risk Management

Risk management for Procurement involves the systematic identification and mitigation of risk in the Procurement process. The extent of risk will vary from routine to significant depending upon the complexity and cost of the project and associated contract. All Procurement Officers must carefully consider the terms and conditions of contracts, and the availability, capacity and previous history / experience of tenderers (as well as value for money) when assessing quotes and tenders. The totality of the contract must be considered in awarding of the tender or quote and the managing of the project.

20. Compliance Review

Compliance with this policy and associated procedures form part of an annual compliance review and that review may be subject to the oversight of the Internal Audit function.

21. References and Related Documents:

Local Government Act 2009
Local Government Regulation 2012
Building Industry Fairness (Security of Payment) Act 2017
Cloncurry Shire Council Accounting Manual
Budget Policy COR 1040

Document No. COR 1004
ERDMS Doc ID 338345
Authorised by Council Resolution 350.2025
Document maintained by Manager Procurement
Statutory Policy

Version No.10
Initial Date of Adoption: 16.04.2019
Current Version Adopted: 18.11.2025
Next review date: 11/2026

Code of Conduct HRM 1004
 Corporate Plan 2021-26
 Operational Plans
 Delegations Register
 Corporate Credit Card Policy COR 1025
 Contract Performance Review Framework COR 1050

22. POLICY VERSION AND REVISION INFORMATION

Version No.	Date Adopted	Review Date
5	16 June 2020	
6	20 July 2021	
7	20 September 2022	
8	19 September 2023	
9	20 August 2024	August 2025
9.1	Adjusted financial delegation of Supply Coordinator per CEO instruction 14/05/2025	August 2025
10	18 November 2025	November 2026

Policy endorsed by: Philip Keirle



Title: Chief Executive Officer

APPENDIX 1: Schedule of Financial Delegations

Position	Purchasing Limit \$ (excl. GST)	Constraints
Chief Executive Officer	\$200,000	No restrictions
Director of Corporate Services	\$100,000	Procurement of items related to Corporate Services Directorate
Director of Infrastructure & Environment	\$100,000	Procurement of items related to Infrastructure & Environment Directorate
Director of Projects	\$100,000	Procurement of items related to Projects Directorate
Director of Community Services & Economic Development	\$100,000	Procurement of items related to Community Services & Economic Development Directorate
Procurement Manager	\$50,000	No restrictions, but directorate leads must authorise in priority where available
Manager HR & WHS	\$25,000	Procurement of items related to HR & WHS
Manager Infrastructure	\$25,000	Procurement of items related to Infrastructure Department (water, sewer, pool, buildings)
Manager Planning and Environment	\$25,000	Procurement of items related to Planning and Environment Department
Works Manager	\$25,000	Procurement of items related to Works Department
Finance Manager	\$10,000	Procurement of items related to Finance Department
Shared Services Manager	\$10,000	Procurement of items related to Shared Services Department
Airport Manager	\$10,000	Procurement of items related to Cloncurry Airport operations
Community and Cultural Services Manager	\$10,000	Procurement of items related to Community and Cultural Services Department
Tourism and Economic Development Manager	\$10,000	Procurement of items related to Tourism and Economic Development Department
Director Childcare	\$5,000	Procurement of items related to childcare operations
Workshop & Fleet Services Supervisor	\$5,000	Procurement of items related to Workshop & Fleet Department operations
Executive Office Coordinator	\$5,000	Procurement of goods and services (including travel and accommodation bookings, Media and PR) for the Executive Office Department
Property Management Coordinator	\$5,000	Procurement of items related to buildings and property management
Water & Sewer Supervisor	\$5,000	Procurement of items related to water and sewer operations
Dajarra Team Leader	\$2,000	Procurement of items related to areas of accountability for Dajarra operations
Building Maintenance Supervisor	\$2,000	Procurement of items related to building maintenance
Supply Coordinator	\$1,000	Procurement of Stores items