



RICHMOND SHIRE COUNCIL PROCUREMENT POLICY

POLICY NUMBER: 032
INFOXPRT REF: 73286
TIME PERIOD OF REVIEW: 1 Year
DATE OF NEXT REVIEW: July 2027

1. PURPOSE

This document sets out the Council's policy for the purchasing of goods and services and carrying the principles of procurement. This policy applies to all Council Employees and Contractors.

2. POLICY OBJECTIVES

Council's strategic procurement and contracting objectives endeavour to:

- (a) Support the acquisition of the correct goods and services, in the correct quantities, to the required specifications, ideally when (and only when) required.
- (b) Support the establishment of a diverse supply chain, with particular focus on suppliers that deliver or have the potential to deliver social, economic and/or environmental benefit locally and/or regionally.
- (c) Assist Council to be better positioned through improved data analysis and by having visibility of Council's entire procurement landscape.
- (d) Transform the procurement process to consider the "whole of life cycle" value.
- (e) Provide a robust and transparent audit trail which ensures that projects are appropriately planned, approved, delivered on time, within time constraints and that the needs of the end users are fully met.
- (f) Ensure that risk is identified, assessed and managed through all stages of the procurement process.
- (g) Actively encourage opportunities for local suppliers.

3. APPLICATION OF POLICY

All procurement activities of Council must have regard to the "sound contracting principles" with the *Local Government Act* and *Local Government Regulation*.

The principles are:

- (a) Value for money
- (b) Open and effective competition
- (c) The development of competitive local business and industry
- (d) Environmental protection
- (e) Ethical behaviour and fair dealing

3.1 Value for money

The value for money does not mean just the 'lowest price' but includes without limitation:

- (a) Alignment with Council's Corporate Plan, Operational and Adopted Budget
- (b) Fit for purpose and quality
- (c) Whole of life cost of an asset including costs of acquiring, using, maintenance and disposal
- (d) Stimulate the economic development of the Richmond Shire area
- (e) Consideration of environmental, social and economic impacts
- (f) Consideration of workplace health and safety

3.2 Open and effective competition

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

3.3 The development of competitive local business and industry

Council encourages the development of competitive local business and industry within the Shire area. Council will apply a preference to local business as described in 6 Purchasing arrangements.

3.4 Environmental protection

Council promotes environmental protection through its purchasing procedures. This may include the purchase environmentally friendly goods and services, ensuring low environmental impact.

3.5 Ethical behaviour and fair dealing

Council Officers involved in purchasing are to behave with impartiality, fairness, independence, openness, integrity and professionalism in their discussion and negotiations with suppliers.

4. PURCHASING ARRANGEMENTS

4.1 Officers carrying out procurement activities must comply with Council's policies and procedures. They must comply with all relevant legislation including but not limited to the *Local Government Act 2009* and the *Local Government Regulation 2012*.

4.2 Council officers must declare any perceived or actual conflicts of interest throughout the procurement process.

4.3 All purchases must be sourced according to the minimum requirements in the table below unless an exception in Division 3 of Part 6 of the *Local Government Regulation* applies. All purchases must be approved by a relevant officer with the approved delegation.

Value excluding GST	Minimum Requirements
Less than \$5,000	One quote
\$5,001 to < \$21,900	Two written quotes*
\$21,900** to < \$292,000**	Three written quotes*
More than \$292,000**	Public tender required.

*VendorPanel may be used to seek quotes or tenders.

**Values to be adjusted each July as per *Section 223E* of the *Local Government Regulation 2012*.

5. Local Suppliers

In accordance with *Section 104(3)(c)* of the *Local Government Act 2009*, Council wishes to pursue the principle and objectives of developing competitive local business and industry, and supporting the local economy, as part of the process of making its purchasing decisions. To support this principle and objective, a price percentage of 12% will be considered in evaluating offers. A local supplier is a supplier which:

(a) Business is beneficially owned by persons who are residents and/or rate payers of the Richmond Shire and has its principal place of business within the area of Council.

(b) Otherwise has a (registered) place of business within the Richmond Shire which solely or primarily employs persons who are residents and/or rate payers of the Council.

5.5 Exceptions for medium sized and large sized contractual arrangements

(a) entering into a contract if the contract is made with a person who is on an approved contractor list established by Council in accordance with the requirements of section 231 of the Regulation.

(b) entering into a contract if the contract is entered into with a supplier from a register of pre-qualified suppliers established by Council in accordance with the requirements of section 232 of the Regulation.

(c) entering into a contract for goods or services if the contract is entered into with a preferred supplier under a preferred supplier arrangement that is made in accordance with the requirements of Section 233 of the Regulation.

(d) entering into a contract of section 234 and 235 of the Regulation.

6. Unauthorised Spending

As per *Section 173 of the Local Government Regulation* Council may 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 as soon as practicable. The resolution must state how the spending is to be funded. If Council's budget for a financial year is amended after the money is spent, the amendment must take the spending into account.

7. POLICY/LEGISLATION BREACHES

A breach of this Policy or the relevant legislation by an employee may result in removal of their financial/contractual delegations and may also result in disciplinary action being taken against the employee in accordance with Council's Discipline Procedure. Where an employee has made a purchase without proper Council authorisation as outlined in this Policy, the employee may also be liable for the cost of the purchase.

Where an employee is suspected of fraud, embezzlement or theft, this may be reported to an external agency (e.g. Queensland Police Service; Crime and Corruption Commission).

8. LEGISLATION

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982 (Qld)*

9. RELATED DOCUMENTS

- Corporate Credit Card Policy

- Financial and Contractual Delegation Policy
- Procurement Procedure
- Council's Code of Conduct

10. IMPLEMENTATION

This Policy will commence from the Policy reviewed date and will be made available to all corporate staff on Council's intranet site/network, and to all outdoor staff via their supervisor/coordinator. Council reserves the right to vary, replace or terminate this Policy from time to time. This Policy will typically be reviewed when a review has been deemed appropriate by organisational processes (e.g., audit recommendations), or when legislative requirements change.

11. APPROVAL

Date of Adoption: 23 July 2015
Policy Reviewed: Special Budget Meeting 29 July 2026
Resolution Number: 2026729.29

Policy Authorised: Peter Bennett
Chief Executive Officer