

# Gladstone Regional Council

## Council Policy

# PROCUREMENT POLICY

Policy Owner:	Finance Governance and Risk
Adoption:	<del>1 August 2023</del>
Version:	<u>11</u>
Link to Corporate Plan:	<del>-Accountable Council – We are providing good stewardship built on a foundation of trust. Delivering Value – We work efficiently to deliver value for your rates.</del>
Head of Power:	<u>s198 Local Government Regulation 2012</u>
Review Date:	Annually

### 1 PURPOSE

The purpose of this policy is to demonstrate Gladstone Regional Council's approach to the contracting of carrying out of work, procurement of goods and services and the disposal of assets (including non-current assets) with a focus on encouraging local business procurement.

### 2 SCOPE

This policy applies to all procurement activities conducted by Gladstone Regional Council irrespective of funding source and acquisition process ~~except for the below transactions~~ with the exception of:

- refunds for overpayments;
- return of Trust Fund Monies;
- payments associated with Statutory Obligations;
- payments to Government Organisations;
- payments to employees under employment contracts; and
- Collector of Public Monies – Centrelink.

### 3 POLICY STATEMENT

This policy aims to achieve the Sound Contracting Principles outlined in the *Local Government Act 2009* by:

- a) assisting Council to achieve its goals and objectives outlined in the corporate and operational plans;
- b) demonstrating that procurement decisions are environmentally, socially, and economically responsible;
- c) supporting the economic development of local businesses and the Gladstone Region;
- d) ensuring fairness, integrity, transparency, and competition;
- e) ~~Ensuring the organisation is~~ fulfilling and striving for excellence in its safety obligations to employees, volunteers, contractors, and the community by establishing, managing, and closing out contracts appropriately;
- f) considering emerging technologies and innovation as part of the procurement process; and

- g) demonstrating efficient use of resources by ensuring best value for money is gained from procurement activities.

### 3.1 Policy Statement:

When carrying out procurement activities, Council will:

- a) act ethically and in full compliance with applicable laws, delegations, probity plans and other related Council policies;
- b) exercise responsible financial management, including the identification and management of risks associated with procurement;
- c) assess value over the whole of the operational life of acquired, constructed, or upgraded assets, goods, or services;
- d) be focused on achieving Council's safety, financial, social, local economic, and environmental objectives;
- e) establish procedures that ensure fair, open, and effective competition that deliver value for money and are efficient to use;
- f) develop and maintain relationships with suppliers, consultants, and contractors in a manner that is ethical, efficient, effective, fair, and transparent;
- g) support the establishment of a diverse supply chain with particular focus on entities that deliver or have the potential to deliver social, economic, and environmental benefit to the Gladstone Region;
- h) support locally based suppliers, consultants, and contractors where possible;
- i) establish contract management processes for suppliers, consultants, and contractors and monitor their performance over time;
- j) establish a safety and environment control 'gate' within the procurement process whereby any submission for work failing to meet current safety and/or environmental requirements will be excluded;
- k) establish a consistent, fair, and transparent process for the evaluation of offers; and
- l) establish and comply with Council's records management obligations.

The disposal of non-current assets will ~~occur~~ be undertaken in accordance with Council's Asset Disposal ~~standards~~ Corporate Standard.

#### 3.1.1 Local Content

Council will encourage the development of competitive local businesses through:

- a) providing a local content weighting of at least 15% to be assessed in the evaluation process of offers. This weighting will be applied on the basis of:
  - i) the geographic location of the business's head office, branch office, or depot; and/or
  - ii) the business's submitted Local Procurement Plan, demonstrating how they will commit to spending and sub-contracting within the Gladstone Region.
- b) the placement of orders, where the local business is competitive under Council's evaluation process;
- c) actively seeking out local businesses when inviting offers;

- d) ensuring that the below are given due consideration in the evaluation process:
  - o more readily available spare parts and servicing support;
  - o more reliable compliance with warranty provisions;
  - o shorter supply lines; and
  - o more convenient communications for contract administration;
- e) encouraging contractors to give local businesses every opportunity, as partners or subcontractors, to participate in carrying out works.

#### 4 RELATED LEGISLATION

Local Government Act 2009  
Local Government Regulation 2012

#### 5 RELATED DOCUMENTS

Procurement Corporate Standard  
~~Contract Management Corporate Standard~~  
~~Register of Financial Delegations Register~~  
 Asset Disposal ~~Policy~~ Corporate Standard  
 Financial Non--Current Asset ~~Threshold Accounting~~ Policy  
 Entertainment and Hospitality Expenditure Policy  
 Learning and Development Policy  
~~Elected Members Councillors~~ Expenses Reimbursement ~~& and~~ Provision of Facilities Policy  
 Code of Conduct Policy  
 Councillor Code of Conduct Policy  
[Reconciliation Action Plan](#)  
[Small Business Friendly Program and Charter](#)

#### 6 CONSIDERATION OF HUMAN RIGHTS

Gladstone Regional Council has considered the human rights protected under the *Human Rights Act 2019 (Qld)* when adopting and/or amendment this policy. When applying this policy, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to any human rights relevant to the decision.

#### 7 ATTACHMENTS

Nil.

#### 8 EVALUATION OF POLICY

[Success of this policy will be procurement activities are undertaken in a transparent and accountable manner optimising value for money whilst encouraging competitive local business.](#)

#### 9 DEFINITIONS

To assist in interpretation of this policy the following definitions apply:

Term	Definition
Carrying Out of Works	Activities relating to the construction or upgrades of assets.

Term	Definition
Contract	An agreement made in relation to the supply of goods or services or the disposal of non-current asset as set out in <del>s216(1)(a) and 1(b)</del> (Local Government Regulation 2012. <del>s216(1)(a) and (1)(b)</del> ).
Contractor	A person or organisation external from Council, with whom Council has entered into a contract for the provision of goods, services, or the carrying out of works.
Financial Delegation	<del>A formal Authority granted by the Chief Executive Officer</del> <del>delegation</del> allowing an employee to authorise or approve the expenditure or reimbursement of money within an approved budget and delegation limit.
Goods	An inherently useful and tangible item (article, commodity, material, merchandise).
Gladstone Region	The Gladstone Regional Council local government area.
Local Business	Businesses making a 'significant contribution' to the Gladstone Region economy, by way of: <ul style="list-style-type: none"> <li>i) having a physical presence in the Gladstone <del>Local Government Area (LGA)</del> <del>Region</del> and businesses or projects where the majority of the workforce resides within the Gladstone <del>LGA</del> <del>Region</del>; and</li> <li>ii) businesses or contractors which are not owned locally but provide goods, services, and/or labour that are primarily produced or supplied within the Gladstone <del>LGA</del> <del>Region</del>.</li> </ul>
Procurement	The entering into of a contract to purchase, hire, lease, rent, or exchange by way of any transaction involving the outlay <del>by Council</del> of <del>Council</del> funds; <del>for carrying out of works, goods or services</del> in return for the provision of goods, <del>services,</del> or completion of works <del>to for</del> Council by another person, company, or other entity.
Services	Intangible products including but not limited to consultancy, cleaning, maintenance, plant hire, professional services, repairs, traffic control, training, and waste collection.
Sound Contracting Principles	The sound contracting principles set out in s104(3) <del>of the</del> Local Government Act 2009.

## 10 REVIEW

This policy is to be reviewed upon the earlier of:

1. Annually from the date of adoption of the most recent version;
2. Any relevant statutory review periods;
3. The related legislation or governing documents are amended or repealed; or
4. A request from the Chief Executive Officer or Council.

## 11 DOCUMENT CONTROL

Version	Reason/Change	Date	Council Resolution
0	Adoption	11/11/2008	08/725
1		16/11/2010	10/367
2		5/03/2013	G/13/1451
3		17/03/2015	G/15/2346
4	(FCGC/16/0021 - 13/6/2016)	21/06/2016	G/16/2814
5		4/07/2017	G/17/3102
6	Full revision and re-write of policy to combine procurement policy with local preference policy.	17/07/2018	G/18/3474
7	Minor wording amendments.	6/08/2019	G/19/3882

Version	Reason/Change	Date	Council Resolution
8	Adjustment to definitions, Local Content criteria and inclusion of environmental gate.	19/01/2021	GM/20/4419
9	Reviewed and re-endorsed without change.	19/07/2022	G/22/4783
10	Reviewed and re-endorsed without change.	1/8/2023	GM/23/5061
<u>11</u>	<u>Definition refresh, updates to Related Documents, and minor wording amendments to improve readability and intent.</u>		

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