

Procurement Policy

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Responsible Officer:	Director of Corporate Services

Purpose

This policy applies to the procurement of all goods, equipment and related services, construction contracts and service contracts (including maintenance) by Council and regulates the disposal of assets. It also provides information on the roles and responsibilities of key officers involved in the purchasing function to ensure compliance with Section 104 of the *Local Government Act 2009*.

Commencement of Policy

This Policy will commence on adoption. It replaces all other specific Procurement policies of Council (whether written or not).

Application

All purchases of goods and services must be carried out in compliance with the *Local Government Act 2009* as amended, and the *Local Government Regulation 2012* as amended.

Council officers responsible for purchasing goods and services are to comply with these instructions. It is the responsibility of each Council employee involved in the procurement process to understand the policies and procedures as well as their meaning and intent. Employees with any questions must raise these with their respective supervisor or department head.

Council will have regard to the sound contracting principles as defined in the *Local Government Act 2009* when entering into any contract.

The sound contracting principles are—

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

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Key Objectives

The key objectives of the Purchasing Policy are to:

- (a) promoting value for money with probity and accountability;
- (b) advancing shire interests in economic, social and environmental policies;

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- (c) providing reasonable opportunities for competitive local business comply with relevant legislation to supply to Council;
- (d) promoting compliance with relevant legislation.

CEO financial and procurement authority

In accordance with Section 257 of the *Local Government Act 2009* Council delegates the Chief Executive Officer (CEO) the authority to incur financial expenditure in accordance with this policy on behalf of Council, and to negotiate and conclude contracts to the value of \$280,000 under the following provisions:

- (a) There has been provision for the expenditure in the current approved budget; or
- (b) The contract has been entered into because of genuine emergency or hardship.

CEO may delegate financial and procurement authority

In accordance with Section 259 of the *Local Government Act 2009* the CEO may delegate authority to incur financial expenditure and negotiate and conclude contracts to officers to whom they deem appropriate.

The CEO must approve financial delegations in writing by recording them in the Register of Delegations. Any officer incurring expenditure may only do so in accordance with the constraints imposed by the Council or the CEO in respect to a financial delegation.

The CEO may review the level of the financial and procurement limit as deemed appropriate for a relevant officer.

Purchasing arrangements under the LGA

There are a number of arrangements available to Council under the *Local Government Regulation 2012* for the purchasing of goods and services. These are approved contractor lists, suppliers from a register of prequalified suppliers, preferred supplier arrangements and LGA arrangements. Council may establish such arrangements as deemed necessary to meet its business objectives. As there are significant benefits to be achieved through the Local Buy arrangements, where considered appropriate Council will endeavour to utilise this arrangement to make purchases as such an arrangement is exempt from any further requirement to seek tenders or quotes.

In accordance with Section 226 of the *Local Government Regulation 2012* Council will invite tenders before making a contract for carrying out works or the supply of goods or services involving costs of more than \$280,000. The purchase of goods and services must be provided in the annual budget.

Class A – Large sized contractual arrangements >\$280,000 – when tenders are required

In accordance with Section 226 of the *Local Government Regulation 2012* Council will invite tenders before making a contract for carrying out works or the supply of goods or services involving costs of more than \$280,000. The purchase of goods and services must be provided in the annual budget. Class A decisions shall be made by a resolution of Council.

Class B – Medium sized contractual arrangements >\$21,000 < \$280,000 when written quotations are required

In accordance with Section 225 of the *Local Government Regulation 2012* Council will invite at least three written quotations before making a contract for carrying out works or the supply of goods or

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services involving costs of between \$21,000 and \$280,000. The purchase of goods and services must be provided in the annual budget.

Class C – Policy for acquisition of goods and services < \$21,000

The following procedure will apply to the purchase of goods and services with a value less than \$21,000. The purchase of goods and services must be provided in the annual budget.

- < \$1,500 - Guided by sound contracting principles
- \$1,501 < \$7,500 - At least two verbal quotations must be sought and documented;
- \$7,501 < \$21,000 - Two written quotations must be sought from suppliers who could be reasonably expected to offer the goods or services on a competitive basis.

Detailed specifications may be required if considered advantageous. Class C decisions are made in accordance with delegated authorities.

Encouragement of the development of competitive local business and industry

In accordance with Section 104 (3) (c) of the *Local Government Act 2009* Council wishes to pursue the principle of the development of competitive local business and industry as part of the process of making its purchase decisions. For this purpose:

1. A local business preferential weighting to the “Price” evaluation criteria of a procurement assessment is to be applied at the following rates:
 - Goods and services less than \$7,500 will be acquired locally, if in stock at shelf price.
 - 20% for purchases from \$7,501 up to \$21,000.
 - 10% for purchases from \$21,001 up to \$50,000.
 - 5% for purchases from \$50,001 up to \$200,000.

A 10% weighting for local content included in tender selection criteria for purchases above \$200,000.

In this policy a ‘local supplier’ is a supplier which:

- Is a business with a physical presence in the Murweh Shire

Exemption from requirement to tender or quote

In accordance with Sections 229-235 of the *Local Government Regulation 2012* Council can enter a contract to a value above \$280,000 without a tender or a contract above \$21,000 and less than \$280,000 without seeking quotations if:

- (a) Council resolves that it is satisfied that there is only one supplier reasonably available; or
- (b) Council resolves that the services being sought are of such a specialised or confidential nature of the services that it would be impractical or disadvantageous to seek quotations or tenders; or
- (c) A genuine emergency exists; or
- (d) The contract is for purchase of goods and is made by auction; or
- (e) The contract is for the purchase of second-hand goods; or
- (f) The contract is made with a person on an approved contractor list; or
- (g) The contract is made with a supplier from a register of prequalified suppliers; or
- (h) The contract is made with a supplier from a register of preferred supplier; or
- (i) The contract is made under a LGA Arrangement i.e. Local Buy; or
- (j) The contract is made under an arrangement with a government agency.

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Evaluation of offers

In accordance with Section 104 of the *Local Government Act 2009* Council will accept the offer most advantageous to it. In deciding which offer is most advantageous Council will have regard for sound contracting principles. All offers will be evaluated on appropriate selection criteria. Typical selection criteria may include, but are not limited to compliance with specifications, price, suitability for purpose, delivery, stock holding, product support and training, availability of guarantees of goods and services quality, quality assurance status and past performance, experience, knowledge and ability to perform of the supplier.

Tender documents shall include selection criteria and the evaluation will be completed by the responsible officer and a report on the tender/quotation must be prepared and a recommendation made to Council for approval.

Disposal of valuable non-current assets

In accordance with Section 227 of the *Local Government Regulation 2012* Council will dispose valuable non-current assets by auction or inviting tenders.

A valuable non-current asset is—

- (a) Land; or
- (b) Another non-current asset that has an apparent value that is equal to or more than the following limits;
 - for plant or equipment—\$7,000;
 - for another type of non-current asset—\$14,000

Exemption from disposal by auction or tender

In accordance with *Local Government Regulation 2012* goods with an apparent value of less than the above thresholds do not have to be auctioned or tendered and can be disposed of at the discretion of the CEO. In exercising this discretion the CEO will have consideration to sound contracting principles:-

- (a) Open and effective competition;
- (b) The best return for Council;
- (c) Environmental protection; and
- (d) Ethical behaviour and fair dealing.

Exemption to disposal by tender or auction

In accordance with Section 236 of the *Local Government Regulation 2012* Council may dispose of valuable non-current assets other than by tender or auction.

Pursuant to the Regulation, Council will have regard to the requirement to dispose of valuable non-current assets by auction or seeking tenders, however, where there is a reasonable case to use this section, Council will decide by resolution that the exception may apply.

Ethical behaviour

Officers undertaking a purchasing responsibility must act ethically and must be seen by all parties involved in a purchasing transaction (internally within Council and externally in the market place) to be acting ethically.

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Officers with procurement responsibilities are to behave with impartiality, fairness, independence, openness, integrity, and professionalism in their discussions and negotiations with suppliers and their representatives.

Council officers with procurement responsibilities are to advance the interests of Council in all transactions with suppliers' representatives and act in accordance with the policies and procedures contained herein. Officers must not release information, including names of tenderers to other tenderers, prior to the opening of a tender.

Publishing details of particular contracts

In accordance with Section 237 *Local Government Regulation 2012*, Chapter 6 Contracting, Part 4 Publishing details of particular contracts; Council will as soon as practicable after entering a contract worth \$200,000 or more (exclusive of GST):

- (a) Publish the relevant details of the contract on Council's website; and
- (b) Display the relevant details of the contract in a conspicuous place in Council's public office.

The relevant details must be published or displayed for a period of at least 12 months.

Relevant details, of a contract, means the following:

- (a) The person with whom Council has entered into the contract;
- (b) The value of the contract;
- (c) The purpose of the contract. Example— the particular goods or services to be supplied under the contract.

Purchase Orders

Purchase orders are to be raised and approved at the time the order is placed for all purchases of goods and services, other than those carried out by petty cash transactions, authorised corporate credit cards or in circumstances where it is not commercially practical to raise a purchase order. Not commercially practical includes emergencies or out of hours work incidents. If invoice received without Purchase Order, a payment voucher is to be completed, signed, and attached to invoice for processing.

Payments that do not require purchase orders include:

- (a) petty cash;
- (b) fuel card purchases;
- (c) ongoing accounts (ie. Fixed and mobile telephone, internet, utilities, vehicle registration);
- (d) Grants, donations, refunds and subsidies provided by Council;
- (e) Employee reimbursements;
- (f) Land valuation roll maintenance;
- (g) Work cover premiums;
- (h) Insurance payments; and
- (i) Taxations and payroll legislations payments.

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If no purchase order raised or provided, a payment voucher would be required. Council officers are prohibited from splitting orders for the purposes of acquiring goods or services above their delegated financial and procurement levels, or to avoid the necessity to obtain quotes, raise purchase orders or invite tenders.

Council officers must identify and assess the total likely requirements of the Council over a given period. Where repeat orders are required from a single supplier and are estimated to exceed \$10,000 consideration must be given to establishing an appropriate purchasing arrangement.

Audit and Review

This policy shall be reviewed every three years or as required by changes to process of legislation, relevant Standards and industry best practice. Murweh Shire Council reserves the right to vary, replace or terminate this policy from time to time.

Definitions

NIL

References

- *Local Government Act 2009* Chapter 4, Part 3, Section 104 Financial Management Systems
- *Local Government Regulation 2012* Chapter 6, Part 3 Default contracting procedures
- *Local Government Regulation 2012* Chapter 5, Part 6 Spending

Version Control

Version No.	Date	Approved	Amendment
6	20/01/2026	Council	Policy admendment

Approval

Chief Executive Officer			
Date:	20/01/2026	Signature:	Bruce Scott OAM