

## Purpose

The purpose of this policy is to provide consistent direction and guidance to all officers when undertaking procurement activities in accordance with the sound contracting principles stipulated in the Local Government Act 2009:

- 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.

## Scope

This policy is applicable to all Employees with delegation (contractual or financial) or responsibility for Contracting Activities including:

- a) The carrying out of work; or
- b) The supply of goods and services; or
- c) The disposal of non-current assets.

It is the responsibility of all employees to understand the meaning and intent of this Policy.

## Applicable Legislation

This policy refers to:

Local Government Act 2009  
Local Government Regulation 2012  
Public Sector Ethics Act 1994  
Trade Practices Act 1974  
Competition and Consumer Act 2010

## Policy Statement

Council is committed to the principle of the development of competitive local business and industry when entering into contracts for:

- The supply of goods and services; and/or
- The carrying out of work.

Council recognises the economic, innovative, and social benefits that local supply chains bring to our region.

The Local Preference Policy aims to utilise the procurement activity of Council to encourage and support local suppliers, where it is efficient and cost effective to do so, whilst satisfying Council's obligation to ensure value for money.

### The Application of Local Preference and Sound Contracting Principles

#### Value for money

- i. Value for money as defined in the Procurement Policy does not refer to price only. Council utilises qualitative criteria such as suppliers' resources, capacity to perform the works when required, experience and skills and management systems.
- ii. Through the use of Approved Contractor Lists, Preferred Supplier Arrangements and Prequalified Supplier Lists, Council will utilise the contract mechanisms, such as location of the goods and services to be delivered, to deliver benefits such as timeliness to reactive events and reduced mobilisation costs.
- iii. With all things being equal, local suppliers be provided with a 10% weighting advantage over non-local suppliers.

#### Open and effective competition

The Regulation and Councils Procurement Policy stipulate purchasing thresholds under which quotes and /or tenders are required. When sourcing quotes for Goods and Services the following applies:

Thresholds spend	Sourcing Requirement	Local Preference Weighting	Local Preference Application
\$0 - \$2000 (Excl GST)	One quote required	10%	Obtain one (1) quote from Local Supplier who has the capacity and capability to deliver the goods and services at a competitive price
\$2001 - \$15,000 (Excl GST)	Two written quotes required	10%	Obtain two (2) written quotes from Local Suppliers who have the capacity and capability to deliver the goods and services at a competitive price
>\$15,000 - \$200,000 (Excl GST)	Three written quotes required	10%	Obtain three (3) written quotes from Local Suppliers who have the capacity and capability to deliver the goods and services at a competitive price
Greater than \$200,000 (Excl GST)	Invite public tender	10%	N/A

Where Local Suppliers do not exist Council officers will approach suppliers in the following order of priority to obtain the necessary quotes (Dependant on Threshold spend) to satisfy the regulatory requirements.

- 1) Burdekin Shire Council, Mackay Regional Council and Isaac Regional Council based suppliers.
- 2) North Queensland based suppliers.
- 3) Queensland based suppliers.
- 4) National suppliers

#### The development of competitive local business and industry

Through the application of a 10% weighting to all procurements and the mandate of sourcing from Local Supplier as a priority, Council will ensure that suppliers are provided with the opportunity to bid for Council procurements. Council recognises that due to operational or project timelines it may be necessary to utilise panels formed for whole of local or state government agencies which can exclude suppliers. Where these instances occur the basis for utilising these panels will be documented and approved by the Executive Manager Procurement Property and Fleet.

Through public briefing sessions and facilitation of training sessions, Council will provide opportunities for suppliers to develop their systems and knowledge in how to respond to government and corporate tenders.

#### Environmental protection

Through the adoption and encouragement of environmentally responsible activities and use of climatically and environmentally friendly goods and services Council will support the following:

- Foster the development of local products and processes of low environmental and climatic impact which are able to be sourced in the local community; and
- Provide an example to business, industry, and the community by promoting the use of climatically and environmentally friendly goods and services.

#### Ethical behaviour and fair dealing.

Ethical behaviour and fair dealing will be promoted by fulfilling the requirements of Council's Code of Conduct, working with sound ethics and ensuring that both Council and Suppliers:

- apply sound ethical principles and equitable dealings with fair and reasonable opportunities;
- ensure probity, transparency, impartiality, and accountability for all contracting activities;
- use procurement and contracting processes, systems and procedures that provide a consistent approach to Council's legislative and policy requirements;
- promote high standards of professionalism in procurement and contracting activities; and
- ensure Council officers with contracting responsibilities act with integrity and in a way that shows concern for public interest.

## Definition

**Approved Contractor List** means a list of contractors (persons or companies) who Council considers to be appropriately qualified to provide the services – refer section 231 of the Regulation.

**CEO** refers to the Chief Executive Officer of the Whitsunday Regional Council appointed in accordance with the *Local Government Act 2009*, or any person acting in that role.

**Council** refers to the Whitsunday Regional Council

**Employee** refers to any employee, contractor, volunteer etc. of the Council.

**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 Supplier** means a supplier of goods, services or works who maintain a permanent presence within Councils local government area (i.e., a workshop or office and permanent employees residing in the Council region) (as determined by Council in the event of any dispute).

**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;

**Preferred Supplier Arrangement** has the same meaning as set out at section 233 of the Regulation. Pre-Qualified Suppliers has the same meaning as set out at section 232 of the Regulation.

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

**Small-Sized Contractual Arrangement** means 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.

**Sound Contracting Principles** means those principles set out at section 104(3) of the Act.

## Related Documents

Code of Conduct  
Procurement Policy  
Purchasing Card Policy

## Human Rights Compatibility Statement

This Policy has been assessed as compatible with the Human Rights protected under the *Human Rights Act 2019*

COUNCIL POLICY			
<b>Date Adopted by Council</b>	30 June 2023	<b>Council Resolution</b>	
<b>Effective Date</b>	1 July 2023	<b>Next Review Date</b>	30 June 2024
<b>Responsible Officer(s)</b>	Executive Manager Procurement, Property and Fleet	<b>Revokes</b>	LSP_CORP_32