



Blackall-Tambo

Regional Council

Procurement & Disposal Policy

1. PURPOSE AND SCOPE

This document sets out Council's policy for procurement activities in the organisation. Under section 198 of the *Local Government Regulation 2012*, Council must prepare and adopt a policy about procurement. The policy must include details of the principles, including the sound contracting principles that Council will apply in the budget year for purchasing goods and services. The policy must be reviewed annually.

The policy applies to all Council operations for the procurement of all goods, equipment and services, construction contracts and service contracts (including maintenance) to Council as defined in the *Local Government Act 2009* and the *Local Government Regulation 2012*.

2. POLICY STATEMENT

All procurement activity must be conducted to ensure that sound contracting principles of the *Local Government Act 2009* are considered in achieving:

- Value for money
- Open and effective competition
- Development of competitive local business and industry
- Environmental protection
- Ethical behaviour and fair dealing.

3. VALUE FOR MONEY

The concept of value for money is not restricted to price alone. Value for money factors need to be specifically included in evaluation criteria and may include:

- Contribution to the advancement of Council's priorities
- Fitness for purpose, quality, services, and support
- Compliance with workplace, health, and safety requirements
- Internal administration costs
- Technical compliance issues
- Risk exposure



4. OPEN AND EFFECTIVE COMPETITION

Procurement 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.

5. DEVELOPMENT OF COMPETITIVE LOCAL BUSINESS AND INDUSTRY

Council recognises the significant impact that its operations play in the local economy however also is mindful of its requirements to provide value for money outcomes through its procurement policy.

6. ETHICAL BEHAVIOUR AND FAIR TREATMENT

In this policy a local supplier is defined in Appendix D.

All procurement related activities are to be conducted honestly and in a manner that is fair to all parties.

Identifying, declaring, and seeking advice into any perceived and/or actual situations that may give rise to a conflict of interest by any officer involved in the end-to-end procurement process and ensuring perceived conflicts of interest are documented and recorded.

Ensuring that all procurements activities are undertaken in accordance with legal, statutory, and internal budgetary obligations.

Procurement officers should ensure that, where there is more than one local business providing goods or services on similar terms, that they are not unreasonably favouring one business over another business in their procurement activities. Providing ongoing procurement and contract training for all relevant staff prior to them exercising either a procurement and/or financial delegation that commits Council to a contract for the provision of goods and services.

Officers must not undertake order splitting to avoid the requirements of this policy.

Procurement of goods and services will be undertaken as follows:

- Tenders – procurement from a supplier over the value of \$280,000 (excluding GST) in a budget year must be conducted by an open tender process. Tender processes are outlined in Appendix A.
- Quotes – Quote requirements for the purchase of goods and services are outlined in Appendix B.
- Emergent Works – when services are required at short notice (in less than 7 days from the calling of quotes), with the authorisation of the senior management, an officer may obtain quotes for a suitably qualified supplier without using Vendor Panel.
- Genuine Emergencies – an officer may procure goods or service without obtaining quotes when a genuine emergency exists. A genuine emergency includes actual or potential flood damage, storm damage, bushfire, accident etc



and where action must be taken to protect public assets by immediate action.
The procurement must be authorised by senior management.

7. PREFERENCE FOR LOCAL SUPPLIERS AS DEFINED IN APPENDIX D

Council may accept a tender, quote, or offer from a local supplier in preference to a comparable tender or offer from a non-local supplier even if the tender or offer from a non-local supplier has been assessed as more favourable in terms of one or more of the assessment criteria applied (including but not limited to price), and so long as the selected local supplier can meet Council’s requirements at a high standard which is comparable to that of other offers.

8. EXEMPTION FROM REQUIREMENT TO TENDER OR QUOTE

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

- (a) Council resolves it is satisfied that there is only one supplier available; or
- (b) Council resolves that the services being sought are of such a specialised or confidential nature 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 body or government arrangement.

9. EVALUATION OF OFFERS

At least two officers of the Council shall be involved in the evaluation, awarding and administration of all procurement transactions. At a minimum, one member of the panel must hold the position of Group Manager or higher.

A Chairperson for the panel must be appointed and is responsible for keeping appropriate records to satisfy audit requirements and to establish that the principles and procedures contained in this Policy have been complied with.

When evaluating offers, Council officers shall have regard to the sound contracting principles as outlined in Appendix C including support for local business and industry as outlined in Appendix D.

Officers must accept the tender or quote most advantageous to Council. The officer may decide not to accept any tender or quote.



All contractors and suppliers of goods or services shall ensure that the work undertaken for goods supplied comply with Council's Health and Safety requirements.

9.1. Weightings

When evaluating the offers received, weightings are used as a means of determining the offer most beneficial to Council. Weightings must be applied consistently in the evaluation process and documented for audit purposes.

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 the 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 of guarantee of goods and services quality, quality assurance status and past performance, experience, knowledge, and ability to perform.

10. PUBLISHING DETAILS OF CONTRACTS ENTERED THAT EXCEED \$280,000 (EX. GST)

Council will display contracts over \$280,000 (excluding GST) in accordance with Section 237 of the *Local Government Regulation 2012* on Council's website and on noticeboards at each of its Customer Contact Centres at Blackall and Tambo.

11. SPECIFIC PROCUREMENT CATEGORIES

11.1. Building Services

Council will maintain a Pre-Qualified Supplier Register for building services (plumbing, carpentry, electrical, fencing etc).

Suppliers will be placed on the Register after conducting a full tender process. Tenders for the Pre-Qualified Supplier Register will be called at the end of the contract period or earlier, if deemed necessary.

Council may procure building services from any supplier on the local Pre-Qualified Supplier Register.

Suppliers must provide an hourly rate for the provision of services which may be updated after 12 months on the register.

11.2. Fuel

Council will use the Local Buy contract arrangement for fuel or go to quote/tender.

11.3. Plant and Fleet Purchases

Procurement will be carried out according to annual budget allocations, based on identification of those items which it is estimated will reach the optimal replace period within the budget year.



Any alterations to the stipulated timeframes will require a written condition assessment, provided to the CEO, which will include:

- i. The reason for seeking to retain or dispose of the plant or fleet item outside of scheduled timeframes
- ii. Any change to Council's operational needs and works planning
- iii. The continued safe, effective, and efficient operation of each item
- iv. The mechanical condition of the plant or fleet item
- v. Ongoing and/or unexpected maintenance costs of an item
- vi. Changes in industry and commercial priorities which may alter trade-in benefits or provide unexpected opportunities for purchase, replacement, or disposal
- vii. The recommended alternative disposal date
- viii. When the cumulative maintenance cost exceeds the written down value.

Upon receipt of a condition assessment and the recommendation of a Director, the CEO may elect to retain the asset for longer or dispose of the asset at an earlier time.

Common criteria for determining that goods may be suitable for disposal include:

- No longer required
- Unserviceable or beyond economic report
- Technologically obsolete
- Operationally inefficient
- Surplus to current or immediate foreseeable needs
- Part of an asset replacement plan
- Unustainable costs associated with the retaining of fleet assets such as storage, insurance, security, condition and management.

Common criteria for determining that goods may be suitable for retention beyond schedule:

- Supply chain issues
- Yearly budget considerations
- Vehicle or plant condition does not warrant disposal within the specified timeframe
- No suitable plant or vehicle replacement available
- Other reasonable matter at the discretion of the CEO.

Suppliers of plant valued at more than \$15,000 (excluding GST) must provide after sales service as requested by the procurement officer in the quote documentation.

11.4. Plant and Equipment Parts and Servicing

The procurement of parts and servicing for plant and equipment owned by Council may be made with the authorised agent, or another supplier providing genuine parts for that plant and equipment, without obtaining more than one quote.

11.5. Plant Hire

Council will maintain a Pre-Qualified Supplier Register for wet and dry plant hire. Suppliers will be placed on the Register after conducting a full tender process.

Tender for the Pre-Qualified Supplier Register for wet and dry plant hire will be called at the end of the contract period or earlier, if deemed necessary.



Weightings for Plant Hire are as follows:

Assessment Factor	Score
Conformance	Yes/No
Availability	Yes/No
Machine Size	Yes/No
Adjusted Price	15
Operator Experience	2
Documented Work History	3
Incumbent (only to be used if other scores are equal)	1

- Conformance = the quotation form is completed in full and meets all requirements.
- Availability = the contractor can start when required and is available for the full period of job.
- Machine Size = the machine is comparable to the size requested and is suitable to perform the job.
- Adjusted Price = quoted price adjusted for the local business weighting and carrying capacity (where applicable).
- Operator Experience = assessment of the operator’s proven work experience and local knowledge of soils, terrain, and conditions.
- Documented Work History = assessment of the operator and owner’s work history including environmental issues, reliability, condition of machines. Evidence of unsatisfactory work history must be documented.
- Incumbent = currently working for Council on that job.

11.6. Community Care Services

Community care services will be procured through appropriate health care and specialised service providers except where a client exercises their right to choose their supplier of goods and services.

12. VARIATIONS

Any variation to a quotation or tender requires approval by the Authorised Officer and CEO.

Purchase orders for variations – see Appendix B.

13. DISPOSAL OF VALUABLE NON-CURRENT ASSETS

Disposal must be undertaken in accordance with Chapter 6, Division 2 of the *Local Government Regulation 2012* for disposal of valuable non-current assets.

In accordance with 227 of the *Local Government Regulation 2012* Council will dispose of any non-current assets in accordance with section 1(b) “offers the non-current asset for sale by auction”.



A valuable non-current asset disposed of before 1 July 2026 is—

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

A valuable non-current asset disposed of on or after 1 July 2026 is the maximum amount for the asset as adjusted and rounded under section 223E of the *Local Government Regulation 2012*.

Prior to the disposal of Council assets surplus to requirements, approval must be sought from the CEO or CEO’s delegate. The sale of a current may be made by quotation, tender, auction or offering the current asset for sale if that process is more efficient or provides an increased return to Council for the sale of current assets.

Disposal of a current asset may be made by offering the asset for sale at a predetermined price set by the CEO or the CEO’s delegate.

The non-current asset, where applicable, may be traded for another asset as required by Council once approval has been sought from the CEO or CEO’s delegate.

14. EXCEPTIONS FOR VALUABLE NON-CURRENT ASSETS CONTRACTS

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

- (a) The disposal is to a government body; or
- (b) The disposal is to a community organisation; or
- (c) The non-current asset has been offered for sale by tender or auction but was not sold; and
- (d) Is sold for more than the highest tender or auction bid that was received; or
- (e) For non-current assets other than land, the disposal is by way of a trade-in for the supply of goods or services to Council.
- (f) The Council has decided, by resolution, that an exception may apply to the Council on the disposal.

Council may dispose of land or an interest in land only in accordance with section 236 of the *Local Government Regulation 2012*.

If a local government makes a resolution deciding that the exemption mentioned in (f) may apply to the local government on the disposal of a valuable non-current asset other than by tender or auction, the resolution must state –

- (i) Why the local government considers the disposal of the asset other than by tender or auction is in the public interest; and
- (ii) How the disposal is otherwise in accordance with the sound contracting principles; and

The local government

- (i) Must, within 5 business days after making the resolution, give a copy of the resolution to the Minister; and



- (ii) Must not dispose of the asset as permitted by the exception within 56 days after making the resolution.



APPENDIX A Tenders

Tenders must be invited before making a contract for the conducting of work or for the supply of goods or services involving a cost of more than \$280,000 (excluding GST).

An exception for the requirement to tender may be applied as outlined in Appendix B, only with the written approval of the Chief Executive Officer.

Tenders may be invited for contracts of less than \$280,000 (ex GST).

The invitation to tender must be placed in an advertisement in a newspaper circulating in the Blackall-Tambo Regional Council area and must allow at least 21 days from the day of the advertisement to the close of submission of tenders.

Tenders may be lodged by email, post or through Vendor Panel.

Tender specification must set out the minimum performance requirements, dimensions, and purpose for which the goods/service are required.

- (a) **Functional Specifications:** functional specifications should outline the proposed role of the product in achieving the desired result. The specifications will define the task or desired result and may describe the general form of the goods and services required.
- (b) **Performance Specifications:** performance specifications should detail the required performance characteristics which will be subject to testing on delivery to demonstrate compliance with the specifications. Such specifications may include maximum and minimum performance criteria and methods of measuring performance.
- (c) **Technical Specifications:** technical specifications should detail the physical description of the product including elements such as size, capacity, rating, and materials.
- (d) **Material Specifications:** material specifications should state the physical characteristics of material – basic, semi-fabricated or compound. They will be used for describing specific material and may refer to specific commercial or industrial standards.

Local Employment

All tender proposals must provide details of the proposed procurement from and/or employment of local Blackall-Tambo Regional Council residents, businesses, and contractors for the tender project.

Tender Security

Tenders shall close at the time, date and place stated in the tender documents. Tender documents received after the advertised closing date and time shall be deemed invalid.



Tender Opening

Two nominated Blackall-Tambo Regional Council representatives shall conduct the opening of tenders.

Changes to Tenders

If Council changes a tender specification or requirement, Council must invite all the persons who have submitted a tender to change their tender to take account of the change in the tender specifications or requirements.

Tender Assessment

Tenders shall be assessed using an assessment matrix developed for that tender. The matrix must include the local business weighting as outlined in Appendix D.

Tenders over \$280,000 must be presented to Council for formal approval.



APPENDIX B Quoting Procedures

All purchases must comply with the five sound contracting principles.

- (a) Up to \$100: purchases up to \$100 may be made of Petty Cash or an estimated order up to a pre-determined amount not exceeding \$100.
- (b) Purchase Orders – Up to \$2999 (ex GST)
A purchase order shall be signed and issued after obtaining a minimum of one verbal or written quote and noted on the quote record form.
If more than one local business can supply the goods or services, the officer should ensure that Council is providing the opportunity to quote to all local businesses.
If there is no local business that can supply the goods or services – A purchase order may only be signed and issued after obtaining a minimum of one written quote.
- (c) Purchase Orders – From \$3,000 Up to \$20,999 (ex GST)
A purchase order may only be signed and issued after:
 - i. seeking two written quotes and assessing those quotes in accordance with this Policy.
 - ii. Variations greater than 5% of the quoted amount will require an additional purchase order.
- (d) Purchase Orders – From \$21,000 Up to \$279,999 (ex GST)
A purchase order may only be signed and issued after:
 - i. seeking quotes using Vendor Panel and recording the quotes on a Quote Record Form and assessing those quotes in accordance with this Policy; or
 - ii. seeking three written quotes which complies with one of the exceptions at (f) below.
 - iii. Variations greater than 2.5% of the quoted amount will require an additional purchase order.
- (e) Purchase Orders - \$280,000 (ex GST) or greater:
 - i. Tenders must be invited for contracts estimated to cost more than \$280,000 (ex GST).
 - ii. Council may enter a contract without calling tenders by obtaining a minimum of one written quote which complies one of the exceptions at (f) below.
 - iii. Contract over \$280,000 (ex GST) must be approved by Council even if an exception is used.
 - iv. Any variation exceeding the tender amount will require an additional purchase order.
- (f) Exceptions:
A purchase order may be raised after complying with one of the following exceptions:
 - i. accessing a supplier from Council's Register of Approved Contractors; or
 - ii. accessing a supplier from Council's Register of Pre-qualified Suppliers; or
 - iii. accessing a supplier from Council's Register of Preferred Suppliers; or
 - iv. accessing a LOCALBUY arrangement; or
 - v. there is only one supplier who is available: or
 - vi. where because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes or tenders; or
 - vii. a genuine emergency exists; or
 - viii. goods or services for emergent works with a value of less than \$15,000; or
 - ix. the purchase of goods at an auction; or



- x. the purchase of second-hand goods; or
- xi. the contract is made with a government body or government arrangement.

The reason for applying an exception must be recorded on the Quote Record Exception Form and must be authorised by senior management.



APPENDIX C Sound Contracting Principles

All Council procurement transactions shall have regard to the five sound contracting principles:

(a) Open and Effective Competition

Council will:

- i. ensure all suppliers wishing to conduct business with Council have a reasonable opportunity to do so
- ii. maximise the prospect of obtaining the most cost-effective outcomes
- iii. ensure there is no favouritism to suppliers
- iv. ensure contracts are awarded based on merit; and
- v. ensure Council's procurement procedures are visible to the Council, the public and suppliers.

(b) Value for Money

Council believes value for money:

- i. represents the best return and performance from the money spent over the extended life of the product or service
- ii. does not always mean the lowest price
- iii. can be achieved using open specifications that provide the alternative offers and enhance the prospect of receiving value for money; and
- iv. will be enhanced through quality assurance systems.

(c) The development of competitive Local Business and Industry

Council will:

- i. enhance the opportunity for local suppliers of goods and services to be considered for Council business; and
- ii. encourage and give local suppliers every opportunity to compete for Council business.

(d) Environmental Protection

Council will encourage environmentally sustainable development by promoting purchasing practices which:

- i. conserve resources
- ii. save energy
- iii. minimise waste
- iv. protect human health
- v. maintains and improve environmental quality and safety; and
- vi. promote the use of recycled materials.

(e) Ethical Behaviour and Fair Dealing

Council will implement practices that.

- i. operates with impartiality and openness
- ii. have a high degree of integrity
- iii. advance the interest of the Council; and



- iv. avoid suppliers who seek favours and operate outside of competition and the policies encompassed in this document.



APPENDIX D
Development of Competitive Local Business and Industry

The Council shall support local business and industry by procuring goods and services locally within the Blackall-Tambo Regional Council area where possible and when in accordance with this Policy. This will be achieved by:

- (a) Actively seeking out known local suppliers and supplies.
- (b) Ensuring quotes include freight to point of delivery in the total cost.
- (c) Ensuring that purchases and projects are not structured to exclude local suppliers.
- (d) Avoiding non-standard specifications which local suppliers cannot meet.
- (e) Improving the local community’s understanding of the Council’s procurement policy.
- (f) Designating businesses into categories (as described below) and applying the following weightings to quotes and tenders from local businesses:

Value of Goods or Services ex. GST	Category zero	Category one	Category two	Category three
\$0 - \$49,999	0%	10%	7.5%	5%
\$50,000 - \$199,999	0%	5%	4%	2.5%
\$200,000 or greater	0%	2.5%	1.5%	0.5%

(When assessing price, the local business price is to be reduced by the applicable percentage prior to the allocation of an adjusted price score in the assessment matrix.)

Local Business Categorisation

A **Category 0** Business is a business which is not defined by the two categories below.

A **Category 1** Business is a business which complies with all the following:

- 1. The business owners are ratepayers and reside within the Blackall-Tambo Regional Council area; and
- 2. The business owns or leases a business premises or depot within the Blackall-Tambo Regional Council area; and
- 3. The business employs or subcontracts people residing in the Blackall-Tambo Regional Council area (the owners are treated as employees for the purpose of this clause).

A **Category 2** Business is a business which complies with all the following:

- 1. The business owns or leases a business premises or depot located within the Blackall-Tambo Regional Council area; and
- 2. The business employs or subcontracts people residing in the Blackall-Tambo Regional Council area (the owners are treated as employees for the purpose of this clause).

A **Category 3** Business is a business which complies with the following:

- 1. Has a business in the Central West Local Government Area (RAPAD); or
- 2. Shares a boundary with the Blackall-Tambo Regional Council.