



PROCUREMENT POLICY

SPO2

Responsible Manager: Executive Manager, Corporate Services

Head of power: *Local Government Act 2009 (Qld)*
Local Government Regulation 2012 (Qld)

Authorised by: Council

Authorised on: May 2017

Implemented from: 2012

Last reviewed: 2017

Review history: 2012, 2013, 2014

To be reviewed on: June 2019

Corporate Plan: Governance

1. POLICY STATEMENT

This Policy aims to provide Torres Strait Island Regional Council [Council] with a procurement framework which is open and transparent and provides value for money in compliance with section 198 of the *Local Government Regulation 2012*.

2. SCOPE

This Policy applies to all procurement activities of Council.

3. SPECIFICATION

The principles set out in section 104(3) of the *Local Government Act 2009* relating to procurement are as follows:

- 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.

Where appropriate, Council can also utilise the Procurement arrangements for preferred suppliers under the Local Government Association Queensland-Local Buy.

4. DEFINITIONS

Procurement means purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods, equipment and or services.

The purchase of goods, works or services shall not be broken down into unreasonable components or reduced order quantities in order to avoid the necessity to comply with the dollar limit requirements under this Policy.

5. BUDGETARY PROVISIONS

Procurement must be in accordance with the adopted Annual Budget or a Council resolution and sufficient funds must be available to meet the full cost of the proposed procurement.

6. RESPONSIBILITIES

Councillors and staff must ensure that they do not participate in any action, which may be deemed to be:

- a) canvassing by any party with a material interest in the procurement
- b) releasing commercial in confidence information; or
- c) collusion - i.e. collaboration between parties involved in the procurement process.

Any approach or known evidence of canvassing, breach of confidentiality or collusion must be reported to the Chief Executive Officer.

Councillors must abide by section 172 (3) of the *Local Government Act 2009* - a Councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must:

- a) inform the meeting of the Councillor's material personal interest in the matter; and
- b) leave the meeting room [including any area set aside for the public] and stay out of the meeting room while the matter is being discussed and voted on.

Councillors must abide by section 280 of the *Local Government Act 2009* concerning a Register of Interest of the Councillors which must contain the financial and non financial particulars prescribed by the regulation. Section 171 of the *Local Government Act 2009* defines the use of information by Councillors.

Council officers are required to:

- a) preserve Council's integrity in the procurement process to ensure that Council may be seen to have acted beyond reproach in all dealings;
- b) obtain best value whole of life costs.

Where an officer involved in procurement negotiations or evaluation of offers identifies a conflict of interest, they must advise the Chief Executive Officer in writing as to the nature of the conflict and the officer concerned must withdraw from the transaction. Conflicts of Interest include the procurement of goods and services from:

- a) elected members or companies in which elected members have an interest;
- b) relatives or companies in which relatives of the procurement officer have an interest; and/or

- c) friends or companies in which friends of the procurement officer have an interest.

Where a Tenderer for a contract with Council has a business or other association with a Councillor or Council officer, such that a Councillor or Council officer has or is likely to have a material interest in the contract being awarded to the Tenderer, a declaration to that effect shall be included in the tender documentation.

In accordance with section 13 of the *Local Government Act 2009*:

- a) an employee of Council who has a material personal interest in an issue to be, or being, dealt with by the employee in the course of the employee's duties:
 - i. must immediately inform the Chief Executive Officer in writing of the interest; and
 - ii. must not deal with, or further deal with the issue except under the Chief Executive Officer's written directions.
- c) if the employee mentioned in subsection a) is the Chief Executive Officer, the references in paragraphs i) and ii) to the Chief Executive Officer are taken to be references to the Mayor.

The Chief Executive Officer has a statutory obligation under section 38 of the *Crime and Corruption Act 2001* (Qld) to advise the Crime and Corruption Commission if there is a reasonable suspicion of corrupt conduct. Section 15 of the *Crime and Corruption Act 2001* (Qld) defines "corrupt conduct" in the context of public administration and the public sector.

7. FINANCIAL DELEGATION

Section 104 of the *Local Government Act 2009* gives Council the power to adopt a budget for each financial year for its operating fund. Section 110(3) of the *Local Government Act 2009* makes Councillors jointly and severally liable to repay to the local government any disbursement that was not provided for in the adopted budget.

Section 110(3) of the *Local Government Act 2009* provides an exemption for unauthorised expenditure for the purpose of a genuine emergency or hardship.

Subsections 173(2) and (3) of the *Local Government Regulation 2012* state that "A resolution must be made about a disbursement for a purpose of a genuine emergency or hardship before the disbursement is made or as soon as practicable after it is made and that the resolution must state how the disbursement is to be funded." The Chief Executive Officer has procurement authority of any amount limited by the adopted budget of Council.

Other officers may only incur expenditure on behalf of Council if:

- a) The officer has been granted the financial delegation by the Chief Executive Officer and this delegation has been recorded in the Register of Financial Delegations;
- b) The expenditure is provided for in Council's budget.

No officer, except the Chief Executive Officer, may have procurement delegation exceeding \$200,000.

The Chief Executive Officer must approve all financial delegations by recording them in a Register of Financial Delegations to enable procurement activities to occur.

The following table lists the delegations for the executive management.

Title	Delegation
Chief Executive Officer	\$200,000 - any amount greater than this requires Council approval
Executive Manager	\$50,000

8. AUTHORISATION

This page and the previous bearing my initials was duly authorised by Council as the Torres Strait Island Regional Council Procurement Policy on 31 May 2017 and shall hereby supersede any previous policies of the same intent.



Chris McLaughlin
Acting Chief Executive Officer

DATE: 31 / 05 / 2017