



SCENIC RIM REGIONAL COUNCIL

Finance Committee

Agenda

Meeting to be held in the Council Chambers

82 Brisbane Street

Beaudesert

Tuesday, 23 June 2015

Commencing at 9.00 am

All correspondence to
Be addressed to the
Chief Executive Officer

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SCENIC RIM REGIONAL COUNCIL**FINANCE COMMITTEE****AGENDA CONTENTS**

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FINANCE COMMITTEE

AGENDA

ATTENDANCE

Cr N O'Carroll, Chairperson
Cr J C Brent, Mayor
Cr N J Waistell
Cr V A West, Deputy Mayor
Cr J J Sanders
Cr R J Stanfield
Cr D A McInnes

APOLOGIES

DECLARATIONS OF INTEREST BY MEMBERS

Reception of Deputations by Appointment / Visitors

Nil

Please note: Agenda Items where Subject Headings are followed by [CLOSED] are to be discussed in closed session in accordance with Section 275(1) of the Local Government Regulation 2012.

Section 275(1) A local government or committee may resolve that a meeting be closed to the public if its councillors or members consider it necessary to close the meeting to discuss-

- (a) the appointment, dismissal or discipline of employees; or
- (b) industrial matters, affecting employees; or
- (c) the local government's budget; or
- (d) rating concessions; or
- (e) contracts proposed to be made by it; or
- (f) starting or defending legal proceedings involving it; or
- (g) any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act; or
- (h) other business for which public discussion would be likely to prejudice the interests of local government or someone else, or enable a person to gain financial advantage.

1. EXECUTIVE

Nil.

2. CHIEF FINANCE OFFICER**2.1 Council Monthly Financial Report for May 2015**

Executive Officer: Chief Executive Officer

Item Author: Chief Finance Officer

File Reference: 12/15/004

Executive Summary

The purpose of this report is to seek Council's endorsement of the monthly financial report for May 2015.

Previous Council Considerations / Resolutions

Financial reports are presented to Council on a monthly basis.

REPORT

The Council monthly financial report provides information on Council's actual to budget performance. The graphical representation of key performance indicators provides key summary financial information.

Strategic Implications*Community Plan*

Theme: Open and responsive government
Outcome: Government is transparent, invites participation and encourages constructive debate
Priority: Streamlined, form and fair regulation of issues that matter with incentives for good practice

Corporate Plan / Operational Plan

Corporate Sustainability - Strategy 1
Implement an integrated strategic planning framework across Council, which embeds performance, financial and asset management principles (including long term financial modelling and whole of life costing).

Budget Implications

The indicator for Net Surplus/(Deficit) is within 10% of budgeted expectations.

The indicator for Total Income is within 10% of budgeted expectations.

The indicator for Operating Expenses is within 10% of budgeted expectations.

The indicator for Capital Expenses is behind budgeted expectations due to timing differences when compared to how budgets have been cash-flowed particularly for the flood restoration works.

The indicator for Cash is ahead of budgeted expectations.

Legal / Statutory Implications

Section 204 of the Local Government Regulation 2012 requires the Chief Executive Officer to present a financial report to Council on a monthly basis.

*Risks*Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

- CF.2 Adoption of unrealistic corporate objectives that are beyond the financial resources of the organisation to deliver.
- CF.3 Utilisation of deficient or substandard financial management practices and subsequent decision making processes.
- CF.6 Failure to comply with statutory obligations and responsibilities.

Risk Assessment

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
Financial and Economic Inaccurate or untimely management reporting	Major	Likely	High	Actual performance is reported against budget on a monthly basis to the Executive Team and Council with explanations provided on budget variances greater than \$50k and 10%	Low

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
Financial and Economic Failure to develop and implement procedures to manage cash and investments	Catastrophic	Almost certain	Extreme	Monthly investment report is provided to the Executive Team and Council that reports actual performance against investment limits	Low
Financial and Economic Failure to manage outstanding debtors	Moderate	Almost certain	High	Monthly debtors report is provided to the Executive Team and Council including chart showing total outstanding debtors and debtors greater than 90 days overdue	Low

Conclusion

The monthly financial report provides information on the actual to budget position at financial statement level.

Consultation

Council's Executive Team

Chief Finance Officer's Recommendation

That Council endorse the Council Monthly Financial Report for May 2015.

Attachments

1. Council Monthly Financial Report for May 2015 (attached separately).

2.2 FI01.13 Council Policy: Procurement**Executive Officer: Chief Finance Officer****Item Author: Chief Finance Officer****File Reference: 12/13/002; 04/15/004**

Executive Summary

This report is to provide Council with a revised FI01.13 Council Policy: Procurement and to obtain approval for this policy in line with the policy review schedule.

Previous Council Considerations / Resolutions

FI01.13CP: Procurement was last adopted by Council on 29 July 2014.

REPORT

FI01.13CP: Procurement Policy is due for review on 30 June 2015. It sets out Council's policy for the acquisition of goods and services and applies to the procurement of all goods, equipment and related services, consultancies, construction contracts and service contracts (including maintenance).

Strategic Implications*Community Plan*

Theme: Open and Responsive Government
Outcome: Government is transparent, invites participation and encourages constructive debate.
Priority: Understanding community expectations, delivering services that meet these and government leading by example.

Corporate Plan / Operational Plan

Organisational Sustainability - Strategy 4
Implement effective risk management and maintain contemporary business processes.

Budget Implications

Not Applicable.

Legal / Statutory Implications

The Procurement Policy is required under section 198 of the Local Government Regulation 2012 and must be reviewed annually.

*Risks*Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

CF3 - Utilisation of deficient or substandard financial management practices and subsequent decision making processes.

CF6 - Failure to comply with statutory obligations and responsibilities.

Risk Assessment

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
Legal Compliance and Liability Failure to develop and adhere to approved procurement policy and processes	Catastrophic	Almost certain	Extreme	Procurement Policy and guidelines have been developed and are reviewed annually; Financial delegations in Tech One aligned to approved delegations register; A purchase order is required to be raised in advance of each purchase; Where quotes are required an offer form must be completed with details of quotes obtained and submitted with the purchase order; Purchase orders are reviewed by the Supply section for compliance with legislation and policy prior to release; The requisitioning officer goods receipts the purchase order to approve payment; Internal auditor prepares continuous assurance reporting on procurement transactions:- potential split purchase requisitions- purchase requisition approval authorities	Low

Conclusion

FI01.13CP: Procurement is due for review on 30 June 2015 and sets out Council's policy for the acquisition of goods and services. Council is being asked to adopt a revision of this policy in line with the policy review schedule.

Consultation

Executive Team
Senior Governance Officer

Chief Finance Officer's Recommendation

That Council endorse the amendment of FI01.13 Council Policy: Procurement in accordance with attachment 1 to this report.

Attachments

1. FI01.13CP: Procurement Policy.

Attachment 1 - FI01.13CP: Procurement Policy

FINANCE
FINANCIAL MANAGEMENT
Policy Number: FI01.13CP



**COUNCIL POLICY:
PROCUREMENT**

Date Adopted:	21 June 2011
Committee Reference:	Corporate and Community Services Committee; 14 June 2011; Item Number 2.7
Date Amended:	12 February 2013; 30 July 2013; 29 July 2014; 30 June 2015
Contact officer:	Chief Finance Officer
Next review date:	30 June 2015 6
File Reference:	12/13/002; 04/15/004
Related Policies/Local Laws/Legislation:	<p>Local Government Act 2009</p> <p>Local Government Regulation 2012</p> <p>Work Health and Safety Act 2011</p> <p>FI01.02AP; Corporate Credit Card Policy</p> <p>FI01.05CP; Entertainment and Hospitality Expenditure Policy</p> <p>FI01.06CP; Advertising Spending Policy</p> <p>FI01.15CP; Asset Disposal Policy</p> <p>CM03.05CP; Councillor Expenses Reimbursement</p> <p>CM03.10CP; Gifts and Personal Benefits Policy</p> <p>WI06.02CP; Resumption of Land Policy</p>
Related Documents:	<p>Procurement Policy Guidelines (Attachment A)</p> <p>Delegations Register, Schedule 5</p> <p>Procurement, Contracting and Asset Disposal Manual</p> <p>Advertising Spending Guidelines</p> <p>Asset Disposal Guidelines</p> <p>Corporate Credit Card Guidelines</p> <p>Councillor Expenses Reimbursement Guidelines</p> <p>Entertainment and Hospitality Expenditure Guidelines</p> <p>Gifts and Personal Benefits Guidelines</p> <p>Petty Cash/Floats Guidelines</p> <p>Procurement and Contract Management Guidelines (Crime and Misconduct Commission Queensland)</p>

OBJECTIVES

To ensure Council staff have a clear understanding of their responsibilities and authority in relation to procurement and that procurement activities are open, accountable and in accordance with legislation.

The framework established by this policy is designed to ensure Council achieves advantageous procurement outcomes by:

- a) Promoting value for money with probity and accountability;
- b) Promoting compliance with relevant legislation;
- c) Advancing Council's economic, social and environmental policies;
- d) Providing reasonable opportunity for competitive local businesses that comply with relevant legislation to supply to Council;
- e) Ethical behaviour and fair dealing.

Corporate Plan:	
Priority Area	<i>Open and Responsive Government Council will provide leadership that supports the diverse needs of our community. We value this diversity and will actively engage to deliver a range of affordable services in an efficient and fair manner. We will acknowledge the aspirations of our community when making decisions in an ethical and transparent way.</i>
Strategy	<i>Create a corporate environment underpinned by ethical behaviour that fosters a proactive customer service culture, processes and procedures that progress open and accountable governance and apply a risk management approach.</i>
Priority Area	<i>Organisational Sustainability Council strives to be a high performing and financially sustainable organisation with robust governance structures based on the principles of risk management and continuous improvement. We offer a safe, positive work environment, value and reward our staff and are committed to providing ongoing development and training.</i>
Strategy	<i>Implement effective risk management and maintain contemporary business processes.</i>

POLICY STATEMENT

This document sets out Council's policy for the acquisition of goods and services. This policy applies to the procurement of all goods, equipment and related services, consultancies, construction contracts and service contracts (including maintenance).

Council is required by Section 198 of the Local Government Regulation 2012 (the Regulation) to prepare and adopt a procurement policy and review it annually.

All Council procurement must be carried out in compliance with the *Local Government Act 2009* (the Act), Regulation and the *Work Health and Safety Act 2011*.

Council operates in accordance with the Default Contracting Procedures as defined in Chapter 6, Part 3 of the Regulation.

Delegated Authority

Financial delegations must be complied with in all procurement activities. To manage risks of unauthorised spending, financial delegations may be limited by maximum purchase value and type of goods or services. Financial delegations can be found in Schedule 4 of the Delegations Register.

Sound Contracting Principles

Section 104 of the Act requires that Council's financial management systems have regard to the sound contracting principles. To ensure these requirements are satisfied, the following sound contracting principles will be considered when undertaking purchasing activities and making decisions about procurement:

- 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.

Value for money

Council must utilise its purchasing power to achieve the best value for money. The concept of value is not restricted to price alone and may not necessarily favour the lowest price. Seeking value for money is about obtaining goods and services considering both price and non-price factors such as quality, service, innovation/improvement and price.

Council will achieve value for money by:

- a) Assessing non-cost factors such as fitness for purpose, quality, service and support;
- b) Assessing whole of life costs including transaction costs associated with acquisition, use, maintenance and disposal, and administration costs;
- c) Considering the contribution to the advancement of Council's priorities;
- d) Limiting the risk exposure via effective risk management practices; and
- e) Considering the value of any associated environmental benefits.

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 suppliers.

Council will achieve open and effective competition by:

- a) Ensuring all procurement procedures and processes are visible to Council suppliers, and the public (ratepayers and the local community);
- b) Delegates accepting their accountability to the Chief Executive Officer and Council;
- c) Allowing suppliers to have a real opportunity to do business with Council;
- d) Encouraging competition among suppliers by inviting suppliers to quote or tender in order to provide 'value for money' offerings;
- e) Implementing delegations, authorisations and associated thresholds appropriate for the level of judgement expected of individual officers;
- f) Provision of consistent information to all potential tenderers; and
- g) Ensuring fair and equitable assessment of all tenders.

Development of competitive local business and industry

Council encourages the development of competitive local businesses within the Region. Council will enhance the capabilities of local business and industries through:

- a) The placement of orders where the local business is competitive under Council's evaluation process with regard to price, delivery and service required;
- b) Actively seeking out potential local suppliers;
- c) Encouraging prime contractors to give local suppliers every opportunity, as partners or subcontractors, to participate in major projects;

- d) Ensuring that the principles of open and effective competition are applied and equal treatment is given to local offers, when being compared with other offers, on the basis of fair and equitable behaviour;
- e) Giving preference to locally-sourced goods and services, where price, performance, quality, suitability and other evaluation criteria are comparable;
- f) Ensuring that payments are prompt and in accordance with the agreed terms of contract.

Environmental protection

Council promotes environmental protection through its procurement procedures, which are consistent with Council's commitment to environmental management. Council will endeavour to promote purchasing practices that conserve resources, save energy, minimise waste, protect human health and maintain environmental quality and safety.

In undertaking procurement activities Council will:

- a) Encourage the purchase of environmentally responsible goods where all other evaluation factors are adequately weighted (such as value for money);
- b) Where appropriate, ensuring that specifications require suppliers to conform to necessary standards, codes or legislation for the identification of hazardous materials and that suppliers carry out proper certification and registration procedures;
- c) Enforcing legislative compliance with and/or phase-out timetables on the use of products prohibited under Queensland and applicable Commonwealth laws; and
- d) Avoiding, where possible, the purchase of known hazardous and environmentally damaging products, especially where alternatives are available within reasonable bounds of price, performance and suitability.

Ethical behaviour and fair dealing

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

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) Lobbying (other than by a registered lobbyist and in accordance with Council policy);
- c) Release of commercial in confidence information; or
- d) Collusion; i.e. collaboration between parties involved in the procurement process.

Ethical behaviour and fair dealing are achieved by:

- a) Performing their duty impartially, not influenced by the receipt or prospects of threats, reprimands or rewards;
- b) Not accepting or seeking gifts or other favours;
- c) Not entertaining approaches from suppliers that might be interpreted as attempts to influence the evaluation process;
- d) Excluding themselves from purchasing decisions where their private interests could reasonably be perceived to conflict with their public duties;
- e) Maintaining high standards of accountability;
- f) Developing systems and procedures that ensure a consistent approach to procurement;
- g) Promoting professional procurement practices.

Workplace Health & Safety

All staff, contractors and suppliers are expected to adhere to the following key outcomes in relation to procurement activities:

- a) Establishing and maintaining a corporate system to ensure compliance of contractors and suppliers with workplace health and safety legislative requirements, Australian Standards and/or procedures.
- b) Ensuring all contractors and/or suppliers provide documentary evidence that they or the product they supply complies with relevant legislation, Codes of Practice and/or Australian Standards.
- c) Ensuring where purchases involve plant and equipment, the supplier must provide relevant information and a copy of the user/operator manual for each item supplied.
- d) Ensuring that no chemical is purchased or used without first carrying out a risk assessment and gaining approval from a procurement officer.
- e) Ensuring items such as chairs, desks and office equipment purchased are ergonomically suited to the office environment.

Quotation & Contracting Threshold Limits

All quotation and contracting threshold limits stated in this policy are exclusive of Goods & Services Tax (GST) and are applicable per financial year. Legislative references are to the Regulation.

Centralised Procurement

Prior to undertaking procurement, the Procurement Officer should ensure that the goods or services required are not available from supply or under existing contract arrangements.

Purchases up to \$5,000

- a) Purchases must be made by obtaining at least one (1) quote and using a purchase order.
- b) Purchases made using credit card or petty cash do not require a purchase order.

Purchases \$5,001 to \$15,000

- a) Purchases must be made by obtaining a minimum of two (2) written quotations and using a purchase order.
- b) Where more complex specifications are involved officers should ensure that all specifications and conditions are clearly defined to all prospective suppliers.
- c) Quality Assurance requirements need to be established and addressed as part of the specifications.
- d) If the lowest quotation is not accepted, reasons for the selection must be documented.

MEDIUM SIZED CONTRACTS ABOVE \$15,000; s224(2)**Purchases above \$15,000 but less than \$200,000**

- a) Purchases must be made by inviting a minimum of three (3) written quotations (s225) and using a purchase order.
- b) Where more complex specifications are involved officers should ensure that all specifications and conditions are clearly defined to all prospective suppliers.
- c) Quality assurance requirements need to be established and addressed as part of the specifications.
- d) At least three (3) quotes in writing are to be sought from genuine competitors known to be capable of supplying the requirements at competitive prices. Less than three (3) quotes may be acceptable provided every effort has been made to obtain at least three (3) and relevant documentation is available to verify this.
- e) If the lowest quotation is not accepted, reasons for the selection must be documented.

LARGE SIZED CONTRACTS \$200,000 OR MORE; s224(3)Purchases \$200,000 or more

- a) Purchases must be made by calling for public tenders (s226) and using a purchase order.
- b) Detailed specifications and quality assurance requirements need to be provided for the tender.
- c) The invitation to tender must be advertised in a newspaper circulating generally in the area.
- d) At least 21 days must be allowed from the date of the advertisement for the submission of tenders.
- e) All tenders/quotes are to be recorded in the records management system.
- f) Council's preferred method of tendering is through the electronic tendering system, LG Tender Box.

Section 228 of the Regulation allows Council to invite expressions of interest prior to inviting written tenders. Council may then prepare a short list from the persons who respond to the invitation for expressions of interest and invite written tenders from the respondents short listed or all respondents.

An expression of interest does not replace a tender process and any expression of interest process must adhere to the requirements of the Regulation.

Exceptions to the Quotation/Tender Process

The Regulation contains a number of situations where exceptions to the quotation or tender process exist. These include:

- S230; Exception if quote or tender consideration plan prepared
- S231; Exception for contractor on approved contractor list
- S232; Exception for register of pre-qualified suppliers
- S233; Exception for preferred supplier arrangement
- S234; Exception for LGA arrangement
- S235; Other exceptions

All exceptions to the quotation or tender process must be in accordance with the Regulation. Further information is contained in the Procurement Guidelines.

Purchase OrdersRequisitions/Orders to be raised in advance

Purchase orders are required to be raised in advance of planned purchases and provided to the supplier. Procurement of items without raising a purchase order in advance is a potential breach of this policy. This does not apply to purchases made using credit card or petty cash or purchases relating to items such as utilities, bank charges, loan payments, employee expense claims, etc which are legitimately processed without purchase orders.

Requisition/Order Splitting

It is a breach of this policy to split orders for the purposes of acquiring goods or services above financial delegation limits or to avoid the quotation or tender process.

Resumption of Land

Procurement of land for public use or to gain access rights for construction and/or maintenance purposes must be in accordance with Council's Resumption of Land Policy.

Publish details of contracts worth \$200,000 or more

Section 237 of the Regulation requires that as soon as practicable after entering a contract worth \$200,000 or more, Council must publish relevant details on its website and display relevant details in its public office.

The relevant details to be published are:

- The person or entity with whom Council contracted;
- The value of the contract; and
- The purpose of the contract.

Procurement, Contracting and Asset Disposal Manual

A Procurement, Contracting and Asset Disposal Manual will be maintained, which will reflect Council's commitment to this policy and outline appropriate processes and procedures to comply with the Act and Regulation.

Gifts & Benefits

Gifts or benefits resulting from procurement either directly or indirectly must not be accepted where it could be perceived to engender favour or promote bias when inviting quotations or awarding contracts, irrespective of value. All gifts and benefits received must comply with Council's Gifts and Personal Benefits Policy.

SCOPE

This policy applies to all Councillors, Council employees and delegates.

DEFINITIONS

Approved Contractor List; a list of contractors who Council considers to be appropriately qualified to provide services (s231 of the Regulation).

Contracting (pProcurement) Activities; The activities for the making of a contract for the carrying out of work; or the supply of goods and services; or the disposal of non-current assets. This does not apply to making a contract of employment with a local government employee (s216 of the Regulation).

Large sSized eContract; a ~~contract worth \$200,000 or more (GST exclusive)~~ 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 / Business; is a supplier which operates within the Scenic Rim Regional Council area.

Medium sSized eContract; a ~~contract worth \$15,000 or more but less than \$200,000 (GST exclusive)~~ 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.

Pre-Qualified Supplier (PQS); is a supplier who has been assessed by the local government as having the technical, financial and managerial capability necessary to perform contracts on time and in accordance with agreed requirements (s232 of the Regulation).

Preferred Supplier Arrangement (PSA); a contract entered into by Council with one or more suppliers for goods or services when the goods or services are required in large volumes, or frequently, and Council is able to obtain better value by accumulating the demand and is able to describe the goods and services that would be well understood in the relevant industry (s233 of the Regulation).

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

and related services, construction contracts and service contracts to Council, Council staff and agents unless specifically exempted under the provisions of this policy.

Procurement Officer; A Council officer delegated with the responsibility to carry out procurement activities on behalf of Council.

Procurement Practices; Procurement processes should be cost effective for both public authorities and suppliers. A well-planned procurement process will ensure that policies are followed, pitfalls are avoided and a successful outcome is achieved. It is important to be aware of responsibilities and to plan the entire purchase process before starting.

Requisition/Order Splitting; Order splitting is where the total value of a procurement transaction is broken into smaller pieces ("split") to bring the value under a certain level, to remain within an officer's delegation limit, or fall into a less onerous procurement category.

RESPONSIBILITIES

Policy Author	Chief Finance Officer
Policy Owner	Chief Finance Officer
Guidelines and procedures - <i>Attachment A: Procurement Policy Guidelines</i>	Chief Finance Officer

Approved By:

SCENIC RIM REGIONAL COUNCIL
~~29 July 2014~~ 30 June 2015

ATTACHMENT A:**PROCUREMENT POLICY GUIDELINES****GENERAL****Policies & Guidelines**

All purchases must be made in accordance with:

- Procurement, Contracting and Asset Disposal Manual
- Credit/Purchasing Card Policy and Guidelines
- Entertainment & Hospitality Policy and Guidelines
- Advertising Spending Policy and Guidelines

Petty Cash

Petty cash may be used up to a maximum of \$100 from the Beaudesert Customer Service petty cash float (\$50 for all other petty cash floats) provided the purchase is in accordance with the petty cash procedures contained in the Procurement, Contracting and Asset Disposal Manual.

Purchase Orders**Requisitions/Orders to be raised in advance**

~~Purchase orders are required to be raised in advance of planned purchases and provided to the supplier. Procurement of items without raising a purchase order in advance is a potential breach of this policy. This does not apply to purchases made using credit card or petty cash or purchases relating to items such as utilities, bank charges, loan payments, employee expense claims, etc which are legitimately processed without purchase orders.~~

Requisition/Order Splitting

~~It is a breach of this policy to split orders for the purposes of acquiring goods or services above financial delegation limits or to avoid the quotation or tender process.~~

~~Order splitting is where the total value of a procurement transaction is broken into smaller pieces ("split") to bring the value under a certain level, to remain within an officer's delegation limit, or fall into a less onerous procurement category.~~

Australian Business Registration Number (ABN)

Council will only procure from suppliers who can provide an ABN. The only exception to this will be where a supplier is eligible to complete the Australian Taxation Office Statement by a Supplier form, and provides the completed form to Council prior to making the supply or providing the service to Council.

This exemption may apply in the following circumstance:

- a) a supplier under 18 years of age and the payment does not exceed \$120 a week;
- b) a payment of less than \$75 (excluding GST);
- c) a supplier that is wholly input taxed;
- d) a supplier who has provided a statement that the supply is done as a hobby or a domestic or private nature;
- e) a supplier who does not expect to make a profit or gain;
- f) a supplier who is not entitled to an ABN as they are not carrying on an enterprise in Australia;
- g) A payment that is exempt income for the supplier.

ALTERNATIVE CONTRACTING OPTIONS**Specific exemptions for purchases up to \$15,000**

Council acknowledges that there will be situations where obtaining a quote for the supply of a particular service may prove to be unrealistic. This would generally occur for the provision of services where there is no 'competition' and only one obvious supplier, for example: conferences, training, registration or accommodation.

In these instances, where there is only one obvious supplier, the order would require approval from a Manager prior to the order request.

In accordance with Chapter 6, Part 3, Division 3 of the Regulation, the following alternative procurement options may be utilised where appropriate in lieu of the Purchasing Invitation Threshold and Contracting Arrangements.

S230; Quote or Tender Consideration Plan

- Council may enter into a medium or large sized contractual arrangement without first inviting written quotes or tenders if it prepares a quote or tender consideration plan.
- The plan must be prepared in accordance with the requirements contained in s230(2) of the Regulation and must be adopted by Council.

S231; Approved Contractor List

- Council may enter into a medium or large sized contractual arrangement without first inviting written quotes or tenders if the contract is made with a person who is on an approved contractor list.
- An approved contractor list is a list of entities who Council considers to be appropriately qualified to provide the services.
- An approved contractor list must be established by inviting expressions of interest from and selecting suitably qualified persons in accordance with s231(4) of the Regulation.

S232; Register of Pre-Qualified Suppliers

- Council may enter into a medium or large sized contractual arrangement without first inviting written quotes or tenders if the contract is entered into with a supplier from a register of pre-qualified suppliers.
- Council may establish and use a register of pre-qualified suppliers of particular goods and services only if one of the conditions in s232(3) of the Regulation are satisfied.
- A pre-qualified supplier is a supplier who has been assessed by Council as having the technical, financial and managerial capability necessary to perform contracts on time and in accordance with agreed requirements.

S233; Preferred Supplier Arrangement

- Council may enter into a medium or large sized contractual arrangement without first inviting written quotes or tenders if the contract is entered into with the preferred supplier under a preferred supplier arrangement that is made in compliance with s233 (3) to (8) of the Regulation.
- Council must invite persons to tender for a preferred supplier arrangement in accordance with s233(4) of the Regulation.
- When selecting a person to be the preferred supplier under a preferred supplier arrangement, Council must have regard to the sound contracting principles.
- Council must ensure the terms of the preferred supplier arrangement allow the contract to be cancelled for the poor performance of the preferred supplier.
- A preferred supplier arrangement may be entered into for a term, including options to extend, of more than 2 years only if Council is satisfied the longer term will result in better value.

S234; LGA Arrangement

- Council may enter into a contract for goods and services without first inviting written quotes or tenders if the contract is entered into under an LGA arrangement.
- LGA arrangements include:
 - Local Buy (procurement service provided by the Local Government Association of Queensland)
 - Queensland State Government contracts
 - Queensland Local Government contracts i.e. other councils' contracts
- Goods and services provided under LGA arrangements have already been evaluated through a tender process and have been guaranteed to provide the best pricing available from those suppliers. As such LGA arrangements should be regarded as Council's preferred procurement option.

S235; Other exceptions

Council may enter into a medium or large-sized contract without first inviting written quotes or tenders if:

- a) it resolves it is satisfied that there is only 1 supplier who is reasonably available; or
- b) it resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous to invite quotes or tenders; or
- c) a genuine emergency exists; or
- d) the contract is for the 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, or under an arrangement with, a government agency.

If claiming an exemption in the case of a genuine emergency, authorisation must be provided by the Chief Executive Officer or relevant Director within their financial delegation limits. Goods and services procured under this exemption, which have not been provided for in the adopted budget must be reported to Council as soon as possible after the event. Where a genuine emergency exists requiring Council to enter into a medium or large-sized contract without first inviting written quotes or tenders, the procurement must be approved by an officer having delegated power under s235(e) of the Regulation. As required by s173 of the Regulation, if provision for such expenditure is not included in Council's adopted budget, the procurement must be reported to Council before, or as soon as possible after, it is made.

As examples of the above exceptions, Procurement Officers may enter into contracts to procure goods or services within their delegated financial limit without first inviting written quotes or tenders in the following circumstances:

- Purchases of genuine parts for plant and equipment from an authorised dealer where no alternative source is reasonably available or the use of alternatives may void relevant warranties.
- Purchases of goods or services which, because of their specialised nature, it would be impractical or disadvantageous to invite quotes or tenders e.g.:
 - Corporate Software
 - Utilities e.g. water
 - Workcover
- Purchases from other levels of government.

Disaster Management

Council recognises that a disaster may create situations where procurement may need to be undertaken within compressed timeframes. As far as practical, the requirements for procurement should be undertaken within Council's normal processes and systems. Should procurement need to occur that does not comply with quotation or tender requirements the provisions of s235 of the Regulation should be followed.

Approved By:

SCENIC RIM REGIONAL COUNCIL

| ~~29 July 2014~~ 30 June 2015

2.3 Local Government Mutual Assets [Closed s.275(1)(h)]**Executive Officer: Chief Executive Officer****Item Author: Chief Finance Officer****File Reference: 27/03/001**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(h) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

3. REGIONAL SERVICES

Nil.

4. INFRASTRUCTURE SERVICES**4.1 Tender for Management and Operation of Swimming Facilities
[Closed s.275(1)(e)]**

Executive Officer: Director Infrastructure Services

Item Author: Manager Property and Operations

File Reference: SRRC004505; 12/18/001

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(e) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (e) contracts proposed to be made by it.