



Procurement POLICY

Policy Version 9.0
Category: Statutory
Adopted: July 2025



Procurement Policy

Purpose

The purpose of this Winton Shire Council (Council) policy is to provide a framework for Council to implement a fair, transparent and accountable process for the procurement and purchase of goods and services that achieves value for money and benefits the Winton Community as a whole.

Scope

This policy applies to:

- Procurement activities across the whole of Council, who will also require the assistance and support of suppliers and relevant organisations to achieve its corporate goals and objectives.
- The materials, products and services procured by Council, including items procured by third parties, for example, contractors, acting as representatives for Council.

Definitions

Term	What it means / refers to
Chief Executive Officer (CEO)	Refers to the person appointed to the position of CEO under the Act and anyone acting in that position.
Council	Winton Shire Council (WSC)
The Act	Refers to the <i>Local Government Act 2009</i> (Qld).
The Regulation	Refers to the <i>Local Government Regulation 2012</i> (Qld)
Procurement	Refers to the purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods, services to Council or third parties acting as representatives for Council.

Policy statement

Council will purchase goods and services in such a way that procure the most appropriate products and services to facilitate effective service delivery in a cost-effective manner providing transparent opportunities for suppliers to compete for Council business.

When purchasing materials and services, Council will have regard to the whole of life cost of items procured, the social and economic benefit to the community from the



transaction and the principles of good governance, fairness and transparency in decision making both in the selection and administration of purchase transactions.

Local Government principles

The primary goal of any Council procurement activity is to achieve the best value-for-Winton outcome. Value-for-Winton does not just entail the price, but broader considerations such as life costs, past performance, commercial and other risks, compatibilities and local factors. The lowest price may not be the best overall option.

Anyone with procurement responsibilities governed by the *Local Government Act 2009*, must act in accordance with the listed Local Government Principles (LGA 4(2)). The requirement to uphold the Local Government Principles is a statutory requirement applying equally to Council staff members and elected members of Council. The Local Government Principles are outlined in Section 4(2) of the Act and are listed below:

- Transparent and effective processes, and decision-making in the public interest.
- Sustainable development and management of assets and infrastructure and the delivery of effective services.
- Democratic representation, social inclusion and meaningful community engagement.
- Good governance of, and by, Local Government.
- Ethical and legal behaviour of councillors and local government employees.

Councillors and staff must make all decisions in respect to the operation and management of Council consistently with these principles.

Council officers responsible for the procurement of goods and services must comply with this policy. It is the responsibility of all Council officers involved in the procurement process to understand the meaning and intent of this policy.

Purchase criteria

Council will consider a range of criteria when making a purchasing decision and selecting suppliers of both products and services.

Price is not the sole determinant of vendor or product selection for Council.

The range of factors that Council may consider when selecting items to be purchased and the vendors to supply said goods include:

- Quality of the materials.
- Whole of life cost of the asset.



- Skills and qualifications of the supplier.
- Price.
- Reputation of the supplier.
- Social impact/benefit to the community of the transaction.
- Economic impact/benefit to the community of the transaction.
- Environmental implications of the purchase decision.
- Safety implications of the purchase decision.
- Value for money.

The relative weighting of the different components will depend both on the value of the transaction and the materials or services being procured. For transactions where public tenders are called the relative weighting of each criteria will be clearly identified in the tender documents. For smaller purchases the weighting will be considered subject to this policy.

Procurement principles

The Regulation provides for Council to either adopt the “default contracting procedures” in Part 3 of the Regulation or formulate its own procedures as prescribed by Part 2 of the Regulation (Strategic contracting procedures). It has been considered prudent to adopt the default procedures provided under Part 3.

The meaning and intent of the Act’s principles can be achieved for this Policy by ensuring the following Council Procurement Principles.

Value for money *Local Government Act 2009 s104(3)(a)*

Council must harness its purchasing power to achieve the best value for money. The concept of value for money is not restricted to price alone. The value for money assessment must include consideration of:

- Contribution to the advancement of Council’s corporate outcomes and policies.
- Non-cost factors such as fit for purpose, quality services, sustainability, risk exposure.
- Cost related factors including whole of life costs, transaction costs associated with the acquisition, use, holding, availability of maintenance and support and disposal possibilities.

The value of any associated environmental benefits.



Open and effective competition *Local Government Act 2009 s104(3)(b)*

Purchasing 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.

Encouragement of the development of competitive local business and industry *Local Government Act 2009 s104(3)(c)*

Council encourages the development of competitive local businesses. In considering any acquisition the impact of that acquisition may be considered in the context as to how it influences outcomes within the Shire of Winton first, and adjoining Councils plus the Blackall / Tambo Regional Council second. Where price, performance, quality, suitability and other evaluation criteria are comparable, the following areas may be considered in evaluating offers:

- The potential creation of local employment opportunities.
- The probability of locally or regionally available servicing support.
- A shorter communication span in contract management.
- Economic growth within the local area.
- Benefits to Council through associated local commercial transaction.

Environmental protection *Local Government Act 2009 s104(3)(d)*

Council promotes environmental protection and sustainability through its purchasing procedures. In undertaking any purchasing activities Council will:

- Promote the purchase of environmentally friendly goods and services that satisfy value for money criteria.
- Foster the development of products and processes of low environmental and climatic impact.
- Provide an example to business, industry and the community by promoting the use of climatically and environmentally friendly goods and services.
- Encourage and promote environmentally responsible activities.

Ethical behaviour and fair dealing *Local Government Act 2009 s104(3)(e)*

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



Entering into particular contracts

Small purchases under \$15,000 (excluding GST)

No specific legislative guidance - as a guide, only the following processes would generally apply but may be varied according to each specific situation or project:

Petty Cash

Up to \$300.00 may be spent out of petty cash, except as defined/authorised otherwise by the CEO in accordance with Petty Cash Procedures.

Purchases up to \$1,000

Prior to making purchases, a purchase requisition or a credit card transaction must be approved by an officer as authorised under Council's purchasing procedure. Once a purchase requisition has been completed, a purchase order must be obtained and given to the supplier to enable the order number to be quoted on the invoice. No written quotation is required; however, staff must determine an estimate and ensure value for money is achieved.

Purchases between \$1,001 and up to \$5,000

Prior to making purchases, a purchase requisition or a credit card transaction must be approved by an officer as authorised under Council's purchasing procedure. Once a purchase requisition has been completed, a purchase order must be obtained and given to the supplier to enable the order number to be quoted on the invoice. Purchases must be undertaken by:

- Accessing a Preferred Supplier Arrangement (PSA).
- Obtaining at least one valid written quote (sole supplier situations excepted).
- Accessing a Local Buy contract.

Purchases between \$5,001 and \$15,000

Prior to making purchases, a purchase requisition order must be approved by an officer as authorised under Council's purchasing procedure. Once a purchase requisition has been completed, a purchase order must be obtained and given to the supplier to enable the order number to be quoted on the invoice. Purchases must be undertaken by:

- Accessing a Preferred Supplier Arrangement (PSA).
- Obtaining at least two valid written quotes (sole supplier situations excepted).
- Accessing a Local Buy contract.

Medium purchases between \$15,001 and \$200,000 (excluding GST)



Section 225 of the *Local Government Regulation 2012* requires Council to invite written quotations before making a contract for the carrying out of work or the supply of goods or services involving a cost of between \$15,001 and \$200,000.

The invitation must be given to at least three persons who Council considers can meet its requirements at competitive prices. In the first instance, the invitation will be completed via the Preferred Supplier Arrangement.

Where there are no suppliers for that requirement, Council will seek quotes or advertise appropriately. Exceptions for medium purchases are noted in the section headed Exceptions.

Large purchases above \$200,000 (excluding GST)

Section 226 of the *Local Government Regulation 2012* requires that before making a contract for the carrying out of work, or the supply of goods or services involving a cost of more than \$200,000, Council must either:

- Invite written tenders under section 228 subsection (4) of the Regulations.
- Invite expressions of interest under section 228 subsection (5) before considering whether to invite written tenders. (The decision to invite expressions of interest can only be decided by Council by resolution).

The invitation for tenders and expressions of interest will be published on the Council's website for at least 21 days and will allow for written tenders and expressions of interest to be given to Council while the invitation is published on the website. Tenders and expressions of interest will also be advertised in the Winton Herald and other publications where required, during the 21-day period.

Purchases over the value of \$200,000 need to be adopted by Council at either an Ordinary or Special Meeting of Council. Exceptions for large purchases are noted in the section headed Exceptions.

Exceptions

For medium and large contracts

Council may enter into a medium or large sized contract without first inviting written quotes or tenders under the following circumstances, and only with prior approval from the CEO:

- A quote or tender consideration plan has been approved by Council for the particular goods and services. (Section 230 of the Regulation)
- A Council approved contractor list (Section 231 of the Regulation)



- A Council approved register of pre-qualified suppliers. (Section 232 of the Regulation)
- A Council approved preferred supplier arrangement. (Section 233 of the Regulation)
- Local Buy - An LGA Arrangement in association with LGAQ and its subsidiaries (Section 234 of the Regulation).

When assessing the most effective method of obtaining goods and / or services, Council officers should consider the administrative and price costs to Council of seeking tenders or quotations independently and the reduction of these costs which can be achieved by use of LGAQ and its subsidiaries.

Additional exceptions are permissible where Council considers one of the following circumstances is evident:

- Council is satisfied that only one supplier is reasonably available.
- Council determines that due to the specialised or confidential nature of the services sought, it would be impractical or disadvantageous for Council to invite quotes or tenders.
- A genuine emergency exists as determined by the Mayor or CEO.
- The contract is for the purchase of goods and is made by auction.
- The contract is for the purchase of second-hand goods.
- The contract is made with, or under arrangement with, a government body.

Local preference

Council will encourage and support the development of Local Business by providing locally based businesses (businesses that are either based or employ permanent staff in the Winton Shire) a margin on pricing compared to an external business as per the following:

- \$0 - \$1,000: a margin in excess of 15% subject to a reasonable value for money being achieved.
- \$1,001 - \$1,000,000: a margin of 15%.
- \$1,000,001 - \$5,000,000: a margin of 7.5%.
- In excess of \$5,000,000: a margin of 5.0%.



Publishing details of particular contracts

As soon as practicable after entering a contract worth \$200,000 (excluding GST) or more, the relevant details of the contract must be published on Council's website and must be included in the register of contracts over \$200,000 (excluding GST) available from reception at the Winton Shire Council Office.

Relevant details include the person with whom Council has entered the contract, the value of the contract and the purpose of the contract.

Valuable non-current asset contracts

Section 227 of the *Local Government Regulation 2012* provides that Council cannot enter into a valuable non-current asset contract unless it first:

- Invites written tenders for the contract under section 228 of the Regulation, or
- Offers the non-current asset for sale by auction.

A valuable non-current asset is:

- Land.
- Another non-current asset that has an apparent value that is equal to or more than a limit set by the local government.

A limit set by the local government under subsection 224 (7)(b) cannot be more than the following amount:

- For plant or equipment - \$5,000.
- For another type of non-current asset - \$10,000.

The requirements specified above are subject to the exceptions identified in section 236 of the *Local Government Regulation 2012*.

Communication

Council's management team shall ensure that:

- Councillors and Council employees have access to this policy and are provided with the opportunity to be involved in the review of this policy.
- Changes and/or amendments made to this policy shall be communicated to Councillors and Council employees.

Related Council documentation

- Code of Conduct



- Fraud and Corruption Management Policy WSC-GOV-POL-004
- Internal Audit Policy WSC-GOV-POL-002

Review of Policy

This policy will be reviewed annually and remains in force until amended or repealed by resolution of Council.

Record of amendments and adoptions

Date	Revision No	Reason for amendment	Date adopted by Council
December 2015	Version 1.0	Adoption by Council	17 December 2015
August 2016	Version 2.0	Review by Council	18 August 2016
June 2018	Version 3.0	Review by Council	29 June 2018
July 2019	Version 4.0	Review by Council	12 July 2019
July 2020	Version 5.0	Review by Council	23 July 2020
July 2021	Version 6.0	Review by Council	2 July 2021
April 2022	Version 7.0	Minor Amendment - Advertising	21 April 2022
October 2023	Version 8.0	Review by Council	13 October 2023
July 2025	Version 9.0	Budget Adoption 2025-2026	30 July 2025

