

OFFICIAL

Strathbogie Shire Council

Procurement Policy

May 2026



Procurement Policy

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PART 1 POLICY

1. PURPOSE

Strathbogie Shire Council Procurement Policy has been written in accordance with Section 108 of the *Local Government Act 2020* (the Act). The Act requires Councils to:

- Prepare and adopt a Procurement Policy which specifies the principles, processes and procedures applying in respect of the purchase of goods and services by the Council, including for the carrying out of works
- Review its Procurement Policy at least once during each four year term of Council
- Nominate a threshold value for public tenders and request for quotations.

The purpose of this Policy is to ensure procurement is conducted consistently, transparently and compliantly. It guides value for money decisions and supports organisational objectives such as efficiency, fairness, risk management, and (where relevant) social, environmental, or economic outcomes.

2. POLICY STATEMENT

Council recognises that a procurement policy and supporting procedures help achieve its strategic procurement objectives, and Council adopts a strategic approach to procurement to maximise value and efficiency. This Policy is consistent with the requirements of S108(2) of the Act and will achieve its strategic objectives by:

- Linking procurement to organisational strategic objectives
- Broadly defining value for money
- Requiring robust market engagement
- Setting clear governance and accountability
- Supporting local enterprise for the community's short and long term benefit
- Demonstrating accountability to ratepayers and residents
- Demonstrating the consideration of sustainability in procurement with respect to social, economic, and environmental factors
- Embedding risk management
- Driving supplier performance and relationships
- Applying best practice in procurement activities
- Enabling continuous improvement

3. APPLICATION OF THIS POLICY

This Policy applies to all Council contracting and procurement activities and is binding upon Councillors, Council Staff (including temporary employees), Contractors, and Consultants while engaged by the Council.

4. DEFINITIONS

Term	Meaning
The Act	<i>Local Government Act 2020.</i>

Collaborative Procurement Arrangement	A contract established by the Council, government, or a nominated agent, such as Procurement Australasia, Municipal Association of Victoria (MAV), Regional Purchasing Excellence Network Hume Region (RPEN Hume) or local government entity, for the benefit of numerous state, federal and/or local government entities that achieves best value by leveraging combined economies of scale.
Commercial in Confidence	Information that, if released, may prejudice the business dealings or commercial interests of Council or another party, e.g., prices, discounts, rebates, profits, methodologies, and process information, etc.
Contract Management	The process that ensures all parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the contract objectives and provide Value for Money.
Council	Strathbogie Shire Council
Councillors	Council's elected representatives (the Mayor and Councillors) or Administrator(s) appointed to act in this capacity.
Council Staff	Includes all Council officers, temporary employees, contractors, volunteers, and consultants while engaged by Council.
Civica	Enterprise resource planning software provider
ELT	means Executive Leadership Team
IBAC	The Independent Broad-based Anti-Corruption Commission
Indigenous or First Nations Business	An Indigenous or First Nations Business is one that is at least 50% owned by an Aboriginal or Torres Strait Islands person(s) (consistent with Supply Nation's definition).
Local Business	A commercial business with operational premises that are physically located within the municipal borders of Strathbogie Shire; or delivers, sources or undertakes the majority of their goods, services or works within the Shire with local staff and local purchasing of goods and services, or is located within with Strathbogie Shire where its geographic proximity clearly contributes to local, economic, social or community outcomes.
Regional Business	A commercial business with operational premises that are physically located within neighbouring municipalities.
Probity Advisor	Probity advisor provides guidance on issues concerning integrity, fairness and accountability that may arise throughout a procurement process.

<p>Probity within Government</p>	<p>The term "probity" is often used in a general sense to mean "good process." A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation are established, understood, and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.</p>
<p>Procurement</p>	<p>Procurement is the entire process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.</p>
<p>Schedule of Rates Contract</p>	<p>A standing offer arrangement based on a Schedule of Rates contract that sets out rates for goods and services which are available for the term of the agreement but without a commitment to purchase a specified value or quantity of goods or services.</p>
<p>Sustainability</p>	<p>Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.</p>
<p>Request for Quotation (RFQ) Process</p>	<p>The process of inviting parties from either a select list or via public advertisement and to submit an offer by RFQ followed by evaluation of submissions and selection of a successful bidder or tenderer in accordance with pre-determined evaluation criteria. A RFQ is for a lower amount than a full Tender process, and documentation and opening time is shorter.</p>
<p>Request for Tender (RFT) Process</p>	<p>The process of inviting parties from either a select list or via public advertisement to submit an offer by tender followed by evaluation of submissions and selection of a successful bidder or tenderer in accordance with predetermined evaluation criteria. Total Contract Sum The potential total value of the contract including:</p> <ul style="list-style-type: none"> • costs for the full term of the contract, including any options for either party to extend the contract. • applicable goods and services tax (GST) • anticipated contingency allowances or variations • all other known, anticipated and reasonably foreseeable costs.

Value for Money	Value for Money in procurement is about selecting the supply of goods, services and works considering both cost and non-cost factors including: <ul style="list-style-type: none"> • Non-cost factors such as contribution to the advancement of Council's priorities, fitness for purpose, quality, service, and support • Cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining, and disposing of goods, services or works
Tender Panel Supplier Contract Agreement	means a procurement arrangement where multiple suppliers are appointed through a tender process to provide goods, services, or works over a set period.

5. ACCOUNTABILITY AND RESPONSIBILITIES

Role	Responsibilities
Procurement and Tenders Officer	Implement and update the Policy. Monitor the policy for compliance and auditing of cumulative spend.
Chief Financial Officer	Implement and update the Policy. Monitor the policy for compliance and auditing of cumulative spend.
Directors/Managers	Ensure staff are aware of the policy and comply at all times.
All other staff members and contractors	Implement the Policy
Councillors	To understand the policy and decision making on procurement related matters through formal Council meetings.

6. POLICY PRINCIPLES

Council adopts a strategic approach to procurement to maximise value and efficiency.

6.1 Integration with Council Strategy

Council's procurement strategy supports the objectives of the Council Plan 2025-29. Responsible financial management must be applied to all procurement activities, including ensuring that existing funds within an approved budget, or a Council Resolution, is established prior to the commencement of any procurement action. Approvals for all variations (either individual or cumulative) will be in accordance with Council's Procurement Procedure.

6.2 Overall Value for Money

Council is committed to achieving value for money in all procurement decisions. This means selecting the option that offers the best overall outcome.

Value for money does not necessarily mean the cheapest price. Goods, services and works procured by Council will be considered in the context of a balanced assessment of cost, quality, risk, sustainability and social impact over the entire life cycle of the goods, services or works.

6.3 Benefit to the Community

Council will seek opportunities to deliver positive outcomes for local communities by encouraging procurement that:

- supports local employment
- prioritises goods and services with local content
- engages local suppliers and contractors where appropriate
- delivers value for money for the community
- enhances infrastructure and service delivery, including social and environmental outcomes

For all publicly advertised tenders or formal requests for quotation, a mandatory evaluation criteria weighting of 10% will be applied for local content.

6.4 Environmental Sustainability

Council will prioritise fit-for-purpose goods, services, and works with higher recycled or reused content and responsible sourcing, considering whole-of-life costs and environmental impacts.

6.5 Fair and Honest Dealing

All prospective contractors, consultants and suppliers will be afforded an equal opportunity to submit a tender or quote. Impartiality must be maintained throughout the procurement process. Any suspected improper conduct, including suspected fraud, corruption, collusion, substantial mismanagement of public resources, risk to public health and safety, risk to the environment, or detrimental action should be managed in accordance with Council's internal policies and processes.

6.6 Probity, Accountability and Transparency

Accountability in procurement means being able to justify and provide evidence of the process followed. An independent third party must be able to see clearly that a process has been followed and that the process was fair and reasonable.

Council Staff must be able to account for all procurement decisions and ensure all procurement activities leave an audit trail for monitoring and reporting purposes.

6.7 Occupational Health And Safety

Council is committed to procurement activities that provide a safe working environment for employees, volunteers, and contractors. Council requires all its contractors and suppliers to share and demonstrate this commitment to providing a safe and healthy environment.

All Contractors are required to complete Strathbogie Shire Council's online OHS induction.

6.8 Goods and Services Tax (GST)

All monetary values stated in this policy include GST unless specifically stated otherwise. Pricing submissions are to be inclusive of GST.

7. GOVERNANCE AND PROBITY

7.1 Governance

Council will establish a procurement governance framework and delegations that ensure accountability, traceability, and auditability of all procurement decisions. The framework will:

- ensure flexibility to purchase in a timely and efficient manner the diverse range of material, goods, works, and services required by Council
- ensure that prospective contractors and suppliers are afforded an equal opportunity to tender/quote
- encourage competition
- incorporate strategies for managing risks associated with all procurements and be applied consistently
- ensure Council undertakes good record keeping allowing for accountability and transparency to the community.

7.2 Delegation of Procurement Authority

Council procurement operates under financial delegations, enabling authorised officers to approve purchases, quotes, tenders, and contracts without prior Council approval.

These delegations are defined in the CEO's Instrument of Delegation for Certain Financial Transactions and Procurement Function and are regularly updated.

7.3 Conduct Of Councillors and Council Staff and Independent Third Parties Involved with the Procurement

Council procurement must be conducted with integrity, ethics, and transparency.

Councillors and staff must not discuss current or proposed contracts with external parties. Engagement with potential suppliers during tender evaluations is limited to clarifying their offers.

No discussions may occur that could improperly influence procurement or contract negotiations before approval, except for authorised pre-contract negotiations.

7.4 Conflicts Of Interest

Councillors and Council staff shall, at all times avoid situations in which private interests' conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their Council duties.

Councillors and Council staff and independent third parties involved in the procurement process, in particular preparing tender documentation, including writing tender specifications, tender opening, tender evaluation panels and exemptions to procurement processes, must:

- Avoid conflicts, whether actual, potential, or perceived, arising between their official duties and their private interests. Private interests include the financial and other interests of Councillors and Council Staff, plus their relatives and close associates.
- Declare that there is no conflict of interest. Where future conflicts, or relevant private interests arise, Council Staff must make their manager and the chairperson of the relevant tender assessment panel or board aware and allow them to decide whether the officer should continue to be involved in the specific procurement activity.

- Observe prevailing Council policy and procedures on how to prevent or deal with conflict of interest situations and not use any procurement-related information whether or not for personal gain.

7.5 Disclosure Of Information and Confidentiality

Councillors and Council staff must protect and not disclose information received by Council that is declared Commercial in Confidence by the Chief Executive Officer.

Information received by the Council that is Commercial in Confidence must not be disclosed and is to be stored in a secure location. Councillors and Council staff shall maintain confidentiality by refusing to release or discuss information to the extent that it is Commercial in Confidence.

This may include:

- a. information disclosed by organisations in tenders, quotation or during tender negotiations;
- b. pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests. Discussion with potential suppliers during tender evaluations must not go beyond the extent necessary to resolve doubt as to the proposed work under contract to be undertaken by the supplier.

7.6 Project Control Group

A cross-functional project team will be established for projects over \$1 million or with impacts across two or more business units, drawing on relevant expertise (e.g. procurement, sustainability, asset management, community, planning, and engineering) to achieve stronger outcomes.

7.7 Probity Plan and Probity Advisor

A formal probity plan should be developed and implemented in any of the following circumstances:

1. In any tender process where the budgeted figure is \$3million or above
2. In complex procurement activities where the proposed contract is in the Executive view considered particularly complex, high risk or controversial in nature and requires high level public confidence.

An independent probity advisor must be engaged in any procurement activity with a budget estimate of \$3million or above.

7.8 Complaints Handling and Dispute Resolution

Any dispute arising from the application of this policy will be referred to the Chief Executive Officer for investigation and resolution.

We encourage feedback as a valuable opportunity to review our policies, procedures and practices. We manage complaints about the quality of our actions, decisions made or service provided in line with our Complaints Policy as well as other relevant policies and legislation for specific types of complaints.

The public and suppliers are encouraged to report known or suspected improper conduct to the Chief Executive Officer. Councillors and Council Staff will report and manage complaints

in accordance with Council's policies and processes.

7.9 Reporting Suspicious Activities

Councillors, staff, and suppliers must act honestly, with integrity, and protect public resources.

Council safeguards all revenue, expenditure, and assets from fraud and will take reasonable steps to protect those who report suspected misconduct, including maintaining confidentiality where possible.

Suspected improper conduct, including collusion or bribery, will be investigated and reported in line with Council policies.

The Chief Executive Officer must report suspected corrupt conduct to IBAC in accordance with the *Independent Broad-based Anti-Corruption Commission Act 2011*.

7.10 Policy Breach

Deliberate breaches of this policy, Councillors, Council Staff, Contractors and Consultants, without an appropriate exemption, may result in disciplinary action.

Non-compliance may also breach legislation and will be addressed under the Employee Code of Conduct CEO Directive. Criminal or civil penalties may apply for fraud, corruption, bribery, or breaches of Australian Consumer Law.

In all cases, Councillors, Council Staff, Contractors and Consultants are responsible for complying with the Policy.

Any breaches of the policy will be reported to the Audit and Risk Committee.

8 SUSTAINABLE PROCUREMENT

Sustainable Procurement Objectives

Council commits to applying specific principles of sustainability to its procurement decision-making and activities, and focusing on specific economic, environmental and social objectives.

Economic

Council is committed to economic procurement that supports local business and development of competitive local business and industry, fosters innovation and emerging sectors, and considers life cycle costs. Council's economic sustainability approach aims to:

- Achieve value for money on a whole of life (including disposal) basis, rather than just initial cost
- Ensure probity and accountability in the procurement process
- Commit to sourcing locally
- Build relationships with Local Business and encourage procurement from them to help build their capacity

Environmental

Council is committed to environmentally sustainable procurement that supports reduced environmental impact, resource efficiency, and climate-responsible outcomes. Council's environmental sustainability approach aims to:

- Ensure all procurement contracts and tenders contain sustainability specifications as appropriate to the product or service being procured
- Encourage waste reduction and resource recovery, including recycling activities
- Incorporates energy and resource efficiency in the built environment

- Identifies, monitors, and minimises emissions and explores opportunities to reduce energy consumption
- Consider the environmental performance of all suppliers and contractors, and encouraging them to conduct their operations in an environmentally sensitive manner
- Consider the basic life cycle analysis of products to minimise the adverse effects on the environment resulting directly or indirectly from products
- Select products/services that have minimal effect on the depletion of natural resources and biodiversity

Social

Council is committed to building stronger communities and meeting social objectives which benefit the municipality and commits to integration of measures in its procurement processes and documentation which promote improved social outcomes. Council's social sustainability approach aim to:

- Ensure vendors do not exploit workers and provide fair wages, including inclusive business practices
- Maintain a social procurement program to increase social procurement spend across the Strathbogie Shire Council municipality
- Ensure sourced products are accessible by all segments of the community
- Increase employment opportunities for indigenous people, people with a disability, disadvantaged people and long term unemployed
- Improve gender equity
- Support and promote safe and fair workplaces; and
- Prevent, detect and remove modern slavery from Council's supply chain.
- Include gender equity considerations in tender documentation and promoting equity through Council's supply chains.

9. OTHER PROCUREMENT CONSIDERATIONS

9.1 Benefit to Local Business

Council recognises the importance of local businesses and is committed to increasing their opportunities to compete for contracts, while maintaining value for money and supporting the local economy and employment.

To encourage a focus on local economy, including supporting local employment and local businesses, Council will:

- Seek at least one quote from a local supplier (where available) and ensure at least 50% of Stage Two (Panel) quotations are from local suppliers
- Apply a minimum 10% weighting for Local Business in all requests for quotation and request for tender evaluations.

These measures support local businesses and the economy, giving Strathbogie Shire suppliers employing local residents and spending within the Shire up to a 10% advantage over external providers. Council also acknowledges the contribution and benefits of regional businesses which will have up to a 7% advantage over external providers.

9.2 First Nations

The First Nations business sector has expanded beyond tourism, creative arts, and natural resource management to include social enterprises, for-profit businesses, and operations ranging from microbusinesses to large enterprises with multi-million-dollar turnover.

Council acknowledges Commonwealth and State Government targets of awarding 1% of Procurement Policy 407023

new domestic contracts to First Nations businesses and will consider First Nations businesses in tender evaluation and contract awards.

10 RISK MANAGEMENT

Risk management must be applied at all stages of procurement. Activities will be planned and conducted to protect and strengthen Council’s ability to prevent, withstand, and recover from disruptions to the supply of goods, works, and services.

Council will minimise risk exposure through measures including (but not limited to):

- standardising contracts to include current, relevant clauses
- requiring security where appropriate
- referring specifications to relevant experts
- requiring contractual agreement before allowing the commencement of work
- use of, or reference to relevant Australian Standards (or equivalent)
- effectively managing the contract including monitoring and enforcing performance.

10.1 Contract Management

The purpose of contract management is to ensure that the Council, and where applicable its clients, receive the goods, services or works provided to the required standards of quality and quantity as intended by the contract by:

- establishing a system monitoring and achieving the responsibilities and obligations of both parties under the contract
- providing a means for the early recognition of issues and performance problems and the identification of solutions
- adhering to Council’s Risk Management Framework and adhering to relevant Occupational Health and Safety Contractor Compliance Procedures.

All Council contracts are to include contract management requirements. Furthermore, contracts are to be proactively managed by the member of Council staff responsible for the delivery of the contracted goods, services or works to ensure the Council receives Value for Money.

10.2 Financial Variations

Contract variations may be required but should be minimised through thorough scoping and risk planning.

Variation approvals must comply with the Strathbogie Shire Council Instrument of Delegation for Certain Financial Transactions and Procurement Functions. All variations must be assessed to confirm they fall within the original contract and are justified in value and scope; otherwise, they may constitute a new contract.

Approval of variations is subject to the delegation thresholds outlined in the table below.

Approval Delegation	Approval Amount (inclusive of GT)
Council	Aggregate of all contract variations above 15% of the original contract sum, or above \$330,000 individually.
Chief Executive Officer	Aggregate of all contract variations up to 15% of the original contract sum, or \$330,000 individually, whichever is the lesser subject to remaining within budget or offset savings being

	identified.
Council Staff	Financial delegation in relation to the contract variations for Council Staff is defined in the Instrument of Delegation for Certain Financial Transactions and Procurement Functions.

10.3 Cumulative Spend

Council will review cumulative supplier spend at least annually. Where ongoing expenditure with a supplier, or suppliers providing similar goods, services, or works, is expected to exceed the tender threshold over a two-year period, Council will consider establishing a contract through a competitive process.

10.4 Order Splitting

Suppliers, contractors, and Council staff must not request, encourage or facilitate the prohibited act of 'order splitting' (splitting one order into a succession of orders) for the purpose of obtaining the goods or services under a financial delegation level or procurement delegation level for any goods, services or works.

10.5 Performance Measures And Continuous Improvement

Appropriate performance measures and reporting systems will be established to monitor performance and compliance with procurement policies, procedures, and controls.

These measures will be used to identify trends and exceptions, improve internal efficiency and supplier performance, and support initiatives that reduce waste and enhance procurement outcomes.

11 RELATED POLICIES AND LEGISLATION

Council's procurement activities will be conducted to the professional standards required by best practice and in compliance with the:

- *Local Government Act 2020*
- *Gender Equality Act 2020*
- *Occupational Health and Safety Act 2004*
- *Competition and Consumer Act 2010*
- *Freedom of Information Act 1982*
- *Privacy and Data Protection Act 2014*
- Fraud and Corruption Policy
- Gifts, Benefits and Hospitality Policy
- Occupational Health and Safety Policy
- Risk Management Policy
- Purchasing Card Policy
- Model Councillor Code of Conduct
- Staff Code of Conduct CEO Directive
- Procurement Best Practice Guidelines
- Municipal Association Victoria (MAV) Model Procurement Policy

12 GENDER EQUITY

Council is committed to advancing gender equity within the organisation and community, ensuring equal opportunity, rights, and respect for all genders.

This commitment will be supported by including gender equity considerations in tender documentation and promoting equity through Council's supply chains.

13 POLICY REVIEW

In accordance with the Act, Council must review and approve the Procurement Policy at least once within the Council's four year term. Any change or update which materially impacts and/or alters this policy must be approved by Council.

14 CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES ACT 2006 AND THE EQUAL OPPORTUNITY ACT 2010

Council acknowledges the legal responsibility to comply with the *Charter of Human Rights and Responsibilities Act 2006* and the *Equal Opportunity Act 2010*.

PROCUREMENT FUNCTIONS

15 PROCUREMENT METHODOLOGY

All procurement by Council Staff must be undertaken using one of the following methods:

- purchase order (preferred), corporate credit card, or petty cash
- email quotation process
- a contract established through a public Request for Quotation, which is open for submissions for a minimum ten business days.
- a contract established through a public Request for Tender which is open for submissions for a minimum 15 business days
- Contracts and arrangements established by another government entity, local authority or group purchasing scheme (e.g., Municipal Association of Victoria, Procurement Australia). This includes contracts covering Federal, State or Local Government Purchasing. Contract extensions granted for the purpose of aligning expiry dates for collaborative engagements
- approved exemptions or alternative methods in exceptional circumstances (e.g. emergencies, sole suppliers, or critical service disruptions), in line with delegated authority.

15.1 Collaborative Purchasing Opportunities

Before engaging any other purchasing method and in accordance with s108(c) of the *Local Government Act 2020*, Council staff must first consider whether there exists any opportunity to join other Councils or other government bodies in a procurement activity in the interests of leveraging value through economies of scale.

16. PANEL OF SUPPLIER CONTRACT AGREEMENTS

Council is committed to efficient work practices that deliver best value while ensuring effective risk management.

Council may, in specific circumstances, engage a limited number of suppliers without conducting a full public tendering process. This select sourcing approach is permitted under this Policy where it is appropriate to the procurement's value, risk and complexity, and where one or more of the following conditions apply:

- Suppliers are pre-qualified under a panel contract, approved purchasing scheme or collaborative contract (e.g. MAV, Procurement Australia, State Purchase Contracts).
- The market is limited in capacity, expertise or geographical reach (e.g. niche categories or regional delivery constraints).
- An existing agreement provides clear rationale for continued engagement within defined parameters.
- The procurement risk, value, and complexity are proportionate to a streamlined sourcing approach, supported by a documented rationale.
- A previous public tender process was unsuccessful, and Council proceeds to a limited sourcing approach

When procuring works through a Panel of Supplier Contract, Council will require tenderers to submit a schedule of rates, an indicative methodology, and relevant plans. These may include traffic management (where applicable), occupational health and safety (OHS), environmental management, and broader management policies and plans.

Panel of Supplier Contract Agreements must be established through a public tender process. Once awarded, they will serve as the primary source for the goods and services specified within the agreement.

A two-stage evaluation process is required:

- Stage one is the evaluation of the tenderers submission and contract award.
- Stage two is a subsequent request for quotation process within the designated 'Panel of Suppliers' who have fully executed contracts for various goods, works or services required by Council over the duration of the contract term.

Due to the variance of 'Schedule of Rates submitted by individual Tenderers the price weighting will be applied at a minimum of 50% at the second stage.

Table two sets out the purchasing thresholds to support purchases through Panel of Supplier Contracts.

Price Evaluation Weighting - Panel of Supplier Contracts

Stage two request for quotations for Panel of Supplier Contracts, must have a minimum weighting of 50% for pricing and higher weightings are encouraged.

Table 2: Procurement Thresholds – Panel of Supplier Contracts only

Value (incl of GST)	Procurement Threshold
\$0 - \$550,000 for Goods and Services and Works	Issue a request in writing (email) to selected panel suppliers in accordance with the procurement thresholds outlined in Section 18. Response must be recorded (email, letter, or text). Rationale for selecting successful respondent must be documented. If successful response is verbal, it must also be confirmed by the Council officer via email. Unsuccessful notification must also be confirmed by email to all Panel Members who send in quotations.
\$550,001+	Public open Request for Tender

17. PUBLIC TENDERS

Where there is no existing contract arrangements available, a public tender process must be undertaken when purchases of goods or services or the carrying out of works is estimated to exceed \$150,000.

The Council may, at its discretion and based on the complexity and cost of the project, conduct one stage or multi stage tenders:

- Stage one is the evaluation of the tenderers submission and contract award.
- Stage two is a subsequent request for quotation process within the designated 'Panel of Suppliers' who have fully executed contracts for various goods, works or services required by Council over the duration of the contract term.

17.1 Evaluation Criteria

The following evaluation criteria categories will be applied to determine whether a proposed contract provides value for money:

1. Price
2. Qualification /Skills and Experience
3. Compliance with Specification
4. Timeline delivery, methodology and capacity to deliver
5. Management schedules
6. Local content
7. Special criteria (if required)

17.2 Price Evaluation Weighting

- Submitted pricing for request for quotations and request for tenders must be weighted at a minimum of 40% in the evaluation criteria
- Any request to reduce the 40% minimum price weighting must be approved by Council resolution
- All evaluation criteria must be expressed as percentages, with total weightings equalling 100%.

17.3 Budget And Specification Formation

Every effort should be made to ensure that the scope and specifications are aligned with the budget. This may be done by seeking guidance pricing from suppliers, reviews by specialist consultants or using industry reference guides.

17.4 Lump Sum Breakdown

Lump sum breakdowns are a useful tool for pricing evaluation and invoice payments. When lump sum breakdowns are requested as part of the tender submission or request for quote, tenderers must supply these, failure to do so could result in the tender being considered non-compliant and not evaluated.

17.5 Tendered Pricing Above Set Budget

If all tendered prices exceed budget, tenderers may be requested to submit a best and final offer in writing.

Where a tendered price is 15% or more above budget and cannot be funded, Council may deem the submission non-conforming and not proceed with evaluation. All tendered prices, including those over budget, will be included in any required Council tender report.

17.6 Quotation And Tender Evaluation Panels

The Evaluation Panel must include at least three Council officers, nominated before Request for Quotation or Request for Tender close, with availability confirmed for the evaluation period. All care taken to ensure the nominated members will be available during the evaluation period.

The evaluation should be completed, and recommendations made (including report to Council) within 28 days of a tender closing, unless extended by:

1. Tenderer/s clarification
2. Referral to probity or legal advice
3. Council/tenderer negotiation.

17.7 Successful/Unsuccessful Quoter/Tenderer Notification

Tender outcomes may only be notified after approval by the appropriate delegate. A letter of award should be issued with the Contract and signed by the approver. The letter of award may also be issued separately whilst the Contract is being assembled.

Unsuccessful tenderers should be notified within five business days via the e-tendering portal or email by the Procurement and Tenders Officer.

APPENDICES

18. PROCUREMENT THRESHOLDS

General Principles

- Thresholds refer to the total contract sum, including extension options and recurrent spend with the same supplier
- Thresholds represent the minimum standards – Council officers may choose a more rigorous approach if it is in the best interests of Council
- Procurement transactions must not be split to circumvent the above thresholds
- Where Council has established panels, alternate thresholds and methodologies may apply as approved at the time of panel formation
- Where it is difficult to obtain sufficient quotations (e.g. due to limited suppliers or specialised work), an approved procurement exemption may be applied.

Procurement Delegation and Procurement Method Threshold Table

Procurement Thresholds (inc. GST)	Procurement Method	Estimated Timeframe For Supplier Response (Minimum)	Procurement Process
<\$5,000	Request at least one verbal quote (must be documented)	Two business days	<ul style="list-style-type: none"> • Direct approach to supplier • Raise a Purchase Order**
>\$5,001-\$10,000	Request at least two email quotes	Three business days	<ul style="list-style-type: none"> • Direct approach to supplier • Raise a Purchase Order** • Attach quotation and any other document/s from supplier to the purchase requisition in Civica • Save quotes in document management system
\$10,001 - \$50,000	Request for Quotation (RFQ) – request at least two email quotes	One week	<ul style="list-style-type: none"> • Direct approach to supplier • Evaluate quotations and select the successful supplier • Raise a Purchase Order** • Attach quotation and any other document/s from supplier to the purchase requisition in Civica • Save quotes in document management system
\$50,001 - \$150,000 (Goods or Services and Works)	Formal Request for Quotation (RFQ) – request at least three written quotes	Two weeks	<ul style="list-style-type: none"> • Procurement plan must be prepared and approved before release of the RFQ documents • RFQ must be released to the market through E-Procure platform • Evaluate quotation/s and select the successful supplier • Prepare a report and obtain a written approval from a financial delegate** on the recommended supplier

			<ul style="list-style-type: none"> • Save documents in document management system • Signed contract is recommended
\$150,001 - \$550,000 (Goods or Services and Works)	Formal Request for Tender (RFT)	Formal Request for Tender (RFT)	<ul style="list-style-type: none"> • Procurement plan must be prepared and approved before release of the RFT documents • EOI or RFT must be released to the market through E-Procure platform • Evaluate quotation/s and select the successful supplier • Prepare a report and obtain a written approval from a financial delegate** on the recommended supplier • Save documents in document management system • Signed contract is recommended
\$550,001 + (Goods or Services and Works)	Formal Request for Tender (RFT)	Formal Request for Tender (RFT)	<ul style="list-style-type: none"> • Procurement plan must be prepared and approved before release of the RFT documents • Assess whether a probity plan or Probity Advisor is required - for tenders > \$3 million or considered complex or high risk • EOI or RFQ must be released to the market through E-Procure platform • Evaluate quotation/s and select the successful supplier • Prepare a report and obtain Council approval on the recommended supplier • Save documents in document management system • Signed contract is recommended

Procedural Definitions

RFQ – Request for Quotation via email - An email to suppliers (minimum three), can be self-managed or with support from Procurement and Tenders Officer.

Formal RFQ – Request for Quotation - A formal public Request for Quotation process using Councils online tender portal via Strathbogie Shire Councils Procurement Team.

RFT – Request for Tender - A formal public tender process using Councils online tender portal via Strathbogie Shire Councils Procurement Team.

** - Financial delegations are contained in Council's applicable delegation document, from CEO to Council Staff, Instrument of Delegation for Certain Financial Transactions and Procurement Function. This delegation document is periodically updated and reissued.

19. EXEMPTIONS TO PROCUREMENT THRESHOLDS

In certain circumstances, Council may procure goods, services, or works without applying standard procurement thresholds or processes. These exceptions must be justified, documented, and approved in accordance with delegated authority.

Exemptions to procurement thresholds must be approved by the Chief Executive Officer (CEO) in accordance with the conditions set out in Schedule S5 of the Instrument of Delegation.

Officers are required to submit a conflict of interest declaration and a detailed justification for the exemption, prepared in consultation with the Procurement Team. The CEO may, at their discretion, refer the request to the Executive Leadership Team for consideration. All exemptions require CEO approval.

Approved exemptions must be provided to the Procurement Team for recording in the contracts register and will be subject to review as part of ongoing policy updates.

Table 4: Exemptions Requiring Chief Executive Officer Approval

Exemption Type	Explanation, Limitations, Responsibilities, and Approvals
A contract made because of genuine emergency or hardship	Where the Council has resolved that the contract must be entered into because of an emergency e.g. to provide immediate response to a natural disaster, declared emergency.
Where immediate action is required	There is a situation that requires urgent procurement to address a risk to public health, safety, property, or business continuity.
Grant funded Community Projects under \$50,000 including GST	Where Council has received State or Federal Government grant funding for community programs and the funding rules stipulate specific suppliers. Only valid for Contracts under \$50,000 including GST.
Collaborative procurement	<p>In accordance with Section 10 (c) of the <i>Local Government Act 2020</i>, Council will actively seek opportunities to collaborate with other councils and public bodies in the procurement of good, services or works, where such collaboration can deliver economies of scale, improved value for money, or other strategic benefits.</p> <p>Council Officers must give due consideration to collaborative procurement opportunities as part of the planning phase for all procurement activities.</p>
Sole Sourcing`	<p>Sole sourcing is the engagement of a single supplier without seeking competitive offers and is considered a procurement exemption under this policy. It is permitted only in exceptional circumstances where:</p> <ul style="list-style-type: none"> • The market is restricted e.g. licensing software • Council has developed or co-owns the relevant intellectual property • There is urgent public interest or emergency requiring immediate procurement • A thorough market analysis has demonstrated no viable

	alternative exist or that a recent prior tender process was unsuccessful and Council proceeds to an alternative sourcing approach
Novated Contracts	Where the initial contract was entered into in compliance with the Act and due diligence has been undertaken upon the new party.
Extension of contracts while Council is at market	<p>Allows Council to extend an existing contract where the procurement process to replace the contract has commenced, and where the tender process or negotiations will take or are taking longer than expected.</p> <p>This exemption may be used when the establishment of an interim short term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of critical public services to the municipality.</p>
Professional services unsuitable for Tender	Issues based advice which is unable to be quantified. Probity Advisory services and all other legal advice. Planned services will be subject to quotation or tender process in accordance with this policy. Insurance.
Information technology, software renewals	Allows Council to renew software licenses and maintenance and support, or upgrade existing systems, where there is only one supplier of the software, who holds the intellectual property rights to the software.
Operating Leases	Where a lessor leases an asset (generally a vehicle or plant and equipment) to the Council and assumes the residual value risk of the vehicle.
Equipment Servicing	Dealer services required under vehicle and plant warranty agreements, where a panel arrangement (preferred) is not possible or yet been established.
Calibration and Certification	Calibration and certification required for Council assets where only one service provider exists in the region, where a panel arrangement (preferred) is not possible or yet been established.
Emergency Repairs – Motor Vehicles, Heavy Plant and Equipment	Where emergency repairs are required and it is not practical to gain quotes from multiple suppliers due to the inability to move the equipment. Local suppliers preferred.
Proven Monopoly Market or Statutory Payments	<p>Refers to procurement situations where competition is not possible or not required. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • motor vehicle registration and compulsory third party insurance • Workcover • Utilities (water, gas, electricity) • Victorian Electoral Commission • Australian Taxation Office • Victoria Auditor General's Officer • Other statutory bodies (including Councils) • other legislatively required services, • when the supply of goods, services or works can only be

	sought from a monopoly supplier
Council Staff and Councillors	<p>Examples include the following:</p> <ul style="list-style-type: none"> • payroll processing and payroll deductions • taxation • superannuation (including defined benefits, superannuation calls), • WorkCover and injury management • licences or subscription or membership renewals • recruitment advertising • professional workshops, seminars and conference registration fees and travel arrangements, • Mayor and Councillor allowances, expenses and expense reimbursements. <p>Even when an exemption applies, procurement must still comply with relevant delegations, be transparent, and demonstrate value for money where practicable.</p>
Public Art	Refer to Councils adopted Public Art Policy and Procedure.