

PROCUREMENT POLICY UPDATES

FBS | 63/14/4-* | #7800063

RECOMMENDATION:

That Council notes legislative changes to the *Local Government Regulation 2012* and adopts the proposed amendments to the Procurement Policy.

INTERESTED PARTIES:

Not applicable

EXECUTIVE SUMMARY:

Effective from 12 December 2025, there were changes to the *Local Government Regulation 2012* (Qld) arising from the *Local Government Legislation (Empowering Councils) Amendment Regulation 2025* (Qld). This Regulation Amendment applies to a range of governance and other matters. This report notes specific changes relating to procurement matters, including procurement decisions and contractual arrangements entered into after that date.

The legislative changes affect procurement threshold definitions and terminology within the Regulation and have flow-on implications for Council's Procurement Policy, as well as the internal Administrative Instruction Procurement and Governance Delegations, and other general templates and procedural documents.

It is proposed that these changes, and other recent requests from internal stakeholders, be incorporated into the documents to ensure compliance with legislative requirements and enhance clarity and operational efficiency.

BACKGROUND:

The Amendment Regulation is intended to ensure councils continue to operate with high levels of integrity and accountability, while reducing unnecessary regulatory "red tape" and enabling Councillors and Officers to serve their communities more effectively.

Council's Procurement Policy outlines the principles, responsibilities and requirements for procurement activities, ensuring compliance with legislative and regulatory frameworks. Further supporting information is provided in the applicable Administrative Instruction Procurement Governance and Delegations. Council Officers need to refer to both the Policy and the internal Administration Instruction document to ensure compliance. These two documents create a separation of policy and procedure, which aligns with best practice governance by clearly distinguishing between what is policy and procedure.

Any amendments to the Procurement Policy require Council approval. However, changes to the Administrative Instruction fall within the CEO’s delegated authority, allowing updates to processes, templates and lower-level delegations. This approach improves agility and ensures continued compliance with changing legislation and internal control requirements.

COMMENTS:

The amendments to Local Government Legislation (Empowering Councils) Amendment Regulation 2025 (for procurement related matters only) are:

- Clarification around the meaning of “contractual arrangement”.
- Clarification that the thresholds for medium-sized contractual arrangements and large-sized contractual arrangements relate to what the contract “will cost the local government” rather than the “worth” of the contractual arrangement;
- Increasing the thresholds for requiring tenders and quotes:
 - for medium-sized contractual arrangements from \$15,000 to \$21,000; and
 - for large-sized contractual arrangements from \$200,000 to \$280,000.
- Annual CPI adjustment of the thresholds, with the adjusted amount (rounded) to be published on the department’s website;
- Gives local governments the autonomy to decide whether to dispose of valuable non-current assets other than by tender or auction by resolution, without requiring intervention from the State;
- For valuable non-current asset contracts which are not for the disposal of land:
 - plant and equipment from \$5,000 to \$7,000; and
 - another type of non-current asset from \$10,000 to \$14,000.

It is also proposed to amend non-legislative low value thresholds by increasing the current threshold of \$5,000 to \$10,000 in the Procurement Policy.

The following table summarises the changes to procurement thresholds:

Current Value Threshold*	Amended Thresholds**	Minimum Requirements
Less than \$5,000	Less than \$10,000	Obtain one verbal or written quote
\$5,000 to less than \$15,000	\$10,000 to less than \$21,000	Obtain two written quotes
\$15,000 to less than \$200,000	\$21,000 to less than \$280,000	Obtain three or more written quotes
\$200,000 or more	\$280,000 or more	Public tender required

** All amounts are GST exclusive*

*** The amended threshold figures are for an arrangement entered into **before** 1 July 2026. For an arrangement entered **after** 1 July 2026, the minimum amount will be rounded or adjusted as per annual CPI indexation (based on the March quarter). These amounts will be published on the [Department's website](#).*

There will be no changes to the thresholds in the Financial and Contractual Delegations in the Administrative Instruction.

OPTIONS:

Option 1: (Recommended)

That Council notes legislative changes to the Local Government Regulation 2012 adopts the proposed amendments to the Procurement Policy.

Option 2:

That Council does not adopt the proposed amendments to the Procurement Policy, resulting in the retention of the current policy settings, which would not reflect the amended legislative requirements. This may limit opportunities to improve procurement efficiency and clarity and reduce alignment with contemporary best practice and regulatory expectations.

CONSIDERATIONS:

Risk Management:

The Procurement Policy ensures that all legislative requirements in regard to procurement processes are met and that best practice procurement activities are implemented, compliance is followed, and potential risks and issues are mitigated. Clearer procurement processes reduce the risk of procedural errors and misinterpretation.

Council Finance:

There are no direct financial risks associated with implementing the proposed legislative amendments. It is anticipated that increasing the financial thresholds will support improved operational efficiencies by reducing administrative burden, streamlining approval processes, and enabling resources to be directed toward higher-value or higher-risk matters. These changes are expected to enhance overall effectiveness without adversely impacting financial accountability or control.

The updates to Council's Procurement Policy, Administrative Instruction Procurement and Governance Delegations and other supporting documents will be managed within existing operational resources.

The Procurement Policy provides guidance and encouragement for the utilisation of local suppliers and small businesses to ensure that the local economy is well supported by Council's procurement activities. Streamlined procurement processes reduce barriers to entry for smaller suppliers, promoting greater local participation.

Corporate and Operational Plans:

The proposed amendments to the Procurement Policy align with Council's strategic objectives by supporting responsible financial management and sustainable procurement practices. The process supports the Corporate Plan 2025-2020 within the following areas of focus:

- Focus 1: Robust Economy; and
- Focus 5: Focused Council

Statutory:

The proposed amendments ensure continued compliance with all relevant legislative and regulatory frameworks.

Policy:

Council's Procurement Policy will be updated with the amendments.

CONSULTATION:

To ensure that the Procurement Policy and Administrative Instruction Procurement and Governance Delegations reflects and meets current business and operational needs whilst meeting legislative requirements, feedback is sought from Council officers on a regular basis and incorporated into the annual review process.

ATTACHMENTS:

Attachment 1: Procurement Policy (#1194484) Marked Up Version

Attachment 2: Procurement Policy (#1194484) Clean Version



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CAIRNS REGIONAL COUNCIL

General Policy

PROCUREMENT POLICY

Intent: This document sets out Cairns Regional Council's policy for the acquisition of goods and services and applies to the sourcing and procurement activities of Council.

Scope: This policy applies to the sourcing and procurement of all goods, services, equipment, construction contracts and service contracts (including maintenance). The policy:

- refers to procurement activities across the whole of Cairns Regional Council (Council);
- applies to all materials, products and services procured by Council, including items procured by third parties (such as contractors) acting as representatives for Council; and
- acknowledges that Council cannot achieve its corporate goals and objectives on its own and will require the assistance and support of suppliers and relevant organisations.

DEFINITION OF PROCUREMENT

Procurement means sourcing, purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods, including freight/delivery and related services, construction contracts and service contracts to Council, council officers and agents unless specifically exempted under the provisions of this policy.

Sourcing means the process of market analysis and identifying supplier/contractors in the marketplace, their availability, capacity and other characteristics such as pricing etc that will impact on their ability to provide Council with the most beneficial outcomes in the provision of the required, goods, services or works.

PROVISIONS

Introduction

All Council procurement must be carried out in compliance with the *Local Government Act 2009*, the *Local Government Regulation 2012* (the Regulation); [Local Government Legislation \(Empowering Councils\) Amendment Regulation 2025 \(Qld\)](#), and align with Council's Corporate Plan.

Objectives

Council's procurement activities aim to achieve beneficial outcomes by:

- promoting value for money with probity and accountability;
- advancing Council's economic, social and environmental policies;
- preference the use of local suppliers in providing services wherever possible, where competitive levels of quality, service, efficiency, cost effectiveness and value for money are demonstrated;
- promoting compliance with relevant legislation; and
- promoting continuous improvement and best practice in procurement activities.

Responsibility

Council officers are required to:

- adhere to the "Sound Contracting Principles" as stipulated in s104(3) of the *Local Government Act 2009*;
- conduct all procurement and contracting activities in a transparent manner demonstrating probity and accountability;

- preserve Council's integrity in the procurement process to ensure that Council acts transparently and with fairness in all dealings; and
- adhere to and abide by all the requirements under the *Public Records Act 2023*; declare and report any actual, potential or perceived conflicts of interest prior to and during any business dealings as per Council's Code of Conduct, as well as other internal Administrative Instructions and other relevant legislation and policies.

SOUND CONTRACTING PRINCIPLES

Council officers must have regard to the following contracting principles in all procurement activities:

- a) value for money;
- b) open and effective competition;
- c) the development of competitive local business and industry;
- d) environmental protection; and
- e) ethical behaviour and fair dealing.

a) 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 and supporting the advancement of Council's priorities and strategic objectives including buying local wherever possible;
- fitness for purpose, quality, services, warranties and support;
- whole-of-life costs including costs of acquiring, using, maintaining and disposal;
- value adds, cost savings and/or discounts;
- reduction of internal administration costs;
- technical compliance issues;
- mitigation of risk exposure; and
- benefits to the community (e.g. employment of local labour).

b) Open and effective competition

Procurement must be open and transparent and result in effective competition in the provision of all goods, services and works. Council must give fair and equitable consideration to all prospective suppliers by ensuring that:

- procurement and contracting processes are visible and transparent to Council, suppliers and the public;
- suppliers wishing to supply their goods and services have an equal opportunity to do business with Council and are given reasonable opportunities to do so; and
- invitations are specified in such a way as to encourage competition amongst suppliers, with a view to attracting the best value for money offers.

c) The development of competitive local business and industry

Council encourages development of competitive local business and industry when entering into contracts for the supply of goods or services, or for carrying out of works. In addition to price, performance, quality and suitability, Council may also consider the following factors:

- employment opportunities for the region;
- economic growth for the region;
- readily available goods, services and support; and
- the benefit to Council of contracting with local suppliers and the associated local commercial transactions that flow from that contracting.

In this policy, the definition of a "**local supplier**" is a supplier which:

- is beneficially owned and operated by persons who are residents or ratepayers of the Local Government area of Council; or
- has its principal place of business within the Local Government area of Council; or
- otherwise has a place of business within the Local Government area of Council that solely or primarily employs persons who are residents or ratepayers of the Local Government area of Council.

Where offers such as quotes or tenders from non-local suppliers are sought or evaluated, the officer with the delegation relevant to the procurement, will need to be satisfied that such an approach clearly reflects the most advantageous outcome for Cairns.

d) Environmental protection

Council promotes environmental protection and responsibility through its purchasing procedures. In undertaking procurement activities Council will endeavour to:

- promote the procurement of environmentally friendly goods and services that satisfy value for money criteria;
- foster the development of products and processes with less carbon and 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; and
- encourage environmentally responsible activities.

Council may also consider the following:

- the environmental performance of prospective contractors or suppliers;
- the selection of products that may have a reduced impact on human health and / or the natural environment; and
- the environmental impact and performance of a requested product, such as energy and / or water efficiency rating, fuel efficiency, durability, recycled content, toxicity, origin of any components made from wood (e.g. paper products) and end of life disposal.

e) Ethical behaviour and fair dealing

Ethical behaviour and fair dealing will be promoted by fulfilling the requirements of Council's *Code of Conduct*, working with sound ethics and ensuring that Council officers:

- apply sound ethical principles and equitable dealings with fair and reasonable opportunities to all suppliers;
- ensure probity, transparency, impartiality and accountability for all procurement and contracting activities;
- use procurement and contracting processes, systems and procedures that provide a consistent approach to Council's legislative and policy requirements;
- promote high standards of professionalism in procurement and contracting activities; and
- act with integrity and in a way that shows concern for public interest.

Modern Slavery Act

Council does not tolerate modern slavery within its business and supply chains. Council is committed to acting ethically and with integrity and transparency in all business dealings. Council has effective and reasonable systems and controls in place to reduce the risks of modern slavery, and to best ensure that modern slavery is not taking place within the Council's business or its supply chains.

Human Rights Act

Council respects and promotes human rights as described by the Act. Council is committed to ensure values such as fairness, equality, respect and effective protection against discrimination in all business dealings. Council has effective and reasonable systems and controls in place to reduce the risks of making decisions that are not compatible with human rights, and to best ensure that proper consideration is given to all human rights relevant to the decision taking place within the Council's business or its supply chains.

Complaints Process

Complaints concerning procurement and disposal activities are managed through Council's [General Complaints Management Policy](#).

EVALUATION OF TENDERS AND QUOTES

The Sound Contracting Principles are utilised in the evaluation of all quotes and tenders along with other selective criteria determined relevant to the procurement activity, including but not limited to the procedures and evaluation criteria specified within the quote or tender documentation. It is recommended that:

- evaluation and probity plans are developed for procurement activities where relevant, including declaration of confidentiality and any potential, perceived or actual conflicts;
- interactions and content of meetings with suppliers are noted and recorded;
- suppliers' commercially-confidential information and/or intellectual property is safeguarded.

Ultimately, selection is to be based on the most advantageous outcome for Cairns.

PROCUREMENT GUIDELINES

Procurement Thresholds

Value Threshold*	Minimum Requirements	Procurement Exemptions Available
Less than \$510,000	Obtain at least one verbal or written quote	Not required
** As published on Department of Local Government, Water and Volunteers website \$5,000 to less than \$15,000 \$15,000 to less than \$200,000 \$200,000 or more	Obtain two written quotes	Yes
	Obtain three or more written quotes	Yes
	Public tender required	Yes

* **All amounts are GST exclusive**

** **[Proposed annual CPI adjustment of the thresholds, with the adjusted amount to be published on the Department's website.](#)**

All thresholds are cumulative thresholds. When seeking quotations, officers should consider the likelihood of exceeding the value thresholds listed above **in a financial year** (excluding GST), or over the proposed term of any contractual arrangement, with **a supplier**. If there is a risk that these limits will be exceeded for goods or services of a similar nature procured from the same supplier, then the appropriate number of quotes or a public tender should be sought. If the anticipated value of goods or services of a similar nature procured from the same supplier exceeds ~~\$200,000 the threshold value~~ in a financial year, or over the proposed term of the contractual arrangement, then a public tender may be required, unless a procurement exemption applies.

For contracts where Council receives revenue, the thresholds above apply and 'value' refers to the total amount to be paid to Council.

Deposits and pre-payments

As a general rule, Council does not support the payment of deposits or upfront prepayments, prior to receipt of goods and/or services.

Expressions of Interest (EOI)

Prior to issuing an EOI with an expected value over ~~the public tender \$200,000 the threshold value~~ (excluding GST), a Council resolution must be obtained. EOIs may only be utilised to facilitate a closed tender process if Council has decided by resolution that it would be in the public interest to call for EOIs before inviting tenders and has recorded its reasons for doing so, including community benefits in the minutes of the meeting.

EOI's may be called under the ~~public tender \$200,000~~ threshold without a Council resolution, however the EOI process must still comply with the normal procurement threshold guidelines.

Corporate Credit Cards

The use of Council corporate credit cards is for general purchases and low value expenses where possible. The use of purchase orders is preferred over credit cards. Credit cards should only be utilised after assessing the procurement activity and ensuring that there is no other option that is better suited to address this matter.

All Council card holders have the authority to incur expenditure up to the limit on their card for approved Council business. Corporate credit cards should be used where appropriate, based on risk and compliance with Council's procurement requirements. The guidelines based on the procurement thresholds above must be followed. The CEO has delegated authority to set corporate card limits for all cardholders, these will be administered in Councils Procurement Governance and Delegations Administrative Instruction.

Sponsorship and Resource Performance Agreements

Council may:

- receive incoming sponsorship or sponsorship benefits from an external party; or
- provide outgoing sponsorship or resource performance benefits (such as cash or in kind service provision); or
- provide grant funding (separate to its Community Grants Policy) to non-community organisation tied to delivery by funded entities to defined outcomes or deliverables.

In all agreements of this nature, Council must have regard to the Sound Contracting Principles as well as the local government principle of sustainable development and management of assets and infrastructure.

Council Grants

Grants to community organisations are to be conducted in accordance with Council's [Community Grants General Policy](#).

Grants to commercial organisations must align with the requirements and intent of this Procurement Policy and the legislative sound principles of contracting. The value and nature of the grant will dictate the appropriate procurement requirement or most applicable exemption.

EXEMPTIONS TO PROCUREMENT GUIDELINES

Legislation obligates Council to utilise a quotation or tender process based on the procurement thresholds (or a closed tender process if an expression of interest has first been called to shortlist tenderers) before entering into making a contract for the carrying out of work, or the supply of goods or services that meet or exceed involving the public tender thresholda cost of \$200,000 or more, unless there is a legislative exemption.

Exemptions to the procurement guidelines for quotes and tenders are provided for under sections 229 to 235 of the Regulation. These exemptions are:

- s230 – a quote or Tender Consideration Plan (TCP);
- s231 – a contractor on an Approved Contractor List (ACL);
- s232 – a supplier on a Register of Prequalified Suppliers (ROPS);
- s233 – a supplier on a Preferred Supplier Arrangement (PSA);
- s234 – a supplier on another LGA arrangement, e.g. LGAQ (Local Buy).

Further exemptions exist if:

- s235(a) – Council resolves (Council resolution obtained) it is satisfied that there is only one supplier who is reasonably available (sole suppliers); or
- s235(b) – Council resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders (specialised suppliers); or
- s235(c) – a genuine emergency exists; or
- s235(d) – the contract is for the purchase of goods and is made by public auction; or
- s235(e) – the contract is for the purchase of second-hand goods; or
- s235(f) – the contract is made with, or under an arrangement with, a government agency e.g. Queensland State Government arrangements.

Further details on the exemptions commonly utilised by Council are listed below:

Tender Consideration Plan

Council may enter into a contract or contractual arrangements without first inviting written quotes or tenders if Council resolves to prepare a TCP and then prepares and adopts the plan. The TCP is a document stating:

- (a) the objectives of the plan;
- (b) how the objectives are to be achieved;
- (c) how the achievement of the objectives will be measured;
- (d) any alternative ways of achieving the objectives, and why the alternative ways were not adopted;
- (e) the proposed terms of the contract for the goods or services; and
- (f) a risk analysis of the market from which the goods or services are to be obtained.

Register of Pre-Qualified Suppliers (ROPS)

Council may establish a ROPS for the carrying out of works, goods and materials, services or ICT, by inviting public tenders. Suppliers must submit a conforming tender response and if successful following the evaluation process, suppliers are appointed to the ROPS upon resolution by Council, for a term of two to 10 five years. Once the ROPS is established, further quotes or cost estimates from selected suppliers are strongly recommended as procurement best practice and to achieve value for money.

Appointment to a ROPS is a non-exclusive acceptance of the Suppliers submission and does not guarantee that the Supplier will be engaged to provide any, or a minimum amount, of works, goods and/or services during the term of the ROPS. Council reserves the right to seek additional quotes within or outside the ROPS arrangement.

Where extension options on ROPS arrangements are available, existing suppliers who demonstrate a continuous high quality of service may be extended for an additional term if value for money is demonstrated. This approach is intended to eliminate unnecessary sourcing activities and allow resources to be directed at contracts and arrangements where value for money will be better achieved.

New suppliers, or suppliers who missed a tender opportunity, cannot be added to existing ROPS arrangements, unless an open market invitation and tender process is undertaken. Council reserves the right to open arrangements and invite additional tenders from suppliers in the market (known as a 'refresh'). Any new suppliers will be appointed under the same terms and conditions and have the same expiry date will match the original term of existing ROPS arrangements.

Preferred Supplier Arrangement (PSA)

Council may establish a PSA where better value for money can be obtained by aggregating the demand for goods and services, particularly where goods and services are needed frequently and in large volumes. Council must invite public tenders and evaluate submissions from suppliers in order for suppliers to be successfully appointed to the PSA. A PSA may be entered into for a term of more than two years, but only if the longer term will result in better value to Council. Prices or a schedule of rates are usually fixed for the duration of the arrangement. The terms of the PSA allows for suppliers to be appointed in a preferential order and permits the a-contract to be cancelled for poor performance of the preferred supplier.

Sole and Specialised Suppliers

Where the required goods or services are available only from one original source or available from only one stockist, agent or supplier with relative ease of accessibility to Council, the supply of those goods and or services can be applied for under a sole supplier arrangement via a Council Resolution. Sole and Specialised Suppliers are used in instances where only one supplier is available due to specialised or unique services, or where services are confidential in nature that makes it disadvantageous or impractical to undertake a competitive procurement process.

Procurement provides a report on a bi-annual basis listing all proposed sole and specialised supplier arrangements for the financial year for adoption by Council, which also lists expenditure on sole and specialised suppliers.

Emergencies

In recognition that full compliance with existing Council procurement procedures may not support Council's needs during a critical or emergency incident, an alternative procurement process may operate during the incident. This alternative process aims to accommodate urgent Council needs, while ensuring that the procurement process adopted is reasonable and conducted with appropriate consideration of standard procurement principles.

Any emergency procurement must be authorised by the Chief Executive Officer or other delegated or legislated authority, once a critical or emergency incident has been declared. Such incidents are:

- A state of disaster declared under the *Disaster Management Act 2003*, or any other emergency declaration made by the State's Premier under an enactment;
- Any incident declared by the Chief Executive Officer where the safety or security of any person or property associated with the Council is threatened; and
- An external incident to which the Chief Executive Officer has authorised the provision of urgent support.

Once the immediacy of the incident has passed, purchase orders must be raised to record the expenditure in the same way as they would have been in normal circumstances.

As soon as practical upon cessation of the emergency, a report must be presented to Council to authorise the unapproved expenditure, where this expenditure exceeds delegation, and the methodology by which it was incurred. The Council Resolution must define the genuine emergency situation (such as natural disaster), as well as delegate authority.

GOVERNANCE

Procurement Review Board

Council administers a Procurement Review Board (PRB) which meets weekly and plays a key role in Council's governance and approvals process for procurement. The purpose of the PRB is to consider and approve Council's significant procurement and contracting activities at two stage gates:

1. **Pre-market** - reviews and approves procurement strategy and methodology. This includes the market approach and ensures all relevant risks are identified and addressed. It also ensures that the scope and intent align with Council's Corporate and Operational Plans, that evaluation panel and selection criteria are relevant to the procurement activity and that budget is allocated for the expected procurement value.
2. **Post Market** - reviews and approves the recommendations of the evaluation panel ensuring that the recommendation is consistent with the intent of the procurement activity. This ensures that the outcome is one that is most beneficial or advantageous to Council. The PRB will also ensure that the procurement activity is aligned to Council's Corporate and Operational Plans, is within allocated budget and that appropriate plans are in place to manage the successful delivery of the activity, e.g. that Council enter into contract utilising appropriate terms and conditions, etc.

The following thresholds apply for **pre-market** and **post-market** activities:

- ~~All consultancy proposals with expected value greater than \$100,000 ex GST~~
- ~~All procurement proposals with expected value greater than \$200,000 ex GST~~
- ~~Engagement of a Supplier through a ROPS/PSA arrangement with an accumulated value of over \$200,000 ex GST within the financial year~~
- ~~All software recommendations over \$200,000 ex GST~~
- ~~All legal engagements over \$50,000 ex GST~~
- ~~All commercial lease arrangements~~

For a selective quotation process or direct (single select) engagement of Suppliers under existing arrangements that meet one of the above thresholds, Council officers must still seek PRB approval.

The PRB is comprised of the following members:

- Chief Executive Officer
- Chief Financial Officer
- Director Cairns Infrastructure and Assets
- Director People and Organisational Performance

- Executive Manager Procurement and Payables (Procurement)

Other members who are subject matter experts (SME's) are invited when required to enable a comprehensive review of all procurement matters proposed, ensuring recommendations provide Council with the best possible outcomes.

Capital Project Review Board

Council administers a Capital Review Board (CRB) which meets weekly and plays a key role in Council's governance and approvals process for Capital Projects. The purpose of the CRB is to consider, approve and monitor Council's significant Capital Projects.

Probity Roles and Responsibilities

To ensure the integrity of Council's procurement process, Council must implement appropriate probity measures relevant to the value and risk of the procurement project. This requires that the roles and responsibilities of persons involved in the procurement process is clearly defined.

The evaluation of offers is undertaken by Council officers having regard to the Sound Contracting Principles and any published evaluation criteria. The evaluation process will determine the most advantageous offer (if any) for recommendation for acceptance.

The acceptance of an offer shall be made by either an approved delegate, or where the delegate does not have power, by Council by determining the offer most advantageous to it having regard to the Sound Contracting Principles. If the Councillors disagree with the officer's recommendation, in accordance with section 254H of the Local Government Regulation 2012, the minutes of the meeting must include a statement of the reasons for not adopting the recommendation.

The roles of those involved in evaluation and acceptance are separate. Councillors must not seek to influence any evaluation process or have contact with any person who has submitted an offer. Attempts to do so may affect the continuation of the procurement process.

Councillors may be briefed about key Council projects through Councillor Briefing Sessions and Workshops in which case the Councillor Briefings and Workshops Policy shall apply. Such briefings do not affect Council's obligations during the procurement process and the evaluation of offers.

FINANCIAL AND CONTRACTUAL DELEGATIONS

The CEO may approve all procurement activities within the approved budget, subject to:

- Tender awards over \$1 Million which are to be presented to Council for approval unless otherwise delegated.
- Project Launch Approvals over \$1 Million which are to be presented to Council for approval

The CEO has delegated authority to administer financial and contracting delegations for Council officers.

Financial delegations are for expenditure provided for in Council's approved annual budget. The CEO must approve all financial and contractual delegations by recording them in a register of delegations to enable procurement activities to occur in accordance with Council policies and procedures. All delegation amounts are GST exclusive.

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

- the officer has been granted the financial and contractual delegation by the Chief Executive Officer, and
- the expenditure is provided for in Council's budget, and
- the officer has received training in Council's procurement systems and procedures, or
- there is a disaster/genuine emergency.

Variations

A variation is an agreed amendment to a contract that changes the original terms, conditions or scope of the contract. For the purpose of this policy, variation refers solely to a financial deviation from original contract value. The contract can be a Council purchase order or agreement signed by a delegated

Council officer with an external service provider/organisation. Other variations such as non-financial scope changes, extension of time etc. are to be managed by delegated council officers.

Variation procedures for contracts are as follows:

- Each variation can only be approved in writing by a delegated officer up to their authorised financial and contractual delegation;
- The delegated officer must verify that funds are in approved budgets to meet the costs prior to the variation being actioned;
- Each variation requires an additional line item on the purchase order stating the change in scope and cost. A purchase order amendment must be approved by a delegated officer with sufficient financial and contractual delegation for the entire new aggregated order amount including the variation.
- Officers must ensure that the contract variations are not to the extent that they significantly change the contract requirements and/or substantial parts of the original procurement. If this is the case, it may be necessary to undertake another procurement process if the revised arrangements are substantially different to those selected during the original procurement.
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Acquisition of Land

All acquisition of land must be done in accordance with the [Acquirement of Land General Policy](#). All acquisitions must be managed by Council's Property Team.

Publishing Details of Contracts

Council is obliged to publish details of all contracts valued \$200,000 or more. These details must be published monthly on Council's website and also on a noticeboard located in the customer service area of the Administration Building in Spence Street, Cairns. Information to be documented in these publications includes the following:

- the person/company with whom Council has entered into the contract;
- the value of the contract; and
- the purpose of the contract.

For the purpose of this obligation, a contract is defined as an approved Council purchase order.

LOW CARBON, SUSTAINABILITY AND SOCIAL PROCUREMENT

Local Suppliers

Council will preference quotes and tenders from local businesses in Cairns. Where appropriate, Council will seek opportunities to engage social enterprises or leverage outcomes through commercial relationships.

Social Procurement

Council recognises the role of procurement in driving positive social outcomes and is committed to leveraging its purchasing power to support social enterprises, local employment and community wellbeing. Social procurement focuses on human aspects and social equity, considering principles of diversity, ethics, acceptance, fairness, compassion, inclusiveness and access for people of all abilities and cultures. Where appropriate, Council will actively seek opportunities to work with social enterprises and organisations that contribute to broader community benefits, ensuring procurement decisions align with Council's commitment to sustainability, diversity, and inclusivity.

Social procurement delivers benefits to Council including:

- positive outcomes for people and contributions towards building stronger and more resilient communities;
- encouraging and fostering partnerships between Indigenous and non-Indigenous businesses to drive capacity-building and collaboration;
- developing and attracting social enterprises;
- encouraging local businesses to include social or community objectives into business practices;

- promoting employment opportunities and inclusive and accessible work environments for young people or older persons who are unemployed, people from Culturally and Linguistically Diverse (CALD) backgrounds and people with disabilities; and
- building the skills, knowledge and ability of not-for-profit community groups to enable them to access funding, expand services and complete for business.

Low Carbon Procurement

Low carbon and sustainable procurement must be conducted in line with consideration to the Sound Contracting Principles and other legislative requirements.

Low carbon procurement is a process whereby goods, services, works and utilities are procured with a reduced carbon footprint throughout their life cycle.

Sustainable Procurement

Sustainable procurement is the process where Council meets its needs for goods or services in a way that achieves value for money on a whole-of-life basis in terms of generating benefits not only to Council, but also to its community, the economy and the natural environment. Council will take action to mitigate and adapt to the impacts of climate change through the focus areas of community, industry, energy, transport, built environment, and the natural environment.

When compiling any procurement documentation including tenders, contracts, quotes or purchasing arrangements, sustainability requirements for the project must be clearly identified in a project Scope.

Council applies sustainable procurement by:

- examining organisational, project and community needs for anticipated contracting activities
- refining sustainability strategies for contracting activities, including beneficial reuse where possible
- refining sustainability specifications for contracting activities
- planning and undertaking sustainability evaluations as part of contracting activities.

Council's priority areas for considering sustainable products include, but are not limited to:

- Wood and paper products from sustainable sources;
- Sustainable and safe chemical based products e.g. cleaning products, pesticides, fertilisers or soil enhancers;
- Products that are durable and long lasting e.g. avoiding or reducing disposable products and single use plastics; and
- Products that consume renewable or less energy, fuel or water in their operations.

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This policy is to remain in force until otherwise determined by Council.

Director Responsible for Review:

Chief Financial Officer

ORIGINALLY ADOPTED: 19/05/2003
CURRENT ADOPTION: ~~25/06/2025~~
DUE FOR REVISION: ~~25/06/2026~~
REVOKED/SUPERSEDED:



Ken Gouldthorp
Chief Executive Officer

PROCUREMENT POLICY

- Intent:** This document sets out Cairns Regional Council's policy for the acquisition of goods and services and applies to the sourcing and procurement activities of Council.
- Scope:** This policy applies to the sourcing and procurement of all goods, services, equipment, construction contracts and service contracts (including maintenance). The policy:
- refers to procurement activities across the whole of Cairns Regional Council (Council);
 - applies to all materials, products and services procured by Council, including items procured by third parties (such as contractors) acting as representatives for Council; and
 - acknowledges that Council cannot achieve its corporate goals and objectives on its own and will require the assistance and support of suppliers and relevant organisations.

DEFINITION OF PROCUREMENT

Procurement means sourcing, purchase, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods, including freight/delivery and related services, construction contracts and service contracts to Council, council officers and agents unless specifically exempted under the provisions of this policy.

Sourcing means the process of market analysis and identifying supplier/contractors in the marketplace, their availability, capacity and other characteristics such as pricing etc that will impact on their ability to provide Council with the most beneficial outcomes in the provision of the required, goods, services or works.

PROVISIONS

Introduction

All Council procurement must be carried out in compliance with the *Local Government Act 2009*, the *Local Government Regulation 2012* (the Regulation); *Local Government Legislation (Empowering Councils) Amendment Regulation 2025 (Qld)*, and align with Council's Corporate Plan.

Objectives

Council's procurement activities aim to achieve beneficial outcomes by:

- promoting value for money with probity and accountability;
- advancing Council's economic, social and environmental policies;
- preference the use of local suppliers in providing services wherever possible, where competitive levels of quality, service, efficiency, cost effectiveness and value for money are demonstrated;
- promoting compliance with relevant legislation; and
- promoting continuous improvement and best practice in procurement activities.

Responsibility

Council officers are required to:

- adhere to the "Sound Contracting Principles" as stipulated in s104(3) of the *Local Government Act 2009*;
- conduct all procurement and contracting activities in a transparent manner demonstrating probity and accountability;

- preserve Council's integrity in the procurement process to ensure that Council acts transparently and with fairness in all dealings; and
- adhere to and abide by all the requirements under the *Public Records Act 2023*; declare and report any actual, potential or perceived conflicts of interest prior to and during any business dealings as per Council's Code of Conduct, as well as other internal Administrative Instructions and other relevant legislation and policies.

SOUND CONTRACTING PRINCIPLES

Council officers must have regard to the following contracting principles in all procurement activities:

- a) value for money;
- b) open and effective competition;
- c) the development of competitive local business and industry;
- d) environmental protection; and
- e) ethical behaviour and fair dealing.

a) 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 and supporting the advancement of Council's priorities and strategic objectives including buying local wherever possible;
- fitness for purpose, quality, services, warranties and support;
- whole-of-life costs including costs of acquiring, using, maintaining and disposal;
- value adds, cost savings and/or discounts;
- reduction of internal administration costs;
- technical compliance issues;
- mitigation of risk exposure; and
- benefits to the community (e.g. employment of local labour).

b) Open and effective competition

Procurement must be open and transparent and result in effective competition in the provision of all goods, services and works. Council must give fair and equitable consideration to all prospective suppliers by ensuring that:

- procurement and contracting processes are visible and transparent to Council, suppliers and the public;
- suppliers wishing to supply their goods and services have an equal opportunity to do business with Council and are given reasonable opportunities to do so; and
- invitations are specified in such a way as to encourage competition amongst suppliers, with a view to attracting the best value for money offers.

c) The development of competitive local business and industry

Council encourages development of competitive local business and industry when entering into contracts for the supply of goods or services, or for carrying out of works. In addition to price, performance, quality and suitability, Council may also consider the following factors:

- employment opportunities for the region;
- economic growth for the region;
- readily available goods, services and support; and
- the benefit to Council of contracting with local suppliers and the associated local commercial transactions that flow from that contracting.

In this policy, the definition of a "**local supplier**" is a supplier which:

- is beneficially owned and operated by persons who are residents or ratepayers of the Local Government area of Council; or
- has its principal place of business within the Local Government area of Council; or
- otherwise has a place of business within the Local Government area of Council that solely or primarily employs persons who are residents or ratepayers of the Local Government area of Council.

Where offers such as quotes or tenders from non-local suppliers are sought or evaluated, the officer with the delegation relevant to the procurement, will need to be satisfied that such an approach clearly reflects the most advantageous outcome for Cairns.

d) Environmental protection

Council promotes environmental protection and responsibility through its purchasing procedures. In undertaking procurement activities Council will endeavour to:

- promote the procurement of environmentally friendly goods and services that satisfy value for money criteria;
- foster the development of products and processes with less carbon and 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; and
- encourage environmentally responsible activities.

Council may also consider the following:

- the environmental performance of prospective contractors or suppliers;
- the selection of products that may have a reduced impact on human health and / or the natural environment; and
- the environmental impact and performance of a requested product, such as energy and / or water efficiency rating, fuel efficiency, durability, recycled content, toxicity, origin of any components made from wood (e.g. paper products) and end of life disposal.

e) Ethical behaviour and fair dealing

Ethical behaviour and fair dealing will be promoted by fulfilling the requirements of Council's *Code of Conduct*, working with sound ethics and ensuring that Council officers:

- apply sound ethical principles and equitable dealings with fair and reasonable opportunities to all suppliers;
- ensure probity, transparency, impartiality and accountability for all procurement and contracting activities;
- use procurement and contracting processes, systems and procedures that provide a consistent approach to Council's legislative and policy requirements;
- promote high standards of professionalism in procurement and contracting activities; and
- act with integrity and in a way that shows concern for public interest.

Modern Slavery Act

Council does not tolerate modern slavery within its business and supply chains. Council is committed to acting ethically and with integrity and transparency in all business dealings. Council has effective and reasonable systems and controls in place to reduce the risks of modern slavery, and to best ensure that modern slavery is not taking place within the Council's business or its supply chains.

Human Rights Act

Council respects and promotes human rights as described by the Act. Council is committed to ensure values such as fairness, equality, respect and effective protection against discrimination in all business dealings. Council has effective and reasonable systems and controls in place to reduce the risks of making decisions that are not compatible with human rights, and to best ensure that proper consideration is given to all human rights relevant to the decision taking place within the Council's business or its supply chains.

Complaints Process

Complaints concerning procurement and disposal activities are managed through Council's [General Complaints Management Policy](#).

EVALUATION OF TENDERS AND QUOTES

The Sound Contracting Principles are utilised in the evaluation of all quotes and tenders along with other selective criteria determined relevant to the procurement activity, including but not limited to the procedures and evaluation criteria specified within the quote or tender documentation. It is recommended that:

- evaluation and probity plans are developed for procurement activities where relevant, including declaration of confidentiality and any potential, perceived or actual conflicts;
- interactions and content of meetings with suppliers are noted and recorded;
- suppliers' commercially-confidential information and/or intellectual property is safeguarded.

Ultimately, selection is to be based on the most advantageous outcome for Cairns.

PROCUREMENT GUIDELINES

Procurement Thresholds

Value Threshold*	Minimum Requirements	Procurement Exemptions Available
Less than \$10,000	Obtain at least one verbal or written quote	Not required
** As published on Department of Local Government, Water and Volunteers website	Obtain two written quotes	Yes
	Obtain three or more written quotes	Yes
	Public tender required	Yes

* **All amounts are GST exclusive**

** **Proposed annual CPI adjustment of the thresholds, with the adjusted amount to be published on the [Department's website](#).**

All thresholds are cumulative thresholds. When seeking quotations, officers should consider the likelihood of exceeding the value thresholds listed above **in a financial year** (excluding GST), or over the proposed term of any contractual arrangement, with **a supplier**. If there is a risk that these limits will be exceeded for goods or services of a similar nature procured from the same supplier, then the appropriate number of quotes or a public tender should be sought. If the anticipated value of goods or services of a similar nature procured from the same supplier exceeds the threshold value in a financial year, or over the proposed term of the contractual arrangement, then a public tender may be required, unless a procurement exemption applies.

For contracts where Council receives revenue, the thresholds above apply and 'value' refers to the total amount to be paid to Council.

Deposits and pre-payments

As a general rule, Council does not support the payment of deposits or upfront prepayments, prior to receipt of goods and/or services.

Expressions of Interest (EOI)

Prior to issuing an EOI with an expected value over the public tender threshold value (excluding GST), a Council resolution must be obtained. EOIs may only be utilised to facilitate a closed tender process if Council has decided by resolution that it would be in the public interest to call for EOIs before inviting tenders and has recorded its reasons for doing so, including community benefits in the minutes of the meeting.

EOI's may be called under the public tender threshold without a Council resolution, however the EOI process must still comply with the normal procurement threshold guidelines.

Corporate Credit Cards

The use of Council corporate credit cards is for general purchases and low value expenses where possible. The use of purchase orders is preferred over credit cards. Credit cards should only be utilised after assessing the procurement activity and ensuring that there is no other option that is better suited to address this matter.

All Council card holders have the authority to incur expenditure up to the limit on their card for approved Council business. Corporate credit cards should be used where appropriate, based on risk and compliance with Council's procurement requirements. The guidelines based on the procurement thresholds above must be followed. The CEO has delegated authority to set corporate card limits for all cardholders, these will be administered in Councils Procurement Governance and Delegations Administrative Instruction.

Sponsorship and Resource Performance Agreements

Council may:

- receive incoming sponsorship or sponsorship benefits from an external party; or
- provide outgoing sponsorship or resource performance benefits (such as cash or in kind service provision); or
- provide grant funding (separate to its Community Grants Policy) to non-community organisation tied to delivery by funded entities to defined outcomes or deliverables.

In all agreements of this nature, Council must have regard to the Sound Contracting Principles as well as the local government principle of sustainable development and management of assets and infrastructure.

Council Grants

Grants to community organisations are to be conducted in accordance with Council's [Community Grants General Policy](#).

Grants to commercial organisations must align with the requirements and intent of this Procurement Policy and the legislative sound principles of contracting. The value and nature of the grant will dictate the appropriate procurement requirement or most applicable exemption.

EXEMPTIONS TO PROCUREMENT GUIDELINES

Legislation obligates Council to utilise a quotation or tender process based on the procurement thresholds (or a closed tender process if an expression of interest has first been called to shortlist tenderers) before entering into a contract for the carrying out of work, or the supply of goods or services that meet or exceed the public tender threshold, unless there is a legislative exemption.

Exemptions to the procurement guidelines for quotes and tenders are provided for under sections 229 to 235 of the Regulation. These exemptions are:

- s230 – a quote or Tender Consideration Plan (TCP);
- s231 – a contractor on an Approved Contractor List (ACL);
- s232 – a supplier on a Register of Prequalified Suppliers (ROPS);
- s233 – a supplier on a Preferred Supplier Arrangement (PSA);
- s234 – a supplier on another LGA arrangement, e.g. LGAQ (Local Buy).

Further exemptions exist if:

- s235(a) – Council resolves (Council resolution obtained) it is satisfied that there is only one supplier who is reasonably available (sole suppliers); or
- s235(b) – Council resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders (specialised suppliers); or
- s235(c) – a genuine emergency exists; or
- s235(d) – the contract is for the purchase of goods and is made by public auction; or
- s235(e) – the contract is for the purchase of second-hand goods; or
- s235(f) – the contract is made with, or under an arrangement with, a government agency e.g. Queensland State Government arrangements.

Further details on the exemptions commonly utilised by Council are listed below:

Tender Consideration Plan

Council may enter into a contract or contractual arrangements without first inviting written quotes or tenders if Council resolves to prepare a TCP and then prepares and adopts the plan. The TCP is a document stating:

- (a) the objectives of the plan;
- (b) how the objectives are to be achieved;
- (c) how the achievement of the objectives will be measured;
- (d) any alternative ways of achieving the objectives, and why the alternative ways were not adopted;
- (e) the proposed terms of the contract for the goods or services; and
- (f) a risk analysis of the market from which the goods or services are to be obtained.

Register of Pre-Qualified Suppliers (ROPS)

Council may establish a ROPS for the carrying out of works, goods and materials, services or ICT, by inviting public tenders. Suppliers must submit a conforming tender response and if successful following the evaluation process, suppliers are appointed to the ROPS upon resolution by Council. Once the ROPS is established, further quotes or cost estimates from selected suppliers are strongly recommended as procurement best practice and to achieve value for money.

Appointment to a ROPS is a non-exclusive acceptance of the Suppliers submission and does not guarantee that the Supplier will be engaged to provide any, or a minimum amount, of works, goods and/or services during the term of the ROPS. Council reserves the right to seek additional quotes within or outside the ROPS arrangement.

Where extension options on ROPS arrangements are available, existing suppliers who demonstrate a continuous high quality of service may be extended for an additional term if value for money is demonstrated. This approach is intended to eliminate unnecessary sourcing activities and allow resources to be directed at contracts and arrangements where value for money will be better achieved.

New suppliers, or suppliers who missed a tender opportunity, cannot be added to existing ROPS arrangements, unless an open market invitation and tender process is undertaken. Council reserves the right to open arrangements and invite additional tenders from suppliers in the market (known as a 'refresh'). Any new suppliers will be appointed under the same terms and conditions and have the same expiry date as the existing ROPS arrangements.

Preferred Supplier Arrangement (PSA)

Council may establish a PSA where better value for money can be obtained by aggregating the demand for goods and services, particularly where goods and services are needed frequently and in large volumes. Council must invite public tenders and evaluate submissions from suppliers in order for suppliers to be successfully appointed to the PSA. A PSA may be entered into for a term of more than two years, but only if the longer term will result in better value to Council. Prices or a schedule of rates are usually fixed for the duration of the arrangement. The terms of the PSA allows for suppliers to be appointed in a preferential order and permits the contract to be cancelled for poor performance of the preferred supplier.

Sole and Specialised Suppliers

Where the required goods or services are available only from one original source or available from only one stockist, agent or supplier with relative ease of accessibility to Council, the supply of those goods and or services can be applied for under a sole supplier arrangement via a Council Resolution. Sole and Specialised Suppliers are used in instances where only one supplier is available due to specialised or unique services, or where services are confidential in nature that makes it disadvantageous or impractical to undertake a competitive procurement process.

Procurement provides a report on a bi-annual basis listing all proposed sole and specialised supplier arrangements for the financial year for adoption by Council.

Emergencies

In recognition that full compliance with existing Council procurement procedures may not support Council's needs during a critical or emergency incident, an alternative procurement process may operate during the incident. This alternative process aims to accommodate urgent Council needs, while ensuring that the procurement process adopted is reasonable and conducted with appropriate consideration of standard procurement principles.

Any emergency procurement must be authorised by the Chief Executive Officer or other delegated or legislated authority, once a critical or emergency incident has been declared. Such incidents are:

- A state of disaster declared under the *Disaster Management Act 2003*, or any other emergency declaration made by the State's Premier under an enactment;
- Any incident declared by the Chief Executive Officer where the safety or security of any person or property associated with the Council is threatened; and
- An external incident to which the Chief Executive Officer has authorised the provision of urgent support.

Once the immediacy of the incident has passed, purchase orders must be raised to record the expenditure in the same way as they would have been in normal circumstances.

As soon as practical upon cessation of the emergency, a report must be presented to Council to authorise the unapproved expenditure, where this expenditure exceeds delegation, and the methodology by which it was incurred. The Council Resolution must define the genuine emergency situation (such as natural disaster), as well as delegate authority.

GOVERNANCE

Procurement Review Board

Council administers a Procurement Review Board (PRB) which meets weekly and plays a key role in Council's governance and approvals process for procurement. The purpose of the PRB is to consider and approve Council's significant procurement and contracting activities at two stage gates:

1. **Pre-market** - reviews and approves procurement strategy and methodology. This includes the market approach and ensures all relevant risks are identified and addressed. It also ensures that the scope and intent align with Council's Corporate and Operational Plans, that evaluation panel and selection criteria are relevant to the procurement activity and that budget is allocated for the expected procurement value.
2. **Post Market** - reviews and approves the recommendations of the evaluation panel ensuring that the recommendation is consistent with the intent of the procurement activity. This ensures that the outcome is one that is most beneficial or advantageous to Council. The PRB will also ensure that the procurement activity is aligned to Council's Corporate and Operational Plans, is within allocated budget and that appropriate plans are in place to manage the successful delivery of the activity, e.g. that Council enter into contract utilising appropriate terms and conditions, etc.

For a selective quotation process or direct (single select) engagement of Suppliers under existing arrangements that meet one of the above thresholds, Council officers must still seek PRB approval.

The PRB is comprised of the following members:

- Chief Executive Officer
- Chief Financial Officer
- Director Cairns Infrastructure and Assets
- Director People and Organisational Performance
- Executive Manager Procurement and Payables (Procurement)

Other members who are subject matter experts (SME's) are invited when required to enable a comprehensive review of all procurement matters proposed, ensuring recommendations provide Council with the best possible outcomes.

Capital Project Review Board

Council administers a Capital Review Board (CRB) which meets weekly and plays a key role in Council's governance and approvals process for Capital Projects. The purpose of the CRB is to consider, approve and monitor Council's significant Capital Projects.

Probity Roles and Responsibilities

To ensure the integrity of Council's procurement process, Council must implement appropriate probity measures relevant to the value and risk of the procurement project. This requires that the roles and responsibilities of persons involved in the procurement process is clearly defined.

The evaluation of offers is undertaken by Council officers having regard to the Sound Contracting Principles and any published evaluation criteria. The evaluation process will determine the most advantageous offer (if any) for recommendation for acceptance.

The acceptance of an offer shall be made by either an approved delegate, or where the delegate does not have power, by Council by determining the offer most advantageous to it having regard to the Sound Contracting Principles. If the Councillors disagree with the officer's recommendation, in accordance with section 254H of the Local Government Regulation 2012, the minutes of the meeting must include a statement of the reasons for not adopting the recommendation.

The roles of those involved in evaluation and acceptance are separate. Councillors must not seek to influence any evaluation process or have contact with any person who has submitted an offer. Attempts to do so may affect the continuation of the procurement process.

Councillors may be briefed about key Council projects through Councillor Briefing Sessions and Workshops in which case the Councillor Briefings and Workshops Policy shall apply. Such briefings do not affect Council's obligations during the procurement process and the evaluation of offers.

FINANCIAL AND CONTRACTUAL DELEGATIONS

The CEO may approve all procurement activities within the approved budget, subject to:

- Tender awards over \$1 Million which are to be presented to Council for approval unless otherwise delegated.
- Project Launch Approvals over \$1 Million which are to be presented to Council for approval

The CEO has delegated authority to administer financial and contracting delegations for Council officers.

Financial delegations are for expenditure provided for in Council's approved annual budget. The CEO must approve all financial and contractual delegations by recording them in a register of delegations to enable procurement activities to occur in accordance with Council policies and procedures. All delegation amounts are GST exclusive.

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

- the officer has been granted the financial and contractual delegation by the Chief Executive Officer, and
- the expenditure is provided for in Council's budget, and
- the officer has received training in Council's procurement systems and procedures, or
- there is a disaster/genuine emergency.

Variations

A variation is an agreed amendment to a contract that changes the original terms, conditions or scope of the contract. For the purpose of this policy, variation refers solely to a financial deviation from original contract value. The contract can be a Council purchase order or agreement signed by a delegated Council officer with an external service provider/organisation. Other variations such as non-financial scope changes, extension of time etc. are to be managed by delegated council officers.

Variation procedures for contracts are as follows:

- Each variation can only be approved in writing by a delegated officer up to their authorised financial and contractual delegation;
- The delegated officer must verify that funds are in approved budgets to meet the costs prior to the variation being actioned;
- Each variation requires an additional line item on the purchase order stating the change in scope and cost. A purchase order amendment must be approved by a delegated officer with sufficient financial and contractual delegation for the entire new aggregated order amount including the variation.
- Officers must ensure that the contract variations are not to the extent that they significantly change the contract requirements and/or substantial parts of the original procurement. If this is the case, it may be necessary to undertake another procurement process if the revised arrangements are substantially different to those selected during the original procurement.
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Acquisition of Land

All acquisition of land must be done in accordance with the [Acquirement of Land General Policy](#). All acquisitions must be managed by Council's Property Team.

Publishing Details of Contracts

Council is obliged to publish details of all contracts valued \$200,000 or more. These details must be published monthly on Council's website and also on a noticeboard located in the customer service area of the Administration Building in Spence Street, Cairns. Information to be documented in these publications includes the following:

- the person/company with whom Council has entered into the contract;
- the value of the contract; and
- the purpose of the contract.

For the purpose of this obligation, a contract is defined as an approved Council purchase order.

LOW CARBON, SUSTAINABILITY AND SOCIAL PROCUREMENT

Local Suppliers

Council will preference quotes and tenders from local businesses in Cairns. Where appropriate, Council will seek opportunities to engage social enterprises or leverage outcomes through commercial relationships.

Social Procurement

Council recognises the role of procurement in driving positive social outcomes and is committed to leveraging its purchasing power to support social enterprises, local employment and community wellbeing. Social procurement focuses on human aspects and social equity, considering principles of diversity, ethics, acceptance, fairness, compassion, inclusiveness and access for people of all abilities and cultures. Where appropriate, Council will actively seek opportunities to work with social enterprises and organisations that contribute to broader community benefits, ensuring procurement decisions align with Council's commitment to sustainability, diversity, and inclusivity.

Social procurement delivers benefits to Council including:

- positive outcomes for people and contributions towards building stronger and more resilient communities;
- encouraging and fostering partnerships between Indigenous and non-Indigenous businesses to drive capacity-building and collaboration;
- developing and attracting social enterprises;
- encouraging local businesses to include social or community objectives into business practices;
- promoting employment opportunities and inclusive and accessible work environments for young people or older persons who are unemployed, people from Culturally and Linguistically Diverse (CALD) backgrounds and people with disabilities; and
- building the skills, knowledge and ability of not-for-profit community groups to enable them to access funding, expand services and complete for business.

Low Carbon Procurement

Low carbon and sustainable procurement must be conducted in line with consideration to the Sound Contracting Principles and other legislative requirements.

Low carbon procurement is a process whereby goods, services, works and utilities are procured with a reduced carbon footprint throughout their life cycle.

Sustainable Procurement

Sustainable procurement is the process where Council meets its needs for goods or services in a way that achieves value for money on a whole-of-life basis in terms of generating benefits not only to Council, but also to its community, the economy and the natural environment. Council will take action to mitigate and adapt to the impacts of climate change through the focus areas of community, industry, energy, transport, built environment, and the natural environment.

When compiling any procurement documentation including tenders, contracts, quotes or purchasing arrangements, sustainability requirements for the project must be clearly identified in a project Scope.

Council applies sustainable procurement by:

- examining organisational, project and community needs for anticipated contracting activities
- refining sustainability strategies for contracting activities, including beneficial reuse where possible
- refining sustainability specifications for contracting activities
- planning and undertaking sustainability evaluations as part of contracting activities.

Council's priority areas for considering sustainable products include, but are not limited to:

- Wood and paper products from sustainable sources;
- Sustainable and safe chemical based products e.g. cleaning products, pesticides, fertilisers or soil enhancers;
- Products that are durable and long lasting e.g. avoiding or reducing disposable products and single use plastics; and
- Products that consume renewable or less energy, fuel or water in their operations.



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Director Responsible for Review:

Chief Financial Officer

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**Ken Gouldthorp
Chief Executive Officer**