



Policy Title	PROCUREMENT POLICY			
Policy Number	F008			
Date of Adoption	18 December 2025			
Effective Date	18 December 2025			
Policy Custodian	Chief Financial Officer			
Review Date	December 2026 (reviewed annually)			
Directly Related Procedures and Forms	F008-P-01 Corporate Standard - Procurement			
Associated Policies, Procedures and Forms	<a href="#">HR001 Code of Conduct</a>			
Relevant Legislation	<a href="#">Local Government Act 2009</a>			
	<a href="#">Local Government Regulation 2012</a>			
	<i>Local Government (Empowering Councils) Regulation 2025</i>			
VERSION DETAILS (see end of document for Revision History)	Date of Council Decision	Decision Notice (Doc Id.)	Effective Date	Notes
Comprehensive Review (Significant Changes)	18 December 2025	1821269	18 December 2025	Policy revised to align with development of F008-P-01 Corporate Standard - Procurement

## 1. PURPOSE

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

## 2. SCOPE

The Local Government Regulation 2012 (the Regulation) requires Council to prepare and adopt a procurement policy encompassing the principles that apply to all purchasing of goods and services by the Council and to review this policy annually.<sup>1</sup>

When seeking quotations and inviting tenders for the carrying out of work, the supply of goods and services or the disposal of assets, all *Staff* must have regard to the sound contracting principles:

- Value for money; and
- Open and effective competition; and
- The development of competitive local business and industry; and
- Environmental protection; and
- Ethical behaviour and fair dealing.

This policy applies to all contracting and procurement activities at Council and is binding upon *Elected Members*, *Staff* and anyone who undertakes procurement on behalf of Council while engaged by the Council.

Contract and financial delegations must be followed for procurement activities.

## 3. DEFINITIONS

Term	Definition
<b><i>Authorised Delegate/s</i></b>	A <i>Staff</i> member appointed to a position that has permission to make a decision on behalf of Council under delegated authority.
<b><i>CEO</i></b>	Chief Executive Officer of Somerset Regional Council
<b><i>Elected Members</i></b>	The Mayor, Deputy Mayor and Councillors.
<b><i>Large-Sized Contractual Arrangement</i></b>	A contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$280,000 or more in a financial year or over the proposed term of the contractual arrangement.

---

<sup>1</sup> s198, [Local Government Regulation 2012](#).  
F008 Procurement Policy

<b>Local Supplier</b>	A supplier of goods, services or works who maintain a permanent presence within Somerset Regional Council's local government area (i.e. a workshop or office and permanent employees residing in the Council region) (as determined by Council in the event of any dispute).
<b>Medium-Sized Contractual Arrangement</b>	A contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$21,000 or more but less than \$280,000 in a financial year or over the proposed term of the contractual arrangement.
<b>Pre-Qualified Supplier</b>	A supplier who has been assessed by Council as having the technical, financial and managerial capability necessary to perform contracts on time and in accordance with agreed requirements in accordance with section 232 of the Local Government Regulation 2012.
<b>Small-Sized Contractual Arrangement</b>	A contractual arrangement with a supplier that is expected to be worth, exclusive of GST, less than \$21,000 in a financial year or over the proposed term of the contractual arrangement.
<b>Sole Supplier</b>	A supplier where Council resolves it is satisfied that there is only 1 supplier who is reasonably available.
<b>Sound Contracting Principles</b>	Those principles set out at section 104(3) of the <i>Local Government Act 2009</i> .
<b>Staff</b>	includes a person employed by Somerset Regional Council on a temporary, part-time or full-time basis and, also, includes a person engaged to perform standard employee functions under a contract for services (e.g. contractor, consultant, etc.).

#### 4. PROCUREMENT THRESHOLDS

Unless an exception is made in accordance with the Regulation, purchases are based on the following monetary thresholds. These thresholds are cumulative, and when seeking quotations consideration must be given to the likelihood of exceeding these thresholds during the project or over the term of a contractual arrangement.

<b>Goods and Services Value (excluding GST)</b>	<b>Minimum requirements</b>
<b>Small-sized Contractual Arrangement</b>	
Up to \$2,000	One verbal quote
\$2,001 to \$5,000	One written quote <b>Exception:</b> Where the supplier is a <i>Local Supplier</i> , one verbal quote is sufficient.
\$5,001 to \$20,999	Seek two written quotes.
<b>Medium-sized Contractual Arrangement</b>	
\$21,000 to \$279,999	Seek three written quotes.
<b>Large-sized Contractual Arrangement</b>	
\$280,000 and over	Public tender

The CEO may authorise the purchase of goods or services to the value of up to \$20,999 (excluding GST) without obtaining quotations.

The *CEO* and *Authorised Delegates* can authorise the purchase of goods or services which are the subject of natural disaster relief funding arrangements to the value of less than \$21,000 (excluding GST) without obtaining quotations in order to expedite recovery.

*Staff* are only permitted to procure goods or services where the total value of the contract is within the *Staff* member's financial delegation limit and expenditure has been provided for in the approved budget. If a purchase is above the *Staff* member's delegation, approval by an authorised delegate with the appropriate financial delegation must be sought before proceeding to procure the goods or services.

## **5. ARRANGEMENTS WHERE QUOTATIONS ARE NOT REQUIRED**

The Regulation permits specific exceptions where Council can enter into contracts without first inviting quotations. Council may enter into a contract without first inviting written quotes or tenders if:

- a quote or tender consideration plan is prepared and adopted by Council in accordance with section 230 of the Regulation; or
- a supplier is on an approved *Preferred Supplier Arrangement* list.
- a supplier is a *Pre-Qualified Supplier* on a standing offer arrangement approved by Council.
- Council resolves it is satisfied that there is only 1 supplier who is reasonably available (*Sole Supplier*); or
- a supplier is on Local Buy (LGA Arrangement); or
- 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; or
- a genuine emergency exists; or
- the contract is for the purchase of goods and is made by auction; or
- the contract is for the purchase of second-hand goods; or
- the contract is made with, or under an arrangement with, a government agency.

## **6. LOCAL PREFERENCE AND LOCAL BENEFIT**

Council is committed to supporting developed and emerging local businesses and has pledged to meet the Small Business Friendly Program Charter commitments.

Quotations will be invited from suitable local businesses who Council considers can meet their requirements at competitive prices.

A local benefit weighting of up to 10% will be applied to tender evaluation criteria for contracts expected to be worth \$280,000 or more (GST exclusive), and when establishing standing pre-qualified panels. The specific weighting used will be determined for each tender according to the nature of the contract, the local market, associated project risks and the ability to achieve value for money. Tenderers will be requested to demonstrate local benefits to the Somerset Region in their tender response.

Local benefits include, but are not limited to:

- head office/branch/depot located in the Somerset Region
- the use of local resources e.g. subcontractors, materials, supplies etc
- local employment.

## **7. REPORTING**

Council is required to publish details of all contractual arrangements worth over \$280,000 or more, excluding GST.<sup>2</sup>

---

<sup>2</sup> s237, [Local Government Regulation 2012](#).

## 8. POLICY ENDORSEMENT

This policy was adopted by the Somerset Regional Council at the Ordinary Meeting of 18 December 2025 and has subsequently been endorsed for application from 18 December 2025 by the Chief Executive Officer.



Signed: .....

Date: 18 December 2025

Name: Andrew Johnson

Title: Chief Executive Officer

## 9. REVISION HISTORY

REVISION HISTORY	Date of Council Decision	Decision Notice (Doc Id.)	Effective Date	Notes
	18 December 2025	1821269		
	22 January 2025	1703564		
	10 July 2024	1641399		
	8 May 2024	1618159		
	15 November 2023	1560923		
	10 May 2023	1506964		
	26 October 2022	1450221		
	21 September 2022	1438154		
	8 June 2022	1404397		
	8 September 2021	1326848		
	9 June 2021	1300713		
	10 February 2021	1266880		
	28 October 2020	1239434		
	9 September 2020	1226312		
	26 August 2020	1222098		
	10 June 2020	1203227		
	12 February 2020	1176920		
	12 June 2019	1120321		
	27 February 2019	1097626		
	20 December 2018	1085735		
	13 June 2018	1041325		
	14 June 2017	962480		
	23 November 2016	922776		
<b>Originally adopted by Council (date)</b>	23 June 2016	892494		

F008 Procurement Policy

Effective Date: 18/12/2025

Review Date: 18/12/2026