

# Council Policy (WCC.008)

## Procurement and Code of Tenders and Contracts

**Responsible Officer:**

General Manager

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# 1 Introduction

## 1.1 Purpose

The purpose of this policy is to provide guidance to procurement of goods and services by Council to ensure compliance with relevant legislation and regulation and to encourage best practice procurement with the intent of securing value for money.

This includes requirements in the *Local Government Act 1993 (The Act)* and the Local Government (General) Regulations 2015 (*The Regulations*).

## 1.2 Application Guidance

For mandatory requirements *must* is used, for guidance *should* or similar is used. Where there is a conflict between the Code of Tenders and Contracts and the Procurement Policy sections, the Code of Tenders and Contracts will apply.

The first part of this policy is the procurement policy which applies to all procurements. The second part is the Code of Tenders and Contracts and must be complied with for all procurements over \$250,000. It should also be complied with for any other procurement which due to complexity or important warrants the public tender process.

This policy applies to:

- Council and its employees.
- Consultants engaged in procurement of goods or services for Council.
- Those applying to provide Council with goods or services.

## 1.3 Delegations

Council delegates all authority for all procurement related activity, including releasing tenders and choosing tender assessment panels to the General Manager who can further delegate. Council delegates all procurement decisions of any amount when related to responding to an emergency situation, to the General Manager who can further delegate.

Council delegates all other procurement decisions below \$500,000 to the General Manager who can further delegate in accordance with this policy.

## 1.4 Definitions

Code – refers to Code for Tenders and Contracts which has been developed in accordance with the requirements of the *Local Government Act 1993* and the Local Government (General) Regulations 2015. The Code is incorporated in this policy.

Consultant – a person or organisation, external to a council, engaged under a contract on a temporary basis to provide recommendations or high-level specialist or professional advice to assist decision making by council. The consultant will be

expected to exercise his or her own skills and judgement independently of the council. It is the advisory nature of the work that distinguishes a consultant from a contractor.

Contract – a contract is an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do, or abstain from doing, some act.

Contractor – a person or organisation, external to the council, engaged under a contract for service (other than as an employee) to provide specified services to a council.

Expression of Interest (EOI) – an Expression of Interest may be used as a means of exploring the market or to pre-qualify businesses to reduce the cost of tendering by restricting the issue of formal tenders.

Local Business – all businesses operating in the Municipal Area, which have a permanent office or presence in the municipal area and employ workers from the municipal area.

Multiple-stage purchasing – a process which allows for a preliminary assessment of the market to be made in terms of the capabilities of potential suppliers and the goods and services that are available to satisfy the requirement before a final purchasing stage is undertaken.

Partner Organisation – Is any organisation to which Council has entered a formal agreement or MOU and any non-commercial organisation listed here:

- Cradle Coast Authority.
- Local Government Association of Tasmania (or another State).
- TasWater.
- Destination West Coast (or its successor).
- West by North-West.
- The Unconformity.
- The Tasmanian Government and its sub-entities.
- Tasmanian Based Peak Industry or Interest Group Organisations.
- West Coast Based Community Based Groups.

Procurement – the entire process by which all resources are obtained by an entity, including planning, design, standards determination, specification writing, selection of suppliers, financing, contract administration, disposals, and other related functions.

Probity – probity is a risk management approach to ensuring procedural integrity.

Probity Advisor – a Probity Adviser provides advice on probity issues before and during the process of tendering and contracting to ensure the process is fair and in accordance with the Council's guidelines.

Public Tender – a tender where any business that can meet the requirements of the Request for Tender has the opportunity to bid.

Purchasing – the acquisition of goods or services.

Quotation – the bid submitted in response to a Request for Quotation from the Council.



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Request for Quotation – either a verbal or written request for offers from businesses capable of providing a specified work, good or service.

Request for Tender – a document soliciting offers from businesses capable of providing a specified work, good or service. Requests for Tender are usually advertised.

Standing Tender – a tender from which a single tenderer or multiple tenderers may be contracted for a specified period to provide specified goods or services during that period without the need for a further tender process.

Tender – a proposal, bid or offer that is submitted in response to a Request for Tender.

Tender Register – a document specifying all tenders received.

Value for Money – achieving the desired outcomes at the best possible price.

Verbal Quotation – a verbal Request for Quotation. A verbal response may be adequate for low value purchases.

Written Quotation – a written Request for Quotation to undertake specific works or supply goods and services.

## **2 Procurement Policy**

### **2.1 Procurement Principles**

The West Coast Council will follow below principles when undertaking procurement:

1. Open and effective communication.
2. Value for money.
3. Enhancement of capabilities of local business and industry.
4. Ethical behaviour and fair dealing.

### **2.2 Procurement Principle Guidance**

Below is a brief definition of each principle and what it means in practice to Council.

#### **2.2.1 Open and Effective Communication**

Council will ensure that the purchasing process is impartial, open and encourages competitive offers. In practice this means that Council will:

- use transparent and open purchasing processes so that service providers and the public are able to have confidence in outcomes where appropriate.
- adequately test the market through seeking quotations or via tender as appropriate.
- avoid biased specifications.
- treat all service providers consistently and equitably.
- ensure a prompt and courteous response to all reasonable requests for advice and information from service providers.

### **2.2.2 Value for Money**

The Council will ensure that it is buying at the most competitive price available, but value for money does not mean buying at the lowest price. In practice this means that Council will consider:

- the contribution the good or service makes to achieving Council's strategic plans or policies.
- the value of the acquisition and potential benefits against the costs of that purchase.
- the assessment of risks associated with the purchase including the preferred procurement method.
- how well goods or services meet needs.
- maintenance and running costs over the lifetime of the product.
- disposal value.
- time constraints.
- the impact of the procurement decision on the local economy, such as through industry development and employment creation.
- the impact of the procurement decision on the environment, such as through minimising waste and reducing demand for goods and services which have a direct impact on the environment (such as printing, utilities, and travel).
- the impact of the procurement decision on the society (social value generated) such as through the elimination of discrimination and the promotion of equal opportunity, training, and other identified social objectives.

### **2.2.3 Enhancement of the Capabilities of Local Business and Industry**

The Council will ensure that where local capacity exists it will seek to engage the local market and encourage participation in tender and quotation processes. In practice this means that Council will (unless exemptions apply):

- actively seek quotes from local businesses that are able to provide quality goods & services.
- where local capability exists, ensure that discretionary elements of specifications do not prevent local businesses from competing.
- any preference given to local businesses for purchases of \$25,000 and above will be listed in the assessment criteria.

### **2.2.4 Ethical Behaviour and Fair Dealing**

The council will promote procurement practice that is legal, ethical, fair and unbiased. In practice this means that Council will

- comply with legal requirements.
- conduct all business in the best interests of the Council.

- ensure that all procurement is undertaken in accordance with Council policies.
- be as effective and efficient as possible when sourcing, ordering and paying for goods and services.
- expect individuals involved in the procurement processes to declare and act upon any conflicts of interest that may be seen to influence impartiality.
- ensure specifications are clear.
- ensure that each potential service provider is provided with equitable access to information on Council's requirements including any clarifications issued.
- maintain confidentiality at all times in dealing with service providers.
- ensure that conditions of contract are not excessively onerous.
- decline gifts or benefits offered by those involved in the procurement process, particularly from service providers.

In practice this means that Council expects service providers to:

- ensure that they are well acquainted with Council requirements identified in this policy.
- are familiar with particulars relating to a specific quotation and tender processes including the relevant specifications.
- not submit a tender or quotation unless they have the financial, technical, physical and management resources or other capabilities to fulfil Council's requirements.
- not to seek to influence a procurement process by improper means or collude with other service providers.
- declare and act upon any conflicts of interest that may be seen to influence impartiality.
- comply with all the applicable legislative, regulatory, and statutory requirements, including Acts of the Commonwealth and State, regulations, by laws, and proclamations made or issued under such Acts and lawful requirements or directions of public and other authorities not offer gifts or benefits to a Council Officer for the discharge of official business.

### **2.2.5 Probity**

In order to achieve probity, Council will consider the following five probity principles throughout all stages of procurement and contracting processes to ensure achieving the best value for money:

- open competitive processes.
- transparency of process.
- identification and resolution of conflicts of interest.
- accountability.
- monitoring and evaluating performance.

### **2.2.6 Commitment to Environmental Sustainability and Protection**

Council is committed to environmental sustainability and protection. Consideration of the environmental costs or impacts of procurement decisions will be specified in any assessment criteria where this applies.

## **3 Procurement Process**

### **3.1 Procurement Process Outline**

The following procurement overview provides a brief outline of the way in which Council procures routine goods and services:

- plan the purchase (including the selection of the most appropriate purchasing method).
- prepare the relevant documentation (e.g., quotation, tender or expression of interest, registering for provision of services).
- invite and receive offers (if applicable).
- evaluate offers (if applicable).
- advise the successful bidder and offer to debrief unsuccessful bidders (if applicable).
- manage any contract which may be implemented as a result of the procurement (if applicable).

### **3.2 Planning the Purchase**

During the planning phase of a purchase where written quotations or tenders are to be requested, the following steps may be taken by the Council:

- requirements including specifications, timeframes and other scoping are undertaken to ensure the project or purchase is appropriately clear and that the intended outcomes from the procurement are known.
- any relevant approval to undertake a purchase is obtained.
- an estimate of the cost of the good or service is undertaken, and available Council funding of the purchase is confirmed, and an appropriate method of purchasing chosen.
- market research and consultation is undertaken (i.e., what products are available and how many suppliers).
- formal specification is defined, and mandatory requirements identified. The specification will usually be developed in consultation with the relevant Council stakeholders (and other useful resources include previous or similar specifications).

### **For High-risk Procurements and Tenders**

- the establishment of an Evaluation Committee.
- the establishment of evaluation criteria and evaluation methodology (undertaken by the Evaluation Committee).
- the development of a risk assessment and management plan.
- the commencement of a contract management plan.
- if necessary, the engagement of a probity advisor as appointed by the General Manager (or delegated officer).

## **3.3 Procurement Methods – Overview**

While open and fair competition may often be best achieved by undertaking a tender process where all interested parties have an opportunity to bid, there are times when this practice will not deliver the most advantageous outcome for the Council. In such instances, other market approaches may be more appropriate. The Council will, having regard to the procurement principles and any other factors considered relevant by the Council, in its absolute discretion, determine the appropriate method that will be employed to procure goods and services at any particular time.

### **3.3.1 Direct Procurement**

Direct Purchasing is where Council purchases from a single source, without first obtaining competitive bids. This method will be used only for low value, low risk goods and services where the Service Provider already has a successful history with the Council. Direct Purchasing will include items purchased via petty cash where a voucher is completed, and a copy of the receipt is attached. The petty cash limit is \$100 unless specifically authorised prior, or with extenuating circumstances. The petty cash process should be avoided where possible. All other purchases require the use of Purchase Orders or Corporate Credit Card.

### **3.3.2 Verbal Quotations**

Council will seek at least two verbal quotations from suitable service providers, of which one will be from a local business, if available. Where less than 2 suitable service providers are reasonably available, records outlining this circumstance will be kept. The Register of Goods and Services Providers should be used in preference where applicable. This method may be used for low value, low risk goods and services. A record must be kept of all quotations obtained including details of the commercial terms that apply where the value of the procurement is over \$1000. The information should be attached to the purchase order request. Enough detail must be recorded to indicate why the successful quote was accepted.

### **3.3.3 Written Quotations**

Council will seek at least three written quotations (email acceptable), and where available at least one of these is to be from a local business (where available). The Register Goods and Services Providers can be used to support this process where applicable. A record must be kept of all quotations obtained including details of the

commercial terms that apply. The information should be attached to the purchase order request. Enough detail must be recorded to indicate why the successful quote was accepted. Where less than 3 suitable service providers are reasonably available, records outlining this circumstance will be kept. The information should be attached to the purchase order request.

### **3.3.4 Requests for Quotes (Including Expressions of Interest and Requests for Proposals)**

This is a more formal quotation process, and likely to involve additional details and criteria for assessment. Council will provide a RFQ to at least 3 suitable service providers able to provide the goods and or services required. Where available, at least one of these providers is to be a local business. Where less than 3 suitable service providers are reasonably available, records outlining this circumstance will be kept. An RFQ may be in letter form. Council's quotation documents will include all terms and conditions of quotation, together with a clear description of the goods or services (specifications) required, and the details of any applicable Council policies. The complexity of the documentation will depend upon the nature and value of the purchase. Generally, the RFQ documentation will consist of:

#### **1. Conditions of Quotation**

The conditions set out the terms under which the Council will receive and evaluate offers. The conditions will usually include:

- the evaluation criteria and a brief outline of the evaluation methodology to be used.
- the closing date, time and place of lodgment.
- the Council's contact details.
- pricing requirements (e.g. the price should exclude GST).
- relevant Council policies and principles.
- the entitlement of unsuccessful bidders to be debriefed.
- information about the Council's complaints process.

#### **2. Specification**

The specification clearly, accurately, and completely describes the essential requirements of the good or service being purchased. It is the basis of all offers and is the foundation for the contract. The specifications will usually include the:

- functional requirements.
- performance requirements.
- technical requirements. A record must be kept of all quotations obtained in this threshold including details of the commercial terms that apply.

Enough detail must be recorded to indicate why the successful quote was accepted.

### 3.3.5 Register of Goods and Service Providers

Council will utilise a multiple use register process to establish a register of suppliers that the West Coast Council has determined satisfy the conditions for participation in that register, and that the Council intends to use more than once. If it is determined that the Council will establish such a register, an invitation for expressions of interest from prospective applicants for inclusion on a register will be published at least every 2 years in a daily newspaper circulating in the municipal area a notice specifying:

- the nature of the goods or services the Council requires; and
- any identification details allocated to the register; and
- where the application is to be lodged; and
- the person from whom more detailed information may be obtained; and
- the period within which the application is to be lodged.

Applicants will be provided with the following in order to make an application:

- details of the categories of goods or services required.
- the criteria for evaluating applications.
- the method of evaluating applications against the criteria.
- a reference to the Council's Code.

The West Coast Council register will include pricing and quantity information and may be used to make a procurement decision on the information provided without a further request for tender or quote from suppliers on the register.

The Council will advise all prospective tenderers of the results of their application including all categories for which they are registered and the reasons for rejection or inclusion on the register as soon as practicable.

### 3.3.6 Public Tender

The Act and Regulations require that Council invite Tenders for any Contract it intends to enter into for the supply or provision of goods or services valued at or above a prescribed amount. The prescribed amount is \$250,000.00 (GST exclusive). That said, Council may also determine that tenders should be called in certain circumstances as appropriate, where the estimated value of the purchase is less than the prescribed amount. The tender process is detailed further below.

## 3.4 Procurement Methods – Requirements and Delegations

This section applies only to procurements below \$250,000; procurements above this amount are dealt with at section 4.

The General Manager will provide financial delegations to those authorised to make procurement decisions. Council employees are not authorised to make procurement decisions or enter into contracts without the approval of a person with the appropriate

level of financial delegation. The financial delegations must be in writing and must be provided to Council within three months of adopting this policy or of being modified by the General Manager.

All procurement decisions must be made in accordance with the below requirements unless an exemption has been provided.

Procurement Amount	Approved Method/s
\$0 - \$1,000	<p>Direct Procurement.</p> <p>Register of Goods and Services Providers.</p> <p>Attach all Evidence/Documentation.</p> <p>Price check and compare - websites, price lists, Google or price with your available Account Mangers if applicable.</p> <p>LGAT Panel.</p>
\$1,000 - \$5,000	<p>Direct Procurement.</p> <p>Register of Goods and Services Providers</p> <p>Verbal Quotations – can also be recorded via email.</p> <p>Written Quotation.</p> <p>Request for Quotation.</p> <p>Attach all Evidence/Documentation.</p> <p>Price check and compare - websites, price lists, Google or price with your available Account Mangers if applicable.</p> <p>LGAT Panel.</p>
\$5,000-\$25,000	<p>Register of Goods and Services Providers.</p> <p>Written Quotation x 3 (where possible).</p> <p>Attach all Evidence/Documentation.</p> <p>LGAT Panel.</p>
\$25,000-\$249,999	<p>Register of Goods and Services Providers.</p> <p>Written Quotation x 3.</p> <p>Request for Quotation for up to \$250,000.</p> <p>Attach all Evidence/Documentation.</p> <p>LGAT Panel.</p> <p>Tender Process.</p>



Authority Title	Authority Limit
General Manager	No Limit
Manager Infrastructure & Operations	\$100,000
Manager Customer & Corporate Services	\$50,000
Manager Planning & Compliance	\$50,000
Coordinator Customer & Community Services	\$50,000
Coordinator Operational Personnel	\$20,000
Coordinator Projects & Infrastructure	\$10,000
Coordinator Asset Management & Facilities	\$10,000
Mechanic	\$5,000
Team Leader Growth & Change	\$1,000
Growth & Change Officer	\$1,000

A purchasing scale has been set by the General Manager according to positions. The above limits are implemented in the Navision financial software environment.

## Step by step Guide for Purchasing Goods

1. **Determine** what items you need to purchase.
2. **Research** available vendors for the items you want to purchase. This includes price checks/comparisons, availability, and location. Keep all documentation, such as quotes and supplier information to save or pass on to a Navision user to place your Purchase Order for approval.
3. **Use** the procurement guide provided to understand the process you need to follow for purchasing goods within your purchase limit.
  - If you require a quotation for your purchase, you will need to send a Request for Quotation (RFQ) to known suppliers directly or consider options such as the LGAT Panel, Register of Goods and Services, or Tender Process.

## Additional Information on Procurement Options

**Direct Procurement** is the process of acquiring products, supplies, goods and services you need for your core business activity.

Some examples of direct procurement include:

- Cleaning materials.
- Wheelie bins for waste collection.
- Uniform.
- PPE.

**Register of Goods and Services Providers** is an extensive list of Vendors who have been selected by Council to be part of our preferred suppliers list. The purpose of this list is to ensure that Council receives goods and services at the best possible price and preferably from local or state-wide vendors to facilitate quick delivery.

**LGAT Panel** is similar to the Register of Goods and Services Providers but on a larger scale with more specialised goods and services catering to state or country-wide needs.

To learn how to utilise the LGAT Panel, please refer to the video tutorial provided, alternatively contact Katelyn Cragg [katelyn.cragg@lgat.tas.gov.au](mailto:katelyn.cragg@lgat.tas.gov.au) for specialised assistance.

Some examples of Vendors and Goods include:

- Fleet management and Plant replacement such as garbage trucks, machinery.
- Specialised contractors for Road Works, Consultants, Play equipment providers and Training Providers.
- IT hardware and software.

**Tender Process** – refer to the Code of Tenders and Contracts section of this policy for the tender procedure. Also, the LGAT Panel will help develop and submit, or Tenderlink.

## 3.5 Exemptions

There may be times where the method of procurement required by section 3.4 does not in the circumstances provide the best outcome for Council or the Community. For this reason, the General Manager is authorised to provide exemptions to section 3.4 in the following circumstances.

- Where there is an emergency or other urgency that does not allow for time to conduct the required procurement process.
- Where the procurement is with a long-term contractor/consultant in the context of an ongoing regular relationship with Council. Provided that there is a value for money review conducted every five (5) years.
- Where the procurement relates to an extension of a continuing project.
- Where the procurement is either jointly undertaken with a funding partner or is

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undertaken in accordance with the requirements of a funding partner.

- Where the procurement is with a partner organisation.
- Where the procurement is with a non-commercial organisation and in the opinion of the General Manager will support local capacity building.

The General Manager may further delegate authority for exemptions under this section in writing. These delegations must be provided to Council within three months of adopting this policy or of being modified by the General Manager.

### **3.6 Calculating the Value of a purchase**

The dollar value of the purchase may be calculated as follows:

- single one-off purchase –  
the total amount, or estimated amount, of the purchase (excluding GST) or;
- multiple purchases –  
the gross value, or the estimated gross value, of the purchases (excluding GST) or;
- ongoing purchases over a period of time –  
the annual gross value, or the estimated annual gross value, of the purchases (excluding GST) As per Regulation 23, Council will not split a single procurement activity into 2 or more separate contracts for the primary purpose of avoiding the requirement to publicly invite tenders.

All procurement thresholds are GST exclusive. Tenders and quotations must be sought on a GST exclusive basis.

Note: A Councillor, the General Manager or other KMP holding a position in a partner organisation, such as owner representative, director, or Committee Member, will not be considered a conflict of interest, as these roles are held on behalf of West Coast Council, the region, or the local government sector more generally.

### **3.7 Evaluating Offers**

Evaluation of verbal and written quotations must be done with the objective of identifying the offer that best meets requirements and provides the best value for money. When evaluating quotations, the following aspects of a bid will be taken into consideration:

- value for money, considering estimated life, disposal value and maintenance requirements and costs.
- price.
- compliance with quotation specifications.
- quality, delivery and service.
- the full benefits of sourcing locally.
- the consequences, including possible risks, of entering into a contract where there is one supplier, or a limited number of suppliers, that can provide and maintain the particular product over its lifetime.
- any relevant Council policies.

## **3.8 Contract Management**

A contract defines the rights and obligations of both parties once the tender is awarded. A contract is established when an offer is made and accepted.

A contract comprises all relevant information provided to and by the business which has made the successful offer. This includes:

- the conditions of tender.
- the specifications, including any plans and other attachments.
- the successful offer.
- the conditions of contract.

A draft copy of the conditions of contract will usually be included in Council's original request for tender package. For complex or high value purchases it may be necessary for Council to enter into negotiations prior to finalising the contract in consultation with Council's legal advisors. The purpose of these negotiations is to:

- test the understandings and assumptions made by tenderers in determining their costs.
- clarify and rectify any false assumptions.
- achieve operational refinements and enhancements that may result in cost reductions.

The outcomes of these negotiations will be reflected in the final contract and once completed and agreed, the formal contract is then to be signed by both parties.

### **3.8.1 Contract Renewal**

In most cases, where the goods or services being delivered under the contract are required on an ongoing basis, Council will undertake a new procurement process (tender/quotation) prior to the completion of the existing contract.

### **3.8.2 Contract Extension**

In some circumstances, it may be desirable for Council to extend an existing contract, rather than seek new tenders or quotations for the delivery of the goods or services.

Contracts for goods or services with a value of \$249,999 and below can be extended by the General Manager.

Contracts for goods or services with a value above \$250,000 will only be extended:

- by an absolute majority of Council.
- following a full evaluation of the performance of the current contractor.
- where the principles of open and effective competition are protected.

As a general rule, Council will not extend contracts if:

- the original contract does not allow an extension; or
- since the previous tender, the market has changed substantially; or
- the nature of the goods/services required has substantially changed.

## 3.9 Complaints

Council has a complaint process which can be used where an impacted person or organisation has concerns about a procurement process.

In the first instance the impacted person or organisation should seek resolution through the Manager in charge of the relevant purchasing/tender process. Where relevant, complainants are encouraged to seek a debriefing, if they have not already done so.

If a complainant is not satisfied with the response of the Manager, the complainant is able to write to the General Manager providing any relevant material. The General Manager will review and decide on the complaint. In certain circumstances, the Council may employ an independent person to investigate the complaint.

Individuals or organisations may also make complaints to the Tasmanian Ombudsman, or to the Tasmanian Local Government Division. If an individual or organisation has entered into a contract with Council other dispute resolution mechanisms may be available.

## 3.10 Disposals

Disposals are to be conducted so that the best return to Council is achieved. All disposals must be completed in line with Council policy *WCC.Corp.029 Asset Disposal* to ensure transparency and to comply with Council's code of conduct and auditing. Disposal of land will be made in accordance with Division 1 of Part 12 of the *Local Government Act 1993*.

### 3.10.1 Disposals less than \$5,000

Council will dispose of items with a disposal value of less than \$5,000 at the discretion of the General Manager.

Our Council will only dispose of items that cannot be reused or recycled and with no commercial use or appreciable market value by dumping them at approved refuse sites or by destruction.

### 3.10.2 Disposals greater than \$5,000

Council shall dispose of items with an estimated disposal value in excess of \$5,000 by way of tender, public auction, or trade-in, unless specifically approved by the General Manager for an alternative disposal method.

When disposing items by tender our Council may choose to advertise the item for disposal in specialist newspapers or journals, or in the appropriate classified section of the local newspaper (e.g., boats and marine if disposing of a boat), if these are more likely to attract appropriate interest.

## **4 Code of Tenders and Contracts**

### **4.1 Requirement for Tender**

The Act and Regulations require that Council invite Tenders for any Contract it intends to enter into for the supply or provision of goods or services valued at or above a prescribed amount. The prescribed amount is \$250,000 (GST exclusive).

That said, Council may also determine that tenders should be called in certain circumstances as appropriate, where the estimated value of the purchase is less than the prescribed amount.

Council Delegates all decision making for procurement below \$500,000 to the General Manager and for procurements above \$500,000 delegates all authority except final decision making on selection of a preferred tenderer.

### **4.2 Request for Tender**

Council's Request for Tender (RFT) is a document inviting offers from businesses to provide specified goods or services. Council's Request for Tender documentation usually consists of four main parts. These four parts are:

#### **4.2.1 Conditions of Tender**

The Conditions of Tender set out the terms under which Council will receive and evaluate tenders. The conditions will usually include:

- evaluation criteria and a brief outline of the evaluation methodology to be used.
- closing date, time and place of lodgment.
- Council contact details.
- pricing requirements (e.g. the price should exclude GST).
- relevant Council policies and principles.
- entitlement of unsuccessful bidders to be debriefed.
- information on the Council's complaints process.

#### **4.2.2 Specification**

The specification clearly, accurately and completely describes the essential requirements of the goods or service being purchased. It is the basis of all offers and is the foundation for the contract. The specification will usually include:

- functional requirements.
- performance requirements.
- technical requirements.

### 4.2.3 Conditions of Contract

The Conditions of Contract contain the contractual terms defining the obligations and rights of the parties concerned. Generally, contracts are used for all purchases over \$250,000, or where there are material risks involved.

### 4.2.4 Tender Documentation

West Coast Council, when preparing tender documentation will undertake the following procedures and processes:

- prepare clear and concise tender documentation that include all the terms and conditions of the planned purchase with a clear description of the goods or services required and details of any applicable Council policies.
- prepare tenders that include details of the intended duration of the contract, including any extensions that are applicable to the contract.
- prepare tenders that include details of the evaluation criteria (which are based on the specifications), any weightings to be used in the assessment of bids and the evaluation methodology.
- under no circumstances will Council modify the evaluation criteria or methodology after the request for tender has been released without advising all potential tenderers.
- prepare specifications that do not restrict competition, reflect bias to any brand, or act as a barrier to the consideration of any alternatives.
- provide advice and details of any briefing sessions to be held in relation to the purchase.
- provide details on the availability of de-briefing sessions for unsuccessful bidders.
- provide details on our Council's complaints process and include the contact details of the complaints officer.
- prepare documentation that clearly specifies the Council's contact details (including Contact Officer), closing time, date and place of lodgment.
- prepare documentation that clearly states how and in what circumstances the purchasing documentation can be altered including the length of time given to bidders to prepare their submissions (which is to be at least 14 days from the date on which the tender notice is published).
- provide advice on the treatment of late submissions.
- provide an indication if alternative bids will be considered.
- where applicable, documentation such as tenders will be cleared by Council's legal advisors and the General Manager before being issued.

## 4.3 Inviting Offers

West Coast Council will do the following in respect of inviting tenders:

- Advertise all electronic tenders and RFQs via <https://www.tenderlink.com/westcoastcouncil/>.
- Advertise each tender at a minimum in the Saturday edition of Advocate and on the Council's website at <https://www.westcoast.tas.gov.au/>.
- The following information will be specified:
  - the nature of the goods or services Council requires.
  - any identification details allocated to the contract.
  - where the tender is to be lodged.
  - particulars identifying a person from whom more detailed information relating to the tender may be obtained.
  - the period within which the tender is to be lodged.
- tender documentation will firstly be made available via an online procurement service i.e. <https://www.tenderlink.com/westcoastcouncil/> if the tender is not conducted via an online procurement service then it will either be made available via mail, email, facsimile or electronically from Council's website at [www.westcoast.tas.gov.au](http://www.westcoast.tas.gov.au) (any electronic or online tendering process undertaken by Council will be in accordance with the requirements of the *Electronic Transactions Act 2000*).
- send tender documentation directly to identified businesses, however, we will not provide any documentation to any potential tenderer until the tender has been advertised (so as not to give one tenderer an advantage over another).
- endeavor obtain a minimum of three bids.
- ensure that all potential suppliers are provided with identical information upon which to base tenders and are given equal opportunity to meet the requirements.
- when inviting tenders, ensure that sufficient time has been provided to allow bidders to prepare an adequate response. Tenders will be open for a minimum of 14 days. However, this may increase depending on whether the requirements are complex, or if it is likely that interested businesses may need to form partnerships/consortiums with other businesses in order to fulfil the requirements of the tender.
- when issuing a request for tender to a business, the details of that business will be recorded. The details recorded include:
  - name of business.
  - address.
  - contact person.
  - e-mail.



- telephone and facsimile.
- if for any reason, there is a need to alter the tender documentation once it has been issued, an addendum will be sent to all businesses that have been issued with that documentation.
- if it is necessary to extend the closing date of the tender the following will be done:
  - all businesses that have been issued with tender documentation will be advised in writing of the change in closing date.
  - the new closing date will be advertised in all newspapers and websites where the original advertisement was placed.

#### **4.4 Communication with potential suppliers & bidders**

West Coast Council will use an online procurement service to advertise tenders and RFQs where possible. As per the requirements of online procurement, all communication is conducted via an online forum ensuring all interested parties are privy to the same information at the same time. When Council uses an online procurement service to conduct a tender or RFQ, all phone, email, fax, or verbal communication regarding the tender will not be permitted (pre-tender briefings excepted).

Should a tender or RFQ be conducted with using an online procurement service, the following guidelines will be adhered to in respect of communication with all potential suppliers and bidders:

- nominate one contact person for each purchasing activity and clearly specify their name, contact details (including phone number and mailing address) so that tenderers know who to contact for more information (one only for probity reasons).
- the Contact Officer will be the sole point of communication with potential suppliers and bidders and will document any questions asked of them by a potential supplier or bidder and any response given.
- where possible, the Contact Officer will request that questions from potential suppliers and bidders be put in writing (email or facsimile will suffice). Any response from the Contact Officer will also be provided in writing.
- where possible the Contact Officer will limit the provision of information to the clarification of procedural issues.
- any additional information provided to one prospective tenderer is also provided to everyone else who has requested or received tender documentation.

## 4.5 Receiving Offers

If a tender or an RFQ is to be conducted via an online procurement service then written, emailed or faxed submissions will not be accepted; all potential tenders or RFQs must be submitted via the portal.

If a tender or RFQ is conducted without using an online procurement service, West Coast Council will hold any received written quotations received prior to the closing time in a secure location to maintain confidentiality, to ensure probity and to protect the individuals involved from claims of unfair practices.

Depending upon the nature and value of the purchase, West Coast Council may from time to time, choose to use a tender box as a point of lodgment for written quotations, to ensure that the documentation is kept secure until the tender period closes.

All quotations that the Council receives will be clearly marked with the time and date of receipt and recorded in an appropriate schedule or register.

The Council treats information provided by suppliers as confidential and will not provide this information to unauthorised persons.

For written quotations, Council will follow the procedures set out in the conditions of quotations for any late quotations and by accepting a late quotation, ensuring that there is no advantage to that bidder over other bidders.

If a tender or an RFQ is to be conducted via an online procurement service, West Coast Council will use the electronic tender box and keys as provided by the online procurement service. If a tender or RFQ is conducted without using an online procurement service, West Coast Council will provide a locked tender box at the designated tender lodgment location. The tender box will not be opened until the time set for the closing of tenders has elapsed.

Council treats information provided by suppliers as confidential and will not provide this information to unauthorised persons.

In receiving tenders, Council may reject non-compliant offers (in accordance with the terms of our tender documents) which:

- are lodged after the closing time without a valid reason.
- are not signed where required.
- are incomplete - for example, questions have not been answered, pages are missing, or required documentation has not been attached (for example, insurance certificates);
- do not comply with mandatory conditions of tender.
- fail to meet mandatory specifications.

When opening tenders Council will ensure that tenders are:

- opened in the presence of a minimum of two officers.
- clearly identified and recorded.

West Coast Council will follow the procedures set out in the conditions of tender for any late tender submissions and by accepting a late tender, ensuring that there is no advantage to that bidder over other bidders.

The Tender Form must be completed, signed, and returned by the tenderer. It will include a declaration by the tenderer that: the tenderer agrees to the Conditions of Tender; the information provided in the tender is accurate and correct; and the person signing the form is duly authorised to do so.

## **4.6 Evaluating Offers**

Tenderers must be advised that they are required to address the selection criteria.

West Coast Council, via the delegated Officer as appointed by the General Manager, will evaluate tenders in accordance with the evaluation criteria and methodology specified in the evaluation plan, which was developed prior to offers being invited. Under no circumstances will the evaluation criteria or methodology be modified after the Request for Tender has been released unless all potential tenderers are advised of the change in writing.

In evaluating tenders, the following steps will be undertaken:

### **4.6.1 Evaluate compliance**

Offers will be screened to ensure that they are complete and comply with all mandatory evaluation criteria. Offers which do not meet all mandatory criteria may be excluded from further evaluation. Non-compliant offers include those that:

- were lodged after the closing time.
- are not signed where required.
- are incomplete - for example, questions have not been answered, pages are missing, or required documentation has not been attached (for example, insurance certificates).
- do not comply with mandatory conditions of tender.
- fail to meet mandatory specifications.

### **4.6.2 Clarify offers**

It may be necessary to seek clarification from a tenderer if an offer is unclear. Clarification does not mean that tenderers can revise their original offer. Any clarification sought should be documented.

### **4.6.3 Evaluate qualitative/non-cost criteria**

A detailed analysis of each offer against the non-cost or qualitative evaluation criteria and weightings specified in the evaluation plan (the supplier must demonstrate that they meet the evaluation criteria, not just assert it). Tenderers must be told to address the evaluation criteria.

#### **4.6.4 Shortlist offers**

The process of shortlisting offers may be used for complex purchases in order to eliminate offers that are clearly not competitive.

#### **4.6.5 Requests for Tenderers to make a formal presentation**

If appropriate, and tenderers have been forewarned in the Conditions of Tender, tenderers may be requested to make a formal presentation to the evaluation committee, clarifying their tender and providing the opportunity for the committee to ask questions. Under these circumstances, the tenderer will be directed to not introduce new or revised information. All information, questions and answers will be formally recorded by Council.

#### **4.6.6 Calculate value for money and compare offers**

The aim of Council's comparative evaluation process is to determine which offer best meets all the requirements of the specification and offers the best value for money. The major factors which Council will take into consideration when evaluating value for money are:

- the quality of the proposed good or service, that is, how well it meets the specified requirement.
- whole of life costs.
- risk, that is, the capacity of the tenderer to deliver the goods or services, as specified, on-time and on-budget.

#### **4.6.7 Select preferred tenderer**

When selecting the offer that represents the best value for money, and where two or more firms are ranked equally following the value for money assessment, preference will be given to a Tasmanian business over an interstate or overseas business. In selecting a preferred tenderer for a high risk/high value or complex process, Council will undertake a due diligence investigation to ensure that the tenderer has the capacity and stability to fulfill all the requirements of the contract.

#### **4.6.8 Write the evaluation report**

On completion of the evaluation process Council will document the selection of a successful tenderer in an Evaluation Report to be submitted to the relevant approval authority (e.g., Tender Review Committee and/or General Manager). Council's evaluation reports include:

- a comprehensive record of the evaluation method, the rationale used to select the preferred supplier, and whether it is recommended that negotiations should be undertaken, and on what basis.
- reasons for overlooking lower priced tenders.

## 4.7 Notification of successful and unsuccessful bidders

Once the preferred bidder is selected and all relevant Council approvals to proceed with the purchase have been granted, West Coast Council shall write and (in most cases) telephone the preferred provider to notify them that they have been successful. After the preferred bidder has been notified, Council will notify all unsuccessful bidders in writing of their non-selection.

West Coast Council will advise the unsuccessful bidders in writing of:

- the tender outcome, including the contract number and title.
- the successful contractor.
- the term of the contract.
- the total contract price for the term of the contract.

Details of tenders awarded will be displayed on Council's public noticeboard and website for a period of not less than fourteen days.

All unsuccessful bidders will be offered a debriefing session.

The purpose of the debriefing session is to help unsuccessful tenderers submit more competitive bids in the future by identifying ways in which the tenderers offer could be improved.

West Coast Council will provide a debriefing interview to any unsuccessful bidder who requests one. At this interview the unsuccessful bidder will be briefed as follows:

- how their offer performed with respect to the evaluation criteria.
- strengths as well as weaknesses of their offer.

During this interview, the following will not happen:

- comparisons between the unsuccessful tenderers offer and the winning, or any other offer.
- the debriefing interview being used to justify the selection of the successful tenderer.

West Coast Council will document the proceedings at each debriefing interview including:

- who attended (from Council and from the business concerned).
- the information provided to the unsuccessful tenderer.
- any issues arising.
- the details of any information that was requested, but not disclosed due to commercial-in-confidence considerations.
- any likely future complaints, and recommendations for further action.

#### **4.7.1 Tender records**

Council will obtain a copy of all tender related documents and securely store all records and information related to a request for tender, tender bid and contract arrangements, in P-Drive under Tenders, or the relevant storage solution being used by Council at the time.