

PUBLIC NOTICE

Information Sheet



Strategic Contracting Procedures

On 4 December 2024 Townsville City Council proposes to adopt at its Ordinary Meeting the Strategic Contracting Procedures under *Chapter 6, Part 2* of the *Local Government Regulation 2012*.

The Ordinary Meeting will be held at Council Chambers in Townsville starting at 9.30am.

It is proposed that Strategic Contracting Procedures will be applied to new contracts by Townsville City Council from 1 July 2025.

Background

The procurement of goods and services by Townsville City Council (Council) is regulated by the *Local Government Act 2009* (LGA) and *Local Government Regulation 2012* (LGR) under procedures described as the Default Contracting Procedures (DCP) and the Strategic Contracting Procedures (SCP).

The DCP (*Chapter 6, Part 2, LGA*) is the framework by which Council currently conducts procurement and contracting. This framework provides a prescribed method for conducting procurement and contracting for every Council in Queensland, regardless of size, complexity, strategy or consideration of the risk profile of the individual Council.

Due to the maturity, scale and nature of Townsville City Council's operations, the prescriptive nature of DCP is no longer the most advantageous mechanism for a Council intent on a more dynamic and strategic approach to contracting.

Default Contracting Procedures

Under DCP, Council has available the one method of tendering, which is public tendering. This presents limitations for Townsville City Council, where Council is required to utilise public tendering for contracts where there is limited and known supply markets. Whilst acknowledging public tenders are an important procurement method for Council, this method requires significant resources to achieve the contracting outcome.

Strategic Contracting Procedures

For tenders that have limited and known supply markets, the SCP approach allows additional tendering methods that present Council and suppliers with tailored and efficient procurement process.

The tendering methods available using SCP are:

- **Open Tendering** - Public release of tender. To be used for tenders that have established supply markets with a high number of suppliers.
- **Selective Tendering** - Suppliers that meet a predetermined criteria are invited to respond to the tender.
- **Closed Tendering** - Council selects the suppliers to respond to the tender. To be used for tenders that have limited and known supply markets.

Additional Requirements

As per *Chapter 6, Part 2 of the LGR (2012)*, by utilising SCPs Council is required to adopt and publish an annual contracting plan and a contract manual. These documents provide the public with key contract details, including, but not limited to:

- The types of contracts the Local Government proposes to make in the financial year,
- The tendering method that the Local Government proposes will used for these contracts,
- The principles and strategies for performing the contracts,
- A market assessment for each type of contract, and
- The contracts that the Local Government considers will be significant, for which significant contracting plans will be developed,

Other Considerations

Other key considerations are provided regarding the application of SCP:

- **Existing Contract Arrangements and Suppliers** - The transition from the current DCP to SCP will not change the existing contract terms or arrangements or procurement processes established or started prior to 1 July 2025.
- **Procurement Policy and Activities** - The transition from the current DCP to the SCP will modernise Council's existing procurement policy position and establish flexibility in its

tendering methods, providing streamlined procurement and contracting procedures, whilst also managing risk and probity requirements.

- **Transparency** - The publishing of an annual contracting plan and contract manual provides the Townsville Community with:
 - Transparency of the cost and delivery of goods and services, and
 - Council's forward procurement planning of contracting activities into the future.

This information is expected to strengthen opportunities for local industry development and local suppliers, and provide greater social, sustainable, and community outcomes through:

- Increased visibility of Townsville City Council's procurement activities via publishing an annual forward procurement plan, and
- Tailored procurement which supports the delivery of Council's local business and social procurement targets.