



Doing Business with BUNDABERG REGIONAL COUNCIL



A Guide for Suppliers
and Contractors

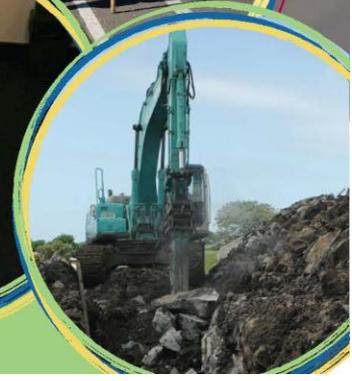
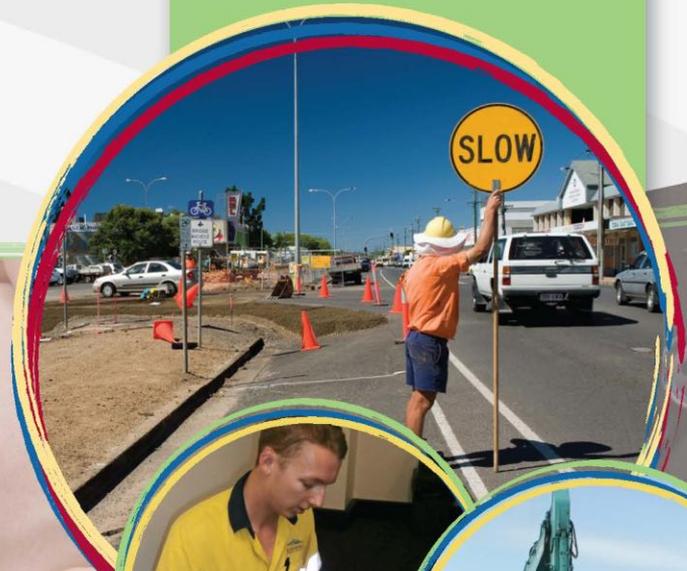




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INTRODUCTION – PURPOSE OF BOOKLET

This guide is intended as an information resource to assist suppliers and contractors who wish to supply goods and/or services to Bundaberg Regional Council. It gives some basic information that is intended to:

- Help you understand how Council purchases goods and services;
- Help you understand how Council tenders for goods and services;
- Explain how you can apply for inclusion on a register of pre-qualified suppliers; and
- Help you understand the legislative requirements under which councils must operate.

The guide also contains details of the rules Council has to follow when purchasing any product or service. These rules exist as an assurance to potential suppliers that we are being open, fair and transparent.

INTRODUCTION TO THE BUNDABERG REGION

The Bundaberg Region incorporates the Coral Coast and Bundaberg hinterland and is one of Queensland's most modern and progressive centres and is the southern gateway to the Great Barrier Reef and is the hub of the agriculturally rich northern Wide Bay Burnett Region.

The City of Bundaberg is the dominant commercial and industrial hub of the region and works in partnership with surrounding towns and rural areas to support strong growth and the diverse needs of a dynamic community.

The estimated population of the Bundaberg Region was 93,348 persons in 2012, which represented an increase of 1,285 persons, or 1.4% from the level recorded in 2011. The population growth in the Bundaberg Region in 2012 was the same as the average for the Wide-Bay Burnett region (1.4%).

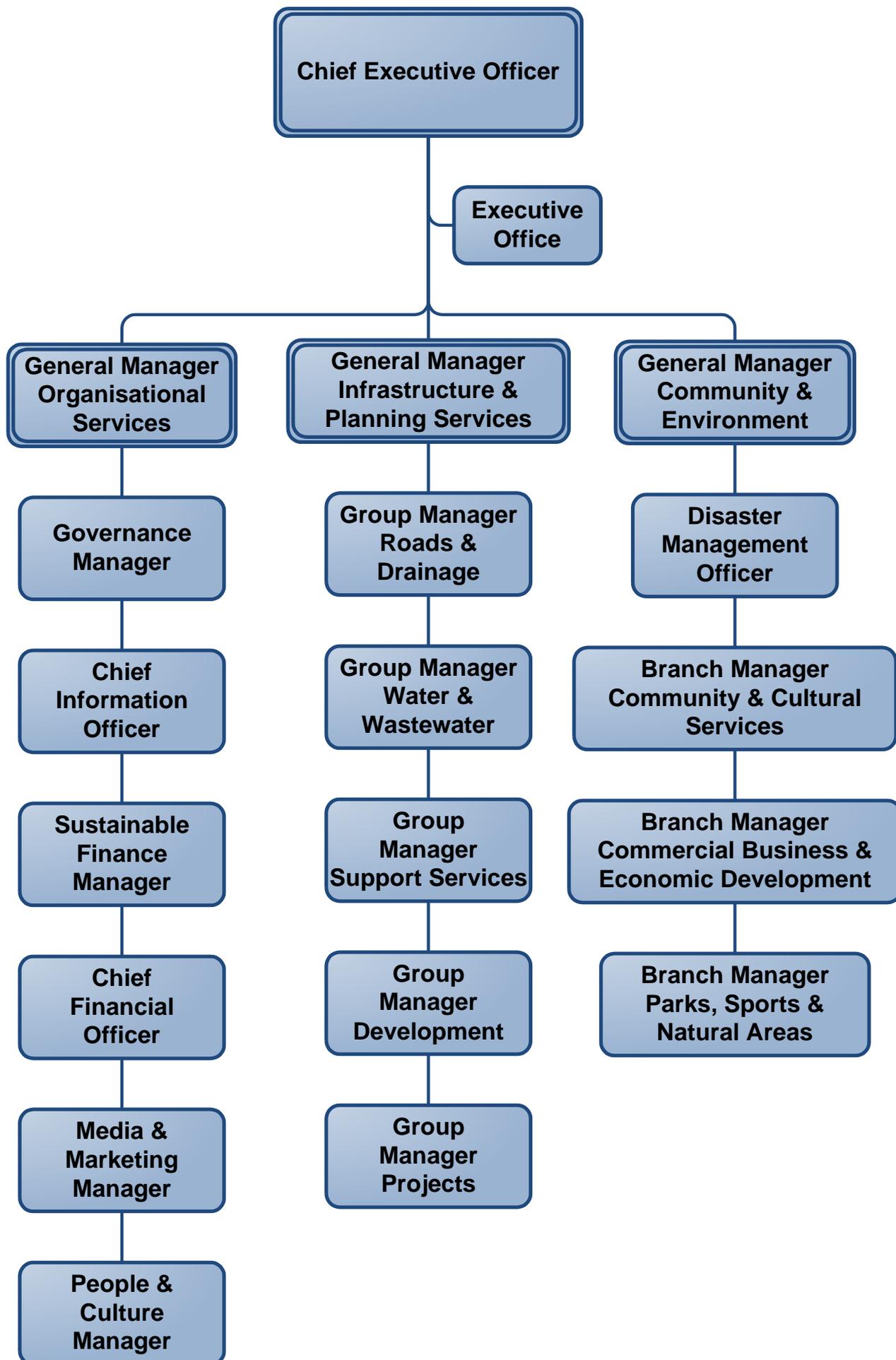
Projections to the year 2031 show that the Bundaberg Region's population is expected to increase by 36,313 persons – or average annual growth of 1.7% – to a population of approximately 129,661 persons.

The region's economy is based around its traditional stronghold sectors of agriculture and related manufacturing. Tourism and other service industries are increasing in prominence, leading to a more diversified and sustainable regional economic base that is capable of capitalising on opportunities and enduring external shocks.

The estimated Gross Regional Product (GRP) for the Bundaberg Region was \$4.4 billion in 2012/13, which represented a contribution of 1.5% to the gross state product of Queensland (\$290.2 billion).

With regard to industry, the largest contribution was made by the Health Care and Social Assistance industry, with approximately \$456.3 million, or 10.4% of the total GRP for the Bundaberg Region. Other significant contributors to GRP were the; Agriculture, Forestry and Fishing (10.2%); Construction (8.8%); Manufacturing (7.7%); and Retail Trade (6.7%) sectors. The Bundaberg Region received a relatively higher industry contribution to total GRP from the Agriculture, Forestry & Fishing; Manufacturing; Retail Trade; Accommodation & Food Services; Education & Training; Health Care & Social Assistance; and Other Services sectors than Queensland in 2012/13.

The diagram below is a high level representation of Council's organisational structure.



WHAT DOES COUNCIL PURCHASE?

Council purchases a range of goods, services and contracted works throughout the year. Council's annual expenditure for goods, services and contracted works is a significant part of its expenditure and includes but is not limited to the following:

- a) Goods including chemicals, plumbing products, road making materials, building materials, fuels and oils, vehicles, plant and equipment, furniture and furnishings, corporate stationery and materials.
- b) Services including professional consultants, legal services and maintenance contractors.
- c) Contracted works including road and building construction, and plant and machinery contractors.

LEGAL RULES THAT AFFECT COUNCIL'S PURCHASING

Council is under a legal obligation to operate within the requirements of the Local Government Act 2009 (the 'Act') and Local Government Regulation 2012 (the 'Regulation').

Amongst other statutory requirements stipulated in the Act and Regulations, Council must comply with the Sound Contracting Principles when acquiring goods, services and contracted works. The Sound Contracting Principles are:

- a) Value for money;
- b) Open and effective competition;
- c) The development of competitive local business and industry;
- d) Environmental protections; and
- e) Ethical behaviour and fair dealing.

The Sound Contracting Principles explained

It is important to understand the five sound contracting principles to appreciate the complex regulatory environment within which Council must operate.

Value for money: The concept of value for money is not restricted to price alone. The value for money assessment must also include consideration of:

- a) Availability.
- b) Whole-of-life costs factors including transaction costs associated with acquisition, reliability, maintenance and disposal.
- c) Non-cost factors including fitness for purpose, quality, service and support.
- d) Sustainability factors:
 - i. the contribution the product or service makes to sustainability initiatives; and
 - ii. the sustainability of the suppliers operations including:
 - What waste reduction strategies are in place?
 - What energy reduction strategies are utilised?
 - The sources of raw materials?
 - The employment of staff under appropriate awards?
 - Adequate and appropriate training of staff?
 - Contributions made to the community in goods, money or services?
- e) Advantage of buying local:
 - i. shorter delivery times;
 - ii. local back-up and servicing; and
 - iii. availability of spare parts.

All of the above mentioned criteria would be considered in relation to the product, service or outcomes required.

Further information about Value for Money may be found at:

<http://www.hpw.qld.gov.au/SiteCollectionDocuments/QueenslandProcurementPolicy2013.pdf>

Open and effective competition: The principle of open and effective competition considers the use of transparent, open and unbiased purchasing processes so that potential Council suppliers, contractors and the public have confidence in the outcomes of the purchasing process.

This includes adequately testing of the market to ensure all options and suppliers are considered equally and treated consistently, fairly and equitably.

This process also ensures that bias in specifications is avoided; that is, the specification should be as clear as possible, non-discriminatory and should focus on performance, function, and/or technical and physical characteristics (as opposed to brand and manufacturer).

The development of competitive local business and industry: Council encourages the development of competitive local businesses within the region.

When price, performance, quality, suitability and legislative compliance are comparable, the following areas may be considered in evaluating offers:

- Creation of local employment opportunities;
- More readily available servicing support;
- More convenient communications for contract management;
- Economic growth within the local area;
- Benefit to Council of associated local commercial transaction.

Suppliers may wish to seek further information on resources available from the State and/or Federal Government to assist businesses in becoming more efficient and competitive.

Environmental protection: Protection of the environment is paramount to Council and supports our long-term vision for the Bundaberg region – being vibrant, progressive, connected and sustainable.

Council intends to move towards including environmental criteria (sustainability) in its contracts, tenders and day to day purchasing. Below are some of the ways in which this will influence the selection of suitable suppliers.

Where Council purchasing can influence environmental issues or concerns such as:

- Promote the purchase of environmentally friendly goods and services that satisfy value for money criteria, taking into account the whole of life costs of the procurement transaction; and
- Foster the development of products and processes of low environmental and climatic impact; and
- 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 by stipulating minimum environmental requirements in procurement documentation.

Ethical behaviour and fair dealing: Ethical behaviour is the moral principles that guide Council purchasing staff in all aspects of their work. Ethical behaviour encompasses the concepts of

honesty, integrity, probity, diligence, fairness, trust and respect. Ethical behaviour also includes avoiding conflicts of interest and not making improper use of an individual's position.

Ethical behaviour and fair dealing supports openness and accountability in purchasing resulting in suppliers, Council and the public having confidence in Council's dealings in the marketplace.

The applicable documents can be downloaded and viewed from the following links:

- [Local Government Act 2009](#)
- [Local Government Regulation 2012](#)

PROCUREMENT REQUIREMENTS

Under the Regulation and Councils Procurement Policies, the following number and form of quotations are required in purchasing of goods and services, per expenditure threshold (GST inclusive):

- \$0 to \$5,000 – minimum of one verbal quote or in absence of this, a careful estimate by the requesting officer.
- \$5,001 to \$16,500 – minimum of two quotes in written, fax or e-mail form, unless emergent situation, where verbal quotes are acceptable.
- \$16,500 and \$220,000 (medium sized contract) – minimum of at least three written quotes are to be obtained.
- \$220,000 and above (large sized contract) – public tenders must be invited.

The above methods are generally used within a set of purchasing rules as demonstrated in the following diagram:

PROCUREMENT OF GOODS AND SERVICES ARRANGEMENTS				
Estimated Expenditure (GST Inclusive)	Form of Quotation	Number of Quotations	Responsible Council Officer	Procurement Level
Over \$220,000 (large sized contract)	Public Tender	N/A	Procurement Staff	4
\$16,500 to \$220,000 (medium sized contract)	Written Quotation	Minimum of 3	Originating Officer or Procurement Staff	3
\$5,001 to \$16,500	Quotation in written, fax or email form. NB: if an emergent situation – verbal quotes are acceptable	Minimum of 2	Originating Officer or Procurement Staff	2
\$0 to \$5,000	Verbal Quote or Estimate	Minimum of 1	Originating Officer or Procurement Staff	1

TENDERS

What is a Tender?

A Request for Tender (RFT) is a formal, open and structured process utilised to invite submissions from suppliers for the supply of goods, services or contracted works. Council is required by law to invite tenders for all acquisitions in excess of \$220,000 (GST inclusive).

The RFT process is necessary to promote the Sound Contracting Principles of:

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

Tenders must be advertised in a newspaper that circulates generally in the local government area and as a minimum they are open for submissions for 21 days.

Council's RFT documents are generally made up of a number of parts:

1. Conditions of Tendering – guidelines detailing how to submit tenders and other general conditions.
2. Conditions of Contract – the applicable contract terms and conditions to be applied for the duration of the contract.
3. Specification / Scope of Works – details, both general and technical, specifying the goods, services or contracted works Council is wishing to acquire;
4. Submission Documents – tenderer submission details including Tenderer Details Form, Pricing Schedule (priced criteria), Corporate and Project Information Schedules (non-priced criteria), Departures, Work Health & Safety checklists and other schedules as required.

Notwithstanding the requirements under the Act for Council to invite tenders or quotes, there are also instances under the Act where Council is exempt from the tender or quote process as detailed below.

Exceptions from going to tender – medium-sized and large-sized contractual arrangements: As stipulated in the Regulation there are exceptions from going to tender or quote. These include:

- If a quote or tender consideration plan is prepared and adopted; or
- Engaging a person who is on an approved contractor list; or
- From a register of pre-qualified suppliers; or
- A contract with a preferred supplier; or
- Utilising a Local Government Arrangement (LGA); or
- Other exceptions below.

A local government may enter into a contract without first inviting written quotes or tenders if:

- the local government resolves it is satisfied that there is only one supplier who is reasonably available; or
- the local government 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 body.

What is an approved contractor list?

An approved contractor list is a list of persons who the local government considers to be appropriately qualified to provide the services.

How do I get on the approved contractor list? Expressions of Interest (EOI) will be issued to suitably qualified persons by an advertisement in the local newspaper. Persons will have 21 days to submit their EOI and on the basis of sound contracting principles, persons will be chosen for approved contractor list.

What is a pre-qualified supplier?

A pre-qualified supplier is 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. The assessment process is fulfilled by initially inviting tenders to establish pre-qualified suppliers.

What is a register of pre-qualified suppliers? A register of pre-qualified suppliers is a list of suppliers who have been assessed by Council as having the technical, financial and managerial capability necessary to perform contracts on time and in accordance with agreed requirements.

How do I get on the register of pre-qualified suppliers? A register of pre-qualified suppliers for particular goods and / or services will be publicly advertised on Council's website. Suppliers will need to submit a tender prior to the tender closing time and date. Suppliers who have met all the criteria of the tender will be sent a letter of acceptance and added to the register.

How do I get work as a Pre-Qualified supplier? All registers of pre-qualified suppliers are established as standing offer arrangements, therefore **suppliers are not guaranteed of any work.**

A standing offer arrangement is an agreement subject to specified terms and conditions whereby the purchaser agrees to purchase their requirements of a specified number or range of items, during a specified time period, from the supplier at agreed prices or on an agreed price basis. Normally no obligation to purchase a specified quantity exists although estimates for the guidance of the supplier may be given.

The pre-qualified suppliers details and schedule of rates are made available to all Council staff to engage the suppliers services on an as needs basis.

What is a preferred supplier arrangement?

A preferred supplier arrangement for goods or services exists where the need for goods and services is frequent and in large volume, where better value for money is possible by aggregation of demand and that the goods and services required are readily available within the market.

How do I become eligible for preferred supplier arrangement? A preferred supplier arrangement results from assessment of tenders by Council. Tenders will be advertised in the local paper and will describe the terms of the arrangement. Selection of a person will be based sound contracting principles. Note that terms will allow for cancellation of the arrangement for poor performance.

How and when are purchasing and tendering opportunities advertised? Council tenders must be advertised for 21 days as required by the Regulation. Council generally advertises tenders in the following ways:

- The Bundaberg News Mail on Saturday and depending on the nature of the goods / service, Council may also choose to advertise the tender in the weekend edition of the Courier Mail;
- Council website, where suppliers are required to register their company details and download the tender documents: <http://bundaberg.qld.gov.au/tenders> and,
- Tenders may also appear on other websites (such as LG Tender Box www.lgtenderbox.com.au).

Performing market assessments with EOI

Sometimes Council may want to learn about a particular market to develop a tender specification. In this case Council may use a quote or tender consideration plan; also known as an Expression of Interest (EOI). There is no guarantee that all suppliers in that market will be contacted.

This information may then be used to develop specifications, tenders or simply procure goods or services.

PURCHASING REQUIREMENTS

Purchase orders are to be placed for all purchases of goods and services other than those carried out by petty cash transactions, authorised Corporate Purchase Card (CPC) or in circumstances where it is not commercially practical to raise a purchase order.

a) Purchase orders will typically provide the following information:

- Council address and contact details;
- Purchase order number;
- Date;
- Supplier name and address;
- Description of the goods or service required;
- Quantities of the goods or services;
- Price;
- Required delivery date;
- Delivery address;
- Any special instructions; and
- The name(s) of the Council Officer who is authorising the purchasing of the goods or services.

b) Delivery Requirements

Council requests that all goods supplied to Council are labelled clearly with the correct address and preferably the officer who has ordered the goods. A costed delivery docket or copy of the invoice should be provided with the goods and should include the following information:

- Purchase order number;
- Supplier name, address and contact details;
- Delivery address;
- Council officer/s names; and
- Description and quantity of goods and/or services.

NB: For those purchases not made under one of Council's formal agreements with associated Conditions of Contract, Council's Purchasing Terms and Conditions (available at <http://bundaberg.qld.gov.au/council/councildocuments/corporate>) will apply.

PAYMENT METHODS

There are several ways in which Council pays for goods, services and works. These include using:

- Petty Cash – for items with a value less than \$50 and infrequent in purchasing.
- Corporate Purchase Cards – generally but not limited to items of low value but high usage, one-off purchases, overseas purchases, travel and accommodation.
- Purchase orders and invoices – the preferred method for orders with a value greater than \$200.00 where a purchase card is not available for use or not the best option.

Getting your invoices paid

All invoices and accounts for payment are to be emailed direct to ap@bundaberg.qld.gov.au.

The Role of Accounts Payable: Accounts Payable's role is to pay authorised invoices in accordance with Council's terms of trade. Simply sending an invoice to Accounts Payable does not guarantee payment, therefore please ensure you have obtained a purchase order number and referenced this on your tax invoice to expedite the payment process.

When an invoice is received at Accounts Payable it is checked to see if it has a valid purchase order number. If the invoice does not have a valid purchase order number, it may be returned to the supplier.

If returned to the Supplier, the onus will be with the Supplier to provide the purchase order number and if required send a new invoice to Accounts Payable with the purchase order number.

Council's payment terms are 30 days from end of month and it is preferable that a monthly statement be provided to ensure accurate reconciliation of outstanding Invoices.

Invoicing requirements

Australian Taxation Office (ATO) Invoice Requirements include:

- Suppliers Identity;
- Australian Business Number (ABN);
- A brief description of what is sold including the quantity and the price;
- The total GST amount;
- Date of Issue.

In addition to the legal requirements under the *Tax Act*, invoices sent to Council for payment must contain particular information in order to assist with processing and payment. These requirements include:

- A purchase order number; and
- A description of the goods or services delivered.

THE FUTURE OF COUNCIL PROCUREMENT AND HOW IT MAY INFLUENCE SUPPLIERS

e Procurement

In order to improve efficiency and lower costs Council will seek to continuously improve its processes and systems. As part of this goal, the use of e-procurement systems will be increasingly used over the coming years.

Eventually all invoices, purchase orders and payments will be delivered and received via electronic means. Suppliers who do not embrace this technology may find they will not be able to do business with Council at some stage in the future.

Regional Contracts

In some cases Council may be a party to contracts with other Regional Councils. In these cases suppliers may be asked to quote on work across the nominated Regional Councils.

LOCAL BUY

Who is local buy?

Local Buy is the Local Government Association of Queensland (LGAQ) contracts and tenders services company. Established in 2001, Local Buy facilitates business relationships with local government and their suppliers.

What is Local Buy's role?

Local Buy's core business is the creation of contractual arrangements for goods and services that can be used by Queensland councils, aggregating the demand for these goods and services to achieve better pricing and conditions, and eliminating the need for councils to establish their own supply contracts.

How do I get on the Local Buy Supplier list?

To find out how you can get on a Local Buy contract you can:

- Go to the website - <http://www.localbuy.net.au>;
- Email - contracts@localbuy.net.au; or
- Phone (07) 3000 2280.

LG TENDER BOX

What is LG Tender Box?

LG Tender Box is an e-tendering solution created by Local Buy to streamline the tendering process between business and local government in Queensland.

The features of this e-tendering service for your business are:

- Free access to local government tenders;
- Fast downloading of Council tender documents;
- Easy uploading of responses to Council tenders; and
- Receive new tender email notifications by creating one or more advanced searches.

Register your business with [LG tender box](#) to download tender documents, clarify queries using the forum and lodge electronic tender responses.

Seven easy steps to respond to a tender

1. Open www.lgtenderbox.com.au and **Register** your details. A username and password will be sent to you to **Sign in**.
2. Click **Tenders – Current** and locate the **Tender** link.
3. Scroll to **Specification Documents**, click **Download Now**.
4. Select **Java Applet or Winzip** to download the tender documents. A folder, containing the tender documents will automatically be created on your computer in **My Documents**.
5. To upload your tender response, **Sign in** again to LG Tender box and locate the tender to which you're responding and click on the **Tender** link.
6. Scroll to **Responses**. Click on the link **to submit an electronic response** and upload your tender documents.
7. Select the same program (Java Applet or Winzip) to upload your tender response from the folder on your computer that contains your tender documents.

A receipt number will be displayed once your tender documents upload is complete, confirming your submission.

Technical help or enquiries relating to LG Tender Box should be directed to the LG Tender Box helpdesk:

Call toll free 1800 779 027, during business hours Monday to Friday, 8.30am to 4.30pm or via email helpdesk@lgtenderbox.com.au.

HOW TO CONTACT COUNCIL PROCUREMENT

You can contact Council's Procurement and Accounts Payable staff as follows:

- Accounts Payable: ap@bundaberg.qld.gov.au.
- Purchasing: purchasing@bundaberg.qld.gov.au.
- Current Tenders / Expressions of Interest and Purchasing: <http://bundaberg.qld.gov.au/tenders>.
- Call Council's Customer Service on 1300 883 699.

