



PROCUREMENT POLICY

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1. OBJECTIVE

This Policy formalises the process by which George Town Council procures goods, services and works, so that optimal organisational and community outcomes are achieved.

The Policy establishes a framework that ensures Council:

- Complies with the Local Government Act 1993 (Tas) and Local Government (General) Regulations 2025.
- Promotes open, fair and effective competition.
- Delivers value for money across the full life of each acquisition.
- Supports and enhances the capabilities of local business and industry.
- Upholds probity, accountability, transparency and ethical conduct in all procurement activities.
- Supports sustainable and responsible procurement outcomes for the community.

2. TYPE OF POLICY

As per Section 8 of Policy GTC-12, this policy is categorised as a Council Policy.

This categorisation is consistent with the definitions as stated in Policy GTC-12 which are as follows:

Council - Policies pertaining to the Governance of the Council and the activities of its elected members, including the establishment of Committees, and the government of the municipality including resident and ratepayer compliance policies and by-laws.

Operational - Policies pertaining to the operational, administrative, and internal matters of the Council, including internal governance, internal committees, and operational matters of service delivery.

3. SCOPE

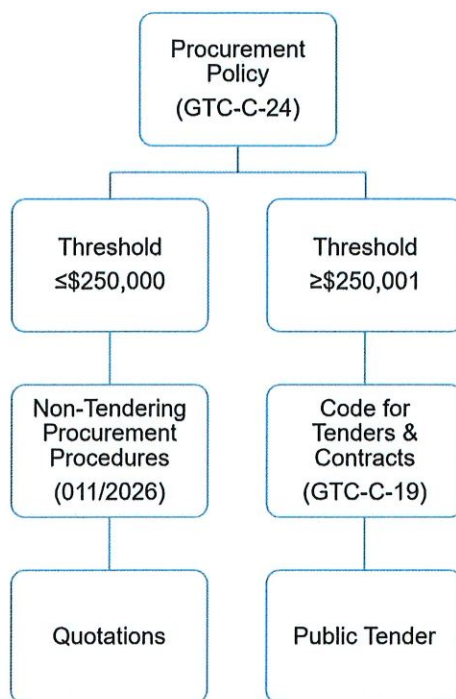
This Policy applies to all procurement undertaken by George Town Council for goods, services and works. It encompasses all Council employees, agents and contractors involved in procurement activity, as well as all contracts entered into by Council.

All non-tendered purchases will be transacted in accordance with the **Non-Tendering Procurement Procedure (011/2026)**. All tenders will be transacted in accordance with the **Code for Tenders and Contracts (GTC-C-19)**.

Following are the related Policies and Procedures

- GTC-C-24: GTC Procurement Policy (this document)
- GTC-C-19: GTC Code for Tenders and Contracts
- 011/2026: GTC Non-Tendering Procurement Procedures (<\$250k)
- GTC-PO-T&C: Standard Terms and Conditions of Purchase Orders

The chart below outlines the hierarchy and procurement pathways to be adopted depending on the project budget.



4. DEFINITIONS

Term	Definition
Accountability	The obligation of Council officers and agents to accept responsibility for their procurement decisions and actions, and to report transparently on the use of public funds in acquiring goods, services and works.
Agent	A person or entity authorised to act on behalf of George Town Council in procurement activities, including entering into contracts or commitments within the scope of their delegated authority.
Circular Economy	It refers to goods and services that demonstrate sustainable, non-linear product or service lifecycles that minimise waste and optimise resource value.
Code for Tenders and Contracts (GTC-C-19)	The George Town Council policy document governing all tendering and contracting activities for procurement above the prescribed threshold of \$250,000 (excl. GST).
Competitive Offers	Responses received from multiple suppliers or service providers through an open and impartial purchasing process.
Conflict of Interest	A situation in which a Council officer, agent or contractor involved in a procurement process has a personal, financial or other interest that could — actually, potentially or perceivably — influence or compromise their impartiality in that process.

Term	Definition
Contract for Goods and Services	A formal written agreement between George Town Council and a successful supplier or service provider, establishing the contractual rights, obligations and terms governing the supply of goods or services.
Delegated Authority	The formal authorisation granted to a Council officer to make procurement decisions or approvals on behalf of the General Manager or Council, within defined financial or operational limits as prescribed by Council's delegation framework.
Evaluation Criteria	The defined set of factors and weightings used to assess and compare quotations or tender responses received from suppliers.
Formal Instrument of Agreement	A legally binding written document executed by both George Town Council and the successful service provider, formalising the terms, scope and obligations of an engagement. Used in conjunction with or in place of a Contract for Goods and Services for procurements of significant value or complexity.
Preferred Supplier	The supplier or service provider selected following the evaluation of quotations or tender responses as offering the best value for money and meeting Council's requirements.
Probity	The standard of integrity, honesty and ethical conduct required of all persons involved in Council procurement activities.
Procurement	The end-to-end process by which George Town Council acquires goods, services and works from external suppliers and contractors.
Purchase Order (PO)	A formal document issued by Council to a supplier confirming the purchase of goods or services under specified terms and conditions. A Purchase Order is governed by the Standard Terms and Conditions (GTC-PO-T&C).
Quotation	A written or documented offer from a supplier or service provider specifying the price and terms for the supply of goods or services in response to a request from Council.
Reputational Risk	The potential for damage to George Town Council's standing, credibility or public trust arising from procurement decisions or practices that are perceived as improper, unfair or contrary to community expectations.
Risk Management	The systematic identification, assessment and treatment of risks associated with a procurement activity, including supply chain, financial, legal, environmental and reputational risks.

Term	Definition
Security Bond	A financial instrument held by Council as a form of security against the performance obligations of a contractor or supplier.
Service Provider	An external organisation or individual engaged to deliver goods and services to George Town Council under a contractual arrangement.
Social Value	The broader community benefit generated by a procurement decision, including outcomes such as local employment creation, industry development, equal opportunity, training and the promotion of social objectives.
Specification	A detailed description of the requirements for goods, services or works being procured, including quality standards, technical parameters, performance expectations and any other conditions the supplier must meet
Tender	A formal competitive procurement process used for the acquisition of goods, services or works valued above the prescribed threshold of \$250,000 (excl. GST).
Tendering Threshold	The prescribed monetary value above which a formal tender process is required. For George Town Council, the tendering threshold is \$250,000 (excl. GST), as established under the Local Government (General) Regulations 2025.
Value for Money	A procurement principle requiring that Council achieves the best possible outcome relative to the total cost and benefit of an acquisition across its full lifecycle. Value for money does not mean the lowest price; it incorporates quality, risk, fitness for purpose, lifecycle costs, social value, environmental impact and alignment with Council's strategic objectives.

5. LINK TO STRATEGIC PLAN

Future Direction Two – Prosperity in all aspects of life and living

7. Local businesses thrive and respond to local and visitor needs

- ii. support Local; Buy Local; Employ Local' campaigns grow local businesses and employment'

Future Direction Three – Community Pride

1. All communities take pride in their place
 - iii The design and maintenance of public spaces and places reinforce community identity and reputation

6. RELATED LEGISLATION

- Local Government Act 1993 (Tas) – Sections 333A and 333B.
- Local Government (General) Regulations 2025 – Regulations 24–29.
- Financial Management Act 2016
- Competition and Consumer Act 2010

7. RISK CONSIDERATIONS

This Policy aligns with the objectives and strategies of the George Town Council Risk Management Policy (GTC – 15) and Risk Management Framework (GTC – 15). Procurement decisions will be made with due consideration of risks including supply chain, financial, legal, environmental and reputational risks.

All procurement activities will have regard to risk in determining the appropriate procurement method.

8. POLICY

8.1 Procurement Principles

Council will have regard to the following principles when acquiring goods and services:

8.1.1 Open and Effective Competition

The 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 the outcomes
- 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

8.1.2 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
- an 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 a 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

8.1.3 Enhancement of the capabilities of the local business 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. Suppliers and or contractors will be considered as local based where they are operating in the northern region of Tasmania and preferably having a permanent office or presence in the George Town Municipal Area.

In practice this means that Council will:

- actively seek quotes from local businesses that are able to provide quality goods and or services
- where local capability exists, ensure that discretionary elements of specifications do not prevent local business from competing
- not give preferential treatment to local service providers where it cannot be reasonably justified
- if a quote is submitted from a local supplier or contractor Council may use the local supplier or contractor where the price exceeds competing nonlocal suppliers by up to 10% to a maximum of \$10,000, which may be varied by Council depending on the circumstances

8.1.4 Consideration of goods and services that can demonstrate Circular Economy

George Town Council can use its purchasing power to influence improved sustainable practices and encourage businesses to move away from linear product and service lifecycles of make, use, dispose. Circular economy promotes innovation, job creation, environmental benefits and optimises resource value.

Suppliers and service providers who can demonstrate contribution to a circular economy will be viewed favourably in the procurement assessment process.

8.1.5 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
- be as effective and efficient as possible when sourcing, ordering and paying for goods and services.
- expect individuals involved in procurement processes to declare and act upon any conflicts of interest that may be seen to influence impartiality
- ensure that specifications are clear

- ensure that any Service Provider is not provided with information or clarification that is not provided equally to all service providers
- 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 tender and quotation processes including the relevant specifications
- not submit a tender or quotation unless they have the financial, technical, physical, management resource or other capabilities to fulfil Council's requirements
- not 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 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

8.2 Probity and Conflict of Interest

All Council officers and agents involved in procurement must declare any actual, potential or perceived conflicts of interest prior to engaging in any procurement process. This obligation is ongoing throughout the procurement process.

Where a conflict of interest is declared, the affected person must remove themselves from the relevant procurement activity until the conflict is resolved or appropriately managed.

9. IMPLEMENTATION & REVIEW OF POLICY

This Policy will be reviewed four (4) years from the date of approval, or more frequently if dictated by operational demands, legislative change or Council direction.

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Shane Power
GENERAL MANAGER

DATED 8 15 126