



Code for Tenders and Contracts

FILE NO: ADM/0900, WOR/0300

November 2021



Table of Contents

1.	INTRODUCTION	4
1.1	PURPOSE.....	4
1.2	SCOPE OF THE CODE.....	4
1.3	AVAILABILITY OF THE CODE:.....	5
2.	PROCUREMENT THRESHOLDS	6
2.1	NON-APPLICATION OF THE QUOTATION PROCESS.....	8
2.2	NON-APPLICATION OF THE TENDER PROCESS.....	8
3.	PROCUREMENT PRINCIPLES	10
3.1	VALUE FOR MONEY.....	10
3.2	ETHICAL BEHAVIOUR AND FAIR DEALING.....	10
3.3	ENCOURAGING OPEN AND EFFECTIVE COMMUNICATION.....	11
3.4	ENHANCEMENT OF THE CAPABILITIES OF LOCAL BUSINESS AND INDUSTRY.....	11
4.	CONDUCT	12
4.1	ETHICS AND CONDUCT – COUNCIL OFFICERS.....	12
4.2	ETHICS AND CONDUCT – SERVICE PROVIDERS.....	12
5.	METHODS OF PROCUREMENT	14
5.1	REQUEST FOR QUOTATION.....	14
5.2	OPEN TENDER.....	14
5.3	MULTI USE REGISTER.....	14
5.4	MULTIPLE STAGE TENDER.....	15
5.5	STANDING CONTRACT.....	16
5.6	USE OF OTHER CONTRACTS.....	17
5.7	ENGAGING A THIRD PARTY TO MANAGE A PROCUREMENT PROCESS.....	17
6.	TENDERING PRACTICES	18
6.1	ADMINISTRATION OF TENDER.....	18
7.	TENDER PROCESS	19
7.1	STAGE 1 - PLANNING THE PROCUREMENT.....	19
7.2	STAGE 2 - PREPARE THE TENDER DOCUMENTS.....	21
7.3	STAGE 3 - INVITING AND RECEIVING TENDERS.....	22
7.4	STAGE 4 - TENDER EVALUATION.....	24
7.5	STAGE 5 - ESTABLISH A CONTRACT.....	26
7.6	STAGE 6 - ADVISING AND DEBRIEFING SUCCESSFUL AND UNSUCCESSFUL SERVICE PROVIDERS.....	27

8.	COMPLIANCE AND REVIEW	29
8.1	REVIEW OF TENDER PROCESS	29
8.2	PROCUREMENT COMPLAINTS	29
8.3	BREACH OF THE CODE	29
9.	REPORTING	30
9.1	ANNUAL REPORTING	30
9.2	REPORTING TO THE COUNCIL AND THE GENERAL MANAGER	31
10.	REVIEW OF THE CODE	31
11.	DEFINITIONS	32
12.	RELATED DOCUMENTS	34

1. INTRODUCTION

1.1 PURPOSE

The purpose of this Code for Tenders and Contracts (the Code) is to provide a framework for Flinders Council, on best practice tendering and procurement methods in accordance with the requirements of the *Local Government Act 1993 (Tas)* (the Act) Section 333B and the Local Government (General) Regulations 2015 (the Regulations).

Flinders Council's specific Legislative and Regulatory obligations with respect to procurement are set out under Section 333A and Section 333B of the Act, and Regulations 23-29 of the Regulations. The Code must:

- be consistent with the Act; and
- include all matters prescribed by the Regulations; and
- promote all prescribed principles.
- be reviewed at least every four years.

The Code includes a statement of ethics to be applied by the Flinders Council officers and its service providers with respect to the purchase of goods and services and the management of tenders and contracts.

1.2 SCOPE OF THE CODE

The Code applies to Flinders Council, its officers and agents, and any Service Providers wishing to make application for Flinders Council's business or provide good and services or undertake works for Flinders Council.

The Code covers the procurement of all goods services and requirements for Flinders Council. Tender practices do not apply to the items below:

- grants or assistance;
- donations;
- property transactions; and
- leasing.

The Code aims to:

- ensure compliance with relevant legislation;
- enhance value for money through the use of fair, competitive, non-discriminatory procurement practices;
- promote the use of resources in an efficient, effective and ethical manner;
- encourage probity, accountability and transparency in decision making;
- provide reasonable opportunity for competitive local businesses to supply to Council;
- minimise the cost to tenderers of participating in the tendering process; and

- allow Council to appropriately manage risk.

Procurement Procedures:

In accordance with R28 of the Regulations, the Code provides an overview of the procedures to be applied by Council to:

- a) ensure all potential service providers are provided with the same information relating to the requirements of a tender or contract and are given equal opportunity to meet those requirements;
- b) ensure fair and equitable consideration is given to all tenders or quotations received;
- c) deal honestly and equitably with, all potential or existing service providers;
- d) provide prompt and courteous responses to all reasonable requests for advice and information from potential or existing service providers;
- e) seek to minimise costs to tenderers participating in the tendering process;
- f) protect commercial in confidence information;
- g) maintain procedures for the use of multiple-use registers for contracts valued at less than the Prescribed Amount;
- h) ensure that all submissions received are treated in a manner reflecting probity and, transparency, whilst preventing any suggestion of improper handling of pricing, Quotations and Tenders;
- i) review each tender process to ensure that it is in accordance with the Regulations;
- j) establish and maintain procedures for the amendment, extension or cancelling of tenders, once they have been released;
- k) establish and maintain procedures for open tenders;
- l) establish and maintain procedures for tenders that do not fully conform with the tender requirements; and
- m) establish and maintain procedures to handle complaints regarding the procurement of goods and services.

1.3 AVAILABILITY OF THE CODE:

A copy of the Code is available:

- for public inspection and purchase at a reasonable charge at Flinders Council's office:
4 Davies Street, Whitemark, 7255
- Monday to Friday 9am to 4.30pm
- On the Flinders Council Website at <https://www.flinders.tas.gov.au/policies> free of charge

2. PROCUREMENT THRESHOLDS

Flinders Council's purchasing thresholds describe when quotations and Tenders are to be sought. Purchases shall not be split into smaller components to avoid the requirements of the purchasing thresholds.

If Flinders Council has a contract in place with particular supplier(s) for goods, services or works and the supplier is capable of meeting the Council's requirements, then, Flinders Council officers must procure goods, services or works from those suppliers.

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

Non-Tender Processes for acquisition of goods or services.

A purchase order is a formal agreement entered into between Council and the Service Provider for the performance of Council's requirements. Purchase orders are approved via the Delegation of Authorities Policy.

A Contract is a formal agreement entered into between Council and the successful Tenderer for the performance of Council's requirements.

A quotation is an offer from a prospective Service Provider in response to an invitation issued by Council to a selected number of prospective suppliers. A Quotation can be verbal or written.

if verbal, this should be referred to on the purchase order. Where a verbal quotation is administered as per section 2 procurement thresholds, then the verbal quotation must be recorded on the Purchase Order and include, contact details (contact name, position), and date of verbal quotation; and if written it should be attached to the purchase order.

Where possible Council will seek to use local business if available.

Purchasing Estimate	Minimum Requirement	Advertising Requirements	Documents Required
Less than \$1,000	Verbal quote must be sought, and a purchase order raised.	N/A	Purchase Order
From \$1,000 to \$9,999	1 written quote must be sought, and a purchase order raised.	N/A	Purchase Order + Quote
From \$10,000 to \$49,999	2 written quotes must be sought, and a purchase order raised.	N/A	Purchase Order + Quotes
From \$50,000 to \$99,999	3 written quotes must be sought, and a purchase order raised.	Island News and Flinders Council Website	Purchase Order + Quotes + Contract
From \$100,000 to \$249,999	3 written quotes must be sought. A contract should be used in addition to a Purchase order. Council requires this value range to be treated similar to a Tender Panel, showing valuation attributes, and scoring. A project panel of three will conduct the evaluation scorings. The recommendation must be approved by the General Manager.	Island News and Flinders Council Website	Purchase Order + Quotes + Evaluation Results+ Contract
\$250,000 and over	Public Tender process \geq \$250,000. Refer to section Seven of this code.	Examiner, Island News and Flinders Council Website	Purchase Order + Full Tender Documents + Contract

General Manager Discretions

Flinders Council will apply the above requirements to the purchase of all goods and services except for certain circumstances described under the points 2.1 Non-application of the quotation process and 2.2 Non-application of the Tender Process.

The General Manager has discretionary authority for the following:

- to allow for a reduced number of quotes in any particular situation; and/or
- to appoint a sole supplier, or a particular service provider.

The General Manager's authorisation needs to be in writing and saved to the Purchase Order along with the relevant quote/s, and the reasons for non-application of the process.

2.1 NON-APPLICATION OF THE QUOTATION PROCESS

Exemptions from the requirement to seek written quotes as prescribed in the procurement thresholds can be sought from the General Manager only if an acceptable reason exists as follows:

- a) where there is an emergency and in the opinion of the General Manager, there is insufficient time to seek quotes for the goods or services required in that emergency;
- b) where it can be established that there is only one supplier of a product or service and there is no appropriate substitute available, or where alternative options are not viable or do not provide value for money;
- c) Where, in response to an invitation to quote, no quotations were submitted, or no quotations were submitted that conform to the essential requirements of Council;
- d) For additional deliveries of goods and/or services by the original supplier that are intended either as replacement parts, extensions or continuing services, where a change of supplier would result in the purchase of goods/services that do not meet the requirements of interchangeability with existing goods/services or voids a warranty.
- e) For purchases made under exceptionally advantageous circumstances and conditions that only arise in the very short-term i.e., for non-routine purchases.
- f) For joint purchase of goods or services where funds are contributed by multiple entities and Council does not have express control of the purchasing decision.

2.2 NON-APPLICATION OF THE TENDER PROCESS

In accordance with Part 3, Division 1, s.27 of the Local Government (General) Regulations 2015, the requirement for public tendering does not apply for the following circumstances:

- a) where there is an emergency and in the opinion of the General Manager, there is insufficient time to invite tenders for the goods or services required in that emergency;
- b) a contract for goods or services supplied or provided by, or obtained through, an agency of a State or of the Commonwealth;
- c) a contract for goods or services supplied or provided by another council, a single authority, a joint authority, or the Local Government Association of Tasmania;
- d) a contract for goods or services obtained as a result of a tender process conducted by another council, a single authority, a joint authority, the Local Government Association of Tasmania, any other local government association in the State of Tasmania or in another State or a Territory, or any organisation, or entity, established by any other local government association in the State of Tasmania or in another State or a Territory;
- e) a contract for goods or services in respect of which a council is exempted under another Act from the requirement to invite a tender;
- f) a contract for goods or services that is entered into at public auction;
- g) a contract for insurance entered into through a broker;
- h) a contract arising when a council is directed to acquire goods or services due to a claim made under a contract of insurance;
- i) a contract for goods or services if the Council resolves by absolute majority and states the reasons for the decision, that a satisfactory result would not be achieved by inviting tenders because of:

- (i) extenuating circumstances; or
 - (ii) the remoteness of the locality; or
 - (iii) the unavailability of competitive or reliable tenderers; and
- j) a contract of employment with a person as an employee of the council.

3. PROCUREMENT PRINCIPLES

In accordance with r28(a) of the Regulations, this Code promotes the following principles to which Council will have regard when procuring goods and services.

3.1 VALUE FOR MONEY

Value for money aims to realise the desired outcome at the best possible price. Factors for consideration when determining value for money include:

- fitness for purpose and how well the good/service meets Council's needs;
- quality assurance;
- contribution to achieving Council's strategic plans or policies;
- risks associated with the procurement;
- whole-Of-Life Costs over the lifetime of a product, good or service (which includes consideration of disposal);
- consider the impact of the procurement decision on the local economy and considerations of the advantages of buying locally (e.g., lead-times and ongoing support);
- environmental considerations and impacts on climate change;
- social or community benefit;
- supplier's capacity and ability, including management, technical ability, physical ability, and financial resources.

3.2 ETHICAL BEHAVIOUR AND FAIR DEALING

Ethical behaviour and fair dealing means acting ethically, being fair and unbiased and complying with the law in all dealings with Service Providers. Council will apply the following standards when dealing with suppliers:

- ensuring Council monies are spent effectively and in accordance with relevant policies;
- acting without favour or prejudice;
- complying with legal requirements;
- always seeking to maximise the value for money in all transactions;
- maintaining confidentiality at all times with Service Providers;
- declining gifts, gratuities or any other benefit which may, or could be deemed to, influence equity or impartiality; and
- not to disclose the bid of a Service Provider to any other provider in order to play Service Providers off against one another.

3.3 ENCOURAGING OPEN AND EFFECTIVE COMMUNICATION

Council will ensure that the procurement of goods and/or services is an impartial and open process which encourages the making of competitive offers.

Open and effective competition will be encouraged through:

- implementing transparent and open procurement procedures;
- adequately testing the market by seeking quotations or tenders as appropriate;
- avoiding use of biased specifications;
- treating all service providers consistently and equitably; and
- if requested, de-briefing unsuccessful providers.

3.4 ENHANCEMENT OF THE CAPABILITIES OF LOCAL BUSINESS AND INDUSTRY

Council will ensure that, where the required capability and/or expertise is held by Local Businesses, Council will look to engage Local Businesses and encourage their participation in procurement processes.

In practice this means that Council will use reasonable endeavours to:

- a) actively invite tenders and seek quotes from Local Businesses that have the requisite capability and/or expertise to respond to a given procurement;
- b) where local capability exists, ensure that discretionary elements of specifications do not prevent Local Businesses from effectively participating in the procurement process; and
- c) not give preferential treatment to Local Businesses where it cannot be reasonably justified.

4. CONDUCT

4.1 ETHICS AND CONDUCT – COUNCIL OFFICERS

In practice this means that Council will promote procurement practices that are legal, ethical, fair and unbiased:

- a) comply with legislative requirements;
- b) conduct all business in the best interests of the Council;
- c) establish, maintain and document all tender and quotation procedures;
- d) be as effective and efficient as possible when sourcing, ordering and paying for goods and/or services;
- e) expect individuals involved in procurement processes to disclose any actual or perceived conflicts of interest, and measures put in place to manage any actual or potential conflicts of interest, monetary or otherwise;
- f) ensure that all specifications are clearly stated;
- g) ensure that any information or clarification provided to a potential service provider is also provided to all other relevant potential service providers;
- h) maintain confidentiality in its dealings with service providers and potential service providers, including the protection of commercial-in-confidence information – except where the law requires Council to do otherwise;
- i) ensure that conditions of contract are not excessively onerous; and
- j) decline gifts or benefits offered by those involved in the procurement process.

4.2 ETHICS AND CONDUCT – SERVICE PROVIDERS

Council expects service providers to:

- a) ensure that they are acquainted with the requirements identified in this Code;
- b) be familiar with the particulars relating to a specific tender and quotation process, including all relevant specifications;
- c) not submit a tender or quotation unless they have, the financial, technical, physical, health and safety, management resource, ethical and other relevant capabilities to fulfil Council's requirements;
- d) not seek to influence a procurement process by improper means or collude with other service providers;
- e) disclose any actual or perceived conflicts of interest relevant to a procurement process;
- f) must at all times act in observance of all laws;
- g) not offer gifts or benefits to any Council officer;

- h) must not enter into improper commercial arrangements with contractors, subcontractors, suppliers or agents;
- i) act in a polite and courteous manner towards Council Officer's, its agents and the general public;
- j) refrain from the use of aggressive or inappropriate language or expressions; and
- k) put in place and maintain policies, systems, and procedures where for workplace health and safety management, environmental management and quality assurance, appropriate to the applicable level of risk and complexity.

5. METHODS OF PROCUREMENT

5.1 REQUEST FOR QUOTATION

As outlined in section 2 of this code, the procurement thresholds require quotations for the procurement of goods and services for values less than \$250,000.

There may be occasions where, for a number of reasons, quotation(s) cannot be obtained, or doing so would have no additional benefit to Council. Therefore, exemptions from the requirement to seek written quotations have been outlined in Section 2.1 of this Code.

5.2 OPEN TENDER

The Council will invite Tenders by public advertisement in the Examiner, Island News and on the Flinders Council website.

The period with which a Tender is to be lodged will be at least 14 days after the date the notice is published in the Examiner.

Applicants must make a Tender in writing, specify the goods and/or services tendered for, and conform to the lodgement instructions.

The General Manager will ensure that applicants are provided with the following in order to make a tender:

- details of goods and or services that Council requires;
- details of the duration of the contract, including any extensions that are specified in the contract;
- the conditions of participation to be met by Tenderers;
- the criteria for evaluating Tenders;
- the method of evaluating the Tenders against the criteria;
- any mandatory Tender specifications and contract conditions;
- a reference to Council's Code of Tenders and Contracts; and
- instructions on how to lodge the Tender in a manner specified in the Conditions of Tendering.

5.3 MULTI USE REGISTER

In reference to Regulation 25, Council may establish a Multiple-Use Register of suppliers that are determined by Council to satisfy the conditions of participation for that register for the supply of particular categories of goods and services.

A Multiple-Use Register is a list, intended for use in more than one procurement process, of pre-qualified suppliers, who have satisfied the conditions for participation or inclusion on the register.

In accordance with r28(i) of the Regulations, the Code is required to establish and maintain procedures for the use of Multiple-Use Registers for contracts valued at under the Prescribed Amount.

If it is determined that Council will establish such a register, the General Manager will invite applications from prospective Service Providers for inclusion on the register by publishing a notice in the Examiner, the Island News and Council's website. Council will review any Multiple-Use Register at least every two years.

The public notice will identify:

- the nature of the goods and/or services Council requires;
- contract identification details;
- the period within which the application must be lodged;
- where the applications must be lodged; and
- details of a person from whom more detailed information relating to the application may be obtained.

The General Manager will ensure that applicants are provided with the following in order to make an application:

- details of categories of goods or services required;
- the conditions of participation to be met by applicants;
- the criteria for evaluating applications;
- the method of evaluating applications;
- a reference to the Council's Code for Tenders and Contracts.

The General Manager will advise all applicants of the result of their application, including the categories for which they are registered and if applicable, the reasons for any rejection.

Council will invite tenders or quotations for the supply of goods and services from all Service Providers included on a multiple-use register for a particular category of goods and services.

Council will allow a prospective applicant to apply for inclusion on a multi-use register at any time, unless the applicant has applied within the previous 12 months and has not been accepted.

5.4 MULTIPLE STAGE TENDER

Council may invite Tenders for a contract for the supply of goods or services using a multi-stage Tender process, where Service Providers are evaluated through stages against criteria determined by Council. This process is resource intensive and therefore only used on rare occasions.

This tender method is typically used to gain knowledge about the relevant market, obtain industry input (i.e. where it is unclear what goods and services are available) and/or to shortlist appropriate suppliers.

At the first stage of the multiple-stage Tender process the General Manager will invite expressions of interest (EOI) by publishing a notice in the Examiner, the Island News and Council's website.

The public notice will identify:

- the nature of the goods and/or services Council requires;
- contract identification details;
- the period within which the EOI must be lodged;
- where the EOI must be lodged; and
- details of a person from whom more detailed information relating to the EOI may be obtained.

The General Manager will ensure that applicants are provided with the following in order to make an application:

- details of categories of goods or services required;
- the conditions of participation to be met by applicants;
- the criteria for evaluating EOI's;
- the method of evaluating EOI's against the criteria;
- details of any further stages in the Tender process; and
- a reference to the Council's Code for Tenders and Contracts.

At the final stage of a multiple-stage Tender process, the General Manager will invite all Service Providers who have met the criteria, determined by Council, to tender for the supply of the relevant goods and/or services. The criteria used at each stage of the multiple-stage Tender process will be consistent.

In accordance with r26(6) of the Regulations, if only one supplier meets the criteria determined by Council at the first stage, Council will contract with that supplier after:

- a Tender by that supplier; or
- a decision by absolute majority of the Council to do so.

5.5 STANDING CONTRACT

In accordance with r23(3) of the Regulations, through a public tender process Council may establish a Standing Contract in which a single tenderer or multiple tenderers may be contracted for a specified period to provide specified goods and/or services during that period without the need for a further tender process.

Where multiple tenderers are engaged, those tenderers form part of a 'Panel' of prospective suppliers. Council refers to a Standing Contract arrangement with a single Tenderer or multiple Tenders as a Panel arrangement.

When purchasing from a Panel, Council will seek written quotations in line with its procurement thresholds set out in section 2 of this Code.

Where occasions arise that quotations cannot be obtained from the Panel, exemptions from the requirement to seek written quotations, can be sought as outlined in section 2.1 of this Code.

Service providers listed on a Panel will be selected following an evaluation process. Council may legitimately purchase directly from Service Providers listed on a standing contract.

5.6 USE OF OTHER CONTRACTS

Pursuant to Regulation 27, Tasmanian local governments may access contracts for goods or services obtained as a result of a tender process conducted by an entity established by another State's local government association or a tender process conducted by the Local Government Association of Tasmania. Councils may also access contracts for goods or services supplied or provided by the Local Government Association of Tasmania.

Where this applies, council may purchase through these contracts/panel arrangements – Standing Contracts/panel contracts (avoiding the requirement to tender), for purchases at any amount including above the prescribed limit.

Similar contractual arrangements established and administered by State Government may also be used by councils.

5.7 ENGAGING A THIRD PARTY TO MANAGE A PROCUREMENT PROCESS

Council may engage third parties to manage the procurement process for individual projects. The use of a third party as an agent or consultant to advise on, arrange or manage a procurement process does not exempt council from complying with council procurement framework, policy and procedures.

Should council engage a third party to manage a procurement process, it must be ensured that material is included in the contractual arrangements with the third party that requires the third party to comply with council procurement framework, policy and procedures.

6. TENDERING PRACTICES

The purpose of these Tender practices is to ensure Council's Tenders are conducted in a fair, equitable and uniform manner. These Tender practices apply to all procurements where a public Tender is required, and at Council's discretion, will be applied to a Quotation process.

6.1 ADMINISTRATION OF TENDER

Council routinely seeks Tenders for a range of activities including construction work, maintenance works and consulting works, and the purchase of goods and service. Public Tender processes are conducted by Council's officers.

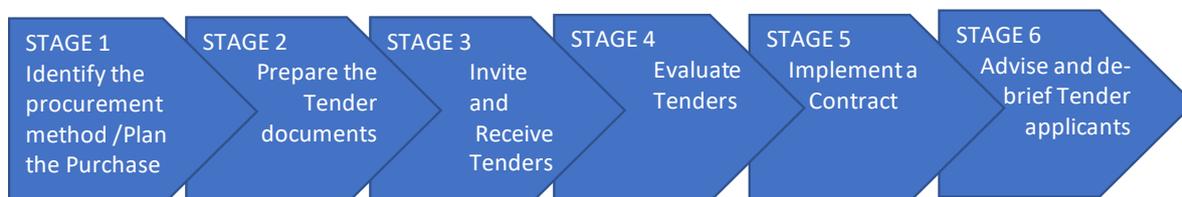
All projects with a value equal or greater than \$250,000 excluding GST must call for a Public Tender. This value has been set in accordance with the Prescribed Amount as per the Act at the date this Code was adopted by Council. Certain situations are provided for the non-application of the public Tender process, as outlined in Section 2.2 of this Code.

Tenders may at Council's discretion be called for any project / purchase below the Prescribed Amount, where:

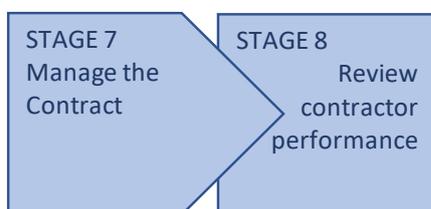
- A formal Tender process is required to deal with the complexity, and/or importance of the purchase;
- There is a high probability of risk associated with the purchase; and
- Use of formal Conditions of Contract are advisable or required.

7. TENDER PROCESS

Council outlines its Tender process in a series of stages. Stage 1-6 of the diagram below identifies the steps in Council's Tender process:



Stage 7 and 8 of the diagram below identifies Council's Contract Management steps which follow the stages of the Tender Process. The stages below are not part of this Code.



7.1 STAGE 1 - PLANNING THE PROCUREMENT

Actions required prior to preparing a Request for Tender (RFT):

- Establish the objectives of the purchase and prepare specifications which will clearly convey Council's requirements to Service Providers;
- Identify the correct purchasing method by:
 - determining if Council's workforce has the capacity and capability of fulfilling the requirements;
 - determining if there is already an appropriate Contract in place;
 - determining if there is a need for an updated or new Contract;
 - valuing the purchase and complying with the purchasing threshold requirements as per section 2 of this code;
 - confirming sufficient funds are available in Council's budget;
 - confirming the Tender has been approved by the appropriate delegate;
 - establishing the evaluation committee, their roles and responsibilities;
 - defining the evaluation criteria and weightings (if applicable) to be used to evaluate the Tenders, and select the successful Service Provider;

- considering any conflicts of interest (actual or perceived) in the procurement process;
 - defining any mandatory Conditions of Participation or compliance criteria, to be met by the potential Service Provider
- Verify that the appropriate Council delegate has approved undertaking the purchase.

Calculating the Value of a Purchase:

The value of a contract must be estimated prior to seeking Tenders or Quotations and the contract value must:

- not be under-estimated in order to avoid the requirement to seek Tenders or Quotations; and
- must include relevant contingency allowances where applicable.

A purchase must not be split into multiple smaller purchases in order to avoid the requirement to seek Tenders or Quotations.

The duration of the contract period must be based on the best fit of Council's business, operational and risk management requirements. A shorter contract period must not be selected (to keep the value below \$250,000), in order to avoid the requirement to seek Tenders.

Competitive Neutrality:

Council only accepts Tenders from other Local Government Authorities, Government bodies or public sector suppliers where, to the extent possible, the price reflects the full commercial cost. Written confirmation from such body, will need to be provided, stating that the price has been calculated on full commercial cost basis under competitive neutrality conditions. Where written confirmation cannot be provided to confirm competitive neutrality, then the Tender shall be declined.

Use of Experts or Probity Advisors:

Council will engage the services of Probity Advisors and external experts where the nature of the Tender warrants it. Such conditions would apply to but are not limited to complex requirements, high risk or cost, or the duration of the contract is for an extended period.

7.2 STAGE 2 - PREPARE THE TENDER DOCUMENTS

Appropriate records are to be maintained throughout the duration of a Tender process.

Conditions of Tendering:

The RFT must include Conditions of Tendering, setting out the terms under which a Tender will be accepted for evaluation. These include at a minimum:

- a unique identifier allocated to the RFT, to be referred to in all correspondence;
- the place for lodgement of Tenders;
- the Closing Time and place;
- specific Lodgement requirements including information to be submitted with a Tender;
- a single nominated Council officer, to direct enquiries concerning the RFT;
- the procedure for responding to enquiries and amending or clarifying the RFT;
- any other matters relating to the RFT process, including details of pre-Tender briefings;
- mandatory Conditions of Participation or compliance criteria;
- evaluation criteria and weighting methods for selecting the Preferred Tenderer;
- reference to the Code for Tenders and Contracts.

Specification:

A complete Specification, which describes the extent of the requirements and particulars of manner or method of performing the requirements, must be provided for each RFT.

Specifications must allow participation by local Service Providers wherever local capacity exists and must not restrict competition to be biased towards a particular Service Provider.

Minimum specifications include:

- a description of Council's requirements, which is sufficient to ensure that the Service Provider is not required to undertake an unreasonable amount of work and effort to submit a Tender;
- legislative and mandatory requirements, fitness for purpose and quality standards; and
- health and safety and environmental management requirements.

Conditions of Contract:

Service Providers must be provided with the terms and conditions that the successful Tenderer will be required to agree to. The RFT must therefore contain:

- Conditions of Contract setting out the contractual terms defining the obligations and rights of the parties to a contract; and
- reference to the Australian Standard conditions of contract, or other Conditions of Contract applicable to the RFT.

7.3 STAGE 3 - INVITING AND RECEIVING TENDERS

Inviting Tenders

Council will invite Tenders by public advertisement in the Examiner, Island News and on the Flinders Council website.

Applicants must submit a Tender in writing, specify the goods and/or services tendered for, and conform to the lodgement instructions.

At minimum, Council will provide:

- A description of Council's requirements;
- The Closing Time;
- Instructions on how to obtain the Tender documents;
- Details of any payments a Tenderer must make for the documents;
- The times and dates of pre-tender meetings (if applicable).

Tender Closing

All Tenders will be allocated a Closing Time. The period with which a Tender is to be lodged will be at least 14 days after the date the notice is published in the Examiner.

The Council may amend the Closing Time for Tenders by issuing a written notice to all parties in receipt of the RFT, via the Flinders Council Website.

Requests for Advice and Information

Council will nominate an officer as representative to deal with RFT enquiries. All enquiries about the RFT must be directed to the contact person.

Council reserves the right not to respond to any requests for clarification or additional information, if requested after the Closing Date.

Amending or Extending a Tender

Council reserves the right to amend any documents comprising the RFT or provide clarification of any matter relating to the RFT prior to the Closing Time.

Council will ensure that sufficient time has been provided to allow bidders to prepare an adequate response. At a minimum, tenders will be open for 14 days, however, this may increase dependant on the requirements complexities.

Council may allow Tenderers, which have already submitted a Tender, to lodge an amendment to their Tender, in accordance with the Conditions of Tendering, provided that the amendment occurs prior to the Closing Time.

If the RFT is amended or clarified, the Council will issue a notice via the Flinders Council website.

Receiving and Lodgement of Tenders

The Conditions of Tendering will include clear instructions on how to lodge a Tender. A Tenderer must comply with the lodgement instructions, and Council reserves the right to reject any Tender which is not lodged in accordance with the lodgement instructions.

Late Tenders

Any Tender received after the Closing Time will not under normal circumstances be considered. Should Council decide to accept or reject a late Tender, that decision shall be final, binding and not open to dispute, that:

- the cause of lateness was beyond the Tenderer's reasonable control;
- consideration of the late Tender would not provide an unfair advantage to the Tenderer submitting the late Tender; and
- consideration of the late Tender would not compromise the Tender Process.

Opening Tenders:

Council will provide a facility for the lodgement of Tenders via a locked Tender box or email (to the designated Council Contact officer).

Tender submissions via locked box will not be opened until the Closing Time has elapsed.

Email submissions shall be held confidentially by the designated Contact Person (files unopened) until the Closing Time has elapsed.

Opening of Tenders will not be public. All Tenders will be clearly identified and recorded, in the presence of at least two authorised Council officers that are not associated with the preparation or future evaluation of the tender.

Confidentiality and Commercial-in -confidence

Any of the documents, information or other materials provided to Tenderers by Council, or on behalf of Council in connection to an RFT, remain the property of the Council, and may only be used by the Tenderer to the extent required to prepare its tender.

Documents supplied by Council must not be published or disclosed by the Tenderer.

The successful Tenderer's name and tender value may become part of Council's Public Reporting.

The Council will disclose the successful Tenderer's name to unsuccessful Tenderer's.

All submitted Tenders become the property of Council.

7.4 STAGE 4 - TENDER EVALUATION

Principles and practices of the Tender Evaluation are set out in this Code. Flinders Council will evaluate tenders in accordance with the evaluation criteria and methodology developed prior to offers being invited.

Conforming and Non-conforming Tenders

A Conforming Tender is deemed to be:

- lodged by the Closing Time; and
- meets the mandatory Conditions of Tendering.

Non-Conforming Tenders

- lodged after the Closing Time; or
- is not submitted in conformance with the Conditions of Tendering; or
- is incomplete or contains insufficient information to allow Council to carry out a valid evaluation.

Notwithstanding that a tender may be non-compliant it may still be considered:

- a) by way of seeking clarification from a tenderer if an offer is unclear. Such clarification does not mean that tenderers can revise their original offer. Any clarification sought should be documented.
- b) if all things being equal the tender is deemed to be of potential consideration compared with others received.
- c) if the costs and delays in retendering are considered sufficient to warrant the consideration.

The reasons and rationale for any non-conforming tender being considered will be documented.

Council reserves the right to exclude any Tender from evaluation which in the Council's judgement is excessively low or high in price – relative to the other Tenders.

Tender Evaluation Committee (TEC)

A TEC will be established for each Tender process.

A TEC will consist of a minimum of three Council officers:

- a chairperson
- at least two persons additional to the chair, one of which is the Council Delegate;
- an Independent advisor and/or Probity advisor if required (for high value or complex contracts).

Confidentiality

Tender evaluations should be strictly confidential. All contact with suppliers must be confirmed in writing through the chairperson of the TEC. Members of the TEC will not discuss the Tender evaluation with anyone outside the TEC. The Chair of the TEC may obtain advice from specialists to assist in the Tender Evaluation Process.

Evaluation Method

Tenders will be evaluated with the aim to determine which Tender submission provides Council with the best value for money.

When assessing value for money Council may consider:

- non-price criteria that it considers relevant to the successful performance of Council's requirements, and adherence to the purchasing principles; and
- apply weightings to the price and non-price criteria.

Selection and application of the evaluation criteria and weightings is at the sole discretion of Council. Evaluation criteria and weightings will apply equally to all Tenderers and be determined before finalising the RFT and disclosed in the RFT Conditions of Tendering.

During the evaluation process, Council may request additional information from any Tenderer in order to clarify unclear matters relating to the submission. However, the Tenderer will not be allowed to revise or amend its Tender price or submit additional material information in order to make a non-conforming Tender into a Conforming Tender.

Evaluation Report:

A Tender Evaluation Report must be prepared to document the selection of a successful tenderer to be submitted to the relevant approval authority:

- a) Tender Evaluation Committee to recommend final choice of successful Tenderer;
- b) General Manager for review and submission to Council for final approval.

Council's evaluation reports include but are not limited to the following:

- a) a comprehensive record of the evaluation;
- b) the rationale used to select the successful Tenderer, including scorings on criteria and weightings applied;
- c) whether it is recommended that negotiations should be undertaken, and on what basis; and
- d) reasons for overlooking lower priced tenders, or closely matched tenders.

Tender Negotiations

Council reserves the right to negotiate with the Tenderer during the evaluation process, in order to:

- assess the Tenderers understanding of Council's requirements, and test any assumptions made by the Tenderer in determining their price;
- clarify matters relating to the Tenderer's capability to fulfil Councils requirements;
- achieve cost reductions or service improvements with the preferred tenderer;
- finalise the commercial terms required to form a contract.

Council will refrain from negotiations that substantially modify the Council's requirements, or would lead to a non-conforming Tender becoming a Conforming Tender.

The outcomes of Tender negotiations will be reflected in the final contract documentation.

During negotiations with a Tenderer, Council will not disclose the details of any other Tender submission.

7.5 STAGE 5 - ESTABLISH A CONTRACT

The authority to award Tenders and Quotations and enter contracts, will be in accordance with the approved Delegate under the financial delegations set out in Council's Delegation Register.

Tender Rejection and Acceptance:

Council is not obliged to accept the lowest priced Tender or any Tender.

Council may reject all Tenders. If Council rejects all Tenders, it will advise all Tenderers in writing.

Council may accept a conforming Tender and may consider accepting a non-conforming Tender (see Conforming and Non-Conforming Tenders in section 7.4 of this Code).

The outcome of the Tender Process will be advised to all Tenderers in writing.

Contract Extension:

Council may extend a contract entered into by Tender under the following conditions:

- If the contract conditions provide for an extension of contract; and
- By a decision of Council made by absolute majority.

Contract Variation:

A variation to a contract could include, but is not limited to, a change in scope and type of Councils requirements, quality standard, service level, delivery times, timeframes, personnel and price.

All contract variations must be approved by the appropriate delegate in line with their financial delegation and generally must:

- not exceed budget unless a budget variation has been approved;
- not materially alter the Specifications of the goods and or services tendered for;
- not exceed 10% of the contract price and less than \$250,000 in value for large projects.

In the case of large projects with variations greater than \$250,000 in value, Council approval will be required.

If a variation to a Contract is greater than \$5,000, an exemption from the requirement to quote should be sought from the General Manager.

7.6 STAGE 6 - ADVISING AND DEBRIEFING SUCCESSFUL AND UNSUCCESSFUL SERVICE PROVIDERS

Tender debrief Unsuccessful Tenderers (r28(l)(iv)):

The purpose of the debriefing session is to help unsuccessful tenderers improve their ability to successfully bid for future Council requirements.

The debriefing process is not to be used as a means of contesting the outcomes of a Procurement Process, but instead, promote continual improvement of submissions.

Council will provide a debriefing interview to any unsuccessful bidder who requests one.

Briefings will include:

- a) how their offer performed with respect to the evaluation criteria; and
- b) strengths as well as weaknesses of their offer.

Briefings will not include:

- a) comparisons between the unsuccessful tenderer's offer and the winning, or any other, offer; or
- b) the debriefing interview being used to justify the selection of the successful tenderer.

The Council's debriefing team will include at least one member from the Tender Evaluation Committee. Council will document the proceedings at each debriefing interview including:

- a) who attended (from the agency and from the business concerned);
- b) the information provided to the unsuccessful tenderer;

- c) any issues arising;
- d) the details of any information that was requested, but not disclosed due to commercial-in-confidence considerations; and
- e) any likely future complaints, and recommendations for further action.

Where a multiple-stage purchasing process is used (for example where Expressions of Interest are used to short-list tenderers) Tenderers not short-listed may be offered a debriefing interview, in a similar way to unsuccessful tenderers.

8. COMPLIANCE AND REVIEW

8.1 REVIEW OF TENDER PROCESS

Following completion of the tender evaluation process, a report is to be prepared for the appropriate Delegates to review the tender process, accept or reject Tenders and make a recommendation.

Periodic reviews of procurement and tender process controls will be conducted by Councils Finance and Procurement Officers, to ensure improvement and management of procedures.

8.2 PROCUREMENT COMPLAINTS

A complaint about procurement can be communicated to Council via the process for making a complaint contained in Councils Customer Service Charter located on Flinders Council's website.

The Procurement Officer should first attempt to find a resolution to the procurement complaint, in consultation with the Finance Organisational Performance Manager and if relevant, the Manager of Infrastructure and Airports. If the complaint relates to a Public Tender, then the Chairperson of the TEC should also be consulted in relation to the complaint.

If the complaint cannot be resolved, it should be referred to the General Manager.

8.3 BREACH OF THE CODE

Council will comply with this Code and its legislative obligations.

If any employee of Council, or a body controlled by Council, breaches this Code, Council may take disciplinary action, if in its absolute discretion, it decides to do so.

If a Service Provider commits a breach of this Code, Council may take action against that Service Provider, if in its absolute discretion, it decides to do so.

Action may include but is not limited to:

- providing a warning to the Service Provider;
- restricting or reducing future opportunities for that Service Provider to bid for Council work;
- refusal to consider any Tender or Quotation submitted by that Service Provider;
- reporting of the breach to a statutory, professional or other relevant body; and
- termination or suspension of the Service Provider's engagement with Council.

9. REPORTING

9.1 ANNUAL REPORTING

Council's Annual Report for the financial year will include a range of information relating to the procurement of goods and services for the situations as described below. Council is obliged to report at a minimum on a series of procurement matters. Linked to 72 (1) of the Act.

Where in a financial year, a contract, for the supply or provision of goods or services is equal or greater than the Prescribed Amount, as per Regulation 23(5)(b) of the Regulations, Council will disclose:

- a description of the contract;
- the period of the contract;
- the periods of any options for extending the contract;
- the value of any tender awarded or, if a tender was not required, the value of the contract (excluding GST);
- the business name of the successful contractor;
- the business address of the successful contractor; and
- any other prescribed matters.

Where approval has been given for non-application of the Tender process, in accordance with regulation 27(a) and (i) of the Regulations, Council will disclose:

a brief description of the reason for not inviting public tenders;

- a description of the goods or services acquired;
- the value of the goods or services acquired; and
- the name of the supplier.

Where in a financial year, a contract is entered into, or extended, for the supply or provision of goods or services which is equal or greater than \$100,000 (excluding GST) but less than \$250,000 (excluding GST), Council will disclose:

- a description of the contract;
- the period of the contract;
- the periods of any options for extending the contract;
- the value of the contract (excluding GST);
- the business name of the successful contractor; and
- any other prescribed matter.

9.2 REPORTING TO THE COUNCIL AND THE GENERAL MANAGER

For purchases with a value requiring 3 written quotations as per the purchasing thresholds, the number of instances of non-application of the requirement to obtain 3 written quotations according to reason, must be reported to the Council on a quarterly basis.

For purchases with a value requiring 2 written quotations as per the purchasing thresholds, the number of instances of non-application of the requirement to obtain 2 written quotations according to reason, must be reported to the General Manager.

Such reports will include the following details of each procurement:

- the reason for the non-application of the process;
- a brief description, and approximate value of the goods or services acquired; and
- the name of the Service Provider.

10. REVIEW OF THE CODE

This F2 - Code for Tenders and Contracts will be reviewed at least every 4 years, unless a change occurs that requires Council to amend its Code of Tenders and Contracts.

History of Review

ADOPTED BY COUNCIL: 16 July 2009
AMENDED BY COUNCIL: 18 June 2015
AMENDED BY COUNCIL: 17 August 2017
AMENDED BY COUNCIL: 16 November 2021

MINUTE NO: 263.07.09
MINUTE NO: 05.01.2016
MINUTE NO: 204.08.2017
MINUTE NO: 227.11.2021

11. DEFINITONS

TERM	DEFINITION
ACT	The Local Government Act 1993.
Conditions of Tendering	The terms and conditions under which Council will seek, receive, and evaluate Tenders and Quotations.
Closing Time	The Closing Time and date for Tenders or Quotations stated in the Conditions of Participation or Conditions of Tendering.
Code	This Code for Tenders and Contracts.
Conditions of Contract	The terms and conditions that a Service Provider will be required to substantially agree to if the Tender or Quotation is accepted.
Contract	A formal agreement entered into between Council and the successful Tenderer for the performance of Council's requirements.
Council	means the Flinders Council established under s.18 and s.19 of the Act.
Council Officer	Council officer means an employee, contractor, or consultant of Council.
Council's requirements	The goods, equipment, services or works required by Council under an RFT or request for Quotation.
Delegate	The Council Committee or Officer authorised to expend funds to the value of Council's requirements under the current version of Councils Delegations Register.
GST	Goods and Services Tax pursuant to the Tax System (Goods and Services Tax) Act 1999.
Independent Advisor	Advisor is external to Council i.e., a non-Council employee. Audit Panel delegates can be used.
Invitation to Tender	The advertisement or other written advice issue by Council in order to seek Tenders.
Local Business	Suppliers whose principal place of business is located within the Flinders Council Municipal Area.

Multiple-Use Register	A register of suppliers who meet criteria established by Council in respect of the supply of particular categories of goods and services.
Panel	A Panel of providers established as a result of open tender, each of whom signs a Contract with Council.
Preferred Tenderer	The Tenderer selected by Council as best satisfying Council's requirements.
Prescribed Amount	means the dollar figure prescribed in r. 23(1) of the Regulations which as at the date of this Code is \$250,000 (excluding GST).
Probity Advisor	Advisor is external to Council i.e., a non-Council employee, and has experience of Contract law.
Procurement Principles	The procurement principles prescribed under Regulation 28(a) of the Regulations.
Procurement Process	The process whereby the Council seeks to engage a Service Provider to provide Council with goods, equipment, services or construction or building works.
Purchase Order	A formal agreement entered into between Council and the Service Provider for the performance of Council's requirements.
Quotation	An offer from a prospective Service Provider in response to an invitation issued by Council to a selected number of prospective suppliers.
Regulations	The Local Government (General) Regulations 2015.
Request for Tender (RFT)	The documents inviting Tenderers to offer to deliver Council's requirements by submitting a Tender in accordance with the Conditions of Tendering.
Service Provider	Any contractors, subcontractors, consultants tendering, or seeking to tender, in a Procurement Process, and where the context permits can include the reference "Tenderer".
Specification	The documents prepared for the purpose of describing the extent and the manner of performance of Councils requirements. These may include general requirements, directions, schedules, programs and drawings, and any relevant other documents included with the RFT or Request for Quotation.

Standing Contract	A contract in 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	An offer from a prospective Service Provider in response to an open and public Invitation to Tender by Council, whereby no limit is placed on the potential number of offers.
Tenderer	A prospective Service Provider, providing a response to an open and public Invitation to Tender by Council.

12. RELATED DOCUMENTS

- a) Council's Instrument of Delegation
- b) *Local Government Act 1993*
- c) G14 Corporate Credit Card Policy