

**6.1 AMENDMENT TO CHIEF EXECUTIVE OFFICER'S DELEGATION TO ENTER INTO CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES AND CARRYING OUT OF WORKS**

(LIAS33; ARTS3; CNCL7)

Responsible Officer: Chief Executive Officer

***RECOMMENDATION***

*That Council*

1. *delegates to the Chief Executive Officer the authority to enter into contracts in accordance with the amended local government 'public tender threshold' for:*
  - a) *\$150,000 for the supply of goods and services; and*
  - b) *\$200,000 for carrying out of works; and*
2. *amends the Instrument of Delegation to the Chief Executive Officer accordingly.*

***INTRODUCTION***

This report proposes to amend the authorisation of the Chief Executive Officer to enter into contracts for the purchase of good and services and/or the carrying out of works in accordance with the amended local government 'public tender threshold' limits.

***BACKGROUND***

Section 186 of the Local Government Act 1989 requires councils and regional library corporations to undertake a competitive process to test the market before entering into contracts for the purchasing of goods or services or for the carrying out of works with a value of \$100,000 or more. This threshold has been unchanged since 1999.

***DISCUSSION***

The State Government 'public tender threshold' has recently been increased and as such, the Minister for Local Government has considered it appropriate that a similar increase be effected for Local Government. This recommendation was adopted by the Governor in Council on 5 August 2008. The purpose of these increases is to simplify processes Councils must follow in letting contracts and to reduce administration costs and processes.

The Order in Council provides for the following increases in the local governments 'public tender threshold':

- Goods and services to \$150,000; and
- Carrying out of works to \$200,000.

Council's current Delegation to the Chief Executive Officer reflects the 'public tender threshold' limits and it is appropriate that this delegation is increased accordingly. Attached is a revised Instrument of Delegation with an amended Clause 1.1.1.

Council should be aware that purchases and contracts of value below these public tender threshold levels would still be subject to Council's Purchasing Policy including the calling for quotations to ensure a competitive process.

### ***CONCLUSION***

The recommendation before the Council to authorise the Chief Executive Officer to award contracts for the purchase of goods and services or the carrying out of works to the value in accordance with the local government 'public tender threshold' is considered appropriate to effectively manage these arrangements under delegation.