

Public Notice Fact Sheet

Strategic Contracting Procedures

City of Ipswich

Background

The spending of council funds for goods and services is regulated by the *Local Government Act 2009 (LGA)* and *Local Government Regulation 2012 (LGR)* as described under 'Default Contracting Procedures' (DCP) and 'Strategic Contracting Procedures' (SCP).

Ipswich City Council (council) currently comply with the DCP framework which provides a standard and prescriptive method for conducting procurement and contracting for all Councils in Queensland, regardless of size, complexity, strategy and risk profile. This framework principally aligns to individual contracting processes and transactions.

Council has used the DCP to its maximum capability, and therefore the recommendation is to move away from this prescriptive transactional approach to the SCP which will allow for a more dynamic and strategic approach to contracting, delivering greater value and efficiency to council. The strategic approach identifies potential opportunities whilst managing risks.

Default Contracting Procedures

The current DCP, seen below, results in council having only having one option, which is public tendering, for all procurement over \$200K. Whilst public tenders are an important method for council, they require significant resources to execute and achieve contracting outcomes, for both council and tenderers.

\$ Value (excluding GST)	Minimum Purchasing Requirement *
\$2,001 to \$14,999	Up to three written quotes may be requested
\$15,000 to \$199,999	Three written quotes requested
> \$200,000	Public Tender

Strategic Contracting Procedures

The SCP approach adopts the foundations of DCP but enables council to utilise a range of tendering methods for procurements greater than \$500K. These include public tendering, selective tendering and closed tendering.

\$ Value (excluding GST)	Minimum Purchasing Requirement *
\$2,001 to \$14,999	Minimum one written quote requested
\$15,000 to \$49,999	Minimum of two written quotes requested
\$50,000 to \$499,999	Minimum of three written quotes requested
> \$500,000	Sourcing Strategy will be determined based on Risk, Complexity, Market Analysis and Supplier Analysis.

Expected Benefits

A **strategic approach** to procurement is expected to provide:

- **Improved cost efficiency** – Identifying opportunities to reduce contracting expenditure.
- **Faster sourcing timeframes** – Streamlining procurement processes while maintaining competition.
- **Stronger local engagement** – Creating more opportunities for local suppliers, social benefit enterprises, and Indigenous businesses.
- **Enhanced contract management** – Strengthening relationships with suppliers to deliver ongoing value.
- **Reduced administrative burden** – Increasing efficiency in procurement processes.
- **Greater transparency** – Introducing an **Annual Contracting Plan** to improve oversight and accountability.

Commencement Date

It is proposed that SCP will commence on 1 July 2025.

The transition from the current DCP to SCP will not change the existing contract terms or arrangements or procurement processes established or started prior to this date.

Next Steps

Council encourages businesses, suppliers and community members to review the proposed changes, and understand how they will improve procurement processes and contract outcomes. Council remains committed to responsible, transparent, and effective procurement practices.

