

Agenda – Late Items

Ordinary Meeting

Wednesday, 25 June 2025

Time: 9:00 am
Location: Council Chambers
82 Brisbane Street
BEAUDESERT QLD 4285

Scenic Rim Regional Council
Ordinary Meeting
Wednesday, 25 June 2025
Agenda – Late Items

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11 Consideration of Business of Meeting

Additional Items

11.11 Destination Scenic Rim Partnership Update

Executive Officer: Acting General Manager Customer and Regional Prosperity

Item Author: Economic Development Officer /
Acting Principal Specialist Regional Prosperity

Attachments: Nil

Councillor Portfolio / Representation

Tourism and Regional Events - Cr Jennifer Sanders

Local Government Area Division

This report relates to the whole Scenic Rim region.

Executive Summary

Destination Scenic Rim Incorporated (DSR) is a membership-based organisation with over 150 members. It is the representative body for tourism operators in the region. DSR is the voice of the region's tourism industry and plays an important advisory role to Council by acting as a reference group for the region's local tourism operators.

DSR's key functions are to advocate on behalf of their members, engage effectively with industry stakeholders, provide opportunities for industry networking, support industry training capacity building and support marketing the region to visitors with a focus on promoting their members' products and services.

Funding provided by Council to DSR is administered through a partnership agreement that is contingent on DSR meeting the obligations and deliverables negotiated by the Council and outlined in the DSR Business Plan each financial year. DSR reports to Council twice a year on the delivery and outcomes of the business plan.

As part of the community consultation phase of the draft 2025-2026 Operational budget, it is noted DSR submitted a request for increased funding.

It is proposed that DSR and Council will collaboratively develop a new Visitor Guide for the region. The funding associated for this joint initiative will be applied under a partnership agreement, for the delivery of the Scenic Rim Visitor Guide.

Recommendation

That:

1. Council acknowledge the progress made by Destination Scenic Rim to date in representing the interests of the region's tourism operators and delivery of the Destination Scenic Rim Business Plan for 2024-2025;
2. Council endorse the current allocation of funds be maintained from the Regional Prosperity operational budget, and be included 2025-2026 Scenic Rim Regional Council budget, for the continued engagement of Destination Scenic Rim under a partnership agreement for the delivery of initiatives outlined in the Destination Scenic Rim Business Plan 2025-2026;
3. Council decline the request from Destination Scenic Rim for an increase in funding amount of \$55,000 from the Regional Prosperity operational budget, and be included 2025-2026 Scenic Rim Regional Council budget; and
4. Council endorse the development of a joint Visitor Guide between Destination Scenic Rim and Scenic Rim Regional Council for the region and the allocation of funds from the Regional Prosperity operational budget, and be included in the 2025-2026 Scenic Rim Regional Council budget, to be applied to Destination Scenic Rim under a partnership agreement, for the delivery of the Scenic Rim Visitor Guide.

Previous Council Considerations / Resolutions

At the Ordinary Meeting held on 30 October 2024 (Item 11.3), Council approved the engagement of DSR with funding from the Regional Prosperity Operational Budget 2024-2025.

Report / BackgroundDestination Scenic Rim Partnership Update

The existence of a unified local tourism organisation (LTO) for the Scenic Rim ensures the region's tourism operators collaborate and work together effectively and reduces duplication and competition of marketing activities.

The purpose for which DSR was established, as outlined in their 'Rules of Incorporation', is to *'develop vibrant and sustainable tourism and genuine visitor experiences that celebrate the region's unique and world-class natural assets, rural and small town character and community values'*.

This is achieved by:

- Providing a vehicle for establishing partnerships with private and public sectors and community to identify and coordinate local and regional tourism initiatives;
- Promoting, planning and facilitating the realisation of tourism development opportunities while respecting the unique and special assets of the individual communities in the area;
- Adopting a strategic focus on tourism related issues, taking a balanced regional overview to maximise benefits to the area.

DSR's business plan sets out their annual operational objectives and is developed in consultation with Council and their Management Committee, representing the interests of their diverse range of local tourism industry members and stakeholders.

The key strategy areas in DSR's Business Plan 2025-2026 are:

- To advocate on behalf of their members;
- To provide opportunities for industry networking;
- To support destination marketing and enhance the marketing of DSR members;
- To grow a strong network of engaged members, and
- To provide effective governance and financial management of DSR.

In 2020, Council advocated and negotiated for the region's two (originally three) LTOs to unite and create a single LTO for the region as Destination Scenic Rim Incorporated. This was undertaken to ensure operators across the region collaborate and work together effectively, to reduce duplication and competition of marketing efforts across the region and to provide a far less confusing offer for potential visitors to the region.

DSR is currently managed by independent Chair, Mike Mahoney, a part-time Executive Officer, Christelle Moller and an elected Management Committee.

All Management Committee members are elected at the DSR Annual General Meeting held in November each year.

The 2024-2025 Council budget contains an allocation of \$95,000 to assist funding of DSR in 2024-2025 from the Regional Prosperity operational budget. This funding is administered through a partnership agreement that is contingent on DSR meeting its obligations and set deliverables as outlined in DSR's Business Plan 2024-2025. The same amount of funding was proposed in the draft 2025-2026 Council Operational Budget.

Destination Scenic Rim 2025-2026 budget submission

On 13 May 2025, Destination Scenic Rim provided a submission to the 2025-2026 Operational Budget, seeking an additional \$55,000 beyond the existing funding allocation.

Proposed new initiatives for 2025-2026 that Destination Scenic Rim seeks funding for include social media merge, new concepts for promotion outside of the region and enhancing the Farm Gate Trails.

Destination Scenic Rim Joint Visitor Guide Proposal

DSR have provided a proposal to Council to develop a joint Visitor Guide with Visit Scenic Rim, Council's tourism destination branding to improve efficiencies and simplify messaging for the consumer / visitor.

Council has received a proposal from Destination Scenic Rim to develop and produce a joint Visitor Guide with Visit Scenic Rim, Council's tourism destination branding to improve efficiencies, avoid duplication and reduce costs. The Visitor Guide is a key marketing tool to support the dreaming stage of the customer journey. The Visitor Guide will be a key printed and digital marketing tool to drive tourism visitation in the Scenic Rim region, focusing predominantly on the drive market.

The Visitor Guide will replace both the 'Visit Scenic Rim' guide produced by Council, and the 'Drive Scenic Rim' guide produced by DSR.

DSR has requested a contribution of 50% of the costs from Council for both production and printing 50,000 copies less advertising revenue. Specific business advertising will be available to all tourism businesses on a limited space availability basis. This will be allocated on a first-come, first-served basis. DSR members will be offered a reduced price for advertising. Total cost requested from Council is \$35,000.

Budget / Financial Implications

Total allocation of \$95,000 committed in the Regional Prosperity Operational Budget. The same amount of funding has been included in the Draft 2025-2026 Council budget.

In May 2025, DSR provided a submission to the 2025-2026 Operational Budget to request an additional \$55,000 in funding. As detailed in the Council recommendation, it is recommended that Council maintain the current level of funding (\$95,000) in 2025-2026.

Funding for the amount of \$35,000, can be utilised from Council's Regional Prosperity adopted 2025-2026 Operational Budget to deliver a joint Visitor Guide with DSR. The funding support from Council will be provided under a partnership agreement. This is in addition to the allocation of \$95,000 to DSR proposed in the included in the Draft 2025-2026 Council budget.

Strategic Implications

Operational Plan

Theme: 2. Sustainable and Prosperous Economy

Key Area of Focus: Sustainable value captured from tourism in the region with regional capability to drive prosperity

Legal / Statutory Implications

Funding provided by Council to DSR is administered through a partnership agreement that is contingent on DSR meeting the obligations and deliverables negotiated with Council and outlined in the DSR Business Plan each financial year.

Risks

Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

SR53 Inadequate sustainable economic growth plans in place to appropriately maximise opportunities, resulting in increased pressures on Council and State infrastructure and social environmental cohesiveness.

SR54 Ineffectively managing the political and government departmental relationships/partnerships, resulting in Council not achieving its major strategic objectives.

Risk Summary

Category	Explanation
Reputation, Community & Civic Leadership Not delivering the project as outlined in the grant deed between Council and the Department of Tourism	Ensure project is delivered in accordance with key milestones; keep Department apprised of any developments that may impact delivery.
Reputation, Community & Civic Leadership Damaging relationship with region's tourism providers and potential for industry growth and stewardship due to not meeting expectations around the evolution of DSR.	Communicate, be transparent and ensure both parties are fully appraised. Work through the Chair of the DSR to effectively manage.

Human Rights Implications

No human rights have been impacted by any actions recommended in this report.

Consultation

DSR Independent Chair, Mike Mahoney and Executive Officer Christelle Moller have previously provided an update to Councillors on the business plan. DSR continue to consult and work collaboratively with the Regional Prosperity team.

Conclusion

After many years of investigation and discussion, the region's tourism sector now has one unified, industry-led LTO to guide future development and activity and to act as a reference group for Council for the region's local tourism operators.

Funding for the amount of \$95,000, contained in Council's Regional Prosperity adopted operational budget, is allocated to DSR to enable them to implement their business plan and pay their independent Chair a modest stipend. This allocation is administered by the Regional Prosperity team under a partnership agreement. The same amount of funding has been included in the Draft 2025-2026 Council budget.

In May 2025, DSR provided a submission to the 2025-2026 Operational Budget to request an additional \$55,000 in funding.

DSR has prepared their Business Plan for 2025-2026 in consultation with Council's Regional Prosperity team.

DSR have provided a proposal to Council to develop a joint Visitor Guide with Visit Scenic Rim, Council's tourism destination branding to improve efficiencies and simplify messaging for the consumer / visitor. Total cost requested from Council is \$35,000.

It is recommended that Council maintain the current level of funding (\$95,000) in 2025-2026 and work collaboratively with DSR to develop a joint Visitor Guide, with a financial contribution of \$35,000. Funding is to be administered by the Regional Prosperity team under a partnership agreement.

Options

The recommendation for the Ordinary Meeting is:

Option 1

That:

1. Council acknowledge the progress made by Destination Scenic Rim to date in representing the interests of the region's tourism operators and delivery of the Destination Scenic Rim Business Plan for 2024-2025;
2. Council endorse the current allocation of funds be maintained from the Regional Prosperity operational budget, and be included 2025-2026 Scenic Rim Regional Council budget, for the continued engagement of Destination Scenic Rim under a partnership agreement for the delivery of initiatives outlined in the Destination Scenic Rim Business Plan 2025-2026;
3. Council decline the request from Destination Scenic Rim for an increase in funding amount of \$55,000 from the Regional Prosperity operational budget, and be included 2025-2026 Scenic Rim Regional Council budget; and
4. Council endorse the development of a joint Visitor Guide between Destination Scenic Rim and Scenic Rim Regional Council for the region and the allocation of funds from the Regional Prosperity operational budget, and be included in the 2025-2026 Scenic Rim Regional Council budget, to be applied to Destination Scenic Rim under a partnership agreement, for the delivery of the Scenic Rim Visitor Guide.

Option 2

That:

1. Council acknowledge the progress made by Destination Scenic Rim to date in representing the interests of the region's tourism operators and delivery of the Destination Scenic Rim Business Plan for 2024-2025;
2. Council endorse the current allocation of funds be maintained from the Regional Prosperity operational budget, and be included 2025-2026 Scenic Rim Regional Council budget, for the continued engagement of Destination Scenic Rim under a partnership agreement for the delivery of initiatives outlined in the Destination Scenic Rim Business Plan 2025-2026;
3. Council endorse the request from Destination Scenic Rim for an increase in funding amount of \$55,000 from the Regional Prosperity operational budget, and be included 2025-2026 Scenic Rim Regional Council budget; and
4. Council endorse the development of a joint Visitor Guide between Destination Scenic Rim and Scenic Rim Regional Council for the region and the allocation of funds from the Regional Prosperity operational budget, and be included in the 2025-2026 Scenic Rim Regional Council budget, to be applied to Destination Scenic Rim under a partnership agreement, for the delivery of the Scenic Rim Visitor Guide.

Option 3

That:

1. Council acknowledge the progress made by Destination Scenic Rim to date in representing the interests of the region's tourism operators and delivery of the Destination Scenic Rim Business Plan for 2024-2025;
2. Council not endorse the current allocation of funds be maintained from the Regional Prosperity operational budget, and be included 2025-2026 Scenic Rim Regional Council budget, for the continued engagement of Destination Scenic Rim under a partnership agreement for the delivery of initiatives outlined in the Destination Scenic Rim Business Plan 2025-2026;
3. Council not endorse the request from Destination Scenic Rim for an increase in funding amount of \$55,000 from the Regional Prosperity operational budget, and be included 2025-2026 Scenic Rim Regional Council budget; and
4. Council not endorse the development of a joint Visitor Guide between Destination Scenic Rim and Scenic Rim Regional Council for the region and the allocation of funds from the Regional Prosperity operational budget, and be included in the 2025-2026 Scenic Rim Regional Council budget, to be applied to Destination Scenic Rim under a partnership agreement, for the delivery of the Scenic Rim Visitor Guide.

11.12 Annual Procurement Exceptions – Section 235(a) and 235(b) Local Government Regulation 2012

Executive Officer: Acting General Manager Council Sustainability

Item Author: Coordinator Procurement and Contract Performance

Attachments: Nil

Councillor Portfolio / Representation

Not applicable.

Local Government Area Division

This report relates to the whole Scenic Rim region.

Executive Summary

This report seeks Council's endorsement to enter into contractual arrangements without inviting quotes or tenders under Section 235(a) and 235(b) of the *Local Government Regulation 2012*, where it is considered impractical or disadvantageous to source alternative providers due to supplier exclusivity or the specialised nature of the services.

Recommendation

That Council enter into contractual arrangements without inviting quotes or tenders under Section 235(a) and 235(b) of the *Local Government Regulation 2012*, where it is considered impractical or disadvantageous to source alternative providers due to supplier exclusivity or the specialised nature of the services.

Previous Council Considerations / Resolutions

Not applicable.

Report / Background

This report is seeking Council's endorsement for the engagement of specified suppliers under Section 235 of the *Local Government Regulation 2012*, which allows Council to enter into medium or large-sized contractual arrangements without inviting quotes or tenders in certain circumstances.

Regulatory Framework

Procurement exceptions are recommended in accordance with:

- Section 235(a): *"the local government resolves it is satisfied that there is only 1 supplier who is reasonably available"*;
- Section 235(b): *"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"*.

The use of these exceptions ensures procurement remains compliant with legislative requirements while also enabling continuity, efficiency, and value for money in the delivery of Council's strategic and operational priorities. Where procurement needs fall outside established arrangements or require separate consideration under the Regulation, officers will continue to present standalone reports to Council for approval as required. This approach is consistent with Council's governance framework and should be viewed as standard practice to ensure transparency, compliance, and responsible decision-making.

Procurement Exception - Section 235 (a) - Only one supplier is reasonably available

Supplier	ABN	Description	Justification
Australia Post	28 864 970 579	Mail, parcel and express post services	Sole provider of regulated postal services nationally. Services accessed daily by Council through the Customer Care and Engagement Team.
Dentsu / IMATE	44 123 609 629	Media planning and buying for tourism and event marketing	Appointed under the TEQ IMATE agreement. Provides exclusive access to TEQ-aligned campaigns, media pricing advantages, and strategic marketing leverage.
The Trustee for CWash Trust (CWASH Pty Ltd)	59 738 495 213	Ongoing use of stockpile land at 157–169 Helen St, Beaudesert	Longstanding use by Council (since the 1990's). Location is adjacent to the Helen Street Depot and optimised for Council use. No equivalent site available.
Angie Ross	85 126 008 936	Graphic design services	Former staff member with deep understanding of Council's brand and tone. Provides flexible, efficient support amid current resourcing constraints.

Procurement Exceptions – Section 235(b) - (Specialised or confidential nature of the services)

Supplier	ABN	Description	Justification
Armsign	21 003 101 684	Scenic Rim StoryMarker Trail (Public Art Program)	Continuation of established design and manufacturing for the Scenic Rim Story Trail. Ensures artistic and fabrication consistency across locations.
Australian Weather Services (Weatherwatch)	20 560 330 942	Meteorological forecasting for disaster management	Customised, expert weather services supporting Council's disaster response capabilities. Engaged since Nov 2024. Funded in the 2025–26 Disaster Management budget.

Supplier	ABN	Description	Justification
Everi Pty Ltd	18 613 405 119	What's On Scenic Rim – events portal	Purpose-built digital platform integrating Council and third-party events. Transition from print to digital will reduce costs and improve customer experience. Council will engage in a review project of the possibility of consolidating different service platform providers to the most suitable.
VendorPanel Pty Ltd	89 161 444 214	Advanced Contract Management module	Exclusive provider of Council's procurement system. Module allows seamless platform integration and assists with the management of the Contract Lifecycle.
Wildlife Preservation Society of Qld (WPSQ)	44 235 565 907	Multi-species eDNA survey, including platypus	WPSQ has led platypus eDNA research in Scenic Rim and Ipswich. Data continuity critical for regional platypus modelling and catchment-scale conservation. Includes landholder engagement workshop.
SmartCrete CRC Ltd	71 641 784 161	Recycled Materials in Roads CRC project	Sole provider managing the new national CRC project. Council is a funding partner. Delivers innovation and supports circular economy objectives.
Romeo Digital	15 604 196 296	Hosting and maintenance of Visit Scenic Rim website	Designed and built Visit Scenic Rim (VSR) site in 2022 under competitive tender. Engagement continuation ensures brand consistency, Search Engine Optimisation (SEO) continuity, and strategic alignment.
Why Leave Town (WLT)	61 654 630 716	Shop Scenic Rim gift card platform	Sole provider of the gift card infrastructure. Platform continuity is required to preserve current investment, branding, and consumer balance funds.

Budget / Financial Implications

All engagements are undertaken within approved operational or capital budgets and are aligned with Council's strategic priorities including:

- Biodiversity and conservation,
- Economic development and tourism,
- Disaster preparedness and resilience,
- Digital transformation and community engagement, and
- Circular economy and sustainability.

These engagements support the continuity of service delivery, safeguard existing investments, and optimise the return on previously procured platforms and partnerships. Additionally, all activities are carried out in full compliance with the *Local Government Regulation 2012* and Council's Procurement Policy.

Strategic Implications

Operational Plan

Theme: 3. Open and Responsive Government

Key Area of Focus: Ongoing integrity of Council's practice and processes

Legal / Statutory Implications

Local Government Act 2009

Local Government Regulation 2012

Risks

Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

SR46 Inadequate or lack of Governance (including procurement) Framework (systems, policies, procedures, delegations and controls) in place to ensure compliance by Council's Councillors and Officers with all relevant State and Federal legislation and regulations.

Risk Summary

Category	Explanation
Governance, Risk & Compliance Perceived Lack of Transparency or Fairness	Risk: Public or supplier perception that Council is circumventing competitive processes, potentially undermining confidence in procurement practices. Mitigation: Clearly document justifications and publish exception decisions transparently where appropriate.
Financial/Economic Reduced Competitive Tension	Risk: Without a competitive process, there is a risk of paying above-market rates or receiving less favourable terms. Mitigation: Benchmark pricing where possible or negotiate value-added services to ensure return on investment.
Business Continuity Supplier Dependency and Limited Innovation or Service Stagnation	Risk: Over-reliance on sole suppliers may result in service disruption if the provider fails to deliver, exits the market, or experiences financial distress. A lack of competition may reduce innovation and performance incentives for sole suppliers. Mitigation Develop contingency plans, include appropriate service level agreements (SLAs), and monitor supplier financial health. Include continuous improvement clauses in contracts and conduct regular supplier performance reviews.

Human Rights Implications

No human rights have been impacted by any actions recommended in this report.

Consultation

Manager Customer, Community and Culture
Manager Regional Prosperity and Communications
Manager Resources and Sustainability
Principal Specialist Customer Care and Engagement
Principal Specialist Communications and Marketing
Biodiversity Officer Bremer Catchment
Coordinator Procurement & Contracts Performance

Conclusion

The recommended procurement exceptions under Section 235(a) and 235(b) of the *Local Government Regulation 2012* support Council's ability to deliver critical services and strategic initiatives efficiently, while remaining compliant with legislative and policy requirements. Each engagement has been assessed to ensure it reflects a genuine sole supplier circumstance or the specialised nature of the service, with clear alignment to Council's operational needs and strategic priorities.

OptionsOption 1

That Council enter into contractual arrangements without inviting quotes or tenders under Section 235(a) and 235(b) of the *Local Government Regulation 2012*, where it is considered impractical or disadvantageous to source alternative providers due to supplier exclusivity or the specialised nature of the services.

Option 2

That Council not endorse the procurement exceptions outlined in this report under Section 235(a) and Section 235(b) of the *Local Government Regulation 2012*, and that alternative procurement methods, such as quotations or tenders, be pursued for the identified suppliers.

Option 3

That Council endorse only a portion of the procurement exceptions outlined under Section 235(a) and Section 235(b) of the *Local Government Regulation 2012*, with the remaining items subject to further review or procurement processes.

Option 4

That Council defer a decision on the procurement exceptions until further information or clarification is provided regarding the scope, budget impact, or strategic alignment.

Option 5

That Council provisionally endorse the procurement exceptions, subject to specific conditions being met, such as updated risk assessment, confirmation of budget availability, or legal review.

11.13 Establishment of Preferred Supplier Arrangements

Executive Officer: Acting General Manager Council Sustainability

Item Author: Coordinator Procurement and Contract Performance

Attachments: Nil

Councillor Portfolio / Representation

Not applicable.

Local Government Area Division

This report relates to the whole Scenic Rim region.

Executive Summary

This report seeks Council's consideration of establishing Preferred Supplier Arrangements (PSAs) under subsection 233(8) and subsection 233(9) of the *Local Government Regulation 2012*, for operational procurement categories that support day-to-day service delivery and compliance with the Sound Contracting Principles. This includes securing flexible agreement terms of three years with two optional one-year extensions (3+1+1), with the option to award longer terms (e.g. 5+1+1) without requiring a separate resolution, where the tender response demonstrates documented cost savings, efficiencies, or value-for-money benefits.

Recommendation

That

1. Council apply subsection 233(8) and subsection 233(9) of the *Local Government Regulation 2012* to establish Preferred Supplier Arrangements for categories of goods and services required on a regular basis;
2. Council endorse standard contract terms of three years with two optional one-year extensions; and
3. Council approve that longer contract terms may be awarded without a further resolution, where the procurement process identifies documented cost savings, efficiencies, or value-for-money benefits, and these are assessed and recommended as part of the tender evaluation.

Previous Council Considerations / Resolutions

Not applicable.

Report / Background

Council conducts regular and ongoing procurement of operational goods and services to maintain infrastructure and deliver frontline services. These requirements span a broad range of categories such as construction, plant hire, civil works, facilities maintenance, professional services, and fleet.

Section 233 of the *Local Government Regulation 2012* outlines:

- "(1) *This section applies to a medium-sized contractual arrangement or large-sized contractual arrangement for goods or services if a local government—*
- (a) needs the goods or services—*
 - (i) in large volumes; or*
 - (ii) frequently; and*
 - (b) is able to obtain better value for money by accumulating the demand for the goods or services; and*
- ...
- (2) *A local government may enter into a contract for the goods or services without first inviting written quotes or tenders if the contract is entered into with a preferred supplier under a preferred supplier arrangement that is made in compliance with subsections (3) to (9).*
- (3) *A local government must invite persons to tender for a preferred supplier arrangement.*
- ...
- (6) *When selecting a person to be a preferred supplier under a preferred supplier arrangement, the local government must have regard to the sound contracting principles.*
- (7) *The local government must ensure the terms of the preferred supplier arrangement allow the contract to be cancelled for the poor performance of the preferred supplier.*
- (8) *A preferred supplier arrangement may be entered into for a term of more than 2 years only if the local government is satisfied the longer term will result in better value for the local government.*
- (9) *For subsection (8), the term of a preferred supplier arrangement includes any period provided for under the arrangement by which the term of the arrangement can be extended."*

Proposal

It is proposed that:

- Council applies Subsection 233(8) and Subsection 233(9) of the *Local Government Regulation 2012* to establish Preferred Supplier Arrangements (PSAs) for relevant operational categories;
- Standard contract terms be established at three years, with two optional one-year extensions (3+1+1), with extensions subject to supplier performance and operational need;
- Where tenderers propose longer-term contracts (e.g. 5+1+1) with demonstrated cost savings, efficiencies, or value-for-money, these may be awarded as part of the original procurement process, without requiring a separate Council resolution, to ensure timely contract execution and alignment with Council's procurement objectives.

Benefits

- Operational efficiency: Reduces administrative burden and supports timely service continuity.
- Value for money: Enables Council to access pricing and service efficiencies tied to longer-term commitments.
- Market responsiveness: Encourages supplier investment and innovative service models.
- Legislative compliance: Aligns with Section 233 of the *Local Government Regulation 2012* and supports application of the Sound Contracting Principles under the *Local Government Act 2009*.
- Streamlined governance: Avoids delays by removing the requirement for a second resolution when value-based longer-term offers are assessed and recommended through the initial tender process.

Recommended Controls for Market Engagement and Contract Management

Control Area	Control Description	Purpose / Risk Mitigated
Value-for-Money Evaluation Criteria	Include specific, weighted criteria in the tender evaluation process to assess: - Whole-of-life cost - Innovation and service delivery improvements - Evidence of past performance and efficiencies from longer-term contracts	Ensures longer contract terms (e.g. 5+1+1) are only awarded where justified and defensible
Performance-Based Extension Triggers	Include clear Key Performance Indicators (KPIs)/Objectives and Key Results (OKRs) and service level benchmarks as preconditions for exercising optional extensions (e.g. +1 or +1 years)	Links contract longevity to ongoing supplier performance, mitigating poor service risk
Contract Management Plans (CMPs)	Mandatory CMPs for all PSAs, outlining roles, KPIs, risk management, review cycles, and issue escalation protocols	Ensures structured oversight, proactive issue management, and performance monitoring
Annual Supplier Performance Reviews	Formal annual review of each PSA supplier's performance, feeding into decisions about contract extensions	Enables transparent and consistent decision-making around continuation of supplier arrangements
Governance Reporting Framework	Establish quarterly reporting to the Executive Team on: Contract spend against approved PSA, Supplier performance, Identified risks and mitigation actions	Enables senior leadership visibility and early intervention where needed
Pre-Contract Risk Assessments	WHS, financial viability, and insurances must be validated and risk-profiled for each supplier before award	Supports risk-informed decision-making and contract terms that align with supplier capacity
Procurement Review Gate	Require a procurement governance gate before awarding any contract longer than 3+1+1, to confirm compliance with evaluation and probity standards	Adds an extra layer of scrutiny where longer-term commitments are proposed
Exit and Transition Provisions	All PSA contracts must include clearly defined exit clauses, transition planning, and re-tender triggers	Reduces risk of supply disruption or over-reliance on underperforming vendors

Budget / Financial Implications

No further budget consideration is required.

Strategic Implications*Operational Plan*

Theme: 3. Open and Responsive Government

Key Area of Focus: Ongoing integrity of Council's practice and processes

Legal / Statutory Implications

Local Government Act 2009

Local Government Regulation 2012

RisksStrategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

SR46 Inadequate or lack of Governance (including procurement) Framework (systems, policies, procedures, delegations and controls) in place to ensure compliance by Council's Councillors and Officers with all relevant State and Federal legislation and regulations.

SR59 Non-compliance with legislation and/or procurement policies and procedures resulting in successful claim against Council beyond limit insured for.

Risk Summary

Category	Explanation
Financial/Economic Reduced competition	Open public tender ensures transparency and competitiveness, Only adopted where supported by clear value-for-money outcomes and performance management mechanisms
Governance, Risk & Compliance Tender evaluation	Tender evaluation will include criteria to assess the legitimacy and benefit of longer-term offers, Extension periods are conditional on performance

Human Rights Implications

No human rights have been impacted by any actions recommended in this report.

Consultation

Senior Engineer Road Maintenance

Principal Specialist Internal Audit and Improvement

Conclusion

The establishment of PSAs under Section 233 of the *Local Government Regulation 2012* provides Council with an opportunity to enhance procurement efficiency, maintain compliance with the Sound Contracting Principles, and unlock longer-term value-for-money outcomes.

Option 1, which proposes adopting PSAs with flexible 3+1+1 year contract terms and the ability to approve longer terms (e.g. 5+1+1 years) without further Council resolution when supported by demonstrable cost benefits, offers the most streamlined and strategic approach. It balances procurement efficiency, operational continuity, and governance rigour by embedding value-for-money evaluation criteria within the initial tender process.

Conversely, Option 2 and other alternatives, including limited-term contracts, requiring additional Council resolutions for longer terms, or using Standing Offer Arrangements, offer more rigid control but introduce administrative inefficiencies, increase procurement overheads, and may discourage supplier engagement or investment.

Given the scale and frequency of operational procurement requirements, adopting a flexible PSA framework with embedded value-assessment mechanisms will position Council to proactively manage supplier performance, reduce procurement burden, and deliver better outcomes for the community.

Option 1 is recommended as the preferred procurement model, ensuring both compliance and strategic value delivery.

Options

Option 1

That:

1. Council apply subsection 233(8) and subsection 233(9) of the *Local Government Regulation 2012* to establish Preferred Supplier Arrangements for categories of goods and services required on a regular basis;
2. Council endorse standard contract terms of three years with two optional one-year extensions; and
3. Council approve that longer contract terms may be awarded without a further resolution, where the procurement process identifies documented cost savings, efficiencies, or value-for-money benefits, and these are assessed and recommended as part of the tender evaluation.

Option 2

That:

1. Council not apply subsection 233(8) and subsection 233(9) of the *Local Government Regulation 2012*, and instead continue to procure operational goods and services on a case-by-case or annual basis through separate procurement processes;
2. Council restrict contract terms to a maximum of three years, with no extension options permitted under general delegations; and
3. A resolution of Council be required for any proposed longer-term contracts, (regardless of whether cost savings or value-for-money benefits are identified during the procurement process).

Option 3

That:

1. Council apply subsection 233(8) and subsection 233(9) of the *Local Government Regulation 2012*, to establish Preferred Supplier Arrangements only for specific high-use categories;
2. Council endorse contract terms of two years with a one-year extension option, to maintain greater agility and market testing frequency; and
3. Council require that any contract exceeding three years must be referred to Council for resolution, even if supported by cost-saving evidence.

Option 4

That:

1. Council not proceed with Preferred Supplier Arrangements, and instead establish Standing Offer Arrangements under section 234 of the *Local Government Regulation 2012*;
2. Council use Standing Offer Arrangements with pre-qualified panels where multiple suppliers can be invited to quote for each individual job or delivery; and
3. Council maintain short-term agreements and conduct frequent review cycles.

Option 5

That Council not endorse a report on the establishment of Preferred Supplier Arrangements and request further review of the options.