

General Instruction 1: Procurement

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General Instruction 1: Procurement

GENERAL INSTRUCTION NO. 1

Local Government (General) Regulations 2021 **Issue of General Instruction**

I, Jodie Elizabeth Ryan, Chief Executive Officer of the Department of the Chief Minister and Cabinet, under regulation 4 of the *Local Government (General) Regulations 2021*, issue this General Instruction to councils and local government subsidiaries in relation to financial administration and accounting.


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Chief Executive Officer

Department of the Chief Minister and Cabinet

29 / 6 / 2021

General Instruction 1: Procurement

1 Title

1.1 This General Instruction is titled *General Instruction 1: Procurement*.

2 Commencement

2.1 This General Instruction commences on the day on which regulation 4 of the *Local Government (General) Regulations 2021* commences.

3 Relevance to Regulations

3.1 Regulation 4 of the *Local Government (General) Regulations 2021* states that the CEO of the Agency may issue general instructions to councils or local government subsidiaries in relation to financial administration and accounting. A general instruction must be made in writing, given in writing to all councils and local government subsidiaries, and published on the Agency's website.

3.2 Regulation 5 contains an offence if a council or local government subsidiary does not comply with a general instruction. Failure to comply with a general instruction is an offence of strict liability with a maximum penalty of 50 penalty units.

3.3 A council or local government subsidiary must comply with the *Local Government (General) Regulations 2021*, including the provisions of Part 2, Division 12, when entering into a contract in accordance with this General Instruction.

4 Contracts for more than 5 years

4.1 In relation to procurement, a council or local government subsidiary must not enter into a contract for a supply that is for a period of more than 5 years, including any option to extend the contract, other than a contract for:

- (a) a lease or licence of land; or
- (b) waste management, including the collection or transportation of waste; or
- (c) a particular supply approved by the CEO of the Agency under clause 4.4.

4.2 A contract under clause 4.1(b) must not be for a period of more than 10 years.

4.3 A council or local government subsidiary may apply to the CEO of the Agency for a particular supply to be approved by submitting the following information:

- (a) the proposed supply;
- (b) the proposed period of the contract (including any option to extend);
- (c) the reason that the council or local government subsidiary believes on reasonable grounds that it is necessary to enter into a contract for the proposed supply that is for a period of more than 5 years.

4.4 The CEO of the Agency may approve a supply to be a particular supply under clause 4.1(c), subject to any conditions the CEO of the Agency considers appropriate.

4.5 If a council or local government subsidiary enters into a contract in accordance with clause 4.1(c), the council or local government subsidiary must keep a copy of the approval given by the CEO of the Agency for the particular supply in the council's or local government subsidiary's records.