



Environmental Law Update – Proposed Changes to Local Government Tendering

Date : November 20, 2014

The *Local Government Amendment (Red Tape Reduction) Bill 2014* ('the Bill') has recently been introduced in NSW Parliament.

The Bill proposes a number of amendments to the *Local Government Act 1993* (NSW) and the *Local Government (General) Regulation 2005* (NSW) in respect of local government tendering.

The first amendment proposed by the Bill relates to joint or collective local government tendering. Under the current law, councils undertaking joint procurement must each separately resolve to accept a tender. The Bill proposes to remove the restriction on the delegation of tenders by councils in order to facilitate group purchasing by councils without the need to go back to each individual council for endorsement.

The second amendment proposed by the Bill relates to the threshold amount for which tenders must be sought. Currently, local councils are exempt from the requirement to invite tenders in relation to contracts involving an estimated expenditure or receipt of an amount of less than \$150,000 (incl. GST). The Bill proposes to lift the threshold to \$250,000 for Councils which have demonstrated they have sufficient scale and strategic capacity to become fit for the future. In all other circumstances the \$150,000 threshold is maintained.

Thirdly, the Bill proposes to remove the requirement to invite tenders in relation to contracts for the purchase of goods and services made with approved disability employment organisations. This is aimed at enabling local councils to more directly support Australian Disability Enterprises.

The fourth proposed tendering related amendment is aimed at clarifying the current exemption from the requirement to seek tenders when local councils enter into a contract under a standing offer or prequalification scheme established by the Federal government or the NSW State government. The proposed Bill proposes to clarify that the current exemption from tendering continues to apply where Councils use standing offers or prequalification schemes established by any entity nominated in the Act or regulations, even where no rate is specified.

The final tender related amendment proposed by the Bill concerns notification requirements prescribed under the *Local Government Act 1993* (NSW). Currently, local councils are required to give notice by advertisement in newspapers in circulation in their local government area. The Bill proposes to update these requirements by requiring local councils to publish information on their websites and either in a newspaper or in such other manner as the council considers appropriate for the purposes of bringing the advertised matter to the attention of all potentially interested persons.



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