

Circular Details	Circular No 20-03 / 24 January 2020 / A688241
Previous Circular	N/A
Who should read this	Councillors / General Managers / Staff involved in bushfire recovery and procurement
Contact	Melissa Gibbs, Director Policy and Sector Development, olg@olg.nsw.gov.au
Action required	Council to Implement

Amendments to the *Local Government (General) Regulation 2005* to increase the tendering exemption threshold for contracts for bushfire recovery and operations

What's new or changing

- Section 55 of the *Local Government Act 1993* (the Act) requires councils to invite tenders before entering into a wide range of contracts. This section also specifies a number of exemptions to this requirement.
- Section 55(3)(n)(i) of the Act currently exempts from the tendering requirements a contract involving an estimated expenditure of an amount of less than \$250,000.
- The *Local Government (General) Amendment (Tendering) Regulation 2020* augments this by extending the exception where the contract is primarily for the purposes of bushfire response and recovery.
- The exception will be limited to contracts entered into during the period 17 January 2020 to 1 July 2020 where the contract involves an expenditure of an amount less than \$500,000.

What this will mean for your council

- The tendering requirements are designed to ensure probity in the letting of contracts. However, this involves the application of time and resources.
- Many councils are having to undertake urgent bushfire protection, recovery, and remediation operations to assist their communities.
- While the Act provides several exceptions to the tendering requirements, the Government has provided a specific exception targeted at the current bushfire crisis.
- This provision will provide affected councils with greater certainty as to the availability of an exception, while allowing them to undertake urgent bushfire protection, recovery and remediation operations to help their communities recover and rebuild.
- Notwithstanding these temporary arrangements, councils should still strive to achieve best value for money in the expenditure of public funds.

Key points

- The NSW Government is committed to helping local councils and their communities recover and rebuild in the wake of the recent bushfire emergencies including cutting red tape.
- Many councils are having to undertake urgent bushfire protection, recovery, and remediation operations to assist their communities.
- The specific exemption to tendering requirements for councils will save time and resources when undertaking bushfire-related works.

Where to go for further information

- Contact OLG's Council Engagement Team by phone on (02) 4428 4100 or by email at olg@olg.nsw.gov.au.



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