

# Commercial Works - Council Policy

<b>Effective Date</b>	16 July 2014
<b>Policy Owner</b>	Senior Works Manager
<b>Link to Corporate Plan</b>	Financial Sustainability
<b>Review Date</b>	September 2024
<b>Related Legislation</b>	Local Government Act 2009
<b>Related Documents</b>	Contract and Tender Suite Fees and Charges

Policy Version	Approval Date	Adopted/Approved
1	16/07/2014	Ordinary Meeting of Council
2	17/08/2016	Ordinary Meeting of Council
3	23/09/2020	Ordinary Meeting of Council

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# Commercial Works - Council Policy

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## 1. PURPOSE

To provide direction in the agreement and execution of commercial works including the supply of goods and services.

## 2. SCOPE

This policy provides direction to staff in the principles in which Council will undertake commercial works on behalf of Council to better ensure that works are fully recovered and profitable.

## 3. POLICY

### 3.1 Entering into Commercial Works Arrangements

Council officers will only negotiate, tender or enter into commercial arrangements to provide goods and services where it is a cost plus, lump sum or schedule of rates arrangement that has been approved by the relevant officer giving due consideration to Council's availability, capacity and risk profile.

### 3.2 Profit

The default minimum target profit margin for commercial works is 10%, however the minimum profit margin may be altered on a project by project basis with appropriate approval from the relevant General Manager.

### 3.3 Formation of Works, Contracts and Payments

Council will only undertake commercial works where an appropriate written agreement or contract has been discharged by all relevant parties or a full payment has been made in advance by the applicant. Officers are required to utilise the appropriate contract mechanism to undertake the works giving due consideration to the value and risks involved. All payments unless otherwise negotiated are to be received within a maximum 28 days of invoice.

Council reserves the right to decline any commercial works and where Council wishes to reduce credit risk; it may require partial upfront payment or other acceptable form of guarantee.

