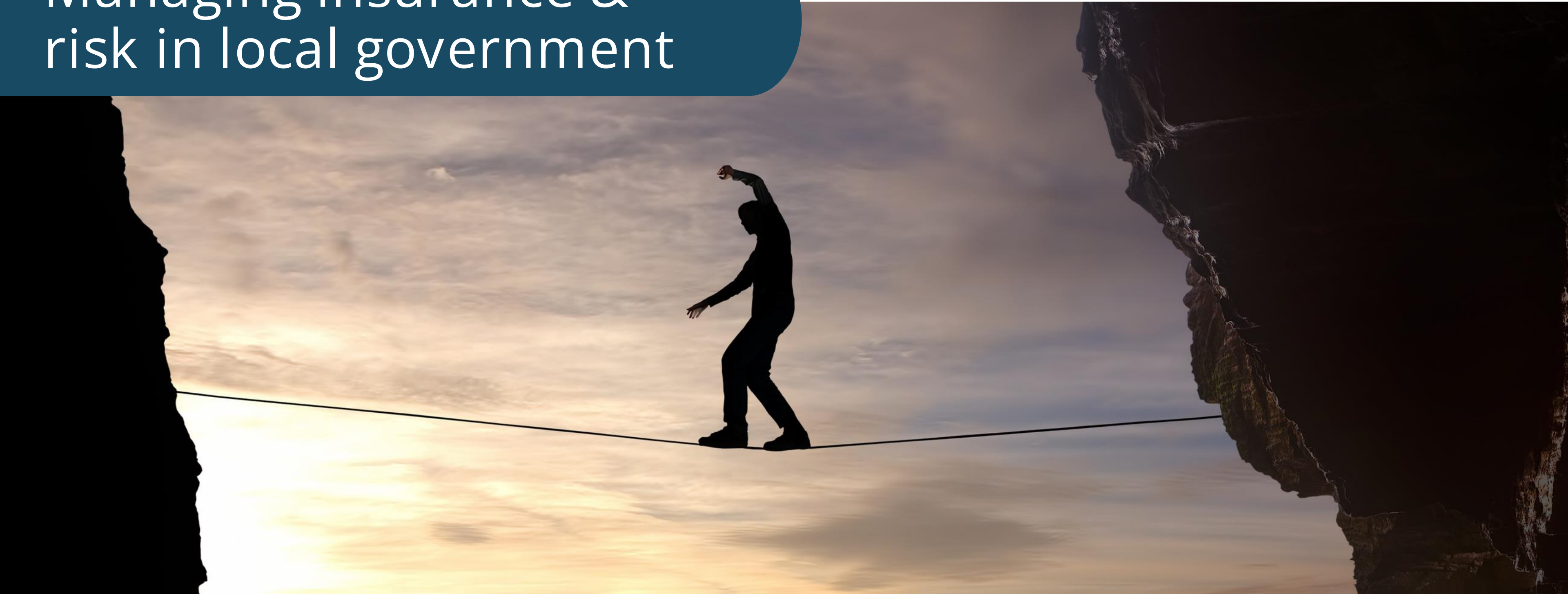
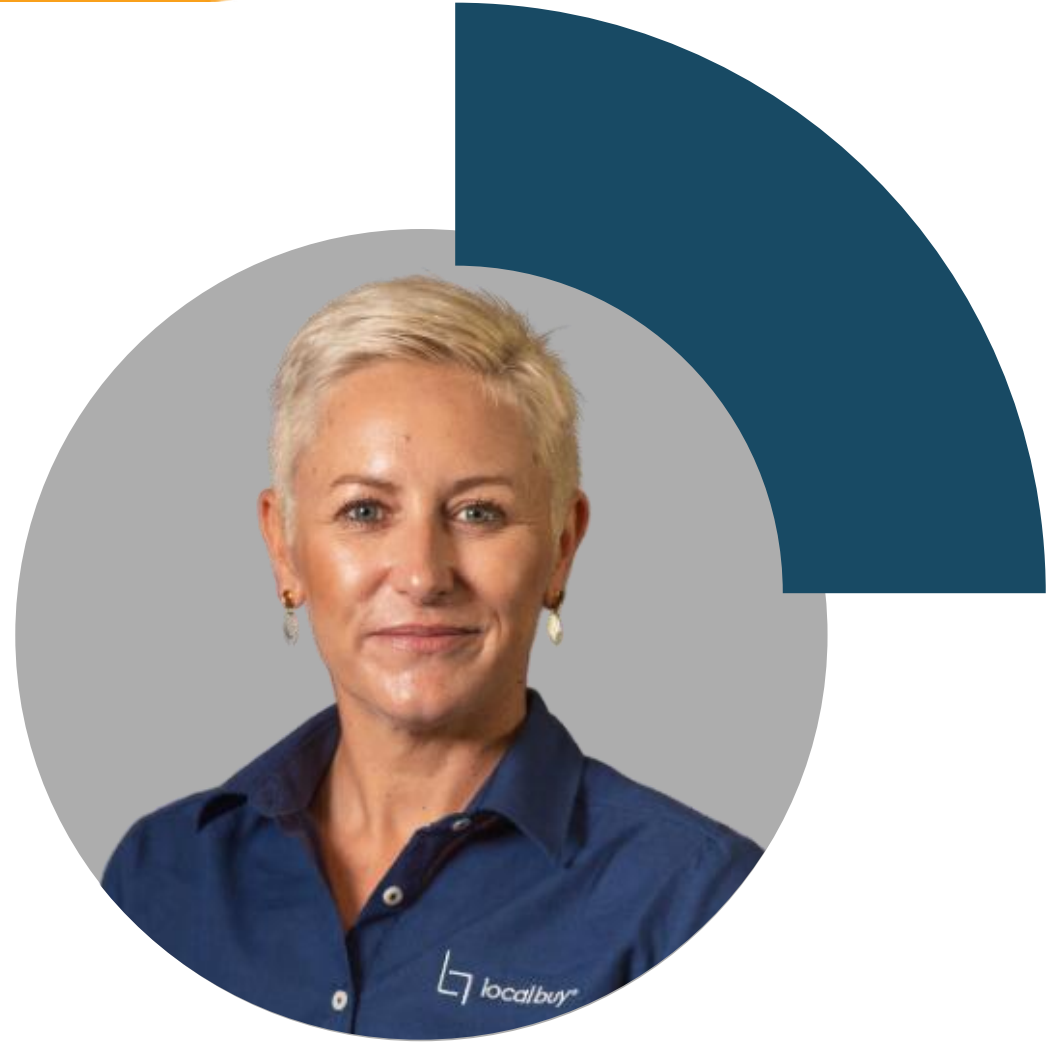


Managing insurance &  
risk in local government



# Introductions



**Emma Peters**  
Head of Engagement



**Debbie Spann**  
Category Manager

# Introductions



**Stephen White**  
*Partner*



**James Lynagh**  
*Special Counsel*



# Acknowledgement of Country

In the spirit of reconciliation, Local Buy acknowledges the Traditional Custodians of the land, respecting the lands and waters that give us life; into which the songlines, stories, ancestors, and dreaming's of Aboriginal and Torres Strait Islander peoples are woven.

We pay respect to all First Nations people and Elders past, present, and emerging.





# Who is Local Buy?

Local Buy is a wholly owned subsidiary of the Local Government Association of Queensland (LGAQ)

Created in 2001 to assist councils streamline procurement

A profit-for-purpose organisation we return all profits to LGAQ who use these funds to provide member services to Queensland Councils

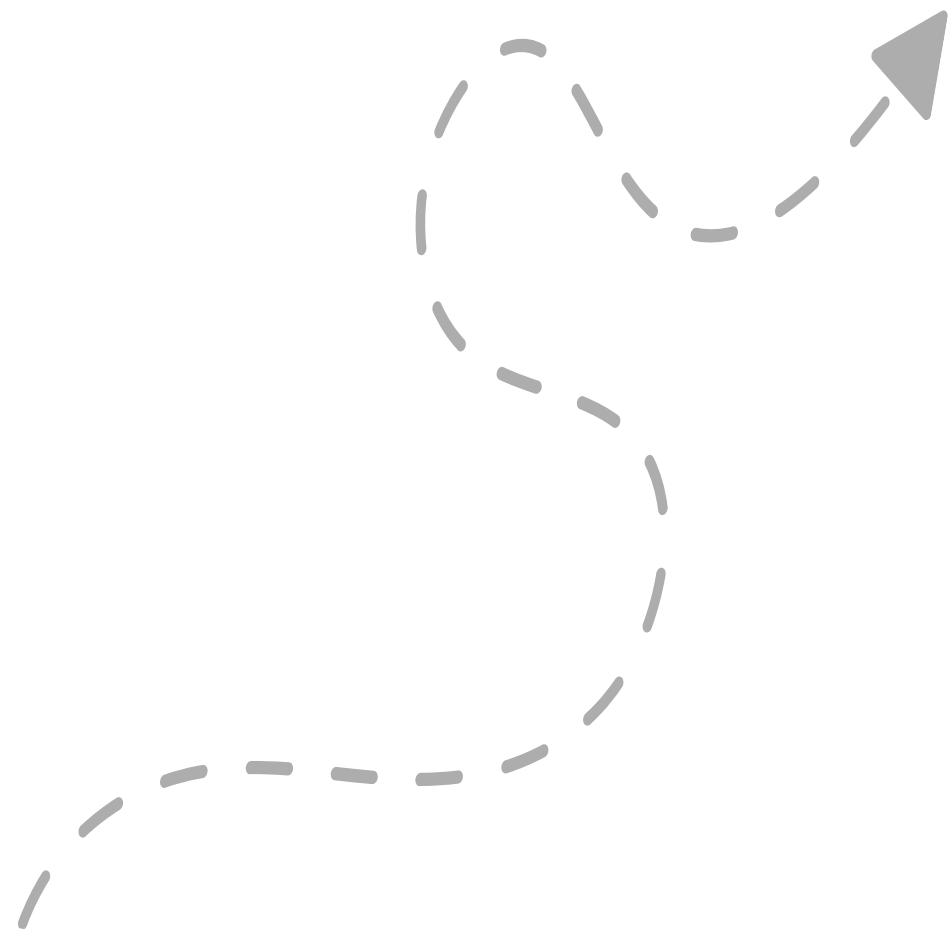


ADVANCING QUEENSLAND PROCUREMENT





# Queensland Default Procurement Rules



Large  
>\$200,000

Council must perform an open market tender

Medium  
\$15,000 -  
\$200,000

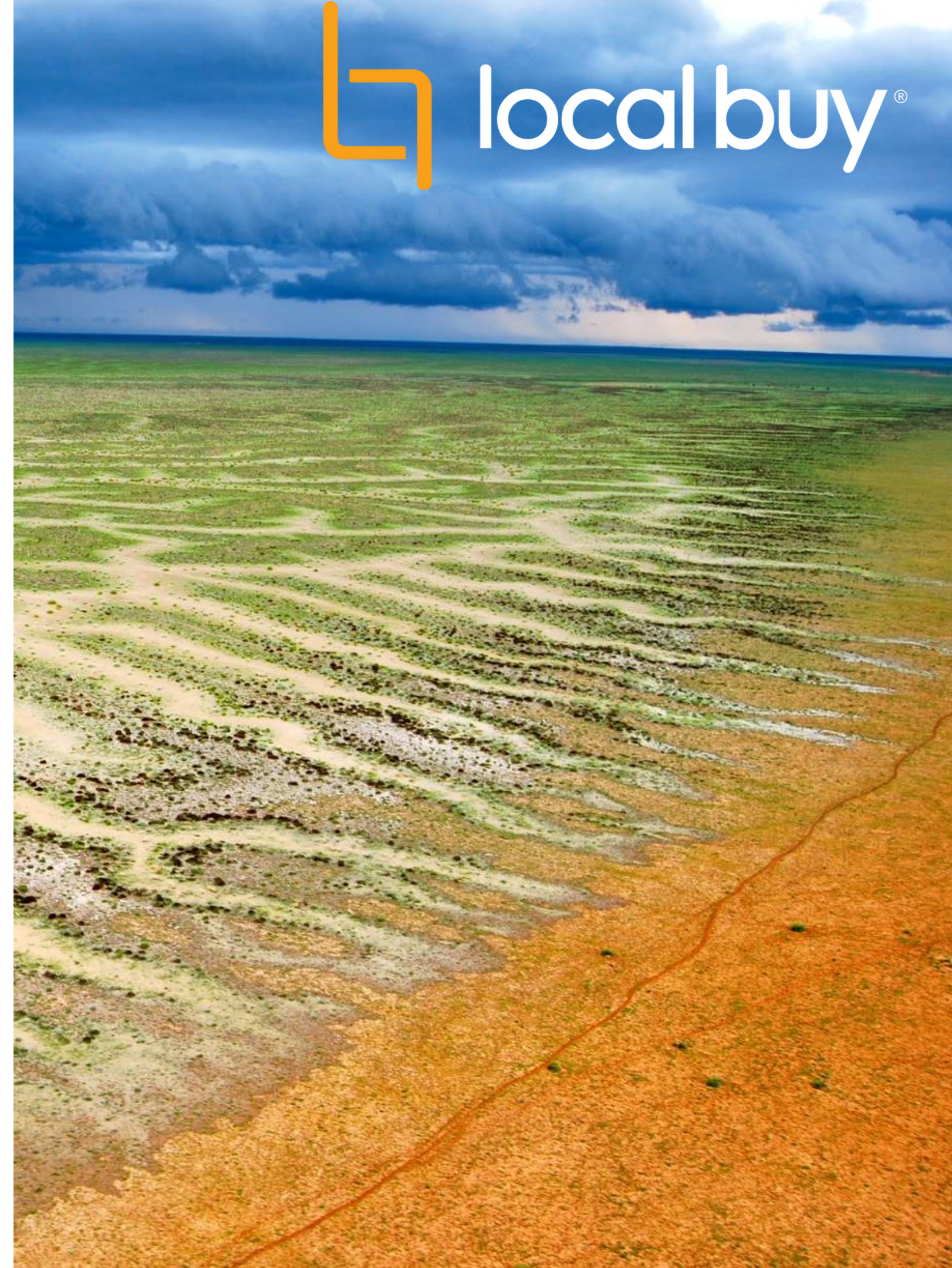
Council must obtain three written quotes



# Why use Local Buy (Non LG)

Which includes State Government, Federal Government, Not for Profit Entities, Charities, Educational Establishments and Government Owned Corporations.

- Best Practice
- Governance
- Probity
- Ease of Access to robustly prequalified suppliers
- Insurances, licenses, qualifications, and quality management provided
- Rate Cards for some arrangements
- Negates the need to perform tenders





Tendering is a long and arduous process for both buyers and suppliers!

- ➔ Preparation of Tender Documentation & Contracts.
- ➔ Open for at least 21 days (Local Gov)
- ➔ All Tenders must be evaluated, and many responses may be received.
- ➔ A risk that the preferred tenderer may be from outside the council area.
- ➔ The cost of tendering is around \$20,000 per tender for Local Government and \$5,000 for suppliers to respond.

# Tendering





# Why use Local Buy?

Local Buy simplifies Local Government Procurement.

Councils can procure through a Local Buy Arrangement to directly request quotes from our suppliers, rather than going to tender themselves through our exemption in the Regulations.

Significantly reduces time and resources in complying legislation through our exemption under the Local Government Regulations 2012.

Local Buy has formed 55 Pre-Qualified Supplier Arrangements, tailored to Local Government needs.

Local Buy Arrangements have pre-agreed terms and conditions for each arrangement which forms the contract between council and the supplier.





# Local Buy Arrangements

Local Buy allows councils to engage with suppliers over the Procurement Thresholds without performing Tenders or Requests for Quotes within Queensland, Northern Territory, and Tasmania.

This is why \$950M per year is procured through Local Buy Arrangements.





# Whole of Project Solutions





# New Infrastructure Arrangements

Outline of the new Local Buy Infrastructure Arrangements:

- ✓ LB329 – Building & Construction – Commercial Construction & Fit Out (inc: Asbestos and Demolition)
- ✓ LB331 – Building & Construction – Residential
- ✓ LB313 – Road and General Civil Construction \*
- ✓ LB314 – Water, Sewerage & Stormwater Infrastructure \*

Why are these so different from other Local Buy Arrangements?

*\* LB313 & LB314 replaced the old BUS270 Road, Water, Sewerage and Civil Works which expired 30 June 2024*



# Contract Documents



## General Conditions of Contract (GCC)

- *Supplier Contract with Local Buy*

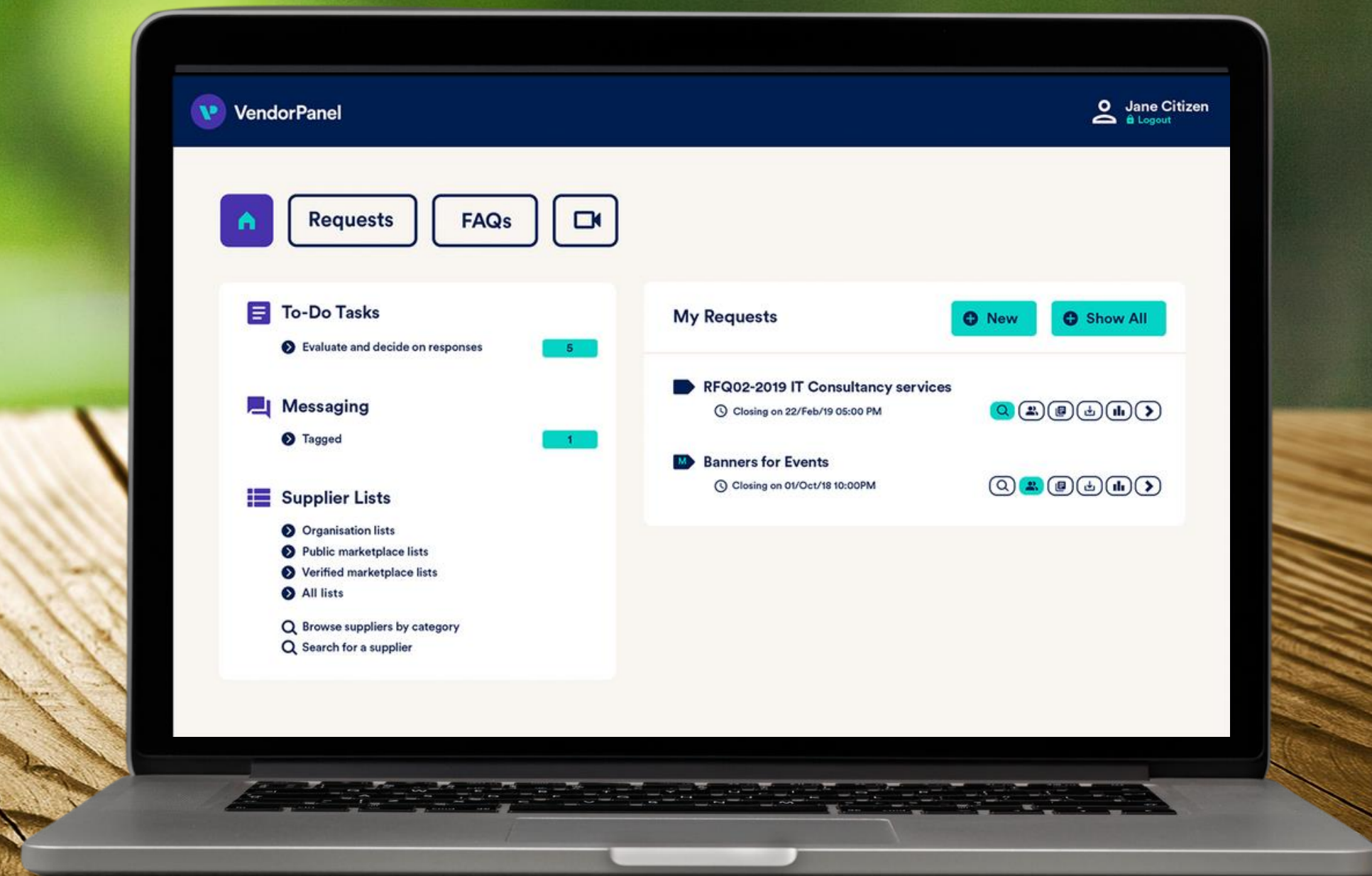
## General Purchaser Agreement Conditions

- *Local Buy bespoke contracts:*

- *Minor*
- *Medium*
- *Major Works*

## Specification

- *Scope and Categories*





# Guest Speakers

Lawyers | **McCullough  
Robertson**



**Stephen White**  
*Partner*



**James Lynagh**  
*Special Counsel*



# Insurance, indemnities and managing contractor risk allocation for construction and infrastructure projects.

Stephen White  
Partner

James Lynagh  
Special Counsel

21 November 2024







## ► Overview

- Insurance market
- Construction insurance market in Australia
- Classes of insurance
  - public liability
  - contract works
- Risk allocation
- Contract drafting
- Claims



## ► State of the insurance market





# ▶ Public liability insurance

- ▶ Covers liability for property damage and personal injury
- ▶ Operates on an occurrence basis
- ▶ “Insured”
  - named insured
  - extended definitions of insured
  - ‘principal’s extension’
- ▶ Principal’s extensions:
  - apply to relationship of principal and contractor
  - arising out of works
  - some limited to “vicarious liability”







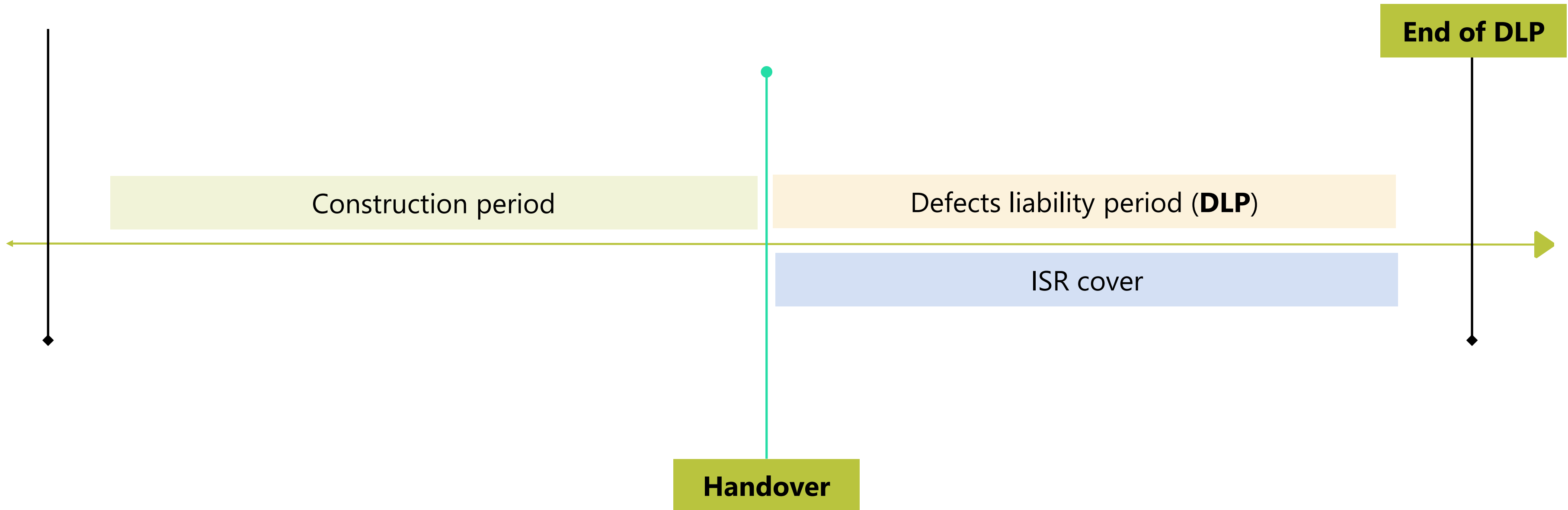
## ▶ **Contract works insurance**

- ▶ Two types:
  - annual policy
  - project specific policy
- ▶ Covers:
  - material damage to works
  - public and product liability
  - perils - fire, theft, vandalism, storm and flood, construction collapse
- ▶ Not covered:
  - wear and tear, damage from faulty design, contractual liability



# ► Contract works insurance

Period of cover





# ► Contract works insurance

Insured parties:

- Named insureds and subsidiaries
- Principals
- Contractors of any tier
- Consultants
- Financiers





# ► Risk allocation

## Risk allocation

- council / GOC arranges
- principal / developer arranges
- all parties arrange own cover

## Pros & Cons

- cost control
- hidden costs versus transparency
- dispute resolution versus litigation







## ▶ Contract drafting

- ▶ Indemnity clauses
  - neutral allocation of risks?
  - contractually assumed liability
- ▶ Insurance clauses
  - who is to be covered
  - class of insurance
  - duration of cover
  - limit of indemnity
  - disclosure of policy
  - payment of deductibles





## ► Contact



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**Disclaimer:** This presentation covers legal and technical issues in a general way. It is not designed to express opinions on specific cases. This presentation is intended for information purposes only and should not be regarded as legal advice. Further advice should be obtained before taking action on any issue dealt with in this presentation.



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# WANT TO KNOW MORE ABOUT YOUR COUNCIL'S COVERAGE?

We are here to help



(07) 3000 5555



Memberservicesqld@jlta.com.au



<https://www.lgms.net.au/>



Local Government Mutual Services

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# Upcoming Events



ADVANCING QUEENSLAND  
PROCUREMENT

## Local Buy Update & Vendor Panel Demonstration & Training for Councils 19<sup>th</sup> December 2024

*These sessions happen monthly for any clients who would like to know more!  
(Online & Free of charge)*

ICT & Construction Webinars planned for 2025  
More info on our Events Page soon!

FNQ Procurement Summit  
In collaboration with Cairns Regional Council  
20<sup>th</sup> March 2024



or visit: <https://www.localbuy.net.au/events-news-faq/event-calendar>



# We would love your feedback!



ADVANCING QUEENSLAND  
PROCUREMENT

If you have time today, we would appreciate it if you completed our short online feedback form.

This assists us in understanding how we can continue to provide the best experience possible.



*Scan me*



or visit: <https://www.surveymonkey.com/r/RDMNS76>