

Purchasing Policy

Policy Objective

To deliver a high level of accountability whilst providing a flexible, efficient and effective procurement framework.

Policy Detail

In accordance with the *Local Government Act 1995 (WA)* and *Local Government (Functions and General) Regulations 1996 (WA)*, this policy sets out the requirements in relation to contracts for the supply of goods and services.

1. Principles

1.1. Ethics and Integrity

The highest standards of ethics and integrity are to be observed in undertaking all purchasing activities. Employees will act in an honest and professional manner that supports the standing of the City and promotes a proud and collaborative community.

The principles, standards and behaviours as defined in this policy must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties.

Any information provided to the City by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or under relevant legislation.

1.2. Value for Money

Value for money is an overarching principle governing purchasing, that allows the best possible outcome to be achieved for the City.

An assessment of the best value for money outcome for any procurement activity should consider:

- a) all relevant Total Costs of Ownership (TCO) and benefits, including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal;
- b) the technical merits of the goods or services being offered in terms of compliance with specifications, user requirements, quality standards, sustainability, service benchmarks, contractual terms and conditions and any relevant methods of assuring quality;
- c) financial viability and capacity to supply without risk of default (competency of the prospective suppliers in terms of managerial and technical capabilities, financial viability of the supplier and any related entities and compliance history);

- d) a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable; and
- e) local business capability.

Whilst it is necessary to ensure purchasing is conducted within budget, the lowest price offer does not necessarily present the best value for money. As such it is important to ensure all of the above is taken into consideration when determining the most advantageous outcome for the City. Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

1.3. Other principles

The City is committed to sustainable procurement practices and seeks suppliers who operate with transparency and integrity and uphold fair labour practices. By embedding sustainable procurement practices, we uphold our social license to operate, maintaining public trust and minimising reputational risk. Suppliers are encouraged to align with our sustainability values, contributing to a positive impact and reducing the risks associated with non-compliance or unethical practices.

We aim to minimize our environmental footprint, promote social responsibility, and enhance the well-being of our communities.

Please refer to section 4 of this Policy for more information.

2. Purchasing Requirements

The City is committed to using the most efficient, effective and appropriate purchasing processes for the acquisition of goods or services. The purchasing requirements set out in the *Local Government (Functions and General) Regulations 1996* (the Regulations), this policy and the City’s Purchasing Work Instructions, System Procedures and must be followed when purchasing goods or services on behalf of the City.

2.1. Purchasing Thresholds

Purchasing Thresholds
<i>*All values in this policy are exclusive of GST</i>
<u>Up to and including \$1,000*</u>
<ul style="list-style-type: none"> • No quotations are required.
<u>\$1,001 up to and including \$10,000*</u>
<ul style="list-style-type: none"> • A minimum of one (1) quotation must be sought. • The quotation may be requested verbally, but it must be received or be evidenced in writing and attached to the purchase requisition per item 7.1 of this policy. • Quotations within this threshold may be obtained from: <ul style="list-style-type: none"> ○ an existing internal preferred supplier contract or panel of pre-qualified suppliers administered by the City; or ○ a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement (CUA); or ○ the open market.
<u>\$10,001 up to and including \$50,000* – Simple Quotation</u>

Purchasing Thresholds

- A minimum of two (2) written quotations must be sought.
- The quotations must be requested in writing and must be received or be evidenced in writing per item 7.2 of this policy.
- Quotations within this threshold may be obtained from:
 - an existing internal preferred supplier contract or panel of pre-qualified suppliers administered by the City; or
 - a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement (CUA); or
 - the open market.

\$50,001 up to and including \$250,000* – Formal Request for Quotation (RFQ)

- A minimum of three (3) written responses must be sought via a formal request for quotation (RFQ).
- The quotations must be requested in writing and must be received or be evidenced in writing per item 7.3 of this policy.
- The purchasing decision is to be based upon assessment of the suppliers' response to documentation provided as part of the formal assessment process.
 - a detailed written specification for the goods, services or works required; and
 - pre-determined selection criteria that assess all best and sustainable value considerations.
- An approved Request for Quotation template must be used when issuing a request for quotation.
- See point 2.2 below regarding additional circumstances justifying an RFQ.

Over \$250,000*

- Conduct a public tender process in accordance with Part 4 of the Regulations, this policy and the City's Purchasing Guidelines and processes, unless a tender exemption applies as set out in the Regulations and as listed under section 3 of this policy.
- The decision to invite tenders shall be determined via the relevant delegated authority, as detailed within the Delegations Register.
- An approved Request for Tender template must be used when issuing a request for tender.
- The Tender Exempt or Public Tender purchasing decision is to be based on the suppliers' response to:
 - A detailed specification; and
 - Pre-determined selection criteria that assess all best and sustainable value considerations.
- The purchasing decision is to be evidenced by completing a Purchasing Form and attaching it to the purchase requisition in the City's purchasing system and referencing the Tender number on the purchase requisition for a Public Tender.

Where there is a discretion to request quotations either verbally or in writing, it is important to consider the nature and complexity of the goods or services to be acquired. If the purchase is simple and straight forward a verbal request for quotation may suffice. However, where the scope of work is detailed and complex a written request for quotation will ensure suppliers fully understand and deliver on the City's requirements and expectations.

The principles for obtaining and recording both verbal and written quotations as outlined in this policy must be observed when seeking quotations.

2.2. RFQ: Other circumstances

Regardless of the value of the contract, a formal RFQ should be undertaken in the following circumstances:

- a) if the proposed transaction could have significant risk including, but not limited to, financial, legal or reputational consequences for the City;
- b) the proposed transaction will require the City to enter into a contract exceeding 12 months.

2.3. Contract Splitting Prohibited

It is a breach of the Regulations and this policy to enter into two or more contracts for the same or related supply for reason of avoiding or minimising the requirements of this policy. Such a breach might give rise to disciplinary consequences for the officer involved.

2.4. Record Keeping

In all circumstances where a written quotation is obtained under Section 2.1 of this policy, the following conditions must be met:

- a) a Purchasing Form is to be completed, including details of all quotations requested;
- b) an appropriate supervising officer of a level not lower than Coordinator and with the appropriate delegation is to authorise the Purchasing Form; and
- c) the Purchasing Form is to be evidenced and recorded per item 13 of this policy.

3. Purchasing Exemptions

3.1. Quotation and Tender Exemptions

Tenders do not have to be publicly invited according to the requirements of the Regulations if listed in regulation 11(2) of the Regulations. Please refer to the Regulations for the exempted transactions.

The following transactions, in addition to those listed in the Regulations, do not have to satisfy the purchasing requirements included in section 2 of this policy in the following circumstances (where this is applicable, a purchasing form must be completed per Section 3.4 of this policy):

- a) a genuine sole source of supply exists;
- b) the provision of goods or services is provided under warranty or relates to specific manufacturer repairs;
- c) the purchase is from a pre-qualified supplier on the WALGA Preferred Supply Program or CUA;
- d) the purchase is from a pre-qualified supplier under a Panel established by the City, in accordance with Division 3 of Part 4 of the Regulations (see section 11.3 of this policy);
- e) the purchase is under auction which has been authorised by Council;
- f) the purchase is from a Regional Local Government or another Local Government;
- g) the purchase is for Goods or Services supplied by a person registered on the Aboriginal Business Directory WA published by the Chamber of Commerce and Industry of Western Australia Ltd or with the Australian Indigenous Minority Supplier Office Ltd (trading as Supply Nation) only where the contract value is worth \$250,000 or less.
- h) the purchase is for legal services (Quotations only);
- i) the purchase is for the provision, maintenance or support of software and specifically associated hardware where:

- (i) because of the unique nature of the goods or services required, it is unlikely that there is more than one potential supplier (Quotations only); or
- (ii) the supply relates to maintenance and support, by the software supplier or their recommended contractor, of software and specifically associated hardware currently licensed for use by the City (Quotations only).
- j) the purchase relates to the provision of banking services and a triennial review of fees is conducted to ensure the current provider's rates remain advantageous to the City;
- k) the purchase relates to fees associated with the sale or purchase of property, plant and equipment;
- l) the purchase is from a specific supplier in accordance with an agreement as approved by Council;
- m) contributions towards the ongoing operations and maintenance of Council's aged accommodation;
- n) the purchase is for goods or services supplied by an Australian Disability Enterprise where a value for money assessment demonstrates benefits to achieve the City's strategic and operational objectives;
- o) where State owned Service Authorities or their nominated contractor/partner is the only party permitted to maintain, renew, upgrade or relocate infrastructure controlled or owned by them;
- p) the audit of the Annual Financial Report as carried out by the Office of the Auditor General
- q) the purchase is during a public health emergency¹ or state of emergency², and there are insufficient suppliers from which to obtain the prescribed number of quotations (Quotations only); or
- r) the prescribed number of quotations was requested, however one or more of the suppliers did not respond to the request despite the City's best efforts to obtain the quotations (Quotations only).

It should be noted that payments made to third parties that don't reflect a purchase of goods or services (e.g. grants to community groups, donations, refunds of unused grants, rates refunds, etc.) are exempt from this policy.

3.2. Modified Quotation and Tender Requirements

The purchasing threshold requirements for obtaining quotations or calling for public tenders may be modified in the following circumstances:

- a) One written quotation is required where graphic design, printing, advertising and marketing services are purchased through WALGA or CUA preferred suppliers who hold current branding styles formats and layouts established in accordance with the City's Style Guide;
- b) One written quotation is required where light fleet is to be purchased from WALGA or State Government CUA preferred suppliers;
- c) One written quotation is required for construction projects where the value of the contract is less than or equal to \$50,000; or
- d) Two or more written quotations are required for construction projects where the value of the contract is more than \$50,000 but less than or equal to the tender threshold, in accordance with the Regulations.

¹ As declared under the *Public Health Act 2016* section 167.

² As declared under the *Emergency Management Act 2005* section 56

3.3. Exemptions from Quotations, Tenders and Purchase Orders

Neither a purchase order nor quote is required for the provision of goods and services in the following circumstances:

- a) utilities including water, electricity, gas and telephone;
- b) insurances;
- c) payments made through payroll;
- d) statutory fees, payments and charges including development contributions, bank fees, court lodgement fees and statutory damages, infringements and penalties;
- e) loan repayments;
- f) contributions to the Faulkner Park Retirement Village Board of Management;
- g) membership renewals and subscriptions; or
- h) purchases or reimbursements which are more practically served by other internal forms. This includes but is not limited to petty cash reimbursements, conference and approved council activity reimbursements and other reimbursements such as rate and bond refunds.

3.4. Exemptions: Record Keeping

Where a purchasing exemption applies under section 3 of this policy, the following conditions must be met:

- a) a Purchasing Form is to be completed, including details of all quotations requested;
- b) the applicable method of quotation is to be indicated (Exempt, Waiver etc.)
- c) the respective Director or CEO's approval with the appropriate delegation is to authorise the Purchasing Form; and
- d) the Purchasing Form is to be evidenced and recorded per item 13 of this policy.

4. Sustainable Procurement

The City is committed to providing a preference to suppliers that demonstrate sustainable business practices. Where appropriate, the City shall endeavour to provide an advantage to suppliers demonstrating that they minimise environmental and negative social impacts and provide benefits to the local economy. Functional considerations must be balanced against value for money outcomes and expectations in accordance with the City's sustainability objectives.

The City shall undertake best endeavours to not knowingly purchase products or services that are produced under conditions of employment (including health and safety) that do not meet international conventions or labour laws or have negative social impacts.

To this extent, a qualitative weighting may be afforded in the evaluation of quotes and tenders where suppliers can demonstrate sustainability and/or CSR policies and practices that have been implemented.

4.1. Local Business Purchasing Preference

When assessing the relative merits of quotations and tenders the City shall give preference for the supply of goods and/or services in the following order of priority provided that proposed price, service, environmental impact and quality of these goods and/or services offered by two or more suppliers are assessed as being considered equal.

- First Local (City of Belmont) Products and/or Services
- Second State Products and/or Services

- Third Australian Products and/or Services
- Fourth Products and/or Services elsewhere

A qualitative weighting may be applied in evaluating quotes and tenders where suppliers are located within the boundaries of the City, or substantially demonstrate a benefit or contribution to the local economy.

4.2. Procurement from Disability Enterprises

Pursuant to Part 4 of the Regulations, the City is not required to publicly invite tenders if the goods or services are to be supplied from an Australian Disability Enterprise, as registered on <https://buyability.org.au/>. This is contingent on the demonstration of value for money.

Where possible, Australian Disability Enterprises are to be invited to quote for supplying goods and services under the tender threshold. A qualitative weighting may be afforded in the evaluation of quotes and tenders to provide advantages to Australian Disability Enterprises

4.3. Procurement from First Nations Businesses

Where possible, Aboriginal businesses are to be invited to quote for the supply of goods and services under the tender threshold. A qualitative weighting may be afforded in the evaluation of quotes and tenders to provide advantages to Aboriginal owned businesses or businesses that demonstrate a high level of Aboriginal employment.

4.4. Application of Other City Policies

When purchasing goods and services consideration should also be given to the application of the following policies:

- Environmental Purchasing Policy.
- IT Acquisition and Development Security Policy
- Privacy and Responsible Information Sharing
- Data Breach Policy

4.5. Compliance with other legislation

4.5.1. Modern Slavery

The City will ensure all steps are taken to reduce the risk in procuring goods and/or services that support modern slavery. This includes compliance with the *Modern Slavery Act 2018 (Cth)* in respect to;

- the assessment of modern slavery statements from required businesses;
- the use of specific criteria in formal evaluations on modern slavery;
- monitoring contracts and taking action on non-compliance, as required; and
- providing awareness training to staff

4.5.2. Reportable Conduct Scheme

Local Governments are subject to the Western Australian Reportable Conduct Scheme (the Scheme) that was established under the Parliamentary Commissioner Amendment (Reportable Conduct) Act 2022 (the Act). The Scheme is intended to prevent harm to children by holding organisations accountable for the conduct of their staff. Under the Scheme, “staff” includes contractors, and contractors must comply with the Scheme and are bound by the Scheme.

4.5.3. Security of Payments

The *Building and Construction Industry (Security of Payment) Act 2021* now has clear requirements for the payment of contractors and subcontractors engaged in building work (as defined) and these will need to be included, where relevant, in a contract.

The City may choose to reserve its rights available to it under the *Building and Construction Industry (Security of Payment) Act 2021*.

5. Contracts over the tender threshold in the Regulations.

Where the value of a contract for the provision of any goods or services is greater than the tender threshold set out in the Regulations, then:

- the tender provisions of the *Local Government Act 1995 (WA)* and the Regulations apply; and
- the contract may be exempt from the requirement to tender in accordance with the Regulations.

6. Variations to Contract

6.1. Minor Variations

A minor variation is defined as a variation that the local government is satisfied is minor having regard to the total goods or services that tenderers were invited to supply and:

- Does not alter the nature of the goods and/or services procured; and
- Does not materially alter the specification, structure or risk profile provided for by the initial tender; and
- Is within the approved budget for the project

Any variations that exceed these criteria will be deemed a major variation.

6.2. Pre Contract

Minor variations to the scope of work specified in a tender, following the receipt of submission, but prior to entering into a contract, can to be made with the relevant approval under the Delegation Register. Any major amendments to the scope or risk profile of a contract at this time must be treated as a separate supply and dealt with under this policy as if it were a new contract.

6.3. Post Contract

Any major amendments to the scope of a contract after the contract has been executed must be approved according to the Delegations Register and may need to be endorsed by Council.

7. Assessment and Decision Making

When considering quotations submitted under this policy a decision may be taken either to:

- a) not accept any quotation; or
- b) accept the quotation which will be most advantageous for the City.

7.1. Written Quotations

Any written submission of quotation must be registered in the City's records system and attached to the purchase requisition in the City's purchasing system as per the applicable purchasing threshold in item 2.1 of this policy.

7.2. Simple Quotation

Where a simple quotation is required under this policy then a minimum of two (2) written quotations must be requested and then reviewed and approved by the appropriate delegated authority, as detailed within the Delegations Register.

7.3. Formal Request for Quotation

Where a formal RFQ is required under this policy then a written evaluation must be undertaken by a group of at least three people and reviewed by a Director or the CEO. In addition to the written quote requirements, a written record must be made of the formal assessment and the Purchasing Form must be authorised with the relevant delegation of authority as detailed within the Delegations Register.

In addition to the requirements of section 2.1 of this policy, a formal RFQ must be carried out if the contract could have significant risk factors (financial, legal or reputational) consequences regardless of the actual value of or consideration exchanged in the contract. (refer item 2.2)

7.4. Tender

Where a tender is required under this policy then a written evaluation must be undertaken by a group of at least three people and reviewed by a Director or the CEO. In addition to the written quote requirements, a written record must be made of the formal assessment and the Purchasing Form must be completed and attached to the purchase requisition.

The tender number, as ascertained by Procurement and Contracts, must be noted in the comments field of the purchase requisition.

8. Ongoing vs Separate Supply

The City may use the same supplier for goods and services from time to time. In this situation, each separate supply will be treated as a separate contract unless:

- a) there is an intention for that supplier to supply similar goods and services on a regular basis;

- b) there is an understanding that the supplier will offer the City discounted rates in expectation that the supplier will be engaged to provide goods and services on a regular basis;
- c) the supplier is providing goods or services under an existing tender, or
- d) a relationship develops over any period of time that evidences an intention to purchase goods and services from the supplier on a regular basis.

Under these circumstances the estimated value of the purchases over a three year period should be considered when applying this policy.

9. Authorisation of Expenditure

9.1. Awarding Quotations/Tenders

Acceptance of quotations and tenders and the authorisation of expenditure shall comply with the relevant delegation of authority as detailed within the Delegations Register.

9.2. Raising of Purchase Orders

When ordering goods and services the purchase order must be provided to the supplier, which is to be based on the agreed schedules of rates, effectively contracting the City to the purchase of that supply. This includes those supplies purchased under a tender or preferred supplier arrangement. Other than emergency situations, if an employee commits the City to the purchase of goods and services without a valid purchase order, that will be a breach of this policy.

A purchase order is not required for the provision of goods and services exempt from the quotations or tenders and purchase orders in accordance with section 3.3 of this policy.

9.3. Payment Methods

Where the City holds an account with a supplier a Purchase Order should be issued in the first instance.

If the purchase is a one off purchase or the supplier does not accept Purchase Orders the following payment methods may be used in limited circumstances:

- a) Corporate Credit Card (the requirements of Council's Corporate Credit Cards Policy apply); or
- b) Petty Cash (the requirements of Council's Petty Cash Policy apply); or
- c) Reimbursements.

The commitment of expenditure using any of the above payment methods must comply with the relevant delegation of authority as detailed within the Delegations Register.

9.4. Blanket Orders

Blanket orders should be used when there are repetitive and pre-specified purchases from the same supplier. This would be the case where the units and nature of the goods/services ordered are known or can be reliably estimated. Blanket orders must be raised for the full financial year and reflect the expected cost over the financial year.

9.5. Emergency Purchases

Where no relevant budget allocation is available for an emergency purchasing activity then, in accordance with s.6.8 of the *Local Government Act 1995 (WA)*, the Mayor must authorise, in writing, the expenditure prior to it being incurred.

The application of emergency expenditure is to be used in limited circumstances for genuine emergency situations only. Dependent on the nature of the emergency, it may be determined that only a portion of the required goods or services will be obtained via emergency expenditure. The remainder of expenditure will then need to comply with the requirements of section 2.1 of this policy.

9.6. Sole Source of Supply

A 'sole source of supply' may exist if the required goods or services are of a unique nature, and it is unlikely that there is more than one potential supplier of the specific good/service. The application of a sole source of supply should only occur in limited cases, where the City can evidence that there is only one source of supply. The City must use its best endeavours to determine if the sole source of supply is genuine by exploring if there are any alternative sources of supply.

All purchases from a sole source of supply must be approved in advance and evidenced in accordance with section 3.4 of this policy.

9.7. Testing the Market

Prior to entering into a quotation or tender process, the following purchasing methods can be used to formally test the market.

1. A Request for Proposal (RFP) may be used when the goods or services to be purchased are not definable and the goal is to receive a solution to a problem and a quote for the solution; or
2. An Expression of Interest (EOI) may be called prior to a Request for Tender (RFT) to ascertain market ability to provide the goods or services due to the specialised nature of the goods or services or the cost of preparing plans, specifications or other information.

If after testing the market, the decision is made to continue with the purchase of goods or services, the requirements of the relevant purchasing threshold must be observed.

9.8. Health and Safety

With all purchasing decisions, consideration must be given to the relevant health and safety implications of the goods or services being sought. A risk assessment should be completed prior to the purchase of new or unfamiliar services, plant, equipment, products or chemical substances to ensure the purchase meets relevant statutory requirements and is suitable and safe for the purpose intended.

When a Contractor is engaged to carry out works either in full, or in part on City premises or worksites, the requirements as detailed within the City's Contractor OHS Induction shall apply.

9.9. Regulatory Compliance – Tenders

9.9.1. No Compliant Tenders Received

Where the City has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis that:

- a) the specification for goods or services remains the same;
- b) a minimum of three written quotations are obtained, as per the requirements for seeking quotations between the \$50,001 and \$250,000 threshold; and
- c) the purchasing is arranged within six (6) months of the closing date of the lapsed tender.

Alternatively, a Council Resolution may be obtained to negotiate directly with a selected supplier.

10. Panels of Pre-Qualified Suppliers

In accordance with Regulation 24AC(1) of the Regulations, the City may establish a panel of pre-qualified suppliers (Panel) if there is, or will be, a continuing need for particular goods or services.

Should the City determine that a Panel would be beneficial, then the establishment of that Panel must comply with Part 4, Division 3 of the Regulations.

10.1. Establishing a Panel

The decision to establish a Panel shall be determined via the relevant delegation of authority, as detailed within the Delegations Register.

Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the Panel.

Panels are to be established for a minimum term of one (1) year and up to a maximum term of three (3) years, inclusive of any options to extend or renew the contract.

Where a Panel is to be established, the City will endeavour to appoint at least three (3) suppliers to the Panel or each category within the Panel, on the basis that best value for money is demonstrated. A minimum of two (2) suppliers are required to establish a Panel, or for appointment to a category within the Panel.

When the City invites suppliers to apply to join a Panel, the invitation must include:

- a) the evaluation criteria to be used to assess the applications;
- b) the expected number of suppliers that the City intends to put on the Panel;
- c) a description of how work will be distributed amongst the Panel members;
- d) what will happen if a Panel member decides to leave the Panel; and
- e) whether or not the City intends to purchase the goods or services exclusively from the Panel.

Should a Panel member decide to leave a Panel, they may be replaced by the next ranked supplier as determined by the assessment of applications to join the Panel. A Panel member can only be replaced if this consideration is detailed, as per item (d) above, in the invitation to join a Panel.

In the event that a Panel member leaves a Panel and this results in the Panel being reduced to one (1) Panel member and the City is unable to replace the Panel member, then that Panel must be disbanded.

10.2. Distributing Works Amongst Panel Members

When establishing a panel of pre-qualified suppliers, the City must pre-determine how work will be distributed amongst the Panel members. The City may utilise a Panel by applying one of the following three methods:

- 1) Seek quotations from each pre-qualified supplier on the Panel with respect to all purchases;
- 2) Purchase goods or services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or
- 3) Develop a ranking system for selection to the Panel, with work offered to the highest ranked pre-qualified supplier in the first instance. Should the offer be declined or the supply cannot be commenced and/or delivered within a specified time, the work will be offered to the next ranked supplier, and so on.

In every instance, a contract must not be entered into with a pre-qualified supplier for an item of work beyond 12 months, which includes options to extend or renew the contract. For any item of work that will exceed 12 months, the Purchasing Threshold Values in section 2 of this policy apply.

Where each Panel member has been invited to bid on an item of work, however all Panel members decline the invitation for whatever reason, the City may invite suppliers that are not pre-qualified under the Panel. Purchasing conducted outside of the Panel arrangement must be in accordance with the Purchasing Threshold Values and Practices in section 2 of this policy.

10.3. Purchasing from the Panel

Each quotation process from start to finish, including all communications with Panel members must be captured in the City's record keeping system.

10.4. Evaluation Criteria

In accordance with Part 4 of the Regulations, before the City invites tenders or applications to join a panel of pre-qualified suppliers (panel applications), it must determine in writing the criteria for deciding which tenders/panel applications should be accepted.

As such Council has delegated authority to the CEO to invite tenders and panel applications and determine evaluation criteria in accordance with this policy. This delegation only applies where there is an appropriate provision made in the budget.

11. Roles and Responsibilities

It is the responsibility of all staff to ensure that they adhere to the requirements of this policy in conjunction with the related policies, processes and legislation to ensure effective and transparent procurement practices are observed.

12. Records Management

All records associated with procurement must be recorded and retained as per the Council's Record Keeping Policy, System Procedures and the *State Records Act 2000*.

13. References to Related Documents

- *Local Government Act 1995*
- *Local Government (Administration) Regulations 1996*

- *Local Government (Functions and General) Regulations 1996* (Part 4 – Tenders for Providing Goods or Services)
- Code of Conduct
- City of Belmont Delegations Register
- Corporate Credit Cards Policy
- Petty Cash Policy
- Environmental Purchasing Policy
- IT Acquisition and Development Security Policy
- SP16 Procurement
- SP23 Contract Management
- SP24 Management of Contract Variations
- Work Instruction - Raising a Requisition
- PM Quotations Process
- Privacy and Responsible Information Sharing Policy
- Data Breach Policy

14. Definitions

CEO means the Chief Executive Officer of the City.

City means the City of Belmont.

Construction project means substantial building construction, building alteration, building maintenance, road construction, landscaping, playground or drainage projects but excludes minor or routine works.

Contract means any agreement or response to tender or invitation to quote, or there is an intention to purchase goods and services from the supplier on a regular basis.

CUA means a Common Use Arrangement.

PAU means the Procurement Advisory Unit

Regulations means the *Local Government (Functions and General) Regulations 1995 (WA)*

Total cost of ownership means all transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal

WALGA means the Western Australian Local Government Association.

15. Appendix 1 – Summary of Common Procurement Requirements

Procurement Value (2.1)	Procurement Method	Min. # Quotes	Initiation Document	Request Document	Record Keeping	Recommendation Document	Notice of Outcome
Up to \$1,000	RFQ	N/A	Informal	Informal	N/A	Not required	Direct contact with suppliers using purchase order
\$1,001 to \$10,000	RFQ	1	Informal	Informal	Quote attached to Purchase Requisition	Not required	Direct contact with suppliers using purchase order
\$10,001 to \$50,000	RFQ – Simple Quotation	2	Informal	Informal	Quotes to be recorded on ECM and Purchasing Form attached to Purchase Requisition	Purchasing Form	Purchase order and informal email
\$50,001 to \$250,000	RFQ – Formal Quotation	3	RFQ Form	RFQ Form & Formal RFQ Template	Quotes to be recorded on ECM and Purchasing Form attached to Purchase Requisition	Evaluation Scorecard Evaluation Workbook	Formal letter templates for RFQ
\$250,000 & Over and tender exempt	RFT	3	RFT Form	Formal RFT Template	All Request for Tender (RFT) documentation is to be recorded in ECM and Purchasing Form attached to Purchase Requisition	Report to Procurement Advisory Unit Report to CEO	Formal letter templates for RFT
\$250,000 & Over and not tender exempt	RFT	3	RFT Form	Formal RFT Template	All Request for Tender (RFT) documentation is to be recorded in ECM and Purchasing Form attached to Purchase Requisition	Report to Procurement Advisory Unit Report to Council	Formal letter templates for RFT

*Procurements \$50,000 and over (shaded rows) must be conducted in conjunction with the Procurement and Contracts team.

*Excludes EOI & RFA. These procurement methods are uncommon. Procurement and Contracts team is to be consulted on a case by case basis.

*Public tender can be called in lieu of RFQ if it is deemed appropriate or beneficial.

This Policy is supported by:	
Policy No:	CP29
Strategic Community Plan:	Key Performance Area: Performance Outcome: 10. Effective leadership, governance and financial management.
Register of Delegations:	1.1.14 Procurement: Tenders, Tender Exemptions; Purchases (\$50,000-\$250,000) & Associated Contract Variations
Service Area:	Corporate and Governance
Policy Owner:	Manager Finance
Policy Stakeholder:	N/A
Amendment Status:	
Date of Amendment	Status of Amendment
03/04/07	
28/04/09	
22/11/11	
25/06/13	
28/10/14	Review - Minor
22/09/15	Major
27/09/16	Review - Major
22/08/17	Review - Major
25/09/18	Review - Major
10/12/19	Review - Major
24/05/22	Review - Moderate
22/08/23	Review - Minor
10/12/24	Review - Major