

COUNCIL POLICY 4.9 PROCUREMENT OF GOODS AND SERVICES			
CURRENT POLICY CONTENT	PROPOSED CONTENT	CHANGE NOTES	COUNCIL COMMENTS
<p>Please Note for this column:</p> <ul style="list-style-type: none"> <li>Current policy content denoted in <b>red text</b> have been removed from the policy and added to an Operational Manual</li> <li>Current policy content denoted in <b>red strikethrough text</b> removed in its entirety</li> </ul>			
<p><b>STRATEGIC THEME</b> Leading</p>	<p><b>STRATEGIC THEME</b> Leading</p>	No change.	Click or tap here to enter text.
<p><b>OBJECTIVES</b> The City of Greater Geraldton's procurement activities will:</p> <ol style="list-style-type: none"> <li>Achieve best value for money that considers sustainable benefits, such as; environmental, social and local economic factors;</li> <li>Foster economic development by maximising participation of local businesses in the delivery of goods and services;</li> <li>Use consistent, efficient, ethical and accountable purchasing processes and decision-making, including; competitive quotation processes, assessment of best value for money and sustainable procurement outcomes for all purchasing activity, including tender exempt arrangements;</li> <li>Apply fair and equitable competitive purchasing processes that engage potential suppliers impartially, honestly and consistently;</li> <li>Commit to probity and integrity, with all processes, evaluations, and decisions to be transparent, and free from bias;</li> <li>Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; including the avoidance of bias and of perceived and actual conflicts of interest;</li> <li>Comply with the Local Government Act 1995, Local Government (Functions and General) Regulations 1996, other relevant legislation, Codes of Practice, Standards and the City's Policies and procedures;</li> <li>Ensure purchasing outcomes contribute to efficiencies (time and resources) for the City.</li> <li>Identify and manage risks arising from purchasing processes and purchasing outcomes in accordance with the City's Risk Management framework;</li> <li>Ensure all purchasing activities including processes, evaluations, and decisions are comprehensively recorded in accordance with the State Records Act 2000, audit requirements, relevant legislation, and applicable City policies;</li> <li>Ensure confidentiality that protects commercial in confidence information and only releases information where approved or required though relevant legislation.</li> </ol>	<p><b>OBJECTIVES</b> The purpose of this Policy is to outline the City's commitment and approach to achieving value for money in an equitable and transparent manner when purchasing goods and services. This Policy is required to ensure compliance with the <i>Local Government Act 1995 (WA)</i> and the <i>Local Government (Functions and General) Regulations 1996 (WA)</i>.</p>	<p>Shortening wording of Policy, retaining intention: compliance, value for money, probity, and transparency.</p>	<p>Click or tap here to enter text.</p>
<p><b>POLICY STATEMENT</b> The City of Greater Geraldton (the "City") is committed to applying the objectives, principles and practices outlined in this Policy, to all purchasing activity and to ensuring alignment with the City's strategic and operational objectives.  Procurement processes and practices to be complied with are defined within this Policy, the City procurement processes and the Western Australian Local Government Association (WALGA) Procurement Handbook</p>	<p><b>POLICY STATEMENT</b> The City is committed to efficient, economical, and sustainable procurement activities through systems and practices which:</p> <ol style="list-style-type: none"> <li>ensure goods and services are obtained in an equitable and transparent manner,</li> <li>comply with applicable legislation, and</li> <li>deliver value for money.</li> </ol> <p>This Policy covers all procurement activity undertaken by Council Members and City employees.</p>	<p>Clarified the statement to clearly identify the City's objectives. Clear addition of Council Members to remit of Policy as responsible for award of tenders.  Removal of reference to WALGA Procurement Handbook as there is no longer one published.</p>	<p>Click or tap here to enter text.</p>

<p><b>POLICY DETAILS</b></p> <p>1. <b>Ethics &amp; Integrity</b></p> <p>1.1. <b>Code of Conduct</b></p> <p>The City's Code of Conduct applies when undertaking purchasing activities and decision making, requiring Council Members and employees to observe the highest standards of ethics and integrity and act in an honest and professional manner at all times.</p> <p>1.2. <b>Code of Business Ethics</b></p> <p>City Suppliers servicing the City shall <b>at all times</b> comply with the City's Code of Business Ethics to ensure the highest standard of ethics and integrity in <b>procurement activities</b>.</p> <p>2. <b>Value for Money</b></p> <p>2.1. <b>Defining Value for Money</b></p> <p>2.1.1. <b>Value for money</b> is determined when the consideration of price, risk, and qualitative factors are assessed to determine the most advantageous outcome to be achieved for the City. As such, purchasing decisions must be made with greater consideration than seeking lowest price, but also to incorporate qualitative and risk factors into the decision.</p> <p>2.1.2. The City will apply <b>value for money</b> principles in critically assessing purchasing decisions and acknowledges that the lowest price may not always be the most advantageous.</p> <p>2.1.3. Full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving <b>value for money</b> for the City.</p> <p>2.2. <b>Assessing Value for Money</b></p> <p>An assessment of the best <b>value for money</b> outcome for any purchasing process should consider:</p> <p>2.2.1. All relevant Total Costs of Ownership (TCO) and benefits including transaction costs associated with acquisition, delivery, distribution, and other costs such as, but not limited to; holding costs, operating costs, consumables, deployment, training, maintenance and disposal;</p> <p>2.2.2. The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality. This includes but is not limited to an assessment of compliances, the supplier's resource availability, capacity and capability, value adds offered, warranties, guarantees, repair and replacement policies and response times, ease of inspection and maintenance, ease of after sales service, ease of communications etc.;</p> <p>2.2.3. The supplier's financial viability and capacity to supply without the risk of default, including the competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history;</p> <p>2.2.4. The safety requirements and standards associated with both the product design and the specification offered by suppliers, and the evaluation of risk arising from the supply, operation and maintenance, when considering purchasing goods and services from suppliers;</p> <p>2.2.5. Sustainable environmental, economic, and social benefits and good corporate social responsibility; and</p> <p>2.2.6. Analysis and management of risks and opportunities that may be associated with the purchasing activity, potential supplier/s and the goods or services required.</p>	<p><b>POLICY DETAILS</b></p> <p>1. <b>Ethics &amp; Integrity</b></p> <p>1.1. <b>Code of Conduct</b></p> <p>The City's Codes of Conduct apply when undertaking purchasing activities and decision making, requiring Council Members and employees to observe the highest standards of probity, ethics and integrity, and act in an honest and professional manner throughout the procurement lifecycle.</p> <p>1.2. <b>Code of Business Ethics</b></p> <p>City suppliers servicing the City shall comply with the City's Code of Business Ethics to ensure the highest standard of ethics and integrity in their dealings with the City.</p> <p>2. <b>Value for Money</b></p> <p>2.1. <b>Assessing and Defining Value for Money</b></p> <p>2.1.1. The value for money principle underlies all procurement activities, which measures benefits, financial or otherwise, realisable by the City and calculated using whole-of-life costs (where relevant).</p> <p>2.1.2. Value for money does not mean obtaining the lowest quote, rather it includes considering various factors inclusive of:</p> <ul style="list-style-type: none"> <li>• supplier financial viability,</li> <li>• past contractor performance,</li> <li>• safety and quality standards,</li> <li>• timely supply,</li> <li>• environmental sustainability, risk exposure, and</li> <li>• other relevant service considerations.</li> </ul> <p>2.2. <b>Buying Local</b></p> <p>2.2.1. Where possible, suppliers operating within the City of Greater Geraldton are to be given the opportunity to quote for goods and services required by the City. However, it is recognised that not every category of goods and services required by the City will lend itself to supply by local business.</p> <p>2.2.2. As much as practicable, the City shall endeavour to:</p> <ol style="list-style-type: none"> <li>(i) Consider buying practices, procedures and specifications that encourage the inclusion of local businesses and the employment of local residents, and do not unfairly disadvantage local businesses;</li> <li>(ii) Consider indirect benefits that have flow on benefits for local suppliers (i.e., servicing and support);</li> <li>(iii) Ensure that procurement plans address local business capability and local content;</li> <li>(iv) Explore the capability of local businesses to meet requirements and ensure that Requests for Quotation and Tenders are designed to accommodate the capabilities of local businesses;</li> <li>(v) Avoid bias in the design and specifications for Requests for Quotation and Tenders – all Requests must be structured to encourage local businesses to bid; and</li> <li>(vi) Provide adequate and consistent information to potential suppliers.</li> </ol> <p>To this extent, a qualitative weighting may be afforded in the evaluation of quotes and tenders where suppliers are located within the boundaries of the City or substantially demonstrate a benefit or contribution to the local economy.</p> <p>2.2.3. The City's Council Policy 4.11 Regional Price Preference outlines its commitment to</p>	<p>Overall comment: The bulk of the current policy focuses on administrative and operational guidance. This has been moved to an operational Procurement Manual approved by the Executive Management Team and CEO.</p> <p>Clause 1 and 2 - Shortening and simplifying wording of Policy, retaining intention.</p> <p>Clause 2.2 - Moved Buying Local content from section 6 of previous policy to the Value for Money section to create a link between the two.</p> <p>Further wording has been added regarding Buying Local.</p>	<p>Click or tap here to enter text.</p>
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<p>3. Purchasing Requirements</p> <p>3.1. Legislative/Regulatory Requirements</p> <p>The requirements that must be complied with by the City, including purchasing thresholds and processes, are prescribed within the Regulations, this Policy and associated purchasing procedures in effect at the City.</p> <p>3.2. Purchasing Value</p> <p>3.2.1. Purchasing that is \$250,000 or below in total value (ex. GST) must be in accordance with the <u>purchasing practice requirements</u> under the relevant <u>Purchase Value threshold</u> as defined under section 3.4 of this Purchasing Policy.</p> <p>3.2.2. Purchasing that exceeds \$250,000 in total value (ex GST) must be put to public Tender when it is determined that a regulatory Tender exemption, as stated under sections 3.4 and 3.8 of this Policy is not deemed to be suitable.</p> <p>3.2.3. The City will apply reasonable and consistent methodologies to assess and determine Purchasing Values, which ensure:</p> <ul style="list-style-type: none"> <li>• The appropriate <u>purchase value threshold</u> and <u>purchasing practice requirements</u> are applied in all purchasing activities; and</li> <li>• Wherever possible, purchasing activity for the <b>same category of supply</b> is aggregated into single <b>contract</b> arrangements, to achieve best <u>value for money</u> and efficiency in future purchasing activities, where the requirements are able to be provided by a single supplier.</li> </ul> <p>3.2.4. A <b>category of supply</b> can be defined as groupings of similar goods or services with common: supply and demand drivers; market characteristics; or suppliers.</p> <p>3.2.5. Where there is no relevant current <b>contract</b> in place for the required goods and services, each purchasing activity is to assess the Purchasing Value.</p> <p>3.3. Purchasing Value Assessment</p> <p>Determining <u>purchasing value</u> is to be based on the following considerations:</p> <p>3.3.1. Exclusive of Goods and Services Tax (ex GST).</p> <p>3.3.2. The actual or estimated total expenditure for the proposed supply, including the value of all contract extension options and where applicable, the total cost of ownership considerations.</p> <p><del>3.3.3. If a <u>purchasing value threshold</u> is reached within three years for a particular category of goods, services or works, then the purchasing requirement under the relevant value threshold (including the tender threshold) must be applied.</del></p> <p>3.3.4. Must incorporate any potential variation to the scope of the purchase. Variations are to be minor with relation to overall purchase price.</p> <p><del>3.3.5. Must incorporate any variation to the scope of the purchase and be limited to a 10% tolerance of the original purchasing value. Where a proposed variation may exceed 10% of the original purchase price, the process must be verified as allowable by Corporate Services and have Director approval.—</del></p> <p>3.3.6. Requirements must not be split to avoid purchasing or tendering thresholds [<i>Functions and General Regulation 12</i>].</p> <p>3.3.7. The calculated estimated <u>purchasing value</u> will determine the applicable threshold and <u>purchasing practice requirements</u> to be undertaken.</p>	<p>local economic activity.</p> <p>3. Purchasing Requirements</p> <p>3.1. Legislative and Policy Requirements</p> <p>3.1.1. Where purchasing value exceeds or is likely to exceed (including extension options and variations) \$250,000 ex GST (the tender threshold), the City is required under legislation to issue a public tender and follow legislative procedures unless an exemption applies.</p> <p>3.1.2. Where purchasing value is below the tender threshold, \$250,000 (ex GST), City Officers must follow the requirements under this Policy, subject to clause 3.6 of this Policy.</p>	<p>Section 3.</p> <p>The intention of the changes to this section is to clarify that certain legislative requirements apply to purchases at tender level only.</p> <p>As above, the bulk of the operational guidance has been moved to an operational Procurement Manual.</p> <p>Significantly, previous clause 3.3.3 has been deleted and will not form part of the new Policy or the Procurement Manual. The deletion of previous clause 3.3.3 will ensure improved operational efficiency as purchasing thresholds over three years are no longer applied at all levels. This is an interpretation of a legislative requirement at tender threshold only. Despite good intentions, in practice, this clause became unworkable and created heavy administrative burden for City Officers. The deletion of this clause will not affect the City's compliance with legislative obligations.</p> <p>Previous clause 3.3.5 has equally been removed and will not be carried over either to the new Policy or the Procurement Manual. The reason being that there is no legislative requirement to do so and the clause is overly restrictive. This clause has been reformed in clause 3.4. The procurement team process variations depending on the terms of the contract. In most cases, the team use WALGA's General Terms and Conditions. The new Contract Management section of the policy below will provide further guidance on this topic and aligns the City's Procurement Policy with that of other LGs.</p>	
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3.4. Supplier Order of Priority

The City will consider and apply, where applicable, the following Supplier Order of Priority:

Priority	Supplier Type
Priority 1:	<p><b>Existing City Contract or Prequalified City Supplier Panel</b></p> <p>Where the City has an existing contract in place, it must ensure that goods and services required are purchased under these contracts to the extent that the scope of the contract allows.</p> <p>Where the City has an existing panel of prequalified suppliers in place, it must ensure that goods and services required are purchased from the panel to the extent that the scope of the panel allows.</p> <p>If the City does not have a current contract or supplier panel relevant to the required supply, and the <u>Purchasing Value exceeds</u> the tender threshold of \$250,000 ex GST, then a compliant procurement method will be utilised as determined by a procurement plan.</p> <p>If the City does not have a current contract or supplier panel relevant to the required supply, and the <u>Purchasing Value does not exceed</u> the tender threshold, then <u>Local Suppliers</u>, <u>Tender Exempt</u> suppliers, and <u>Other Suppliers</u> may be used via eQuotes in accordance with the <u>Purchase Value Thresholds</u> table below.</p>
Priority 2:	<p><b>Local Suppliers</b></p> <p>Where the <u>Purchasing Value does not exceed</u> the tender threshold and a relevant local supplier is capable of providing the required supply, the City will ensure that wherever possible, quotations are sought from local suppliers permanently located within the District as a first priority, and those permanently located within surrounding Districts as the second priority.</p> <p>Quotations are to be sought via eQuotes in accordance with the <u>Purchase Value Thresholds</u> table below.</p> <p>If no relevant local supplier is available, <u>Tender Exempt</u> suppliers, and <u>Other Suppliers</u> may be used via eQuotes in accordance with the <u>Purchase Value Thresholds</u> table below.</p>
Priority 3	<p><b>Tender Exempt - WALGA Preferred Supplier Arrangement (PSA)</b></p> <p>Use a relevant WALGA preferred supplier panel contract regardless of whether or not the Purchasing Value will exceed the tender threshold.</p> <p>However, if a relevant panel contract exists but an alternative supplier is considered to provide best value, then the CEO, or an officer authorised by the CEO, must approve the alternative supplier. Reasons for not using a panel contract may include:</p> <ul style="list-style-type: none"> <li>a) Local supplier availability (that are not within the panel contract); or,</li> <li>b) Social procurement – preference to use Aboriginal business or Disability Enterprise.</li> </ul> <p>If no relevant WALGA panel contract is available, then a relevant Government Common Use Arrangement (CUA) or Contract be used.</p>

3.2. Supplier Order of Priority

The City will consider and apply, where applicable and reasonably practical, the following Supplier Order of Priority:

Priority	Supplier Type
Priority 1	<p><b>Existing City Contract or Prequalified City Supplier Panel</b></p> <p>Where the City has an existing contract in place, it must ensure that goods and services required are purchased under these contracts or panels if the scope allows.</p> <p>If a relevant panel contract exists but an alternative supplier is considered to provide best value, the CEO, or an officer authorised by the CEO, must approve the alternative supplier. Other reasons for not using a panel contract may include:</p> <ul style="list-style-type: none"> <li>a) Local supplier availability (that are not within the panel contract); or,</li> <li>b) Social procurement – preference to use Aboriginal business or Disability Enterprise.</li> </ul> <p>If the City does not have a current contract or supplier panel relevant to the required supply, the procurement method is dependent on the Purchasing Value outlined in Table 1 below.</p>
Priority 2	<p><b>Local Suppliers</b></p> <p>Where the Purchasing Value does not exceed \$250,000 and a local supplier can provide the required supply, the City will ensure that wherever possible, quotations are sought from local suppliers located within the Geraldton as a priority, and those located within surrounding area as the second priority.</p> <p>Quotations are to be sought in accordance with the Purchase Value Thresholds table below. If no relevant local supplier is available, Tender Exempt suppliers, and Other Suppliers may be used via eQuotes in accordance with the Purchase Value Thresholds table below.</p>
Priority 3	<p><b>Tender Exempt Arrangements</b></p> <p>The legislation allows certain arrangements exempting the City from having to issue Requests from Tender regardless of whether the Purchasing Value will exceed the tender threshold where supply derives from:</p> <ul style="list-style-type: none"> <li>a) A WALGA preferred supplier panel contract.</li> <li>b) Government Common Use Arrangement (CUA) or Contract.</li> <li>c) A registered Aboriginal Business (maximum value in accordance with Regulation 11(2)(h) or Australian Disability Enterprise.</li> </ul>
Priority 4	<p><b>Other Suppliers</b></p> <p>Where there is no relevant existing contract or tender exempt arrangement available, purchasing activity from any other supplier may be carried out via direct engagement, eQuotes (RFQs/WALGA PSP), or Tenderlink (RFTs), in accordance with the <u>Purchase Value Thresholds</u> in Table 1 below.</p>

Supplier Order of Priority

There have been no operational changes to the Supplier Order of Priority, wording has just been shortened, clause numbering changed due to removal of prior content.

Priority 4:	<p><b>Tender Exempt - WA State Government Common Use Arrangement (CUA)</b></p> <p>Use a relevant CUA regardless of whether or not the Purchasing Value will exceed the tender threshold.</p> <p>However, if a relevant CUA exists, but an alternative supplier is considered to provide best <u>value for money</u>, then the proposed alternative supplier must be approved by the CEO, or an officer authorised by the CEO.</p> <p>If no relevant CUA is available, then a Tender Exempt [Functions and General Regulation 11(2)] arrangement may be used.</p>
Priority 5:	<p><b>Other Tender Exempt arrangement [Functions and General Regulation 11(2)]</b></p> <p>Regardless of whether or not the Purchasing Value will exceed the tender threshold, the City will investigate and seek quotations from tender exempt suppliers, and will specifically ensure that wherever possible quotations are sought from a WA Disability Enterprise and / or an Aboriginal Owned Business that is capable of providing the required supply.</p>
Priority 6:	<p><b>Other Suppliers</b></p> <p>Where there is no relevant existing contract or tender exempt arrangement available, purchasing activity from any other supplier may be carried out via eQuotes, in accordance with the <u>Purchase Value Thresholds</u> table below.</p>

### 3.5. Purchasing Value Thresholds and Minimum Purchasing Practice Requirements

The Purchasing Value, assessed in accordance with clause 3.3, determines the purchasing practice requirements to be applied to the City's purchasing activities, in accordance with the table below:

Purchase Value Threshold (ex GST)	Minimum Purchasing Practice Requirements
Up to \$2,500 (ex GST)	<p>No formal quotes required, direct purchase.</p> <p>Preference to be given to local suppliers registered on WALGA preferred supplier lists. The purchasing decision and supplier appointment is directed by best <u>value for money</u> principle and the establishment of a compliant response.</p> <p>The purchasing decision is to be recorded as per section 4.</p>
\$2,501 and up to \$10,000 (ex GST)	<p>Direct sourcing via seeking at least one (1) written quotation from a suitable supplier in accordance with the Supplier Order of Priority detailed in clause 3.4.</p> <p>The purchasing decision and supplier appointment is directed by best value for money principle and the establishment of a compliant response.</p> <p>The purchasing approval decision is to be recorded in as per section 4.</p>
\$10,001 and up to \$50,000 (ex GST)	<p>Seek three (3) written quotations via eQuotes from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 3.4.</p> <p>If purchasing from a WALGA PSA, CUA or other tender exempt arrangement three (3) written quotation via eQuotes.</p> <p>Include a brief outline of the specified requirement for the goods; services or works required.</p> <p>The purchasing decision and supplier appointment is to be based upon assessment of the suppliers' responses to:</p>

### 3.3. Anti-Avoidance

- 3.3.1. Where likely spend exceeds or is likely to exceed \$250,000, Regulation 12(1) prohibits contract splitting in circumstances where the desire is to avoid issuing a public tender.
- 3.3.2. For all other purchases, multiple procurement activities for the same goods or services must not be conducted with the intent of separating the procurement over two or more purchase orders or contracts, so that the effect is to avoid a procurement threshold outlined in Table 1. Where feasible, orders should be aggregated upwards to provide a contract for the supply of goods and services on an annual or longer-term basis.

### 3.4. Procurement Thresholds

- 3.4.1. In determining the purchase value, the following factors are to be considered:
- All values are exclusive of GST, and
  - The amount is the actual or expected value of a contract over the full contract period, including all options and likely variations.
- 3.4.2. Table 1 outlines the requirements that apply to the City's procurement activities. All procurement must be conducted in accordance with the City's Procurement Procedures and must be approved by an officer with the appropriate financial authorisation limits and/or delegation.

Table 1

Purchasing Value Threshold (ex GST)	Minimum Purchasing Requirements
Up to \$2,500 (ex GST)	No quotations required, direct purchase by authorised officers.
\$2,500 to \$10,000 (ex GST)	<p>Direct supplier engagement by seeking at least 1 written quotation.</p> <p>Written quotations must be saved against the requisition.</p> <p><b>Note:</b> Quotations may be obtained from either:</p> <ul style="list-style-type: none"> <li>an existing list of suppliers administered by the City; or</li> <li>an existing panel of pre-qualified suppliers administered by the City; or</li> <li>a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement; or</li> <li>from the open market.</li> </ul>
\$10,001 and up to \$50,000 (ex GST)	<p>Seek 3 written quotations from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 3.2.</p> <p>include a brief outline of the specified requirements using a simple Request for Quote document.</p> <p><b>Note:</b> Quotations may be obtained from either:</p>

Anti-Avoidance brought forward, was clause 3.12. Reworded 'anti-avoidance' clause 3.3 ensures compliance with Policy by prohibiting contract splitting for both tenders (legislative requirement) and other thresholds.

Table 1

No major changes have been suggested for Table 1. City Officers may now access the open market for quotations between \$10-\$50,000 thereby increasing operational efficiency and engagement of local suppliers. Has been re-worded for simplicity. Administrative guidance for lower value, lower risk purchasing has moved to the Procurement Manual. Section on emergency purchases has been created separately to unlink emergency purchases from the general table.

	<ul style="list-style-type: none"> <li>the brief outline of the specified requirement for the goods, services or works required;</li> <li>the compliance terms; and</li> <li>best value for money principle, not necessarily the lowest price.</li> </ul> <p>The purchasing decision is to be recorded as per section 4.</p>		<ul style="list-style-type: none"> <li>preferably an existing list of suppliers administered by the City (eQuotes); or</li> <li>an existing panel of pre-qualified suppliers administered by the City; or</li> <li>a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use arrangement; or</li> <li>from the open market.</li> </ul>		
<p>\$50,001 and up to \$250,000 (ex GST)</p>	<p>Seek three (3) written quotations via eQuotes from suitable suppliers in accordance with the <u>Supplier Order of Priority</u> detailed in clause 3.4.</p> <p>Include a formal invitation using the <u>Request for Quotation</u> template, containing price schedule, detailed specification of goods and services required, and evaluation criteria <u>on value for money considerations that will be used to assess supplier responses</u>.</p> <p>The purchasing decision and supplier appointment is to be based upon assessment of the suppliers' responses to:</p> <ul style="list-style-type: none"> <li>the formal Request for Quotation, containing price schedule, detailed specification of goods and services required; and</li> <li>pre-determined evaluation criteria that assesses all <u>value for money</u> considerations in accordance with the definition stated within this Policy.</li> </ul> <p>The purchasing decision is to be recorded as per section 4.</p>	<p>\$50,001 and up to \$250,000 (ex GST)</p>	<p>Seek 3 written quotations via eQuotes from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 3.2</p> <p>Include a formal invitation using the Request for Quote document, containing price schedule, detailed specification of goods and services required, and evaluation criteria.</p> <p>The purchasing decision is to be based upon assessment of suppliers' responses to:</p> <ul style="list-style-type: none"> <li>the formal Request for Quotation, containing price schedule, detailed specification of goods and services required; and</li> <li>pre-determined evaluation criteria that assess all <u>value for money</u> considerations in accordance with the definition stated within this Policy.</li> </ul>		
<p>Over \$250,000 (ex GST)</p>	<p>Where the purchasing requirement is not suitable to be met through a panel of prequalified suppliers, or any other tender-exempt arrangement as listed under section 3.8 of this Policy, conduct a public Request for Tender process in accordance with Part 4 of the <i>Local Government [Functions and General] Regulations 1996</i>, this policy, and the City's tender procedures.</p> <p><b>Tender Exempt</b> arrangements i.e., WALGA PSA, CUA or other tender <b>exemption</b> under <i>[Functions and General Regulation 11(2)]</i> require to seek at least three (3) written responses from suppliers via eQuotes by invitation under a formal Request for Quotation in accordance with the <u>Supplier Order of Priority</u> detailed in clause 3.4</p> <p>OR</p> <p><b>Public Tender</b> undertaken in accordance with the <i>Local Government Act 1995</i> and relevant City Policy and procedures.</p> <p>The Tender Exempt or Public Tender purchasing decision and supplier appointment is to be based on the suppliers response to:</p> <ul style="list-style-type: none"> <li>A detailed specification; and</li> <li>Pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definition stated within this Policy.</li> </ul> <p>The purchasing decision is to be recorded as per section 4.</p>	<p>Over \$250,000 (ex GST)</p>	<p>Unless an exemption applies, conduct a public Request for Tender arrangement in accordance with Regulations and the City's tender procedures.</p> <p>For <b>tender exempt</b> arrangements such as WALGA PSP, State Government Common Use Arrangement or other exemptions, seek at least 3 quotes from suppliers via eQuotes under a formal Request for Quotation.</p> <p><b>OR</b></p> <p>For <b>public tenders</b>, undertaken in accordance with legislation and City procedures, undertake a invitation to tender using the formal Request for Tender, assisted by the Procurement team.</p> <p>The tender exempt or public tender purchasing decision is to be based on the suppliers' responses to:</p> <ul style="list-style-type: none"> <li>a detailed specification; and</li> <li>pre-determined evaluation criteria that assess all value for money considerations in accordance with the definition stated within this Policy.</li> </ul>		
<p>Over \$250,000 (ex GST) Cont.</p>	<p>Where goods or services are required for an emergency response and are within scope of an existing City Contract or City Prequalified Supplier Panel, the emergency supply must be sought from the existing contract or panel, using relevant unallocated budgeted funds.</p> <p>If there is no existing contract or panel, then clause 3.4 <u>Supplier Order of Priority</u> will apply wherever practicable.</p> <p>However, where due to the urgency of the situation; a contracted or tender exempt supplier is unable to provide the emergency supply <b>OR</b> compliance with this Purchasing Policy would cause unreasonable delay, the supply may be sought from any supplier capable of providing the emergency supply.</p>		<p><b>Note:</b> 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 straightforward, a verbal request 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.</p> <p><b>Note:</b> regardless of the value of a contract, a formal RFQ process should be undertaken if:</p> <ul style="list-style-type: none"> <li>the proposed transaction could have significant risk including, but not limited to, financial, legal or reputational consequences for the City, or</li> <li>the proposed transaction will require the City to enter a contract exceeding 12 months.</li> </ul>		

<p>Emergency Purchases (Within Budget)</p>	<p>However, an emergency supply is only to be sought to the extent necessary to facilitate the urgent emergency response and must be subject to due consideration of <u>value for money</u> principles.</p> <p>Emergency purchases are defined as the supply of goods or services associated with:</p> <ul style="list-style-type: none"> <li>a) A local emergency and the expenditure is required (within existing budget allocations) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets; OR</li> <li>b) A local emergency and the expenditure is required (with no relevant available budget allocation) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets in accordance with s.6.8 of the Local Government Act 1995 and Functions and General Regulation 11(2)(a); OR</li> <li>c) A State of Emergency declared under the Emergency Management Act 2005 and therefore, Functions and General Regulations 11(2)(aa), (ja) and (3) apply to vary the application of this policy.</li> </ul> <p>In an <u>urgent situation</u> where it is necessary to act immediately to protect people or property, an <u>exemption from seeking quotes and tenders applies</u>, and are not required to be sought prior to the purchase being undertaken.</p> <p>The relevant Director and CEO are to be advised as soon as reasonably practical given the circumstances. The requirements in relation to tender thresholds still apply to urgent situations.</p> <p>It is recommended that where the likely purchase value is significant that appropriate <u>tender exempt</u> suppliers be utilised.</p> <p>An emergency purchase does not relate to purchases not planned for due to time constraints, administrative omissions, and errors. Every effort must be made to anticipate purchases required by the City in advance and to allow sufficient time to seek quotes and tenders, whichever may apply.</p> <p>The rationale for policy non-compliance and the purchasing decision must be recorded in as per section 4.</p>			
<p>Emergency Purchases (Within Budget) Cont.</p>	<p>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, the Mayor must authorise, in writing, the necessary budget adjustment prior to the expense being incurred.</p> <p>The CEO is responsible for ensuring that an authorised emergency expenditure under s.6.8 is reported to the next ordinary Council Meeting.</p> <p>The Purchasing Practices prescribed for Emergency Purchases (within budget) above, then apply.</p>			
<p>Emergency Purchases (No budget allocation available)</p>	<p>3.6. <b>Purchasing Requirements &amp; Thresholds where no City Established Contract Exists</b> <i>(Supplier Order of Priority clause 3.4 (Priority 1))</i></p> <p>If the goods and/or services are not able to be sourced via an existing City contract then the following apply:</p> <ul style="list-style-type: none"> <li>3.6.1. Purchasers should use the process that produces the best <u>value for money</u> outcome to the City; this may mean that the process chosen exceeds the <u>minimum Purchasing Requirements</u>;</li> <li>3.6.2. Where purchasers are unable to meet the <u>minimum Purchasing Requirements</u>, or the best <u>value for money</u> outcome will be achieved by not meeting the minimum purchasing requirements, approval for non-compliance with the policy may be granted by a Manager, the Director or CEO. Approval must be granted (aligned to</li> </ul>	<p>3.5. <b>Direct Sourcing</b></p> <ul style="list-style-type: none"> <li>3.5.1. Where direct sourcing is implemented in accordance with this policy, the purchase must adhere to City Procurement Procedure Manual and established City templates.</li> <li>3.5.2. In accordance with 3.3.2 where repeated direct sourcing has occurred with the same category of supply, the City shall establish a single contract arrangement where it is reasonably practical and represents value for money.</li> </ul> <p>3.6. <b>Exemption from Compliance with Minimum Purchasing Requirements</b></p> <ul style="list-style-type: none"> <li>3.6.1. Where the Minimum Purchasing Requirements listed in Table 1 cannot be met, or the best value for money outcome will be achieved by not meeting the Minimum Purchasing Requirements, approval for non-compliance with this Policy may be granted.</li> <li>3.6.2. When conducting tender exempt procurement in accordance with Regulation 11(2), multiple quotations should be sought in accordance with Table 1 unless an approval is endorsed by the CEO or Director in accordance with 3.6.3.</li> <li>3.6.3. Where purchases are made under sections 3.6.1 or 3.6.2, a Manager, Director or CEO approved file note outlining full details of the exemption must be recorded in accordance with record keeping procedures and accompany the purchase requisition. Approval must be granted (aligned to respective financial authorisations) dependent</li> </ul>	<p>Direct Sourcing numbering change was clause 3.7.</p> <p>Clause 3.6 re-words a number of clauses excusing 'compliance' with certain parts of the Policy. It is a method by which a file note can be saved for auditing purposes, justifying which strict compliance with a particular requirement was not recommended as being in the City's best interests.</p>	

<p>respective financial authorisations) dependent on total value of the purchase;</p> <p>3.6.3. Purchasers should take into account the cost of the procurement process in determining best <u>value for money</u>;</p> <p>3.6.4. All requests for quote ought to be issued via the City's eQuotes system;</p> <p>3.6.5. In extenuating circumstances, a Manager, Director or the CEO may provide written approval for the issuing of a request for quote outside of the City's eQuotes system above \$10,000; however all other requirements of this Policy must be complied with. Written approval must include full details of the extenuating circumstances, and must be recorded as per section 4 and accompany the purchase requisition;</p> <p>3.6.6. Where purchases have taken place as defined in sections 3.6.2, 3.6.5, or 3.9 a Manager approved file note or written approval outlining full details and documented approvals must be recorded as per section 4 and accompany the purchase requisition;</p> <p>3.6.7. The table above prescribes the <u>minimum Purchasing Requirements</u> that the City must follow, based on the <u>purchase value</u>;</p> <p>3.6.8. An exemption applies at all purchase values where the requirements for a tender exemption as detailed in 3.9 are able to be met. Details of the exemption are to be included in the purchase requisition.</p> <p>3.7. <b>Direct Sourcing</b> - <i>clause moved up, refer to clause 3.5 in draft policy.</i></p> <p>3.7.1. Where direct sourcing is implemented in accordance with this policy, the purchase must adhere to City Procurement Procedure Manual and established City templates.</p> <p>3.7.2. In accordance with 3.2.3 where repeated direct sourcing has occurred with the same category of supply, the City shall establish a single contract arrangement.</p> <p>3.8. <b>Requests for Quotes</b></p> <p>3.8.1. Where a request for quote is required in accordance with this policy, the purchase must adhere to City Procurement Procedure Manual and established City templates.</p> <p>3.8.2. In accordance with 3.2.3 where repeated quotations have occurred with the same category of supply, the City shall establish a single contract arrangement.</p> <p>3.8.3. Where the City has issued a request for quote to relevant suppliers on a City of Greater Geraldton list in eQuotes or the public marketplace, and has allowed sufficient time for suppliers to prepare a response with consideration given to the complexity of the request; but insufficient suppliers provide a response (where 3 written quotations are to be sought), no further responses need be sought by the purchaser. The record of award is to detail the process demonstrating best efforts were undertaken.</p> <p>3.8.4. Where a tender exemption applies as defined in 3.9, written approval from a Manager, Director or the CEO (aligned to respective financial authorisations) must be sought to enable direct engagement with a tender exempt supplier and included with the purchase requisition.</p> <p>3.8.5. Where approval to procure goods or services via a tender exempt supplier has been approved, the following is required:</p> <ul style="list-style-type: none"> <li>• Where possible multiple quotes must be sought from suitable tender exempt suppliers;</li> <li>• When accessing WALGA Preferred Supply Program a minimum of three suppliers (if obtainable) must be invited to respond; and</li> <li>• When accessing WALGA Preferred Supply Program the quotes must be sought via eQuotes.</li> </ul>	<p>on total value of the purchase.</p> <p>3.7. <b>Software License Exemption</b></p> <p>3.7.1. The requirement to undertake a formal quotation process does not apply to the renewal or extension of existing software licenses where:</p> <ul style="list-style-type: none"> <li>• The software is already in operational use by the City;</li> <li>• The renewal represents demonstrable value for money having regard to whole-of-life cost, risk, and disruption;</li> <li>• The cost of transition to an alternative solution would be impractical, uneconomic, or present unacceptable operational, technical, or security risks.</li> </ul> <p>3.7.2. Any such exemption must be supported by a documented value-for-money assessment and endorsed by the CEO or Director in accordance with delegation levels.</p> <p>3.8. <b>Sole Source of Supply</b></p> <p>3.8.1. Where the purchasing requirement for goods and/or services is of a unique nature that can only be supplied from one supplier, the purchase is permitted without undertaking a tender or quotation process.</p> <p>3.8.2. 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. Once determined, the justification must be endorsed by the CEO or Director in accordance with delegation levels, prior to a contract being entered into.</p> <p>3.9. <b>Fixed or Statutory Costs</b></p> <p>3.9.1. City Officers are exempt from complying with Minimum Purchasing Requirements and/or this Policy for purchases where a product or service is fixed or pre-determined in nature due to statutory requirements, and multiple comparable Quotes cannot be obtained (e.g. utilities, other Government fees or charges, state-wide advertising, postal services, memberships and subscriptions, taxis / cab charges / ride sharing / and specialised industry-based training).</p> <p>3.10. <b>Caretaker Period</b></p> <p>The City's Council Policy 4.33 Local Government Elections – Caretaker Period establishes parameters for significant expenditure during the legislated Caretaker Period.</p> <p>4. <b>Sustainable Procurement and Corporate Social Responsibility</b></p> <p>4.1. The City is committed to providing a preference to suppliers that demonstrate sustainable business practices and high levels of corporate social responsibility (CSR).</p> <p>4.2. Where appropriate, the City shall endeavor to provide an advantage to suppliers demonstrating that they minimise environmental and negative social impacts and embrace CSR. Sustainable and CSR considerations must be balanced against value for money outcomes in accordance with the City's sustainability objectives.</p> <p>5. <b>Expressions of Interest</b></p> <p>Expressions of Interest (EOI) will be considered as a prerequisite to a tender process <i>[Functions and General Regulation 21]</i> where the required supply evidences one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>(a) Unable to sufficiently scope or specify the requirement;</li> <li>(b) There is significant variability for how the requirement may be met;</li> <li>(c) There is potential for suppliers to offer unique solutions and / or multiple options for how the purchasing requirement may be sought, specified, created or delivered;</li> <li>(d) Subject to a creative element; or</li> <li>(e) Provides a procurement methodology that allows for the assessment of a significant number of potential tenderers leading to a shortlisting process based on non-price assessment.</li> </ol>	<p>New clause acknowledges that it is in the City's interest to continue using software which is already operational in the City. This exemption is common throughout LG procurement policies.</p> <p>Sole Source of Supply numbering change was clause 3.11, wording shortened.</p> <p>New clause 3.9 acknowledges that some purchases sit outside of the Purchasing Policy.</p> <p>Caretaker numbering change was clause 3.13, wording amended to reference Council Policy.</p> <p>Sustainable Procurement &amp; CSR numbering change was clause 5.</p> <p>Expressions of Interest brought forward, was clause 9.</p>	
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<p>3.9. <b>Tendering Exemptions</b> An exemption to publicly invite tenders may apply in the following instances:</p> <p>3.9.1. An exemption applies in <u>Emergency</u> situations where it is necessary to act immediately to protect people or property;</p> <p>3.9.2. The purchase is sought from a pre-qualified supplier under a WALGA Preferred Supplier Panel Contract or State Government Common Use Arrangement.</p> <p>3.9.3. The purchase is from another Local Government;</p> <p>3.9.4. The purchase is acquired from a person registered on the WA Aboriginal Business Directory, as published by the Small Business Development Corporation, where the consideration under contract is worth \$250,000 or less and represents <u>value for money</u>;</p> <p>3.9.5. The purchase is acquired from an Australian Disability Enterprise and represents <u>value for money</u>;</p> <p>3.9.6. The purchase is from a pre-qualified supplier under a Panel established by the City; or</p> <p>3.9.7. Any of the other exclusions under Regulation 11 of the Regulations apply.</p> <p>3.10. <b>Inviting Tenders Under the Tender Threshold</b> Where considered appropriate and beneficial, the City may consider publicly advertising Tenders in lieu of undertaking a Request for Quotation, for purchases under the \$250,000 tender threshold.  This decision should be made after considering the benefits of this approach in comparison with the costs, risks, timeliness, and compliance requirements, and also whether the purchasing requirement can be met through a WALGA Preferred Supplier Panel Contract or State Government CUA.  If a decision is made to undertake a public Tender for contracts expected to be \$250,000 or less in value, the City's tendering procedures must be followed in full.</p> <p>3.11. <b>Sole Source of Supply - clause moved up, refer to clause 3.8 in draft policy.</b> Where the purchasing requirement is over the value of \$10,000 and of a unique nature that can only be supplied from one supplier, the purchase is permitted without undertaking a tender or quotation process.  This is only permitted in circumstances where the CEO or Director is satisfied and can evidence that there is only one source of supply for those goods, services, or works. 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. Once determined, the justification must be endorsed in accordance with delegation levels, prior to a contract being entered into.  An arrangement of this nature will only be approved for a period not exceeding one (1) year. For any continuing purchasing requirement, the approval must be re-assessed before expiry, to evidence that only one potential supplier still genuinely exists.</p> <p>3.12. <b>Anti-Avoidance - clause moved up, refer to clause 3.3 in draft policy.</b> The City shall not enter into two or more contracts or create multiple purchase order transactions of a similar nature for the purpose of "splitting" the value of the purchase or contract to take the value of the consideration of the purchase below a particular purchasing threshold, particularly in relation to Tenders and to avoid the need to call a public Tender.  This principle applies to all purchase threshold levels.</p>	<p>All EOI processes will be based upon qualitative and other non-price information only.</p> <p>6. <b>Contract Management</b></p> <p>6.1. <b>Contract Management</b> All City contracts will be proactively managed during their lifecycle by the responsible City Officer to ensure the City receives value for money and to enforce performance against the contract with the City's contract management framework.  All contracts over the value of \$50,000 must be entered into the City's electronic contract management system.</p> <p>6.2. <b>Minor Variations to Contracts – Prior to entry into a contract</b></p> <p>6.2.1. Minor Variations to Tenders  In accordance with Regulation 20, a minor variation may be made to a contract following a tender process, prior to the City and the preferred tenderer formalising the contract.  Consideration as to what may constitute a 'minor variation' is dependent on the circumstance and the total value of the goods and services that tenderers were invited to supply. A minor variation is required to meet the following conditions:</p> <ul style="list-style-type: none"> <li>(i) Does not alter the nature of the goods and/or services procure; and</li> <li>(ii) Does not materially alter the scope provided in the initial tender.</li> </ul> <p>6.2.2. Minor Variations to All Other Contracts</p> <ul style="list-style-type: none"> <li>• The above conditions also apply to procurement under \$250,000 and are required to be undertaken in accordance with relevant procedures.</li> <li>• All decisions regarding minor variations must be documented and recorded in accordance with delegated authority.</li> </ul> <p>6.3. <b>Variations to Contracts after Commencement</b> In general, agreements and contracts may be varied where:</p> <ul style="list-style-type: none"> <li>(i) the variation is lawful and in accordance with the contract (mutually agreed)</li> <li>(ii) the revised value of the contract resulting from the variation is within an employee's authorised financial delegation</li> <li>(iii) the revised value (if applicable) of the contract resulting from the variation can be incorporated into approved City budgets and/or the City's Long Term Financial Plan.</li> </ul> <p>6.3.1. Variations to Tenders  In addition to clause 6.2.1, variations to contracts entered by the City through the public tender process are restricted by the Regulations. Under Regulation 21A, a contract entered after a public tender process must not be varied unless:</p> <ul style="list-style-type: none"> <li>(i) the variation is necessary for the goods or services to be supplied and does not change the scope of the contract; or</li> <li>(ii) the variation is a renewal or extension of the term provided as part of the contract conditions.</li> </ul> <p>6.3.2. Variations to All Other Contracts</p> <ul style="list-style-type: none"> <li>(i) Consideration must be given to the original procurement process conducted and whether the combined value of the original price, any subsequent variations and proposed variation (which includes term extensions) would have resulted in a different procurement process being undertaken due to the increased expenditure.</li> </ul>	<p>An introduction of a separate Contract Management clause shows increased City focus in this area assisted by the introduction of the IBIS Contracts Management module. The Policy works alongside the module to assist Contract Managers obtain the best performance and value for money from their contracts. Whilst tenders are restricted by Regulations, the Policy acknowledges that variations to all other contracts may occur as per the City's processes. This ensures unnecessary restrictions are removed and allows for increased operational efficiency.</p>	
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<p>3.13. <b>Caretaker Period</b> - <i>clause moved up, refer to clause 3.10 in draft policy.</i></p> <p>Due consideration shall be given to the nature of a tender or expression of interest and if its publication aligns with the Department of Local Government Sports and Cultural Industries guidance on Council Election Caretaker Periods.</p> <p>4. <b>Records Management</b> - <i>clause moved down, refer to clause 8 in draft policy.</i></p> <p>Records of all purchasing activity must be retained in compliance with the <i>State Records Act 2000 (WA)</i>, the City's Records Management Policy and associated procurement procedures.</p> <p>For each procurement activity, such documents may include:</p> <ul style="list-style-type: none"> <li>• Procurement Planning and approval documentation which describes how the procurement is to be undertaken to create and manage the contract;</li> <li>• Request for Quotation/Tender documentation;</li> <li>• Copy of public advertisement inviting tenders, or the notice of private invitation (whichever is applicable);</li> <li>• Copies of quotes/tenders received;</li> <li>• Download complete Quotation documentation from finalized eQuote;</li> <li>• Evaluation documentation, including individual evaluators notes and clarifications sought;</li> <li>• Negotiation documents such as negotiation plans and negotiation logs;</li> <li>• Approval of award documentation;</li> <li>• All correspondence to respondents notifying of the outcome to award a contract;</li> <li>• Contract Management Plans which describe how the contract will be managed; and</li> <li>• Copies of contract(s) with supplier(s) formed from the procurement process.</li> </ul> <p>5. <b>Sustainable Procurement and Corporate Social Responsibility</b> - <i>clause moved up, refer to clause 4 in draft policy.</i></p> <p>The City is committed to providing a preference to suppliers that demonstrate sustainable business practices and high levels of corporate social responsibility (CSR).</p> <p>Where appropriate, the City shall endeavor to provide an advantage to suppliers demonstrating that they minimise environmental and negative social impacts and embrace CSR. Sustainable and CSR considerations must be balanced against value for money outcomes in accordance with the City's sustainability objectives.</p> <p>6. <b>Buy Local Policy</b> - <i>moved up to 2. Value for Money in draft policy to create a link between the two.</i></p> <p>As much as practicable, the City shall endeavor to:</p> <ul style="list-style-type: none"> <li>• Consider buying practices, procedures and specifications that encourage the inclusion of local businesses and the employment of local residents, and do not unfairly disadvantage local businesses;</li> <li>• Consider indirect benefits that have flow on benefits for local suppliers (i.e., servicing and support);</li> <li>• Ensure that procurement plans address local business capability and local content;</li> <li>• Explore the capability of local businesses to meet requirements and ensure that Requests for Quotation and Tenders are designed to accommodate the capabilities of local businesses;</li> <li>• Avoid bias in the design and specifications for Requests for Quotation and Tenders – all Requests must be structured to encourage local businesses to bid; and</li> <li>• Provide adequate and consistent information to potential suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>(ii) All contract variations are to be recorded and supported by adequate documentation describing nature and the reasons for the variations, including the associated cost, time, and scope implications.</li> <li>(iii) Contract variations are to be approved in accordance with financial authorisation limits.</li> <li>(iv) Variations to all contracts must be conducted in accordance with Procurement guidelines and the City's contract management framework.</li> </ul> <p>6.4. <b>Contract Renewals and Extensions</b></p> <p>6.4.1. A contract extension is not permitted unless:</p> <ul style="list-style-type: none"> <li>(i) The original invitation contained provisions for a renewal or extension of the contract; and</li> <li>(ii) The original contract includes an extension option (unless State of Emergency provisions apply); and</li> <li>(iii) There must be documented evidence of satisfactory contractor performance before the contract extension is approved; and</li> <li>(iv) Extension is on the same terms and conditions as the last year of the original term but does allow for price increases in line with the contract provisions (if any) for price.</li> </ul> <p>6.5. <b>Contract Expiry</b></p> <p>Upon expiry of the original contract, and after any options for renewal or extension included in the original contract have been exercised, the City is required to review the purchasing requirements and commence a new competitive purchasing process in accordance with this Policy.</p> <p>7. <b>Emergency Purchases</b></p> <p>Emergency purchases as per the Regulations, are defined as the supply of goods and services associated with:</p> <ul style="list-style-type: none"> <li>• A local emergency and the expenditure is required (within existing budget allocations) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets; or</li> <li>• A local emergency and the expenditure is required (with no relevant available budget allocation) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets in accordance with section 6.8 of the Act and Regulation 11(2)(a); or</li> <li>• A State of Emergency is declared under the <i>Emergency Management Act 2005</i> and Regulations 11(2)(aa), (ja) and (3) apply to vary the application of this Policy.</li> </ul> <p>An emergency purchase does not include purchases not appropriately planned for or due to time constraints.</p> <p>8. <b>Records Management</b></p> <p>All written information and documentation related to purchases is to be retained and stored in accordance with the City's Recordkeeping Plan and associated purchasing procedures, including outgoing and incoming documents, quotations received, recommendation forms, supporting information and other correspondence related to each quotation.</p> <p>9. <b>Purchasing Policy Non-Compliance</b></p> <p>The Purchasing Policy is mandated under the <i>Local Government Act 1995</i> and Regulation 11A of the <i>Local Government (Functions and General) Regulations 1996</i>, and therefore the policy forms part of the legislative framework in which the Local Government is required to conduct business.</p> <p>Where legislative or policy compliance is not reasonably able to be achieved, records must evidence the rationale and decision-making processes that substantiate the non-compliance.</p>	<p>Emergency Purchases has been created separately to unlink emergency purchases from the general Table 1.</p> <p>Records Management numbering change was clause 4, wording shortened.</p> <p>Purchasing Policy Non-Compliance numbering change was clause 12.</p>	
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<p>To this extent, a qualitative weighting may be afforded in the evaluation of quotes and tenders where suppliers are located within the boundaries of the City, or substantially demonstrate a benefit or contribution to the local economy.</p> <p>A regional price preference may be afforded to locally based businesses for the purposes of assessment. Provisions are detailed within the Council Policy 4.11 Regional Price Preference.</p> <p><b>7. Purchasing from Disability Enterprises</b></p> <p><i>Local Government (Functions and General Regulation 11(2)(i) provides a <u>tender exemption</u> if the goods or services are to be supplied from an Australian Disability Enterprise, as registered on <a href="http://www.ade.org.au">www.ade.org.au</a>. This is contingent on the demonstration of <u>value for money</u>.</i></p> <p><i>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.</i></p> <p><i>Minimum <u>purchasing requirements</u> are to be followed based on the <u>purchase value</u>.</i></p> <p><b>8. Purchasing from Aboriginal Businesses</b></p> <p><i>Local Government (Functions and General Regulation 11(2)(h) provides a <u>tender exemption</u> if the goods or services are to be supplied from a person registered on the Aboriginal Business Directory WA published by the Chamber of Commerce and Industry of Western Australia, or Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation), where the expected consideration under contract is worth \$250,000 or less. This is contingent on the demonstration of <u>value for money</u>.</i></p> <p><i>Where possible, Aboriginal businesses 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 Aboriginal owned businesses or businesses that demonstrate a high level of aboriginal employment.</i></p> <p><i>Minimum <u>purchasing requirements</u> are to be followed based on the <u>purchase value</u>.</i></p> <p><b>9. Expressions of Interest</b> - <i>clause moved up, refer to clause 5 in draft policy.</i></p> <p>Expressions of Interest (EOI) will be considered as a prerequisite to a tender process [Functions and General Regulation 21] where the required supply evidences one or more of the following criteria:</p> <ol style="list-style-type: none"> <li>Unable to sufficiently scope or specify the requirement;</li> <li>There is significant variability for how the requirement may be met;</li> <li>There is potential for suppliers to offer unique solutions and / or multiple options for how the purchasing requirement may be sought, specified, created or delivered;</li> <li>Subject to a creative element; or</li> <li>Provides a procurement methodology that allows for the assessment of a significant number of potential tenderers leading to a shortlisting process based on non-price assessment.</li> </ol> <p>All EOI processes will be based upon qualitative and other non-price information only.</p> <p><b>10. Contract Renewals, Extensions, and Variations</b></p> <p><i>Where a contract has been entered into as the result of a publicly invited tender process, then [Functions and General Regulation 21A] applies.</i></p> <p><i>For any other contract, the contract must not be varied unless:</i></p> <ol style="list-style-type: none"> <li>The variation is necessary in order for the goods or services to be supplied and does not change the scope of the contract; or</li> <li>The variation is a renewal or extension of the term of the contract where the extension or renewal options were included in the original contract.</li> </ol>	<p>Purchasing activities are subject to internal and external financial and performance audits, which examine compliance with legislative requirements and the City's policies and procedures.</p> <p>If non-compliance with legislation, this Purchasing Policy or the Code of Conduct, is identified, it must be reported to the Chief Executive Officer, the Chief Financial Officer or Manager Corporate Compliance.</p> <p>Where a breach is substantiated, it may be treated as:</p> <ul style="list-style-type: none"> <li>an opportunity for additional training to be provided;</li> <li>a disciplinary matter, which may or may not be subject to reporting requirements under the <i>Public Sector Management Act 1994</i>; or</li> <li>where the breach is also identified as potentially serious misconduct, the matter will be reported in accordance with the <i>Corruption, Crime and Misconduct Act 2003</i>.</li> </ul>	<p>Clauses 7 and 8 have been deleted as they duplicate information in the Supplier Order of Priority Table and moved to the operational Procurement Manual.</p>	<p>Clause 10 has been restructured as part of the larger Contract Management section.</p>
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<p>Upon expiry of the original contract, and after any options for renewal or extension included in the original contract have been exercised, the City is required to review the purchasing requirements and commence a new competitive purchasing process in accordance with this Policy.</p> <p><b>11. Environmentally Sustainable Procurement</b></p> <p>The City will support the purchasing of recycled and environmentally sustainable products, whenever a <u>value for money</u> assessment demonstrates benefit toward achieving the City's strategic and operational objectives.</p> <p>Qualitative weighted selection criteria will be used in the evaluation of Requests for Quote and Tenders, to provide advantages to suppliers which:</p> <ul style="list-style-type: none"> <li>demonstrate policies and practices that have been implemented by the business as part of its operations;</li> <li>generate less waste material by reviewing how supplies, materials and equipment are manufactured, purchased, packaged, delivered, used, and disposed; and</li> <li>encourage waste prevention, recycling, market development, and use of recycled/recyclable materials.</li> </ul> <p><b>12. Purchasing Policy Non-Compliance</b> - <i>clause moved up, refer to clause 9 in draft policy.</i></p> <p>The Purchasing Policy is mandated under the <i>Local Government Act 1995</i> and Regulation 11A of the <i>Local Government (Functions and General) Regulations 1996</i>, and therefore the policy forms part of the legislative framework in which the Local Government is required to conduct business.</p> <p>Where legislative or policy compliance is not reasonably able to be achieved, records must evidence the rationale and decision making processes that substantiate the non-compliance.</p> <p>Purchasing activities are subject to internal and external financial and performance audits, which examine compliance with legislative requirements and the City's policies and procedures.</p> <p>If non-compliance with legislation, this Purchasing Policy or the Code of Conduct, is identified, it must be reported to the Chief Executive officer or the Chief Financial Officer.</p> <p>A failure to comply with legislation or policy requirements, including compliance with the Code of Conduct when undertaking purchasing activities, may be subject to investigation, with findings to be considered in context of the responsible person's training, experience, seniority and reasonable expectations for performance of their role.</p> <p>Where a breach is substantiated it may be treated as:</p> <ul style="list-style-type: none"> <li>an opportunity for additional training to be provided;</li> <li>a disciplinary matter, which may or may not be subject to reporting requirements under the <i>Public Sector Management Act 1994</i>; or</li> <li>where the breach is also identified as potentially serious misconduct, the matter will be reported in accordance with the <i>Corruption, Crime and Misconduct Act 2003</i>.</li> </ul>		<p>Clause 11 now forms part of the CSR section and has been moved to the operational Procurement Manual.</p>	
<p><b>KEY TERM DEFINITIONS</b></p> <p><b>City Contract or Prequalified City Supplier Panel</b> means an established contractual arrangement the City has entered into with a suitable supplier. All such arrangements are recorded to the City's Contracts &amp; Suppliers list. Such an arrangement may take the form of formal contracts, services agreements, or standing orders.</p> <p><b>eQuotes</b> means the electronic procurement application utilised to issue and receive requests for quotation, otherwise known as VendorPanel.</p> <p><b>Goods</b> includes tangible, quantifiable material requirements usually capable of being moved or transported that are purchased, rented, leased, or hired by the City.</p> <p><b>Pre-qualified supplier/ Tender Exempt:</b> is a supplier who has through public tender been accepted on a City or WALGA Preferred Supply panel, a State Government Common Use Arrangement (CUA) or</p>	<p><b>KEY TERM DEFINITIONS</b></p> <p><b>Contract</b> means an agreement which creates legally enforceable obligations between parties. A purchase order is a form of Contract.</p> <p><b>Contract Management Framework</b> means the City's suite of contract management processes, contract documentation and system approvals.</p> <p><b>Contract Variation</b> means an alteration or change to the original contract of a significant nature i.e. a term or condition of the contract or price. It does not include any administrative changes or agreements between Parties as to the interpretation of a clause.</p> <p><b>Direct Sourcing</b> means the procurement of goods and/or services by placing an order with the supplier of choice, without seeking other bids.</p> <p><b>eQuotes</b> means the electronic procurement system utilised to issue and receive requests for quotation,</p>	<p>Changed to those key definitions less commonly understood.</p>	<p>Click or tap here to enter text.</p>

<p><b>Purchasing or Procurement</b> is defined as the entire process by which all classes of resources (including but not necessarily restricted to human, material, plant, equipment, facilities and services) are sought generally for a local government activity, function or specific project by payment. This can include the functions of planning, design, standards determination, specifications writing, selection of suppliers, financing and other related functions.</p> <p>Procurement methods can include:</p> <ul style="list-style-type: none"> <li>• Direct Purchase – use existing supply agreements, e.g. Annual contracts, State/Commonwealth Government contracts; WALGA preferred suppliers; from Retail or Wholesale outlets.</li> <li>• Oral Quotations.</li> <li>• Written Quotations – dated and signed by the Supplier.</li> <li>• Direct Negotiation.</li> <li>• Lease/ Hire Agreements.</li> <li>• Public Tender.</li> <li>• Petty Cash.</li> </ul> <p><b>Services or Provision of services</b> means any task, consultancy, work or advice to be performed or provided that is procured by the City. Included are services such as management consultancies, outsourcing, maintenance contract/ agreement, cleaning, waste removal, equipment repairs, external auditors, utilities and services acquired by a private sector provider for the City. Excluded are payments made directly to employees, superannuation and pension payments, statutory or involuntary payments and grants, subsidies and transfer payments.</p>	<p>otherwise known as VendorPanel.</p> <p><b>Open Market</b> means Officers are free to select suppliers from any source to participate in procurement activity. There is no obligation to issue a statewide public notice under Open Market conditions. The City may restrict which suppliers are invited to respond to such requests.</p> <p><b>Public Tender</b> means a tender process conducted in accordance with Part 4 of the Local Government (Functions and General) Regulations 1996. Public tenders require statewide public notice to be lodged. Suppliers may not be restricted from responding to the tender request. <b>Tenderlink</b> is the current online electronic Tender system that is used for issuing all City Tenders.</p>																												
<p><b>ROLES AND RESPONSIBILITIES</b></p> <p>It is the responsibility of all City employees, undertaking procurement activities, to comply with this policy and its supporting systems and procedures. All City employees, when undertaking procurement activities, are required to observe the highest standards of ethics and integrity and act in an honest and professional manner that supports the standing of the City of Greater Geraldton.</p>	<p><b>ROLES AND RESPONSIBILITIES</b></p> <p>It is the responsibility of all City employees and Council Members, undertaking procurement activities, to comply with this policy and its supporting systems and procedures. All City employees and Council Members, when undertaking procurement activities, are required to observe the highest standards of ethics and integrity and act in an honest and professional manner that supports the standing of the City of Greater Geraldton.</p>	<p>Addition of Council Members as Council has a role in accepting tenders.</p>	<p>Click or tap here to enter text.</p>																										
<p><b>WORKPLACE INFORMATION</b></p> <p>Local Government Act 1995</p> <p>Local Government (Functions and General) Regulations 1996 – Divisions 1 and 2</p> <p>Council Policy 4.11 Regional Price Preference</p> <p>Council Policy 4.10 Procurement via Panels of Prequalified Suppliers</p> <p>Operational Policy 023 Petty Cash</p> <p>City Code of Business Ethics</p> <p>City Procurement Procedure Manual</p> <p>WALGA Procurement Handbook</p>	<p><b>WORKPLACE INFORMATION</b></p> <p>Local Government Act 1995</p> <p>Local Government (Functions and General) Regulations 1996 – Divisions 1 and 2</p> <p>Council Policy 4.11 Regional Price Preference</p> <p>Council Policy 4.10 Procurement via Panels of Prequalified Suppliers</p> <p>Operational Policy 034 Financial Authorisations</p> <p>Operational Policy 023 Petty Cash</p> <p>City Code of Business Ethics</p> <p>Codes of Conduct</p> <p>City Purchasing Manual and Procurement Processes</p>	<p>Updated relevant references</p>	<p>Click or tap here to enter text.</p>																										
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