



PURCHASING POLICY

PURPOSE

The purpose of this Policy is to ensure:

- compliance with all relevant legislation;
- the best value for money is attained for the City, while acknowledging the importance of strategic procurement;
- probity and integrity;
- that records are created and maintained to evidence purchasing activities in accordance with the *State Records Act 2000* and the City's internal Record Keeping Policy;
- that risks are identified and managed as outlined in the City's Risk Management Policy and related documents;
- providing optimal administrative efficiency by pursuing best practice in procurement; and
- that sustainable benefits such as environmental, social and local economic factors are considered in the overall value for money assessment.

SCOPE

This policy applies to the City's Elected Members, officers, employees and contractors.

DEFINITIONS

Act means the Local Government Act 1995

CEO means the Chief Executive Officer

City means the City of Kalgoorlie-Boulder

Elected Members means a Councilor, including the Mayor, elected to the Council.

LGIS means the Local Government Insurance Scheme

PPS means the Panel of Pre-Qualified Suppliers

Procurement Procedures Manual means the document that sets out the requirements in conducting procurement on behalf of the City.

Quotation – means a written statement from a Respondent setting out the cost, technical specifications, and description for the supply of goods and/or services. Interchangeable with the term 'Quote'

Regulations means the Local Government (Functions & General) Regulations 1996



Respondent - A prospective supplier that responds to the Quotation or Tender.

Responsible Officer means the person responsible for the delivery of the project, goods, or service that is subject to the purchase.

Tender – means a Tender required under Clause 11 of the Local Government (Functions and General) Regulations 1996 or other Tender Procedure as determined by Council.

WALGA means the Western Australian Local Government Association

POLICY STATEMENT

The City will strive to ensure the highest standards of ethics are observed in the purchasing of goods and services to maintain its professional standing and to promote confidence in the integrity of local government processes.

All processes associated with the procurement of goods and services will be carried out in a manner that is fully accountable, transparent, free from any perceived or actual bias or conflicts of interest, compliant with relevant legislation and fully documented in accordance with audit requirements.

This Policy must be read and adopted in accordance with the requirements of the Procurement Procedures Manual which will cover further and comprehensive details, practices and the operational requirements for the relevant Policy item.

POLICY DETAILS

1. Procurement Principles

- a. All procurement of goods and services must have an expenditure estimate included in the annual budget prior to purchase.
- b. Full accountability shall be taken for all procurement decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money.
- c. All procurement practices shall comply with relevant legislation, regulations, and requirements consistent with the City's Policies and Code of Conduct.
- d. Procurement is to be undertaken on a competitive basis where all Respondents are treated impartially, honestly and consistently.
- e. All processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies, audit requirements and relevant legislation.
- f. Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.



- g. Any information provided to the City by a Respondent shall be treated as commercial-in-confidence and should not be released unless authorised by the Respondent or relevant legislation.
- h. All procurement activities must identify, assess, and mitigate risks to ensure that goods, services and works are delivered in a manner that protects the organisations financial, operational and reputational interests.

2. Procurement Requirements

a. **Procurement Procedures Manual**

The CEO will ensure that a Procurement Procedures Manual is developed and maintained to provide process, procedures and guidelines to officers responsible for procurement activities within the City.

b. **Procurement Thresholds**

- i. The adoption of these threshold levels shall be carried out in conjunction with the supply order of priority requirements outlined in the Procurement Procedures Manual.
- ii. The following table establishes the guidelines for the procurement of goods and services depending upon the estimated contract value (excluding GST) for the contract over the full contract period* (including options to extend).

Purchase amount	Policy
\$0 to \$5 000	Seek one (1) written quote and/or Direct Purchase from supplier using purchase order or Corporate Credit Card issued by the City.
\$5 001 to \$50 000	Seek two written quotations from suitable suppliers.
\$50 001 to \$250 000	Seek three written quotations from suitable suppliers. Price and the specification of goods and services are to be requested. The procurement decision will be based on value for money and qualitative considerations.
Above \$250 000	A public tender process is required to be conducted through the ePortal platform; or seek at least three (3) quotations from an appropriate exempt arrangement.



* The “contract period” can mean “a one-off purchase” or “a pre-defined period”.

iii. Election to go to Tender below Legislated Threshold

If a decision is made to seek public tenders for contracts valued below the legislated threshold of \$250 000, the full Request for Tender process must be followed in accordance with the Act and the associated Regulations.

c. Exemptions

i. Exemption from a Public Procurement Process (Tenders)

The most common exempt provision from a public procurement process is where the procurement process is undertaken from any of the following:

- WALGA Preferred Supply Arrangements;
- goods and services or work obtained through State, Commonwealth or other Local Government arrangements;
- goods and services or work as a result of a public health emergency declaration;
- where there is a genuine sole source of supply;
- where the goods to be supplied are petrol or oil (lubricant); or any other liquid, or gas, used for internal combustion engines;
- goods, services or works supplied through an Australian Disability Enterprise or through a registered Aboriginal Business.
- the contract is for a or extension of an existing contract;
- the contract is formed by the novation of a contract to which sub regulation (1) applies LGIS services; or
- any of the other exclusions under regulation 11(2) of the Regulations apply.

ii. Exemption from Requiring Quotation(s)

There are circumstances whereby the seeking of Quotations between \$5,001 and >\$250,000 is not always possible or practical and exemptions to purchasing thresholds will be determined by CEO.

d. Anti – Avoidance

- i. Orders for the purchase of goods and services must not be split into lesser-valued individual components so as to circumvent the guidelines associated with the purchasing thresholds established in this Policy.
- ii. Where feasible, orders should be aggregated upwards to provide a contract for the supply of goods and services on an annual or perennial basis.

e. Emergency Purchases



An emergency purchase required in response to an emergency as provided for in the Act. In such instances, Quotations and Tenders are not required to be obtained prior to the purchase being undertaken. The requirements as outlined in the Procurement Procedures Manual.

f. **Records Management**

All procurement records and key decisions, from business case development to contract award, are to be kept in a single file in accordance with the City's Records Management Policy and the provisions of the State Records Act 2000.

3. Sustainable Procurement

a. The City is committed to implementing sustainable procurement where appropriate, by providing a preference to suppliers that demonstrate sustainable business practices (social advancement, environmental protection, local economic benefits and good governance).

b. The City will support the purchasing of requirements from socially sustainable suppliers such as Australian Disability Enterprises and Aboriginal businesses and adopt an approach to procurement that supports sound environmental considerations in its purchasing activities as outlined in the Procurement Procedures Manual.

c. **Support of Local Suppliers**

Before entering into a contract for the purchase of goods and services, the City shall give preference to a local supplier, where their bid is deemed to be competitive in accordance with the Regulations and within the guidelines of the "Regional Price Preference Policy".

d. **Purchasing from Aboriginal Businesses**

i. Where practical, the City will provide opportunities for Aboriginal businesses to provide Goods and Services and/or Works requirements, and all Requests should consider ways to encourage Aboriginal businesses to respond.

ii. When the City decides to contract directly with an Aboriginal Business for any amount up to and including \$250 000 (ex GST), it must be satisfied through alternative means that the offer truly represents value for money.

e. **Purchasing from Australian Disability Enterprises**

i. Where practical, the City will provide opportunity to Australian Disability Enterprises to provide goods and services or works requirements, and all Requests should consider ways to encourage Australian Disability Enterprises to respond.

ii. Where the City decides to contract directly with an Australian Disability Enterprise for any amount, including an amount over the



Tender threshold of \$250 000 (ex GST), it must be satisfied through alternative means that the offer truly represents value for money.

f. **Environmental Sustainability**

The City will achieve environmental sustainability through:

- i. Prioritising sustainable and recycled products when a value for money assessment demonstrates strategic and operational benefit.
- ii. Giving preference to suppliers who demonstrate:
 - Established environmental policies
 - Reduced waste generation across the supply chain
 - Active promotion of waste prevention and recycled material use

4. Panels of Pre-Qualified Suppliers (PPS)

- a. The City may consider creating a Panel of Pre-Qualified Suppliers (Panel) when a range of similar goods and services are required to be purchased on a continuing and regular basis.
- b. The City may enter into an Agreement with a Supplier for the provision of goods or services under a Panel in accordance with Regulation 24AJ and subject to the following conditions:
 - i. The Contract established under the Panel Agreement may only be for a maximum twelve (12) months term; and
 - ii. Is prohibited from having any extension of term provisions included in the Contract
- c. The Panel will be established in accordance with Division 3 of the Local Government (Functions and General) Regulations 1996 and requirements outlined in the Procurement Procedures Manual.

5. Regional Price Preference Policy

- a. The City will encourage local industry to supply goods and services to the City through the adoption of a regional price preference advantage in conjunction with standard Tender and Quotation considerations through adoption and maintenance of a Regional Price Preference Policy.

6. Risk Management

- a. Managing procurement risk from the beginning of the procurement lifecycle is a foundational element in achieving ongoing value for money.
- b. All significant procurement processes that have a specific budget line item with an estimated contract value above \$1M must have (unless



exempted) a well-defined business case. This will be consistent with the procedures as outlined in the Procurement Procedures Manual.

7. Contract Management

- a. All City contracts, including variations, renewals and supplier grievances, will be managed during their lifecycle by the responsible Officer in accordance with good contract management practices and consistent with the City’s processes, procedures and management guidelines.

COMPLIANCE REQUIREMENTS

Local Government Act 1995

Local Government (Functions and General) Regulations 1996

State Records Act 2000

RELEVANT DOCUMENTS

Procurement Procedures Manual

Regional Price Preference Policy

Tender Criteria Policy

Variations to Tender Policy

Strategic Community Plan

Corporate Business Plan

Delegations Register

DOCUMENT CONTROL				
Responsible Department	Finance			
Description of Changes	1. Procurement Threshold \$0-\$5k additional requirement to seek one (1) written quote and/or Direct Purchase from supplier using purchase order or Corporate Credit Card issued by the City.. 2. Inclusion of Division 3 – 24AA to 24AJ LG (Functions & General) Regulations, which allows the City to establish panels of pre-qualified suppliers			
Version	Resolution Number	Endorsement Date:	Last Reviewed Date:	Next Review Date:
1		26 May 2008		
2		03 November 2017		
3	14.3.1	26 November 2018	15 November 2018	
4	15.1.3	26 June 2023	01 June 2023	01 June 2025
5	14.2.2	19 January 2026	01 December 2025	01 December 2027