



## 2.4 PURCHASING POLICY

Distribution	Elected members, All Employees
Responsible Officer	Chief Executive Officer
Date adopted	20 May 2020
File Reference	185

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### Purpose

To articulate purchasing parameters for procurement on behalf of the Shire of Goomalling for operating expenditure.

### Objective

- Set standards developed in accordance with *Local Government Act 1995*, *Local Government (Functions and General) Regulation 1996*, *Local Government (Financial Management) Regulations 1996*;
- To deliver a best practice approach, and procedures for purchasing for the Shire of Goomalling; and
- To ensure consistency and transparency for all procurement functions that assimilates with all the Shire of Goomalling's operational areas.

### Scope

Elected Members, All staff

### Standard

#### Ethics and Integrity

All employees of the Shire of Goomalling are expected to practice a high standard of ethics and integrity in undertaking purchasing transactions, and act in an honest and proficient manner that preserves the standing of the Shire of Goomalling.

The following principles and behaviour must be prescribed throughout all stages of purchasing to ensure fair and equitable treatment of all parties:

- Full accountability for all purchasing decisions and effective management of expenditure of public monies on the basis of achieving value for money;
- All purchasing practice comply with relevant legislation, regulations and standards consistent with the Shire of Goomalling's policies and code of conduct;
- Procurement is undertaken on a competitive basis and potential providers receive impartial, candid and consistent management;
- Process, evaluation and decision making is transparent, impartial and documented in accordance with relevant policy and audit requirements;

- Actual and perceived conflicts of interest are identified, disclosed and managed appropriately; and
- Information provided to the Shire of Goomalling by a supplier/contractor is treated as commercial-in-confidence and will not be released unless authorised by the supplier or relevant legislation.

### Purchasing Thresholds

<b>Limits</b>	<b>Policy</b>	<b>Officer who can Sign</b>
<b>Up to \$5,000</b>	Direct purchase from suppliers requiring verbal quotation(s) only. If available written quotations should be obtained.	<b>CEO Manager of Finance Manager of Works</b>
<b>\$5,000 - \$19,999</b>	<b>Where practical</b> , obtain at least two verbal or written quotations.	<b>CEO Manager of Finance Manager of Works</b>
<b>\$20,000 - \$149,999</b>	<b>Where practical</b> , obtain at least two written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations).	<b>CEO</b>
<b>\$150,000 and above</b>	<b>Conduct a public tender process.</b>	<b>CEO</b>
<b>\$250,000 temporary limit change (COVID-19 Special Conditions)</b>	<b>Where practical</b> , obtain at least two written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations). Where contracts are being extended, the \$250,000 threshold applies during the COVID 19 Pandemic. No other quote is required during the pandemic however the CEO is to be convinced that the extension pricing represents good value for the Shire of Goomalling	<b>CEO</b>

#### Conditions:

- (1) The above purchasing policy is to be used in conjunction with the *“Regional Price Preference (Buy Local) Policy”*.

- (2) Through the COVID-19 Pandemic of 2020 the tender threshold has been increased to \$250,000 for the duration of the state of emergency and the accompanying recovery period.
- (3) Contracts requiring extension during this period are also exempted for works which fall within the amended \$250,000 temporary tender threshold.
- (4) Where suppliers require a fee for a quote, staff are to note this. The CEO to adjudicate as to whether that supplier should provide a quote in such instance.

### **Steel Industry Participation Clause:**

*Projects include contractual conditions specifying that:*

1. Steel *must* be sourced from mills with Australasian Certification Authority for Reinforcing and Structural Steel (ACRS) third party certification; and
2. Steelwork *must* be sourced from steel fabricators independently certified to the National Structural Steelwork Compliance Scheme (SCA).

## **Roles & Responsibilities**

### **Elected Members**

- To create and review policy to minimise risk and ensure best practice.

### **Chief Executive Officer**

- Comply with policy for purchasing
- Ensure staff understand and comply with policy

### **Executive Management**

- Comply with policy for purchasing
- Ensure staff understand and comply with policy

### **Employees**

- Comply with policy for purchasing

## **Legislation**

[Local Government Act 1995](#) (s 6.10)

[Local Government \(Functions and General\) Regulations 1996](#) (r 11a)

[Local Government \(Financial Management\) Regulations 1996](#) (r13)

[State Records Act 2000](#)

[Occupational Safety and Health Act 1984](#) (s. 23-1 9a, b & c)

## **Document Links**

### **Strategic Community Plan**

C1.5 Develop a policy framework to guide Council's decision making

C2.7 Provide reporting processes in a transparent, accountable and timely manner

### **Policy**

Verbal Quotation Record Form (up to \$19,999)

Quotation Record Form (\$20,000 to \$149,999)

### **Procedures Manual**

Nil

**Local Law**

Nil

**Delegation**

**DE1 Payments from Trust and Municipal Funds**

**DE11 Expressions of Interest prior to calling for Tenders**

**DE12 Inviting Tenders**

**DE13 Minor Variations to Tenders**

**Review History**

<b>Version</b>	<b>Review date</b>	<b>Minute no.</b>	<b>Notes</b>
1	September 2015	1 092015.SM	
1.1	May 2016	8.1.3 052016.OM	1.3.1 Purchasing Policy
1.1	June 2016	8.1.2 062016.OM	1.3.2 Regional Price Preference (Buy local) policy
2	20 May 2020	197 OM_200520	Formerly 1.3.1 Purchasing Policy