

Purpose

The purpose of this Policy is to:

- Ensure best practice policies and procedures are followed in relation to procurement for the Shire of Boddington;
 - Ensure compliance with the Local Government Act 1995 and Part 4 of the Local Government (Functions and General) Regulations 1996;
 - Undertake procurement processes that ensure best value for money for the Shire by delivering the most advantageous outcome possible;
 - Ensure openness, transparency, fairness, and equity throughout the procurement process to all potential suppliers; and
 - Ensure efficient and consistent procurement processes are implemented and maintained across the Shire.
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Scope

This Policy applies to all Shire of Boddington employees, appointed representatives, and, where applicable, contractors procuring on behalf of the Shire.

Definitions

Term	Meaning
Policy	This Shire of Boddington policy titled "Purchasing of Goods and Services".

Policy Statement

Procurement Principles

The following principles, standards, and behaviours are to be observed and enforced through all stages of the procurement process to ensure the fair and equitable treatments of all parties:

- Full accountability is to be taken for all procurement decisions and the efficient, effective, and proper expenditure of public monies to achieve value for money;
- All procurement practices are to comply with relevant legislation, regulations, and requirements consistent with the Shire's applicable policies and Code of Conduct;
- Procurement is to be undertaken on a competitive basis where all potential suppliers are treated impartially, honestly, and in a similar manner;
- All processes, evaluations, and decisions are to be transparent, free from bias, and fully documented in accordance with the applicable policies, audit requirements, and relevant legislation;

- Any actual or perceived conflicts of interest are to be identified, disclosed, and appropriately managed;
- Any information provided to the Shire by a supplier is to be treated as commercial-in-confidence and is not to be released unless authorised by the supplier or relevant legislation; and
- Any canvassing of Council Members or employees is to disqualify businesses seeking to do business with the Shire in relation to the applicable procurement.

Quality and Value for Money

Quality and value for money is an overarching principle governing procurement that seeks the best possible outcome for the Shire. Compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, safety and quality standards, sustainable procurement objectives, timeliness of supply, whole of life cycle costing, and other relevant service benchmarks. When a higher priced offer is recommended there should be clear and demonstrable benefits over and above the lowest priced offer.

Purchasing Thresholds

The purchasing threshold relates to the actual or expected value of a contract over the full contract period or the extent to which the Shire will continue to purchase a particular category of goods, services, or work and the total value of that purchase.

The following thresholds apply where the total value, excluding GST, of the full contract period for the purchasing of goods and/or services is, or is expected to be:

Under \$1,500	Goods and services may be purchased without first obtaining a quotation.
\$1,501 - \$5,000	Direct Procurement from suppliers requiring one verbal quotation to be sought. The preference is to procure from a local business if a suitable supplier can be sourced. A written note of this quotation is to be recorded.
\$5,001 - \$10,000	A minimum of one written quotation to be sought from suppliers containing price and details of the supply. At least one written quotation is to be obtained from a local business if a suitable supplier can be sourced.
\$10,001 - \$50,000	A minimum of two written quotations to be sought from different suppliers containing price and details of supply including basic specifications. At least one written quotation is to be obtained from a local business if a suitable supplier can be sourced.
\$50,001 - \$250,000	A minimum of three written quotations to be sought from different suppliers containing price, details of supply including basic specifications, and warranty offerings. At least one written quotation is to be obtained from a local business if a suitable supplier can be sourced. An assessment of the quotations is to be undertaken by two officers and is to be approved by the Chief Executive Officer.
Over \$250,000	Tender process.

All information in relation to quotations received and purchases made is to be documented in accordance with the Shire's Recordkeeping Policy and procedures.

Whenever it is not possible to meet the procurement requirements of the Shire, appropriate justification is to be documented in accordance with the Shire's Recordkeeping Policy and procedures.

Tender and Quotation Exemptions

An exemption may apply in the following instances:

- The purchase is from a pre-qualified supplier established by the Shire;
- The purchase is obtained from a pre-qualified supplier under the WALGA Preferred Supply Program or State Government Common Use Arrangement – Regulation 11(2)(b) and 11(2)(e) of the Local Government (Functions and General) Regulations 1996;
- The purchase is to be obtained from the expenditure authorised in an emergency – Regulation 11(2)(a) of the Local Government (Functions and General) Regulations 1996;
- The purchase is of a unique nature, with a sole source of supply – Regulation 11(2)(f) of the Local Government (Functions and General) Regulations 1996;
- The purchase is acquired from a person registered on the WA Aboriginal Business Directory, as published by the Chamber of Commerce and Industry of Western Australia Limited, or a person registered with the Australian Minority Supplier Office Limited (trading as Supply Nation), where the consideration under contract is worth \$250,000 or less and represents value for money – Regulations 11(2)(h) of the Local Government (Functions and General) Regulations 1996;
- The purchase is acquired from an Australian Disability Enterprise - Regulation 11(2)(i) of the Local Government (Functions and General) Regulations 1996; or
- Any of the other exclusions under Regulation 11 of the Local Government (Functions and General) Regulations 1996 apply.

Where quotes are not practical, e.g. due to limited suppliers, the Chief Executive Officer may, at their discretion, waive the requirements to obtain quotes providing that written, justifiable reasons for such a waiver are provided by the responsible officer and documented through records.

Inviting Tenders under the Tender Threshold

Where considered appropriate and beneficial, or to manage procurement risk, the Shire may consider publicly advertising tenders in lieu of undertaking a request for quotation for purchases under the tender threshold. This decision is to be made after considering the benefits of this approach in comparison with the costs, timeliness, and compliance requirements. The Shire's tendering procedures are to be followed in full.

Variations

In general, Agreements and Contracts may be varied where:

- a) The variation is lawful and in accordance with the Agreement/Contract;
- b) The revised value of the Agreement or Contract as a result of the variation does not exceed the Financial Authority of the Officer approving the variation; and
- c) The revised value (if applicable) of the Agreement or Contract as a result of the variation can be incorporated into approved Shire budgets and/or the Shire's Strategic Resource Plan.

In addition to the points noted above, Agreements or Contracts which were entered into by the Shire as a result of a public tender are further restricted by 2.11 of the Register and Part 4, Division 2, reg 21A of the Regulations.

Under reg 21A of the Regulations a Contract entered into subsequent to a public tender process must not be varied unless:

- a) the variation is necessary in order for the goods or services to be supplied and does not change the scope of the Contract; or
- b) the variation is a renewal or extension of the term of the Contract as described in reg 11(2)(j)

The revised value of an Agreement or Contract (for determination of correct Financial Authority) is calculated as the originally approved value plus the sum of the proposed variations. A variation which increases value above the presently approved value requires re-approval of the varied Agreement or Contract by a suitable Officer with applicable Financial Authority.

Standing Offer Agreement

This is an agreement where a supplier agrees to provide specified goods (which are considered commodities/services off the shelf which are readily available from multiple suppliers and frequently purchased), at an agreed price fixed for a set period of time. Standing offers do not commit the Shire to any minimum volume. A standing offer once accepted by the Shire is deemed to have met the quotation process. A Standing Offer is established by seeking quotations as per the Purchasing Thresholds tabled in this Policy within the range of \$500 - \$250,000.

Sole Source of Supply

Where the procurement requirement is 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 Shire is satisfied and can demonstrate that there is only one source of supply for those goods, services, or works. The Shire is to use its best endeavours to determine if the sole source of supply is genuine by exploring any alternative sources of supply. From time to time, the Shire may publicly invite an expression of interest to effectively determine that one sole source of supply prevails in this situation.

Anti-Avoidance

The Shire is not to 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 purchase in consideration below a particular purchasing threshold.

Emergency Purchases

An emergency purchase is defined as an unanticipated and unbudgeted purchase, which is required in response to an emergency situation as provided for in the Local Government Act 1995. In such instances, quotes and/or tenders are not required to be obtained prior to the purchase being undertaken. An emergency purchase does not relate to purchases not planned for due to time constraints. Every effort is to be made to anticipate the Shire's procurement requirement in advance and to allow sufficient time to obtain quotes and/or tenders.

State of Emergency Declaration

- A formal tender process does not need to be undertaken when sourcing and securing essential goods and services when a state of emergency declaration is in force for local government and the goods or services are required to address needs arising from, or impacts the consequences of, the hazard to which the emergency relates.
- When a state of emergency declaration is in force, a contract that is due to expire within the next three months can be renewed or extended at the discretion of the Shire, even if this option is not included in the original contract. The original contract is to have less than three months to expiry and the renewal or extension is not to be for more than twelve months.

Purchase Order Exemption

A purchase order is not required where the payment is for:

- A utility charge such as water, electricity, telephone;
- Bank charges, including account fees, loan repayments, and merchant fees;
- Goods or services supplied under a standing contract such as cleaning, audit, waste collection, fuel, information technology services, town planning services;
- Urgent maintenance requirements;
- Training courses; and
- Good and services under \$500

Responsible Officer	Executive Manager Corporate Services
History	Adopted 16 September 2021 (Resolution 101/21) Amended 27 June 2024 (Resolution 95/24)
Delegation	
Relevant Legislation	Local Government Act 1995, Local Government (Functions and General) Regulations 1996, Construction Contracts Act 1984
Related Documentation	Procedure : Forms & Templates :