

## Purchasing Policy

### Policy Objective

To provide a clear standard and direction and to maintain consistency and control over all of the City of Rockingham procurement activities. To ensure that such activities comply with all relevant legislation, awards and agreements and are considered in a fair and ethical manner to achieve best value to the City.

### Policy Scope

This policy covers the required conduct for all activities associated with the acquisition of goods, works or services of any value.

This includes tendering arrangements and the contracting of services and applies to all City of Rockingham staff and contractors.

### Policy Statement

The City of Rockingham (CoR), as a Local Government entity, will obtain best value for money and maximum operational benefit by efficiently managing the procurement of goods and services and maintain the highest standards of corporate responsibility, particularly in relation to its customers, employees and the environment.

At all times the City will, within the context of the competitive market place, act fairly and ethically to ensure that there is accountability, equity and transparency in its relationships with potential and established suppliers, and ensure that integrity is maintained throughout the process.

All arrangements must be authorised by a responsible officer with an authorised purchasing limit as delegated by the Chief Executive Officer commensurate with the total value. In circumstances where a written contract is required the City reserves the right to cancel informal or irregular arrangements.

Value for money shall be the overarching principle governing procurement that allows the best possible outcome to be achieved for the City. Maintaining compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service.

### Authorities and Responsibilities

The authorisation to proceed with the facilitation of a purchase lies with the respective Director, Manager or Officers authorised purchasing limit as delegated by the Chief Executive Officer.

### CoR delivers value for money services to the community

To ensure the best overall value/result is obtained through applying a strategic and cost effective approach. This may include taking into account fitness for purpose, whole of life cost, timeliness, flexibility to adapt, quality, sustainability, intangible costs/benefits, service, support and warranty.

### Compliance with statutory and public sector obligations

To ensure activities are conducted in accordance with legislative and common law responsibilities. These include but are not limited to the Local Government act, 1995 and the Local Government Act (Functions and General) Regulations, 1996, Contract Law, the Trades Practices Act 1974, as well as all relevant State, Federal and Industrial awards and agreements.

### Commercial in Confidence Information

Policy Name:	Procurement Policy	Relevant Council Delegation:	
Council Adoption:	26 June 2012 – EP-042/12	Relevant Delegation:	
Version:	1	Relevant Management Standard:	Procurement Standards
Amendment:	0	Relevant Management Procedure:	
Policy Audit:		Relevant Management Guideline:	Procurement Guidelines
Date of next review:	12 Months	Responsible Department:	Projects & Procurement

Information supplied as part of a tender or quote submission considered to be commercial in confidence will not be included in reports of a public nature. This may include details of schedule of rates or other specific reference to pricing or operational details.

### **Open and Fair/Effective Competition**

To ensure open and fair competition is fostered and maintained by providing suppliers and contractors with appropriate access and opportunities to supply goods and services to the City of Rockingham.

### **Professional Integrity and Probity**

Procurement processes should withstand public scrutiny. Officers engaged should at all times undertake their duties in a professional, ethical, honest and impartial manner, act responsibly and exercise sound judgement by observing the highest standards of integrity, probity and professional conduct in accordance with the City's Code of Conduct.

### **Risk Management**

To ensure that appropriate risk management practices and procedures are in place including risk identification, assessment and implementation of controls in the supply of goods and services to the City of Rockingham.

### **Accountability and Transparency**

To ensure that responsibilities are clearly defined and that decisions are made in an open and transparent manner. This will include ensuring all appropriate records/documentation is kept.

### **Environmental Sustainability**

To promote and adopt procurement practices which conserve resources, save energy, minimise waste, protect the environment, and are generally consistent with principles of ecological sustainability, to the greatest extent that is practicable.

The following procurement thresholds apply where the value of consideration (excluding GST) for the value of the contract/purchase over the full contract period (including options to extend) is, as shown in the amounts below:-

#### **Purchase Thresholds**

<b>Amount of Purchase</b>	<b>Purchase Type</b>	<b>Minimum Requirements</b>
<b>Up to \$4,999</b>	<b>Small Quote</b>	<b>Up to \$999 – One Verbal Quote \$1,000 to \$4,999 – Two Verbal Quotes</b>
<b>\$5,000 - \$19,999</b>	<b>Minor Quote</b>	<b>Written quotations are to be obtained from a minimum of two suppliers.</b>
<b>\$20,000 - \$49,999</b>	<b>Major Quote</b>	<b>Written quotations are to be obtained from a minimum of three suppliers with a written assessment process.</b>
<b>\$50,000 - \$99,999</b>	<b>Formal Quote</b>	<b>Written quotations are to be obtained from a minimum of three suppliers containing price and specification of goods and services in a formal quotation process (with procurement decision based on all value for money considerations)</b>
<b>\$100,000 and above</b>	<b>Tender</b>	<b>Conduct a public tender process in accordance with the provisions of the Local Government (Functions and General) Regulations 1996.</b>

***Note: Purchases from WALGA's Preferred Supply Contract, State Government Supply Contracts or the City's existing period contracts can be used as a procurement option for any of the above thresholds.***

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Where considered necessary, officers may consider calling tenders in lieu of seeking quotations for purchases under the \$100,000 threshold (excluding GST). This decision should be made after considering the best value options that are consistent with this policy. If a decision is made to seek public tenders for contracts of less than \$100,000, a Request for Tender process that entails all the procedures for tendering must be followed in full.

The procurement of goods or services through the WALGA Preferred Supply Contracts or State Government Supply Contracts requires quotes to be obtained in accordance with procurement thresholds (Table 1). Any quotes from these sources, excluding those quotes above \$100,000, are to be approved in accordance with the Officers authorised purchasing limit, as delegated by the Chief Executive Officer and available budget allocation or are to be approved by Council if the value exceeds \$100,000. For the purchase of goods or services using the City's existing period contracts any purchases exceeding \$100,000 are to be approved by the relevant Director.

### **Financial Requirements and Delegations**

All procurement activities shall be undertaken in accordance with the requirements of authorised purchasing limit as delegated by the Chief Executive Officer.

All procurement expenditure shall be for CoR related activities and shall be in accordance with an approved budget.

### **Records Management**

All records associated with the tender process or a direct purchase process must be recorded and retained. Record retention shall be in accordance with the minimum requirements of the State Records Act, and CoR internal records management policy.

### **Policy Exemptions**

Any exemptions to the requirements of this Policy for purchases less than \$100,000 must be approved in writing by the Chief Executive Officer.

### **Confidentiality**

All information provided between the Contractor and the City shall be treated as Confidential only to the extent provided by the law.

### **Definitions**

Procurement - the effective acquisition of goods or services. It is important that the goods/services procured are appropriate and that they are purchased at the lowest possible price to meet the needs of the purchaser in terms of quality and quantity, time, and location.

### **Legislation**

Local Government Act 1995 and the Local Government (Functions and General) Regulations, 1996.

### **Other Relevant Policies/ Key Documents**

City's Procurement Standards and Guidelines.  
Records Management Policy  
Code of Conduct  
Delegated Purchasing Limits

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