

Council Policy 3.5

Purchasing

Strategic Plan Objective

3.3 To provide responsible and accountable governance and management of the EMRC.

Purpose

- To ensure consistency and value for money outcomes for all purchasing activities for the supply of goods or services.
- To maintain compliance with the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996*.

Legislation

Local Government Act 1995

Local Government (Functions and General) Regulations 1996

Policy Statement

Ethics and Integrity

All EMRC officers shall observe the highest standards of ethics and integrity in undertaking purchasing activities and act in an honest and professional manner that supports the standing of the EMRC.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- All purchasing practices shall comply with relevant legislation, regulations and requirements consistent with the EMRC's policies, procedures and Code of Conduct;
- Full accountability shall be taken for all purchasing decisions;
- All processes, evaluations and decisions shall be transparent, free from bias and fully documented to provide a clear audit trail; and
- Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.

Procurement Thresholds

The purchasing thresholds below make provision for the process to be followed by the EMRC where the total value of goods and/or services (excluding GST) for the contract or purchase order over the full contract period (including options to extend) is, or is expected to be:

Amount of Purchase ex GST	Policy Minimum Requirement
Up to \$5,000	Multiple quotations are not required when purchasing. A single written or verbal quotation must be obtained
\$5,000 - \$10,000	Seek at least two (2) written quotes
\$10,000 - \$49,999	Seek at least three (3) written quotes
\$50,000 - \$249,999	Seek at least three (3) formal written quotes containing price and specification of goods or services
\$250,000 and above	Conduct public tender process

Where this policy requires a certain number of quotations to be obtained, but it is not possible to obtain that number of quotations, then best endeavours must be used to obtain as many quotes as possible.

Tender Exemptions

In the following instances public tenders are not required (regardless of the value of expenditure):

- When the purchase or supply is obtained through the Council Purchasing Service of WALGA (Preferred Supplier Arrangements), or supplied by or obtained through the government of the State or the Commonwealth or any of its agencies, or by a local government or a regional local government.
- Where it can be demonstrated that there is good reason to believe that, because of the unique nature of the goods or services required or for any other reason, it is unlikely that there is more than one potential supplier.
- Where the goods or services are to be supplied by a person registered on the Aboriginal Business Directory WA published by the Chamber of Commerce and Industry of Western Australia Limited or a person registered with the Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation) and
 - ⇒ the consideration under the contract is \$250,000 or less, or worth \$250,000 or less; and
 - ⇒ the local government is satisfied that the contract represents value for money.
- Where the goods or services are to be supplied by an Australian Disability enterprise as registered on www.ade.org.au. This is contingent on the demonstration of value for money.
- If the purchase is from a pre-qualified supplier under a panel established by the EMRC.
- If any other exclusions under Regulation 11 of the *Local Government (Functions and General) Regulations 1996* apply.

Value for Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the EMRC. Compliance with the specification is more important than obtaining the lowest price. An assessment of the best value for money outcome for any purchasing should consider the following:

- the quality of the goods and services;
- fitness for purpose of the proposal;
- the potential supplier's relevant experience and performance history;
- flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement);
- environmental sustainability of the proposed goods and services (such as energy efficiency, environmental impact and use of recycled products); and
- whole-of-life costs.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced conforming offer.

Waiver of Quotation

The Chief Executive Officer may at their discretion, waive the requirements to obtain quotes providing that written, justifiable reasons for such waiver are provided by the responsible officer, and file noted accordingly.

Anti-Avoidance

The EMRC 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 purchase below a particular purchasing threshold, particularly in relation to Tenders and to avoid the need to call a public Tender.

Sustainable Procurement

The EMRC will consider the environmental and social impact in the procurement process when undertaking the purchase of goods and services and disposal of goods. The governing principle for goods and services procurement is the achievement of value for money. In determining value for money, whole of life costs will be considered inclusive of the environmental impact of the goods being purchased and their ultimate disposal.

The EMRC shall adopt the WA "buy local" policy and procure best value for money supplies from WA local and Aboriginal and Torres Strait Islander owned businesses where appropriate.

Record Keeping

Documentation is essential in achieving accountability and transparency. It provides a record of procurement activities and how they've been conducted.

A record related to decision to award must be maintained on file.

Written notes supporting quotation details are to be noted in the purchase order.

All records associated with direct purchases or tender processes must be recorded and retained as follows:

- Direct purchasing records include:
 - ⇒ Quotation documentation both verbal and written;
 - ⇒ Internal documentation; and
 - ⇒ Requisitions and purchase orders.
- Tender records include:
 - ⇒ Tender documentation;
 - ⇒ Internal documentation;
 - ⇒ Evaluation documentation;
 - ⇒ Enquiry and response documentation; and
 - ⇒ Notification and award documentation.

Record retention shall be in accordance with the requirements of the State Records Act, and the EMRC Record Keeping Plan. All requisitions and purchase orders are recorded in the EMRC on-line financial system.



Contract Management

The EMRC procurement department will manage all procurement contracts during their life cycle. The EMRC procurement team is responsible for the administration and maintenance of the EMRC's contract management system.

Financial Considerations

Nil

Adopted/Reviewed

29 March 2007

18 September 2008

23 September 2010

18 September 2014

03 December 2015

06 December 2018

17 September 2020

Next Review

Following the Ordinary Elections in 2021

Responsible Unit

Business Support Team