



2.2.11 Purchasing policy

1. Policy purpose

The Shire of Harvey is committed to delivering the objectives, principles and practices outlined in this Policy, when purchasing goods, services or works to achieve the Shire's strategic and operational objectives.

2. Policy scope

This policy applies to the CEO and staff sub-delegated to purchase goods, services or works on behalf of the Shire of Harvey.

3. Policy objectives

The Shire of Harvey's purchasing activities will achieve:

- The attainment of best value for money;
- Sustainable benefits, such as environmental, social and local economic factors are considered in the overall value for money assessment;
- Consistent, efficient and accountable processes and decision-making;
- Fair and equitable competitive processes that engage potential suppliers impartially, honestly and consistently;
- Probity and integrity, including the avoidance of bias and of perceived and actual conflicts of interest;
- Compliance with the Local Government Act 1995, Local Government (Functions and General) Regulations 1996, as well as any relevant legislation, Codes of Practice, Standards and the Shire of Harvey's Policies and procedures;
- Risks identified and managed within the Shire of Harvey's Risk Management framework;
- Records created and maintained to evidence purchasing activities in accordance with the State Records Act and the Shire of Harvey's Record Keeping Plan;
- Confidentiality protocols that protect commercial-in-confidence information and only release information where appropriately approved

4. Ethics and integrity

The Shire of Harvey's Code of Conduct applies when undertaking purchasing activities and decision making. Elected Members and employees must observe the highest standards of ethics and integrity and act in an honest and professional manner at all times.

5. Value for money

Value for money is achieved through the critical assessment of price, risk, timeliness, environmental, social, economic and qualitative factors to determine the most advantageous supply outcome that contributes to the Shire of Harvey achieving its strategic and operational objectives.

The Shire of Harvey will apply value for money principles when assessing purchasing decisions and acknowledges that the lowest price may not always be the most advantageous.

5.1 Assessing value for money

Assessment of value for money will consider:

- All relevant Total Costs of Ownership (TCO) and benefits including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, training, maintenance and disposal;
- The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality. This includes but is not limited to an assessment of compliances, tenderers resources available, capacity and capability, value-adds offered, warranties, guarantees, repair and replacement policies, ease of inspection, ease of after sales service, ease of communications etc.
- Financial viability and capacity to supply without the risk of default (competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- A strong element of competition by obtaining a sufficient number of competitive quotations wherever practicable and consistent with this Policy;
- The safety requirements and standards associated with both the product design and the specification offered by suppliers and the evaluation of risk arising from the supply, operation and maintenance;
- The environmental, economic and social benefits arising from the goods, services or works required, including consideration of these benefits in regard to the supplier's operations, in accordance with this Policy and any other relevant Shire of Harvey Policy; and
- Providing opportunities for businesses within the Shire of Harvey's boundaries to quote wherever possible.

6. Purchasing thresholds

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:

Amount of Purchase	Policy
Up to \$5,000	Direct purchase from suppliers requiring only verbal quotation.
\$5,001 - \$19,999	Obtain at least two verbal or written quotations.
\$20,000 - \$49,999	Obtain at least two written quotations.
\$50,000 - \$249,999	Obtain at least three written quotations, containing price and specification of goods and services (with procurement decision based on all value for money considerations).
\$250,000 and above	Conduct a public tender process.
Emergency Purchases (<i>Within Budget</i>)	Must be approved by the President or by the Chief Executive Officer under delegation and reported to the next available Council Meeting.
Emergency Purchases (<i>Not Included in Budget</i>)	Only applicable where, authorised in advance by the Mayor/President in accordance with s.6.8 of the <i>Local Government Act 1995</i> and reported to the next available Council Meeting.

Note: Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$250,000 threshold (excluding GST). If a decision to seek public tenders for Contracts of less than, \$250,000 a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

Quotations can be obtained directly from a pre-qualified panel of suppliers which include WALGA Preferred Supplier Contracts. Quotations can also be obtained via WALGA's eQuotes web based procurements system.

7. Tender exemption

In the following instances public tenders of quotation procedures are not required regardless of the value of expenditure:

- An emergency situation as defined by the Local Government Act 1995;
- The purchase is from a WALGA Preferred Supplier Contract or Business Service. All WALGA Preferred Supply Contracts have been established utilising a competitive public procurement process to pre-qualify suppliers that meet compliance requirements and offer optimal value for money to the Local Government Sector;
- The purchase is for insurance services from Local Government Insurance Services (LGIS);
- The purchase is from a Department of Finance Common Use arrangement, where Local Government use is permitted, a regional Local Government or another Local Government;
- The purchase is under auction which has been authorised by Council;
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
- Any of the other exclusions under Regulation 11 of the Local Government (Functions

- and General) Regulations 1996 apply; and
- Within six months of no tender being accepted

8. Sole source of supply (monopoly suppliers)


The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources should be made.

9. Anti-Avoidance

The Local Government shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of, \$250,000 thereby avoiding the need to publicly tender.

10. Strategic objective

The policy aligns to the following strategic objective:

	<p>Strong civic leadership representing the whole of the Shire which engages in effective partnerships and reflects the aspirations of an engaged community.</p>
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11. Definitions

Tender A formal, structured invitation to suppliers to submit a bid to supply products or services.

12. Legislation

- *Local Government Act 1995* s.2.7(2)(a) and (b) and s.6.5(a)
- *Local Government (Financial Management) Regulations 1996* s.11(1)(a).
- *Local Government (Functions and General) Regulations 1996* (as Amended/Reviewed in March 2007)

13. Related documents

- Former Council Policy Number 11.18
- Delegation 2.2.2 Tenders for goods and services

Responsible officer	Director Corporate Services		
Responsible team	Finance		
Responsible area	Corporate		
Version control	Date	Resolution	Number

Version 1	27.03.2007	Resolution	21458
Version 2	12.08.2008	Resolution	08/350
Version 3	15.04.2014	Resolution	14/101
Version 4	15.09.2015	Resolution	15/264
Version 5	21.11.2017	Resolution	17/319
Version 6	22.01.2019	Resolution	19/020
Version 7	28.04.2020	Resolution	20/096

Purchasing Permissions

as at 7 August 2020

Within Designated Responsibility Account Numbers ONLY (except when denoted by*)

Code	Directorship/Position	Staff member	To value of (GST exclusive)	PO'S over limit to be approved by
Executive				
CEO	Chief Executive Officer*	Annie Riordan	unlimited	N/A
MSP	Manager Special Projects	Pauline Pietersen	\$ 15,000.00	CEO
MG	Manager Governance	Kourtney Williams	\$ 15,000.00	CEO
EA	Executive Assistant		\$ 2,500.00	MG
GOCS	Governance Officer - Council Support	Kira Hough	\$ 1,000.00	MG
GOPC	Governance Officer - Procurement Compliance	Julie Pantaleo	\$ 1,000.00	MG

Corporate Services				
DCS	Director Corporate Services*	Dean Winter	\$ 150,000.00	CEO
MF	Manager Finance	Lauren Davies	\$ 15,000.00	DCS
MIS	Manager Information Services	Adam Ewing	\$ 15,000.00	DCS
SFO	Senior Finance Officer	Joanne Guerini	\$ 1,000.00	MF

Infrastructure Services				
DIS	Director Infrastructure Services	Rick Lotznicker	\$ 150,000.00	CEO
MES	Manager Engineering Services	Peter Kay	\$ 50,000.00	DIS
MPKS	Manager Parks Services	Shane Faber	\$ 50,000.00	DIS
MI	Manager Infrastructure	Ian Cocker	\$ 50,000.00	DIS
MWSS	Manager Waste and Safety Services	Haydn Jones	\$ 50,000.00	DIS
CSS	Coordinator Safety Services	Tony Francis	\$ 5,000.00	DIS
CESM	Community Emergency Services Manager	Jason Maddern	\$ 5,000.00	MWSS
SES	Supervisor Engineering Services	Barry Dack	\$ 25,000.00	MES
AOIS	Administration Officer - Infrastructure Services	Natalie Fimmano	\$ 2,500.00	MES
SPOA	Senior Projects Officer - Assets	Leo Fimmano	\$ 15,000.00	MES
SM	Supervisor Maintenance	Darren Bozanich	\$ 15,000.00	SES
AOD	Administration Officer - Depot	Rebecca Mumford	\$ 2,500.00	SES
SPS	Supervisor Parks Services	Adam Niclair	\$ 25,000.00	MPKS
LHP	Leading Hand - Parks Services	Robert Burgoyne	\$ 1,000.00	SPS
LHG	Leading Hand - Gardens Maintenance	Cheyne Gugliatti	\$ 1,000.00	SPS
LHA	Leading Hand - Australind	Wayne Hicks	\$ 1,000.00	SPS
LHGM	Leading Hand - Gardens Maintenance	Dominic O'Neill	\$ 1,000.00	SPS
WCSS	Waste and Community Safety Support Officer	Nicole Beauclarke	\$ 1,000.00	MWSS

Sustainable Development				
DSD	Director Sustainable Development	Simon Hall	\$ 150,000.00	CEO
MPS	Manager Planning Services	Elizabeth Edwards	\$ 15,000.00	DSD
MBS	Manager Building Services	Merv Stewart	\$ 50,000.00	DSD
MEHS	Manager Environmental Health Services	Scott Dandridge	\$ 25,000.00	DSD
SEHO	Senior Environmental Health Officer	Juliet Madzvimbo	\$ 1,000.00	MEHS
BSO	Building Support Officer	Stephanie Hewitt	\$ 1,000.00	MEHS

Community and Lifestyle				
DCL	Director Community and Lifestyle		\$ 150,000.00	CEO
MP	Manager Place	Patrick Quinlivan	\$ 25,000.00	DCL
MLS	Manager Library Services	Ruth Campbell-Hicks	\$ 2,500.00	DCL
MA	Manager Aquatic	David Smither	\$ 1,500.00	DCL
MLLC	Manager Leschenault Leisure Centre	Richard Duke	\$ 25,000.00	DCL
DMLLC	Dry Operations Manager	Warrick Done	\$ 5,000.00	MLLC
WMLLC	Wet Operations Manager	Trent Smith	\$ 5,000.00	MLLC
AFC	Admin/Finance Co-ordinator	Angie Stonard	\$ 1,500.00	MLLC
MHRCC	Manager Harvey Rec & Culture Centre	David Marshall	\$ 15,000.00	DCL
AOHRCC	Administration Officer	Connie Baggetta	\$ 1,500.00	MHRCC
AOHRCC2	Administration Officer	Paula Vaughan	\$ 1,500.00	MHRCC

Authorised by CEO

Annie Riordan

Date



7.8.20