

Council Policy: Purchasing Policy (Tenders and Quotes)

1. Policy Statement

The following protocols * will apply to each category:

Category	Value (exc. GST)	Minimum Protocol
Minor Purchase	\$0-\$2,000	1 Verbal Quote
Minor Quotation	\$2,001-\$5,000	2 Verbal Quotes
Intermediate Quotation	\$5,001-\$30,000	2 Written Quotes
Major Quotation	\$30,001-\$150,000 **	3 Written Quotes
Major Purchase (Tender)	Over \$150,000 **	In accordance with Division 2 – Section 11 of the <i>Local Government (Functions and General) Regulations 1996</i>

* If a purchase is made and the minimum protocol for quotations is not met, a file note signed by the Executive Director needs to be completed, detailing the reasons for not meeting the protocol. In this instance a copy of the file note will be forwarded to the Executive Director Corporate Services or appointed delegate.

** The City of Albany Buy Local Policy is to apply to both Major Quotations (\$30,001-\$150,000) and Major Purchases (Tenders) (over \$150,000).

Purchasing Protocol does not apply where the supply of products or services is procured through the Western Australia Local Government Association (WALGA), State or Commonwealth Governments or any of its agencies that provide preferred supplier contracts or agreements.

The Chief Executive Officer has delegated authority from Council to undertake purchases of goods and services up to the value of \$500,000, and \$1,000,000 where the supply of products or services is procured through the Western Australia Local Government Association (WALGA), State or Commonwealth Governments or any of its agencies that provide preferred supplier contracts or agreements.

2. Objective

To provide best value to Council, and equity and transparency to suppliers of the City's goods and services.

To ensure consistency for all purchasing activities that integrates within all the City of Albany operational areas.

To provide a preference to organisations that:

- Demonstrate high levels of Corporate Social Responsibility (CSR) including supporting people with disabilities or special needs, or contributions to the community such as sponsorships or donations
- Have in place or are prepared to consider implementing employment strategies and programs for Indigenous people
- Demonstrate sustainable business practices
- Supply Australian made products

3. Scope

Applies to all staff with the authority to purchase goods and services.

All officers and employees of the City of Albany shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the City.

4. Panels of Pre-Qualified Suppliers

Factors to be considered by the City when establishing a panel of pre-qualified suppliers would include (but are not necessarily limited to) circumstances where:

- There are numerous potential suppliers in the local and regional market sector/s
- The purchasing activity under the intended Panel is assessed as being of a low to medium risk
- The Panel will streamline and improve procurement processes
- The City has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panel

Should the City determine that it is beneficial to create a Panel, it must do so in accordance with Part 4, Division 3 the *Local Government (Functions and General) Regulations 1996*. This ensures that clear and consistent information is communicated to all suppliers, including selection criteria, conditions of contract, specifications and price schedules (as required).

Pre-Qualified Suppliers will be appointed to the Panel based on their suitability to provide the goods and/or services as per the weighted evaluation criteria. The number of suppliers appointed to a Panel will be dependent on requirements.

Panelists will be ranked based on value for money and suitability, and engaged based on their ranking as well as other factors such as availability, familiarity with a particular project and/or specialist requirements.

The City may engage non Panel members as required, subject to normal quotation and tendering requirements as per the Regulations.

5. Records Management

All records associated with all purchasing categories will be recorded and retained in line with the provisions of the *State Records Act 2000*, including:

- *Tender documentation;*
- *Internal documentation;*
- *Evaluation documentation;*
- *Enquiry and response documentation;*
- *Notification and award documentation;*
- *Quotation documentation;*
- *File Notes; and*
- *Order forms and requisitions.*

6. Legislative and Strategic Context

To provide compliance with the *Local Government Act 1995* ("the Act") and the *Local Government (Functions and General) Regulations 1996* ("the Regulations").

7. Review Position and Date

Executive Director Corporate Services to review annually.

8. Associated Documents

- *Local Government Act 1995*
- *Local Government (Functions and General) Regulations 1996*
- *Tender/Contract procedure*
- *Quotation procedure*
- *Evaluation procedure (Tenders and Quotations)*
- *City of Albany Buy Local Policy*

9. Definitions

- ***Minor Purchase:*** *A purchase up to and including \$2,000*
- ***Minor Quotation:*** *A purchase from \$2,001 to \$5,000*
- ***Intermediate Quotation:*** *A purchase from \$5,001 to \$30,000*
- ***Major Quotation:*** *A purchase from \$30,001 to \$150,000*
- ***Major Purchase:*** *A purchase over \$150,000 (Tender)*

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2.0	Chief Executive Officer	Revised, changed policy for minor quotes to two written quotes. Adoption Ref: OCM 19/01/10 Item 16.5.1	19/01/2010
3.0	Chief Executive Officer	Reformatted. Amendment, changed policy for minor purchases to one written quote. Adoption Ref: OCM 18/05/10 Item 16.4.1	18/05/2010
4.0	Chief Executive Officer	Fully reviewed by Audit & Finance Committee. Adoption Ref: OCM 19/02/13 Item 1.1	19/02/2013
5.0	Manager Governance & Risk Management	Reformatted for review by Procurement Team and Document Owner	28/04/2014
5.1	Deputy Chief Executive Officer	Draft Version to EMT for Review	03/07/2014
5.2	Deputy Chief Executive Officer	Presented to and endorsed by Council. Adoption Ref: OCM 26/08/2014 CSF109	26/08/2014
6.0	Executive Director Corporate Services	Reviewed by Procurement Team/EDCS	10/05/2016
6.1	Executive Director Corporate Services	Presented to and endorsed by Council. Adoption Ref: OCM 28/06/2016 CSF246	28/06/2016