

Purchasing Policy (Tenders and Quotes)

Objectives

1. To provide best value to Council, and equity and transparency to suppliers of the City's goods and services.
2. To ensure consistency for all purchasing activities that integrates within all the City of Albany operational areas.
3. 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.

Scope

4. Applies to all staff with the authority to purchase goods and services.
5. 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.

Policy Statements

A: Purchasing Protocols:

6. 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-\$250,000	3 Written Quotes
Major Purchase (Tender)**	Over \$250,000	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 non-conforming file note is required to be completed, detailing the reasons for not meeting the protocol.

** The City of Albany Buy Local Policy is to apply to both Major Quotations (\$30,001-\$250,000) and Major Purchases (Tenders) (over \$250,000).

7. The 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.
8. 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.

B: Panels of Pre-Qualified Suppliers

9. 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.
10. 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).
11. 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.
12. Panel members will be engaged based on various factors such as value for money, suitability, availability, familiarity with a particular project and/or specialist requirements.
13. The City may engage non-Panel members as required, subject to normal quotation and tendering requirements as per the Regulations.

C. Records Management

14. 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
 - Purchase Orders and requisitions.

Legislative and Strategic Context

15. To provide compliance with the *Local Government Act 1995* (the Act) and the *Local Government (Functions and General) Regulations 1996* (the Regulations).
16. This Policy relates to the “Leadership” element of the *City of Albany Strategic Community Plan and Corporate Business Plan*, with the objective to “Provide cost effective financial management and value for money”.

Review Position and Date

17. This policy is to be reviewed by the document every two years.

Associated Documents

18. The following documents that have a bearing on this policy and that may be useful reference material for users of this policy:

- Local Government Act 1995
- Local Government (Functions and General) Regulations 1996
- City of Albany Strategic Community Plan
- City of Albany Corporate Business Plan
- Tender Procedure
- Quotation Procedure
- Evaluation Procedure (Tenders and Quotes)
- Buy Local Policy (Regional Price Preference)

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