



POLICY: CORP-AP-001

Purchasing Policy

Purpose

This policy establishes the guidelines to cover the administrative processes for the purchasing of goods and services for the City of Kalgoorlie-Boulder.

The purpose of the policy is to ensure that:

- (a) purchasing in relation to contracts for the supply of goods or services where the consideration under the contract is, or is expected to be, \$150 000 or less is carried out lawfully in accordance with the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996*;
- (b) to make provision for and the procedures to be followed by the local government for, and in respect of contracts for the supply goods or services;
- (c) to make provision in respect of:
 - The form of quotations acceptable; and
 - The minimum number and type of quotations that must be obtained;
- (d) that the recording and retention of written information, or documents, in respect of:
 - all quotations received; and
 - all purchases made.

And other relevant information regarding the purchase of goods and services is recorded into the City of Kalgoorlie-Boulder document management system and is made readily available to Officers;

- (e) a best practice approach to internal purchasing is established to enable the best outcome for the City of Kalgoorlie-Boulder;

Responsible Officer:	Manager Assets and Procurement	Version:	3.00
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- (f) Goods and services are procured from eligible businesses where possible to promote regional development by supporting local services and industries;
- (g) *Tendering* for the supply of goods or services where the consideration under the contract is, or is expected to be, \$150 000 or greater is carried out in accordance with Division 2: Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996; AS 4120—1994: Code of Tendering and the City's Tendering procedure.

Definitions

Local Business: is defined in this Policy as being a business/organisation substantially trading from a recognised business address within the region. This Policy requires the businesses to have been operating out of the local premises for a continuous period of not less than six (6) months.

Quotation: Means a statement from a supplier setting out the cost for the supply of goods or services.

Region: is specified as the geographical area which comprises the whole of the City of Kalgoorlie-Boulder.

Regional Price Preference: in relation to a quotation or tender submitted by an Eligible Business, involves assessing the quotation or tender as if the proposed price were discounted in accordance with the Regional Price Preference Policy.

Responsible Officer: is the person responsible for the delivery of the project or service that is subject of the Tender.

RFX: stands for Request for Information (RFI), Request for Tender (RFT), and / or Request for Quote (RFQ).

Tender: means a Tender required under Clause 11 of *the Local Government (Function and General) Regulations 1996* or other Tender Procedure as determined by Council.

TenderLink: is an online electronic tendering system it is used for issuing all City tenders.

VendorPanel: is an online software system utilised for obtaining and managing request for quotations for goods and services. It contains local approved vendor panels for quotes of value up to \$149,999.00. It also contains WALGA preferred supplier panels which may be utilised for purchases of any amount.

Statement

The City of Kalgoorlie-Boulder will strive to ensure that the highest standards of ethics are observed in the purchasing of goods and services so as to maintain its professional standing and to promote confidence in the integrity of local government processes.

All processes associated with the purchase of goods and services will be carried out in a manner that is fully accountable, transparent, free from any perceived or actual bias or conflicts of interest, compliant with relevant legislation, and fully documented in accordance with audit requirements.

Purchasing Thresholds

1. The following table establishes the guidelines for the purchase of goods and services depending upon the estimated cost (excluding GST):

Purchase Amount	Policy
\$0 to \$1,000	Purchase of goods and services from a reputable supplier based on past cost effective services (i.e. prompt supply, quality product or service and competitive cost).
\$1,001 to \$5,000	<p>At least two verbal quotations from alternate suppliers are to be requested. Verbal quotations are to be recorded in the 'Verbal Quotation Form'. Written Quotations may be sought.</p> <p>Evidence of all quotations sought are to be recorded in the City's record management system whether gained or not.</p> <p><i>VendorPanel</i> can be used where panels are available.</p>
\$5,001 to \$50,000	<p>At least two written quotations from alternate suppliers are to be requested.</p> <p>Evidence of all quotations sought are to be recorded in the City's record management system whether gained or not.</p> <p><i>VendorPanel</i> must be used where panels are available.</p>
\$50,001 to \$149,999	<p>At least three written quotations, detailing costs and the specification of goods and services are to be requested. The procurement decision will be based on value for money and qualitative considerations.</p> <p>Evidence of all quotations sought are to be recorded in the City's record management system whether gained or not.</p> <p><i>VendorPanel</i> must be used where panels are available.</p>
\$150,000 and above	<p>A public <i>tender</i> process is required to be conducted through the <i>TenderLink</i> system.</p> <p>Regional Price Preference/Buy Local Policy applies.</p>

All purchase amount thresholds are exclusive of GST.

2. For all purchases the City supplier panels are available through the *VendorPanel* systems and should be utilised where there is a suitable panel. It is recommended that quotes be sought from all vendors on a panel. Where a suitable panel is not available the City may elect to purchase goods and or services from either a WALGA preferred supplier or obtain quotes as required subject to the purchasing thresholds in Section 1 from other suppliers by email. City suppliers are available only through the *VendorPanel* system and are required to provide specified insurances and OH&S policies.
3. Before entering into a contract for the purchase of goods and services the City shall endeavour to obtain quotations from appropriate local suppliers utilizing suppliers on the *VendorPanel* system and where quotations are received, shall give preference to a local supplier where their bid is deemed to be competitive within the guidelines of the “Regional Price Preference/Buy Local Policy”
4. The City may elect to engage in a public *tender* process for the provision of goods or services where the expected purchase price is less than \$150,000 (excluding GST), where it is considered that this would be beneficial. If a decision is made to seek public *tenders* for contracts of less than \$150,000, a Request for *Tender* process entailing all of the procedures for a *tender*, in accordance with the Act and the associated regulations must be followed in full.
5. Orders for the purchase of goods and services are not to be split into lesser-valued individual components so as to circumvent the guidelines associated with the purchasing thresholds established in this policy.
6. Sole Source of Supply: 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 or *tenders* provided that there must only be one genuine source of supply. Every endeavour to find alternative sources must be made. Written confirmation of sole source of supply must be recorded in the City’s record management System. The application of provision “sole source of supply” should only occur in limited cases.

Quotations

For the procurement of goods or services where written quotations are required the request for a written quotation to suppliers should include additional information, such as:

- a written specification;
- the selection criteria to be applied;
- the price schedule;
- the conditions and closing date for responding;
- the validity period of the offer;
- The Regional Price Preference / Buy Local policy.

or, any other information considered to be relevant; and

in addition to a consideration of the cost, the selection of the preferred supplier should be based on the consideration of qualitative factors, such as:

- the quality of the goods or service;
- stock availability;
- accreditation;
- time for completion or delivery;
- warranty conditions;
- maintenance requirements;
- the organisation's capability and relevant experience;

or, any other factors considered to be relevant.

Tenders

A public *tender* process is required to be conducted for the purchase of goods and services with an estimated cost of \$150,000 or more (excluding GST). All *tenders* are to be issued electronically via *TenderLink*. *Tendering* is to be carried out in accordance with the *Tendering* procedure.

Buy Local Policy

Under the State Government's Buy Local Policy, Government Agencies and Local Governments are encouraged to maximise participation of local and small businesses in the supply of goods, services and works purchased or contracted by government agencies. A key goal in this policy is open and fair competition to ensure that Western Australian businesses are provided with every opportunity to bid for work. It is recognised that not every category of goods, services or works that is purchased by Local Government will lend itself to supply by local businesses.

Application

As much as practicable, the City of Kalgoorlie Boulder purchasing must:

- (a) ensure that buying practices, procedures and specifications do not unfairly disadvantage local businesses;
- (b) ensure that procurement plans address local business capability and local content;
- (c) explore the capability of local businesses to meet requirements and ensure that *RFX's* are designed to accommodate the capabilities of local businesses;
- (d) avoid bias in the design and specifications for *RFX's*, all requests must be structured to encourage local businesses to bid
- (e) reference the Regional Price Preference policy where relevant; and
- (f) provide adequate and consistent information to potential suppliers.

Consequences:

This policy represents the formal policy and expected standards of the City of Kalgoorlie Boulder. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the City.

Roles and Responsibilities:

Employees will use the local market for their procurement requirements to encourage economic growth and local business partnerships where it is practical and reasonable to do so. Employees are to ensure that the application of a regional price preference is clearly identified within the *tender* and quotation documents to which the preference is to be applied and that this policy is made available to businesses as part of the quotation or *tender*.

Associated documents

External:

- Local Government Act 1995;
- Local Government (Functions and General) Regulations 1996;

Internal:

- Code of Conduct;
- CORP- AP- 005 Regional Price Preference/Buy Local Policy;
- CORP- AP- 004 Tendering Criteria
- Tender Procedure