CF001	PURCHASING AND PROCUREMENT		
POLICY OWNER:	Council		
DEPARTMENT:	Office of the CEO	**RESPONISBLE OFFICER:**	DCEO
CREATION DATE:	27 May 2014	**REVIEW SCHEDULE:**	Annually
RELATED PROCEDURES:			
RELATED FORMS:			
RELATED DELEGATIONS:			
RELATED POLICIES:	CF003 - Tenders Criteria Policy CF002 - Regional Price Policy		
LEGISLATION:	s3.57 of LGA, Regulation 11A of Functions & General Regulations Local Government (Functions and General) Regulations 1996 Regulation 11 and Regulation 18(4) Local Government Act 1995 ("the Act") and the Local Government Act (Functions and General) Regulations 1996 ("the Regulations"). State Records Act 2000 (WA) and associated records management practices and procedures of the Shire of Carnarvon. Relevant legislation, regulations, and requirements consistent with the Shire of Carnarvon's policies and Code of Conduct State Government's Buy Local Policy		
DOCUMENT CONTROL			
DATE REVIEWED:	**REVIEWED BY:**	**CHANGES (IF ANY):**	**ENDORSED BY COUNCIL:**
23/08/2022	Council	Nil	FC7/8/22
28/11/2023	Council	Minor and Significant: Refer minutes of meeting.	OCM 11/11/23
24/09/2024	Council	Major: Refer minutes of meeting.	OCM03/09/24

CF001 Purchasing and Procurement

OBJECTIVES

To provide a clear goods and services purchasing framework to ensure the Shire of Carnarvon delivers purchasing regulatory compliance, value for money, efficiency, transparency, and integrity to its service delivery.

POLICY STATEMENT/S

1. Principles

Shire of Carnarvon purchasing shall:

a) adhere to statutory obligations;

b) seek value for money to achieve the most advantageous outcome for the Shire;

c) be consistent, efficient, effective, and transparent;

d) maintain fair and ethical practices;

e) declare any conflicts of interest consistent with the Code of Conduct;

f) maintain commercial confidentiality;

g) be undertaken competitively and impartially; and

h) seek to maximise local content.

2. Accountability

Shire of Carnarvon employees shall be accountable for their purchasing decisions under the provisions of the Code of Conduct.

3. Value for Money

Value for money accounts for:

a) user requirements,

b) quality standards,

c) sustainability,

d) life cycle costs; and

e) service benchmarks.

Specification compliance and total ownership cost of goods and services outweigh obtaining lowest direct purchase price. Where higher priced conforming offers are recommended, benefits shall be demonstrable.

Value for money assessment shall consider:

a) total ownership cost including but not limited to transaction and acquisition costs, delivery costs, distribution costs, consumables, deployment, maintenance, and disposal;

b) technical merit of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions, and any relevant methods of assuring quality;

c) value adds offered, warranties, guarantees, repair and replacement policies, ease of inspection, after sales service and integration with existing systems;

d) financial viability and capacity of the supplier, supplier experience, financial viability, longevity, and default risk; and

e) fortuitous and temporary local availability of goods or specialised services

4. Sustainable Purchasing

The Shire is committed to sustainable purchasing, which is defined as the procurement of goods and services that have less environmental and social impacts than competing goods and services. Where appropriate, specifications shall seek to include goods, services and/or processes that minimise negative environmental and social impacts and embrace Corporate Social Responsibility (CSR).

The Shire will ensure that sustainable considerations, as well as CSR, are balanced against value for money outcomes.

5. Economic and Business Development for Aboriginal Businesses

The Shire is committed to creating a supportive and inclusive environment for Aboriginal businesses to thrive and contribute to the local economy. This not only benefits Aboriginal communities but can also lead to a more diverse and robust business landscape.

Steps that the Shire will take include:

- Clear Communication: Language used in seeking quotes or tenders will be inclusive and inviting to Aboriginal-owned businesses.
- Accessible Information: Information about tendering or quoting processes, requirements, and deadlines will be easily accessible to all interested parties, including Aboriginal businesses.

6. Purchasing Value

Purchasing value shall:

a) be exclusive of Goods and Services Tax (GST),

b) be the actual or estimated value over the full contract period; and

c) incorporate any approved variation to the scope of the purchase.

7. Purchasing Under Established Shire Contracts

Goods and services purchased under established Shire contracts shall be limited to the Shire contract scope extent.

General trade services contracts (e.g., Electrician, plumbing cleaning, etc.) shall include a provision that an individual purchase exceeding the regulatory tender threshold shall be subject to an individual public tender process.

8. Purchasing Thresholds

Goods and/or services shall be purchased in accordance with the applicable Table 1 purchase threshold unless:

a) exempted under the Local Government Act 1995 and associated regulations; or

b) purchased from a WALGA Preferred Supplier Panel member; or

c) under a current Shire contract for provision of those goods and/or services; or

d) exempted under this policy.

Purchasing Value (Excl GST)	Required Purchasing Process
$0 - $2,500	Direct purchase from suppliers. No quotation required. Market testing is encouraged.

$2,501 - $6,000	Obtain at least one written quotation (includes copies of supplier catalogues or websites). Market testing is encouraged.
$6,001 - $25,000	Obtain at least two (2) written quotations from suppliers based upon a brief provided to suppliers outlining specified requirements. Supplier appointment directed by best value for money principle.
$25,001 - $75,000	Obtain at least three (3) written quotations from suppliers based upon a brief provided to suppliers outlining specified requirements. Supplier appointment directed by best value for money principle.
$75,001 - $249,999	Conduct a formal Request for Quotation (RFQ) process in accordance with the Shire's Request for Quotation procedures. Obtain at least three written RFQ submissions. Procurement decision shall be based on pre-determined evaluation criteria that assesses value for money considerations.
$250,000 and above.	Conduct a public Tender process in accordance with the Local Government Act 1995 and associated regulations. The purchasing decision shall be based on pre-determined evaluation criteria that assesses value for money considerations in accordance with Policy C013 Tender Selection Criteria
Emergency Purchases1	Where goods or services are required for an emergency response, and are within scope of an existing contract or WALGA Preferred Supplier Panel Member Purchasing, the emergency supply must be obtained from that contract or Panel using relevant unallocated budgeted funds. If no such contract exists, and due to the urgency of the situation compliance with the provisions in the Purchasing Policy would cause unreasonable delay in providing the required urgent response to the emergency situation, the supply may be obtained from any supplier capable of providing the emergency supply. The emergency supply is only to be obtained to the extent necessary to facilitate the urgent emergency response and must be subject to due consideration of best value and sustainable practice. The rationale for policy non-compliance and the purchasing decision must be evidenced in accordance with the Shire's Records Management Policy and other Shire procedures and guidelines.

TABLE 1

Purchasing thresholds do not prevent utilisation of requirements for a higher threshold bracket for a particular procurement when considered beneficial. In that case the purchasing process used shall be in accordance with the higher threshold band requirements.

9. Emergency Purchases

An emergency purchase is defined as the supply of goods, services or works associated with:

(a) a local emergency and the expenditure is required (within existing budget allocations) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets; or

(b) a local emergency and the expenditure is required (with no relevant available budget allocation) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets in accordance with s6.8 of the Act and r11(2)(a) of the Regulations; or

(c) a State of Emergency declared under the Emergency Management Act 2005 and therefore r11(2)(aa), r11(2)(ja) and r11(3) of the Regulations apply to vary the application of this Policy.

Time constraints are not a justification for an emergency purchase. Every effort must be made to anticipate purchases in advance and to allow sufficient time for planning and scoping proposed purchases and to then obtain quotes and tenders, whichever may apply.

Emergency purchases outside of the Shire's annual budgeted amount must be approved by the Shire President in line with the requirements of the Act and reported to Council at the next Ordinary Council Meeting.

Emergency purchases to be made from existing annual budget allocations must be approved in advance by a Shire officer with appropriate delegated authority.

10. WALGA Preferred Supplier Panel Member Purchasing

Prior to any purchasing from or engagement of a WALGA Preferred Supplier Panel Member, evidence of Panel Membership shall be obtained and included in the purchasing records. Evidence shall include but is not limited to:

- Use of the official WALGA preferred supplier purchasing portal (Currently eQuotes)
- Extracts from the official WALGA preferred supplier website that confirm supplier membership to the panel.

11. Anti-Avoidance

The Shire shall not enter 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 in consideration below a particular purchasing threshold.

12. Purchasing Threshold Exemptions

Goods and services in Table 2 shall be exempt from the Table 1 purchasing threshold requirements to the limit and extent nominated in Table 2.

Table 2

Exempt Goods and/or Service	Exemption Limit and Extent
Live Shows, Artistic Performances, Art Work	Exempt up to a maximum of $150,000 in any one instance where the show, performance, or artwork is a unique product or service.
Freight	Exempt up to a maximum of $20,000 in any one instance. Where possible market testing is encouraged.
Travel/Airfares	Exempt up to a maximum of $10,000in any one instance. Where possible market testing is encouraged. An equitable approach to purchasing this service from any local travel suppliers shall apply.
Leasing of Property	Exempt up to a maximum of $75,000 p.a. in any one instance.
Souvenirs and Tourism Merchandise	Exempt up to a maximum of $10,000 in any one instance where the merchandise is a unique product or service in accordance with s3.58 of the Local Government Act 1995.
Software and other annual subscriptions	No limit. Recurrent subscription costs shall be considered in the initial purchasing value for money assessment.
Insurance Renewals	No limit. Recurrent subscription costs shall be considered in the initial purchasing value for money assessment.
Sole Source of Supply	No limit. Sole source of supply validity must be demonstrated, documented, and approved by the CEO, Deputy CEO or Executive Manager Infrastructure Services.

13. Local Purchasing

Purchasing from local suppliers shall be sought where local supply of goods and services is available.

Regional price preference shall be applied to eligible local suppliers in accordance with the Council adopted Regional Price Preference Policy.

14. Purchasing Procedures

Purchasing procedures shall be maintained consistent with the operational implementation of this policy. Quotations and Tenders shall be obtained in accordance with the purchasing procedures.

15. Purchasing Records

All records associated with all purchasing categories will be recorded and retained in line with the provisions of the State Records Act 2000 and Shire of Carnarvon policies and procedures.