

Procurement Policy

Responsible Division	Corporate Directorate
Responsible Business Unit	Financial Services
Responsible Officer	Manager Financial Services
Affected Business Units	All
ECM Document Set ID	3658439

Purpose

This policy demonstrates the City of Bayswater's commitment to the principles of transparency, probity and good governance in procurement practices and provides guidance in ensuring full compliance with applicable legislation.

Scope

This policy applies to the purchases of all goods and services by the City, other than those excluded due to their minor values or purchases of a statutory nature.

Definitions

For the purpose of this policy —

1. The term “goods, services and/or works” is used to better reflect the things that the City purchases rather than the term “goods or services” as used in the Regulation.
2. All values are in Australian currency (AUD) and exclusive of GST.
3. The value of a contract refers to the total value inclusive of the original contracted value and increases in value resulting from contract term extensions, periodic renewals, contract sum adjustments and the like.

Additionally, a variety of specific terms, concepts and principles are set out in this policy that may be expressed in different words in other policies, management practices and related documents. Any such differences shall in no way diminish the intent of the terms, concepts and principles within the respective documents.

Term	Definition
Act	means the Local Government Act 1995.
CUA	means the Common Use Arrangement as administered by the Department of Finance.

Term	Definition
Emergency Purchase	means a purchase of goods, services and/or works is to address an unplanned situation requiring prompt action to mitigate present and immediate risks to persons and/or property for which the City has a responsibility to action.
Evaluation	means an objective assessment of the merits of an offer for the purpose of determining its relative merits against the nominated evaluation criteria.
Evaluation Criteria	means a set of factors used to determining the relative merits of an offer, including conformance, qualitative and price aspects.
Evaluator	means a person tasked with performing and evaluation.
Local Business	means a business that has a premises within the City of Bayswater.
offer	means a defined and specific proposal (including price information) to undertake to supply goods, services and or works.
officer	means an employee of the City of Bayswater, including contracted personnel engaged by the City of Bayswater.
Panel	means a panel of pre-qualified suppliers formed by the City of Bayswater.
pre-qualified supplier	means a supplier that has been selected and is presently included in a Panel of pre-qualified suppliers.
Regulation or Regulations	means the Local Government (Functions and General) Regulations 1996 (as amended).
request	means a verbal or written statement describing the goods, services and/or works that the City is seeking to be supplied.
supplier	means a someone and/or a business that provides goods, services and/or works.
WALGA PSP	means the WA Local Government Association (WALGA) Preferred Supplier Program (PSP).

Policy Statement

This policy is benchmarked based on other WA Local Government procurement and purchasing policies and applies to all purchasing activities undertaken by the City, whether exercised through its officers, appointed representatives and/or consultants acting on behalf of the City.

1. Purchasing Objectives

All purchasing activities undertaken by the City shall fulfill the following objectives:

Legality – be inherently legal and comply with all statutory requirements (acts, regulations, laws and the like).

Safety – comply with applicable work, health and safety legislation and the City’s current Work Health and Safety Management Plan and related documents.

Ethical – be fair, reasonable, equitable, transparent and free of personal bias and interests. In this regard, any conflict of interest, whether on the part of a supplier or an officer, elected member, appointed representative and/or consultant shall be disclosed and recorded so that the conflict of interest can be addressed through appropriate management measures, all in accordance with the City’s Code of Conduct.

Commercially Competitive – encourage competition and efficiency in business to promote greater choice in price, quality and service; and ensure suppliers are provided with the same information, conditions and opportunity to present their respective offer. It is fundamental that all offers be treated as commercial in confidence during the purchasing process.

Objectivity – achieve the most advantageous outcomes for the City, balancing quality, function, sustainability and value for money.

Value for Money – the purchase represents proper expenditure of public monies and the optimum balance of cost and benefit, taking into consideration the total value of the purchase compared to the benefits derived from the purchase over the duration that the goods, services and/or works fulfills the City’s need for such. In this regard, price, quality, timelines, safety and risk, along with social, environmental and economic benefit are factors relevant to informing value for money.

Sustainability – support the City’s sustainability endeavours through the City’s Emission Reduction and Renewable Energy (ERRE) Plan by including sustainability as a qualitative criterion in the evaluation of an offer.

Support Local Business – under the WA State Government’s Buy Local Policy 2022, Government Agencies and Local Governments, including the City, are encouraged to maximise participation of local and small businesses in the supply of goods, services and/or works procured or contracted by government agencies in accordance with the City’s local economy objectives and Strategic Community Plan.

Accordingly, the City encourages the development of competitive local businesses within the City of Bayswater boundary. However, it is recognised that not every category of goods, services and/or works that is purchased by the City will lend itself to supply by local businesses.

Probity – adopt processes and procedures that support the above objectives, embodies good governance, achieves consistency and mitigates risks of non-conformance to the requirements of this policy and the Regulations.

2. Purchasing Requirements

Under this policy, all purchasing activities conducted by the City shall conform to the following requirements, subject only to the waiver provisions set out within this policy.

Anti-Avoidance

Purchasing shall not be intentionally split into multiple purchases such as to avoid the requirements of a higher purchasing threshold applicable to the true total value of the purchase and/or the City's Delegated Authority/Purchasing Authorisations Register and/or any other requirement of this policy and the Regulations.

Funding

The funding source/s for a purchase shall be pre-determined and approved by the officer/s who has/have management responsibility of the funding source/s.

Procurement Plan

A Procurement Plan shall be prepared for all requests for quotation/tender where the total value of the purchase is anticipated to be \$50,000 and above, as well as all requests for expression of interest.

Sustainability

All requests (quotations, tenders and expressions of interest) that incorporate written qualitative criteria as a mechanism for evaluation, shall incorporate an *Environmental Sustainability* criterion with a weighting of five percent (5%) of the total weighted criteria used to evaluate an offer/expression of interest. Future versions of this policy may build on this and further consider and support sustainable practices.

Support Local Business

As much as is practicable, Tier 1 requests for quotation shall be from suppliers within the City of Bayswater boundary first and secondly within the North-Eastern Metropolitan Region.

All requests (quotations, tenders and expressions of interest) should consider local business when evaluating submissions.

Purchasing Value Thresholds

The table below sets out purchase value thresholds adopted by the City under this policy.

The values are the total monetary amount the City would pay a supplier for a purchase/value of a contract. The following table is supported by the City's purchasing authorisations with values quoted excluding GST.

Purchase Thresholds, Number of Responses, Number of Evaluators and Delegated Authority				
Request	Request for Quotation			Request for Tender
Type	Tier 1	Tier 2	Tier 3	Tier 4
Value of Purchase/ Contract	Up to \$5,000	Over 5,000 up to \$50,000	Over \$50,000 but less than \$250,000	\$250,000 and above
Procurement Plan	Not Required		Required	
No of Prices/Offer to be Sought	1x Verbal or Written	2x Written	3x Written	As received through public advertisement; or where sourced using WALGA PSP, CUA panel or other: 3x Written
No of Evaluators	Single Evaluator		Three Evaluators	
Basis for Evaluation of Price/Offer	<ul style="list-style-type: none"> Fulfill the City's Requirement Value for Money 		<ul style="list-style-type: none"> Fulfill the City's Requirement Conformance Criteria Qualitative Criteria Price Criteria 	

The above Purchase Value Thresholds excludes direct purchases of up to \$150 utilising petty cash and City approved purchase cards.

The following aspects of requests are set out in the City's Purchasing Management Practice:

1. the typical format and information to be included in each request type;
2. the purchasing method and related terms and conditions of the purchase/contract; and
3. the types of information and documents to be included in recordkeeping.

Evaluation of Price/Offer

A price/offer provided by a supplier shall be evaluated based on the extent to which it fulfills the City's requirement (for the supply of the goods, services and/or works being sought), value for money and/or specific pre-determined criteria stipulated for a particular request.

An Evaluator shall be:

1. an officer of the City of Bayswater (including contract staff appointed to fulfill the responsibility of an officer) and/or

2. a person from an organisation that is either partnering and/or supplying funds for an endeavour that is the subject of the purchase.

Consultants and/or other external agents are limited to providing advisory services to inform the evaluators on matters relating to the merits and other relevant factors relating to an offer

Purchase Orders

A purchase order shall be issued to a supplier prior to any goods, services and/or works being provided to the City by the supplier.

Purchase Order Exemptions

The issuance of a purchase order is not required in the following instances:

1. where the total value of the purchase is not more than \$150 and the transaction is paid by cash; or
2. where the transaction is paid by a credit card; or
3. where a purchase is from Australia Post; or
4. where a purchase is from a utility supplier, or
5. where other internal forms are applicable, such as Elected Member and Staff reimbursements.

Payment

All claims for payment and/or invoices shall require approval by an authorised officer in accordance with the City's Purchasing Authorisation Management Practice.

The City's standard payment terms is thirty (30) days from date of receipt of invoice and shall be set out in all requests for quotation and tender as well as purchasing documentation. Adjustment to thirty (30) day period shall only be by mutual agreement between the City and the supplier.

Panel of Pre-Qualified Suppliers

A panel of pre-qualified suppliers ("a Panel") may be established only where the City has determined there is or will be a continuing need to regularly purchase particular goods, services and/or works that can be supplied by multiple suppliers.

Establishment of a Panel

The establishment of a Panel shall conform to the following requirements:

1. a Procurement Plan setting out the justification for a Panel be prepared and duly approved;
2. the categorisation and particulars of the goods, services and/or works to be supplied be pre-determined in writing;
3. whether or not the City will purchase the goods, services and/or works exclusively from the Panel be pre-determined in writing;
4. the intended number of pre-qualified suppliers to be on a Panel be pre-determined in writing and always be not less than two (2) pre-qualified suppliers;

5. the duration a Panel is in effect be no greater than thirty-six (36) months and, should there be an intention to re-establish the Panel, it follows the same requirements for establishing the original Panel;
6. the criteria upon which applications from suppliers to join a Panel are evaluated be pre-determined in written prior to publicly inviting applications;
7. the invitation to apply to join a Panel; the receipt and evaluation of applications; the acceptance of applications; and the notification of applications conforms to the requirements contained in the Regulations, specifically Division 3 regulations 24AD, AE, AF and AH;
8. the invitation and corresponding outcomes are included in the City's tender register;
9. each business unit that utilises a Panel or set of Panels to supply goods, services and/or works are to maintain a panel register containing, as a minimum, the following information:
 - a) the categorisation and particulars of the goods, services and/or works to be supplied through the Panel;
 - b) each period the Panel is in effect;
 - c) the members of the Panel for the current period;
 - d) a summary of the various invitations for quotation issues and the pre-qualified suppliers that were invited;
 - e) details of the quotations received and which quotation(s) were accepted;
 - f) the cumulative percentage of instances each pre-qualified supplier has been invited to submit a quotation;
 - g) the cumulative percent of the volume of goods, services and/or works awarded to each pre-qualified supplier. For the purposes of this requirement, volume mean both the number of instances quotations are sought and the total value of the goods, services and/or works purchased through the Panel for the duration the Panel is in effect.

Management of a Panel

The management of a Panel shall conform to the following minimum requirements:

1. Quotations for the provision of goods, services and/or works shall be sought from the pre-qualified suppliers on a Panel in accordance with the minimum number of quotations required for each request type as set out in Purchase Value Thresholds within this policy;
2. Each pre-qualified supplier shall be invited to submit a quotation for a minimum of fifty percent (50%) of the volume of good, services and/or works being purchased through the Panel;
3. No single contract for the supply of goods, services and or works with a pre-qualified supplier shall be for a period of more than twelve (12) months, nor contain an option to extend the contract period past twelve (12) months;
4. In addition to invitations to submit quotations, all pre-qualified suppliers within a Panel shall, as a minimum, be notified by the City on a bi-annual basis as to the volume of goods, services and/or works award for the preceding period and upcoming opportunities for the current period;

5. The performance of pre-qualified suppliers, for each contract that is awarded to them, shall be evaluated based on pre-determined criteria relevant to the context of the goods, services and/or works being supplied through the Panel;
6. Should a pre-qualified supplier exit a Panel, the City may:
 - a) Offer the next ranked supplier to join the Panel, provided such offer and acceptance to join the Panel conform to the requirements of this Policy and the Regulations; or
 - b) Publicly readvertise applications to join the Panel utilising the same information that was used to establish the current Panel; and
7. All written information pertaining to invitations to submit quotations, quotations received and contracts awarded/purchases made shall be retained and meet the requirements set out in Records Management within this policy.

Waiver to Specific Purchasing Requirements

The table below sets out waivers to specific Purchasing Requirements that apply only to the extent described for each item of goods, services and/or works listed.

In all instances, a waiver requires the authorisation at Director level or above.

Item	Waiver
Banking Services	The requirement to obtain a minimum number of quotations does not apply for the supply of banking services where: <ol style="list-style-type: none"> a. the value of a contract is less than \$250,000; and b. a biennial review of fees is conducted to ensure the current supplier's rates remain advantageous to the City.
Emergency Purchase	The requirement to obtain quotations does not apply where the purchase of goods, services and/or works is to address an unplanned situation requiring prompt action to mitigate present and immediate risks to persons and/or property for which the City has a responsibility to action. The emergency purchase shall be from a supplier that is capable of fulfilling the require goods, services and/or works within the required timeframe and with due consideration for seeking value form money.
Legal Services	The requirement to obtain a minimum number of offers does not apply to obtaining legal services where not otherwise available through a panel of pre-qualified suppliers.
Temporary Staff Resourcing Services	The requirement to obtain a minimum number of offers does not apply to the supply of temporary staff resourcing services.

Item	Waiver
Advertising Services	The requirement to obtain a minimum number of offers does not apply to the supply of advertising services for provision of notifications in statewide and district newspapers.
Local Government Insurance Scheme Services	<p>The suite of Local Government Insurance Scheme (LGIS) insurance services is established in accordance with s.9.58(6)(b) of the <i>Local Government Act 1995</i> and are provided as part of a mutual, whereby WALGA Member Local Governments are the owners of LGIS.</p> <p>As such, the supply of LGIS insurance services is available as a member-based service and is not defined as a purchasing activity subject to this policy.</p> <p>Should Council resolve to seek quotations from alternative insurance suppliers, compliance with this policy is required.</p>
Software and Specifically Associated Hardware	<p>The requirement to obtain a minimum number of offers does not apply for the supply, maintenance and/or support of software and specifically associated hardware where:</p> <ul style="list-style-type: none"> a. the value of a contract is less than \$250,000; and b. relates to software and specifically associated hardware currently licensed for use by the City.
Subscriptions and/or Memberships to Professional Bodies	The requirement to obtain a minimum number of offers does not apply to subscriptions and memberships to professional bodies.
Advanced Payments	The requirement to obtain a minimum number of offers does not apply to the purchase of accommodation, travel, seminars, training and/or conferences.
Other	<p>The requirement to obtain a minimum number of offers does not apply where it can be demonstrated that the purchase of the goods, services and/or works:</p> <ul style="list-style-type: none"> a. is from expenditure authorised in an emergency under section 6.8(1)(c) of the Act; or b. is associated with a state of emergency or a COVID-19 declaration or other pandemic declared by the State; or c. is supplied by a person registered on the Aboriginal Business Directory WA published by the Chamber of Commerce and Industry of Western Australia Limited ABN 96 929 977 985; or a person registered with the Australian Indigenous Minority

Item	Waiver
	<p>Supplier Office Limited (trading as Supply Nation) ABN 50 134 720 362; or</p> <p>d. is supplied by an Australian Disability Enterprise; or</p> <p>e. is of a unique or specialised nature that there is good reason to believe it is unlikely there is more than one potential supplier; or</p> <p>f. it can be demonstrated that the minimum number of offers were sought, however a lesser number of offers were received.</p>

Records Management

Records of purchasing conducted by the City shall be retained in accordance with the City's *Recordkeeping for Employees Policy Statement* and *Recordkeeping Plan 2022*, including the following:

1. all requests (quotations, tenders, expressions of interest and applications to join a Panel) issued to suppliers;
2. all offers received from suppliers in relation to requests;
3. all offers that are accepted and purchases made; and
4. any other item of information identified within this policy and the Regulations that is to be retained.

Where verbal quotations are sought, notes are to be made of the request, the offers received and their evaluation/selection; and be retained as per above.

A Tender Register, conforming to the requirements of the Regulations shall be maintained.

Related Legislation

Purchasing within local governments is subject to the *Local Government Act 1995* (the "Act") and the requirements of the *Local Government (Functions and General) Regulations 1996*, (the "Regulations"), specifically *Part 4 – Provision of goods and services, Divisions 1 – Purchasing polices; Division 2 – Tenders for providing goods and services; and Division 3 – Panels of pre-qualified suppliers* of the Regulations.

The Regulations state "(1) A local government is to prepare or adopt, and is to implement, a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250 000 or less or worth \$250 000 or less." and "(2) A purchasing policy must make provision in respect of—

- a. the form of quotations acceptable; and
- b. the minimum number of oral quotations and written quotations that must be obtained; and
- c. the recording and retention of written information, or documents, in respect of—
 - i. all quotations received; and

ii. *all purchases made.*”

In the above, “*consideration under the contract*” effectively relates to the total monetary value the City would pay a person (a “supplier”) for the total duration of a contract.

This Policy document sets out the City’s requirements for the above and where the contract value is, or expected to be, \$250,000 and above, and all subject to the requirements of the Regulations.

The recording and retention of written information, documents and the like are subject to the requirements of the *State Records Act 2000*.

Related Documentation

The following documents contain information relevant to this policy and purchasing activities undertaken by the City:

- Local Government Act 1995
- Local Government (Functions and General) Regulation 1996
- State Records Act 2000
- City of Bayswater Code of Conduct
- City of Bayswater Purchasing Authorisations Management Practice
- City of Bayswater Purchasing Management Practice – Purchasing
- City of Bayswater Recordkeeping for Employees Policy Statement
- City of Bayswater Recordkeeping Plan 2022
- City of Bayswater Procurement Plan
- City of Bayswater Work Health and Safety Management Plan
- City of Bayswater Emission Reduction and Renewable Energy (ERRE) Plan
- City of Bayswater Contracts Management Policy
- City of Bayswater Execution of Documents and Use of the Common Seal

Document details

Relevant delegations	FM-02 Acceptance of Quotations, Tenders and Expressions of Interest FM-D03 Calling of Tenders FM-D08 Acceptance of Contract Extensions and Variations
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Risk evaluation	High – 2 Yearly Review Cycle
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Strategic link	Leadership and Governance
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Council adoption	28 February 2017	Resolution	10.9
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Next review due	March 2027
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Reviewed/modified	25 March 2025	Resolution	10.5.1.2
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