Council Policy – Procurement of Goods or Services up to $250,000

Responsible Directorate	Corporate Services
Responsible Business Unit/s	Procurement
Responsible Officer	Manager Corporate Performance
Affected Business Units	All

Objective

The objective of this Policy is to:

- Ensure compliance with Regulation 11A of the *Local Government (Functions and General) Regulations 1996*;
- Provide uniformity and direction in the procurement of goods and services up to the amount of $250,000;
- Facilitate Council obtaining best value for money; and
- Establish control in the purchasing function, including adequate maintenance of commitment records (i.e. Requisitions).

Scope

This Policy applies to all staff in all Directorates who are required to procure goods or services up to the value of $250,000.

Policy

Fairness, Integrity and Transparency

All officers and employees of the Shire of Serpentine Jarrahdale (the Shire) 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 Shire.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- all purchases must be made in accordance with the *Local Government Act 1995* and relevant Regulations made under that, or any other Act, and relevant Delegations determined by the Council and / or Chief Executive Officer.
- full accountability shall be taken for all purchasing decisions to ensure the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements and be consistent with the Shire's policies and Code of Conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;

- all processes, evaluations and decisions shall be transparent, free from bias and fully documented to ensure processes and decisions are able to be assessed and audited as required to ensure compliance with this policy;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire by a supplier shall be treated as commercial in confidence and shall not be released unless authorised by the supplier or relevant legislation.

Value for Money

Value for money is one of the overarching principles governing purchasing that allows the best possible outcome to be achieved for the Shire. Value for Money is more than obtaining the lowest price. It also takes into account user requirements, quality standards, sustainability, life cycle costing and service benchmarks.

An assessment of the best value for money outcome for any purchasing shall consider:

- all relevant whole-of-life costs and benefits including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal;
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- financial viability and capacity to supply without risk of default (competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history); and
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

Where a higher priced conforming quote is recommended, there shall be clear and demonstrable benefits over and above the lowest total priced, conforming quote.

Procurement Method Thresholds

Unless an exemption exists (refer below), the procurement method to be undertaken is determined by the value of the goods or services being procured as outlined in the below table.

Monetary Threshold (ex GST)	Procurement Type	Procurement Method
Up to $2,000	Direct	Seek at least one verbal quote from a suitable supplier
$2,001 - $8,000	Direct	Seek at least one written quote from a suitable supplier
$8,001 - $120,000	Competitive	Seek a minimum of three written quotes from suitable suppliers
120,001 - $250,000	Competitive	Procurement will issue a formal Request for Quote (RFQ) to a minimum of three suitable suppliers, seeking responses against a selection criterion for formal evaluation.

Exemptions from procurement method thresholds

The tender exemptions under Regulation 11 of the *Local Government (Functions and General) Regulations 1996* (the Regulations) also apply to the purchases of goods and services less than $250,000 under this Policy.

For an exemption to be utilised it must adhere to the principles of procurement and be approved by the Chief Executive Officer.

The procurement of legal representation and advice may be procured without quotation and without CEO approval providing it is in line with an Officer's purchasing authority and the firm is a WALGA preferred supplier and procured on the WALGA rates.

The appointment of a Facilitator or Mediator under Council Policy - Elected Member Dispute Resolution, may be treated as an exempt procurement purchase, provided the Facilitator or Mediator is selected from the WALGA Panel of Preferred Suppliers or the Common Use Arrangement HRS2021 - Human Resource and Investigation Services (Category 1).

The appointment of an Independent Complaint Facilitator under Council Policy - Behavioural Complaints Procedure, may be treated as an exempt procurement purchase, provided the Facilitator is selected from the WALGA Panel of Preferred Suppliers or the Common Use Arrangement HRS2021 - Human Resource and Investigation Services (Category 1).

No Quotes Received

Where the Shire has invited quotes and no submissions have been received, direct purchases can be arranged on the basis of the following:

- the specification for goods and/or services remains unchanged; and
- a written quote is obtained; and
- purchasing is arranged within 3 months of the closing date of the lapsed request for quote.

Repetitive Purchases

In making regular or repetitive purchases for the same goods or services, officers should be conscious of the potential for the annual purchases of the same, or a similar kind, to accumulate to an amount in excess of the thresholds. Where this repetitive purchasing issue is relevant and such occurrence is subsequently identified, officers should take appropriate actions to ensure that future purchases for these items are aligned to the thresholds detailed in this policy and the Council Policy – Procurement of Goods or Services through Public Tendering.

Anti-Avoidance

In accordance with Regulation 12 of the Regulations, the Shire will not conduct multiple purchasing activities with the intent (inadvertent or otherwise) of "splitting" the purchase value or contract value so that the effect is to avoid a particular purchasing threshold or the need to call a public tender.

Financial Control

A requisition must be raised and the purchase order must be approved in accordance with Shire procedures prior to the Shire making any payment, except for:

A Purchase Order is unnecessary in the case of the following:

- Fees and payment due under any Act of Parliament;
- Insurances;
- Payments made through payroll;
- Fees and payments that are statutory, this includes bank fees;
- Other statutory damages, infringements and penalties;
- Loan and lease repayments;
- Freight, postal charges and fuel cards;
- Payments made under any Award binding upon the Council;
- Licences and rights of copyright - payment of which is not avoidable at law;
- Awards against the Council by a court of law for damages, penalties and royalties;
- Payments for subscriptions and publications
- Credit card payments;
- Refunds and reimbursements;
- Utilities including telephones.

Records Management

All records associated with procurement under this Policy must be recorded and retained. This includes:

- Quotation documentation;
- Internal documentation; and
- Order forms and requisitions.

Record retention shall be in accordance with the minimum requirements of the *State Records Act 2000* and the Shire's Business Operating Procedure (BOP) –Record Keeping.

Purchasing Policy Non-Compliance

Purchasing Activities are subject to financial and performance audits, which review compliance with legislative requirements and also compliance with the Shire's policies and procedures.

A failure to comply with the requirements of this policy will be subject to investigation, with findings to be considered in context of the responsible person's training, experience, seniority and reasonable expectations for performance of their role.

Where a breach is substantiated, it may be treated as:

- An opportunity for additional training to be provided;
- A disciplinary matter, which may or may not be subject to reporting requirements under the *Public Sector Management Act 1994*; and
- Misconduct in accordance with the Corruption, Crime and Misconduct Act 2003.

Definitions

- Nil

Relevant Policies / Council Documents

- Council Policy – Procurement of Goods or Services through Public Tendering
- Council Policy – Contract Management
- Business Operating Procedure (BOP) - Authorisation to Issue Purchase Requisitions

Legislation / Local Law Requirements

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

Amendment Record

Relevant Delegations		Nil.	
		Date	**Resolution Number**
Council Adoption			
Version	**Date**	**Resolution Number**	**Amendment Details**
2	28 May 2012	OCM147/05/12	
3	8 April 2013	OCM179/04/13	
4	29 September 2015	OCM187/09/15	
5	14 March 2016	OCM037/03/16	
6	18 December 2017	OCM179/12/17	
7	28 May 2018	OCM049/05/18	
8	15 July 2019	OCM148/07/19	
9	15 July 2020	OCM226/07/20	
10	17 March 2025	OCM068/03/25	Formatted to new policy template. Minor wording updates to principles. Updates to procurement thresholds and exemptions.
11	20 July 2026	OCM-207-2026 OCM-208-2026	Updated exemptions from procurement methods as per Council Policies Behavioural

			Complaints Procedure and Elected Member Dispute Resolution.