

Purchasing Council Policy

Responsible directorate: Corporate Services

Objective: To outline the City's commitment and approach to achieving value for money in an equitable and transparent manner when purchasing goods and services.

1. Application:

The Purchasing Council Policy and the associated purchasing protocols will apply to all employees within the City involved in the purchase of goods and services for the City.

2. Statement:

The City is committed to developing and maintaining purchasing systems and practices that ensure goods and services are obtained in an equitable and transparent manner that complies with applicable legislation and delivers value for money.

3. Definitions:

'Contract' means an agreement which creates legally enforceable obligations between parties. A purchase order is a form of Contract.

'Open Market' means officers are free to select suppliers from any source to participate in procurement activity. There is no obligation to issue a statewide public notice under Open Market conditions. The City may restrict which suppliers are invited to respond to such requests.

'Public Tender' means a tender process conducted in accordance with Part 4 of the *Local Government (Functions and General) Regulations 1996*. Public tenders require statewide public notice to be lodged. Suppliers may not be restricted from responding to the tender request.

'WALGA' means the Western Australian Local Government Association.

4. Details:

4.1. Procurement principles:

All employees of the City are expected to observe the highest standards of ethics and integrity when undertaking purchasing activities and act in an honest, fair and professional manner consistent with the City's values. Ethical behaviour includes avoiding any conflict of interest and/or disclosing any potential conflict of interest.

The following principles, standards and behaviours must be observed at all stages of the purchasing process.

- a. All purchasing practices are carried out in compliance with the applicable legislation including the *Local Government Act 1995* and the *Local Government (Function and General) Regulations 1996*.
- b. Purchasing practices will be in compliance with the City's purchasing protocols and the Code of Conduct.
- c. All purchasing decisions will remain free from bias and all suppliers will be treated equitably and fairly.
- d. All processes, evaluations and decisions shall be transparent, free from bias and fully documented.
- e. Any actual or perceived conflict of interest will be scrupulously avoided and declared.
- f. Detailed information provided to the City by a supplier will be treated as commercial-in confidence and not released to a third party unless authorised by the supplier or required by law.
- g. All transactions are fully documented, recorded and stored in compliance with applicable legislation and audit requirements.

4.2. Value for money:

The value for money principle underlies all procurement activities, which measures the benefits realisable by the City from the whole-of-life costs. Value for money does not mean obtaining the lowest quote, but includes taking into account the financial viability of suppliers, past contractor performance, safety and quality standards, timely supply, risk exposure and other relevant service considerations.

A strong element of competition will be applied through tendering and quotation processes. Where a higher priced offer is recommended there should be clear and demonstrable benefits over and above lower priced offers.

4.3. Buying local:

Where possible, suppliers operating within the City of Joondalup are to be given the opportunity to quote for goods and services required by the City. However, it is recognised that not every category of goods and services required by the City will lend itself to supply by local businesses.

4.4. Purchasing protocols:

Purchasing practices must be carried out in compliance with the following City purchasing protocols:

- Purchasing of Goods and Services
- Tenders for Providing Goods and Services
- Quotations for Providing Goods and Services
- Purchasing Goods and Services Under Panels of Pre-Qualified Suppliers
- Purchasing — Procurement of Travel, Accommodation and Vehicle Hire Protocol
- Purchasing — Use of Corporate Credit Cards Protocol
- Purchasing — Use of Trade Cards for Procurement of Goods and Materials Protocol

4.5. Quotation thresholds:

Quotations are required for all purchases made on behalf of the City with a value ranging from \$5,001 to \$250,000 as detailed in the following table:

| Expenditure level | Quotation requirements |
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| Up to \$5,000 | No quotations required. Direct purchase by authorised officers. |
| \$5,001 to \$10,000 | <p>Seek a minimum of two verbal quotations and obtain a minimum of one quotation with the exception of artists or performers as set out below.</p> <p>A record of the details of quotations received is to be made in accordance with the purchasing protocols and clause 4.8 of this Policy.</p> |
| \$5,001 to \$20,000 Cultural Services Program | <p>One verbal/written quotation required by officers within Leisure and Cultural Services for unique artists, performers, acts or entertainment for the Cultural Services Program including, but not limited to:</p> <ul style="list-style-type: none">• Music in the Park• Valentine's Concert• Joondalup Festival• Any other cultural services event requiring artists or performers <p>A record of details of the quotation received is to be made in accordance with the purchasing protocols and clause 4.8 of this Policy.</p> |
| \$10,001 to \$50,000 | <p>Seek a minimum of two written quotations with specifications of requirements and obtain at least two quotations.</p> <p>Formal request for quotation (RFQ) documents are to be issued by Business Units and a record of the details of written quotations received is to be made in accordance with the purchasing protocols and clause 4.8 of this Policy.</p> |

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| \$50,001 to \$250,000 | <p>Seek a minimum of three written quotations with full specifications using quotation documents in accordance with the purchasing protocols as applicable, and obtain at least two quotations.</p> <p>Formal request for quotation (RFQ) documents are to be issued by Business Units and a record of the details of written quotations received is to be made in accordance with the purchasing protocols and clause 4.8 of this Policy.</p> |
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Quotations may be obtained from either:

- an existing list of suppliers administered by the City; or
- an existing panel of pre-qualified suppliers administered by the City (refer clause 4.9); or
- a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use arrangement; or
- from the open market.

Where the City has a requirement for goods or services and the consideration under the resultant contract is, or is expected to be, more than \$250,000 or worth more than \$250,000, a public tender must be called, unless any of the provisions of clause 11(2) or 24AB of the *Local Government (Functions and General) Regulations 1996* applies. Where any purchases are made under Regulation 11(2) or 24AB of the *Local Government (Functions and General) Regulations 1996*, the purchases shall be reported to the Audit and Risk Committee on a quarterly basis.

4.6. Sustainable procurement:

Sustainable procurement is defined as the purchasing of goods and services that maximise positive environmental, social and economic impacts over the entire life cycle.

Where appropriate, the City will consider positive environmental and social impacts along with value for money outcomes when making purchasing decisions to deliver sustainable outcomes in accordance with the City's Sustainability Council Policy.

Within reason, the City will consider goods and services that:

- minimise negative environmental impacts over the entire life cycle
- maximise positive social and economic impacts
- consider reusable, recycled or recyclable materials.

4.7. Australian disability enterprises:

Disability enterprises are not-for-profit organisations operating as commercial businesses providing employment opportunities for people with disability. Where appropriate, the City will invite quotations from relevant Australian disability enterprises for the supply of goods and services.

4.8. Recordkeeping information:

All written information and documentation related to purchases is to be retained and stored in accordance with the City's Recordkeeping Plan including outgoing and incoming documents, quotations received, recommendation forms, supporting information and other correspondence related to each quotation.

4.9. Panels of pre-qualified suppliers:

- a. The City may establish panels of pre-qualified suppliers in instances where goods or services are required on a continuing basis and multiple suppliers are due to the volume of work and/or the capacity of suppliers in the relevant field.
- b. Panels will be established in accordance with the provisions of Part 4, Division 3 of the *Local Government (Functions and General) Regulations 1996*.
- c. Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the panel. A panel shall be established with not less than two members. Panels shall not be established for a term exceeding three years.
- d. The invitation to join the panel advertised through State-wide notice will contain the following:
 - A brief description of the goods or services that the members of the panel of pre-qualified suppliers will be expected to supply.
 - The term of the panel.
 - The evaluation criteria by which applications will be assessed.
 - The expected number of panel members.
 - How work will be distributed amongst panel members.
- e. All submissions will be evaluated and ranked in accordance with the terms and conditions of the invitation and based on the information provided in each offer.
- f. The suppliers that best demonstrate their ability to deliver the goods and/or services to the expected standard at a competitive price will be invited to join the panel.
- g. At the commencement of each panel of pre-qualified suppliers, a communications plan will be developed. This will set out how all communication between the City and panel of pre-qualified suppliers will take place during the term of the panel.
- h. Quotations will be obtained from panel members by either:
 - Issuing a quotation for each purchase to all pre-qualified suppliers in the panel. The selection decision will be based on pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance.
 - Issuing a quotation to supply goods or services for a fixed term to all pre-qualified suppliers in the panel and entering into separate contracts of not more

than 12 months each. The selection decision will be based on pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance.

- i. All pre-qualified supply panels will be established as local panels in the City's electronic quotation system. Each quotation process, including the invitation to quote, clarifications with panel members, quotations received, and notification of award will be made only through this system. Officers will store all information pertaining to each purchase in the City's records management system.

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| Creation date: | July 1999 (CJ257-07/99) |
| Formerly: | <ul style="list-style-type: none">• Regional Purchasing Policy• Purchasing Goods and Services Policy |
| Amendments: | CJ031/02/02, CJ126-07/14, CJ047-03/16, CJ070-05/20, CJ244-08/25 |
| Last reviewed: | August 2025 (CJ244-08/25) |
| Related documentation: | <ul style="list-style-type: none">• Code of Conduct• Local Government Act 1995• Local Government (Functions and General) Regulations 1996• Purchasing Protocols• Recordkeeping Plan |
| File reference: | 105800 |