

# PURCHASING POLICY

## City 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 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. Details:

##### 3.1 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.

- All purchasing practices are carried out in compliance with applicable legislation including the *Local Government Act 1995* and the *Local Government (Function and General) Regulations 1996*.
- Purchasing practices will be in compliance with the City's Purchasing Protocols and the Code of Conduct.

- All purchasing decisions will remain free from bias and all suppliers will be treated equitably and fairly.
- All processes, evaluations and decisions shall be transparent, free from bias and fully documented.
- Any actual or perceived conflict of interest will be scrupulously avoided and declared.
- Detailed information provided to the City by a supplier or potential supplier will be treated as commercial-in-confidence and not released to a third party unless authorised by the supplier or required by law.
- All transactions are fully documented, recorded and stored in compliance with applicable legislation and audit requirements.

### 3.2 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.

### 3.3 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.

### 3.4 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 Panel Contracts
- Management of Variations to Contracts
- Tender Evaluation Methods

### 3.5 Quotation Thresholds

Quotations are required for all purchases made on behalf of the City with a value ranging from \$5,001 to \$100,000 as detailed in the following table:

Expenditure Level	Quotation Requirements
Up to \$5,000	No quotations required. Direct purchase by authorised officers.
\$5,001 to \$10,000	A minimum of two verbal quotations required. A record of the details of quotations received is to be made in accordance with the Purchasing Protocols and clause 3.6 of this Policy.
\$10,001 to \$50,000	A minimum of two written quotations required with specifications of requirements. 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 3.6 of this Policy.
\$50,001 to \$100,000	A minimum of three written quotations are required with full specifications using quotation documents in accordance with the Purchasing Protocols as applicable. 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 3.6 of this Policy.

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 \$100,000 or worth more than \$100,000, a public tender must be called, unless any of the provisions of clause 11 (2) of the *Local Government (Functions and General) Regulations 1996* applies.

### 3.6 Sustainable Procurement

Sustainable procurement is defined as the purchasing of goods and services that have less environmental and social impacts than competing products and services. Where appropriate the City will consider environmental and social impacts along with value for money outcomes when making purchasing decisions.

### 3.7 Western 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 Western Australian Disability Enterprises for the supply of goods and services.

### 3.8 Record Keeping of 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.

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**Creation Date:**

**Amendments:** N/A

**Related Documentation:**

- *City of Joondalup Purchasing Protocols*
- *City of Joondalup Code of Conduct*
- *City of Joondalup Recordkeeping Plan*