

4. Financial Management

4.1 Purchasing

Statutory Context:	Local Government (Functions and General) Regulations 1996 <ul style="list-style-type: none"> Regulation 1A – Purchasing policy required, and matters to be addressed
Corporate Context:	Council Policy Manual <ul style="list-style-type: none"> 2.7 Affixing the Common Seal 4.2 Regional Price Preference 4.4 Signing Purchase Orders
Date Adopted:	18 September 2025
Date Amended:	26 February 2026

The Shire is committed to applying the objectives, principles and practices outlined in this policy to all purchasing activity, and to ensuring alignment with the Shire’s strategic and operational objectives.

4.1.1 Objectives

The Shire’s purchasing activities will:

- Achieve best value for money that considers sustainable benefits, such as environmental, social and local economic factors;
- Foster economic development by maximising participation of local businesses in the delivery of goods and services;
- Use consistent, efficient and accountable purchasing processes and decision making, including competitive quotation processes, assessment of best value for money, and sustainable procurement outcomes for all purchasing activity, including tender exempt arrangements;
- Apply fair and equitable competitive purchasing processes that engage potential suppliers impartially, honestly and consistently;
- Commit to probity and integrity, including the avoidance of bias and of perceived and actual conflicts of interest;
- Comply with the Local Government Act 1995, Local Government (Functions and General) Regulations 1996, other relevant legislation, codes of practice, standards and the Shire’s policies and procedures;
- Ensure purchasing outcomes contribute to efficiencies (time and resources) for the Shire;
- Identify and manage risks arising from purchasing processes and purchasing outcomes in accordance with the Shire’s Risk Management Framework;
- Ensure records evidence purchasing activities in accordance with the State Records Act 2000 and the Shire’s Record Keeping Plan; and
- Ensure confidentiality that protects commercial-in-confidence information, and only releases information where appropriately approved.

4.1.2 Ethics and Integrity

The Shire's Codes of Conduct apply when undertaking purchasing activities and decision making, requiring Council Members and employees to observe the highest standards of ethics and integrity, and to act in an honest and professional manner at all times.

4.1.3 Value for Money

The Shire will apply value for money principles in critically assessing purchasing decisions and acknowledges that the lowest price may not always be the most advantageous.

4.1.4 Assessing Value for Money

The value for money assessment will consider the following factors:

- All relevant "total costs of ownership" and benefits, including transaction costs associated with the acquisition, delivery and distribution, and other costs such as, but not limited to, holding costs, consumables, deployment, training, maintenance and disposal. The potential for contract extensions should be included within the "total costs of ownership".
- 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. This includes, but is not limited to, an assessment of compliances, the supplier's resource availability, capacity and capability, value-adds offered, warranties, guarantees, repair and replacement policies and response times, ease of inspection and maintenance, ease of after sales service, and ease of communications.
- The supplier's financial viability and capacity to supply without the risk of default, including the competency of the prospective supplier in terms of managerial and technical capabilities and compliance history.
- A strong element of competition by obtaining a sufficient number of competitive quotations consistent with this policy, where practicable.
- The safety requirements and standards associated with both the product design and the specification offered by suppliers, and the evaluation of risks arising from the supply, operation and maintenance.
- The environmental, economic and social benefits arising from the goods, services or works required, including consideration of these benefits in regard to the supplier's operations, in accordance with this policy and any other relevant Shire policy, including Local Economic Benefit.
- Analysis and management of risks and opportunities that may be associated with the purchasing activity, potential supplier/s, and the goods or services required.

4.1.5 Purchasing Thresholds and Practices

4.1.5.1 Defining the Purchasing Value

The Shire will apply reasonable and consistent methodologies to assess and determine purchasing values, which ensure:

- the appropriate purchasing threshold and practice are applied in all purchasing activities; and
 - wherever possible, purchasing activity for the same category of supply is aggregated into single contract arrangements to achieve best value and efficiency in future purchasing activities, where the requirements are able to be provided by a single supplier.

A **category of supply** can be defined as groupings of similar goods or services with common supply and demand drivers, market characteristics, or suppliers.

4.1.5.2 Strategic Purchasing Value Assessments

The Shire will periodically review recent past purchasing activity across its operations to identify categories of supply for which the Shire will have continuing need, and which can be aggregated into single contract arrangements in order to achieve best value for money and efficiency in future purchasing activity.

The assessment of aggregated expenditure for the same category of supply capable of being supplied by a single supplier will determine the purchasing value threshold applicable to future purchasing activity.

4.1.5.3 Individual Purchasing Value Assessments

In any case, where there is no relevant current contract, each purchasing activity is to assess the purchasing value based upon the following considerations:

- Exclusive of Goods and Services Tax (GST).
- The estimated total expenditure for the proposed supply, including the value of all contract extension options and, where applicable, the total cost of ownership considerations.
- The appropriate length of a contract is to be determined based on market volatility, ongoing nature of supply, historical purchasing evidence and estimated future purchasing requirements.
- Requirements must not be split to avoid purchasing or tendering thresholds¹.

The calculated estimated purchasing value will determine the applicable threshold and purchasing practice to be undertaken.

Tables of Purchasing Thresholds and Practices

Supplier Order of Priority

The Shire will consider and apply, where applicable, the following Supplier Order of Priority:

Priority 1	<p>Existing Prequalified Supplier Panel or Other Contract</p> <p>Current contracts, including a Panel of Prequalified Suppliers or contracted supplier, must be used where the Shire's supply requirements can be met through the existing contract.</p>
Priority 2	<p>Local Suppliers</p> <p>Where the purchasing value does not exceed the tender threshold and a relevant local supplier is capable of providing the required supply, the Shire will ensure that, wherever possible, quotations are obtained from local suppliers permanently located within the district as a first priority, and those permanently located within surrounding districts as the second priority.</p> <p>If no relevant local supplier is available, then a relevant WALGA PSA may be used.</p>
Priority 3	<p>Tender Exempt – WALGA PSA</p> <p>Use a relevant WALGA PSA, regardless of whether or not the purchasing value will exceed the tender threshold.</p> <p>However, if a relevant PSA exists, but an alternative supplier is considered to provide best value, then the Chief Executive Officer, or an officer authorised by the Chief Executive Officer, must approve the alternative supplier.</p>

¹ Regulation 12 of the Local Government (Functions and General) Regulations 1996.

	<p>Reasons for not using a PSA may include:</p> <ul style="list-style-type: none"> the availability of a local supplier (that is not within the PSA); or social procurement – preference to use Aboriginal business or Disability Enterprise. <p>If no relevant WALGA PSA is available, then a relevant State Government Common Use Arrangement (CUA) may be used.</p>
Priority 4	<p>Tender Exempt – WA State Government CUA</p> <p>Use a relevant CUA, regardless of whether or not the purchasing value will exceed the tender threshold.</p> <p>However, if a relevant CUA exists, but an alternative supplier is considered to provide best value for money, then the proposed alternative supplier must be approved by the Chief Executive Officer, or an officer authorised by the Chief Executive Officer.</p> <p>If no relevant CUA is available, then a Tender Exempt² arrangement may be used.</p>
Priority 5	<p>Other Tender Exempt Arrangement</p> <p>Regardless of whether or not the purchasing value will exceed the tender threshold, the Shire will investigate and seek quotations from tender exempt suppliers, and will specifically ensure that, wherever possible, quotations are obtained from a Western Australian Disability Enterprise and/or an Aboriginal Owned Business that is capable of providing the required supply.</p>
Priority 6	<p>Other Suppliers</p> <p>Where there is no relevant existing contract or tender exempt arrangement available, purchasing activity from any other supplier is to be in accordance with the relevant purchasing practice for the purchasing value threshold, as specified in the table below.</p>

Purchasing Practice by Purchasing Value Threshold

The purchasing value, assessed in accordance with this policy, determines the purchasing practice to be applied to the Shire’s purchasing activities.

Purchase Value Threshold <i>(ex GST)</i>	Purchasing Practice
Up to \$749 <i>(ex GST)</i>	<p>Direct purchase from supplier, with no sourcing or recording of quotes required.</p> <p>Invoice to be sourced and recorded as proof of purchase.</p>
\$750 to \$7,499 <i>(ex GST)</i>	<p>Obtain at least one (1) verbal or written quotation from a suitable supplier in accordance with the Supplier Order of Priority of this policy. Use the Simple Procurement Form (Appendix 4.1.1) or raise a ‘quick purchase order’ within Shire’s procurement software (<i>Ready Community Procurement</i>). If using the Simple Procurement Form, Section D of the form is optional.</p> <p>The purchasing decision is to be evidenced in accordance with the Shire’s Record Keeping Plan.</p>
From \$7,500 and up to	<p>Seek to obtain three (3) verbal or written quotations from suitable suppliers in accordance with the Supplier Order of Priority of this policy.</p>

² Regulation 11(2) of the Local Government (Functions and General) Regulations 1996.

Purchase Value Threshold (<i>ex GST</i>)	Purchasing Practice
\$19,999 (<i>ex GST</i>)	<p>If purchasing from a WALGA PSA, State Government CUA or other tender exempt arrangement, a minimum of one (1) written quotation is to be obtained.</p> <p>The purchasing decision is to be based upon assessment of the suppliers' response to:</p> <ul style="list-style-type: none"> • A brief outline of the specified requirements for the goods, services or works sought; and • Value for money criteria, not necessarily the lowest price. <p>The purchasing decision is to be evidenced using the Simple Procurement Form or approved the Shire's procurement software (<i>Ready Community Procurement</i>). If using the form, all sections must be completed and retained in accordance with the Shire's Record Keeping Plan. If using the procurement software, Sections D and E of the form must be completed and attached to the quote in the software package.</p>
From \$20,000 and up to \$149,999 (<i>ex GST</i>)	<p>Seek to obtain at least three (3) written quotations from suitable suppliers by invitation using the Request for Quotation form (Appendix 4.1.2) in accordance with the Supplier Order of Priority of this policy.</p> <p>The purchasing decision is to be based upon assessment of the suppliers' responses to:</p> <ul style="list-style-type: none"> • A detailed written specification for the goods, services or works sought; and • Pre-determined selection criteria that assess all best and sustainable value considerations. <p>The purchasing decision is to be evidenced using the Simple Procurement Form or Shire's procurement software (<i>Ready Community Procurement</i>) and retained in accordance with the Shire's Record Keeping Plan. A Procurement Plan (Appendix 4.1.3) and Contract Management Plan (Appendix 4.1.4) are recommended, but not mandatory.</p>
From \$150,000 and up to \$249,999 (<i>ex GST</i>)	<p>A Procurement Plan must be conducted at the start of the procurement process.</p> <p>Seek at least three (3) written responses from suppliers by invitation under a formal Request for Quotation in accordance with the Supplier Order of Priority of this policy.</p> <p>The purchasing decision is to be based upon assessment of the suppliers' response to:</p> <ul style="list-style-type: none"> • A detailed written specification for the goods, services or works sought; and • Pre-determined selection criteria that assess all best and sustainable value considerations. <p>The procurement decision is to be evidenced using the Evaluation Report Template (Appendix 4.1.5) and retained in accordance with the Shire's Record Keeping Plan.</p>
\$250,000 or over (<i>ex GST</i>)	<p>Tender Exempt arrangements (i.e. WALGA PSA, State Government CUA or other tender exemption under regulation 11(2) of the Local Government (Functions and General) Regulations 1996) require at least three (3) written responses from suppliers by invitation under a formal Request for Tender (Appendix 4.1.6) in accordance with the Supplier Order of Priority of this policy.</p> <p><u>OR</u></p> <p>Public Tender undertaken in accordance with the Local Government Act 1995 and relevant Shire policy and procedures.</p> <p>The Tender Exempt or Public Tender purchasing decision is to be based on the suppliers' response to:</p> <ul style="list-style-type: none"> • A detailed specification; and • Pre-determined selection criteria that assess all best and sustainable value considerations.

4.1.5.4 Emergency Purchases

Emergency purchases are defined as the supply of goods or services associated with:

- 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;
- 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 section 6.8 of the Local Government Act 1995 and regulation 11(2)(a) of the Local Government (Functions and General) Regulation 1996; or
- a State of Emergency declared under the Emergency Management Act 2005 and therefore, regulations 11(2)(aa)³, (ja)⁴ and (3)⁵ of the Local Government (Functions and General) Regulations 1996 apply to vary the application of this policy.

Time constraints, administrative omissions and errors do not qualify for definition as an emergency purchase. Instead, every effort must be made to research and anticipate purchasing requirements in advance, to allow sufficient time for planning and scoping proposed purchases, and to then obtain quotes or tenders, as applicable.

Purchase Value Threshold (<i>ex GST</i>)	Purchasing Practice
	The purchasing decision is to be evidenced using the Evaluation Report Template, and retained in accordance with the Shire's Record Keeping Plan.
Emergency Purchases (<i>Within Budget</i>)	<p>Where goods or services are required for an emergency response and are within scope of an established Panel of Pre-qualified Supplier or existing contract, the emergency supply must be obtained from the Panel or existing contract using relevant unallocated budgeted funds.</p> <p>If there is no existing Panel or contract, then the Supplier Order of Priority will apply wherever practicable.</p> <p>However, where due to the urgency of the situation, a contracted or tender exempt supplier is unable to provide the emergency supply <u>OR</u> compliance with this Purchasing Policy would cause unreasonable delay, the supply may be obtained from any supplier capable of providing the emergency supply. An 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.</p> <p>The rationale for policy non-compliance and the purchasing decision must be evidenced in accordance with the Shire's Record Keeping Plan.</p>
Emergency Purchases (<i>No Budget Allocation Available</i>)	<p>Where no relevant budget allocation is available for an emergency purchasing activity then, in accordance with section 6.8 of the Local Government Act 1995, the Shire President must authorise, in writing, the necessary budget adjustment prior to the expense being incurred.</p> <p>The Chief Executive Officer is responsible for ensuring that an authorised emergency expenditure under section 6.8 is reported to the next Ordinary Council Meeting.</p> <p>The Purchasing Practices prescribed for Emergency Purchases (within budget) above, then apply.</p>

LGIS Services
Section
9.58(6)(b) of
the Local
Government
Act 1995

The suite of Local Government Insurance Service (LGIS) insurances are established in accordance with section 9.58(6)(b) of the Local Government Act 1995, and are provided as part of a mutual, where WALGA Member Local Governments are the owners of LGIS. Therefore, obtaining LGIS insurance services is available as a member-base service and is not defined as a purchasing activity subject to this policy.

Should Council resolve to seek quotations from alternative insurance suppliers, compliance with this policy is required.

4.1.5.5 Inviting Tenders though Not Required to Do So

The Shire may determine to invite Public Tenders, despite the estimated purchase value being less than the \$250,000 prescribed tender threshold, but only where an assessment determines that the purchasing requirement cannot be met through a tender exempt arrangement, and the use of a public tender process will enhance value for money, efficiency, risk mitigation and sustainable procurement benefits. In such cases, the tender process must comply with the legislative requirements.

4.1.5.6 Expressions of Interest

Expressions of Interest (EOI) will be considered as a prerequisite to a tender process⁶ where the required supply evidences one or more of the following criteria:

- Unable to sufficiently scope or specify the requirement.
- There is significant variability for how the requirement may be met.
- There is potential for suppliers to offer unique solutions and/or multiple options for how the purchasing requirement may be obtained, specified, created or delivered.
- Subject to a creative element.
- Provides a procurement methodology that allows for the assessment of a significant number of potential tenderers leading to a shortlisting process based on non-price assessment.

All EOI processes will be based upon qualitative and other non-price information.

4.1.5.7 Unique Nature of Supply (Sole Supplier)

An arrangement with a supplier based on the unique nature of the goods or services required, or for any other reason, where it is unlikely that there is more than one potential supplier, may only be approved where the:

- Purchasing value is estimated to be over \$5,000;
- Purchasing requirement has been documented in a detailed specification;
- The specification has been extensively market tested, and only one potential supplier has been identified as being capable of meeting the specified purchase requirement; and

³ "Tenders do not have to be publicly invited according to the requirements of this Division if [...] the supply of the goods or services is associated with a state of emergency or a COVID-19 declaration"

⁴ "Tenders do not have to be publicly invited according to the requirements of this Division if the contract is a renewal or extension of the term of a contract (the original contract) where — (i) the original contract is to expire within 3 months; and (ii) the renewal or extension is for a term of not more than 12 months from the expiry of the original contract; and (iii) the contract for renewal or extension is entered into at a time when there is in force a state of emergency declaration or a COVID-19 declaration applying to the district, or part of the district, of the local government.

⁵ "For the purposes of sub regulation (2)(aa) a supply of goods or services is associated with a state of emergency if — (a) the contract for the supply is entered into while there is in force a state of emergency declaration applying to the district, or part of the district, of the local government; and (b) the local government considers that the goods or services are required for the purposes of addressing a need arising from the hazard, or from the impact or consequences of the hazard, to which the state of emergency declaration relates."

⁶ Regulation 21 of the Local Government (Functions and General) Regulations 1996.

- Market testing process and outcomes of supplier assessments have been evidenced in records, inclusive of a rationale for why the supply is determined as unique, and why quotations or tenders cannot be sourced through more than one potential supplier.

An arrangement of this nature will only be approved for a period not exceeding one (1) year. For any continuing purchasing requirement, the approval must be re-assessed before expiry, to evidence that only one potential supplier still genuinely exists.

A decision to approve a sole source of supply arrangement for a purchasing activity above the tender threshold must be made by Council resolution⁷, unless this function has been delegated to the Chief Executive Officer.

4.1.5.8 Anti-Avoidance

The Shire will not conduct multiple purchasing activities with the intent (inadvertent or otherwise) of “splitting” the purchase value or the contract value, so that the effect is to avoid a particular purchasing threshold or the need to call a Public Tender. This includes the creation of two or more contracts or creating multiple purchase order transactions of a similar nature.

4.1.6 Requests for Tender

4.1.6.1 Development of Requests for Tender

The key principles in developing Requests for Tender are openness and transparency of the supplier selection process. This involves consideration of the following:

- The Tender process and the associated selection criteria will be well established, clearly communicated and observed by all parties to the process.
- The governance of the Tender process will be documented in the Request for Tender documents. Governance areas to be covered include:
 - Scope, content and format of Tenders;
 - Skills or experience required;
 - Evaluation criteria; and
 - Tender submission details.
 - The Tender process will be clearly communicated to tenderers.

The Request for Tender will provide potential tenderers with the information required to understand the Shire’s needs to submit their Tenders. The following information will be included in the Request for Tender:

- Conditions of Tendering, which will explain the rules governing the content and submission of Tenders, and the conduct of the Request for Tender process.
- Specification, which will provide the tenderer with a concise, logical and unambiguous description of the Shire’s requirements.
 - General Conditions of Contract, which will be relevant to the goods and services being requested.
 - Special Conditions of Contract, which will be used to add to or amend the General Conditions of Contract, or to highlight any special or unusual circumstances that are particular to the contract.
 - Tenderer’s Offer, which will outline the terms and conditions agreed by the tenderer in submitting their offer.
 - Selection criteria.

⁷ Regulation 11(2)(f) of the Local Government (Functions and General) Regulations 1996.

Officers may require the assistance of the Manager of Governance and Community Services (and in their absence, the Governance and Grants Officer) to prepare the Request for Tender documentation.

4.1.6.2 Evaluation of Tenders

Tenders must be opened with at least two authorised persons present. Furthermore, tenderers and members of the public must be permitted to attend.

Evaluation is a formal, documented stage of the procurement cycle. The evaluation process will enable responses to be compared and measured against the Tender criteria, so that the most advantageous tenderer can be identified. Evaluation will be a mechanism to make procurement decisions based on value for money, probity and fair dealing.

Tender Evaluation Panel Members must comply with the Code of Conduct for Tender Evaluation Panel Members (contained within the evaluation report), which requires Members to declare conflicts of interest and abide by their duty of confidentiality.

The Evaluation Panel shall include a Facilitator (usually the Manager of Governance and Community Services). The Facilitator is a non-voting Member of the Evaluation Panel, and their role is to:

- assist the Evaluation Panel in addressing any disagreements;
- provide the Evaluation Panel with advice and guidelines on procurement governance arrangements (legislation and policies);
- record all Evaluation Panel decisions in the relevant forms; and
- assist in the development of Contract Management Plans (where required).

The Evaluation Panel Members will be briefed on the evaluation process ahead of the Tender closing, and will receive training, if necessary. Copies of the tenders, scoring scale and any evaluation forms will be distributed to each Member.

Tenders will be checked to ensure conformance to all the requirements of the Tender, ensuring all mandatory criteria are met before the full evaluation is conducted. The Tender evaluation will be conducted using the Evaluation Report Template (Appendix 4.1.5).

4.1.6.3 Contract Renewals, Extensions and Variations

Where a contract has been entered into as the result of a publicly invited Tender process, then regulation 21A of the Local Government (Functions and General) Regulation 1996⁸ applies.

For any other contract, the contract must not be varied unless the variation:

- Is necessary in order for the goods or services to be supplied, and does not change the scope of the contract; or
- Is a renewal or extension of the term of the contract where the extension or renewal options were included in the original contract.

Upon expiry of the original contract, and after any options for renewal or extension included in the original contract have been exercised, the Shire is required to review the purchasing requirements and commence a new competitive purchasing process in accordance with this policy.

⁸ "If a local government has entered into a contract for the supply of goods or services with a successful tenderer, the contract must not be varied unless — (a) the variation is necessary in order for the goods or services to be supplied and does not change the scope of the contract; or (b) the variation is a renewal or extension of the term of the contract as described in regulation 11(2)(j), (ja) or (jb)."

4.1.7 Panels of Pre-qualified Suppliers

4.1.7.1 Objectives

The Shire will consider creating a Panel of Pre-qualified Suppliers (Panel)⁹ when a range of similar goods and services are required to be purchased on a continuing and regular basis.

Factors to consider in deciding to establish a Panel include the following:

- There are numerous potential suppliers in the local and regional procurement related market sector(s) that satisfy the test of value for money.
- The Panel will streamline and improve procurement processes.
- The Shire has the capability to establish a Panel and manage the risks and achieve the benefits expected of the proposed Panel through a Contract Management Plan (Appendix 4.1.4).

4.1.7.2 Establishing and Managing a Panel

If the Shire decides that a Panel is to be created, it will establish the panel in accordance with the Local Government (Functions and General) Regulations 1996.

Panels will be established for one supply requirement, or a number of similar supply requirements under defined categories. This will be undertaken through an invitation of procurement process advertised via a State-wide notice. Panels may be established for a maximum of three (3) years. The length of time of a local Panel is decided with the approval of the Chief Executive Officer.

Evaluation criteria will be determined and communicated in the application process by which applications will be assessed and accepted.

In each invitation to apply to become a pre-qualified supplier, the Shire will state the expected number of suppliers it intends to put on the Panel.

If a Panel member leaves the Panel, the Shire will consider replacing that organisation with the next ranked supplier that meets or exceeds the requirements in the value for money assessment, subject to that supplier agreeing. The Shire will disclose this approach when establishing the Panel.

A Panel contract arrangement needs to be managed to ensure that the performance of the Panel contract and the Panel members under the contract are monitored and managed. This will ensure that risks are managed and expected benefits are achieved. A Contract Management Plan that outlines the requirements for the Panel contract and how it will be managed should be established.

4.1.7.3 Distributing Work amongst Panel Members

To satisfy regulation 24AD(5) of the Local Government (Functions and General) Regulations 1996, when establishing a Panel of pre-qualified suppliers, the detailed information associated with each invitation to apply to join the Panel will prescribe one of the following as to whether the Shire intends to:

- Obtain quotations from each pre-qualified supplier on the Panel with respect to all discreet purchases;
- Purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or
- Develop a ranking system for selection to the Panel, with work awarded in accordance with the Regulations.

⁹ The processes for the establishment and management of Panels of Pre-qualified Suppliers are set out in Division 3 of Part 4 of the Local

Government (Functions and General) Regulations 1996.

In considering the distribution of work among Panel members, the detailed information will also prescribe whether:

- Each Panel member will have the opportunity to bid for each item of work under the Panel, with pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work, noting contracts under the pre-qualified Panel will be awarded on the basis of value for money in every instance; or
- Work will be awarded on a ranked basis, which is to be stipulated in the detailed information set out under regulation 24AD(5)(f) of the Local Government (Functions and General) Regulation 1996 when establishing the Panel.
 - The Shire will invite the highest ranked Panel member, who is to give written notice as to whether to accept the offer for the work to be undertaken.
 - Should the offer be declined, an invitation to the next ranked Panel member is to be made, and so forth until a Panel member accepts a contract.
 - Should the list of Panel members invited be exhausted with no Panel member accepting the offer to provide goods or services under the Panel, the Shire may then invite suppliers that are not pre-qualified under the Panel, in accordance with the Purchasing Thresholds stated in section 4.1.5.3 of this policy.
- When a ranking system is established, the Panel will not operate for a period exceeding 12 months.

In every instance, a contract must not be formed with a pre-qualified supplier for an item of work beyond 12 months, which includes options to extend the contract.

4.1.7.4 Purchasing from the Panel

The invitation to apply to be considered to join a Panel of pre-qualified suppliers must state whether quotations are either to be invited to every Panel member (within each category, if applicable) for each purchasing requirement, or whether a ranking system is to be established.

4.1.7.5 Communications with Panel Members

The Shire will ensure clear, consistent and regular communication with Panel members.

Each quotation process, including the invitation to quote, communications with Panel members, quotations received, evaluation of quotes and notification of award communications must all be captured in accordance with the Shire's Record Keeping Plan. A separate file is to be maintained for each quotation process made under each Panel to capture all communications between the Shire and Panel members.

4.1.8 Other Relevant Matters

4.1.8.1 Sustainable Procurement

The Shire is committed to implementing Sustainable Procurement by providing a preference to suppliers that demonstrate sustainable business practices (social advancement, environmental protection and Local Economic Benefits).

The Shire will apply Sustainable Procurement criteria as part of the value for money assessment to ensure that, wherever possible, our suppliers demonstrate outcomes that contribute to improved environmental, social and local economic outcomes.

Sustainable Procurement can be demonstrated as being internally focussed (i.e. operational environmental efficiencies, or employment opportunities and benefits relating to special needs), or externally focussed (i.e. initiatives such as corporate philanthropy).

Requests for Quotation and Tenders will include a request for suppliers to provide information regarding their sustainable practices, and/or demonstrate that their product or service offers enhanced sustainable benefits.

4.1.8.2 Local Economic Benefit

The Shire promotes economic development through the encouragement of competitive participation in the delivery of goods and services by local suppliers permanently located within its District first, and secondly, those permanently located within its broader region. As much as practicable, the Shire will:

- Consider buying practices, procedures and specifications that encourage the inclusion of local businesses and the employment of local residents;
- Consider indirect benefits that have flow on benefits for local suppliers (i.e. servicing and support);
 - Ensure that procurement plans and analysis are undertaken prior to developing Requests for Quotation and Tenders to understand local business capability and local content availability, where components of goods or services may be sourced from within the District for inclusion in the selection criteria;
 - Explore the capability of local businesses to meet requirements and ensure that Requests for Quotation and Tenders are designed to accommodate the capabilities of local businesses;
 - Avoid bias in the design and specifications for Requests for Quotation and Tenders – all Requests must be structured to encourage local businesses to bid;
 - Consider the adoption of Key Performance Indicators within contractual documentation that require successful contractors to increase the number of employees from the District first; and
- Provide adequate and consistent information to local suppliers.

To this extent, a weighted qualitative criterion will be included in the selection criteria for Requests for Quotation and Tenders where suppliers are located within the boundaries of the Shire or substantially demonstrate a benefit or contribution to the local economy.

The Shire has adopted a Regional Price Preference Policy (allowing up to a 10% price difference), which will be applied when undertaking all purchasing activities.¹⁰

Where the price difference does not exceed 5%, the Shire will give preference to products made in Australia, and to Australian suppliers.

4.1.8.3 Socially Sustainable Procurement

The Shire will support the purchasing of goods and services from socially sustainable suppliers, such as Australian Disability Enterprises and Aboriginal businesses, wherever a value for money assessment demonstrates benefit towards achieving the Shire's strategic and operational objectives.

A qualitative weighting will be used in the evaluation of Requests for Quote and Tenders to provide advantages to socially sustainable suppliers in instances where the below tender exemptions are not exercised.

4.1.8.4 Aboriginal Businesses

Regulation 11(2)(h) of the Local Government (Functions and General) Regulation 1996 provides a tender exemption if the goods or services are supplied by a person on the Aboriginal Business Directory WA, published by the Chamber of Commerce and Industry of Western Australia, or Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation), where the consideration under contract is \$250,000 or less, or worth \$250,000 or less.

¹⁰ Selection criteria cannot include both weighted price and Local Economic Benefit clauses, as they are mutually exclusive.

The Shire will first consider undertaking a quotation process with other suppliers (which may include other registered Aboriginal Businesses as noted in regulation 11(2)(h) of the Local Government (Functions and General) Regulations 1996) to determine overall value for money for the Shire.

Where the Shire makes a determination to contract directly with an Aboriginal Business for any amount up to and including \$250,000 (ex GST), it must be satisfied through alternative means that the offer truly represents value for money.

If the contract value exceeds \$50,000 (ex GST), a formal Request for Quotation will be issued to the relevant Aboriginal business. The rationale for making the purchasing decision must be recorded in accordance with the Shire's Record Keeping Plan.

4.1.8.5 Australian Disability Enterprises

Regulation 11(2)(i) of the Local Government (Functions and General) Regulations 1996 provides a tender exemption if the goods or services are supplied by an Australian Disability Enterprise.

The Shire will first consider undertaking a quotation process with other suppliers (which may include other Australian Disability Enterprises) to determine overall value for money for the Shire.

Where the Shire makes a determination to contract directly with an Australian Disability Enterprise for any amount, including an amount over the Tender threshold of \$250,000 (ex GST), it must be satisfied through alternative means that the offer truly represents value for money.

If the contract value exceeds \$50,000 (ex GST), a formal Request for Quotation will be issued to the relevant Australian Disability Enterprise. The rationale for making the purchasing decision must be recorded in accordance with the Shire's Record Keeping Plan.

4.1.8.6 Environmentally Sustainable Procurement

The Shire will support the purchasing of recycled and environmentally sustainable products whenever a value for money assessment demonstrates benefit toward achieving the Shire's strategic and operational objectives.

Qualitative weighted selection criteria will be used in the evaluation of Requests for Quote and Tenders to provide advantages to suppliers who:

- Demonstrate policies and practices that have been implemented by the business as part of its operations;
- Generate less waste material by reviewing how supplies, materials and equipment are manufactured, purchased, packaged, delivered, used and disposed; and
- Encourage waste prevention, recycling, market development and use of recycled/recyclable materials.

4.1.8.7 Contract Management

The contract management process will ensure that both parties to a contract fully meet their obligations, and the supplier delivers the goods and services required by the Shire.

The contract manager will be the Shire's representative responsible for the day-to-day management of the contract to ensure delivery. Contract managers will use all the tools at their disposal, scaling their management of the contract to the inherent risk and need of engagement, and will use the contract, relationship management, governance structures, performance monitoring, contract meetings, effective record keeping and contract administration in different ways to manage the supplier across the contract term.

For high risk and/or high value contracts, the contract manager will develop a Contract Management Plan using the template provided in Appendix 4.1.4. The Manager of Governance and Community Services (or in his/her absence, the Governance and Grants Officer) can assist in the development of Contract Management Plans.

4.1.8.8 Record Keeping

All of the Shire's purchasing activity, communications and transactions must be evidenced and retained as Local Government records in accordance with the State Records Act 2000 and the Shire's Record Keeping Plan.

In addition, the Shire must consider and will include in each contract for the provision of works or services, the contractor's obligations for creating, maintaining and, where necessary, transferring to the Shire records that are relevant to the performance of the contract.

4.1.8.9 Purchasing Policy Non-Compliance

This Purchasing Policy is mandated under the Local Government Act 1995 and Regulation 11A of the Local Government (Functions and General) Regulations 1996. As a result, the policy forms part of the legislative framework under which the Shire is required to conduct business.

Where legislative or policy compliance is not reasonably able to be achieved, records must evidence the rationale and decision-making processes that substantiate the non-compliance.

Purchasing activities are subject to internal and external financial and performance audits, which examine compliance with legislative requirements and the Shire's policies and procedures.

If non-compliance with legislation, this Purchasing Policy or the Code of Conduct is identified, it must be reported to the Chief Executive Officer or the Manager of Governance and Community Services.

A failure to comply with legislation or policy requirements, including compliance with the Code of Conduct, when undertaking purchasing activities may be subject to investigation, with findings to be considered in the 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; or
- serious misconduct, which will be reported in accordance with the Corruption, Crime and Misconduct Act 2003.

Version Control:

1	Policy adopted on 18 September 2025.
2	Policy Amended on 26 February 2026.