

Objective:

The City of Mandurah (the City) is committed to delivering best practice in the procurement of goods, services and works that align with the principles of transparency, probity, and good governance.

The Procurement Policy (Policy) is developed in accordance with the statutory obligations of the *Local Government Act 1995* (Act) and Part 4 of the *Local Government (Functions and General) Regulations 1996* (Regulations) in relation to procurement activities undertaken by the City.

The Policy is directed at meeting the following objectives:

- Achieving 'value for money' with respect to all procurement activities;
- Ensuring that the City complies with all obligations under the Act and Regulations;
- Strengthening integrity and confidence in procurement systems and processes;
- Encourage effective competition with the supply of goods and services from local businesses;
- Ensuring that sustainable benefits, such as environmental, social and local economic factors are considered in the overall 'value for money' assessment;
- Mitigating probity risk by establishing consistent and demonstrated processes that promote transparency, probity and integrity, including the avoidance of bias and of perceived and actual conflicts of interest;
- Compliance with *State Records Act 2000* and the City's Record Keeping Plan and procedures;
- Risks identified and managed within the City's Risk Management Framework; and
- Consistent, efficient and accountable processes and decision-making in accordance with applicable policies and procedures.

Statement:

1. APPLICABILITY

This Policy applies to all procurement activities undertaken by City Officers, appointed representatives and where applicable, contractors. For the purposes of the Policy, such persons will be referred to as employees.

2. PRINCIPLES OF PROCUREMENT

2.1 Ethics and Integrity

All employees of the City shall observe the highest standards of ethics and integrity in undertaking procurement activity and act in an honest and professional manner.

All employees of the City undertaking procurement activities must:

- a. Behave in accordance with legislation, City of Mandurah Code of Conduct for Employees, policies and procedures.
- b. Understand and observe the definitions of Misconduct and Serious Misconduct as defined in the *Corruption Crime and Misconduct Act 2003*.
- c. Report any actual or perceived conflicts of interest, which are to be identified, disclosed and appropriately managed.

- d. Report any information about actual or potentially fraudulent, corrupt or illegal activities, including breaches of the City's Employee Code of Conduct.

2.2 Procurement Principles

The following principles underpin the City's procurement activities:

- a. All processes, evaluations and decisions shall be transparent, free from bias, merit based and fully documented in accordance with the Act and Regulations, applicable policies and procedures, and audit requirements.
- b. Accountability shall be taken for all procurement decisions, to ensure the efficient, effective and proper expenditure of public monies (achieving value for money), in accordance with the City's adopted budget.
- c. Business efficiency drives all procurement decisions to ensure resources are appropriately allocated and need is assessed prior to procurement.
- d. Procurement is to be carried out on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently.
- e. Any information provided to the City by a supplier shall be treated as commercial-in confidence and should not be released unless authorised by the supplier or relevant legislation.

3. VALUE FOR MONEY

- a. Value for money is achieved through the critical assessment of price, risk, timeliness, environmental, social, economic and qualitative factors to determine the most advantageous supply outcome that contributes to the City achieving its strategic and operational objectives.
- b. The City will apply value for money principles when assessing purchasing decisions and acknowledges that the lowest price may not always be the most advantageous.

3.1 Assessing Value for Money

- a. The assessment of value for money is the result of open, competitive sourcing practices and critical assessment of factors such as:
 - i. All relevant whole-of-life costs and benefits. This should include transaction costs associated with acquisition, delivery, distribution, as well as other costs such as holding costs, consumables, maintenance and disposal;
 - ii. The technical merits of the goods and/or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
 - iii. Financial viability and capacity to supply without risk of default;
 - iv. Ensuring a sufficient number of offers have been obtained to enable robust price comparison wherever practicable;
 - v. The safety requirements associated with both the product design and specification offered by suppliers and the evaluation of risk when considering purchasing goods and/or services from suppliers; and
 - vi. A supplier's ability to demonstrate the sustainable benefits and positive local impact of the goods and services offered.

- b. The level of assessment undertaken is commensurate with the value, complexity, risk and sensitivity of the goods or services being procured.

4. SUSTAINABLE PROCUREMENT

Sustainable procurement is defined as the purchasing of goods and services that have less environmental and/or negative social impacts than competing products or services over the entire life cycle of a product.

The City is committed, where possible, to procuring goods and services:

- a. that are economical to own and operate;
- b. reduce waste and are energy efficient;
- c. cause the least damage to the environment;
- d. have been created or obtained using legally compliant practices (Corporate Social Responsibility);
- e. provide local businesses with commercial opportunity;
- f. improve employment opportunities for local people; and
- g. that encourage social advancement and benefits relating to special needs.

4.1 Local Content

- a. The City will:
 - i. wherever practical, invite local suppliers to quote, in accordance with this Policy;
 - ii. ensure procurement planning explores local business capability and opportunities for local content; and
 - iii. consider buying practices, procedures and specifications that do not unfairly disadvantage local businesses.
- b. Local suppliers are defined as those businesses that operate permanently within the district of the City of Mandurah local government municipal area.

4.2 Engaging with Australian Disability Enterprises or Aboriginal Businesses

- a. The City encourages the use of Australian Disability Enterprises and Aboriginal owned businesses for the supply of goods and/or services where value for money assessments demonstrate benefits for the City achieving its objectives.
- b. Where the required number of quotes from \$10,000 up to \$250,000 cannot be obtained from similar disability enterprises or Aboriginal owned businesses, alternate means of verifying that the offer truly represents value for money should form part of the evaluation documentation and applicable Procedure.

5. PROCUREMENT REQUIREMENTS

5.1 Anti-Avoidance

In accordance with regulation 12(1), procurement activities for the same goods or services should be aggregated into a single procurement activity where this will achieve the best value for money and efficiencies for the City. Multiple procurement activities for the same goods or services must

not be conducted with the intent of separating the procurement over two or more purchase orders or contracts, so that the effect is to avoid a procurement threshold outlined in section 5.5.

5.2 Legislative Requirements

The requirements that must be complied with by the City, including procurement thresholds and processes, are prescribed within the Regulations, this Policy, and associated Procurement Procedures.

5.3 Existing Contracts

Where the City has an existing contract in place, employees must ensure that goods and services required are purchased under these contracts to the extent that the contract allows. Goods and/or services must be within scope of the existing contract and must not exceed the tender threshold unless specifically permissible. City Officers must refer to the City's Contracts Register in the first instance before seeking to obtain quotes and/or tenders.

5.4 Procurement Source

Quotations for the supply of goods and services not subject to public tender should be sought from local suppliers, where possible. In the absence of local suppliers, consideration must be given to the appropriate procurement source during risk assessment and quotations may be sought from the following,

- Western Australian Local Government Association (WALGA) Preferred Supplier Program (PSP); or
- State Common User Arrangement (CUA); or
- Australian Disability Enterprise; or
- Aboriginal owned business; or
- Open market.

5.5 Procurement Thresholds

- a. In determining the purchase value, the following considerations are to be taken into account:
 - i. All values are exclusive of GST; and
 - ii. The amount is the actual or expected value of a contract over the full contract period, including all options.
- b. **Table 1** outlines the requirements that apply to the City's procurement activities. All procurement must be conducted in accordance with the City's Procurement Procedures and must be approved by an officer with the appropriate financial authorisation limits and/or delegation.

Procurement Policy

POL-CPM 02



Table 1

Procurement Threshold (exclusive of GST) (1)	Minimum number of quotations requested (2)	Local Suppliers invited where practical (3)	Minimum number of quotations received (4)	Minimum number of independent evaluators (5)	Form of quotation (6)	Threshold conditions (7)
A. Up to \$2,000	1	1	1	1	Verbal or written quotation	<ul style="list-style-type: none"> • Low risk, ad-hoc procurement only • Written quotations must be saved against the requisition. The requisition is otherwise considered documentation of a verbal quotation.
B. Up to \$10,000	1	1	1	1	Written quotation	<ul style="list-style-type: none"> • Low risk, ad-hoc procurement only • Written quotations saved against the requisition.
C. Up to \$50,000	1	1	1	1	Written quotation	<ul style="list-style-type: none"> • Procurement risk assessment to be undertaken and recorded. • Written quotations saved against the requisition. • Where only one quotation is received, a value-for-money assessment must be prepared. • Quotation evaluation must be documented and approved.
D. Up to \$150,000	3	2	2	2	Written quotation	<ul style="list-style-type: none"> • Procurement risk assessment to be undertaken and recorded. • Quotation evaluation must be documented and approved. • Request for Quotation reviewed by Procurement Services. • Supplier contract recorded in the Contract Management System
E. Up to \$250,000	3	2	2	2	Written quotation	<ul style="list-style-type: none"> • Facilitated by Procurement Services • Procurement planning to be undertaken and recorded • Quotation evaluation must be documented and approved.

Procurement Policy

POL-CPM 02



Procurement Threshold (exclusive of GST) (1)	Minimum number of quotations requested (2)	Local Suppliers invited where practical (3)	Minimum number of quotations received (4)	Minimum number of independent evaluators (5)	Form of quotation (6)	Threshold conditions (7)
						<ul style="list-style-type: none"> Supplier contract recorded in the Contract Management System
F. Over \$250,000 (Public Tender)	Public Tender	N/A	N/A	3	Public Tender	<ul style="list-style-type: none"> Facilitated by Procurement Services Procurement planning to be undertaken and recorded. Tender evaluation must be documented and approved by the CEO or Council in accordance with delegated authority. Supplier contract recorded in the Contract Management System
G. Over \$250,000 (Tender exempt)	3*	2	2	3	Written quotation	<ul style="list-style-type: none"> Facilitated by Procurement Services Procurement planning to be undertaken and recorded Quotation evaluation must be documented and approved by the CEO. Supplier contract recorded in the Contract Management System
<p>(1) Each threshold is exclusive of GST and subject to compliance with the Threshold Conditions.</p> <p>(2) Each quotation sought must represent a genuine attempt to receive a quotation based on market research.</p> <p>(3) Where the minimum number of local suppliers cannot be identified, market research must be documented.</p> <p>(4) Where the minimum number of quotations has not been received, the procurement must be supported by a Director.</p> <p>(5) The independent evaluators cannot authorise the Purchase Order (where no long-form contract is prepared), approve the procurement, or execute the long-form contract.</p> <p>(6) All quotation requests must include reference to the City of Mandurah Purchase Order Terms and Conditions, or relevant long-form contract. Third Party supplier conditions must be reviewed by Legal Services prior to commitment.</p> <p>(7) Where any of the Threshold Conditions cannot be met, the requirements of the next Procurement Threshold will apply. Where a Purchasing Card is used, the record keeping requirements of the Purchasing Card procedure shall prevail.</p>						

5.6 Record Keeping

Communications, responses and documentation relating to procurement activity and approvals, regardless of value, must be recorded and retained in accordance with the *State Records Act 2000*, the Regulations, the City's Record Keeping Plan and applicable Procurement Procedures.

5.7 Conflict of Interest

Actual or perceived interests are to be declared using the City's prescribed form. Where there is a perceived or actual conflict of interest in accordance with the Act, the Officer may be removed from any further procurement activity. The City's Procurement Procedures prescribe where a declaration of no conflict of interest must be formally recorded.

5.8 Probity Advisors and Audit

The Chief Executive Officer (CEO) may appoint an organisation to undertake a probity audit of the tender process conducted, or parts thereof, if required. The CEO may appoint a probity advisor to observe or participate in the procurement process that will be conducted.

5.9 Education and Training

- a. The CEO is required to implement a procurement education and training program. This will include both induction and refresher training to be delivered on an annual basis.
- b. Employees who undertake procurement activities will be required to attend training on an annual basis.
- c. Employees who participate in Request for Quote and Tender evaluation panels facilitated by Procurement Services are required to undertake probity and evaluation training prior to participating in the evaluation panel.

6 EXCEPTIONS TO PROCUREMENT REQUIREMENTS

6.1 Tender Exempt Supply Arrangements

- a. Procurement activities above tender threshold, sourced through tender exempt supply arrangements set out in regulation 11(2) of the Regulations must be in accordance with the Regulations the City's Policies and Procedures and authorised by the relevant delegate or sub-delegate in accordance with the City of Mandurah Register of Delegated Authority.
- b. When conducting tender exempt procurement, multiple quotations should be sought in accordance with **Table 1** from the WALGA PSP [r.11(2)(b)] or State Government CUA [r.11(2)(e)] unless a waiver is endorsed by the CEO in accordance with paragraph 6.10.

6.2 Goods and/or Services required in an Emergency (Local or State)

- a. An "emergency" is defined in the *Emergency Management Act 2005* is "the occurrence or imminent occurrence of a hazard which is of such a nature or magnitude that it requires a significant and coordinated response". Section 6.8(1)(c) of the Act makes

provisions for unbudgeted expenditure in a local emergency to be incurred if approved in advance by the Mayor. Regulations 11 (2)(aa),(j) makes provisions where a State of Emergency is declared.

- b. A State of Emergency applies when it is declared under the *Emergency Management Act 2005*.
- c. The City's own contracts or WALGA's Hazardous and Emergency Event Services PSP should be used wherever possible. The City's Procedures make provision for services that are required urgently or out of hours.

6.3 Unique Nature of Supply

- a. Goods and/or services of a unique nature that can only be supplied from one supplier may be procured using a formal quotation process. This is only permitted in circumstances where the City is satisfied and can evidence that there is only one source of supply for those goods, services or works. Sufficient market testing and investigation of alternative sources of supply must be demonstrated and evidence documented.
- b. Once determined, the justification must be endorsed by the relevant Director or Chief Executive Officer (dependant on the value), prior to a contract being entered into.
- c. City Officer must ensure compliance with the City's Procurement Procedures.

6.4 Legal Services

Legal Services may be procured directly from WALGA PSP legal service providers for a single brief subject to the following conditions:

- a. There is no reasonable expectation that the value of the brief will exceed \$50,000;
- b. The engagement is undertaken with the support of Governance and Legal Services; and
- c. There is sufficient budget available.

6.5 Temporary Personnel

Temporary Personnel may be procured directly from WALGA PSP recruitment agency providers for a single appointment subject to the following conditions:

- a. There is no reasonable expectation that the value of the appointment will exceed \$50,000;
- b. Related People and Culture policies and procedures are adhered to;
- c. The engagement is for a duration of no longer than 6 months; and
- d. There is sufficient budget available.

6.6 Software Licenses

Software must be procured in accordance with the City's Software and Hardware Acquisition Operational Policy.

Software procured in accordance with the Operational Policy and with an annual fee of less than \$50,000 is exempt from the requirement to undertake a request for quotation, subject to the following conditions:

- a. The annual licence fee is less than \$50,000;
- b. The total value of the contract with the supplier for the term of the agreement (including options) does not exceed \$250,000;
- c. A business case including market research has been prepared and endorsed by the relevant Director;
- d. The agreement with the supplier does not contain automatic rollover provisions; and
- e. There is sufficient budget available.

6.7 Passenger and Light Commercial Fleet

Passenger and Light Commercial Fleet may be procured from the CUA endorsed suppliers in accordance with the buying rules of the CUA.

Where possible, fleet should be procured from local dealers. The supply of each vehicle must be accompanied by a written quotation.

An approved fleet list must be endorsed by the CEO.

6.8 Library Collection Materials

Library collection materials may be procured from suppliers on the WALGA PSP without undertaking a formal request for quotation where:

- a. The individual order value does not exceed \$10,000;
- b. The suppliers pricing methodology includes a discount from Australian Regular Retail Price; and
- c. There is sufficient budget available.

6.9 Fast Moving Consumer Goods for Resale

Fast moving consumer goods (FMCGs) such as soft drinks, milk products and foodstuffs that are procured for resale at City operated venues may be purchased directly from the CUA for Groceries and Fresh Produce in accordance with the buying rules without undertaking a formal request for quotation where:

- a. The individual order value does not exceed \$10,000;
- b. The supplier prices do not exceed the retail value; and
- c. There is sufficient budget available.

6.10 Engagement of a Regional Corporation under a Noongar Standard Heritage Agreement

- a. The engagement of a Regional Corporation (as defined in the *Aboriginal Heritage Act 1972*) that is a party to a Noongar Standard Heritage Agreement (NSHA) with the City, or an Aboriginal Heritage Service Provider nominated by the same Regional Corporation, is exempt from procurement requirements where:
 - i. The engagement is pursuant to the NSHA;
 - ii. The services are required to obtain or effect an approval under the *Aboriginal Heritage Act 1972* or *Aboriginal Heritage Regulations 1974*;

- iii. The engagement is worth \$250,000 or less.

6.11 Waiver of Quotation Requirements (Exceptional Circumstances)

Where it is not practical, a waiver from the requirements contained in **Table 1** (for budgeted expenditure) may be granted at the sole discretion of the CEO and/or Directors (dependant on the value). Written records of the justification and the approval obtained must be recorded in line with the City's Procurement Procedures.

Time constraints, poor planning, administrative omissions and errors do not justify a purchase under a Waiver. Every effort must be made to research and anticipate purchasing requirements in advance to allow sufficient time for planning and scoping proposed purchases and then obtain quotes or tenders, as applicable.

All waivers exercised by the CEO and Directors are to be captured in the City's Waiver of Quotation Register.

7 CONTRACT MANAGEMENT

7.1 Contract Management

All City contracts will be proactively managed during their lifecycle by the responsible City Officer to ensure the City receives value for money and to enforce performance against the contract in accordance with the City's Contract Lifecycle Management Framework.

All contracts over the value of \$50,000 must be entered into the City's electronic contract management system.

7.2 Minor Variations

- a. In accordance with regulation 20 of the Regulations, a minor variation may be made to a contract following a tender process, prior to the City and the preferred tenderer formalising the contract.
- b. A minor variation is required to meet the following conditions:
 - i. Does not alter the nature of the goods and/or services procured; and
 - ii. Does not materially alter the scope provided in the initial tender; and
 - iii. Amounts to less than 10% of the original contract price or up to a maximum of \$300,000.00 whichever is the lesser; and
 - iv. Does not alter the decision to award the tender to the preferred tenderer.
- c. If the variation does not meet the conditions, then the variation must be presented to Council for consideration.
- d. The above conditions also apply to procurement under \$250,000 and are required to be undertaken in accordance with relevant Procedures.
- e. All decisions regarding minor variations must be documented and recorded in accordance with Delegated Authority (where applicable).

7.3 Variation after Contract Commencement

- a. If the City has entered into a contract for the supply of goods and/or services with a successful tenderer, in accordance with regulation 21A of the Regulations, the contract must not be varied unless:
 - i. the variation is necessary in order for the goods and/or services to be supplied; and does not change the scope of the contract; or
 - ii. the variation is a renewal or extension of the term of the contract as described in regulation 11 (2)(j); and
 - iii. The variation is within the budget allocated for the project.
- b. Consideration must be given to the original procurement process conducted and whether the combined value of the original price, any subsequent variations and proposed variation (which includes term extensions) would have resulted in a different procurement process being undertaken due to the increased expenditure.
- c. All contract variations are to be recorded and supported by adequate documentation describing the nature and reasons for the variations, including the associated cost, time, and scope implications.
- d. Contract variations are to be approved in accordance with the authorisation limits as per section 9 of this policy and Delegated Authority (where applicable).
- e. Variations to all contracts must be conducted in accordance with the requirements of the City's Contract Lifecycle Management Framework and associated Guidelines.

7.4 Contract Extensions

A contract extension is not permitted unless:

- a. The original invitation contained provisions for a renewal or extension of the contract; and
- b. The original contract includes an extension option (unless State of Emergency provisions apply refer section 7.5 of this Policy); and
- c. There must be documented evidence of satisfactory contractor performance before the contract extension is approved; and
- d. Extension being on the same terms and conditions as the last year of the original term but does allow for price increases in line with the contract provisions (if any) for price.

Contract extensions are approved in accordance with the authorisation limits as per section 9 of this policy and Delegated Authority (where applicable).

7.5 Contract Extensions under State of Emergency

A variation to the term of a contract is not permitted, as per regulation 11(2)(ja), unless:

- a. The City has an existing contract for the required goods or services; and
- b. The existing contract expires within 3 months; and
- c. The extension is for a term of not more than 12 months from the expiry of the existing contract; and
- d. The contract extension is entered into at a time when there is in force a state of emergency declaration applying to the City; and
- e. The procurement is included in Council's annual budget; and

- f. There must be documented evidence that the contractor performance has been assessed before the contract extension is approved.

Contract extensions are approved in accordance with the authorisation limits as per section 9 of this policy and Delegated Authority (where applicable).

7.6 Contract Expiry

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

8 PANELS OF PRE-QUALIFIED SUPPLIERS

Where there is a continuing need for a particular type of goods and/or services to be supplied, the City may determine it is beneficial to do so by means of a Panel of Pre-Qualified Suppliers (PQS's). The creation and operation of a PQS must be undertaken in accordance with Part 4, Division 3 of the Regulations.

8.1 Establishing a Panel

- a. State-wide public notice of the invitation to apply to join a PQS is required;
- b. PQS may be established for one supply requirement, or a number of similar supply requirements under defined categories;
- c. Each Request for Application (RFA) issued will describe further the supply type, how the PQS will operate and the minimum number of suppliers to be maintained;
- d. Evaluation criteria will be pre-determined;
- e. Suppliers appointed to a panel as members will be subject to the City's panel terms;
- f. The Regional Price Preference Council Policy may be applied when assessing applications to join a PQS.

8.2 Procuring from the Panel

Procuring from PQS will be outlined in detail in the RFA but in general will be undertaken as follows:

- a. Each panel member will be requested to quote for each item of work under the panel unless the panel is operating using a ranking system (see (b)). Quotes received will be assessed using pre-determined evaluation criteria to evaluate each quote.
- b. Where panel members are ranked, prices may be fixed by means of a pricing schedule or through a quotation on each occasion. The City will invite the highest ranked panel member, who will accept or decline the request. If declined, the next ranked panel member will be invited and so forth until a panel member accepts a Contract.
- c. The City may award any quantity of work to any member on the basis of their quote or any other pre-determined criteria stated in the RFA.
- d. Award of work shall be evidenced by an official Purchase Order, which will represent the "contract", governed by the panel terms.
- e. Contracts issued must not be formed for the supply of goods and/or services for a term exceeding 12 months nor contain an option to renew or extend its term.

8.3 Distributing work amongst panel members

Unless otherwise specified in the RFA, when considering the distribution of work amongst panel members the City will generally consider such factors as:

- a. accepted pricing schedule or price;
- b. value for money considerations;
- c. ranking (if applicable);
- d. performance during the term of the Panel;
- e. equipment, plant, or capability relative to the particular item of work;
- f. response time and/or availability;
- g. vicinity to the work location;
- h. ability to provide speciality products or services; or
- i. ability to respond to the quote request within the specified timeframe.

8.4 Panel Communication

To ensure clear, consistent, and regular communication between all parties to a panel, the City will allocate to each panel a dedicated contact person for the term of the panel. A communication plan will be developed by the contact person which will include a requirement for scheduled performance review meetings with the City.

8.5 Record Keeping Requirements for Panels

Each quotation process, including the invitation to quote, communications with panel members, quotations received, evaluation of quotes and award notifications must be captured in the City's electronic records system in a separate file, attached to a nominated electronic quotation system (if available) or to the applicable purchase order in the City's financial software system. Purchase orders raised must reference the PQS reference number for the purposes of monitoring expenditure.

9 AUTHORISATION

- a. The CEO shall determine financial authorisation limits for individual positions within the organisation in accordance with regulation 5(e) of the *Local Government (Financial Management) Regulations 1996*. A Financial Authorisation Limit Listing shall set out financial authorisation limits for conducting and approving a request for quotation, approving a purchase order, and approving variations.
- b. The conditions of approving purchase requisitions and orders is in accordance with the City's Policies and Procedures and purchases must be within the approved budget adopted by Council. The authorisation limit is the value of the contract, inclusive of extensions, variations and options (exclusive of GST).
- c. An employee cannot exceed their financial authorisation as set out in the Authorisation Limit Listing unless specifically authorised in writing by the CEO i.e. under periods of higher duties. The City's Authorisation Limit Listing, and relevant Policy apply.
- d. The Authorisations Limit Listing is subject to review and approval by the CEO, such review to occur annually or as otherwise required.

9.1 Purchasing Cards

- a. The CEO must have procedures for the authorisation and payment of accounts to ensure there is effective security and appropriate authorisations in place for the use of purchasing cards.
- b. The CEO will authorise the issue of purchase cards to other City Officers following applicable procedures.

9.2 Petty Cash

- a. Petty cash transactions under \$50 are to be authorised by Managers in accordance with City's Procedure.

9.3 Purchase Orders

- a. Supply of goods or services must not commence until a purchase order has been issued, unless exempt from this requirement.
- b. A purchase order is unnecessary in the case of the following:
 - i. Insurances;
 - ii. Payments made through payroll;
 - iii. Utilities (service and/or consumption charges/fees only);
 - iv. Goods or services purchased through a purchasing card;
 - v. Fees and payments that are statutory, this includes bank fees;
 - vi. Other statutory damages, infringements and penalties;
 - vii. Loan repayments;
 - viii. Lease or license payments, including operating and finance leases;
 - ix. Freight, postal charges and fuel cards;
 - x. Goods purchased from petty cash;
 - xi. Purchasing card payment requests;
 - xii. Australia Post commissions;
 - xiii. Legal Services, where the procurement conforms with the Policy requirements;
 - xiv. State or Federal Government agencies such as Landgate, Office of State Revenue, Western Australia Planning Commission, Environmental Protection Authority, Department of Commerce, Department Fire and Emergency Services.

10 POLICY NON-COMPLIANCE

- a. Procurement activities are subject to financial and performance audits to review compliance with legislative requirements and the City's Policies and Procedures. Failure to comply with the requirements of this Policy or prescribed processes will be subject to investigation, with findings to be considered in context of the employees training, experience, seniority and reasonable expectations of the performance of their role.
- b. Where a breach is substantiated it may be treated as:
 - i. an opportunity for additional training to be provided;
 - ii. a disciplinary matter, which may or may not be subject to reporting requirements under the *Public Sector Management Act 1994*;

- iii. misconduct in accordance with the *Corruption, Crime and Misconduct Act 2003*.

Legislative Context

Local Government Act 1995

Local Government (Functions and General) Regulations 1996 - Part 4

Responsible Directorate:	Business Services
Responsible Department:	Commercial Services
Reviewer:	Executive Manager Governance and Commercial Services
Creation date and reference:	Minute G.28/3/07, 20 March 2007
Last Review:	Minute G.26/08/25, 26 August 2025

Amendments			
Version #	Amendment Reference	Date Document In force	Date Document Ceased
2	Minute G.37/5/12	23/05/2012	24/07/2012
3	Minute G.28/7/12	25/07/2012	24/09/2013
4	Minute G.36/9/13	25/09/2013	24/02/2015
5	Minute G.35/2/15	25/02/2015	23/07/2019
6	Minute G.10/7/19	24/07/2019	25/02/2020
7	Minute G.17/2/20	26/02/2020	12/05/2020
8	Minute SP.5/5/20	23/05/2020	27/10/2020
9	Minute G.12/10/20	27/10/2020	23/08/2022
10	Policy Review Amendments Minute G.8/8/22	23/08/2022	30/09/2025-
11	Minute G.14/08/25	01/10/2025	