



COMPLIANCE



MINUTES

**FINANCE AND GENERAL
PURPOSE COMMITTEE**

08 SEPTEMBER 2020



DISCLAIMER

No responsibility is implied or accepted by the Shire of Wagin for any act, omission or statement or intimation occurring during Council or committee meetings.

The Shire of Wagin disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or committee meeting does so at that person's or legal entity's own risk.

In particular and without detracting in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or officer of the Shire of Wagin during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Wagin

The Shire of Wagin advises that anyone who has any application lodged with the Shire of Wagin shall obtain and should only rely on **WRITTEN CONFIRMATION** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Wagin in respect of the application.

Bill Atkinson
ACTING CHIEF EXECUTIVE OFFICER

GIFTS DISCLOSURE INFORMATION

The Gifts Register contains the disclosures of gifts that have been made by Elected Members, the Chief Executive Officer and Employees in their official capacity.

To adhere with the changes to gift disclosure regulations in the *Local Government Legislation Amendment Act 2019*, passed by Parliament on 27 June 2019, the Shire of Wagin provides gift disclosure information in the interests of accountability and transparency.

Elected Members and the Chief Executive Officer are required to disclose gifts which are valued over \$300 or are two or more gifts with a cumulative value over \$300 (where the gifts are received from the same donor in a 12 month period) within 10 days of receipt [Sections 5.87A & 5.87B *Local Government Act 1995*].

The Act and Regulations require the Chief Executive Officer to publish an up to date version of the Gifts Register on the Shire's website after a disclosure is made. To protect the privacy of individuals, the register published on the website does not include the address disclosed by an individual donor and will instead include the town or suburb.



SHIRE OF WAGIN

Minutes for the Finance and General Purpose Committee Meeting held in the Council Chambers, Wagin on Tuesday 08 September 2020 commencing at 7:08pm

CONTENTS

1.	OFFICIAL OPENING	4
2.	RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)	4
2.1	ATTENDANCE	4
2.2	APOLOGIES	4
3.	PUBLIC FORUM	4
4.	PETITIONS/DEPUTATIONS/PRESENTATIONS	4
5.	DISCLOSURE OF FINANCIAL AND OTHER INTERESTS	4
6.	CONFIRMATION OF PREVIOUS MEETING MINUTES	5
6.1	MINUTES FROM THE FINANCE AND GENERAL PURPOSE COMMITTEE MEETING HELD 19 MAY 2020	5
7.	CORRESPONDENCE AND REPORTS	5
7.1	DEPUTY CHIEF EXECUTIVE OFFICER	5
7.1.1.	ADMINISTRATION POLICY 24 - SHIRE OF WAGIN ELECTRONIC ADVERTISING SIGN	5
7.1.2.	FINANCE POLICY 15 – PURCHASING AND TENDER GUIDE	11
8.	GENERAL BUSINESS	38
8.1	CEO REG 17 AND FINANCIAL MANAGEMENT REVIEW COMPLIANCE ACTION TIMELINE.....	38
9.	CLOSURE	38



1. OFFICIAL OPENING

Deputy CEO, Brian Roderick, opened the meeting at 7:08pm.

COMMITTEE DECISION

Moved Cr G R Ball

Seconded Cr B S Hegarty

That Cr B L Kilpatrick act as chairperson in the absence of Cr P J Blight.

Carried 4/0

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

2.1 ATTENDANCE

Cr Bryan Kilpatrick
Cr Greg Ball
Cr Bronwyn Hegarty
Cr Jason Reed
Brian Roderick

Acting Chairperson
Deputy Shire President

Deputy Chief Executive Officer

2.2 APOLOGIES

Cr Phillip Blight

Shire President (Chairperson)

3. PUBLIC FORUM

Nil

4. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

5. DISCLOSURE OF FINANCIAL AND OTHER INTERESTS

5.1 DISCLOSURE OF FINANCIAL INTEREST – Local Government Act Section 5.60a

Nil

5.2 DISCLOSURE OF PROXIMITY INTEREST – Local Government Act Section 5.6

Nil

5.3 DISCLOSURE OF IMPARTIALITY INTEREST – Administration Regulation Section 34c

Nil



6. CONFIRMATION OF PREVIOUS MEETING MINUTES

6.1 MINUTES FROM THE FINANCE AND GENERAL PURPOSE COMMITTEE MEETING HELD 19 MAY 2020

COMMITTEE DECISION

Moved Cr G R Ball

Seconded Cr J P Reed

That the minutes of the Finance and General Purpose Committee meeting held on 19 May 2020 and circulated to all Councillors, be confirmed as a true and accurate record.

Carried 4/0

7. CORRESPONDENCE AND REPORTS

7.1 DEPUTY CHIEF EXECUTIVE OFFICER

7.1.1. ADMINISTRATION POLICY 24 - SHIRE OF WAGIN ELECTRONIC ADVERTISING SIGN

PROPONENT:	N/A
OWNER:	N/A
LOCATION/ADDRESS:	N/A
AUTHOR OF REPORT:	Deputy Chief Executive Officer
SENIOR OFFICER:	Acting Chief Executive Officer
DATE OF REPORT:	29 July 2020
PREVIOUS REPORT(S):	Nil
DISCLOSURE OF INTEREST:	Nil
FILE REFERENCE:	CM.PO.1
ATTACHMENTS:	Administration Policy 24

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr J P Reed

Seconded Cr G R Ball

That the Committee recommend to Council that Administration Policy 24 – Wagin Shire Electronic Advertising Sign, be adopted.

Carried 4/0



BRIEF SUMMARY

For the Committee to review, amend and recommend to Council that Administration Policy 24 - Wagin Shire Electronic Advertising Sign be adopted.

BACKGROUND/COMMENT

The Electronic Sign project has been on-going for some years, the Committee and Council previously resolved the following regarding the purchase of the digital sign.

Council is holding \$65,000 in Council and community funds towards this project. Management firmly believe this project should only be considered in the whole Town / Square Development to achieve the best result for the community of Wagin, businesses and visitors/tourists to our town.

The Townscape Committee has been working on the planning and procurement of the sign and recommended to Council the following:

COMMITTEE'S RECOMMENDATION

Moved: Cr.

Seconded:

That the Committee recommend to Council:

1. Advertising on the information sign of businesses that are members of the Wagin Chamber of Commerce be permitted. Advertising would work on an annual fee basis and an advertising policy would need to be developed.
2. That tenders be called for the supply, framing, cabinet & header board, delivery, erection, software supply and commissioning of the Electronic Information Sign with the following specifications:
 - Double sided panel with 6.6mm pitch or better
 - Size: 2,560mm (L) x 1,920mm (W) x 150mm (D)
3. That the Shire meet all on-going recurrent costs associated with the operation of the information sign and to make provision to replace the sign as required in the future. These costs are to be offset by income generated through local business advertising.
4. That the Shire be responsible for the management arrangements of the Electronic Information Sign.

Carried

However, the following alternative motion was adopted by Council at their June meeting.

4302 FORESHADOWED MOTION AND COUNCIL DECISION

Moved: Cr.B L Kilpatrick

Seconded: Cr G R Ball

That the Finance & General Purposes Committee develop a policy detailing the operation, management and advertising of the Electronic Advertising Sign.

Carried 10/0



Management, with the assistance of Councillors Kilpatrick and Ball, have formulated the attached policy pertaining to the operation and management of the Electronic Advertising Sign. The Committee has the opportunity to review and amend the policy accordingly and then recommend its adoption at the September Council Meeting. Holding \$65,000 in Council and community funds towards this project. Management firmly believe this project should only be considered in the whole Town / Square Development

CONSULTATION/COMMUNICATION

Nil

STATUTORY/LEGAL IMPLICATIONS

Nil

POLICY IMPLICATIONS

New Policy

FINANCIAL IMPLICATIONS

Provision made in the 2020/2021 Budget

STRATEGIC IMPLICATIONS

3.13 New Electronic Advertising Sign

VOTING REQUIREMENTS

Simple Majority

Policy Type:	Administration
Date Adopted:	New

Policy No:	23
Date Last Reviewed:	N/A

Legal (Parent):
<ol style="list-style-type: none"> 1. Local Government Act 1995 2. Local Government Administration Regs

Legal (Subsidiary):

Delegation of Authority Applicable
No

Delegation No.

PROPOSED POLICY

Title:	24. WAGIN SHIRE ELECTRONIC ADVERTISING SIGN
Objective:	<p>This policy is to provide clear guidelines for the management of the Wagin Electronic Sign</p> <p>This document sets out:</p> <ul style="list-style-type: none"> • The purpose of the sign • Responsibility for the operation and upkeep of the sign • Define what is permissible to be displayed on the sign • The operational income and expenditure process
Policy Statement:	<p>1. Location of the sign</p> <p>The sign is located in the Town Square, Wagin</p> <p>2. Purpose of the sign</p> <p>The purpose of the sign is to:</p> <ul style="list-style-type: none"> • Maximise exposure of local and regional events • Provide communication between Wagin Shire and the community • Promotion of Wagin • Promote local organisations and events • Promote local businesses

3. Responsibility for the sign

The Shire of Wagin will be responsible for the management, operation and upkeep of the sign.

The Shire of Wagin will make provision for the replacement of the sign.

4. What may be displayed

Messages permissible to be displayed on the sign, comprise:

Item	Duration (days)	Cost (per item)
Shire events and meetings	Unlimited	Free
Shire Community advice	Unlimited	Free
Shire facility opening and closing	Unlimited	Free
Woolorama and Community events which are primarily <i>not for profit</i> or where the proceeds are returned directly to the Wagin community	Up to 28	Free
Local sporting events (irregular and unscheduled events only)	Up to 14	Free
Regional events outside of shire	Up to 7	\$500
Regional significant events held in the Shire of Wagin (Commercial)	Up to 14	\$250
**Local Business: 15 Minutes per business per day of advertising time: Permissible items <ol style="list-style-type: none"> 1. Advertising of business name, contact details and services provided 2. Opening times 3. Promotion of events 4. Promotion of major sale items on a cost recovery basis 		\$250 per annum
Church services	Up to 7	Free
Emergency warnings and advice	As required	Free
Local Roadworks and road closures	As required	Free

**It will be the responsibility of the business advertiser to organise all advertising material and any costs associated with providing this to the Shire in the correct format.

Messages that relate to the following will be disallowed:

- political parties
- religious groups
- messages that are deemed offensive

Final determination as to the suitability of a message and its duration is delegated to and at the discretion of the Wagin Shire CEO.

5. Operational Income and Expenditure

The Shire will be responsible for all expenditure associated with the operation of the Sign, other than business advertising costs.

All advertising income generated from the sign will go to offsetting all associated operating costs. Any surplus funds in-excess of meeting the annual operating costs will be transferred into the Electronic Sign Reserve. These funds will be held for the future replacement of the sign.

PROPOSED POLICY



7.1.2. FINANCE POLICY 15 – PURCHASING AND TENDER GUIDE

PROPONENT:	N/A
OWNER:	N/A
LOCATION/ADDRESS:	N/A
AUTHOR OF REPORT:	Deputy Chief Executive Officer
SENIOR OFFICER:	Acting Chief Executive Officer
DATE OF REPORT:	3 September 2020
PREVIOUS REPORT(S):	Nil
DISCLOSURE OF INTEREST:	Nil
FILE REFERENCE:	CM.PO.1
ATTACHMENTS:	<ol style="list-style-type: none">1. Proposed Finance Policy 15- Purchasing and Tender Guide2. New Purchasing and Tender Forms3. Existing Finance Policy 15 - Purchasing Tender Guide

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr G R Ball

Seconded Cr B S Hegarty

That the Committee recommend that Council adopt the amended Finance Policy 15 – Purchasing and Tender Guide

Carried 4/0

BRIEF SUMMARY

For the Committee to recommend to Council that the amended Finance Policy 15 – Purchasing Tender Guide be adopted.

BACKGROUND/COMMENT

In a recent CEO Audit Regulation 17 Review and Financial Management Review the consultants undertaking the review detailed the following issues.

Finance Policy 15 – Purchasing and Tender Guide

The policy provides limited direction regarding contract variations and extensions awarded or against a written specification not awarded by tender. Extension of contracts and associated price changes are also not covered by the policy. For contracts awarded by tender, legislation provides minimum requirements.

Purchasing requirements for procurement of goods or services in accordance with the exemptions under Local Government (Functions and General) Regulations 1996 Regulation 11(2), regardless of the value of expenditure are not included within the policy. The CEO is required to ensure controls exist for all purchases including those made using these exemptions. It is noted the practice of testing the market through sourcing multiple quotations when using the exemptions is sometimes occurring, and the policy should be updated to reflect the expectation and requirement.

Procurement Assessment

We did not observe any documented formal requirements when undertaking assessments of responses to requests for quotations

Documented procedures are not in place to require declarations of interest and confidentiality to be signed prior to assessments being undertaken for high value purchases.

Tender Assessment

No procedures were available for the assessment of tenders against the selection criteria. No procedures or correspondence were available to ensure the independence of persons in assessing tenders.

As part of addressing the most urgent items documented in the review, Management carried out a comprehensive review of Finance Policy 15 – Purchasing and Tender Guide. This led to the following suggested changes:

- Strengthening the objectives of the policy
- Altering the purchase thresholds to enable greater flexibility for staff but also strengthening and tightening up the requirement to request and obtain quotations.
- Aligning the tender thresholds with the Local Government Act, however ensuring full Council will still authorise all purchases over \$100,000.
- Adding in guidelines around the WALGA Preferred Supplier Arrangement and other tender/purchasing exempt arrangements for quotations under \$40,000.
- Making the necessary changes to guidelines and processes with Contracts and Contract renewals, extensions and variations in line with direction from the Office of Auditor General (OAG)
- Introducing the following forms that staff will need to complete for purchases depending on their value:
 - **Written Quotation Form (\$3K to \$250K)**- internal document where staff will record all quotes, declarations of interest, recommend a supplier/contractor and have it signed off by the appropriate authorising officer.
 - **Request for Quotation Form (\$10K to \$250K)**- for all purchases of services and goods (To be given to all businesses quoting) Staff can also use this form for procurement between \$3,000 and \$10,000 if warranted.
 - **Quotation Evaluation Form (\$40K to \$250K)**- internal document where staff and elected members will evaluate each quotation against a set criteria, score each quotation, record declarations of interest, recommend a supplier/contractor and have it signed off by the appropriate authorising officer or by full council.
- For all **Tender's (\$250K and over)** – a **Tender Evaluation Report** document will be completed by each member of the panel. Each Tender will be evaluated against the Tender specifications and criteria, score each Tender, record declarations of interest, recommend a successful Tender and have it signed off by the appropriate authorising officer and adopted by full council.

All the above changes and measures will address the areas of concern raised in the CEO Audit Regulation 17 Review and Financial Management Review and the review of contracts by the OAG.

The changes also increase staff and elected member accountability with procurement of goods and services and best practice around recording and documentation to ensure all decisions made are justifiable and easily open to any scrutiny from suppliers, the public and external auditors.



Once the amended policy is adopted a Procurement Procedures document will be created and appropriate staff training will be carried out.

The amended Finance Policy 15 – Purchasing Tender Guide and associated forms are enclosed for review and for recommendation to Council for adoption. I have also included the current Finance policy 15 so it easy to identify the changes and enhancements.

CONSULTATION/COMMUNICATION

Shire Management Staff

STATUTORY/LEGAL IMPLICATIONS

Nil

POLICY IMPLICATIONS

New policy

FINANCIAL IMPLICATIONS

Local Government Act 1995

Local Government Regulations (Functions and General)

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

Policy Type:	Finance
Date Adopted:	22 June 2010 – Minute #1394

Policy No:	15
Date Last Reviewed:	18 Dec 2012 - Minute #2078 20 Nov 2018 – Minute #3910 17 Dec 2019 – Minute #4166 24 March 2020 – Minute #4220

Legal (Parent):
1. Local Government Act 1995

Legal (Subsidiary):

Delegation of Authority Applicable
No

Delegation No.

PROPOSED POLICY

Title:	12. PURCHASING AND TENDER GUIDE
Objective:	<ul style="list-style-type: none"> To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996 (as amended in March 2007). To deliver a best practice approach and procedures to internal purchasing for the Shire of Wagin. To ensure consistency for all purchasing activities that integrates within all the Shire of Wagin operational areas. The Shire is committed to using efficient and effective purchasing procedures that are directed towards delivering the most advantageous purchases of goods and services by the Shire.
Policy Statement:	<p>Why do we need a Purchasing Policy? The Shire of Wagin is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:</p> <ul style="list-style-type: none"> Provides the Shire of Wagin with a more effective way of purchasing goods and services. Ensures that purchasing transactions are carried out in a fair and equitable manner. Strengthens integrity and confidence in the purchasing system. Ensures that the Shire of Wagin receives value for money in its purchasing. Ensures that the Shire of Wagin considers the environmental impact of the procurement process across the life cycle of goods and services. Ensures the Shire of Wagin is compliant with all regulatory obligations. Promotes effective governance and definition of roles and responsibilities.

- Uphold respect from the public and industry for the Shire of Wagin's purchasing practices that withstands probity.

Ethics and Integrity

All officers and employees of the Shire of Wagin shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire of Wagin.

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

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire of Wagin policies and code of conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire of Wagin by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

Value For Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire of Wagin. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

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

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

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

Sustainable Procurement

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services.

Shire of Wagin is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the Shire of Wagin's sustainability objectives.

Practically, sustainable procurement means the Shire of Wagin shall endeavour at all times to identify and procure products and services that:

- Have been determined as necessary;
- Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labelling.
- Demonstrate environmental best practice in water efficiency.
- Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage;
- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise waste.
- For motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range;
- For new buildings and refurbishments – where available use renewable energy and technologies.

Purchasing Thresholds and Staff Limits

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase	Model Policy	Authorised Officers
Up to \$3,000	<p>Direct purchase from suppliers – no formal process Quotations not required for items of minor recurrent nature, such as groceries, stationary, hardware, mechanical, reticulation consumable's etc Employee must be satisfied that the price is competitive.</p>	CEO, Deputy CEO, Manager of Finance, Manager of Works, Mechanic (up to 1K) Building Maintenance Officer (up to 1K)
\$3,000 - \$9,999	<p>Request at least two written quotations where possible. At least two written quotations are to be requested. A "Written Quotation Form" must be completed. Where two written quotes are not received or not available or where multiple quotes is not practical, e.g. due to limited suppliers, it must be noted on the Written Quotation form and signed off by the Authorising officer. In some cases Staff can also use the Request for Quotation form for procurement between \$3,000 and \$10,000 when warranted.</p> <p>If purchasing from a WALGA Preferred Supplier Arrangement or other tender exempt arrangement, a minimum of one (1) written quotation is to be obtained.</p> <p>Record keeping requirements must be maintained in accordance with record keeping policies.</p>	CEO, Deputy CEO, Manager of Finance & Manager of Works

	\$10,000 - \$39,999	<p>Request at least three written quotations <i>where possible</i></p> <p>For the procurement of goods or services where the value exceeds \$10,000 but is less an \$40,000, at least three written quotations are to be requested. A "Written Quotation Form" must be completed. Where three written quotes are not received or not available or where multiple quotes is not practical, e.g. due to limited suppliers, it must be noted on the Written Quotation form and signed off by the Authorising officer.</p> <p>At this level of procurement, a Request for Quotation must be completed for each supplier or contractor to carry out their quotation.</p> <p>If purchasing from a WALGA Preferred Supplier Arrangement or other tender exempt arrangement, a minimum of one (1) written quotation is to be obtained.</p> <p>NOTES: The general principles relating to written quotations are;</p> <p>An appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion. The request for written quotation should include as a minimum:</p> <ul style="list-style-type: none"> • Written Specification • Supply timeframe • Conditions of responding • Validity period of offer • Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond. • Offer to all prospective suppliers at the same time any new information that is likely to change the requirements. • Respondents should be advised in writing as soon as possible after the final determination is made and approved. 	CEO, Deputy CEO, Manager of Finance & Manager of Works
	\$40,000 - \$99,999	<p>For the procurement of goods or services where the value exceeds \$40,000 but is less than \$99,999 at least three written quotations are to be requested. A "Written Quotation Form" must be completed. Where three written quotes are not received or not available or where multiple quotes is not practical, e.g. due to limited suppliers, it must be noted on the Written Quotation form and signed off by the Authorising officer.</p> <p>At this level of procurement, a Request for Quotation must be completed for each supplier or contractor to carry out their quotation.</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 required; and <p>The procurement decision is to be evidenced using the Quotation Evaluation Report retained in accordance with the Shire's Record Keeping Plan.</p> <p>For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements,</p>	CEO

	<p>organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.</p> <p>This evaluation will be carried out by a panel consisting of 2 members.</p>		
\$100,000 to \$249,999	<p>For the procurement of goods or services where the value exceeds \$100,000 but is less than \$249,999 at least three written quotations are to be requested. A "Written Quotation Form" must be completed. Where three written quotes are not received or not available or where multiple quotes is not practical, e.g. due to limited suppliers, it must be noted on the Written Quotation form and signed off by the Authorising officer.</p> <p>At this level of procurement, a Request for Quotation must be completed for each supplier or contractor to carry out their quotation.</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 required; and • pre-determined selection criteria that assesses all best and sustainable value considerations. <p>The procurement decision is to be evidenced using the Evaluation Report template retained in accordance with the Shire's Record Keeping Plan.</p> <p>For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.</p> <p>This evaluation will be carried out by a panel consisting of 3 members. Final acceptance of a quotation at this level of procurement will be made by full Council.</p>	Full Council	
\$250,000 and above	<p>Conduct a Public Tender process in accordance with the Local Government Act and relevant Shire Policy and procedures.</p> <p>Or</p> <p>Tender Exempt arrangements under F&G Reg.11(2)</p>	Full Council	
<p>The authorising officer, before signing off on a purchase order, is to ensure written or email quotations are recorded and attached to the purchase order when applicable.</p> <p>The CEO or DCEO will conduct regular checks of purchase orders to ensure verbal and written quotations are recorded and attached to purchase orders when applicable.</p> <p>The CEO will conduct regular checks of invoices to ensure the correct authorised staff have signed purchase orders and authorised accounts for payment within their authorised spending limit.</p> <p>Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$250,000 threshold (excluding GST). If a decision is made to seek</p>			

public tenders for Contracts of less than \$250,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

Exemptions to purchasing requirements – Purchase value \$3,000 to less than \$100,000

From time to time there will be circumstances where it is not appropriate or not reasonably practicable to adhere to the requirements to request quotations as set out in this Policy. An example is where the Shire is satisfied and can evidence that there is only one source of supply for goods, services or works, having used genuine endeavours to determine that there is not a reasonable alternative source of supply.

In such circumstances, the CEO may waive the requirements to obtain quotations as set out in this Policy. The responsible Shire officer must document the waiver process in the manner required by the CEO.

Purchasing Criteria

The Shire of Wagin shall, before quotations are requested, determine in writing the criteria for deciding which quotation should be accepted.

The evaluation panel is to include a mix of skills and experience relevant to the nature of the purchase.

For Requests with a total estimated (Ex GST) price of:

- Between \$40,000 and \$99,999, the panel must contain a minimum of 2 members; (eg. CEO & Manager of Works) and
- Between \$100,000 and \$249,999, the panel must contain a minimum of 3 members; (eg. CEO, Manager of Works and Works Committee Chairperson)

Regulatory Compliance

Tender Exemption

Exceptions to purchase requirements – Purchase value \$250,000 or greater

Where the purchase value exceeds \$249,999, the Regulations provide for a range of exceptions to the requirement to publicly invite tenders. These are set out in regulation 11(2) of the Regulations.

The exceptions include:

- a. The supply of goods or services authorised as an emergency under s 6.6(1)(c) of the Act;
- b. The supply of goods or services is associated with a state of emergency;
- c. The supply of goods or services obtained through the WALGA Preferred Supplier Program
- d. Where the Shire has good reason to believe that, because of the unique nature of the goods or services required or for any other reason, it is unlikely that there is more than one potential supplier;
- e. The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
- f. Where the contract is a renewal or extension of the term of an original contract in certain circumstances related to a state of emergency.

g. Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Note: The application of provision "sole source of supply" should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.

Anti-Avoidance

The Shire of Wagin shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$250,000 thereby avoiding the need to publicly tender.

Tender Criteria

The Shire of Wagin shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

For Requests with a total estimated (Ex GST) price of:

- \$ 250,000 and above, the panel must contain a minimum of 3 members.

Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Shire of Wagin not to compromise its Duty to be Fair.

Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

Opening of Tenders

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of the CEO delegated nominee and at least one other Shire Officer. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as *commercial-in-confidence* to the Shire of Wagin. Members of the public are entitled to be present.

The Tenderer's Offer form, Price Schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two Shire of Wagin Officers present at the opening of tenders.

No Tenders Received

Where the Shire of Wagin has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained;
- the process follows the guidelines for seeking quotations between \$100,000 & \$249,999(listed above);
- the specification for goods and/or services remains unchanged;
- purchasing is arranged within 6 months of the closing date of the lapsed tender.

Tender Evaluation

Tenders that have not been rejected shall be assessed by the Shire of Wagin by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire of Wagin may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

Minor Variation

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire of Wagin and tenderer have entered into a Contract, a minor variation may be made by the Shire of Wagin.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

Any amendments must be incorporated into the contract with the preferred tenderer for the supply of the varied requirement.

Any major variation will require a new and separate tender.

Notification of Outcome

Each tenderer shall be notified of the outcome of the tender following Council resolution.

Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

Records Management

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation;
- Internal documentation;
- Evaluation documentation;
- Enquiry and response documentation;
- Notification and award documentation.

For a direct purchasing process this includes:

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

Record retention shall be in accordance with the minimum requirements of the State Records Act, and the Shire of Wagin's internal records management policy.

Contracts and Contract Renewals, Extensions and Variations

- The Shire will maintain a contract register, with details of the key information to be included in the register, including:
- Contracts in value of \$40,000 or greater are to be recorded in the register and the Shire Executive Assistant will be responsible for the regular review and update of the register.
- Circumstances may require the Shire to vary the specifications and or contractual terms of a Contract. The Shire may only vary a contract that has not yet been awarded, if the variation is considered to be a "minor variation". The Shire may only vary an existing contract, if the variation is considered by the local government to be necessary in order for the goods or services to be supplied and does not change the scope of the contract. The CEO is authorised to determine variations on contracts.
- The Shire Executive Assistant will be responsible to review the register for contracts nearing expiry, so that negotiations can commence well before the expiry of the contract. This ensures continuity in the supply of goods and services as well as provide best value for money
- The Shire CEO is responsible and will carry out assessment of current contractor performance. This will ensure poor performing contractors are identified and concerns are adequately addressed, prior to exercising the contract renewal or extension option.
- The Shire may vary a contract due to unforeseen circumstances with the contract.

All new Contracts and Contract renewals, extensions and variations must be authorised by the Chief Executive Officer.



WRITTEN QUOTATION FORM

For Quotes from \$3,000 - \$249,999 (see Council Policy 15)

PROCUREMENT DESCRIPTION

REQUEST FOR QUOTATION CLOSING DATE	
---	--

Should quotes not be received by the RFQ Closing date, the Shire of Wagin reserves the right to proceed with the procurement of the goods or service after this time has lapsed.

The following suppliers were asked to quote as per Policy 15 Purchasing Tender Guide

DATE	NAME AND CONTACT NUMBER OR EMAIL	TOTAL	VERBAL/ WRITTEN	RECEIVED
				YES/NO
				YES/NO
				YES/NO

The recommended supplier is _____

Justification/Evaluation of Quotes received: _____

DECLARATION OF INTEREST BY PANEL MEMBER	TO RESPONDENT	NATURE OF INTEREST



REQUEST FOR QUOTATION

For Quotes from \$10,000 - \$249,999 (see Council Policy 15)

DATE

PROCUREMENT DESCRIPTION

REQUEST FOR QUOTATION CLOSING DATE	
---	--

WRITTEN SPECIFICATIONS

1. REQUIREMENT
2. SCOPE OF WORKS
3. CONTRACTORS RESPONSIBILITIES
4. SHIRE OF WAGIN RESPONSIBILITIES
5. SUPPLY TIMEFRAME
6. CONDITIONS OF RESPONDING
7. VALIDITY PERIOD OF OFFER

- Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.
- Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.
- Respondents should be advised in writing as soon as possible after the final determination is made and approved.
- Should quotes not be received by the RFQ Closing date, the Shire of Wagin reserves the right to proceed with the procurement of the goods or service after this time has lapsed.



QUOTATION EVALUATION REPORT

For Quotes from \$40,000 - \$99,999 – two panel members
 For Quotes from \$99,999 - \$249,999 – three panel members
 (see Council Policy 15)

DATE

PROCUREMENT DESCRIPTION
QUOTATION NAME
EVALUATION PANEL MEMBERS

The following evaluation is undertaken in accordance with Policy 15 Purchasing Tender Guide and should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation’s capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

SELECTION CRITERIA	WEIGHTING (IF APPLICABLE)	RESPONDENT 1 (INSERT NAME)	RESPONDENT 2 (INSERT NAME)	RESPONDENT 3 (INSERT NAME)
<i>e.g. Cost</i>		<i>(insert score out of 10)</i>		

10 = Outstanding offer, greatly exceeds criterion
 8 = Very good offer, exceeds criterion
 6 = Good offer, no deficiencies, meets criterion

4 = Fair offer, few deficiencies, almost meets criterion
 2 = Marginal offer, some deficiencies, partly meets criterion
 0 = Inadequate offer, many deficiencies, does not meet criterion

RECOMMENDATION OF SUPPLIER
JUSTIFICATION



DECLARATION OF INTEREST BY PANEL MEMBER	TO RESPONDENT	NATURE OF INTEREST

By signing below, we confirm that the highest ethical standards have been maintained, including the Confidentiality of the information in our possession, and confirm that we have no Conflicts of Interest in regard to this Procurement process or any of the suppliers

PANEL MEMBER NAME	SIGNATURE	DATE

OFFICE USE

Responsible Officer Signed: _____ Date: _____

Purchase Order Issued: YES/NO Purchase Order No. _____

Is the supplier/contractor a local business? YES/NO

Signed: _____ Date: _____
 Authorised Officer

AUTHORISING OFFICER – DELEGATED AUTHORITY	MECHANIC - \$1,000 BUILDING MAINTENANCE OFFICER - \$1,000 MANAGER OF FINANCE - \$40,000 MANAGER OF WORKS - \$40,000 DEPUTY CHIEF EXECUTIVE OFFICER - \$40,000 CHIEF EXECUTIVE OFFICER - UNLIMITED
--	--



TENDER EVALUATION REPORT

For Quotes above \$249,999 (see Council Policy 15)

DATE

PROCUREMENT DESCRIPTION
QUOTATION NAME
PANEL MEMBER NAME & POSITION

The following evaluation is undertaken in accordance with Policy 15 Purchasing Tender Guide and should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

SELECTION CRITERIA	WEIGHTING	RESPONDENT 1 (INSERT NAME)	RESPONDENT 2 (INSERT NAME)	RESPONDENT 3 (INSERT NAME)
<i>e.g. Cost</i>	<i>50%</i>	<i>(insert score out of 10)</i>		

10 = Outstanding offer, greatly exceeds criterion
 8 = Very good offer, exceeds criterion
 6 = Good offer, no deficiencies, meets criterion

4 = Fair offer, few deficiencies, almost meets criterion
 2 = Marginal offer, some deficiencies, partly meets criterion
 0 = Inadequate offer, many deficiencies, does not meet criterion

RECOMMENDATION OF SUPPLIER
JUSTIFICATION



DECLARATION OF INTEREST BY PANEL MEMBER	TO RESPONDENT	NATURE OF INTEREST

By signing below, we confirm that the highest ethical standards have been maintained, including the Confidentiality of the information in our possession, and confirm that we have no Conflicts of Interest in regard to this Procurement process or any of the suppliers

PANEL MEMBER NAME	SIGNATURE	DATE

OFFICE USE

Responsible Officer Signed: _____ Date: _____

Purchase Order Issued: YES/NO Purchase Order No. _____

Is the supplier/contractor a local business? YES/NO

Signed: _____ Date: _____
Authorised Officer

AUTHORISING OFFICER – DELEGATED AUTHORITY	MECHANIC - \$1,000 BUILDING MAINTENANCE OFFICER - \$1,000 MANAGER OF FINANCE - \$40,000 MANAGER OF WORKS - \$40,000 DEPUTY CHIEF EXECUTIVE OFFICER - \$40,000 CHIEF EXECUTIVE OFFICER - UNLIMITED
--	--

Policy Type:	Finance
Date Adopted:	22 June 2010 – Minute #1394

Policy No:	15
Date Last Reviewed:	18 Dec 2012 - Minute #2078 20 Nov 2018 – Minute #3910 17 Dec 2019 – Minute #4166 24 March 2020 – Minute #4220

Legal (Parent):
1. Local Government Act 1995

Legal (Subsidiary):

Delegation of Authority Applicable
No

Delegation No.

ADOPTED POLICY

Title:	15. PURCHASING TENDER GUIDE
Objective:	<ul style="list-style-type: none"> • <i>To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996 (as amended in March 2007).</i> • <i>To deliver a best practice approach and procedures to internal purchasing for the Shire of Wagin.</i> • <i>To ensure consistency for all purchasing activities that integrates within all the Shire of Wagin operational areas.</i>
Policy Statement:	<p>Why do we need a Purchasing Policy? The Shire of Wagin is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:</p> <ul style="list-style-type: none"> • Provides the Shire of Wagin with a more effective way of purchasing goods and services. • Ensures that purchasing transactions are carried out in a fair and equitable manner. • Strengthens integrity and confidence in the purchasing system. • Ensures that the Shire of Wagin receives value for money in its purchasing. • Ensures that the Shire of Wagin considers the environmental impact of the procurement process across the life cycle of goods and services. • Ensures the Shire of Wagin is compliant with all regulatory obligations. • Promotes effective governance and definition of roles and responsibilities. • Uphold respect from the public and industry for the Shire of Wagin’s purchasing practices that withstands probity.

Ethics and Integrity

All officers and employees of the Shire of Wagin shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire of Wagin.

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

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire of Wagin policies and code of conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire of Wagin by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

Value For Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire of Wagin. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

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

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

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

Sustainable Procurement

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services.

Shire of Wagin is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the Shire of Wagin's sustainability objectives.

Practically, sustainable procurement means the Shire of Wagin shall endeavour at all times to identify and procure products and services that:

- Have been determined as necessary;
- Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labelling.
- Demonstrate environmental best practice in water efficiency.
- Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage;
- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise waste.
- For motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range;
- For new buildings and refurbishments – where available use renewable energy and technologies.

Purchasing Thresholds and Staff Limits

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase	Model Policy
Up to \$2,000	Quotations not required for items of minor recurrent nature, such as groceries, stationary, hardware, mechanical, reticulation consumable's etc Employee must be satisfied that the price is competitive
\$2,001 to less than \$9,999	Seek at least two verbal quotations Written quotations recommended but not required
\$10,000 - \$39,999	Obtain at least two written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations).
\$40,000 - \$99,999	Obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations). Panel may be required
\$100,000 and above	Conduct a public tender process.

Amount of Purchase	Authorised Staff
Up to \$39,999	CEO Deputy CEO Manager of Finance Manager of Works
Unlimited	CEO

The authorising officer, before signing off on a purchase order, is to ensure verbal and written quotations are recorded and attached to the purchase order when applicable.
The CEO or DCEO will conduct regular checks of purchase orders to ensure verbal and written quotations are recorded and attached to purchase orders when applicable.

The CEO will conduct regular checks of invoices to ensure the correct authorised staff have signed purchase orders and authorised accounts for payment within their authorised spending limit.

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$100,000 threshold (excluding GST). If a decision is made to seek public tenders for Contracts of less than \$100,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

Up to \$2,000

Quotations not required for items of minor recurrent nature, such as groceries, stationary, hardware, mechanical, reticulation consumable's etc

Employee must be satisfied that the price is competitive and it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk. Record keeping requirements must be maintained in accordance with record keeping

\$2,001 to less than \$9,999

Seek at least two verbal quotations. Written quotations recommended but not required.

This category is for the procurement of goods or services where the value of such procurement ranges between \$2,001 and \$9,999.

The general principles for obtaining verbal quotations are:

- Ensure that the requirement / specification is clearly understood by the Shire of Wagin employee seeking the verbal quotations.
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote.
- Read back the details to the Supplier contact person to confirm their accuracy.
- Written notes detailing each verbal quotation must be recorded.

Record keeping requirements must be maintained in accordance with record keeping policies.

\$10,000 to \$39,999

For the procurement of goods or services where the value exceeds \$10,000 but is less an \$39,999, it is required to obtain at least two written quotes (commonly a sufficient number of quotes would be sought according to the type and nature of purchase).

The responsible officer is expected to demonstrate due diligence seeking quotes and to comply with any record keeping and audit requirements. Record keeping requirements must be maintained in accordance with record keeping policies.

Where this is not practical to get two written quotes, e.g. due to limited suppliers, it must be noted through records relating to the process.

NOTES: The general principles relating to written quotations are;

- An appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion.
- The request for written quotation should include as a minimum:
- Written Specification
- Selection Criteria to be applied
- Price Schedule
- Supply timeframe
- Conditions of responding
- Validity period of offer
- Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.
- Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.
- Responses should be assessed for compliance, then against the selection criteria, and then value for money and all evaluations documented.
- Respondents should be advised in writing as soon as possible after the final determination is made and approved.

\$40,000 to \$99,999

For the procurement of goods or services where the value exceeds \$40,000 but is less than \$99,999 it is required to obtain at least three written quotations containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

The Shire of Wagin Purchasing and Tender Guide has a series of forms including a Request for Quotation Template which can assist with recording details. Record keeping requirements must be maintained in accordance with record keeping policies.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

Regulatory Compliance

Tender Exemption

In the following instances public tenders or quotation procedures are not required (regardless of the value of expenditure):

- An emergency situation as defined by the Local Government Act 1995;
- The purchase is under a contract of WALGA (Preferred Supplier Arrangements), Department of Treasury and Finance (permitted Common Use Arrangements), Regional Council, or another Local Government;
- The purchase is under auction which has been authorised by Council;
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
- Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Note: The application of provision "sole source of supply" should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.

Anti-Avoidance

The Shire of Wagin shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$150,000 thereby avoiding the need to publicly tender.

Tender Criteria

The Shire of Wagin shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

For Requests with a total estimated (Ex GST) price of:

- Between \$40,000 and \$99,999, the panel must contain a minimum of 2 members; and
- \$ \$100,000 and above, the panel must contain a minimum of 3 members.

Advertising Tenders

Tenders are to be advertised in a state-wide publication e.g. "The West Australian" newspaper, Shire of Wagin Tenders section, preferably on a Wednesday or Saturday.

The tender must remain open for at least 14 days after the date the tender is advertised. Care must be taken to ensure that 14 **full** days are provided as a minimum.

The notice must include;

- a brief description of the goods or services required;
- information as to where and how tenders may be submitted;
- the date and time after which tenders cannot be submitted;
- particulars identifying a person from who more detailed information as to tendering may be obtained;
- detailed information shall include;
- such information as the Shire of Wagin decides should be disclosed to those interested in submitting a tender;
- detailed specifications of the goods or services required;
- the criteria for deciding which tender should be accepted;
- whether or not the Shire of Wagin has decided to submit a tender; and
- whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.

Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Shire of Wagin not to compromise its Duty to be Fair.

Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

Opening of Tenders

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of the Chief Executive Officer's delegated nominee and at least one other Council Officer. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as *commercial-in-confidence* to the Shire of Wagin. Members of the public are entitled to be present.

The Tenderer's Offer form, Price Schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two Shire of Wagin Officers present at the opening of tenders.

No Tenders Received

Where the Shire of Wagin has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained;
- the process follows the guidelines for seeking quotations between \$40,000 & \$100,000 (listed above);
- the specification for goods and/or services remains unchanged;
- purchasing is arranged within 6 months of the closing date of the lapsed tender.

Tender Evaluation

Tenders that have not been rejected shall be assessed by the Shire of Wagin by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire of Wagin may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

Minor Variation

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire of Wagin and tenderer have entered into a Contract, a minor variation may be made by the Shire of Wagin.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

Notification of Outcome

Each tenderer shall be notified of the outcome of the tender following Council resolution.

Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

Records Management

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation;
- Internal documentation;
- Evaluation documentation;
- Enquiry and response documentation;
- Notification and award documentation.

For a direct purchasing process this includes:

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

Record retention shall be in accordance with the minimum requirements of the State Records Act, and the Shire of Wagin's internal records management policy.

Contracts and Contract Renewals, Extensions and Variations

A requirement to maintain a contract register, with details of the key information to be included in the register

- the dollar value above which contracts are to be recorded in the register and the custodian responsible for the regular review and update of the register
- guidance on the definition of contract variations (including clarification that when variations, considered cumulatively, significantly change the scope of the original contract, then a separate procurement process may be required)
- a requirement for the custodian of the contract register to regularly review the register for contracts nearing expiry, so that negotiations can commence well before the expiry of the contract. This will ensure continuity in the supply of goods and services as well as provide best value for money
- a requirement for an assessment of current contractor performance to be performed, to ensure poor performing contractors are identified and concerns are adequately addressed, prior to exercising the contract renewal or extension option.

All new Contracts and Contract renewals, extensions and variations must be authorised by the Chief Executive Officer.



8. GENERAL BUSINESS

8.1 CEO REG 17 AND FINANCIAL MANAGEMENT REVIEW COMPLIANCE ACTION TIMELINE

An update of the Compliance Action Timeline was presented to the Committee. The progress of the report was noted and the Committee was pleased with the current progress of addressing the matters identified in the reviews.

9. CLOSURE

There being no further business the Acting Chairperson thanked those in attendance and closed the meeting at 7.58pm

I certify that this copy of the Minutes is a true and correct record of the meeting held on 08 September 2020

Signed:

.....

Chairperson

Date:

.....