

## Procurement Policy

### Responsible Directorate: Corporate Services

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#### 1. Context and Objective

1.1 The City is committed to establishing and implementing efficient, effective, economical and sustainable procedures for all procurement activities.

1.2 The objective of the policy is to:

- a) Establish clear policy and guidance for all City employees to support a consistent and reliable approach to procuring goods and services;
- b) Ensure that all procurement processes are conducted with integrity and fairness, free from bias and conflicts of interest—whether actual, potential, or perceived;
- c) Implement confidentiality measures to safeguard commercially sensitive information, ensuring any release of such information is properly authorised and controlled;
- d) Promote the responsible and effective use of public funds by prioritising value for money, underpinned by core procurement principles and competitive selection processes;
- e) Ensure full compliance with the Local Government Act 1995, Local Government (Functions and General) Regulations 1996, and all applicable laws, regulations, codes of conduct, and inform internal City policies and procedures;
- f) Foster strong governance and transparency across all procurement practices to uphold accountability; and
- g) Incorporate environmental, economic, and social sustainability considerations into all stages of the procurement lifecycle, ensuring they form part of the overall value-for money assessment.

1.3 This Procurement Policy complies with the requirement under regulation 11A of the Local Government (Functions and General) Regulations 1996 for Local Governments to adopt and implement a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less.

#### 2. Scope

2.1 This Procurement Policy applies to all employees, contractors, consultants and entities that procure goods, services and works for, or on behalf of the City of Nedlands.

#### 3. Definitions

3.1 In this document, the following terms have the meanings set out below:

##### **Aboriginal Business**

Means a business;

- a) with a majority ownership by a person of Aboriginal or Torres Strait Island descent; and
- b) is currently registered on the Aboriginal Business Directory WA issued by the Small

- Business Development Corporation; and/or
- c) is registered with the Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation)

**Act**

The *Local Government Act 1995*

**Australian Disability Enterprise**

An Australian Disability Enterprise registered as such on the Australian Business Register

**City**

The City of Nedlands

**Contract**

Legally binding agreement between the City (the 'Principal') and the subsequent contractor or supplier that outlines the terms and conditions of the services and goods to be provided.

**Delegation**

As defined in the City of Nedlands Register of Delegated Authority.

**Emergency Purchases**

The supply of goods or services associated with:

A Local Emergency and the expenditure is required (either with or without relevant available budget allocation) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets in accordance with section 6.8 of the Act and regulation 11(2)(a) of the F&G Regs;

OR

A State of Emergency is declared under the *Emergency Management Act 2005*, and therefore, regulations 11(2)(aa), (ja) and (3) of the F&G Regs apply

**Expression of Interest (EOI)**

An expression of interest as prescribed in regulations 21 to 24 of the F&G Regs

**FM Regs**

*Local Government (Financial Management) Regulations 1996*

**Formal Request**

An RFQ or RFT request

**F&G Regs**

*Local Government (Functions and General) Regulations 1996*

**Local Business**

Means a business located within the boundaries of the City or its adjoining Local Government Areas (LGAs) that meets all of the following criteria;

- a) Operate from a physical location—such as an office, depot, shopfront, outlet, headquarters, or home office—situated within the City or adjoining LGA, from which goods or services (including professional services) are actively provided. Businesses

registered outside the City or adjacent LGAs are not excluded, provided they conduct operations from premises within these areas.

- b) Employ permanent staff based at the premises located within the City or its adjoining LGAs.
- c) Deliver or oversee the majority of services or project outcomes from the premises situated within the City or neighbouring LGAs.
- d) Submit adequate documentation to the City as proof of meeting the above requirements.

**Officer**

An employee of the City

**Procurement Policy**

This Procurement of Goods and Services Policy

**Responsible Officer**

The person responsible for planning and managing the subject matter aspects of the procurement process

**RFT**

A request for tender that, for the purpose of this document, means procurements valued at or expected to be above the monetary threshold requiring publicly invited tenders. Currently, the threshold is \$250,000 (F&G Regs 11). An RFT is to be conducted in accordance with F&G Regs Part 4.

**RFQ**

A request for quote for the purpose of this document procurement valued at or expected to be below the monetary threshold that requires publicly invited tenders. Currently, the threshold is \$250,000 (F&G Regs 11).

**State of Emergency**

Has the meaning given in section 3 of the *Emergency Management Act 2005*

**Sustainable Product Stewardship**

Means that producers will take on the financial or physical responsibility for their products once they reach the end of their life cycle by designing products to reduce waste and make it easier to recover materials or recycle them when they are no longer in use

**Total Contract Value**

Includes the costs of all possible extension options and optional deliverables, as if every extension options are exercised, and all optional deliverables are to be taken up.

**Total Estimated Value**

Includes the expected value of a Contract that the City estimates to spend across all possible extension options, crucial for determining the procurement method and thresholds applicable to the Contract.

**WALGA**

Means the Western Australian Local Government Association

**WALGA PSP**

WALGA's Preferred Supplier Program

**WA State CUA**

The Government of Western Australia State Common Use Arrangement.

**4. Policy Requirements****4.1 Procurement Principles**

4.1.1 All procurement activities are to consider the principle of responsible financial management. When procuring goods, services and works on behalf of the City, funds are to be used effectively. When doing so, every attempt must be made to include the costs of the procurement process, without compromising any procurement principles set out in this Procurement Policy.

**4.1.2 Procurement Requirements:**

- a) **Legislative Compliance:** All procurement activities must adhere to applicable laws, including the *Local Government Act 1995*, *Local Government (Functions and General) Regulations 1996*, *Local Government (Financial Management) Regulations 1996*, and the *Competition and Consumer Act 2010*.
- b) **Integrity and Fairness:** City staff are required to conduct all procurement activities with integrity, impartiality, and fairness, and must not share confidential or sensitive information outside of the City (unless authorised by the supplier or in accordance with relevant legislation).
- c) **Conflict of Interest:** Any actual, potential, or perceived conflict of interest must be declared and appropriately managed throughout the entire procurement process.
- d) **Fair Competition:** Officers must avoid providing any supplier with an unfair advantage and must not participate in or facilitate any form of collusion.
- e) **Commitment to Purchase:** All procurement processes must reflect a genuine intention to proceed, including ensuring that the necessary funding has been secured. This is inclusive of any allocation in the Council adopted Long Term Financial Plan where purchases require a lead time of more than 12 months.
- f) **Transparency and Accountability:** Procurement must be carried out in a transparent, well-documented, and accountable manner.
- g) **Gifts and Hospitality:** City Officers and Councillors must not request or accept any gifts, benefits, or hospitality from individuals or organisations involved in the procurement process. This applies to all stages of procurement — including any actions that could reasonably be perceived as seeking to influence, or as a reward for influencing, a procurement activity before it commences, while it is underway, or after it has concluded.
- h) **Professional Conduct:** Officers should foster strong business relationships by promoting open communication, mutual respect, and trust with all stakeholders.

**4.2 Sustainable Procurement**

4.2.1 The City is dedicated to applying sustainable procurement practices throughout the procurement lifecycle and shall endeavour to design quotations and tenders to advantage goods, services and works that minimise the effect of environmental, social and economic impacts or support Local Businesses. To promote this, the inclusion and assessment of sustainable evaluation criteria in the evaluation process of goods,

services and works must be mandatory for all Formal Requests for quotations and tender processes. All Formal Requests must include a weighted qualitative criterion directed towards sustainability, accounting for a range of 5-40% of the total evaluated weighted criterion.

- 4.2.2 Consideration of sustainable procurement means the City will endeavour to engage with contractors that support Sustainable Product Stewardship, sustainable business practice and procure goods and services that are:
- a) Ensuring recycled materials are sourced competitively from licensed waste processing facilities;
  - b) Actively demonstrating best practice in water efficiency;
  - c) Implemented sustainability into policies and practices within the business as part of their operations;
  - d) Demonstrating the ability to reduce waste, recover materials, and recycle materials sustainably;
  - e) Demonstrate that products being refurbished, recycled and reclaimed are given priority;
  - f) Demonstrate environmental best practice in energy efficiency and energy consumption and be recognised through an accredited sustainability rating system and eco-labelling; and
  - g) Considers the use of recycled construction and demolition products, including but not limited to recycled road base and drainage rock.

#### **4.3 Socially Sustainable Suppliers:**

- 4.3.1 The City will support the procurement of goods, services, and works from socially sustainable suppliers such as Australian Disability Enterprise (ADE), Aboriginal and Local Businesses.

##### **Australian Disability Enterprises**

- 4.3.2 Under Regulation 11(2)(i) of the F&G Regs, a tender exemption is available when goods or services are procured from an ADE.
- 4.3.3 The City is committed to supporting procurement from ADEs and will, where feasible, seek to create opportunities for these organisations to supply goods, services, or works. When preparing procurement requests, efforts should be made to encourage ADEs to participate. For instance, socially sustainable procurement criteria will be incorporated into evaluation processes, with qualitative weighting applied to offer a competitive advantage to ADEs in instances where they are not directly contracted. Where ADEs are directly engaged, the standard procurement thresholds outlined in paragraph 4.7 can be waived.
- 4.3.4 It is essential that, in all such arrangements, ADE employees or contractors receive no less than the Australian National Minimum Wage.

##### **Aboriginal Businesses**

- 4.3.5 According to Regulation 11(2)(h), a tender exemption is also applicable where the consideration under the Contract is \$250,000 or less, or worth \$250,000 or less provided the supplier is listed on either the Aboriginal Business Directory WA (maintained by the Chamber of Commerce and Industry of Western Australia) or by Supply Nation (trading as Australian Indigenous Minority Supplier Officer Limited).
- 4.3.6 The City is dedicated to engaging Aboriginal Businesses wherever practical. Procurement opportunities will be structured to encourage participation from Aboriginal

suppliers. To support this, socially sustainable procurement criteria will be included in requests, with suitable qualitative weighting given to favour Aboriginal Businesses in competitive processes where direct contracting is not undertaken.

#### **Local Businesses**

- 4.3.7 The City prioritises sourcing from local businesses. Where it is practical to do so, procurement activities will be designed to provide local businesses with opportunities to supply goods, services, or works to the City.
- 4.3.8 Procurement requests should be structured to actively encourage responses from local suppliers. In evaluating submissions, a tiered scoring approach may be used—offering higher scores to businesses based within the City’s boundaries, and relatively lower scores to those in neighbouring local government areas (LGAs).
- 4.3.9 Additionally, the City may introduce key performance indicators (KPIs) for awarded suppliers that promote employment of residents from within the City. This may include recruitment promotions targeting local residents or partnerships with local schools. However, any such recruitment efforts must be inclusive and cannot favour candidates solely based on their residency within the City.

#### **4.4 Value for Money**

- 4.4.1 Value for money is a fundamental principle that underpins all procurement activities, guiding the City to achieve the most advantageous outcomes. It is important to recognise that meeting the required specifications takes precedence over simply selecting the lowest-cost option
- 4.4.2 For any procurement, an evaluation of value for money must consider the following:
- a) Whole-of-life costs and benefits - These costs may encompass acquisition, delivery, distribution, inventory holding, consumables, installation, ongoing maintenance, and eventual disposal.
    - i. for goods, this includes all associated costs across their entire lifecycle;
    - ii. for services, this relates to the full term of the Contract.
  - b) Technical quality and compliance - The goods or services offered must be assessed for their ability to meet required specifications, comply with contractual obligations, and demonstrate sound quality assurance processes.
  - c) Supplier capability and financial stability - It is essential to consider the supplier’s ability to deliver the goods or services within the required timeframe, with minimal risk of default due to financial or operational limitations.
  - d) Competitive process- To support a fair and robust procurement process, a reasonable number of competitive quotes should be obtained wherever possible to promote genuine competition.
  - e) Sustainability and broader impacts - Procurement decisions should also seek to minimise negative social, environmental, and economic impacts, promoting sustainable and responsible sourcing practices.

#### **4.5 Procurement Order of Priority**

- 4.5.1 When approaching the market to obtain quotes or carrying out any procurement activity, the City should consider and apply the following ‘Procurement Order of Priority’.

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| <b>Priority 1:</b> | <b>Existing Pre-Qualified Supplier Panel</b><br>Current Contracts, including a Panel of Pre-Qualified Suppliers or contracted suppliers, must be used where the City's supply requirements can be met through the existing Contract  |
| <b>Priority 2:</b> | <b>Local Suppliers</b><br>Where the total purchase value does not exceed the tender threshold, and a relevant local supplier that is permanently located within the City can provide the required goods or services.   |
| <b>Priority 3:</b> | <b>Tender Exempt Arrangement</b><br>Use a relevant WALGA PSP or WA State CUA regardless of whether or not the total procurement value will exceed the tender threshold.  |
| <b>Priority 4:</b> | <b>Other Tender Exempt Arrangement</b><br>Investigate and seek quotations from relevant WA Disability Enterprises and Aboriginal Businesses that are capable of providing the required goods or services, regardless of whether or not the total procurement value will exceed the tender threshold. |
| <b>Priority 5:</b> | <b>Other Suppliers</b><br>Where there are no relevant existing Contract or tender exempt arrangements available, procurement activities from any other supplier are to be in accordance with relevant procurement value thresholds.  |

#### 4.6 Risk Management

4.6.1 The correct application of risk management ensures that there is a consistent, effective and efficient assessment of risk incorporated within the procurement planning document, as well as iteratively across the procurement lifecycle. This ensures risk factors are mitigated, reducing potential legal disputes, financial penalties, and, most importantly, alleviating potential health and safety concerns. A risk assessment must be conducted for all procurement activities, irrespective of value, with a focus on identifying and managing risks, particularly with service agreements and works.

4.6.2 The following circumstances may constitute a greater consideration upon the type of risks that could be prominent within different procurements. Risk assessments are to be completed before procurement plan approval for any of the following:

- a) A high-profile procurement, such as:
  - i. socially sensitive
  - ii. importance
  - iii. high public visibility
- c) Where the Total Estimated Value exceeds \$250,000
- d) Working from heights or confined spaces
- e) Machinery expected to be present at City sites
- f) New capital equipment with access to the internet

4.6.3 All procurement transactions must endeavour to minimise risk regardless of contract value, in accordance with and complying with the City's [Risk Management Policy](#) and [Risk Management Framework](#)

## 4.7 Procurement Thresholds

4.7.1 The following table outlines the procedure for City procurement. The value for procurement is the expected value (excluding GST) of the contract over the full Contract period (including options to extend).

| <b>Total Estimated Value threshold (ex GST)</b> | <b>Procurement Procedure</b>  |
|---|---|
| <b>Up to \$5,000</b>                            | <p>The City seeks direct source purchase with at least one (1) visual, verbal or written quotation.</p> <p>Goods and services of a low risk, occasional, and not repetitive in nature.</p> <p>All visual and verbal quotations must be supported with written follow- up confirmation of the agreed quote from the supplier, to be attached to the purchase order requisition (see paragraph 4.10.2(c)).</p>  |
| <b>\$5,001 and up to \$10,000</b>               | <p>The City must seek a minimum of two (2) written quotations and obtain a minimum of one (1) quotation from a supplier.</p> <p>The City must clearly define the specifications of the goods, services, and works being procured, with the intent of enabling suppliers to respond and appropriately price their quotes.</p> <p>There is no requirement to prepare a formal RFQ document.</p>   |
| <b>\$10,001 and up to \$50,000</b>              | <p>The City must seek a minimum of three (3) written quotations and obtain a minimum of two (2) quotations from suppliers.</p> <p>The City must clearly define the specifications of the goods, services and works being procured with the intent of enabling suppliers to respond and appropriately price their quote.</p> <p>There is no requirement to prepare a formal RFQ document, but procurement advice is encouraged if there is a possibility of the Contract value exceeding \$50,000.</p> |
| <b>\$50,001 and up to \$250,000</b>             | <p>The City must seek and obtain a minimum of three (3) written quotations from relevant suppliers by invitation under a formal RFQ (including detailed written specifications for the goods, services and works required, and pre-determined evaluation criteria).</p> <p>All quotations above \$50,000 must be sought in conjunction with the City's Procurement Team.</p>  |

|                       |  |
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| <b>Over \$250,000</b> | <p>The City must:</p> <ul style="list-style-type: none"> <li>(a) conduct a formal RFT process (including detailed written specifications for the goods, services and works required, and predetermined evaluation criteria) in accordance with the Act, F &amp; G Regs and other relevant City policies, OR</li> <li>(b) Seek at least three (3) written quotations from tender exempt suppliers via a formal RFQ process, or through a Sole Supplier Arrangement described in clause 4.13.2 of this Procurement Policy.</li> </ul> <p>All tenders and tender exemptions must be sought in conjunction with the City's Procurement Team.</p> |
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#### 4.8 Obtaining Quotations

- 4.8.1 Where quotations are sought from suppliers, with a Contract value below \$250,000, according to the requirements set in this Procurement Policy, but suppliers decline to respond, Officers are required to document the outcome of the request.
- 4.8.2 Where Officers are unable to obtain the required number of quotations but can demonstrate they took reasonable steps to ensure compliance with this Procurement Policy, the procurement decision is to be based on the quotation(s) received and documented.
- 4.8.3 In such instances, the recommendation to award a respondent must be approved by the CEO through an Evaluation and Recommendation Report. However, if the CEO believes that, due to the nature of the goods, services, or works, the recommendation should be referred to the Council for approval, they may do so at their sole discretion.
- 4.8.4 Where a public tender process is conducted and zero (0) quotations are obtained or the submission does not satisfy value for money through a public tendering process, the Officer is exempt from advertising this request publicly again.
- 4.8.5 All quotation requests must allow a reasonable response period for suppliers. The response timeframe is to be proportionate to the complexity, scope, and risk profile of the required goods or services.

#### 4.9 Publicly Sourced Quotations (<\$250,000)

- 4.9.1 Where a decision is made to seek public tenders for Contracts less than \$250,000, an RFT process entailing all the procedures for a tender, in accordance with the Act and the associated Regulations, must be followed in full.

#### 4.10 Online Requisition Recording Requirements

- 4.10.1 Where a City Officer is to raise a requisition for a Purchase Order, quotation threshold requirements are to be displayed in the requisition as attachments to demonstrate that the Officer has sought and obtained the necessary quotations and is compliant with this Procurement Policy.
- 4.10.2 The minimum information input requirements for raising a requisition are the following:
- a) The request for tender/quotation number (above \$50,000)
  - b) Name of company and person contacted.

- c) Written, follow-up confirmation of verbal or visual quotes, quoted by suppliers and attached when raising the Purchase Order (Under \$5,000).
- d) The contact number of suppliers.
- e) Adequate product/service description, quantity, unit price and total value
- f) In cases where the choice of supplier is a WALGA preferred supplier, the WALGA Contract number must be stated in the narration column.
- g) The applicable Document Management System reference number must be stated.
- h) The required number of quotations (sought and obtained) specified for each value threshold displayed in paragraph 4.7 of this Procurement Policy is attached to the requisition.
- i) In cases of inability to obtain the required quantity of quotations, the procurement may proceed, only when advice has been given by the Procurement Team to complete and attach any of the following to the requisition:
  - Evaluation and Recommendation Report – approved or endorsed by CEO (paragraph 4.8.3)
  - A Council Report (paragraph 4.8.3)
  - A Quotation Exemption Request Form – Approved by CEO (paragraph 4.12)
  - A Sole Supplier Request Form – Approved by CEO (paragraph 4.12.3)

#### **4.11 Panels of Pre-Qualified Suppliers:**

- 4.11.1 Where the City has a continuing need for any particular goods or services to be supplied by a panel of pre-qualified suppliers, the procedures for tendering outlined in Division 2, regulation 24AC of the *F&G Regs* must be followed in full. A Panel of Prequalified Suppliers (“Panel”) as defined in the *F&G Regs* may be considered and established where the City has:
- a) Identified the number of potential suppliers and their suitability to provide goods or services against applicable selection criteria is enough to satisfy the test of ‘value for money’ (see paragraph 4.4).
  - b) Clearly articulate the goods and services to be provided from the Panel
  - c) Provide instructions to panel members regarding how the panel will work, including advice on how quotes will be requested, work awarded, and supplier changes managed.
  - d) Regularly manage performance and proactively engage panel members
- 4.11.2 Any procurement from pre-qualified suppliers, including the process for obtaining quotations from them, shall follow normal competitive procedures as stated in this Procurement Policy.
- 4.11.3 All regular communications between the City and the pre-qualified suppliers shall be in writing to ensure clarity and consistency. All written communication in respect of quotations received and procurements made from the pre-qualified suppliers shall be recorded and retained in the City’s records.
- 4.11.4 The City may elect to select a supplier not on the panel, subject to normal quotation and tendering requirements of the *F&G Regs*.
- 4.11.5 In accordance with Division 3 (24AJ) of the *F&G Regs*, any individual Contract with a pre-qualified supplier who is part of a panel will be for a term not exceeding 12 months

and will not contain an option for renewing or extending the term beyond the 12-month period.

#### **4.12 Quotation Exemptions**

4.12.1 In alignment with this Procurement Policy, multiple quotations are required where the estimated total value of a Contract is above \$5,000. Where an exceptional circumstance occurs, an exemption can be requested from obtaining multiple quotes for a procurement up to \$250,000, which must be approved by the CEO. In any of the following instances, competitive quotations are not required, up to \$250,000:

- a) An emergency situation as defined by the *Local Government Act 1995*;
- b) The procurement is under auction, which has been authorised by Council;
- c) The Contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
- d) The supply of goods or services is to be supplied by or obtained through the Government of the State or the Commonwealth or any of its agencies, or by a Local Government or a Regional Local Government,
- e) A purchase is from a person registered on the WA Aboriginal Business Directory published by the Chamber of Commerce and Industry of Western Australia, or registered with the Australian Indigenous Minority Supplier Office; or
- f) Any of the other exclusions under Division 2, Regulation 11 (2)(e) to (jb) of F&G Regs.

#### **4.13 Sole Supplier Arrangement**

4.13.1 Through thorough market research, and only after the identification that the goods, services or works are available from only one source of supplier, it is then acceptable to procure without undertaking the necessary procurement procedures under the specific value threshold described under paragraph 4.7.

4.13.2 In these circumstances, the CEO must be satisfied that there is genuinely only one source of supply that falls within the CEO's delegated authority. Approval for a sole supplier arrangement must be sought using either a 'Sole Supplier Request Form' for procurements below \$250,000, or through a Council Report over \$250,000.

4.13.3 An arrangement of this nature will only be approved for a period not exceeding three (3) years. To allow the possibility of new entrances and the opportunity for value for money assessments, the continuation of this procurement must be reassessed before expiry to show evidence that only one potential supplier still genuinely exists. Where market testing conducted within the preceding six (6) months identifies that no new suppliers are available to provide the same goods or services, the City may undertake direct procurement with the existing supplier for an additional contract term not exceeding three (3) years.

#### **4.14 Tender Exemptions**

4.14.1 Part 4, Division 2, regulation 11(2) of the *F & G Regs* specifies the requirements for when a Local Government does not have to publicly invite tenders for purchases above \$250,000. Where the regulations provide an exemption, , the determination can be made to procure goods and services which is expected to be more, or worth more, than \$250,000 (exc. GST) without performing a competitive tender process.

4.14.2 Where a tender exempt supply arrangement is used, the procurement procedures within this Procurement Policy still applies, i.e. the exemption to tender does not exempt the

purchaser from gaining the required number of quotations under the Procurement Policy. For procurements from State Government Common Use Arrangements (CUA), the City is to follow the buying rules for that CUA.

4.14.3 When deciding to conduct a public tender or utilise a tender exempt arrangement, consideration and comparison should be made, where reasonable and practical, on the costs and benefits of both processes. The chosen procurement method shall be approved by the CEO. Accordingly, tenders do not have to be publicly invited for Contracts over \$250,000 when:

- a) A purchase is obtained from the preferred supplier under the WALGA Preferred Supplier Program, or the State Government Common Use Agreement (CUA),
- b) A purchase is obtained from an Australian Disability Enterprise and represents value for money,
- c) A purchase is obtained from a panel established by the City of Nedlands; and
- d) Any other exclusions under regulation 11 of the F&G Regs 1996.

#### **4.15 Variation**

4.15.1 Regulation 20 & 21(A) of F & G Regs stipulates the requirements for a variation to a tender Contract prior to and post of awarding the Contract. These requirements need to be addressed before any tender Contract variation can be made. A Contract must not be varied unless:

- a) The variation is necessary for the goods and services to be supplied, and does not change the scope of the Contract, or
- b) The variation is a renewal or an extension of the Contract, where the extension or renewal actions were included in the initial Contract.

4.15.2 Furthermore, a variation to the term of a Contract is not permitted, as per F&G Regs 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, or
- d) The Contract extension is entered into at a time when there is in force a state of emergency declaration applying to the City.

4.15.3 Any variation, or the sum of all variations that results in the Total Contract Value within the initial Contract being varied by the lesser of 10% is considered a 'minor variation'. Where a minor variation exists, CEO must approve in writing.

4.15.4 Any variation, or the sum of all variations that result in the Total Contract Value changing by more than the minor variation threshold, is considered a 'major variation' and requires Council approval via a Council Report. Any major variation to the Contract must be fully costed and supported with detailed reasons for the amendment request.

4.15.5 Variations deemed essential for the delivery of the Contract requirements may be authorised by the City Officer with the appropriate level of delegation in accordance with the City's Purchasing Authorities and Certification of Invoices.

#### **4.16 Anti-avoidance**

- 4.16.1 In conformity with regulation 12(1) of the F & G Regs, all procurement activities that aim to source the same goods and services should be aggregated into a single procurement to achieve optimal value for money outcomes and enhance efficiency in the City.
- 4.16.2 The City must not conduct multiple purchasing activities for the same good or service to avoid (unintentionally or otherwise) taking the value of separate purchases below a procurement threshold requirement specified in this Procurement Policy.

#### **4.17 Ethics and Integrity of Employees**

- 4.17.1 All Officers and employees of the City of Nedlands must uphold the highest standards of ethics and integrity in all procurement activities, acting honestly and professionally to maintain and enhance the City's reputation.
- 4.17.2 The City of Nedlands recognises the personal rights of all employees to engage in other activities but strongly discourages such activities within the boundaries of the City of Nedlands that may have the potential to create a perception of a conflict of interest or a conflict with the objectives of this Procurement Policy or an employee's contract of employment. Accordingly, employees must disclose to the CEO any activity or interests (including indirect financial interests) that may create a conflict of interest when performing any of their duties, including an activity or an interest by a person with whom they have a close association as provided for in section 5.62 of the Act.

#### **4.18 Authorisation of Expenditure**

- 4.18.1 Acceptance of tenders and quotations and the authorisation of expenditure is to comply with the City's procurement requirements, associated policies and procedures and within the relevant delegation or limit of authority.
- 4.18.2 All procurement of goods or services other than those goods or services deemed an emergency or those outside of normal business hours is only to be procured after the approval of an appropriate purchase requisition and the creation of a relevant purchase order.
- 4.18.3 The confirmation of any procurement after the completion of a quotation/tender process must be authorised by an Officer to whom authority to incur a liability has been delegated, ensuring that sufficient funds have been provided for in the City's annual budget.

#### **4.19 Procurement Activity Record Capture**

- 4.19.1 All Local Government purchasing activity, communications and transactions must be evidenced and retained as local government records in accordance with the City's Information and Records Management Policies and the State Records Act 2000.
- 4.19.2 For a formal tender/quotation process, this includes keeping records of:
  - a) Procurement Planning documents
  - b) All tender/quotation documentation (including addenda)
  - c) Advertisement Proof (as per F&G Regs regulation 15(1)(b))
  - d) Internal documentation (COI declarations, etc.)
  - e) Contractor's insurances and the City's Conditions of Contract used
  - f) Evaluation documentation
  - g) All correspondence, including enquiry and response documentation
  - h) Notification, recommendation and award documentation

#### **4.20 Procurement Policy Non-Compliance**

- 4.20.1 This Procurement Policy is mandated under the *Local Government Act 1995* and Regulation 11A of the *Local Government (Functions and General) Regulations 1996* and therefore forms part of the legislative framework in which the City is required to conduct business.
- 4.20.2 Purchasing activities are subject to internal and external financial and performance audits, which examine compliance with legislative requirements and the City's policies and procedures.
- 4.20.3 Where legislative or policy compliance is not reasonably able to be achieved, records must evidence the rationale and decision-making processes that substantiate the noncompliance. If non-compliance with legislation, this Purchasing Policy or the Code of Conduct is identified, it must be reported to the Manager of Finance or Chief Executive Officer.
- 4.20.4 Where a breach is substantiated, it may be treated as:
- ii. An opportunity for additional training to be provided.
  - iii. A disciplinary matter, which may or may not be subject to reporting requirements under the *Public Sector Management Act 1994*; or
  - iv. Where the breach is also identified as potential serious misconduct, the matter will be reported in accordance with the *Corruption, Crime and Misconduct Act 2003*.

### **5. Roles and Responsibilities**

#### **Council**

- Make procurement decisions brought before Council in accordance with the Procurement Principles.

#### **Executive Management Team (EMT) • Lead**

compliance within their divisions.

- Monitor high-risk operational areas.

#### **Employees**

- Ensure all procurement is carried out in accordance with the procedures set out in the Policy
- Comply with individual approved purchasing thresholds

#### **Procurement Team**

- Maintain a tender register
- Provide guidance and training to employees
- Support the CEO and Executive Leadership Team in monitoring and compliance.

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### **6. Related documentation**

General Disposal Authority for Local Government Records  
Employee Code of Conduct  
Record Management City Policy

Purchasing Card Procedure

Use of Common Seal and Execution of Documents Council Policy

## 7. Related local law and legislation

*Local Government Act 1995*

*WA Local Government (Functions and General) Regulations 1996* *State Records Act 2000*

*WA Local Government (Administration) Regulations 1996*

*WA Local Government (Financial Management) Regulations 1996*

*WA Local Government (Audit) Regulations 1996*

*WA Work Health and Safety Act 2020*

*WA Work Health and Safety Regulations 2022*

*Competition and Consumer Act 2010 (Cth)*

## 8. Related delegation

*Local Government Act 1995, sections 3.57(1), 3.58(2), 3.58(3).*

*Local Government (Functions and General) Regulations, regulations 14(2a), 18(4), 18(5), 20(1) 20(2), 21(1), 21(3), 23(3) and 30(2)(a)(ii).*

## 9. Document Control and Review History

Owner:

- Procurement Officer
- Coordinator Procurement and Contracts
- Manager Financial Services

Approval Body: Council

Review frequency: biennially

| Document Responsibilities |                  |                               |                               |
|---------------------------|------------------|-------------------------------|-------------------------------|
| Version                   | Approved date    | Reference                     | Summary of changes            |
| V1.0                      | 25 May 2010      | Council Report CM12.10        | First approved version        |
| V2.0                      | 25 March 2014    | Council Report CPS14.14       | Reviewed                      |
| V3.0                      | 15 December 2015 | Council Report CPS29.15       | Reviewed                      |
| V3.1                      | 11 January 2018  | CEO Report                    | Minor Change                  |
| V3.2                      | 25 June 2019     | CEO Report 13.9               |                               |
| V4.0                      | 14 April 2020    | Council Report Item 6 SCM     |                               |
| V5.0                      | 27 July 2021     | Council Report CPS15.21       |                               |
| V6.0                      | 24 May 2022      | Council Report<br>CPS19.05.22 |                               |
| V7.0                      | 11 February 2026 | Council Report<br>CPS05.02.26 | Council Adopts revised Policy |

Next Review Date: 2 years from date of approval