



## **HR1 OCCUPATIONAL SAFETY & HEALTH POLICY**

### **Human Resources**

**PREAMBLE:** The Shire of Halls Creek Occupational Safety and Health manual provides the physical collection of processes, practice and procedures relating to health and safety at the Shire. As a governance commitment, the Council's adopted Shire Safety & Health Policy Statement details its obligation and duties towards Shire employees from the highest level in the organisation.

**OBJECTIVE:** To detail the Shire of Halls Creek Occupational Safety and Health Policy commitment and performance.

**POLICY:** The following statement forms the Shire of Halls Creek policy.

### **SAFETY AND HEALTH POLICY STATEMENT**

*The Shire of Halls Creek acknowledges its moral and legal responsibility to provide and maintain a work environment in which employees, contractors, customers and visitors are not exposed to hazards. This commitment extends to ensuring that the organisation's operations do not place the local community and visitors at risk of injury, illness or property damage.*

#### **The Shire of Halls Creek will:**

- *Provide and maintain safe workplaces, safe plant and safe systems of work;*
- *Provide written procedures and instructions to ensure safe systems of work;*
- *Provide information, instruction, training and supervision to employees, contractors and customers to ensure that they are not exposed to hazards;*
- *Ensure compliance with legislative requirements and current industry standards;*
- *Provide support and assistance to employees.*

*All levels of management are accountable for implementing this policy in their area of responsibility and implementation of this policy will be measured by annual performance reviews. Management responsibilities include the following:*

- *The provision and maintenance of the workplace in a safe condition.*
- *Involvement in the development, promotion and implementation of safety and health policies and procedures with regular reviews of these.*
- *Training employees in the safe performance of assigned tasks.*
- *The provision of resources to meet the safety and health commitment.*

#### **Employees are to:**

- *Follow all safety and health policies and procedures and acknowledge their duty of care to themselves, their co-workers and the general public.*
- *Ensure Shire procedures for accident and incident reporting are followed, reporting potential and actual hazards/accidents/incidents to your supervisor and elected safety and health representatives.*

*This policy is applicable to contractors and employees in all its operations and functions including those situations where employees are required to work off site.*

**Noel Mason**

**CHIEF EXECUTIVE OFFICER**

Adoption Date 16 May 2019 – Ordinary Meeting  
Version 4 - Updated 26 March 2020

Next Review Date – June 2020



**PROCESS:** The Shire of Halls Creek Occupational Safety and Health Manual provides information on processes, reporting requirements, inspection schedules and review mechanisms.

The Occupational Safety & Health Manual is provided to all employees of the Shire and as a working document will receive formal review every two years as a minimum.

Specific sections of the Manual shall be updated and reviewed as required.

The processes allow for immediate amendment of the Manual if identified shortcomings require such, or as the 2 yearly review of the Occupational Safety & Health Manual takes place, under the authorisation of the CEO.

**DELEGATION:**

**HEAD OF POWER:** Local Government Act 1995, Occupational Health and Safety Act 1984

<b>Policy Number</b>	HR1 Prev. Ed. STF 19
<b>Policy Section</b>	Human Resources
<b>Responsible Department</b>	Corporate Services
<b>Adoption Resolution Number</b>	2019/060
<b>Adoption Date</b>	16 May 2019
<b>Review Date &amp; Resolution</b>	22 August 2009 17 April 2014 (Resolution no. 2014/014) 15 June 2017 (Resolution no. 2017/058)



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## **A18 INDIGENOUS BUSINESS AGENDA (IBA)**

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**PREAMBLE:** To develop a consistent, operationally effective, performance based approach towards local indigenous advancement is difficult and requires focus and affirmative action. The Shire of Halls Creek (SoHC) must provide community leadership, develop sound principals and adopt affirmative actions to ensure that continuous indigenous advancement is built into the organisational culture, the operational practices and the hearts and minds of the staff and community. The creation of a principles platform, translated into business and strategic objectives, combined with supporting actions will provide Councillors and staff with clear direction. Affirmative actions and biases can then be identified, enforced and communicated to the SoHC community and Shire stakeholders.

**OBJECTIVE:** To document the principles behind the SoHC Indigenous Business Agenda in its various facets and provide clear direction to the business strategic and action plan implementation. To detail the IBA performance management requirements under each element of the program and to record the cultural and business changes achieved.

### **Definitions:**

#### ***SoHC Indigenous Business Agenda (IBA)***

*Describes the business activities of Shire of Halls Creek that actively pursue indigenous advancement over and above what would be regarded as the normal local government business. The SoHC IBA is intended to apply within the Shire of Halls Creek, the Kimberley region or the State of WA and beyond, for all facets of local government business that the SoHC may generate.*

#### ***Indigenous Business Partner (IBP) program***

*Describes the indigenous business partners the Shire will establish and have relationships with to aid the Shire complete its annual capital, operational and services programs. IBP's will be legal entities supported by or used by the Shire to provide a range of employment, goods, works and services, and can include those providing capital contributions to the Shire. They could consist of independently owned and operated Indigenous businesses, Aboriginal Corporations, independent aboriginal employees, or a combination of the above where the predominant business function is carried out by aboriginal people. The aim of this relationship for the Shire is to spread the work, procurement and supply across numerous indigenous organisations and to support them across multiple years to develop and grow.*

#### ***Aboriginal Employment***

*Describes the employment of aboriginal persons in the Shire, IBP's or other organisations, either full time, part time or casual and can include traineeships, apprenticeships or work readiness programs designed to prepare aboriginal people for employment.*

### **POLICY:**

#### **Policy Framework Principals**

The Shire of Halls Creek already undertakes affirmative action towards supporting indigenous business. This policy framework acts as a "stretching" tool and will identify



and quantify those areas of business practice where the Shire can aim to impose a greater influence and result.

### **Aboriginal Employment policy**

The SoHC has adopted an affirmative aboriginal employment policy (Policy A3 – Adopted May 2019) that targets an increase in aboriginal employment and traineeships within the operations of the Shire. This policy is a driver towards parity in the makeup of the Shire workforce when compared to the general population statistics – 75:25. The Shire acknowledged that positions filled is only part of the equation to achieve high aboriginal employment.

Affirmative action to support an employee's training, development and position competence is essential, as is parity in terms of Shire housing, advanced education and access to senior positions.

Shire Budgets are required to target and provide a higher than normal training and development component, as well as addressing legacy issues like housing and access to advanced training, education and senior positions.

### **Procurement practice to encourage Aboriginal Employment**

The SoHC has Procurement Policy (Refer Policy A11) that complies with the Local Government Act 1995 (LGA) and LGA Regulations. This policy drives purchasing and procurement on a best value approach, though the Shire can apply local preferences within tendering and quotation frameworks.

Through affirmative indigenous business preferences, the Shire can influence local, regional and State based suppliers to consider their contributions to aboriginal advancement and aboriginal employment.

The Shire will do this by;

- the insertion of indigenous business, aboriginal employment and SoHC local content objectives in Requests for Tender (RFT) and Requests for Quote (RFQ) documentation, as part of the Shire's "best value" approach to procurement;
- With each RFT and RFQ an appropriate selection criteria weighting will be applied for the IBA criteria and this weighting will in all cases not be less than 25%.
- To achieve this, the Shire will require changes to the RFT (tender) and RFQ (quote) documentation and assessment. In each case, suppliers will need to provide information in relation to their Indigenous Advancement commitment.
- The Shire will confirm via additional research, suppliers organisational and employment make-up and indigenous Advancement commitment in preparation for the RFT or RFQ assessment;
- when considering procurement plans, the identification of indigenous businesses and other indigenous suppliers that meet SoHC procurement criteria, will be listed and approached with encouragement to supply;
- in comparing procurement supplier options, the Shire will use a matrix of priorities, and target suppliers that clearly prioritise aboriginal ownership, advancement, employment, training and development within their own



organisations. To do this, the Shire must conduct additional research into the suppliers organisational and employment make-up.

- Developing cost reporting centres that can identify the expenditure of the Shire in the A1 to C3 format, then actively pursuing how internal changes can shift expenditure patterns towards an A1 result.

<b>A1 Aboriginal owned operated with +100% aboriginal employment</b>	<b>A2 Aboriginal ownership with more than 75% aboriginal employment</b>	<b>A3 Aboriginal ownership with less than 75% aboriginal employment</b>
<b>B1 Combination or mix of ownership with more than 75% aboriginal employment</b>	<b>B2 Combination or mix of ownership with less than 50% employment</b>	<b>B3 Combination or mix of ownership, limited evidence indigenous advancement and less than 4% aboriginal employment</b>
<b>C1 Non aboriginal ownership with high commitment to indigenous advancement with greater than 4% aboriginal employment</b>	<b>C2 Non aboriginal ownership with limited evidence indigenous advancement or less than 4% aboriginal employment</b>	<b>C3 No aboriginal ownership, No real evidence of indigenous advancement or aboriginal employment</b>

**Note:**

**4% is regarded as the percentage of aboriginal people in the Australian population, 75% is regarded as the percentage of aboriginal people in the Halls Creek population**

**Local Aboriginal issues require local aboriginal solutions**

The SoHC will transition and develop a business culture that demonstrates a clear acknowledgement that actions of the Shire in addressing local aboriginal issues will commence with the thorough involvement of local aboriginal people in the solution. Whilst it may not always be possible to accommodate the preferred solutions, the Shires aim will be to engage aboriginal elders, leaders and emerging leaders in actively offering their solution, so the Shire may conjointly work together for a result.

**Support in Business and Employment Culture**

The SoHC business culture will evolve to instinctively know that the combined effort with our indigenous business partners (IBP) and their aboriginal employees will always produces a result greater than the sum of the Shires individual effort. The Shire recognises that the transition to greater involvement of IBP's and indigenous people in employment will require prolonged programs of support and comparative opportunity in the workplace. Conversely, the Shire expectations include our IBP's adhering to contemporary human resource practice, merit and equal opportunity principles and Occupational Safety and Health requirements in all facets of IBP operations.





## **PROCESS:**

To achieve application of the SoHC IBA policy, procurement and aboriginal employment outcomes and adoption of other indigenous business targets will be a Key Result Area in the performance assessment of the Chief Executive Officer and the Executive Management team. Quarterly reports indicating employment statistics and procurement results will be provided to the SoHC Audit Committee for examination.

During the transition phase (12 to 18 months – commencing July 2019) there will be;

- focus on the current expenditure of the Shire that can be redirected;
- development of SoHC staff resources who will drive the IBA;
- expand SoHC staff capacities to research and identify preferred suppliers, work with IBP's and bring focus to the IBA;
- identify external supporters and agencies who will work alongside the SoHC in achieving the IBA aims;
- development of a rolling Expression of Interest (EOI) for Indigenous Business Partners who have an interest in joining with the Shire in supply of goods and services;
- expected high take-up for IBP's in the road construction phase of the Duncan and Tanami roads upgrades, including the expansion of aboriginal employment at a Shire and Indigenous Business Partner level;
- added resources from existing Shire Budgets and external sources to support and develop IBP's and aboriginal workforces.

The Chief Executive Officer will direct focus on the Indigenous Business Agenda (IBA) and provide organisational frameworks to make it occur.

It is expected that the Shire will work with current and intended suppliers to meet or demonstrate the IBA requirements and have a lead in period of 12 to 18 months, thereby giving time to develop the compliant suppliers and future business relationships. The application of this policy will be advertised and promoted in the SoHC to ensure all business owners and potential suppliers have sufficient opportunity to engage with the Shire before the elements of the IBA are applied.

## **Indigenous Business Partner (IBP) Contracts or MOU's**

The IBP would be expected to support and adopt sustainable governance, business and employment practices to mirror Shire behaviour standards and the Shire would assist them where required to establish these process.

Shire contracts (where applicable) over longer time frames, would guarantee the start-up of the IBP's and minimise the risk to Shire. Where not possible, the Shire can provide MOU's to the expected relationship between the IBP and the Shire, and use theses to provide a degree of certainty that the relationship is ongoing.

As an example:

In the expansion of the road work capacity of the Shire; risk can be offset by IBP's sharing in long term Shire MOU's and contracts to supply grading, trucking or other plant and/or workforce development. Shire would establish those partners to work alongside Shire to compliment and parallel our capacity.

Businesses that may also be able to share Shire contracts as micro businesses or as our business partners could include topics like:



Pest Control, Security, Cleaning, Detailing, minor building repairs, footpath and cemetery maintenance, tree pruning, Airport Maintenance, grass slashing, gardening, sport and recreation services.

**HEAD OF POWER:** Local Government Act 1995

<b>Policy Number</b>	A17
<b>Policy Section</b>	Administration
<b>Responsible Department</b>	Corporate Services
<b>Adoption Resolution Number</b>	2019/073
<b>Adoption Date</b>	20 June 2019
<b>Review Date &amp; Resolution</b>	19 Sept 2019 (2019/140)







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## A7 DISABILITY ACCESS AND INCLUSION

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### Administration

**PREAMBLE:** The Shire of Halls Creek is committed to ensuring that the community is accessible for and inclusive of people with disability, their families and carers. Having an adopted a Disability Access and Inclusion Plan (DIAP) of action forms part of this commitment.

**OBJECTIVE:** The Shire of Halls Creek interprets an accessible and inclusive community as one in which all Council functions, facilities and services (both in house and contracted) are open, available and accessible to people with disability, providing them with the same opportunities, rights and responsibilities as other people in the community.

**POLICY:** The Shire of Halls Creek:

- recognises that people with disability are valued members of the community who make a variety of contributions to local, social, economic and cultural life;
- believes that a community that recognises its diversity and supports the participation and inclusion of all its members makes for a richer community life;
- believes that people with disability, their families and carers who live in country areas should be supported to remain in the community of their choice;
- is committed to consulting with people with disability, their families and carers and where required, disability organisations to ensure that barriers to access are addressed appropriately;
- will ensure its agents and contractors work towards the desired outcomes in the DAIP;
- is committed to supporting local community groups and businesses to provide access and inclusion of people with disability.

**PROCESS:** The Shire of Halls Creek is also committed to achieving the seven desired outcomes of its DAIP. These are that people with disability:

- have the same opportunities as other people to access the services of, and any event by a public authority;
- have the same opportunities as other people to access the buildings and other facilities of a public authority;
- receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it;
- receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority;
- have the same opportunities as other people to make complaints to a public authority;
- have the same opportunities as other people to participate in any public consultation by a public authority;
- have the same opportunities as other people to obtain and maintain employment with a public authority.



The CEO is authorised to review the DAIP and implement those actions that support the principles outlined and accommodate annual actions in the Budget and operational strategies of the Shire.

**HEAD OF POWER:** Local Government Act 1995 and Disability Access and Inclusion Plan (DAIP) 2014-2019

<b>Policy Number</b>	A7
<b>Policy Section</b>	Administration
<b>Responsible Department</b>	Corporate Services
<b>Adoption Resolution Number</b>	2019/060
<b>Adoption Date</b>	16 May 2019
<b>Review Date &amp; Resolution</b>	



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## **A11 PROCUREMENT OF GOODS AND SERVICES**

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### **Administration**

**PREAMBLE:** The Local Government Act (Functions and General Regulations) 1995 require the Shire of Halls Creek to have a procurement policy to manage the expenditure of public funds. Changes to the LG Act 1995 and Regulations have seen the procurement practice change over time as the Shire applies the law and refines its processes. This policy steps away from previous policy frameworks in an attempt to make the process easier to follow, understand and apply whilst maintaining the structure of legal requirements.

### **OBJECTIVE:**

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 to internal procurement for the Shire of Halls Creek.

To ensure maximum "value for money" and consistency of procedure for all procurement activities that integrates within all the Shire of Halls Creeks operational areas.

### **POLICY:**

#### **Purpose**

The Shire of Halls Creek is committed to setting up efficient, effective, economical and sustainable procedures in all procurement activities. This policy:

- Provides the Shire of Halls Creek with a more effective way of purchasing goods and services.
- Ensures that purchasing transactions are carried out in a fair and equitable manner by staff with the Delegated Authority to purchase goods on the Shire's behalf.
- Strengthens integrity and confidence in the purchasing system.
- Ensures that the Shire of Halls Creek receives value for money in its purchasing.
- Ensures that the Shire of Halls Creek considers the environmental impact, regional price preference and indigenous content of the procurement process across the life cycle of goods and services.
- Ensures the Shire of Halls Creek 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 Halls Creek's purchasing practices that withstand probity.

#### **Ethics & integrity**

All officers and employees of the Shire of Halls Creek shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner.



The following principles, standards and behaviours must be observed and enforced through all stages of the procurement 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 Halls Creek's 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 Halls Creek 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 procurement that allows the best possible outcome to be achieved for the Shire of Halls Creek. 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 procurement 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); and
- 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.



The Shire of Halls Creek is committed to sustainable procurement and where appropriate shall endeavour to design requests for quotations and tenders in a manner 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 Halls Creek sustainability objectives.

Practically, sustainable procurement means the Shire of Halls Creek will 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 fit for purpose featuring the highest fuel efficiency available, based on vehicle type and within the designated price range; and
- for new buildings and refurbishments - where available use renewable energy and technologies.

### **Indigenous Content**

Indigenous content is defined as the procurement of goods and services from predominantly owned and operated indigenous businesses or corporations as opposed to competing products and services from mainstream organisations.

The Shire of Halls Creek is committed to procurement from indigenous corporations where value for money procurement and regional price preference can be applied to their offerings and shall endeavour to design quotations and tenders to provide an advantage to goods, services and / or processes that maximise indigenous content or the opportunity for indigenous business and corporations to compete.

### **Regional Price Preference Policy**

To encourage Shire of Halls Creek businesses, companies and suppliers to compete for Shire business a Regional Price Preference Policy (Refer Policy A15) applies. This must be considered under all procurement processes under this policy.

### **Purchasing thresholds**

The purchasing thresholds outlined in this section apply to all purchases by the Shire of Halls Creek unless the purchase is made by a Request for Tender. The threshold values should also be used by officers undertaking discretionary purchases directly from either from WALGA Preferred Supplier Panel/ Agreements and Common Use Arrangement, meaning if the threshold requires 3 quotes, then 3 Panel quotes must be obtained and assessed.



This requirement also applies to goods or services with a contract value exceeding the \$250,000 tender threshold (amended 2020 – COVID changes) purchased from a Panel or goods that are exempt from a Public Tender under the provisions of the Local Government (Functions and General) Regulations 1996.

The purchasing threshold total is the value of goods, supplies or work excluding GST, and in relation to contracts, the value of the contract over the full contract period or a 3 year cycle (including options to extend) where it is, or is expected to be:-

<b>Amount of Purchase (excluding GST)</b>	<b>Policy</b>
Up to \$5,000	Direct purchase from a supplier using a Purchase Order or Corporate Credit Card issued by the Shire;  or  Obtain at least one oral or written quotation from a suitable local supplier or from the open market.  For purchases \$1,500 to \$5,000 the quotation must be in writing.
\$5,001 - \$20,000	Seek at least two written quotations from a suitable local supplier or the open market.  Only one written quotation is required from any of the WALGA service (not the Preferred Supplier Panel goods and services).
\$20,001 - \$250, 000	Seek at least three written quotations from suppliers by formal invitation. These Requests for Quotation (RFQ), should contain detailed specification of the goods and services required. The procurement decision is to be based on pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definition stated within this Policy.
<b>Note: This table must be read in conjunction with all other policy requirements which include specific details for each purchasing threshold (refer clauses 7.2 to 7.4)</b>	

### **Exemptions to policy and changes to requirements**

The obligation to source quotations is not required in the following instances:

- An emergency situation as defined by the Local Government Act;
- Utilities; including telephone, internet, electricity, water and gas
- Software license fees





- Employment of temporary staff members through temporary personnel service agencies

Halls Creek is a remote and isolated town and for some classes of goods, services and works, there may only be one local or a limited number of regional suitable suppliers. In any case, where an officer is unable to comply with the requirement for a minimum number of quotations as set out above, the purchasing officer must obtain the written approval of the Chief Executive Officer prior to proceeding with the purchase. A written record of the reasons/circumstances for the non-compliance is to be made by the purchasing officer including purchasing Officer's signature and Chief Executive Officer's approval.

The CEO from time to time, may require a procurement threshold value to be less than that stated in the above table or under the relevant regulation for classes of goods or services for value for money and operational considerations. Nothing prevents the Shire from adjusting its procurement thresholds downwards.

When seeking quotations for purchases, including those under the \$250,000 threshold (excluding GST), decisions will be made for business operational considerations and flexibility reasons to ensure that competitiveness is maintained and costs, risks, timeliness and compliance requirements are met, including those where purchasing is through WALGA preferred suppliers or Common Use Agreement.

If a decision is made to seek 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.

### **Purchases up to \$5,000**

This category is for the procurement of goods or services where the value is up to \$5,000. The purchasing method is suitable where the purchase is relatively small and low risk. In all cases it is important that the price is agreed to and fixed at the time the goods are ordered or prior to the services commencing. Quotes (written or verbal) and purchase orders must at a minimum include:

- name of person providing quotation
- name of firm
- contact details
- pricing including GST
- brief scope of works/details of item for which quotation sought

The general principles for obtaining verbal quotations are:

- Ensure that the requirement / specification is clearly understood by the local government 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.

In all cases The Purchasing Officer must use professional discretion that they have obtained a competitive price for the goods and services with occasional market testing



(e.g. telephone quotes or internet price checks) to ensure best value is maintained and where applicable, that local price preference or sourcing applies.

### **Purchases from \$5,001 to \$20,000**

This category is for the procurement of goods or services where the value of such procurement ranges between \$5,001 and \$20,000.

At least two written quotations must be sought.

The general principles for obtaining a written quotation are:

- A brief specification should communicate requirement(s) in a clear, concise and logical fashion.
- Include value for money criteria, not necessarily the lowest price.
- Include any conditions of responding, e.g. timeline and closing time for a decision, goods options or alternatives.
- 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.

The procurement decision is to be recorded using a brief Evaluation Report, email or Memo and the copy of quotes received and evaluation report are to be submitted with the purchase order to the Finance Department and filed in InfoXpert.

### **Purchases from \$20,001 - \$250,000**

For the procurement of goods or services where the value exceeds \$20,001 it is required to seek three written quotations containing price and it must contain sufficient information in relation to the specification of the goods and services being purchased.

For this procurement range, the selection should not be based on price alone, and qualitative criteria 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 should be included in the request for quotation.

For purchases between \$20,001 to \$40,999 the purchasing decision is to be based on the suppliers/contractors response to:

- the specification/requirement for the goods; services; and
- an assessment against the stated criteria, not necessarily the lowest quote.
- Regional Price preference if applicable.
- Indigenous content if applicable.

The procurement decision is to be represented using a brief Evaluation Report and the copy of quotes received and evaluation report are to be submitted with the purchase



order to the Finance Department and filed in InfoXpert.

For purchasing decisions exceeding \$75,001 a procurement plan must be prepared and authorised by the Chief Executive Officer prior to seeking quotes. The procurement plan is to consider the total value of the goods, services or works for the period of the purchase or the contract, including extensions. As a guide, if it is likely that over a three year period or less the purchase value will exceed \$250,000 then a call for tender should be considered the most appropriate procurement option

The purchasing decision is to be based upon an assessment of the suppliers / contractors response to:

- a detailed written specification for the goods, services or works required; and
- pre-determined an evaluation criterion that assesses best value considerations.
- Regional Price preference if applicable.
- Indigenous content if applicable.

The procurement decision is to be documented using a more detailed Evaluation Report. For purchases exceeding \$50,000, the evaluation panel should comprise of a least three members, one being a Director plus another staff member (the third may be further staff member or a consultant) unless approved otherwise by the Chief Executive Officer.

Where the value of the goods or services exceeds the threshold set within Regulation 11 of the Local Government (Functions and General) Regulations 1996 (\$250,000) a public tender process is required (unless an exemption is provided under those Regulations). In the case of a request for Tender, selection criteria must be determined by Council before the Tender can be called.

### **Online-procurement portals**

The Shire prescribes to Tenderlink an on-line portal for the notification and submission of quotations and tenders. Generally, this portal or a WALGA equivalent on-line procurement portal (VendorPanel eQuotes) are to be used for purchases exceeding \$75,001 to maximise supplier awareness of a request for quotation and ensure probity in the processing of the request for quotation. It may also be used at the discretion of the purchasing officer for smaller purchases. Additional advertising in newspapers or awareness advertising etc. is optional but recommended (unless a Tender where advertising in the West Australian is compulsory) and should be considered in the procurement plan to ensure that local and indigenous suppliers are aware of the request.

### **Recordkeeping and procurement checklist for purchases**

Recordkeeping of all purchases must be completed in accordance with the Shire of Halls Creek Recordkeeping Plan, policies and procedures. This includes all notes, check lists, quotations received, evaluations, decisions, letters and emails associated with the purchase.

A procurement checklist will be maintained by the Director Corporate Services. This is to assist purchasing officers to carry out their duties according to this policy and to assist in auditing. It is the responsibility of the purchasing officer to complete the checklist for all purchases except for a purchase under \$5000. The check list is to



accompany the purchase order submitted to the Finance Department along with copies of quotes received for purchases up to \$20,000. For quotations over \$20,000 this may not be practical and only the checklist is required to be submitted with the purchase order to the Finance Department. The checklist is to refer to the relevant quotations recorded InfoXpert.

## **Tenders**

Part 4 of the Local Government (Functions and General) Regulations 1996, sets out the circumstance when a public tender is required for the procurement of a good, service or work. This is generally when the good, service or work exceeds a value of \$250,000 (exclusive of GST) – this threshold of \$250,000 also applies to a person/organisation registered on the Aboriginal Business Directory WA.

The \$250,000 threshold is a fixed requirement; as a guide in terms of time frames, if it is likely that procurement over 3 years or less from the same supplier is to exceed this threshold, then tenders must be called in the first instance, or as soon as it is recognised that limits will be reached.

Only limited exceptions to these thresholds apply under the Regulations such as:

- Expenditure authorised in an emergency situation (as defined by the Act);
- The supply of goods or services is obtained through the WALGA Preferred Supplier Arrangement. All WALGA Preferred Supply Panels have been established utilising a competitive public procurement process to pre-qualify suppliers that meet compliance requirements and may offer optimal value for money to the Local Government sectors (note purchases via the WALGA Preferred Supplier Panels are still subject to the minimum number of quotations set out in Section 7.0 above).
- Acquired from an Australian Disability Enterprise and represents value for money;
- The purchase was subject to a tender but no tender was submitted that met the tender specifications or satisfied the value for money assessment within 6 months of no tender being accepted;
- The purchase is under auction which has been authorised by Council;
- Where the contract is for petrol, oil or other liquid or gas used for internal combustion engines; or
- Council by resolution, has good reason to believe, it is unlikely that there is more than one potential supplier;
- Any other exclusions under Clause 11(2) of the Local Government (Functions and General) Regulations 1996.

All Tenders shall be prepared and considered according to the Local Government (Functions and General) Regulations 1996. In addition, the following practice shall apply:

- A procurement plan must be prepared including the proposed compliance and qualitative decision criteria and authorised by Council prior to issue of the tender.
- The call for a tender and the decision assessment criteria must be authorised by Council unless approved under delegated authority by the Chief Executive Officer prior to issue of the tender.
- In addition to the tender being advertised in a state wide newspaper (such as the West Australian), preferably on a Wednesday or Saturday, the Tender shall



be issued on the Tenderlink on-line procurement portal and the portal shall be accessible to tenderers via the Shire of Halls Creek web site.

- For probity purposes the Tenderlink on-line portal shall be used for the submission of tender responses and used for the issue of notices/ addendums / answers to tenderers questions through the on-line forum.
- As soon as possible after the close of the tender, the Tenderlink on-line tender box shall be opened in the presence of at least two Council officers, one being a Director. The tender register shall be completed and signed by both officers with the tender responses recorded in InfoXpert.
- Members of the public are entitled to be present during the opening of the on-line tender box.
- There is no obligation to disclose or record tender prices at the tender opening, and price information should be regarded as commercial-in-confidence to the Shire of Halls Creek.
- The tender responses will be assessed by an evaluation panel against the pre-determined criteria. The evaluation panel will comprise of at least three members, with one being a Shire of Halls Creek Director and at least one other staff member (the third member may be a further staff member or external consultant) unless approved otherwise by the Chief Executive Officer.
- A recommendation of the preferred tenderer shall be presented to Council for a decision in the form of a detailed Evaluation Report and shall reflect the consensus view of the evaluation panel members.

Following the decision of Council, each tenderer shall be notified of the outcome of the tender with the notification including the name of the successful tender and the total value of the winning offer. These details must also be entered into the Tender Register.

### **No tenders or acceptable tenderer received**

Where the Shire of Halls Creek has invited tenders, however no tender was submitted that met the tender specification or satisfied the value for money assessment, in accordance with the Local Government (Functions and General) Regulations 1996 Regulation 11(2) (c) (i), direct purchases can be arranged. The same applies if expressions of interest have been sought but no person was, as a result, listed as an acceptable tenderer under Clause 11(2) (c) (ii) of the Regulations. When doing so the specification for the goods/ and or services must remain the same as tendered or as included in the expression of interest.

A statement indicating that no or any tender will necessarily be accepted will be made in the tender notice and tender document.

### **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 a competitive Tender provided that there must be genuinely only one source of supply. E.g. Same Make, model of previous purchases, replacing like for like assets etc. All reasonable endeavours to find alternative sources must be made and documented. Once determined, the justification and decision to sole source must be approved by Council resolution or the Chief Executive Officer if delegated authority to do so has been granted, prior to a Purchase Order being issued or a contract being entered.





The application of the provision for “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.

### **Canvassing of Councillors and Officers will disqualify**

The Shire of Halls Creek Code of Conduct places probity responsibility on Councillors and officers (staff) to declare their personal involvement with any supplier or tenderer in the case of procurement. It stands to reason therefore that the canvassing of Councillors or Officers (staff) by a supplier would preclude them from partaking in any decision in relation to the procurement. It is therefore prohibited.

A statement indicating that the canvassing of Councillors or staff is prohibited and will disqualify tenderers, will be made in the tender document.

### **Recordkeeping and Checklist for Tenders**

Record keeping of all tenders must be completed in accordance with the Shire of Halls Creek Recordkeeping Plan, policies and procedures. This includes all notes, check lists, tenders received, evaluations, decisions, letters and emails associated with the tender.

A tender checklist will be maintained by the Director Corporate Services. This is to assist purchasing officers to carry out their duties according to this policy and to assist in auditing. It is the responsibility of the purchasing officer to complete the checklist for all Tenders.

### **Purchasing from Common Use Arrangements (CUA)**

Common Use Arrangements (CUA) have been established by the Department of Finance for State Government use. In the instance where a CUA allows for Local Government use, a purchasing officer may purchase from a CUA by following the requirements for the purchasing thresholds as defined in Section 7 above.

### **Emergency Purchases**

An emergency purchase is defined as an unanticipated and unbudgeted purchase which is required in response to an emergency situation as provided for in the Local Government Act 1995. In such instances, quotations and tenderers are not required to be obtained prior to the purchase being undertaken.

An emergency purchase does not relate to purchases not planned for due to time constraints. Every effort must be made to anticipate purchases required by the Shire in advance and to allow sufficient time to obtain quotations and tenders, whichever may apply.

### **Minor variation prior to entering a contract**

If after a preferred tenderer or quotation has been chosen, but before the Shire of Halls Creek and the preferred supplier/contractor have entered into a contract; a minor variation may be negotiated with the preferred supplier/contractor. A minor variation shall not alter the nature of the goods/services procured, nor will it materially alter the specification as set out in the tender/request for quote.

All minor variations can only be such as not to compromise the Shire value for money principles and must be approved by the Director or the Chief Executive Office by written acknowledgement between the parties.





### **Varying a contract**

A contract variation must only occur in the following circumstances:

- The variation is necessary for the goods / services / works to be provided; and
- The variation does not alter the scope of the Contract; or
- The variation is a renewal or extension to the original term of the contract, in the circumstances when the original contract contained an allowance for such provision

If the proposed variation does not meet the above conditions, a separate competitive purchasing process must be conducted in accordance with the relevant purchasing threshold.

The funds requirement to meet the cost of the variation must be available with the amount set aside in the Council adopted budget and the variation must be approved in writing before the commencement of the supply or work by a Director or the Chief Executive Officer with the appropriate purchasing limit delegation.

For the purpose of this Procurement Policy, a signed purchase order is considered to be a contract.

### **Anti –Avoidance**

The Shire of Halls Creek shall not enter two or more contracts of a similar nature for the purposes of splitting the value of contracts to enable the value of consideration to be below the level of \$250,000, thereby avoiding the need to undertake a public tender process.

### **Information on regular suppliers**

The Shire of Halls Creek will seek insurance certificates and qualifications from regular suppliers and contractors and keep the information on record along with supplier performance information to streamline procurement processes.

### **Western Australia Local Government Association (WALGA) Procurement Toolkit**

The Shire of Halls Creek subscribes to the WALGA Procurement Services. This subscription allows access to a Procurement Toolkit which should be consulted for further details and guidance. The Toolkit also contains template documents including Request for Quotation, Request for Tender, procurement plan, evaluation workbooks and reports and contracts. These documents will be used when implementing this Procurement Policy.

WALGA Procurement advice up to a certain level is free and beyond that available at a fee. Shire procurement plans will indicate if WALGA procurement services will be used in the panel assessment of tenders.

### **Purchasing authority and limits**

All purchasing decisions and purchase order authorities are to be in accordance with the delegated authority of the Shire officer as set out in the Shire of Halls Creek Delegation Register.



**HEAD OF POWER:** Local Government Act 1995 – Sections 2.7, 3.57; Local Government (Functions and General) Regulations 1996: Part 4 – Provision of Goods and Services; State Records Act 2000.

**DELEGATION:** To the Chief Executive Officer with the power to delegate to Council officers.

<b>Policy Number</b>	A11 Prev. Ed. ADM 21
<b>Policy Section</b>	Administration
<b>Responsible Department</b>	Corporate Services
<b>Adoption Resolution Number</b>	2019/060
<b>Adoption Date</b>	16 May 2019
<b>Review Date &amp; Resolution</b>	22 March 2007 20 March 2008 (Resolution no. 2008/035) 18 March 2010 (Resolution no. 2010/044) 19 May 2011 (Resolution no. 2011/070) 17 April 2014 (Resolution no. 2014/014) 18 February 2016 (Resolution no. 2016/002) 17 March 2016 (Resolution no. 2016/016) 15 June 2017 (Resolution no. 2017/058) 21 June 2018 (Resolution no. 2018/075)



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## A12 PROCUREMENT – REGIONAL PRICE PREFERENCE

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### Administration

**PREAMBLE:** To provide for a price preference framework for the purchase of goods and services from local Shire of Halls Creek businesses, companies and suppliers.

**OBJECTIVE:** The policy aims to deliver a higher than average take-up of local supply, by detailing the extent of consideration the local suppliers will receive as opposed to non-local supply.

### **POLICY:**

The Shire of Halls Creek will provide businesses, companies and suppliers the opportunity to compete for Shire business with a competitive advantage on price whilst the primary principles of value for money purchasing would apply also.

The Shire will determine the requirements of each purchase with the aim of maximising local purchasing, and when direct comparison to locally supplied goods and services is required, the competitive pricing arrangements detailed in this policy will apply.

Goods and services can only be compared like for like, need for need, delivered in Halls Creek at the same or similar timeframes. In all cases where local supply versus non-local supply comparatives is not favourable with value for money principles, staff must detail the variances indicating why alternatives were chosen.

In terms of definition; local versus non-local can be determined from the originating source of the goods or service supply, as opposed to the Shire of Halls Creek based supplier of such goods and service.

Nothing in this Policy overrides or prevents the full application of the Shire of Halls Creek Procurement policy and practice including specifically designed quote or tender procurement plan requirements.

### **PRACTICE:**

#### **General Purchasing (other than Tenders)**

When officers seek a quotations for the purchase goods or services, quotes must be obtained from businesses (if in existence) who could provide the goods or services required which are located within the Shire of Halls Creek.

#### **Requests for Quotations and Tenders – Regional Price Preference**

That a Regional Price Preference will be provided to businesses operating within the boundary of the Shire of Halls Creek for all goods and services in accordance with Regulation 24D of the Local Government (Function and General) Regulations 1996.

- Up to 10%-where the contract is for goods and services, up to a maximum reduction of \$50,000 on total cost ex GST.
- Up to 5%-where the contract is for construction (building) services, up to a maximum price reduction of \$50,000 ex GST, or
- Up to 10% where the contract is for services (including construction services), up to a maximum price reduction of \$500,000 ex GST if the Local Government is



seeking tenders for the first time, due to the services previously being undertaken by the Shire of Halls Creek.

The supply of goods comparison conducted by staff if sourced from a Halls Creek supplier will include a freight component, based on known regional freight costs.

A copy of this policy must be sent to potential suppliers with each Request for Quotation or Request for Tender documentation.

The Regional Price Preference Policy will apply to all quotes and tenders unless otherwise resolved by Council and information that outlines the power of the Council to make that decision is to be included in the Quote or Tender advertising and procurement plan. (i.e. Regional Price Preference policy applies and the lowest or any Tender not necessarily accepted)

**HEAD OF POWER:** Local Government Act 1995, Regulation 24D of the Local Government (Function and General) Regulations 1996.

<b>Policy Number</b>	A12
<b>Policy Section</b>	Administration
<b>Responsible Department</b>	Corporate Services
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