

Unconfirmed Minutes Governance Committee Meeting

15 April 2024

I certify that the minutes of the meeting of the Governance Committee meeting held 15 April 2024 were confirmed on dd Mmmmm YYYY.

Presiding Member

ATTENTION/DISCLAIMER

These minutes are subject to confirmation.

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the Shire of Mundaring unless specific delegation of authority has been granted by Council. No person should rely on or act on the basis of any advice or information provided by a committee member or employee, or on the content of any discussion occurring, during the course of the Committee Meeting.

The Shire of Mundaring expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a committee member or employee, or the content of any discussion occurring during the course of the Committee Meeting.



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GOVERNANCE COMMITTEE
COMMITTEE ROOM, SHIRE OF MUNDARING ADMINISTRATION CENTRE – 5.30PM

1.0 OPENING PROCEDURES

The Presiding Member declared the meeting open at 5.30pm.

Acknowledgement of Country

Shire of Mundaring respectfully acknowledges the Whadjuk people of the Noongar Nation, who are the traditional custodians of this land. We acknowledge Elders past, present and emerging and respect their continuing culture and the contribution they make to the region.

1.1 Announcement of Visitors

Nil

1.2 Attendance/Apologies

Members	Cr Prapti Mehta (Presiding Member)	West Ward
	Pres Paige McNeil (Deputy Presiding Member)	Shire President
	Cr Neridah Zlatnik	East Ward
	Cr Luke Ellery	South Ward

Staff	Jason Whiteaker	Chief Executive Officer
	Garry Bird	Director Corporate Services
	Stan Kocian	Manager Finance and Governance
	Jeannine Bryant	Manager People and Culture
	Liz Nicholls	Governance Coordinator
	Pascaline Owers	Governance Officer

Apologies Nil

Guests Nil

2.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

3.0 DECLARATION OF INTEREST

3.1 Declaration of Financial Interest and Proximity Interests

Council Members must disclose the nature of their interest in matters to be discussed at the meeting (*Part 5 Division 6 of the Local Government Act 1995*).

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting (*Sections 5.70 and 5.71 of the Local Government Act 1995*).

Nil

3.2 Declaration of Interest Affecting Impartiality

A Council Member or an employee who has an interest in a matter to be discussed at the meeting must disclose that interest (*Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C*).

Nil

4.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE DECISION	GC1.04.24
Moved by Pres McNeil	Seconded by Cr Ellery
That the Minutes of the Governance Committee Meeting held 19 February 2024 be confirmed.	
CARRIED 4/0	
For: Cr Ellery, Pres McNeil, Cr Mehta and Cr Zlatnik	
Against: Nil	

5.0 PRESENTATIONS

Nil

6.0 REPORTS OF EMPLOYEES

6.1 New Policy - Disaster Relief Donations

File Code	GV.OPP 1
Author	Pascaline Owers, Governance Officer
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Draft Disaster Relief Donations Policy ↓

PURPOSE

A “Disaster Relief Donations Policy” has been drafted (**Attachment 1**) and is presented to the Committee for its consideration and recommendation to Council for adoption.

BACKGROUND

In August 2023, a Notice of Motion from Cr Cook was adopted by Council as follows:

That:

- 1. Council refers the item to the Governance Committee to develop a Disaster Relief Donations Policy, to be scheduled in the Governance Committee Work Plan during the 2023/24 financial year.*
- 2. The purpose and scope of the proposed Disaster Relief Donations Policy includes, but is not limited to, as follows:*

Purpose:

- a. To provide criteria for the equitable assessment for donations,*
- b. Incorporates options and flexibility in the amount to be donated, based on the circumstances of the event conditions and processes,*
- c. To ensure accountability for the funds expended.*

Scope:

- a. The policy applies to all Council donations for disaster relief in respect of disasters affecting countries, regions or community groups, and excludes events covered by the Shire’s Emergency Management Plan.*
- b. Provides options for CEO delegation on behalf of Council.*

Council has previously resolved to provide donations as follows:

- Notice of Motion - Kimberley Floods - Donation to Lord Mayors Distress Relief Fund - Cr Trish Cook (C12.01.23)

That Council, by absolute majority, approves a budget amendment of \$10,000 to the donations expenditure account in order to fund a donation to the City of Perth Lord Mayors Distress Relief Fund to assist individuals with recovery from the impacts of the recent Kimberley Flood.

- Cyclone Seroja - Donation to Lord Mayors Distress Relief Fund (C19.05.21)

That Council, by absolute majority, approves a budget amendment of \$5000 increase to the donations expenditure account in order to fund a donation to the Lord Mayor's Distress Relief Fund to assist with recovery from the impacts of Cyclone Seroja.

STATUTORY / LEGAL IMPLICATIONS

Section 2.7 of the *Local Government Act 1995* provides the role of council in relation to the determination of policies.

POLICY IMPLICATIONS

A "Disaster Relief Donations Policy" will be created and adopted if the recommendation is adopted by Council.

FINANCIAL IMPLICATIONS

There may be financial implications if a policy is to be created, depending on the amount and number of donations that may be made.

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

The Shire is a high risk fire area and has been the beneficiary of a number of public appeals for donations by the Lord Mayor's Distress Relief fund in response to significant bushfire events.

RISK IMPLICATIONS

Risk: The Shire may be viewed poorly for being a significant beneficiary of public generosity in response to disaster events in the past, including from other local governments, but is perceived as not supporting other communities who experience similar disaster events.

Likelihood	Consequence	Rating
Possible	Moderate	Moderate

Action / Strategy

Adopt a policy that provides criteria by which the Shire may make donations for disaster events.

EXTERNAL CONSULTATION

Nil

COMMENT

It is common for local governments to make donations to assist communities recover from emergencies and/or disaster events. The Shire has been the recipient of donations for disaster relief following the Parkerville Stoneville Bushfire in 2023, the Wooroloo Bushfire in 2021 and Parkerville Stoneville Mt Helena bushfire in 2014.

Council members appointed to the Governance Committee considered the above and other related issues at workshops on 29 January and 18 March 2024.

The draft “Disaster Relief Donations Policy” provides:

- a) A definition of a disaster event.
- b) Incorporates options and flexibility:
 - An item can be presented to Council if there was a wish to donate to an alternative fund.
 - Donation of non-cash assistance.

This resource sharing already exists via a formal arrangement known as the North and East Metro Recovery Group Agreement. Similar assistance has previously been provided to other local governments experiencing a disaster or emergency.
- c) Ensures accountability for the funds expended:
 - Provision for donations is to be included in the annual budget.
 - Provision of donations in respect to disaster events within Western Australia.
 - Limited to being paid to the Lord Mayors Disaster Relief Fund, in keeping with State Emergency Management Framework guidelines.

VOTING REQUIREMENT

Simple Majority

OFFICER RECOMMENDATION

Moved by Cr Zlatnik Seconded by Cr Mehta

That Council adopts the “Disaster Relief Donations Policy” (**Attachment 1**).

LOST 2/2

For: Cr Mehta and Cr Zlatnik

Against: Cr Ellery and Pres McNeil

The result was a tied vote and the Presiding Person exercised her authority under Section 5.21(3) of the Act to cast a second vote in against the motion.

COMMITTEE RECOMMENDATION MOTI

GC2.04.24

Moved by Cr Ellery Seconded by Pres McNeil

That Council do not adopt the “Disaster Relief Donations Policy” (**Attachment 1**) as drafted.

CARRIED 4/0

For: Cr Ellery, Pres McNeil, Cr Mehta and Cr Zlatnik

Against: Nil

Rationale

That Council supports the in-kind provision of assistance to disaster affected local governments but not the making of financial donations using ratepayer funds.



2.XX DISASTER RELIEF DONATIONS

Responsible Directorate	Office of the CEO
Resolution	<month/ year> <Council resolution
Procedure Ref	N/A

1. PURPOSE

To provide direction for the payment of donations in response to a disaster event that meets specified criteria and a process by which these funds can be distributed as soon as is practically possible after the event.

2. SCOPE

The policy applies to all Council donations in respect of disaster events within Western Australia and excludes events covered by the Shire's Local Emergency Management Arrangements (LEMA).

3. DEFINITIONS

disaster event

- a declared Emergency Situation or State of Emergency under the *Emergency Management Act 2005* that initiates the City of Perth Lord Mayor's Distress Relief Fund accepting donations; or
- any other disaster not subject to the above *Emergency Management Act 2005* declarations that initiates the City of Perth Lord Mayor's Distress Relief Fund accepting donations.

City of Perth Lord Mayor's Distress Relief Fund (LMDRF)

A charitable fund established by the City of Perth and the State Government to provide financial assistance to individuals for the alleviation and relief of duress, suffering and personal hardships, brought about by any disaster or emergency within Western Australia, declared by the Western Australia Government or which the LMDRF Board considers assistance is warranted.

4. POLICY

The Shire of Mundaring will allocate a budget provision providing for two monetary donations per year to the Lord Mayor's Disaster Relief Funds. Donations to the Lord Mayors Distress Relief Fund will be for a maximum value of \$5,000 for that specific disaster event.

Additionally, a contribution of in-kind officer assistance will be provided if requested by the impacted local government/s or volunteered by the Shire, if

considered appropriate by the CEO and not unduly impacting the Shire's operations.

Unspent budgeted funds will be allocated to the Shire Environment Reserve.

If additional donations are required under this policy, they shall be considered by Council at a Council Meeting.

The CEO is authorised to make donations in accordance with this policy without further referral to Council.

5. RELATED LEGISLATION

Local Government Act 1995

Emergency Management Act 2005

6. RELATED DOCUMENTS

Not Applicable

DRAFT

6.2 New Policy - Child Safety Awareness

File Code	GV.OPP 1
Author	Jeannine Bryant, Manager People & Culture
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Draft Child Safety Awareness Policy ↓

PURPOSE

A “Child Safety Awareness Policy” has been drafted (**Attachment 1**) and is presented to the Committee for its consideration and recommendation to Council for adoption.

BACKGROUND

This policy focuses on the external facing and public role of local governments in providing child safe awareness and information for their district and supporting their local communities.

The policy was developed in response to recommendation 6.12 the Commission identified the opportunity to integrate local government’s direct responsibilities to children and young people within their wider role in the community.

STATUTORY / LEGAL IMPLICATIONS

Following an extensive consultation piece and co-design process led by the Department of Communities (DLGSCI) in partnership with the Department of Local Government, Sport and Cultural Industries each local government is strongly encouraged to have a child safety awareness policy. All local governments are encouraged to fully implement the policy and fulfil the policy functions to demonstrate their leadership and commitment to building child safe environments in their local community.

POLICY IMPLICATIONS

The ‘Child Safe Awareness Policy’ will be adopted if the recommendation is adopted by Council.

FINANCIAL IMPLICATIONS

NIL

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.8 – Compliance with the Local Government Act 1995 and all relevant legislation and regulations

SUSTAINABILITY IMPLICATIONS

NIL

RISK IMPLICATIONS

Risk: Reduced trust in the Shire and its operations due to a lack of information provided to the community.		
Likelihood	Consequence	Rating
Possible	Moderate	Moderate
Action / Strategy		
To endorse the new Child Safe Awareness Policy.		

EXTERNAL CONSULTATION

NIL

COMMENT

The DLGSCI developed a policy template and resources to support implementation of a Child Safe Awareness policy. A Shire employees' working group reviewed and adapted the policy template and content to ensure relevance with the Shire of Mundaring in its role and responsibilities across the community.

Shire of Mundaring supports and values all children and young people and makes a commitment to support the safety and wellbeing of all children and young people, including protection from abuse. This Child Safe Awareness policy is one of the ways the Shire demonstrates its commitment to being child safe and a zero-tolerance approach to child abuse.

This policy provides a framework for local governments to support community to create safe environments for children and young people by ensuring safe messages, information and resources are accessible to them.

VOTING REQUIREMENT

Simple Majority

COMMITTEE / OFFICER RECOMMENDATION		GC3.04.24
Moved by	Pres McNeil	Seconded by Cr Ellery
That Council adopts the "Child Safe Awareness Policy" (Attachment 1).		
CARRIED 4/0		
For:	Cr Ellery, Pres McNeil, Cr Mehta and Cr Zlatnik	
Against:	Nil	



X.X CHILD SAFE AWARENESS POLICY

Responsible Directorate	Corporate Services
Responsible Service Area	People and Culture
Adopted	month/ year res #
Procedure Ref	N/A

1. PURPOSE

This Child Safe Awareness policy has been developed in response to recommendation 6.12 of the Royal Commission into Institutional Responses to Child Sexual Abuse and recognises that the Shire of Mundaring is uniquely placed within the local community to demonstrate leadership by supporting organisations to be child safe and to protect children and young people from harm and/or abuse. The Shire will promote the safety and wellbeing of children across the community.

2. SCOPE

The safety and wellbeing of children is everyone's responsibility. This Child Safe Awareness Policy applies to all workers and anyone else who undertakes work on behalf of the Shire, regardless of their work related to children or young people.

It applies to occupants of Shire facilities and venues, including visitors, contractors and suppliers. This includes but is not limited to:

- Kindergartens and playgroups,
- community leases
- sports fields and facilities
- aquatic centres
- community spaces
- libraries
- art galleries
- parks and gardens
- Shire events
- youth services
- regulatory services
- property facilities
- waste and environment facilities and services.

This policy will be reviewed every two years or upon the introduction of other relevant policy or legislation related to the safety and wellbeing of children and young people.

3. DEFINITIONS

abuse	abuse is an act, or a failure to act, towards or on behalf of a child that may result in harm. It can occur on one occasion or multiple occasions. Sometimes the impact of multiple events leads to harm that becomes cumulative in nature. Types of abuse include physical, emotional and sexual abuse, and neglect.
child/children	a person under 18 years of age, and in the absence of positive evidence as to age, means a person who appears to be under 18 years of age.
child safe organisation	defined in the Royal Commission Final Report as one that: <ul style="list-style-type: none">• creates an environment where children's safety and wellbeing are at the centre of thought, values, and actions• places emphasis on genuine engagement with and valuing of children and young people• creates conditions that reduce the likelihood of harm to children and young people• creates conditions that increase the likelihood of identifying any harm, and• responds to any concerns, disclosures, allegations, or suspicions of harm.• Note: in the context of local governments, this would involve referring concerns to the Department of Communities or WA Police to respond as appropriate. Implementation of the National Principles for Child Organisations give effect to the above.
child safe	for the purpose of this policy, child safe means protecting the rights of children and young people to be safe by taking actions that can help prevent harm and abuse.
harm	harm, in relation to a child, means any detrimental effect of a significant nature on the child's wellbeing, whether caused by a single act, omission or circumstance; or a series or combination of acts, omissions or circumstances.
wellbeing	wellbeing of children and young people includes the care, development, education, health and safety of children and young people.

worker all employees, including managers, full-time, part-time, casual, temporary, or permanent employees, student placements, apprentices, trainees, contractors, sub-contractors, and volunteers.

4. POLICY

The Shire supports and values all children and young people and makes a commitment to support the safety and wellbeing of all children and young people, including protection from abuse. This Child Safe Awareness policy is one of the ways the Shire demonstrates its commitment to being child safe and a zero-tolerance approach to child abuse.

This policy aims to reduce the risk of harm and child sexual abuse in our communities by encouraging child safe environments to be created and maintained. The Shire is committed to encouraging local organisations to be child safe and ensure children are safe and empowered.

Consistent with the [National Principles for Child Safe Organisations](#) and [Commonwealth Child Safe Framework](#), this policy provides a framework that outlines the role of the Shire in supporting local organisations to be child safe through access to resources, awareness raising and sharing relevant information.

4.1. Policy Principles

- The rights of children and young people are upheld.
- Children and young people are respected, listened to, and informed about their rights
- Children and young people have the fundamental right to be safe and cared for
- Children and young people have the right to speak up, be heard and taken seriously without the threat of negative consequences
- The safety and best interests of children and young people are a primary consideration when making decisions that concern them.
- Access to trusted and reliable information, including the National Principles for Child Safe Organisations, helps support organisations to understand what they must do to help reduce the risk of harm and abuse.
- Communities are informed and involved in promoting the safety and wellbeing of children and young people including protection from harm.
- Collaboration with the community and our partners promotes the safety, participation and empowerment of all children and young people.

4.2. Policy Functions

The Shire will ensure the following functions of this policy are resourced and assigned to the relevant officers for implementation:

- developing a process to deliver child safe messages (for example at Shire venues, grounds and facilities or events)

- connecting and supporting local community groups, organisations, and stakeholders to child safe resources (including culturally safe and inclusive resources).

4.3. Responsibilities

The Shire has a leadership role in our community to support relevant organisations to be child safe and promote child safe practices.

Although the Shire is not legally responsible for providing oversight of compliance with child safe practices, it will take any reasonable steps to engage with persons who utilise Shire facilities to operate in alignment with the Child Safe Awareness Policy.

The Shire will determine which roles across the organisation will directly support the implementation of the Child Safe Awareness Policy.

5. RELATED LEGISLATION

Child Care Services Act 2007

Children and Community Services Act 2004

Civil Liability Act 2002

Corruption, Crime and Misconduct Act 2003

Equal Opportunity Act 1984

Freedom of Information Act 1997

Local Government Act 1995

National Principles for Child Safety Organisations

Parliamentary Commissioner Act 1971

Public Interest Disclosure Act 2003

Public Sector Management Act 1994

United Nations Convention on the Rights of the Child (CRC)

Work Health and Safety Act 2020

Working with Children (Criminal Record Checking) Act 2004

6. RELATED DOCUMENTS

NIL

6.3 Policy Review - Purchasing

File Code	GV.OPP1
Author	Pascaline Owers, Governance Officer
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Draft Procurement Policy ↓ 2. Purchasing Policy - with track changes ↓

PURPOSE

The draft “Procurement Policy” (**Attachment 1**) has been drafted based on a review of the current “Purchasing Policy” (AS-04) and is presented to the Committee for its consideration and recommendation to Council for adoption.

BACKGROUND

The current “Purchasing Policy” was last reviewed in January 2021 (C7.01.21).

STATUTORY / LEGAL IMPLICATIONS

Regulation 11 of the *Local Government (Functions and General) Regulations 1996* includes provisions for purchasing policies:

- (1) *A local government is to prepare or adopt, and is to 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) *A purchasing policy is to make provision for and in respect of the policy to be followed by the local government for, and in respect of, entering into contracts referred to in subregulation (1).*
- (3) *A purchasing policy must make provision in respect of —*
 - (a) *the form of quotations acceptable; and*
 - (ba) *the minimum number of oral quotations and written quotations that must be obtained; and*
 - (b) *the recording and retention of written information, or documents, in respect of —*
 - (i) *all quotations received; and*
 - (ii) *all purchases made.*

For the purposes of the legislation, the draft “Procurement Policy” is the Shire’s purchasing policy.

POLICY IMPLICATIONS

The draft “Procurement Policy” will be adopted and the current “Purchasing Policy” replaced if the recommendation is adopted by Council.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.8 – Compliance with the Local Government Act 1995 and all relevant legislation and regulations

SUSTAINABILITY IMPLICATIONS

Governance

- Deliver outcomes that are consistent with the strategic goals and objectives of the Shire
- Comply with relevant policy, legislation, regulation, criteria and guidelines

RISK IMPLICATIONS

Risk: <u>Compliance</u>: Non-compliance with the <i>Local Government Act 1995</i> and <i>Local Government (Functions and General) Regulations 1996</i> .		
Likelihood	Consequence	Rating
Possible	Minor	Moderate
Action / Strategy		
The “Procurement Policy” is adopted.		

EXTERNAL CONSULTATION

Nil

COMMENT

At the Governance Workshops held 29 January 2024 and 18 March 2024, a policy review cover note was presented to the committee to seek feedback on the review of the current “Purchasing Policy”.

Subsequently, the “Purchasing Policy” was presented to the Executive Leadership Team for officer feedback.

Feedback from council members appointed to the Governance Committee and officers has been incorporated into the final draft for adoption and is shown as track changes (**Attachment 2**).

The draft “Procurement Policy” provides guidance to all officers conducting procurement on behalf of the Shire while achieving a balance between operational efficiency and robust compliance to mitigate fraud and misconduct risks. Consequently, the following changes have been included in the draft “Procurement Policy”:

- “Purchasing Policy” reframed as a “Procurement Policy”. Procurement encompasses the overarching function that describes the activities and processes to acquire goods and services. It establishes the fundamental requirements of purchasing activities required to order and receive goods.
- Inclusion of scope and definitions
- Inclusion of Guiding Principles (4.1) and Assessment Criteria (4.2)

- Updated Purchasing Thresholds (4.4)
- Clarification on Competitive Procurement Exemptions (4.5)
- Inclusion of (4.8) Contract Management (also presented for discussion at this meeting)
- Individual purchasing limits removed (Item 6) and criteria aligned to the “Execution of Documents and Use of the Common Seal Policy” (4.10)
- Deletion of item 7 - Corporate Credit Cards

VOTING REQUIREMENT

Simple Majority

OFFICER RECOMMENDATION
That Council adopts the “Procurement Policy” (Attachment 1).

COMMITTEE RECOMMENDATION MOTION	GC4.04.24
Moved by	Cr Zlatnik
Seconded by	Pres McNeil
<p>That Council That Council adopts the “Procurement Policy” (Attachment 1) subject to the following amendments:</p> <ol style="list-style-type: none"> 1. Under 4.1 Guiding Principles, Social and Sustainable Procurement, the wording be amended to reflect a stronger commitment to environmental, social and local economic benefits. Additionally, the paragraphs are to be updated for consistency with inclusion of the title of relevant reference documents; Access and Inclusion Informing Strategy, Reconciliation Action Plan, Biodiversity Strategy. 2. Update 4.2 Assessment Criteria to state: “Procurement processes will be assessed on a range of criteria to determine the preferred supplier, such as but not limited to: <ul style="list-style-type: none"> • relevant experience • methodology • capability • timing • key personnel skills • organisation capabilities • contractor performance • reference checks • resources • pricing • work health and safety • other compliance criteria contained in the request (compliance with specifications, insurance, shire policies/industry standards, financial requirements etc.) <p>The assessment criteria considered to be the most appropriate based on the goods,</p> 	

services or works being procured **will be included in the RFQ or RFT document.**”

3. Additional clarity to be included in paragraph four of 4.4 Purchasing Thresholds.
4. Update 6. Related Documents to include “Economic Development and Tourism Strategy”..

CARRIED 4/0

For: Cr Ellery, Pres McNeil, Cr Mehta and Cr Zlatnik

Against: Nil

ATTACHMENTS (REFER TO SEPARATE MINUTES ATTACHMENT)

- 0 Draft Procurement Policy (Amended by Governance Committee 15 April 2025)



1.XX PROCUREMENT

Responsible Directorate	Corporate Services
Responsible Service Area	Finance
Resolution	Month Year res #
Delegation Ref	CE-151
Procedure Ref	Procurement Procedure Contract Management Procedure

1. PURPOSE

The Shire of Mundaring (the Shire) is committed to delivering best practice in the procurement of goods, services and works that align with the principles of transparency, probity, good governance and comply with the *Local Government Act 1995* (the Act) and Part 4 of the *Local Government (Functions and General) Regulations 1996* (as amended).

The purpose of this policy is to provide guidance to all officers conducting procurement on behalf of the Shire and that procurement processes defined within the policy and corporate guidelines are understood and complied with.

2. SCOPE

This policy applies to all procurement and purchasing activities undertaken by or on behalf of the Shire.

This policy is the Shire's purchasing policy for the purposes of regulation 11 of the Regulations.

3. DEFINITIONS

local supplier/contractor	has had a permanent office and permanent staff in the Shire of Mundaring district for a period of six months prior to quotations being sought.
Regulations	the <i>Local Government (Functions and General) Regulations 1996</i> (as amended).
Request for Quote (RFQ)	a request to provide a quote for specific goods or services and refers to the document prepared by the Shire seeking formal submissions from invited parties.
Request for Tender (RFT)	a request for tender and refers to the document prepared by the Shire seeking formal submissions from interested parties for the provision of goods or services as required by the Regulations.

WALGA	Western Australian Local Government Association
WALGA Preferred Supplier Panels (WALGA PSP)	Preferred Supply Panels are specified groupings of suppliers that have been pre-qualified and appointed by WALGA to supply a category of goods or services to Local Governments.

4. POLICY

4.1. Guiding Principles

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

Full accountability - all purchasing decisions are undertaken in an efficient and effective manner for the proper expenditure of public monies to achieve the best outcome for the Shire.

Integrity - any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.

Managing Safety and Risk - effective management of risk and consideration for work health and safety in procuring goods, services and works from external contractors and suppliers is integral to achieving the best procurement outcome and to meet the Shire's strategic and operational objectives. Risk management shall be applied in accordance with the Shire's "Risk Management Policy" (2.16) and "Work Health and Safety Policy" (2.1).

Open Competition - procurement is to be undertaken on a competitive basis to ensure that all potential suppliers are treated impartially, honestly and consistently.

Professionalism - subject to legislative requirements and only to the extent required, any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and not be released unless authorised by the supplier or relevant legislation.

Regulatory Compliance - all procurement processes will comply with the Act, Regulations and requirements consistent with the Shire's policies.

Social and Sustainable Procurement - wherever possible our suppliers demonstrate outcomes that contribute to improved environmental, social and local economic outcomes. This includes:

- Local Economic Benefit
Consistent with the Shire's Economic Development and Tourism Strategy 2023-2028 the Shire promotes economic development through maximising the opportunity for competitive participation in the delivery of goods and services by local suppliers.

- **Socially Sustainable Procurement**

Procurement may be sought from socially sustainable suppliers such as Australian Disability Enterprises and registered Aboriginal businesses wherever a value for money assessment demonstrates benefit towards achieving the Shire's strategic and operational objectives.

The Shire will support the procurement of products and services that create a universally accessible community for people with disability, diverse backgrounds and cultures.

- **Environmentally Sustainable Procurement**

Recycled and environmentally sustainable products whenever a value for money assessment demonstrates benefit toward achieving the Shire's strategic and operational objectives.

Transparency - all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies, audit requirements and relevant legislation.

Value for Money - The Shire seeks the best possible procurement outcome for the Shire. Value for money is based not only on the purchase price but also on qualitative measures including the efficiency and effectiveness of the purchase and determining an acceptable level of risk to the Shire; the lowest price may not always be the most advantageous.

4.2. Assessment Criteria

Procurement processes may be assessed on the following criteria to determine the preferred supplier:

- Relevant experience
- Methodology
- Capability
- Timing
- Key personnel skills
- Organisation capabilities
- Contractor performance
- Reference checks
- Resources
- Pricing
- Work Health and Safety
- Other compliance criteria contained in the request (compliance with specifications, insurance, Shire policies/industry standards, financial requirements etc.)

The assessment criteria will be included in the RFQ or RFT document considered to be the most appropriate based on the goods, services or works being procured.

4.3. Anti-Avoidance

The Shire will not conduct multiple procurement activities for the same goods or services with the intent (inadvertent or otherwise) of 'splitting' the

purchase value or the contract value, so that the effect is to avoid a particular purchasing threshold or the need to call a public tender. This includes the creation of two or more contracts or creating multiple purchase order transactions of a similar nature.

4.4. Purchasing Thresholds

The following table prescribes the procurement methodology minimum requirements based on the purchasing value.

Determining the purchasing value is to be based on the following considerations:

- all values are to be calculated exclusive of Goods and Services Tax (GST)
- all values relate to the total actual or expected cost value of goods or services over the life of the contract, including any options to extend.
- if it is unclear what the total purchase value is, the higher threshold is to take precedence.
- the appropriate length of a contract is to be determined based on market volatility, ongoing nature of supply, historical purchasing evidence and estimated future purchasing requirements.

All procurement evaluations, review and approvals and decisions must be documented using the Shire pro-forma templates and evidenced in accordance with the Shire’s Record Keeping Plan.

The responsible employee is expected to demonstrate due diligence in seeking quotations and may determine that the process outlined for higher transaction value may be appropriate to a purchase despite it being of a lower value. In addition, it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

Purchase value threshold (ex GST)	Method to be used
Up to \$ 5,000	Obtain at least one (1) verbal quotation from a suitable supplier.
\$5,001 to \$10,000	Obtain at least one (1) written quotation containing price and specification or technical description of proposed purchase from a suitable supplier.
\$10,001 to \$50,000	Seek at least two (2) written quotations containing price and specification or technical description of proposed purchase from suitable suppliers.
\$50,001 to \$250,000	Conduct a RFQ process seeking formal submissions from at least three (3) suitable suppliers.

<p>\$250,000 and above</p>	<p>Conduct a public, open market RFT process in accordance with the provisions of the Act and the Regulations.</p> <p>OR</p> <p>If purchase meets provisions of a Public Tendering Exemption (see part 4.5.1) there is still a requirement to conduct a RFQ process seeking formal submissions from at least three (3) suitable suppliers.</p>
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4.5. Competitive Procurement Exemptions

- 4.5.1. Public Tendering Exemptions

Regulation 11(2) of the Regulations detail exemptions from publicly inviting tenders as detailed in part 4.4.
- 4.5.2. Other Procurement Exemptions

Where quotes are not practical, e.g. due to limited suppliers, the Chief Executive Officer or Director may, at their discretion, waive the requirement to obtain quotes providing that written justifiable reasons for such waiver are provided by the responsible officer and documented through records.
- 4.5.3. Sole Source of Supply

The procurement of goods, services or works available from only one private sector source of supply (manufacturer, supplier, or agency) is only permitted without undertaking a competitive process (public RFT or RFQ processes) in circumstances where the Shire is satisfied that there is genuinely only one source of supply for those goods, services or works. Written confirmation to evidence sole source of supply status must be kept on file for audit purposes.

The CEO must approve any determination of sole source of supply.

Each quotation process, including the invitation to quote, communications with suppliers, quotations received, evaluation of quotes and notification of award communications must all be captured on the Shire electronic records system. A separate file is to be maintained for each quotation process that captures all communications between the Shire and suppliers.
- 4.5.4. LGIS Insurance Services

LGIS insurance services are not defined as a purchasing activity subject to this policy.

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

4.5.5. Purchasing from WALGA Preferred Suppliers or State Government Common Use Arrangement (CUA)

A tender exemption may apply if a purchase is obtained through the WALGA Preferred Supplier Program or the State Government CUA. Both programs can also be accessed for purchases requiring quotations.

The intent of the exemption is not to bypass the purchasing or tender requirements, but to save time, money and effort in advertising purchasing intentions and evaluating quotations when this task has already been completed by WALGA or CUA.

In order to ensure accountability, regulatory compliance, open competition, integrity, transparency and value for money these requirements must be strictly observed for all purchases from WALGA Panels or CUA:

All quotations from WALGA preferred suppliers must be obtained through the WALGA e-quotes facility;

4.6. Panels of Pre-Qualified Suppliers

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

Part of the consideration of establishing a panel includes:

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

4.6.1. Establishing and Managing a Panel

If the Shire decides that a Panel is to be created, it will establish the Panel in accordance with the Regulations.

Panels will be established for one supply requirement, or a number of similar supply requirements under defined categories. This will be undertaken through an invitation procurement process advertised via a state-wide notice.

Panels may be established for a maximum of three years. The length of time of a Local Panel is decided with the approval of the CEO/ Executive Director.

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

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

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

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

4.6.2. Distributing Work Amongst Panel Members

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

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

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

- a. each panel member will have the opportunity to bid for each item of work under the Panel, with pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified Panel will be awarded on the basis of value for money in every instance; or
- b. work will be awarded on a ranked basis, which is to be stipulated in the detailed information set out under the Regulations (24AD(5)(f)) when establishing the Panel.
 - i. The Shire will invite the highest ranked panel member, who is to give written notice as to whether to accept the offer for the work to be undertaken.

- ii. Should the offer be declined, an invitation to the next ranked panel member is to be made and so forth until a panel member accepts a Contract.
- iii. Should the list of panel members invited be exhausted with no panel member accepting the offer to provide goods/services under the Panel, the Shire may then invite suppliers that are not pre-qualified under the Panel, in accordance with the Purchasing Thresholds stated in part 4.4 of this Policy.
- iv. When a ranking system is established, the Panel will not operate for a period exceeding 12 months.

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

4.6.3. Purchasing from the Panel

All purchases made under the Panel must be made in accordance with the method prescribed in the Invitation to Join a panel of pre-qualified suppliers, and applied in a consistent fashion.

4.6.4. Communications with Panel Members

The Shire will ensure clear, consistent and regular communication with panel members. Each quotation process, including the invitation to quote, communications with panel members, quotations received, evaluation of quotes and notification of award communications must all be captured on the Shire electronic records system. A separate file is to be maintained for each quotation process made under each panel that captures all communications between the Shire and panel members.

4.7. Variations

Under regulation 20 of the Regulations, a minor variation to the scope of a tender may be made prior to the Shire and the preferred tenderer formalising the contract.

For the avoidance of any doubt, a minor variation has been determined by the Shire to mean a variation which does not materially alter the specification or structure provided for by the initial tender.

Any other contract variations must be entered and executed in accordance with part 4.8.1 below.

4.8. Contract Management

Contracts are to be proactively managed during their lifecycle by the officer responsible for the delivery of the contracted goods, services or works, to ensure the Shire receives value for money and to enforce performance against the contract as per the Shire's "Contract Management Procedure". The approach to managing risk for individual contracts will be consistent

with the Shire's "Risk Management Policy" (2.16) and the associated risk assessment and acceptance criteria.

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

4.8.1. Contract variations

In accordance with regulation 21A of the Regulations, a contract must not be varied unless:

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

For all contract variations, a formal variation agreement must be completed by the responsible officer. This agreement must be signed by a person with appropriate delegation and authorisation.

All goods and service contracts valued \$50,000 (ex GST) and above will be maintained in a comprehensive Contract Register including summarised information on approved contract variations and total value of approved variations to effectively track the cumulative value of variations, evaluate the impact on the scope of the original contract and initiate a separate process where appropriate.

4.9. Records Management

Records relating to all procurement activities must be evidenced and retained in compliance with the *State Records Act 2000* (WA) and the Shire's Record Keeping Plan and associated procurement procedures.

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

4.10. Authority to Execute Contracts

Execution (or signing) of contracts must be in accordance with "Execution of Documents and Use of the Common Seal Policy" (2.11).

5. RELATED LEGISLATION

Local Government Act 1995, Division 3, s3.57

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

State Records Act 2000

Work, Health and Safety Act 2020

6. RELATED DOCUMENTS

Access and Inclusion Informing Strategy

Local Biodiversity Strategy 2009

Reconciliation Action Plan

Recordkeeping Plan

Execution of Documents and Use of the Common Seal Policy (2.11)

Fraud and Corruption Control (OR 25)

Risk Management Policy (2.16)

Work Health and Safety Policy (2.1)

Advertising - Statutory Requirements for Local and Statewide Public Notice Procedure

Ordering and Payment of Goods and Services Procedure (Admin-30)

Public Interest Disclosure Procedure (Admin-44)

Quotations for Purchase of Goods and Services Procedure (Admin-31)

Risk Management Procedure (Admin-36)

Delegations Register



12.XX PURCHASING PROCUREMENT (AS-04)

Responsible Directorate	Corporate Services
Responsible Service Area	Finance
Resolution	Month Year res #
Adopted	April 2007 C16.04.07
Amended	June 2012 C5.06.12
Reviewed	June 2017 (C8.06.17) December 2019 (C9.12.19) June 2023 (C5.06.20) January 2021 (C7.01.21)
Delegation Ref	CE-151
CEO Policy Ref	OR-12 Code of Conduct OP-58 Corporate Purchasing Card
Procedure Ref	<u>Procurement Procedure</u> <u>Contract Management Procedure</u> Admin-29 Admin-30 Admin-31

1. PURPOSE

~~This policy commits~~ The Shire of Mundaring (the Shire) is committed to delivering best practice in the procurement of goods, services and works that align with the principles of transparency, probity, good governance and comply with the *Local Government Act 1995* (the Act) and Part 4 of the *Local Government (Functions and General) Regulations 1996* (as amended).

~~The purpose of this policy is to provide guidance to all officers conducting procurement on behalf of the Shire and that procurement processes defined within the Policy and corporate guidelines are understood and complied with.~~

~~maintaining purchasing practices that:~~

- ~~• Provide the Shire with an effective and consistent way of purchasing goods and services;~~
- ~~• Ensure openness, transparency, fairness and equity throughout the purchasing process;~~
- ~~• Support the Shire's economic development by ensuring goods and services are sourced from local suppliers where possible;~~
- ~~• Achieve a balance between operational efficiency and robust compliance to mitigate fraud and misconduct risks; and~~
- ~~• Ensure compliance with the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996*.~~

2. SCOPE

[This policy applies to all procurement and purchasing activities undertaken by or on behalf of the Shire.](#)

[This policy is the Shire's purchasing policy for the purposes of regulation 11 of the Regulations.](#)

3. DEFINITIONS

local supplier/contractor has had a permanent office and permanent staff in the Shire of Mundaring district for a period of six months prior to quotations being sought.

Regulations [the Local Government \(Functions and General\) Regulations 1996 \(as amended\).](#)

Request for Quote (RFQ) [a request to provide a quote for specific goods or services and refers to the document prepared by the Shire seeking formal submissions from invited parties.](#)

Request for Tender (RFT) [a request for tender and refers to the document prepared by the Shire seeking formal submissions from interested parties for the provision of goods or services as required by the Regulations.](#)

WALGA [Western Australian Local Government Association](#)

WALGA Preferred Supplier Panels (WALGA PSP) [Preferred Supply Panels are specified groupings of suppliers that have been pre-qualified and appointed by WALGA to supply a category of goods or services to Local Governments.](#)

4. POLICY

4.1. Purchasing Guiding Principles

Code of Conduct

[All employees of the Shire are bound by the Shire's Code of Conduct when undertaking purchasing activities and will:](#)

[ensure that any actual or perceived conflicts of interest are identified, disclosed and appropriately managed;](#)

[observe the highest standards of ethics and integrity; and](#)

[act in an honest and professional manner at all times.](#)

Purchasing principles

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

Full Accountability - ~~the responsible employee will be accountable for~~ all purchasing decisions ~~are undertaken in~~ and ~~the~~ efficient ~~and~~, effective ~~and~~ ~~manner for the~~ proper expenditure of public monies to achieve the best outcome for the Shire ~~and value for money~~.

Integrity - any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.

Managing Safety and Risk - effective management of risk and consideration for work health and safety in procuring goods, services and works from external contractors and suppliers is integral to achieving the best procurement outcome and to meet the Shire's strategic and operational objectives. Risk management shall be applied in accordance with the Shire's Risk Management and Work Health and Safety policies.

Open Competition - procurement is to be undertaken on a competitive basis to ensure that all potential suppliers are treated impartially, honestly and consistently.

Professionalism – subject to legislative requirements and only to the extent required, any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and not be released unless authorised by the supplier or relevant legislation.

Regulatory Compliance - ~~all purchasing practices, procurement processes will comply with the Act, Regulations, relevant legislation, regulations and the and requirements consistent with the~~ Shire's policies, ~~procedures and Code of Conduct~~;

Social and Sustainable Procurement - wherever possible our suppliers demonstrate outcomes that contribute to improved environmental, social and local economic outcomes. This includes:

- Local Economic Benefit

Consistent with the Shire's Economic Development and Tourism Strategy 2023-2028 the Shire promotes economic development through ~~the encouragement~~ maximising the opportunity for ~~of~~ competitive participation in the delivery of goods and services by local suppliers.

- Socially Sustainable Procurement

Procurement may be sought from socially sustainable suppliers such as Australian Disability Enterprises and registered Aboriginal businesses wherever a value for money assessment demonstrates benefit towards achieving the Shire's strategic and operational objectives.

The Shire will support the procurement of products and services that create a universally accessible community for people with disability, diverse backgrounds and cultures.

- Environmentally Sustainable Procurement

Recycled and environmentally sustainable products whenever a value for money assessment demonstrates benefit toward achieving the Shire's strategic and operational objectives.

~~**Open Competition** – purchasing is to be undertaken on a competitive basis to ensure that all potential suppliers are treated impartially, honestly and consistently;~~

~~**Integrity** – any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed;~~

~~**Transparency** - all processes, evaluations and decisions will be shall be transparent, free from bias and fully documented in accordance with applicable policies, audit requirements and relevant legislation.;~~

~~**Professionalism** – subject to legislative requirements and only to the extent required, any information provided to the Shire by a supplier will be treated as commercial-in-confidence and will not be released unless authorised by the supplier or relevant legislation;~~

Value for Money - The Shire seeks the best possible procurement outcome for the Shire. Value for money is based not only on the purchase price but also on qualitative measures including the efficiency and effectiveness of the purchase and determining an acceptable level of risk to the Shire; the lowest price may not always be the most advantageous.

4.2. Assessment Criteria

Procurement processes may be assessed on the following criteria to determine the preferred supplier:

- Relevant experience
- Methodology
- Capability
- Timing
- Key personnel skills
- Organisation capabilities
- Contractor performance
- Reference checks
- Resources
- Pricing
- Work Health and Safety
- Other compliance criteria contained in the request (compliance with specifications, insurance, Shire policies/industry standards, financial requirements etc.)

The assessment criteria will be included in the RFQ or RFT document considered to be the most appropriate based on the goods, services or works being procured.

4.3. Anti-Avoidance

The Shire will not conduct multiple procurement activities for the same goods or services with the intent (inadvertent or otherwise) of "splitting" the purchase value or the contract value, so that the effect is to avoid a particular purchasing threshold or the need to call a public tender. This

includes the creation of two or more contracts or creating multiple purchase order transactions of a similar nature.

Value for Money—the responsible employee will ensure procurement decisions achieve the best possible outcome for the amount of money spent; and

Support of Local Businesses—value for money assessment must recognise the role of Council in keeping jobs and profits in the Shire and keeping the local economy prosperous and competitive, thereby providing ongoing benefits to the local community;

Sustainability—energy and water efficiency are key considerations in purchasing decisions, and reusable, recycled content or recyclable products are preferred where available and practical.

4.1.1. Buy Local Policy

As much as practicable, employees must:

1. where appropriate, consider buying practices, procedures and specifications that do not unfairly disadvantage local businesses;
2. consider indirect benefits that have flow on benefits for local suppliers (i.e. servicing and support);
3. ensure that procurement plans address local business capability and local content;
4. explore the capability of local businesses to meet requirements and ensure that Requests for Quotation and Tenders are designed to accommodate the capabilities of local businesses;
5. avoid bias in the design and specifications for Requests for Quotation and Tenders— all Requests must be structured to encourage local businesses to bid; and
6. provide adequate and consistent information to potential suppliers.

To this extent, a qualitative weighting may be afforded in the evaluation of quotes and tenders to local suppliers/contractors or suppliers/contractors who clearly demonstrate a benefit or contribution to the local economy.

4.1.2. Value for money

Value for money is a key policy objective. It ensures that the Shire achieves the best possible outcome at competitive prices. This does not necessarily mean selecting the bid that offers the lowest initial price.

Purchasing decisions will be assessed on a value for money basis, giving full consideration to:

7. The advantages of dealing with local businesses;
8. Local content;
9. The whole-of-life cost of the purchase or contract;
10. Compliance with specifications, guidelines and requirements;
11. Supplier capability to fulfil the specified requirements—legal, financial, experience etc;
12. Net benefits to the Shire including the benefits of maintaining an ongoing, innovative and competitive local business environment;
13. Environmental impacts and ethical standards; and
14. Opportunities for local employment growth or retention.

4.1.3. Sustainable procurement

~~Sustainable procurement is defined as those practices that bring together the consideration of sustainability outcomes in addition to the commercial value proposition in deciding the most appropriate supply action to select.~~

~~Sustainable procurement incorporates the quadruple bottom line objectives into its decision making, in considering the following impacts:~~

- ~~• The environmental impact (positive or negative) of the purchase;~~
- ~~• The economic cost of supply over the life of the purchase;~~
- ~~• The social and ethical implications of the purchase; and~~
- ~~• The application of good governance and leadership over its procurement decision making.~~

~~In accordance with its sustainability objectives, the Shire is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise negative environmental and social impacts.~~

4.2.4.4. Purchasing Thresholds

The following table prescribes the ~~purchasing procurement~~ methodology ~~minimum requirements to be selected~~ based on the purchasing value.

Determining the purchasing value is to be based on the following considerations:

- ~~• all values are to be calculated exclusive of Goods and Services Tax (GST)~~
- ~~• all values relate to the total actual or expected cost value of goods or services over the life of the contract, including any options to extend.~~
- ~~• if it is unclear what the total purchase value is, the higher threshold is to take precedence.~~
- ~~• the appropriate length of a contract is to be determined based on market volatility, ongoing nature of supply, historical purchasing evidence and estimated future purchasing requirements.~~

~~All procurement evaluations, review and approvals and decisions must be documented using the Shire pro-forma templates and evidenced in accordance with the Shire's Record Keeping Plan.~~

~~Exclusive of GST;~~

~~The actual or expected value of a contract over the full contract period, including all options to extend. Alternatively the extent to which it could be reasonably expected that the Shire will continue to purchase a particular category of goods, services or works and what total value could be reasonably expected to be purchased. Best practice obtained from the Department of Local Government is that if a purchasing threshold is reached within three years, then the purchasing requirement under the relevant higher threshold must apply, including for tenders; Must incorporate any variation to the scope of the purchase and be limited to a 10% tolerance of the original purchasing value.~~

The responsible employee is expected to demonstrate due diligence in seeking quotations and may determine that the process outlined for higher

transaction value may be appropriate to a purchase despite it being of a lower value. ~~Commonly a sufficient number of quotes would be sought according to the type and nature of purchase, not purely its value. The value dictates the minimum requirements for the purchase.~~ In addition, it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

Purchasing Purchase value threshold (exclusive of GST)	Method to be used	Authority to accept the quotation or tender and sign off on the purchase
Up to 5,000 \$3,000	<p>Obtain at least one (1) verbal quotation from a suitable supplier. Written notes detailing the verbal quotation must be:</p> <ul style="list-style-type: none"> 1. recorded in the records system; and 1. attached to the requisition order. <p>Alternative suppliers are encouraged to be used to ensure best value for money and adequate market share.</p>	<ul style="list-style-type: none"> 1. Responsible employee initiates purchase order (PO) through OLR; 1. Coordinator or Team Leader confirms policy requirements by approving PO. <p>If no Coordinator or Team Leader, Manager signs off.</p>
\$5,001 \$35,001 to \$10,000	<p>Obtain Seek at least two one (1) written quotations containing price and specification or technical description of proposed purchase from a suitable supplier.</p> <p>This applies to all purchases including purchases from a tender exempt, or Preferred Supplier contract (WALGA or WA State Government Common Usage Agreement – CUA) See Part 4 of this Policy.</p> <p>Records must be kept of:</p> <ul style="list-style-type: none"> the invitation to quote sent to each supplier; the evaluation of each quotation; the decision to accept a quotation and the reason(s) why. <p>Written quotes must be:</p> <ul style="list-style-type: none"> Scanned and recorded in the records system; and 	<p>Responsible employee evaluates quotations and initiates purchase order (PO) through OLR;</p> <p>Manager confirms policy requirements by approving PO.</p>

<p>\$10,001 to \$7550,000</p>	<p>attached to the requisition order.</p> <p>Obtain-Seek at least three two (2) written quotations containing price and specification or technical description of proposed purchase from suitable suppliers.</p> <p>This applies to all purchases including purchases from a tender exempt or Preferred Supplier contract (WALGA or WA State Government Common Usage Agreement – CUA) See Part 4 of this Policy.</p> <p>Records must be kept of: the invitation to quote sent to each supplier; the evaluation of each quotation; the decision to accept a quotation and the reason(s) why. Written quotes must be: Scanned and recorded in the records system; and attached to the requisition order.</p>	<p>Responsible employee evaluates each quotation;</p> <p>Manager reviews and signs evaluation report;</p> <p>Employee initiates PO through OLR;</p> <p>Manager confirms policy requirements by approving PO;</p> <p>Manager signs the contract, if applicable.</p>
<p>\$7550,001 to \$149250,999000</p>	<p>ConductUndertake a formal public, open market Request for Quotation (RFQ) process seeking submissions from at least three (3) suitable suppliers. through Tenderlink.</p> <p>This applies to all purchases including competitive procurement exempt purchases other than a sole supplier. exempt or Preferred Supplier contract (WALGA or WA State Government Common Usage Agreement – CUA) See Part 4 of this Policy.</p> <p>Records must be kept of: the invitation to quote sent to each supplier; the evaluation of each quotation; the decision to accept a quotation and the reason(s) why. Written quotes must be: Scanned and recorded in the records system; and attached to the requisition order.</p>	<p>Evaluation panel to consist of minimum two employees;</p> <p>Manager reviews evaluation report and recommends it to Director;</p> <p>Director approves and signs off;</p> <p>Employee initiates PO through OLR;</p> <p>Director confirms policy requirements by approving PO;</p> <p>Director signs the contract, if applicable.</p>

<p>\$150,000 to \$249,999</p>	<p>Undertake a formal public, open market Request for Quotations (RFQ) through Tenderlink.</p> <p>This applies to all purchases including purchases from a tender exempt or Preferred Supplier contract (WALGA or WA State Government Common Usage Agreement – CUA) See Part 4 of this Policy.</p> <p>Records must be kept of:</p> <ol style="list-style-type: none"> 1. the invitation to quote sent to each supplier; 1. the evaluation of each quotation; 2. the decision to accept a quotation and the reason(s) why. <p>Written quotes must be: Scanned and recorded in the records system; and attached to the requisition order.</p>	<ol style="list-style-type: none"> 1. Evaluation panel to consist of minimum three employees including one Manager; 2. Director reviews evaluation report and recommends it to CEO; 3. CEO approves and signs off; 4. Employee initiates PO through OLR; 5. CEO confirms policy requirements by approving PO; 6. CEO signs the contract, if applicable.
<p>\$250,000 and above</p>	<p>Conduct a public, open market Request for Tender (RFT) process through Tenderlink in accordance with the provisions of the Local Government Act 1995 (the Act), the Local Government (Functions and General) Regulations 1996 (and the Regulations.) and the Code of Conduct;</p> <p><u>Note: Refer to the Shire of Mundaring Tender Guidelines for detailed guidelines and.</u></p> <p><u>State-wide advertising must include the local newspapers; requirements</u></p> <p>OR</p> <p><u>If purchase meets provisions of a Public Tendering Exemption from a tender exempt or Preferred Supplier contract (WALGA or WA State Government Common Usage Agreement – CUA). (See Part 4.5.1) of this Policy, there is still a requirement to <u>undertake conduct a formal Request for Quotations (RFQ) process seeking formal submissions</u></u></p>	<p><u>Delegation CE-151:</u></p> <ol style="list-style-type: none"> 1. <u>CEO can accept tender where the consideration under the resulting contract is \$250,000 (excluding GST) or less and the item is identified in the adopted budget</u> 1. <u>CEO can accept regular supply tenders and tenders for plant and vehicles for items identified in the adopted budget</u> 2. <u>Director Infrastructure Services (DIS) – as for CEO, but tender must be relevant to DIS area of responsibility.</u>

	<p>from at least a minimum of three (3) suitable suppliers. RFQ respondents containing price and specification or technical description of proposed purchase.</p>	<p>All other tenders must be accepted by Council, who can authorise the CEO as part of their decision to sign the contract.</p> <p>In line with the above delegation contracts resulting from a tender process and valued at \$250,000 (ex GST) or less over the term of the contract, can be signed off by the CEO.</p>
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4.5. Competitive Procurement Exemptions EXEMPTIONS FROM PURCHASING THRESHOLDS AND QUOTATION REQUIREMENTS

4.5.1. Public Tendering exemptions

Regulation 11(2) of the Regulations detail exemptions from publicly inviting tenders as detailed in part 4.4.

4.5.2. Other procurement Exemptions

Where quotes are not practical, e.g. due to limited suppliers, the Chief Executive Officer or Director may, at their discretion, waive the requirement to obtain quotes providing that written justifiable reasons for such waiver are provided by the responsible Officer and documented through records.

4.5.3. Sole Source of Supply

The procurement of goods, services or works available from only one private sector source of supply (manufacturer, supplier, or agency) is only permitted without undertaking a competitive process (public Tender or RFQ processes) in circumstances where the Shire is satisfied that there is genuinely only one source of supply for those goods, services or works. Written confirmation to evidence sole source of supply status must be kept on file for audit purposes.

The CEO must approve any determination of sole source of supply.

Each quotation process, including the invitation to quote, communications with suppliers, quotations received, evaluation of quotes and notification of award communications must all be captured on the Shire electronic records system. A separate file

is to be maintained for each quotation process that captures all communications between the Shire and suppliers.

4.5.4. LGIS Insurance Services

LGIS insurance services are not defined as a purchasing activity subject to this Policy.

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

4.5.5. Purchasing from WALGA Preferred Suppliers or State Government Common Use Arrangement (CUA)

A tender exemption may apply if a purchase is obtained through the WALGA Preferred Supplier Program or the State Government CUA. Both programs can also be accessed for purchases requiring quotations.

The intent of the exemption is not to bypass the purchasing or tender requirements, but to save time, money and effort in advertising purchasing intentions and evaluating quotations when this task has already been completed by WALGA or CUA.

In order to ensure accountability, regulatory compliance, open competition, integrity, transparency and value for money these requirements must be strictly observed for all purchases from WALGA Panels or CUA:

All quotations from WALGA preferred suppliers must be obtained through the WALGA e-quotes facility:

Only where the total value of the purchase does not exceed \$250,000 exclusive of GST, the following purchasing decisions are exempt from the purchasing thresholds and quotation requirements of this policy:

Purchases:

from specialised suppliers, such as state-wide advertising, postal services, memberships and subscriptions, taxis/ride share services, industry based training etc.;

for utilities (power, water, gas);

for emergency repairs;

for proprietary software support (InfoHub, InfoCouncil);

from original equipment manufacturers, where warranty provisions may be voided, such as spare parts and service of plant and equipment; and

for legal services from firms on the WALGA Preferred Supplier Panel in accordance with internal Procedure Admin-45 which prescribes the arrangements for engaging legal service providers; and

1. for specialist consultancy services or specialised equipment manufacturers, as determined by a Director or the CEO, provided their approval is in writing, prior to the purchase.

1. Purchases made from panels of pre-qualified suppliers (see below).

Engagement of specific artists for events, for a value of less than \$5,000. "Artist" includes writer, actor, musician, public performer, painter, sculptor, writer, film maker, welcome to country performer. This purchase has to be approved by a Director.

Tenders

For the procurement of goods or services where the value exceeds \$250,000, the shire is required under s. 3.57 of the Act and Regulation 11(1) of the Regulations to publicly invite tenders or purchase from a tender exempt contract.

Please refer to the Shire of Mundaring **Tender Guidelines** for guidance with tender processes.

~~Purchasing from WALGA Preferred Suppliers or State Government Common Use Arrangement (CUA)~~

~~A tender exemption may apply if a purchase is obtained through the WALGA Preferred Supplier Program or the State Government CUA. Both programs can also be accessed for purchases requiring quotations.~~

~~The intent of the exemption is not to bypass the purchasing or tender requirements, but to save time, money and effort in advertising purchasing intentions and evaluating quotations when this task has already been completed by WALGA or CUA.~~

~~In order to ensure accountability, regulatory compliance, open competition, integrity, transparency and value for money these requirements must be strictly observed for all purchases from WALGA Panels or CUA.~~

- ~~• All quotations from WALGA preferred suppliers must be obtained through the WALGA e quote facility;~~
- ~~• Contracts resulting from quotations through WALGA preferred suppliers or CUA suppliers are limited to a maximum term of 12 months.~~
- ~~• All purchasing from WALGA preferred suppliers or CUA is subject to the same thresholds and approval authorities as above. Contracts valued at more than \$325,000 (excluding GST) over three years must be presented for approval to Council.~~

~~Conflict of interest and confidentiality declarations, as well as evaluation of submissions must be completed and recorded as per the Tender Guidelines.~~

4.3.4.6. Panels of Pre-Qualified Suppliers

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

Part of the consideration of establishing a panel includes:

- there are numerous potential suppliers in the local and regional procurement related market sector(s) that satisfy the test of 'value for money';
- the Panel will streamline and will improve procurement processes; and

c. the Shire has the capability to establish a Panel, and manage the risks and achieve the benefits expected of the proposed Panel through a Contract Management Plan.

4.6.1. Establishing and Managing a Panel

If the Shire decides that a Panel is to be created, it will establish the Panel in accordance with the Regulations.

Panels will be established for one supply requirement, or a number of similar supply requirements under defined categories. This will be undertaken through an invitation procurement process advertised via a state-wide notice.

Panels may be established for a maximum of three (3) years. The length of time of a Local Panel is decided with the approval of the CEO/ Executive Director.

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

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

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

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

4.6.2. Distributing Work Amongst Panel Members

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

- a. obtain quotations from each pre-qualified supplier on the Panel with respect to all discreet purchases; or
- b. purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or

c. develop a ranking system for selection to the Panel, with work awarded in accordance with the Regulations.

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

a. each panel member will have the opportunity to bid for each item of work under the Panel, with pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified Panel will be awarded on the basis of value for money in every instance; or

b. work will be awarded on a ranked basis, which is to be stipulated in the detailed information set out under the Regulations (24AD(5)(f)) when establishing the Panel.

i. The Shire will invite the highest ranked panel member, who is to give written notice as to whether to accept the offer for the work to be undertaken.

ii. Should the offer be declined, an invitation to the next ranked panel member is to be made and so forth until a panel member accepts a Contract.

iii. Should the list of panel members invited be exhausted with no panel member accepting the offer to provide goods/services under the Panel, the Shire may then invite suppliers that are not pre-qualified under the Panel, in accordance with the Purchasing Thresholds stated in part 4.4 of this Policy.

iv. When a ranking system is established, the Panel will not operate for a period exceeding 12 months.

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

4.6.3. Purchasing from the Panel

All purchases made under the Panel must be made in accordance with the method prescribed in the Invitation to Join a panel of pre-qualified suppliers, and applied in a consistent fashion.

4.6.4. Communications with Panel Members

The Shire will ensure clear, consistent and regular communication with panel members. Each quotation process, including the invitation to quote, communications with panel members, quotations received, evaluation of quotes and notification of award communications must all be captured on the Shire electronic records system. A separate file is to be maintained for each quotation process made under each panel that captures all communications between the Shire and panel members.

4.4. Policy objectives

- ~~4.5. In accordance with Regulation 24AC of the Local Government (Functions and General) Regulations 1996, a Panel of Pre-qualified Suppliers ("Panel") may be created where most of the following factors apply:~~
- ~~4.6. • a range of similar goods and services are required to be purchased on a continuing and regular basis;~~
 - ~~4.7. • there are numerous potential suppliers in the local and regional procurement-related market sector(s) that satisfy the test of 'value for money';~~
 - ~~4.8. • the purchasing activity under the intended Panel is assessed as being of a low to medium risk;~~
 - ~~4.9. • the Panel will streamline and will improve procurement processes; and~~
 - ~~4.10. • the Shire has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panel.~~
 - ~~4.11. The Shire will endeavour to ensure that Panels will not be created unless most of the above factors are firmly and quantifiably established.~~
- ~~4.12. Establishing a panel~~
- ~~4.13. Should it be determined that a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 the Local Government (Functions and General) Regulations 1996.~~
- ~~4.14. • Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the Panel.~~
 - ~~4.15. • Panels may be established for a minimum of two (2) years and for a maximum length of time deemed appropriate by the Shire.~~
 - ~~4.16. • Evaluation criteria must be determined and communicated in the application process by which applications will be assessed and accepted.~~
 - ~~4.17. • Where a Panel is to be established, the Shire will endeavour to appoint at least three (3) suppliers to each category, on the basis that best value for money is demonstrated. Where less than three (3) suppliers are appointed to each category within the Panel, the category is not to be established.~~
 - ~~4.18. • In each invitation to apply to become a pre-qualified supplier (through a procurement process advertised through a statewide notice), the Shire must state the expected number of suppliers it intends to put on the panel.~~
 - ~~4.19. • Should a Panel member leave the Panel, they may be replaced by the next ranked Panel member determined in the value for money assessment should the supplier agree to do so, with this intention to be disclosed in the detailed information set out under reg. 24AD(5)(d) and (e) when establishing the Panel.~~
- ~~4.20. Distributing Work Amongst Panel members~~
- ~~4.21. To satisfy reg. 24AD(5) of the Regulations, when establishing a Panel of pre-qualified suppliers, the detailed information associated with each invitation to apply to join the Panel must either prescribe whether the Shire intends to:~~

- ~~4.22. i.— Obtain quotations from each pre-qualified supplier on the Panel with respect to all purchases, in accordance with Clause 5.3 a); or~~
- ~~4.23. ii.— Purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or~~
- ~~4.24. iii.— Develop a ranking system for selection to the Panel, with work awarded in accordance with Clause 5.3 b).~~
- ~~4.25. In considering the distribution of work among Panel members, the detailed information must also prescribe whether:~~
- ~~4.26. a) — each Panel member will have the opportunity to bid for each item of work under the Panel, with pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance; or~~
- ~~4.27. b) — work will be awarded on a ranked basis, which is to be stipulated in the detailed information set out under Regulation 24AD(5)(f) when establishing the Panel. The Shire is to invite the highest ranked Panel member, who is to give written notice as to whether to accept the offer for the work to be undertaken. Should the offer be declined, an invitation to the next ranked Panel member is to be made and so forth until a Panel member accepts a Contract. Should the list of invited Panel members be exhausted with no Panel member accepting the offer to provide goods/services under the Panel, the Shire may then invite suppliers that are not pre-qualified under the Panel, in accordance with the Purchasing Thresholds stated in Part 2 of this Policy. When a ranking system is established, the Panel must not operate for a period exceeding 12 months.~~
- ~~4.28. In every instance, a contract must not be formed with a pre-qualified supplier for an item of work beyond 12 months, which includes options to extend the contract.~~
- ~~4.29. Purchasing from a panel~~
- ~~4.30. The invitation to apply to be considered to join a panel of pre-qualified suppliers must state whether quotations are either to be invited to every member (within each category, if applicable) of the Panel for each purchasing requirement, whether a ranking system is to be established, or otherwise.~~
- ~~4.31. Each quotation process, including the invitation to quote, communications with panel members, quotations received, evaluation of quotes and notification of award communications must all be captured on the Shire's electronic records system. A separate file is to be maintained for each quotation process made under each Panel that captures all communications between the Shire and Panel members.~~
- ~~4.32. Recordkeeping~~
- ~~4.33. Records of all communications with Panel members, with respect to the quotation process and all subsequent purchases made through the Panel, must be kept.~~
- ~~4.34. For the creation of a Panel, this includes:~~

- ~~4.35. The Procurement initiation document such as a procurement business case which justifies the need for a Panel to be created;~~
- ~~4.36. Procurement Planning and approval documentation which describes how the procurement is to be undertaken to create and manage the Panel;~~
- ~~4.37. Request for Applications documentation;~~
- ~~4.38. Copy of public advertisement inviting applications;~~
- ~~4.39. Copies of applications received;~~
- ~~4.40. Evaluation documentation, including clarifications sought;~~
- ~~4.41. Negotiation documents such as negotiation plans and negotiation logs;~~
- ~~4.42. Approval of award documentation;~~
- ~~4.43. All correspondence to applicants notifying of the establishment and composition of the Panel such as award letters;~~
- ~~4.44. Contract Management Plan which describes how the contract will be managed; and~~
- ~~4.45. Copies of framework agreements entered into with pre-qualified suppliers.~~
- ~~4.46. The Shire is also to retain itemised records of all requests for quotation, including quotations received from pre-qualified suppliers and contracts awarded to Panel members. A unique reference number shall be applied to all records relating to each quotation process, which is to also be quoted on each purchase order issued under the Contract.~~
- ~~4.47. Information with regards to the Panel offerings, including details of suppliers appointed to the Panel, must be kept up to date, consistent and made available for access by all officers and employees of the Shire.~~

4.7. Variations

Under the Regulations (r.20), a minor variation to the scope of a tender may be made prior to the Shire and the preferred tenderer formalising the contract.

For the avoidance of any doubt, a minor variation has been determined by the Shire to mean a variation which does not materially alter the specification or structure provided for by the initial tender.

Any other contract variations must be entered and executed in accordance with 4.8.1 below.

4.8. Contract Management

Contracts are to be proactively managed during their lifecycle by the officer responsible for the delivery of the contracted goods, services or works, to ensure the Shire receives value for money and to enforce performance against the contract as per the Shire's Contract Management Procedures. The approach to managing risk for individual contracts will be consistent with the Shire Risk Management Policy and Risk Assessment and Acceptance Criteria.

Upon expiry of the original contract, and after any options for renewal or extension included in the original contract have been exercised, the Shire is

required to review the purchasing requirements and commence a new competitive purchasing process in accordance with this Policy.

4.8.1. Contract variations

In accordance with regulation 21A of the Regulations, a contract must not be varied unless:

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

For all contract variations, a formal variation agreement must be completed by the responsible officer. This agreement must be signed by a person with appropriate delegation and authorisation.

All goods and service contracts valued \$50,000 (ex GST) and above will be maintained in a comprehensive Contract Register including summarised information on approved contract variations and total value of approved variations to effectively track the cumulative value of variations, evaluate the impact on the scope of the original contract and initiate a separate process where appropriate.

4.9. Records Management

Records relating to all procurement activities must be evidenced and retained in compliance with the *State Records Act 2000 (WA)* and the Shire's Record Keeping Plan and associated procurement procedures.

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

4.48.4.10. Authority to Execute Contracts

Execution (or signing) of contracts must be in accordance with ~~approved individual purchasing limits.~~ Execution of Documents and Use of the Common Seal Policy (2.11).

	<u>Maximum value of contract over its term (excluding GST)</u>
<u>Managers</u>	<u>Up to \$75,000</u>
<u>Directors</u>	<u>Up to \$150,000</u>

Director Infrastructure Services	Up to \$250,000 in accordance with Delegated Authority
CEO	Up to \$250,000 in accordance with Delegated Authority

a. Corporate credit cards

The corporate credit card is to be used only for business related expenditure. The card must not be used for personal, non-work related expenditure or to obtain cash advances.

The CEO can authorise the issue of cards to employees as required. The CEO is to establish procedures for the use of cards to ensure adequate control is exercised over their use and that expenditure incurred on cards is included in the monthly schedule of accounts to be reviewed by Council. The CEO will also maintain a register of all credit cards.

All cardholders are designated employees under the *Local Government Act 1995* s. 5.74 and have therefore a statutory obligation to complete Primary and/or Annual Returns.

5. RELATED LEGISLATION

Local Government Act 1995, [Division 3, s3.57](#)

Local Government (Functions and General) Regulations 1996, [Part 4](#)

[State Records Act 2000](#)

[Work, Health and Safety 2020](#)

6. RELATED DOCUMENTS

[Access and Inclusion Informing Strategy](#)

[Local Biodiversity Strategy 2009](#)

[Reconciliation Action Plan](#)

[Shire of Mundaring Recordkeeping Plan](#)

[Code of Conduct for Council Members, Committee Members and Candidates \(1.1\)](#)

[Execution of documents Policy \(2.11\)](#)

[Code of Conduct for Employees Policy \(CEO 4.15\)](#)

[Fraud and Corruption Control \(OR 25\)](#)

[Advertising - Statutory Requirements for Local and Statewide Public Notice Procedure](#)

[Ordering and Payment of Goods and services \(Admin-30\)](#)

[Public Interest Disclosure \(Admin 44\)](#)



[Quotations for Purchase of Goods and Services \(Admin-31\)](#)

[Risk Management \(Admin 36\)](#)

[Delegations Register](#)

DRAFT



6.4 Policy Review - Contract Management

File Code	GV.OPP1
Author	Pascaline Owers, Governance Officer
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Contract Management Policy ↓

PURPOSE

The Committee is asked to consider and recommend that Council deletes the “Contract Management Policy” (OR-29) (**Attachment 1**).

BACKGROUND

The “Contract Management Policy” was adopted in March 2021 to form part of the internal controls for procurement activities.

STATUTORY / LEGAL IMPLICATIONS

Local Government (Functions and General) Regulations 1996, Part 4 deals with the provision of goods and services and includes specific requirements relating to contract extensions and variations.

POLICY IMPLICATIONS

The “Contract Management Policy” will be deleted if the recommendation is adopted by Council.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

Governance

- Comply with relevant policy, legislation, regulation, criteria and guidelines.

RISK IMPLICATIONS

Risk: Compliance: The policy provisions of the “Contract Management Policy” is not consistent with the Shire’s purchasing policy or the provisions of the *Local Government Act 1995*.

Likelihood	Consequence	Rating
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Possible	Minor	Moderate
Action / Strategy		
The “Contract Management Policy” be deleted.		

EXTERNAL CONSULTATION

Nil

COMMENT

At the Governance Workshop held 18 March 2024, a policy review cover note was presented to the committee to seek feedback. Feedback indicated there was interest in deleting the “Contract Management Policy”.

The “Contract Management Policy” is operational in nature and as such, officers are of the view that a policy is not required. Instead, inclusion of high level information for contract management has been integrated into the draft “Procurement Policy” (also presented for consideration at this meeting).

If the “Contract Management Policy” is deleted, comprehensive contract management processes supporting procurement will be further developed and more appropriately captured as a “Contract Management Procedure”.

VOTING REQUIREMENT

Simple Majority

COMMITTEE / OFFICER RECOMMENDATION		GC5.04.24	
Moved by	Cr Ellery	Seconded by	Cr Zlatnik
That Council deletes the “Contract Management Policy” (OR-29) (Attachment 1).			
CARRIED 4/0			
For:	Cr Ellery, Pres McNeil, Cr Mehta and Cr Zlatnik		
Against:	Nil		

Shire of Mundaring

POLICY**CONTRACT MANAGEMENT**

Policy Ref:	OR-29		
Committee Rec:	ARC3.02.21	Date:	16 February 2021
Adopted:	C5.03.21	Date:	09 March 2021
Amended:		Date:	
Reviewed:		Date:	
Policy Ref:	AS-04 Purchasing Policy OR-12 Code of Conduct		
Guidelines Ref:	Conflict of Interest Guidelines for Employees		
Local Law Ref:	N/A		

PURPOSE

The purpose of this policy is -

- to provide guidance to Shire employees responsible for creating and managing contracts;
- to provide consistency across the organisation when managing contracts; and
- to establish documented practices for managing contracts.

POLICYDefinition

Contract management: The process that ensures that both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the financial and operational objectives required from the contract.

Scope

This policy applies to all Shire employees involved in managing contracts. Employment contracts are excluded from this Policy.

Policy

In pursuit of effective contract management Shire employees tasked with contract management will address the following factors:

1. Managing risks

The approach to managing risks for individual contracts will be consistent with the Shire's Risk Management Framework.

Risk exposure will be minimised by measures such as:

- Considering and allocating clear contract management responsibilities during the planning stages of any procurement activity;
- Using the most recent version of the Shire's templates for Requests for Tender (RFT), Requests for Quotations (RFQ), contracts and conditions;
- Requiring conflict of interest declarations from all employees having responsibility for managing the contract;
- Maintaining an up to date contracts register, including the following information:
 - Records file number;
 - Purpose of the contract;
 - Name of the contractor(s);
 - Commencement and expiry dates;
 - Possible extensions as specified in the contract;
 - Extensions exercised;
 - Expiry after extensions;
 - Variations accepted;
 - Estimated annual budget (ie contract value); and
 - Actual contract spend.
- Requiring a bank guarantee within seven days of contract execution, where appropriate (usually for major construction contracts);
- Requiring full contract execution prior to the commencement of work;
- Requiring the contractor to have appropriate public liability, professional indemnity, workers compensation insurance as detailed in the contract;
- Certifying accuracy of invoices prior to processing payment;
- Effectively managing the contract by monitoring, evaluating and following up the contractor's performance.

2. Managing relationships

Communications between both parties to the contract will be open, constructive, non-adversarial and based on mutual understanding.

Should problems arise, they will be resolved in a timely manner. Employees responsible for managing contracts must protect the Shire's interests in all instances.

3. Managing resources

All employees managing contracts will be provided with appropriate training to manage contracts and projects, including but not limited to:

- Intensive induction and familiarisation at the commencement of employment;
- Regular refresher training provided by experienced trainers or organisations.

4. Specifying responsibilities

All decisions relating to the approval of contracts, contract extensions and contract variations, whether as a result of a public tender process or any other procurement processes, will be made in accordance with approved authorisation limits established in the Shire's Purchasing Policy AS-04.

4.1 Contract variations

- Contract variations must not breach the *Local Government (Functions and General) Regulations 1996*, Purchasing Policy AS-04 including authorisation limits and will only be considered if -
 - ✓ they are necessary for the goods or services to be supplied and do not significantly alter the scope of the original contract. They must not be used to avoid undertaking a new procurement process; or
 - ✓ they are a renewal or extension of the term of the contract, were included in the original tender documentation (if the contract results from a tender) and have not yet been exercised.
- The cumulative value of contract variations must not exceed 10% of the original contract value. Should this occur, the contract must be reviewed and an assessment made of whether a separate procurement process should be undertaken.
- Should the cumulative value of variations to a contract formed other than through a public tender process cause the contract to exceed the tender threshold, a formal tender process must be undertaken.

4.2 Contract extensions

- Contract extensions can only be approved before the expiration date of the original contract or previously extended term.
- Where a contract includes an option for extension(s), the performance of the contractor must be assessed and documented prior to approving each extension.
- Contract extensions must provide value for money and must be provided for in the Annual Budget.
- Extensions must be approved by the original contract decision-maker (i.e. Council or the employee with relevant delegated authority).

5. Keeping records

Effective contract management relies on good record keeping. Following is a non-exhaustive list of essential documents to be retained during contract management:

- All tender documentation;
- Council minutes or delegate's decision of preferred contractor;
- The most current version of the contract, incorporating any variations;
- Evidence of insurances held by the contractor;

- Records of communications and meetings with contractors and stakeholders;
- Contractor performance review prior to extension of the contract;
- Agreement from Shire of Mundaring to extend the contract;
- Requests and Shire agreement to vary the contract, including approved variation invoices.

6. Behaving ethically

Employees responsible for managing contracts will at all times comply with the Shire's Code of Conduct and the provisions of the *Local Government Act 1995*.

At any stage during the contractual relationship conflicts of interest, whether real or perceived, must be notified to the Chief Executive Officer and managed in accordance with the Shire's Conflict of Interest Guidelines.

6.5 Policy Review - Civic Functions, Ceremonies, Receptions and Provision of Hospitality and the Use of the Council Civic Area

File Code	GV.OPP 1
Author	Pascaline Owers, Governance Officer
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Civic Functions, Ceremonies, Receptions and Provision of Hospitality and the Use of the Council Civic Area Policy (OR-10) ↓

PURPOSE

The Committee is asked to consider and recommend that Council deletes the “Civic Functions, Ceremonies, Receptions and Provision of Hospitality and the Use of the Council Civic Area Policy” (OR-10) (**Attachment 1**).

BACKGROUND

The “Civic Functions, Ceremonies, Receptions and Provision of Hospitality and the Use of the Council Civic Area Policy” (“Civic Functions Policy”) was adopted in October 2009 following the redevelopment of the Shire Administration complex when it was proposed that the civic area wing of the building be made available to the community for private meetings / functions during normal working hours.

The “Civic Functions Policy” was adopted to *“provide guidelines to staff when a request is received from a member of the community or a community group as to the availability and use of the facility”*. Furthermore, minutes from the Ordinary Council Meeting from October 2009 notes that *“because the facility is not designed for private hire, a number of issues needed to be addressed within the policy to ensure ease of access for external users and minimal use of internal staff resources to manage the area and ensure that the security of the building and its contents are covered”*. The “Civic Functions Policy” also identifies the Shire’s use of the facility for official Shire events or events supported by the Shire.

STATUTORY / LEGAL IMPLICATIONS

Section 2.7 of the *Local Government Act 1995* provides the role of council in relation to the determination of policies.

POLICY IMPLICATIONS

The “Civic Functions Policy” will be deleted if the recommendation is adopted by Council.

FINANCIAL IMPLICATIONS

The use of the Civic Reception Area is no longer included as a facility in the Annual Fees and Charges Schedule as amended November 2023

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.8 – Compliance with the Local Government Act 1995 and all relevant legislation and regulations

SUSTAINABILITY IMPLICATIONS

Governance

- Comply with relevant policy, legislation, regulation, criteria and guidelines.

RISK IMPLICATIONS

Risk: <u>Reputation</u>: The use of the Civic Reception Area is not available for use by the community in accordance with the current “Civic Functions Policy”.		
Likelihood	Consequence	Rating
Unlikely	Insignificant	Low
Action / Strategy		
The “Civic Functions Policy” be deleted.		

EXTERNAL CONSULTATION

Nil

COMMENT

At the Governance Workshop held 18 March 2024, a policy review cover note was presented to the committee to seek feedback. Feedback indicated there was interest in deleting the “Civic Functions Policy”.

Officers are of the view that a policy is not required and it would be preferred that the “Functions in the Civic Area Procedure” (RL01) be reviewed to provide operational guidelines for the use of Civic Reception Area.

VOTING REQUIREMENT

Simple Majority

COMMITTEE / OFFICER RECOMMENDATION		GC6.04.24	
Moved by	Cr Ellery	Seconded by	Pres McNeil
That Council deletes the “Civic Functions, Ceremonies, Receptions and Provision of Hospitality and the Use of the Council Civic Area Policy” (OR-10) (Attachment 1).			
CARRIED 4/0			
For:	Cr Ellery, Pres McNeil, Cr Mehta and Cr Zlatnik		
Against:	Nil		

Shire of Mundaring

POLICY**CIVIC FUNCTIONS, CEREMONIES, RECEPTIONS AND PROVISION OF HOSPITALITY AND THE USE OF THE COUNCIL CIVIC AREA**

Policy Ref:	OR-10
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Committee Rec:	N/A	Date:	
Adopted by:	C11.10.09	Date:	6 October 2009
Amended by:		Date:	
Reviewed:	Once per Electoral Cycle	Date:	22 June 2010
Procedure Ref:	Nil	Delegation Ref:	Nil
Statute Ref:	N/A		
Local Law Ref:	N/A		

PURPOSE

To provide guidance for the:

- approval of civic functions, ceremonies, receptions;
- use of the Civic Room for functions and ceremonies; and
- use of a committee room as a meeting room.

POLICY

To fulfill its civic objectives, the Shire of Mundaring conducts various civic functions, receptions, and ceremonies such as official openings of Council facilities and other specific receptions or functions from time to time as the need arises.

1. Civic Functions and Receptions – General

- i. The President, in conjunction with the Chief Executive Officer, shall have discretion to determine whether a civic reception is to be held.
- ii. The date, time and invitation list shall be determined by the President, in conjunction with the Chief Executive Officer.
- iii. At the discretion of the President and Chief Executive Officer, the President may host functions and receptions with light refreshments for visiting dignitaries, local residents who are recipients of awards or prizes from the Shire, exchange students and visitors from other local authorities from Australia and overseas. The invitation list shall be at their discretion.
- iv. The Chief Executive Officer is authorised to approve civic functions, ceremonies, receptions, provision of hospitality and the use of the Civic Room, subject to compliance with this Policy.

2. Specific Functions and Ceremonies

(i) Citizenship Ceremonies

Following each Citizenship Ceremony, a reception will be held for all participants and two of their nominated guests with further guests at the approval of the Chief Executive Officer. Other invitees shall include all current elected members, local Members of Parliament, the Chief Executive Officer and other employees of the Shire at the discretion of the Chief Executive Officer.

(ii) Australia Day Ceremony

Following the Australia Day Citizenship Ceremony, a reception will be held to which all Citizenship Ceremony participants and two of their nominated guests with further guests at the approval of the Chief Executive Officer. Other invitees shall include all current elected members, local Members of Parliament, the Chief Executive Officer, and other relevant employees of the Shire at the discretion of the Chief Executive Officer.

(iii) Volunteers Reception

Each year a function will be held to demonstrate the appreciation of the Shire to all volunteers as specified by the President and Chief Executive Officer. Other invitees shall include all current elected members, the Chief Executive Officer and other relevant employees of the Shire at the discretion of the Chief Executive Officer.

(iv) Official Openings of Council Facilities

At the discretion of the President and Chief Executive Officer, the President may host receptions with light refreshments to commemorate the official openings of Council facilities. The invitation list shall be at their discretion but is to include all current elected members, the Chief Executive Officer and other relevant employees of the Shire at the discretion of the Chief Executive Officer.

(v) Christmas Functions for Shire Employees

The Chief Executive Officer shall determine on an annual basis an appropriate format for an employee function to celebrate Christmas and recognise the efforts of employees throughout the preceding twelve (12) months with the cost of such functions being borne by the employees' Social Club.

(vi) Official Meetings

Appropriate catering and refreshments may be provided for official meetings (e.g. WALGA Zone meetings). Catering is at the discretion of the Chief Executive Officer.

(vii) Small/Private Meetings during Working Hours

Appropriate catering, such as tea, coffee, soft drinks, sandwiches, finger food, biscuits may be provided for small/private meetings involving employees or elected members and members of the community or other government/agency persons. Catering shall be at the discretion of the Chief Executive Officer.

3. Common Room

A room is provided for the use by elected members for official or social purposes.

4. Meals

- (i) Meals may be provided at Council meetings, forums and briefing sessions; and
- (ii) Meals for official Council business and functions are to be approved by the Chief Executive Officer.

5. Provision of Meals for Meetings of the Council

- (i) The meal held prior to the commencement of meetings of Council is for elected members, employees and members of the public, by invitation;
- (ii) From time to time, elected members may wish to invite special guests, such as overseas visitors, to the meal. In such circumstances, elected members must obtain the prior approval of the Chief Executive Officer;
- (iii) From time to time, elected members may wish to invite occasional guests to the meal; this is subject to the Chief Executive Officer's prior approval. When considering an elected member's request, the Chief Executive Officer will take into account such factors as the frequency of guests attending the supper; and
- (iv) No other person shall be permitted to attend the meal.

6. Beverages

- (i) The Civic Room bar to be used only for Council business and functions approved by the Chief Executive Officer;
- (ii) Alcoholic spirits will not normally be provided, unless approved by the President or the Chief Executive Officer; and
- (iii) Alcohol is not permitted to be consumed during meetings of Council.

7. Use of Council Chamber

The use of the Council Chamber is for official meetings, forums and presentations. The Council Chamber is not to be used for hospitality or entertainment purposes unless approved by the Chief Executive Officer.

8. Use of Committee Room

The Committee Room is to be used for official purposes such as meetings and presentations. It shall not be used for hospitality or entertainment purposes unless approved by the Chief Executive Officer.

9. Community Use

Members of the community and community groups are to be encouraged to utilise the Civic Area and Meeting Room at a nominal charge in accordance with the Shire's Fees and Charges Schedule for meetings and forums during normal operating hours of the Administration Centre.

Community use is for community-based organisations that work to enhance the sense of community within the Shire of Mundaring and includes groups that

undertake activities that do not generate income or are registered or recognised as not for profit groups as well as government agencies.

Tea and coffee facilities may be provided by the Shire for such undertakings.

There will be no provision for use of the bar facilities or other rooms within the Civic Area.

10. Applications Not Conforming with Policy

An application which does not meet the provisions of this Policy may be referred to Council at the discretion of the Chief Executive Officer.

7.0 URGENT BUSINESS (LATE REPORTS)

Nil

8.0 CLOSING PROCEDURES

8.1 Date, Time and Place of the Next Meeting

The next Governance Committee will be held on Monday, 17 June at 5.30pm in the Committee Room, Shire of Mundaring Administration Centre.

8.2 Closure of the Meeting

The presiding member declared the meeting closed at 6.41pm.